Reserve Analysis Report

Windemere Court HOA

3950 Cleveland Ave
San Diego, CA 92103

Level I Study with Site Inspection

Fiscal Year End Date: 12/31/2016

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Written description of a reserve study and the figures in the report

Includes glossary, preparer qualifications, and calculation description

2-7 Executive Summary

Summarizes key findings of the report. Includes development description and lists the projected balance and percent funded. Summarizes the funding plans

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Describes percent funded calculation and funding levels

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2-12 Future Percent Funded

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3 Component Summary & Component Significance

Lists all components included in the study in table form

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These figures are the basis for all other calculations in the study

4 Annual Expenses by Component

Lists all projected expenses for each component over the next 30 years in table form

5 Component Details

Lists details of each individual component

Includes notes and pictures of selected components if site inspection was conducted

6 Assessment and Reserve Funding Disclosure Summary

Form that is required to be sent out with annual budget package by California Civil Code

Preface

A reserve study is a detailed report that assists common interest developments (CID) in planning for long-term common area repair and replacement expenses. These common areas differ for every development. They can include streets, roofs, recreational facilities and many other items.
A reserve study estimates the costs of common area repairs and replacements over a 30 year period. Each component is given a useful life, remaining life, and estimated cost. A reserve study then calculates the funds necessary to cover these expenses by creating funding plans.

The Big Picture - What are the significant figures to look at in the report?

- **The Component List –** What are our reserve components and when will they need maintenance

Every reserve study must start with a list of the components. The component summary contains the list of all the components, their useful and remaining lives, and their estimated costs. These numbers are the building blocks for most of the figures in the study.

- **Percent Funded -** What is our current financial standing

Probably the most important number in a reserve study is percent funded. It's almost like a credit score for an association. It tells them the current strength of their reserve fund.

Over 70% = Well Funded Between 30-70% = Fairly Funded Below 30% = Poorly Funded

The lower your percent funded the higher the risk of a special assessment. A low percent funded also increases the likelihood of deferred maintenance which can cause declining property values.

- **Funding Plans -** How much do we need to save for the future

The next important part of the study is the theoretical 30 year funding plans. The study contains 3 funding plans. It projects what the percent funded will be over the next 30 years if the CID follows each of these plans.

Current Funding Plan – This plan is based on what the association is currently contributing to its reserve fund. This information is supplied by the board or management

Recommended Funding Plan – This is McCaffery's recommendation, if a CID follows the recommended plan they should end up well funded and near the 100% funded level.

5% Threshold Funding Plan - The threshold funding plan is a 30 year cash flow plan that calculates the minimum amount a CID should contribute so their reserve balance won't fall below 5% funded and cause the need for a special assessment. The percent funded will at some point fall into poorly funded levels but will never drop below 5%. If a CID has a funding plan that is below this threshold plan they should also plan on a future special assessment and/or a deferred maintenance. (Following this plan does carry higher risk of a special assessment if a component fails early or costs more than expected)

Why Should a Reserve Study be performed?

Certain states, such as California, require that reserve studies be completed and updated annually and that the board of directors inform owners of the reserve status with their annual budget. In addition, the board of directors of a common interest development (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 help board members fulfill their fiduciary duty and also help avoid litigation against an association.

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.

Glossary of Terms:

Contingency – An allowance for miscellaneous components, unpredictable expenses and/or costs that were higher than expected. (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)

Depreciation Percent – A components percentage of the total depreciation of all components. =(Component Depreciation/Total Depreciation of all components)

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 =((Useful Life – Remaining Life) * Depreciation This Year)

Full Funded Balance Percent – A component's percentage of the total fully funded balance of all components. =(Component FFB/Total FFB of all Components)

Monthly Contribution – The amount that should be allocated to each component using the recommended funding plan. =((Component Depreciation/Total Depreciation)*Recommended Monthly Funding)

Life Remaining Percent – The percentage of life that a component has remaining =(Remaining Live/Useful Life)

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. Supplied by board or management.

Recommended Reserve Contribution – Recommended amount that the CID should allocate into reserves to offset future expenses.

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 or repair 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% funded 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.

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

Preparer Qualifications

Brian McCaffery, President and founder of McCaffery Reserve Consulting, earned his Bachelor of Science Degree in Architectural Engineering from the University of Colorado in Boulder. His degree program included coursework in Building Exterior, Lighting, Electrical Systems, Heating Ventilating and Air Conditioning, Concrete and Steel Design, Civil Engineering, Structural Engineering, and Estimating. He has worked in the Building Construction/Architectural Engineering industry for 11 years and has been performing reserve studies for the past 9 years. During his professional career, Brian has worked for multiple companies that perform reserve studies. He has performed over 3,000 reserve studies throughout the state of California and the United States. Brian is a certified Reserve Specialist, designated by the Community Associations Institute (CAI). The Reserve Specialist designation is awarded to experienced, qualified reserve specialists, who through years of specialized experience, can help ensure that your community association prepares its reserve budget as accurately as possible. Brian also has a permit to perform reserve studies in the state of Nevada (Reserve study permit #9).

McCaffery understands that most homeowners, board members, and property managers can have a difficult time understanding all the numbers in a reserve study. That is why we make it a priority to make our report easy for anyone to understand. The layout of this report is set up with graphs, explanations and figures to make it easy to follow. If you read though the full report you should have a good understanding of the numbers and calculations. We strive to make sure our studies are second to none in the industry. The important figures are summarized in the executive summary and the supporting graphs and figures give a full explanation of how the findings were derived. Further descriptions are provided in the descriptions section.

For more useful information on reserve studies please visit:

www.mccafferyreserveconsulting.com

For a quick video that highlights the main sections please see:
http://www.mccafferyreserveconsulting.com/sample-reserve-study

Or scan QR code below with a smart phone

One Page Description of how we come up with the Numbers in this Report

The numbers in this report start with the components listed in the component summary.

1. Every component is given a useful life, remaining life, and an estimated cost

We will use a boiler as an example. This boiler is expected to last 10 years and has been in use for 7 years. The estimated cost is $10,000.

Component	Useful Life	Remaining Life	Cost
Boiler	10	3	$10,000

2. The fully funded balance is calculated

Fully Funded Balance = (Useful life-Remaining Life)/Useful Life * Cost

(10-3)/10 * $10,000 = $7,000

The fully funded balance is then summed for all components and this is the total fully funded balance for the development.

3. Fully Funded Balance is then compared to the actual projected year-end balance that the development has saved for reserves

This is called the percent funded. For our example let's say the development had $5,000 saved for their boiler. Their percent funded would be:

Percent Funded = Projected Year End Reserve Balance/Fully Funded Balance
$5,000/$7,000 = 71%

4. Next expenses are projected for each component for the next 30 years using the useful and remaining lives

This information is shown in the annual expenses by component section. Inflation is included in these figures.

5. Using the projected expenses for the next 30 years the funding plans are created

Funding plans are created so that the development has enough money to offset their projected expenses for the next 30 years.

We try to create funding plans that have a uniform contribution over a 30 year period with a slight increase over time for inflation.

Executive Summary

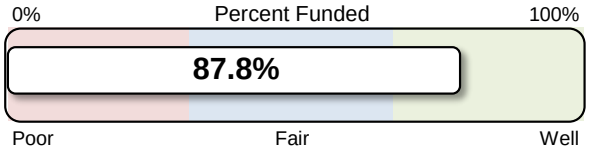
Windemere Court HOA

This is a Homeowners Association with 29 Condominium Units.

The common area components include: elevator, spa, and building exterior.

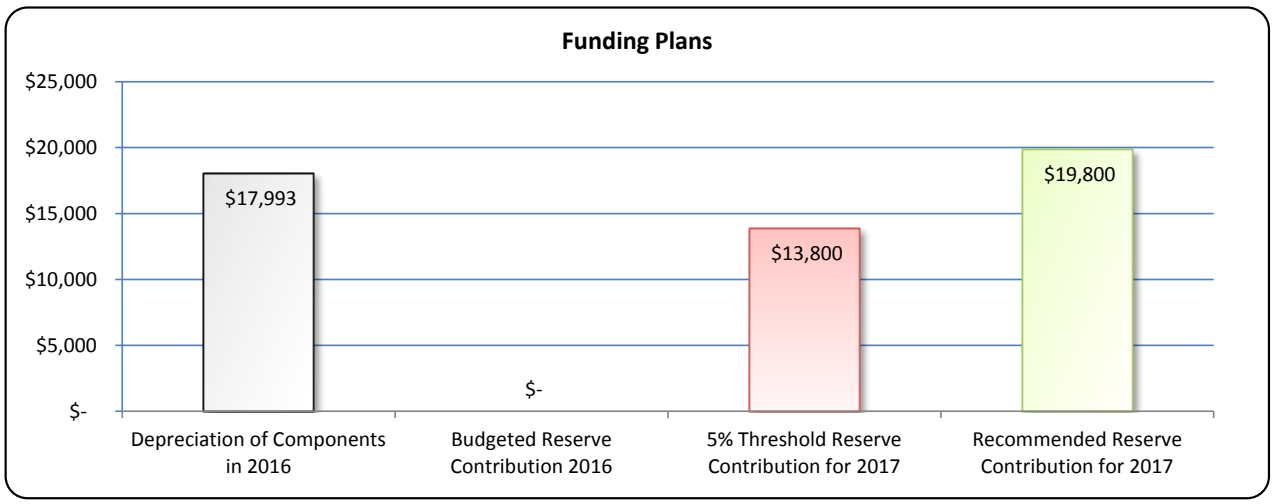
A Full Study with an on-site inspection was performed on August 9th, 2016

Number of Units	29
Year Built	1986
Fiscal Year End	December 31, 2016



Reserve Fund Balance	December 31, 2016
Fully Funded Reserve Balance	$ 176,560
Projected Balance	$ 154,932
Under Funded (Deficiency in Reserve Funding)	$ 21,628
Deficiency in Reserve Funding Per Unit	$ 745.81
Percent Funded	**87.8%**

Funding Plans	Annually	Monthly	Per Unit Monthly
Depreciation of Components in 2016	$ 17,993	$ 1,499	$ 51.70
Budgeted Reserve Contribution 2016	$ -	$ -	$ -
5% Threshold Reserve Contribution for 2017	$ 13,800	$ 1,150	$ 39.66
Recommended Reserve Contribution for 2017	**$ 19,800**	**$ 1,650**	**$ 56.90**



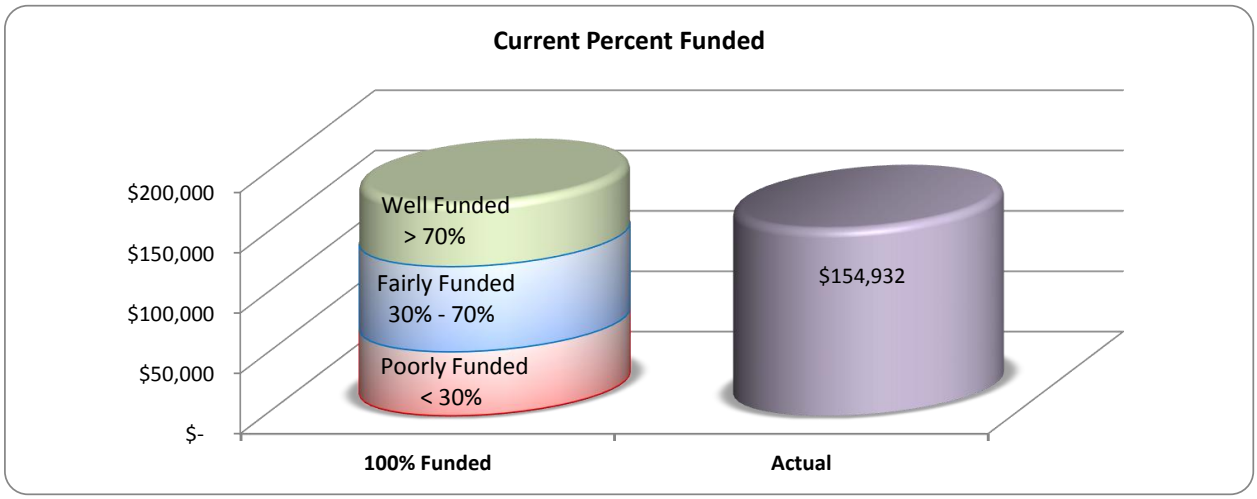
Percent Funded

Percent Funded is probably the most important number in a reserve study

Your current percent funded is:	Year End Balance	$	154,932	=	**88%**
	Fully Funded Balance	$	176,560		

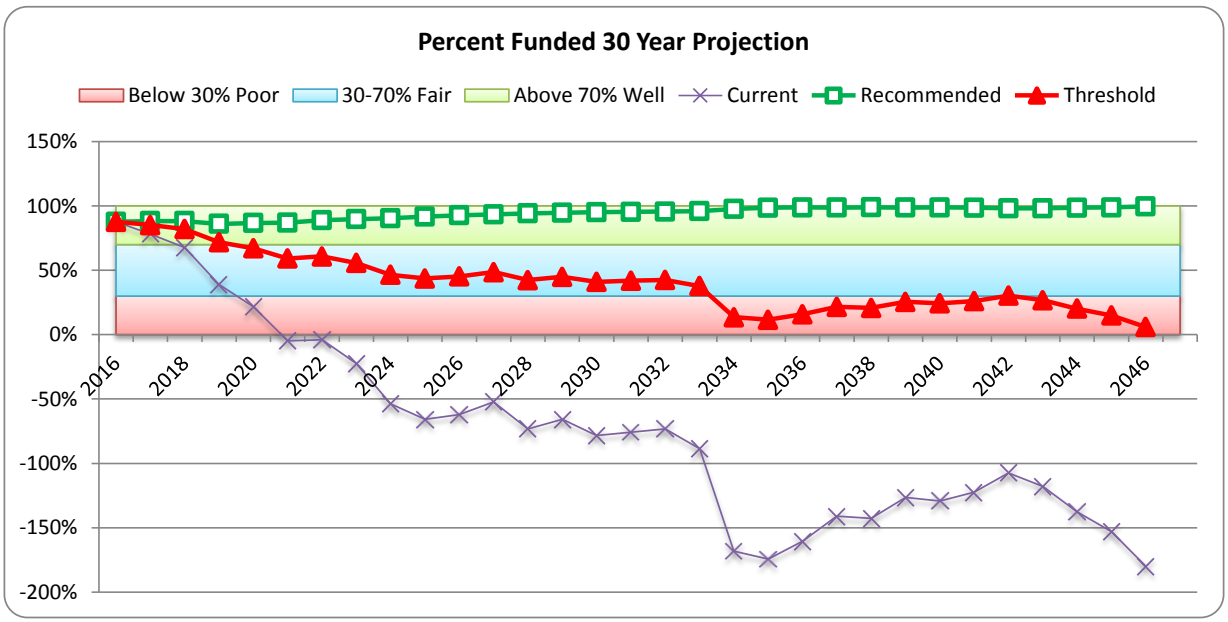
Above 70% = Well Funded Between 30% and 70% = Fairly Funded Below 30% = Poorly Funded

The higher your percent funded, the lower the risk of special assessments and deferred maintenance.



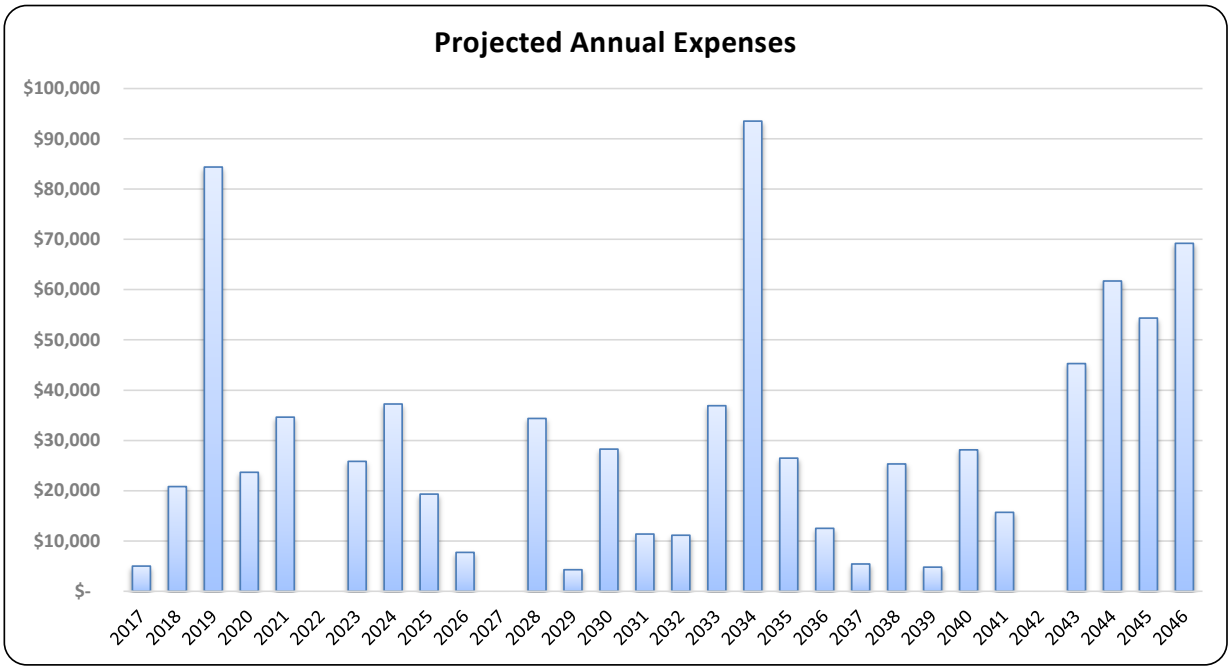
If you follow one of the 3 funding plans in this reserve study this is what your percent funded may look like over the next 30 years. Anytime the Current line drops below 0% a special assessment is likely.

	Annually	Monthly	Per Unit Monthly
Current Reserve Contribution 2016	$ -	$ -	$ -
5% Threshold Reserve Contribution for 2017	$ 13,800	$ 1,150	$ 39.66
Recommended Reserve Contribution for 2017	$ 19,800	$ 1,650	$ 56.90

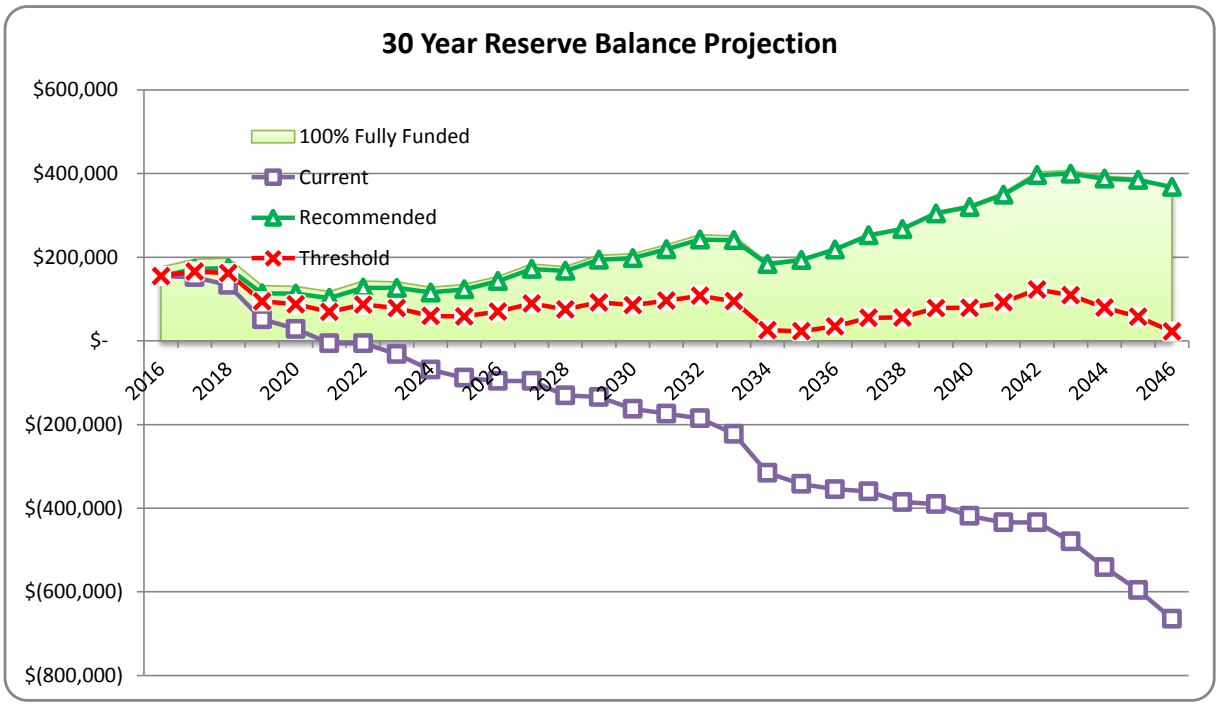


30 Year Projections

Reserve expenses will vary from year to year. A reserve study predicts these expenses and offsets them by creating a uniform funding plan that increases slightly over time to keep up with inflation.



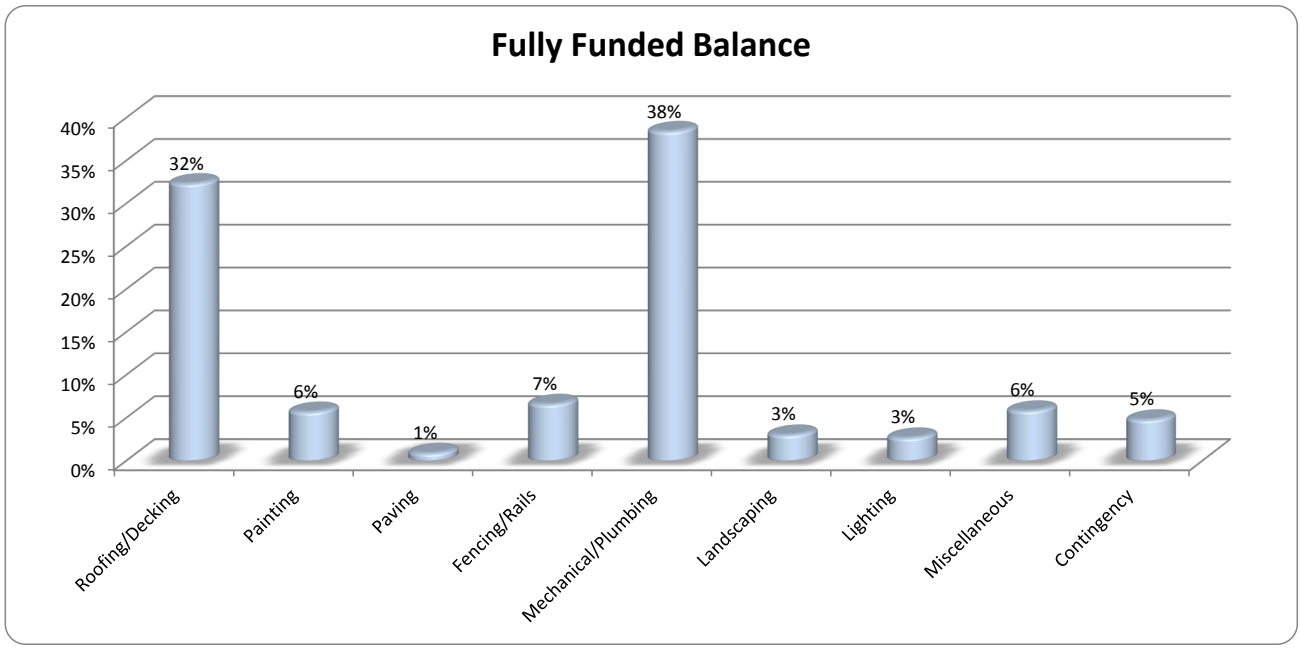
The black 100% funded line shows the ideal balance over the next 30 years. It increases over time due to inflation and depreciation of your components. The 100% funded line will drop after years with large expenses. The recommend funding plan will keep you well funded. The threshold plan will approach $0 dollars, following this plan has a higher risk of special assessments or deferred maintenance.



Category Significance

This chart breaks down the total fully funded balance for each category

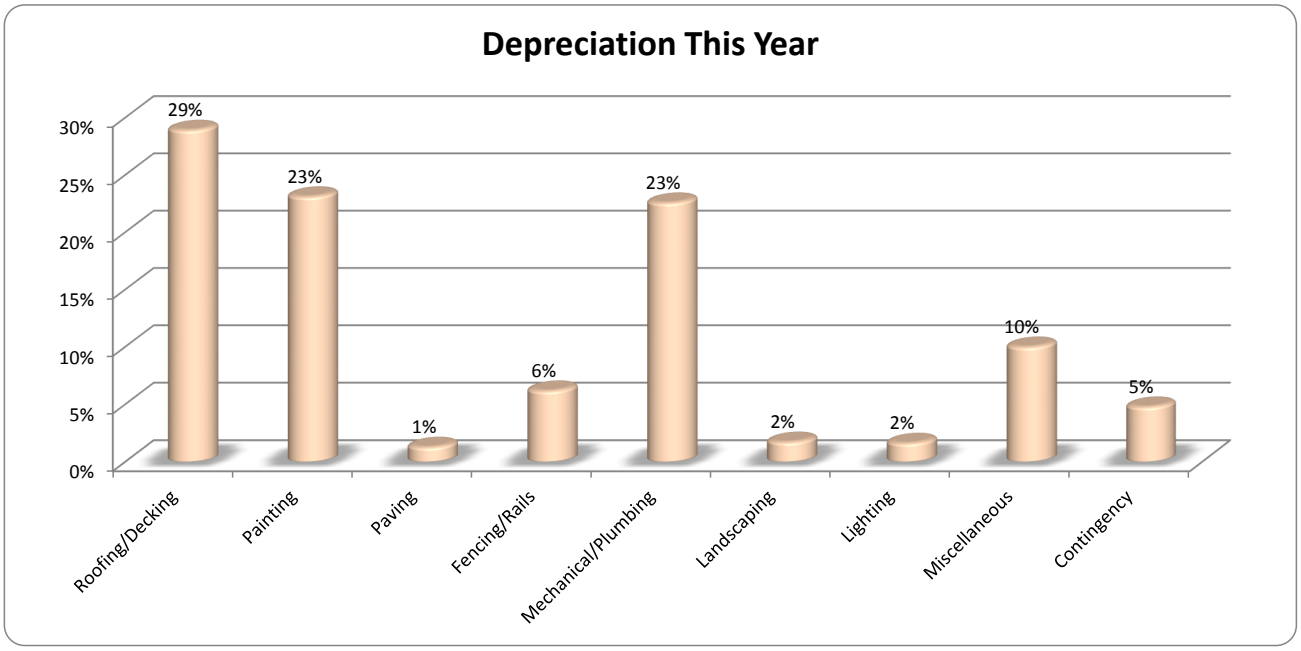
Roofing/Decking	Fully Funded Balance	$	57,025	=	**32%**
Total	Fully Funded Balance	$	176,560		



This chart breaks down the total annual depreciation for each category

Roofing/Decking	Annual Depreciation	$	5,199	=	**29%**
Total	Annual Depreciation	$	17,993		

This chart may differ from the chart above because it does not account for remaining life



Theoretical 30 Year Funding Plans

Windemere Court HOA

Above 70% = Well Funded (Low Risk of Special Assessment)
Between 30% and 70% = Fairly Funded
Below 30% = Poorly Funded (Higher Risk of Special Assessment)

Before Tax Interest Rate	1.5%
Annual Inflation Rate	3.0%
Annual Funding Increase	3.0%

Year End	Annual Expenses	Fully Funded Balance	Current Funding Plan			Recommended Funding Plan			5% Threshold Funding Plan		
			Contribution	Balance	% Funded	Contribution	Balance	% Funded	Contribution	Balance	% Funded
2016	$ -	$ 176,560	$ -	$ 154,932	88%	$ -	$ 154,932	88%	$ -	$ 154,932	88%
2017	$ 5,000	$ 194,982	$ -	$ 152,256	78%	$ 19,800	$ 172,056	88%	$ 13,800	$ 166,056	85%
2018	$ 20,817	$ 197,406	$ -	$ 133,722	68%	$ 20,394	$ 174,213	88%	$ 14,214	$ 161,943	82%
2019	$ 84,395	$ 131,717	$ -	$ 51,334	39%	$ 21,006	$ 113,438	86%	$ 14,640	$ 94,618	72%
2020	$ 23,660	$ 130,332	$ -	$ 28,444	22%	$ 21,636	$ 113,116	87%	$ 15,080	$ 87,458	67%
2021	$ 34,632	$ 117,646	$ -	$ (5,761)	-5%	$ 22,285	$ 102,466	87%	$ 15,532	$ 69,670	59%
2022	$ -	$ 142,659	$ -	$ (5,761)	-4%	$ 22,954	$ 126,956	89%	$ 15,998	$ 86,713	61%
2023	$ 25,835	$ 141,128	$ -	$ (31,596)	-22%	$ 23,642	$ 126,668	90%	$ 16,478	$ 78,657	56%
2024	$ 37,247	$ 127,872	$ -	$ (68,842)	-54%	$ 24,352	$ 115,673	90%	$ 16,972	$ 59,562	47%
2025	$ 19,321	$ 134,289	$ -	$ (88,163)	-66%	$ 25,082	$ 123,170	92%	$ 17,481	$ 58,616	44%
2026	$ 7,724	$ 154,145	$ -	$ (95,888)	-62%	$ 25,835	$ 143,127	93%	$ 18,006	$ 69,777	45%
2027	$ -	$ 183,676	$ -	$ (95,888)	-52%	$ 26,610	$ 171,884	94%	$ 18,546	$ 89,370	49%
2028	$ 34,371	$ 177,668	$ -	$ (130,258)	-73%	$ 27,408	$ 167,499	94%	$ 19,102	$ 75,442	42%
2029	$ 4,277	$ 204,795	$ -	$ (134,535)	-66%	$ 28,230	$ 193,965	95%	$ 19,676	$ 91,972	45%
2030	$ 28,272	$ 207,578	$ -	$ (162,808)	-78%	$ 29,077	$ 197,679	95%	$ 20,266	$ 85,345	41%
2031	$ 11,375	$ 229,536	$ -	$ (174,182)	-76%	$ 29,949	$ 219,219	96%	$ 20,874	$ 96,124	42%
2032	$ 11,139	$ 253,248	$ -	$ (185,322)	-73%	$ 30,848	$ 242,215	96%	$ 21,500	$ 107,927	43%
2033	$ 36,908	$ 250,668	$ -	$ (222,230)	-89%	$ 31,773	$ 240,713	96%	$ 22,145	$ 94,782	38%
2034	$ 93,526	$ 187,671	$ -	$ (315,756)	-168%	$ 32,726	$ 183,524	98%	$ 22,809	$ 25,487	14%
2035	$ 26,476	$ 196,217	$ -	$ (342,233)	-174%	$ 33,708	$ 193,509	99%	$ 23,494	$ 22,887	12%
2036	$ 12,511	$ 221,070	$ -	$ (354,744)	-160%	$ 34,719	$ 218,620	99%	$ 24,198	$ 34,917	16%
2037	$ 5,418	$ 255,314	$ -	$ (360,162)	-141%	$ 35,761	$ 252,242	99%	$ 24,924	$ 54,947	22%
2038	$ 25,320	$ 270,065	$ -	$ (385,483)	-143%	$ 36,834	$ 267,539	99%	$ 25,672	$ 56,123	21%
2039	$ 4,790	$ 308,497	$ -	$ (390,273)	-127%	$ 37,939	$ 304,700	99%	$ 26,442	$ 78,616	25%
2040	$ 28,128	$ 323,908	$ -	$ (418,400)	-129%	$ 39,077	$ 320,220	99%	$ 27,235	$ 78,904	24%
2041	$ 15,693	$ 354,326	$ -	$ (434,094)	-123%	$ 40,249	$ 349,580	99%	$ 28,053	$ 92,447	26%
2042	$ -	$ 403,759	$ -	$ (434,094)	-108%	$ 41,457	$ 396,280	98%	$ 28,894	$ 122,727	30%
2043	$ 45,288	$ 406,859	$ -	$ (479,382)	-118%	$ 42,701	$ 399,636	98%	$ 29,761	$ 109,041	27%
2044	$ 61,719	$ 393,482	$ -	$ (541,101)	-138%	$ 43,982	$ 387,894	99%	$ 30,654	$ 79,612	20%
2045	$ 54,343	$ 388,916	$ -	$ (595,443)	-153%	$ 45,301	$ 384,671	99%	$ 31,573	$ 58,037	15%
2046	$ 69,212	$ 369,404	$ -	$ (664,656)	-180%	$ 46,660	$ 367,888	100%	$ 32,521	$ 22,215	6%

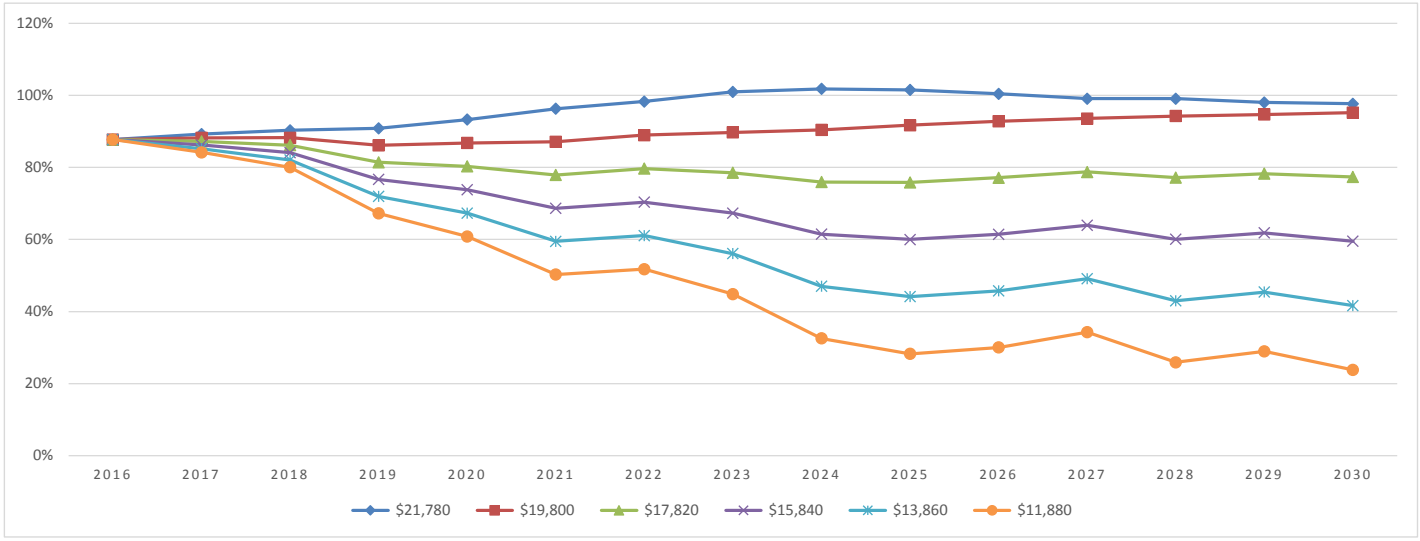
Note: All future projections are theoretical. The estimated lives and costs of components will likely change over time depending on factors such as inflation rates and levels of maintenance. Reserve analysis should be performed annually to account for these factors.

Future Percent Funded

This table and chart shows where your percent funded will be over the next 15 years starting with different levels of funding. Keep in mind all figures assume a 3% annual increase in funding to keep up with inflation.

Above 70% = Well Funded (Low Risk of Special Assessment) | Between 30% and 70% = Fairly Funded | Below 30% = Poorly Funded (Higher Risk of Special Assessment)

Funding Plan	Reserve Contribution 2017	Percent Funded														
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
110% Recommended	$ 21,780	88%	89%	90%	91%	93%	96%	98%	101%	102%	102%	100%	99%	99%	98%	98%
Recommended	$ 19,800	88%	88%	88%	86%	87%	87%	89%	90%	90%	92%	93%	94%	94%	95%	95%
90% Recommended	$ 17,820	88%	87%	86%	81%	80%	78%	80%	79%	76%	76%	77%	79%	77%	78%	77%
80% Recommended	$ 15,840	88%	86%	84%	77%	74%	69%	70%	67%	61%	60%	61%	64%	60%	62%	60%
70% Recommended	$ 13,860	88%	85%	82%	72%	67%	59%	61%	56%	47%	44%	46%	49%	43%	45%	42%
60% Recommended	$ 11,880	88%	84%	80%	67%	61%	50%	52%	45%	33%	28%	30%	34%	26%	29%	24%



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.

Component Summary

Windemere Court HOA

Category / Component	Approx. Quantity	Unit of Measure	Useful Life	Remaining Life	Unit Cost	Total Cost	Cost Source
Roofing/Decking							
Composite Shingles	5900	SF	25	11	$ 3.70	$ 21,830	1
Built-Up Roofing	5100	SF	15	2	$ 4.50	$ 22,950	1
Gutters & Downspouts	1	Allowance	25	13	$ 5,000	$ 5,000	1
Skylights Large	2	Each	20	7	$ 375	$ 750	1
Skylights Small	3	Each	20	1	$ 257	$ 771	1
Upper Walkway Recoat	2950	SF	5	4	$ 1.60	$ 4,720	1
Upper Walkway Resurface	2950	SF	25	4	$ 7.00	$ 20,650	1
Unit Balcony Repairs	1	Allowance	4	0	$ 3,000	$ 3,000	1
						$ 79,671	
Painting							
Exterior Wood Exposed	9600	SF	5	3	$ 1.00	$ 9,600	1
Exterior Wood Courtyard	12600	SF	10	7	$ 1.00	$ 12,600	1
Doors	43	Each	10	7	$ 45.00	$ 1,935	1
Metal Rails/Gates/Fence	442	LF	5	3	$ 6.00	$ 2,652	1
Wood Replacements	1	Allowance	10	7	$ 2,500	$ 2,500	1
						$ 29,287	
Paving							
Garage Floor Clean/Restripe	1	Allowance	10	9	$ 1,200	$ 1,200	1
Concrete Paving @ Courtyard & Entry	1	Allowance	15	2	$ 1,600	$ 1,600	1
						$ 2,800	
Fencing/Rails							
Metal 2' Balcony Rails	112	LF	30	6	$ 28.00	$ 3,136	1
Courtyard Rail Repairs	1	Allowance	10	3	$ 2,000	$ 2,000	1
Vinyl Fencing	130	LF	25	15	$ 55.00	$ 7,150	1
Pedestrian Gates	2	Each	25	3	$ 800	$ 1,600	1
Vehicle Gate	1	Each	25	6	$ 2,500	$ 2,500	1
Vehicle Gate Operator	1	Each	15	14	$ 2,800	$ 2,800	1
Entry Intercom	1	Each	15	7	$ 2,500	$ 2,500	1
						$ 21,686	
Mechanical/Plumbing							
Hot Water Heater	1	Each	18	17	$ 5,000	$ 5,000	1
Hot Water Storage Tank	1	Each	12	4	$ 2,400	$ 2,400	1
Garage Exhaust Fan 5 HP	1	Each	15	3	$ 1,300	$ 1,300	1
Sump Pumps & Controls	2	Each	10	1	$ 1,500	$ 3,000	1
Fire Alarm Control Panel	1	Each	20	1	$ 3,200	$ 3,200	1
Fire Extinguishers/Cabinets		Included in Operating Budget					
Elevator Modernization	1	Each	30	2	$ 55,000	$ 55,000	1
Elevator Cab Remodel	1	Each	25	1	$ 5,000	$ 5,000	1
Plumbing Repairs	1	Allowance	10	7	$ 10,000	$ 10,000	1
						$ 84,900	
Landscaping							
Irrigation System Upgrade	1	Allowance	15	1	$ 1,600	$ 1,600	1
Planter Waterproofing	1	Allowance	20	1	$ 4,000	$ 4,000	1
						$ 5,600	
Lighting							
Wall Mount Floods		Included in Operating Budget					
Ceiling Mounted Courtyard	31	Each	20	1	$ 60	$ 1,860	1
Ceiling Mounted Garage	9	Each	20	19	$ 135	$ 1,215	1
Exit Light Fixtures	6	Each	20	1	$ 130	$ 780	1
Column Lights (Bollards)	6	Each	25	3	$ 400	$ 2,400	1
						$ 6,255	
Miscellaneous							
Mailboxes	30	Each	25	3	$ 70	$ 2,100	1
Termite Treatment	1	Allowance	10	6	$ 16,000	$ 16,000	1
Laundry Room Renovation	1	Allowance	18	0	$ 2,000	$ 2,000	1
						$ 20,100	
Contingency							
5%							1
				TOTALS		**$ 250,299**	

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

Component Significance

Category / Component	Fully Funded Balance $ Amount	Fully Funded Balance %	Fully Funded Balance Quick Glance Graph	Depreciation This Year $ Amount	Depreciation This Year %	Depreciation This Year Quick Glance Graph	Monthly Contribution
Roofing/Decking							
Composite Shingles	$ 12,225	6.92%		$ 873	4.85%		$ 80.08
Built-Up Roofing	$ 19,890	11.27%		$ 1,530	8.50%		$ 140.31
Gutters & Downspouts	$ 2,400	1.36%		$ 200	1.11%		$ 18.34
Skylights Large	$ 488	0.28%		$ 38	0.21%		$ 3.44
Skylights Small	$ 732	0.41%		$ 39	0.21%		$ 3.54
Upper Walkway Recoat	$ 944	0.53%		$ 944	5.25%		$ 86.57
Upper Walkway Resurface	$ 17,346	9.82%		$ 826	4.59%		$ 75.75
Unit Balcony Repairs	$ 3,000	1.70%		$ 750	4.17%		$ 68.78
	$ 57,025	32.30%		$ 5,199	28.90%		$ 476.79
Painting							
Exterior Wood Exposed	$ 3,840	2.17%		$ 1,920	10.67%		$ 176.07
Exterior Wood Courtyard	$ 3,780	2.14%		$ 1,260	7.00%		$ 115.55
Doors	$ 581	0.33%		$ 194	1.08%		$ 17.74
Metal Rails/Gates/Fence	$ 1,061	0.60%		$ 530	2.95%		$ 48.64
Wood Replacements	$ 750	0.42%		$ 250	1.39%		$ 22.93
	$ 10,011	5.67%		$ 4,154	23.09%		$ 380.93
Paving							
Garage Floor Clean/Restripe	$ 120	0.07%		$ 120	0.67%		$ 11.00
Concrete Paving @ Courtyard & Entry	$ 1,387	0.79%		$ 107	0.59%		$ 9.78
	$ 1,507	0.85%		$ 227	1.26%		$ 20.79
Fencing/Rails							
Metal 2' Balcony Rails	$ 2,509	1.42%		$ 105	0.58%		$ 9.59
Courtyard Rail Repairs	$ 1,400	0.79%		$ 200	1.11%		$ 18.34
Vinyl Fencing	$ 2,860	1.62%		$ 286	1.59%		$ 26.23
Pedestrian Gates	$ 1,408	0.80%		$ 64	0.36%		$ 5.87
Vehicle Gate	$ 1,900	1.08%		$ 100	0.56%		$ 9.17
Vehicle Gate Operator	$ 187	0.11%		$ 187	1.04%		$ 17.12
Entry Intercom	$ 1,333	0.76%		$ 167	0.93%		$ 15.28
	$ 11,597	6.57%		$ 1,108	6.16%		$ 101.60
Mechanical/Plumbing							
Hot Water Heater	$ 278	0.16%		$ 278	1.54%		$ 25.47
Hot Water Storage Tank	$ 1,600	0.91%		$ 200	1.11%		$ 18.34
Garage Exhaust Fan 5 HP	$ 1,040	0.59%		$ 87	0.48%		$ 7.95
Sump Pumps & Controls	$ 2,700	1.53%		$ 300	1.67%		$ 27.51
Fire Alarm Control Panel	$ 3,040	1.72%		$ 160	0.89%		$ 14.67
Fire Extinguishers/Cabinets							
Elevator Modernization	$ 51,333	29.07%		$ 1,833	10.19%		$ 168.12
Elevator Cab Remodel	$ 4,800	2.72%		$ 200	1.11%		$ 18.34
Plumbing Repairs	$ 3,000	1.70%		$ 1,000	5.56%		$ 91.70
	$ 67,791	38.40%		$ 4,058	22.55%		$ 372.11
Landscaping							
Irrigation System Upgrade	$ 1,493	0.85%		$ 107	0.59%		$ 9.78
Planter Waterproofing	$ 3,800	2.15%		$ 200	1.11%		$ 18.34
	$ 5,293	3.00%		$ 307	1.70%		$ 28.12
Lighting							
Wall Mount Floods							
Ceiling Mounted Courtyard	$ 1,767	1.00%		$ 93	0.52%		$ 8.53
Ceiling Mounted Garage	$ 61	0.03%		$ 61	0.34%		$ 5.57
Exit Light Fixtures	$ 741	0.42%		$ 39	0.22%		$ 3.58
Column Lights (Bollards)	$ 2,112	1.20%		$ 96	0.53%		$ 8.80
	$ 4,681	2.65%		$ 289	1.60%		$ 26.48
Miscellaneous							
Mailboxes	$ 1,848	1.05%		$ 84	0.47%		$ 7.70
Termite Treatment	$ 6,400	3.62%		$ 1,600	8.89%		$ 146.73
Laundry Room Renovation	$ 2,000	1.13%		$ 111	0.62%		$ 10.19
	$ 10,248	5.80%		$ 1,795	9.98%		$ 164.62
Contingency							
5%	$ 8,408	4.76%		$ 857	4.76%		$ 78.57
	$ 176,560	**100.00%**	**100%**	**$ 17,993**	**100%**	**100%**	**$ 1,650**

Annual Expenses by Component

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Roofing/Decking										
Composite Shingles	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Built-Up Roofing	$ -	$ -	$ 24,348	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gutters & Downspouts	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Skylights Large	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 922	$ -	$ -
Skylights Small	$ -	$ 794	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Upper Walkway Recoat	$ -	$ -	$ -	$ -	$ 5,312	$ -	$ -	$ -	$ -	$ 6,159
Upper Walkway Resurface	$ -	$ -	$ -	$ -	$ 23,242	$ -	$ -	$ -	$ -	$ -
Unit Balcony Repairs	$ 3,000	$ -	$ -	$ -	$ 3,377	$ -	$ -	$ -	$ 3,800	$ -
Painting										
Exterior Wood Exposed	$ -	$ -	$ -	$ 10,490	$ -	$ -	$ -	$ -	$ 12,161	$ -
Exterior Wood Courtyard	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15,496	$ -	$ -
Doors	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,380	$ -	$ -
Metal Rails/Gates/Fence	$ -	$ -	$ -	$ 2,898	$ -	$ -	$ -	$ -	$ 3,359	$ -
Wood Replacements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,075	$ -	$ -
Paving										
Garage Floor Clean/Restripe	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,566
Concrete Paving @ Courtyard & Entry	$ -	$ -	$ 1,697	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fencing/Rails										
Metal 2' Balcony Rails	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,745	$ -	$ -	$ -
Courtyard Rail Repairs	$ -	$ -	$ -	$ 2,185	$ -	$ -	$ -	$ -	$ -	$ -
Vinyl Fencing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pedestrian Gates	$ -	$ -	$ -	$ 1,748	$ -	$ -	$ -	$ -	$ -	$ -
Vehicle Gate	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,985	$ -	$ -	$ -
Vehicle Gate Operator	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Entry Intercom	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,075	$ -	$ -

Annual Expenses by Component

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Mechanical/Plumbing										
Hot Water Heater	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hot Water Storage Tank	$ -	$ -	$ -	$ -	$ 2,701	$ -	$ -	$ -	$ -	$ -
Garage Exhaust Fan 5 HP	$ -	$ -	$ -	$ 1,421	$ -	$ -	$ -	$ -	$ -	$ -
Sump Pumps & Controls	$ -	$ 3,090	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fire Alarm Control Panel	$ -	$ 3,296	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fire Extinguishers/Cabinets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Elevator Modernization	$ -	$ -	$ 58,350	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Elevator Cab Remodel	$ -	$ 5,150	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Plumbing Repairs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 12,299	$ -	$ -
Landscaping										
Irrigation System Upgrade	$ -	$ 1,648	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Planter Waterproofing	$ -	$ 4,120	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lighting										
Wall Mount Floods	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ceiling Mounted Courtyard	$ -	$ 1,916	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ceiling Mounted Garage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Exit Light Fixtures	$ -	$ 803	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Column Lights (Bollards)	$ -	$ -	$ -	$ 2,623	$ -	$ -	$ -	$ -	$ -	$ -
Miscellaneous										
Mailboxes	$ -	$ -	$ -	$ 2,295	$ -	$ -	$ -	$ -	$ -	$ -
Termite Treatment	$ -	$ -	$ -	$ -	$ -	$ -	$ 19,105	$ -	$ -	$ -
Laundry Room Renovation	$ 2,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Totals	$ - $ 5,000	$ 20,817	$ 84,395	$ 23,660	$ 34,632	$ -	$ 25,835	$ 37,247	$ 19,321	$ 7,724

Annual Expenses by Component

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Roofing/Decking											
Composite Shingles	$ -	$ 30,218	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Built-Up Roofing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 37,933	$ -	$ -	$ -
Gutters & Downspouts	$ -	$ -	$ -	$ 7,343	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Skylights Large	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Skylights Small	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Upper Walkway Recoat	$ -	$ -	$ -	$ -	$ 7,139	$ -	$ -	$ -	$ -	$ 8,277	$ -
Upper Walkway Resurface	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unit Balcony Repairs	$ -	$ -	$ 4,277	$ -	$ -	$ -	$ 4,814	$ -	$ -	$ -	$ 5,418
Painting											
Exterior Wood Exposed	$ -	$ -	$ -	$ 14,098	$ -	$ -	$ -	$ -	$ 16,343	$ -	$ -
Exterior Wood Courtyard	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 20,826	$ -	$ -	$ -
Doors	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,198	$ -	$ -	$ -
Metal Rails/Gates/Fence	$ -	$ -	$ -	$ 3,895	$ -	$ -	$ -	$ -	$ 4,515	$ -	$ -
Wood Replacements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,132	$ -	$ -	$ -
Paving											
Garage Floor Clean/Restrip	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,104	$ -
Concrete Paving @ Courtya	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,645	$ -	$ -	$ -
Fencing/Rails											
Metal 2' Balcony Rails	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Courtyard Rail Repairs	$ -	$ -	$ -	$ 2,937	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Vinyl Fencing	$ -	$ -	$ -	$ -	$ -	$ 11,139	$ -	$ -	$ -	$ -	$ -
Pedestrian Gates	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Vehicle Gate	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Vehicle Gate Operator	$ -	$ -	$ -	$ -	$ 4,235	$ -	$ -	$ -	$ -	$ -	$ -
Entry Intercom	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Annual Expenses by Component

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Mechanical/Plumbing											
Hot Water Heater	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,264	$ -	$ -	$ -
Hot Water Storage Tank	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,851	$ -	$ -	$ -	$ -
Garage Exhaust Fan 5 HP	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,213	$ -	$ -
Sump Pumps & Controls	$ -	$ 4,153	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fire Alarm Control Panel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fire Extinguishers/Cabinets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Elevator Modernization	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Elevator Cab Remodel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Plumbing Repairs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 16,528	$ -	$ -	$ -
Landscaping											
Irrigation System Upgrade	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,568	$ -	$ -	$ -	$ -
Planter Waterproofing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lighting											
Wall Mount Floods	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ceiling Mounted Courtyard	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ceiling Mounted Garage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,131	$ -
Exit Light Fixtures	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Column Lights (Bollards)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Miscellaneous											
Mailboxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Termite Treatment	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,675	$ -	$ -	$ -	$ -
Laundry Room Renovation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,405	$ -	$ -
Totals	$ -	$ 34,371	$ 4,277	$ 28,272	$ 11,375	$ 11,139	$ 36,908	$ 93,526	$ 26,476	$ 12,511	$ 5,418

Annual Expenses by Component

	2038	2039	2040	2041	2042	2043	2044	2045	2046
Roofing/Decking									
Composite Shingles	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Built-Up Roofing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gutters & Downspouts	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Skylights Large	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,666	$ -	$ -
Skylights Small	$ 1,434	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Upper Walkway Recoat	$ -	$ -	$ -	$ 9,595	$ -	$ -	$ -	$ -	$ 11,123
Upper Walkway Resurface	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 48,663
Unit Balcony Repairs	$ -	$ -	$ -	$ 6,098	$ -	$ -	$ -	$ 6,864	$ -
Painting									
Exterior Wood Exposed	$ -	$ -	$ 18,946	$ -	$ -	$ -	$ -	$ 21,964	$ -
Exterior Wood Courtyard	$ -	$ -	$ -	$ -	$ -	$ -	$ 27,988	$ -	$ -
Doors	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,298	$ -	$ -
Metal Rails/Gates/Fence	$ -	$ -	$ 5,234	$ -	$ -	$ -	$ -	$ 6,068	$ -
Wood Replacements	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,553	$ -	$ -
Paving									
Garage Floor Clean/Restrip	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,828
Concrete Paving @ Courtya	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fencing/Rails									
Metal 2' Balcony Rails	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Courtyard Rail Repairs	$ -	$ -	$ 3,947	$ -	$ -	$ -	$ -	$ -	$ -
Vinyl Fencing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Pedestrian Gates	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,661	$ -
Vehicle Gate	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Vehicle Gate Operator	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,598
Entry Intercom	$ -	$ 4,790	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Annual Expenses by Component

	2038	2039	2040	2041	2042	2043	2044	2045	2046
Mechanical/Plumbing									
Hot Water Heater	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hot Water Storage Tank	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,491	$ -
Garage Exhaust Fan 5 HP	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sump Pumps & Controls	$ 5,581	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fire Alarm Control Panel	$ 5,953	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fire Extinguishers/Cabinets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Elevator Modernization	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Elevator Cab Remodel	$ -	$ -	$ -	$ -	$ -	$ 10,783	$ -	$ -	$ -
Plumbing Repairs	$ -	$ -	$ -	$ -	$ -	$ -	$ 22,213	$ -	$ -
Landscaping									
Irrigation System Upgrade	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Planter Waterproofing	$ 7,441	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lighting									
Wall Mount Floods	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ceiling Mounted Courtyard	$ 3,460	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Ceiling Mounted Garage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Exit Light Fixtures	$ 1,451	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Column Lights (Bollards)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,491	$ -
Miscellaneous									
Mailboxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,805	$ -
Termite Treatment	$ -	$ -	$ -	$ -	$ -	$ 34,505	$ -	$ -	$ -
Laundry Room Renovation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Totals	$ 25,320	$ 4,790	$ 28,128	$ 15,693	$ -	$ 45,288	$ 61,719	$ 54,343	$ 69,212

Component Details

Roofing/Decking — Composite Shingles

Approximate Component Quantity	-	5900	Estimated Current Unit Cost	$	3.70
Unit of Measure	-	SF	Estimated Total Current Cost	$	21,830
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	$	30,218
Estimated Remaining Useful Life (Years)	-	11	Fully Funded Balance	$	12,225
Estimated Replacement Year	-	2028	Depreciation This Year	$	873
Cost Source	-	1	Monthly Contribution	$	80.08
Depreciation Percent	-	4.85%	Fully Funded Balance Percent		6.92%
Life Remainging Percent	-	**44%**			

Roofing/Decking — Built-Up Roofing

Approximate Component Quantity	-	5100	Estimated Current Unit Cost	$	4.50
Unit of Measure	-	SF	Estimated Total Current Cost	$	22,950
Normal Useful Life (Years)	-	15	Estimated Total Future Cost	$	24,348
Estimated Remaining Useful Life (Years)	-	2	Fully Funded Balance	$	19,890
Estimated Replacement Year	-	2019	Depreciation This Year	$	1,530
Cost Source	-	1	Monthly Contribution	$	140.31
Depreciation Percent	-	8.50%	Fully Funded Balance Percent		11.27%
Life Remainging Percent	-	**13%**			

Roofing/Decking — Gutters & Downspouts

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	5,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	5,000
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	$	7,343
Estimated Remaining Useful Life (Years)	-	13	Fully Funded Balance	$	2,400
Estimated Replacement Year	-	2030	Depreciation This Year	$	200
Cost Source	-	1	Monthly Contribution	$	18.34
Depreciation Percent	-	1.11%	Fully Funded Balance Percent		1.36%
Life Remainging Percent	-	**52%**			

Roofing/Decking — Skylights Large

Approximate Component Quantity	-	2	Estimated Current Unit Cost	$	375.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	750
Normal Useful Life (Years)	-	20	Estimated Total Future Cost	$	922
Estimated Remaining Useful Life (Years)	-	7	Fully Funded Balance	$	488
Estimated Replacement Year	-	2024	Depreciation This Year	$	38
Cost Source	-	1	Monthly Contribution	$	3.44
Depreciation Percent	-	0.21%	Fully Funded Balance Percent		0.28%
Life Remainging Percent	-	**35%**			

Roofing/Decking — Skylights Small

Approximate Component Quantity	-	3	Estimated Current Unit Cost	$	257.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	771
Normal Useful Life (Years)	-	20	Estimated Total Future Cost	$	794
Estimated Remaining Useful Life (Years)	-	1	Fully Funded Balance	$	732
Estimated Replacement Year	-	2018	Depreciation This Year	$	39
Cost Source	-	1	Monthly Contribution	$	3.54
Depreciation Percent	-	0.21%	Fully Funded Balance Percent		0.41%
Life Remainging Percent	-	**5%**			

Roofing/Decking — Upper Walkway Recoat

Approximate Component Quantity	-	2950	Estimated Current Unit Cost	$	1.60
Unit of Measure	-	SF	Estimated Total Current Cost	$	4,720
Normal Useful Life (Years)	-	5	Estimated Total Future Cost	$	5,312
Estimated Remaining Useful Life (Years)	-	4	Fully Funded Balance	$	944
Estimated Replacement Year	-	2021	Depreciation This Year	$	944
Cost Source	-	1	Monthly Contribution	$	86.57
Depreciation Percent	-	5.25%	Fully Funded Balance Percent		0.53%
Life Remainging Percent	-	**80%**			

Roofing/Decking — Upper Walkway Resurface

Approximate Component Quantity	-	2950	Estimated Current Unit Cost	$	7.00
Unit of Measure	-	SF	Estimated Total Current Cost	$	20,650
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	$	23,242
Estimated Remaining Useful Life (Years)	-	4	Fully Funded Balance	$	17,346
Estimated Replacement Year	-	2021	Depreciation This Year	$	826
Cost Source	-	1	Monthly Contribution	$	75.75
Depreciation Percent	-	4.59%	Fully Funded Balance Percent		9.82%
Life Remainging Percent	-	**16%**			

Roofing/Decking — Unit Balcony Repairs

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	3,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	3,000
Normal Useful Life (Years)	-	4	Estimated Total Future Cost	$	3,000
Estimated Remaining Useful Life (Years)	-	0	Fully Funded Balance	$	3,000
Estimated Replacement Year	-	2017	Depreciation This Year	$	750
Cost Source	-	1	Monthly Contribution	$	68.78
Depreciation Percent	-	4.17%	Fully Funded Balance Percent		1.70%
Life Remainging Percent	-	**0%**			

Painting — Exterior Wood Exposed

Approximate Component Quantity	-	9600	Estimated Current Unit Cost	$	1.00
Unit of Measure	-	SF	Estimated Total Current Cost	$	9,600
Normal Useful Life (Years)	-	5	Estimated Total Future Cost	$	10,490
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	$	3,840
Estimated Replacement Year	-	2020	Depreciation This Year	$	1,920
Cost Source	-	1	Monthly Contribution	$	176.07
Depreciation Percent	-	10.67%	Fully Funded Balance Percent		2.17%
Life Remainging Percent	-	**60%**			

Painting — Exterior Wood Courtyard

Approximate Component Quantity	-	12600	Estimated Current Unit Cost	$	1.00
Unit of Measure	-	SF	Estimated Total Current Cost	$	12,600
Normal Useful Life (Years)	-	10	Estimated Total Future Cost	$	15,496
Estimated Remaining Useful Life (Years)	-	7	Fully Funded Balance	$	3,780
Estimated Replacement Year	-	2024	Depreciation This Year	$	1,260
Cost Source	-	1	Monthly Contribution	$	115.55
Depreciation Percent	-	7.00%	Fully Funded Balance Percent		2.14%
Life Remainging Percent	-	**70%**			

Painting — Doors

Approximate Component Quantity	-	43	Estimated Current Unit Cost	$	45.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	1,935
Normal Useful Life (Years)	-	10	Estimated Total Future Cost	$	2,380
Estimated Remaining Useful Life (Years)	-	7	Fully Funded Balance	$	581
Estimated Replacement Year	-	2024	Depreciation This Year	$	194
Cost Source	-	1	Monthly Contribution	$	17.74
Depreciation Percent	-	1.08%	Fully Funded Balance Percent		0.33%
Life Remainging Percent	-	**70%**			

Painting — Metal Rails/Gates/Fence

Approximate Component Quantity	-	442	Estimated Current Unit Cost	$	6.00
Unit of Measure	-	LF	Estimated Total Current Cost	$	2,652
Normal Useful Life (Years)	-	5	Estimated Total Future Cost	$	2,898
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	$	1,061
Estimated Replacement Year	-	2020	Depreciation This Year	$	530
Cost Source	-	1	Monthly Contribution	$	48.64
Depreciation Percent	-	2.95%	Fully Funded Balance Percent		0.60%
Life Remainging Percent	-	**60%**			

Painting — Wood Replacements

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	2,500.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	2,500
Normal Useful Life (Years)	-	10	Estimated Total Future Cost	$	3,075
Estimated Remaining Useful Life (Years)	-	7	Fully Funded Balance	$	750
Estimated Replacement Year	-	2024	Depreciation This Year	$	250
Cost Source	-	1	Monthly Contribution	$	22.93
Depreciation Percent	-	1.39%	Fully Funded Balance Percent		0.42%
Life Remainging Percent	-	**70%**			

Paving — Garage Floor Clean/Restripe

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	1,200.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	1,200
Normal Useful Life (Years)	-	10	Estimated Total Future Cost	$	1,566
Estimated Remaining Useful Life (Years)	-	9	Fully Funded Balance	$	120
Estimated Replacement Year	-	2026	Depreciation This Year	$	120
Cost Source	-	1	Monthly Contribution	$	11.00
Depreciation Percent	-	0.67%	Fully Funded Balance Percent		0.07%
Life Remainging Percent	-	**90%**			

Paving — Concrete Paving @ Courtyard & Entry

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	1,600.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	1,600
Normal Useful Life (Years)	-	15	Estimated Total Future Cost	$	1,697
Estimated Remaining Useful Life (Years)	-	2	Fully Funded Balance	$	1,387
Estimated Replacement Year	-	2019	Depreciation This Year	$	107
Cost Source	-	1	Monthly Contribution	$	9.78
Depreciation Percent	-	0.59%	Fully Funded Balance Percent		0.79%
Life Remainging Percent	-	**13%**			

Fencing/Rails — Metal 2' Balcony Rails

Approximate Component Quantity	-	112	Estimated Current Unit Cost	$	28.00
Unit of Measure	-	LF	Estimated Total Current Cost	$	3,136
Normal Useful Life (Years)	-	30	Estimated Total Future Cost	$	3,745
Estimated Remaining Useful Life (Years)	-	6	Fully Funded Balance	$	2,509
Estimated Replacement Year	-	2023	Depreciation This Year	$	105
Cost Source	-	1	Monthly Contribution	$	9.59
Depreciation Percent	-	0.58%	Fully Funded Balance Percent		1.42%
Life Remainging Percent	-	**20%**			

Fencing/Rails — Courtyard Rail Repairs

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)	-	10	Estimated Total Future Cost	$	2,185
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	$	1,400
Estimated Replacement Year	-	2020	Depreciation This Year	$	200
Cost Source	-	1	Monthly Contribution	$	18.34
Depreciation Percent	-	1.11%	Fully Funded Balance Percent		0.79%
Life Remainging Percent	-	**30%**			

Fencing/Rails — Vinyl Fencing

Approximate Component Quantity	-	130	Estimated Current Unit Cost	$	55.00
Unit of Measure	-	LF	Estimated Total Current Cost	$	7,150
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	$	11,139
Estimated Remaining Useful Life (Years)	-	15	Fully Funded Balance	$	2,860
Estimated Replacement Year	-	2032	Depreciation This Year	$	286
Cost Source	-	1	Monthly Contribution	$	26.23
Depreciation Percent	-	1.59%	Fully Funded Balance Percent		1.62%
Life Remainging Percent	-	**60%**			

Fencing/Rails — Pedestrian Gates

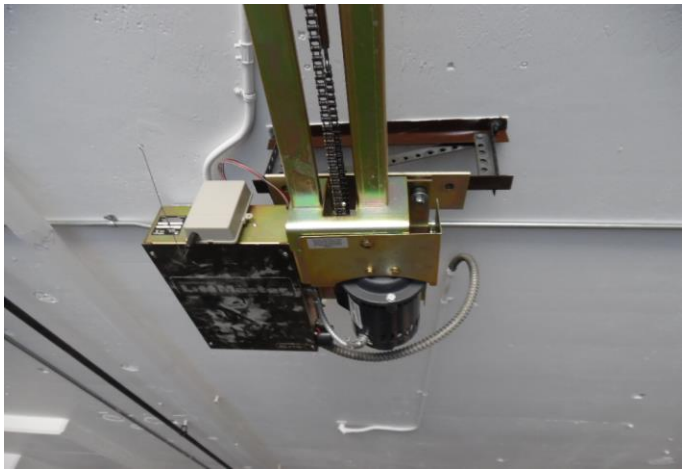
Approximate Component Quantity	-	2	Estimated Current Unit Cost	$	800.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	1,600
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	$	1,748
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	$	1,408
Estimated Replacement Year	-	2020	Depreciation This Year	$	64
Cost Source	-	1	Monthly Contribution	$	5.87
Depreciation Percent	-	0.36%	Fully Funded Balance Percent		0.80%
Life Remainging Percent	-	**12%**			

Fencing/Rails — Vehicle Gate

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	2,500.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	2,500
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	$	2,985
Estimated Remaining Useful Life (Years)	-	6	Fully Funded Balance	$	1,900
Estimated Replacement Year	-	2023	Depreciation This Year	$	100
Cost Source	-	1	Monthly Contribution	$	9.17
Depreciation Percent	-	0.56%	Fully Funded Balance Percent		1.08%
Life Remainging Percent	-	**24%**			

Fencing/Rails — Vehicle Gate Operator

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	2,800.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	2,800
Normal Useful Life (Years)	-	15	Estimated Total Future Cost	$	4,235
Estimated Remaining Useful Life (Years)	-	14	Fully Funded Balance	$	187
Estimated Replacement Year	-	2031	Depreciation This Year	$	187
Cost Source	-	1	Monthly Contribution	$	17.12
Depreciation Percent	-	1.04%	Fully Funded Balance Percent		0.11%
Life Remainging Percent	-	**93%**			



Fencing/Rails — Entry Intercom

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	2,500.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	2,500
Normal Useful Life (Years)	-	15	Estimated Total Future Cost	$	3,075
Estimated Remaining Useful Life (Years)	-	7	Fully Funded Balance	$	1,333
Estimated Replacement Year	-	2024	Depreciation This Year	$	167
Cost Source	-	1	Monthly Contribution	$	15.28
Depreciation Percent	-	0.93%	Fully Funded Balance Percent		0.76%
Life Remainging Percent	-	**47%**			

Mechanical/Plumbing — Hot Water Heater

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	5,000.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	5,000
Normal Useful Life (Years)	-	18	Estimated Total Future Cost	$	8,264
Estimated Remaining Useful Life (Years)	-	17	Fully Funded Balance	$	278
Estimated Replacement Year	-	2034	Depreciation This Year	$	278
Cost Source	-	1	Monthly Contribution	$	25.47
Depreciation Percent	-	1.54%	Fully Funded Balance Percent		0.16%
Life Remainging Percent	-	**94%**			

Mechanical/Plumbing — Hot Water Storage Tank

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	2,400.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	2,400
Normal Useful Life (Years)	-	12	Estimated Total Future Cost	$	2,701
Estimated Remaining Useful Life (Years)	-	4	Fully Funded Balance	$	1,600
Estimated Replacement Year	-	2021	Depreciation This Year	$	200
Cost Source	-	1	Monthly Contribution	$	18.34
Depreciation Percent	-	1.11%	Fully Funded Balance Percent		0.91%
Life Remainging Percent	-	**33%**			

Mechanical/Plumbing — Garage Exhaust Fan 5 HP

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	1,300.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	1,300
Normal Useful Life (Years)	-	15	Estimated Total Future Cost	$	1,421
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	$	1,040
Estimated Replacement Year	-	2020	Depreciation This Year	$	87
Cost Source	-	1	Monthly Contribution	$	7.95
Depreciation Percent	-	0.48%	Fully Funded Balance Percent		0.59%
Life Remainging Percent	-	**20%**			

Mechanical/Plumbing — Sump Pumps & Controls

Approximate Component Quantity	-	2	Estimated Current Unit Cost	$	1,500.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	3,000
Normal Useful Life (Years)	-	10	Estimated Total Future Cost	$	3,090
Estimated Remaining Useful Life (Years)	-	1	Fully Funded Balance	$	2,700
Estimated Replacement Year	-	2018	Depreciation This Year	$	300
Cost Source	-	1	Monthly Contribution	$	27.51
Depreciation Percent	-	1.67%	Fully Funded Balance Percent		1.53%
Life Remainging Percent	-	**10%**			

Mechanical/Plumbing — Fire Alarm Control Panel

Approximate Component Quantity	-	1		Estimated Current Unit Cost	$	3,200.00
Unit of Measure	-	Each		Estimated Total Current Cost	$	3,200
Normal Useful Life (Years)	-	20		Estimated Total Future Cost	$	3,296
Estimated Remaining Useful Life (Years)	-	1		Fully Funded Balance	$	3,040
Estimated Replacement Year	-	2018		Depreciation This Year	$	160
Cost Source	-	1		Monthly Contribution	$	14.67
Depreciation Percent	-	0.89%		Fully Funded Balance Percent		1.72%
Life Remainging Percent	-		**5%**			

Mechanical/Plumbing — Elevator Modernization

Approximate Component Quantity	-	1		Estimated Current Unit Cost	$	55,000.00
Unit of Measure	-	Each		Estimated Total Current Cost	$	55,000
Normal Useful Life (Years)	-	30		Estimated Total Future Cost	$	58,350
Estimated Remaining Useful Life (Years)	-	2		Fully Funded Balance	$	51,333
Estimated Replacement Year	-	2019		Depreciation This Year	$	1,833
Cost Source	-	1		Monthly Contribution	$	168.12
Depreciation Percent	-	10.19%		Fully Funded Balance Percent		29.07%
Life Remainging Percent	-		**7%**			

Mechanical/Plumbing — Elevator Cab Remodel

Approximate Component Quantity	-	1		Estimated Current Unit Cost	$	5,000.00
Unit of Measure	-	Each		Estimated Total Current Cost	$	5,000
Normal Useful Life (Years)	-	25		Estimated Total Future Cost	$	5,150
Estimated Remaining Useful Life (Years)	-	1		Fully Funded Balance	$	4,800
Estimated Replacement Year	-	2018		Depreciation This Year	$	200
Cost Source	-	1		Monthly Contribution	$	18.34
Depreciation Percent	-	1.11%		Fully Funded Balance Percent		2.72%
Life Remainging Percent	-		**4%**			

Mechanical/Plumbing — Plumbing Repairs

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	10,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	10,000
Normal Useful Life (Years)	-	10	Estimated Total Future Cost	$	12,299
Estimated Remaining Useful Life (Years)	-	7	Fully Funded Balance	$	3,000
Estimated Replacement Year	-	2024	Depreciation This Year	$	1,000
Cost Source	-	1	Monthly Contribution	$	91.70
Depreciation Percent	-	5.56%	Fully Funded Balance Percent		1.70%
Life Remainging Percent	-	**70%**			

Landscaping — Irrigation System Upgrade

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	1,600.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	1,600
Normal Useful Life (Years)	-	15	Estimated Total Future Cost	$	1,648
Estimated Remaining Useful Life (Years)	-	1	Fully Funded Balance	$	1,493
Estimated Replacement Year	-	2018	Depreciation This Year	$	107
Cost Source	-	1	Monthly Contribution	$	9.78
Depreciation Percent	-	0.59%	Fully Funded Balance Percent		0.85%
Life Remainging Percent	-	**7%**			

Landscaping — Planter Waterproofing

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	4,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	4,000
Normal Useful Life (Years)	-	20	Estimated Total Future Cost	$	4,120
Estimated Remaining Useful Life (Years)	-	1	Fully Funded Balance	$	3,800
Estimated Replacement Year	-	2018	Depreciation This Year	$	200
Cost Source	-	1	Monthly Contribution	$	18.34
Depreciation Percent	-	1.11%	Fully Funded Balance Percent		2.15%
Life Remainging Percent	-	**5%**			

Lighting — Ceiling Mounted Courtyard

Approximate Component Quantity	-	31	Estimated Current Unit Cost	$	60.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	1,860
Normal Useful Life (Years)	-	20	Estimated Total Future Cost	$	1,916
Estimated Remaining Useful Life (Years)	-	1	Fully Funded Balance	$	1,767
Estimated Replacement Year	-	2018	Depreciation This Year	$	93
Cost Source	-	1	Monthly Contribution	$	8.53
Depreciation Percent	-	0.52%	Fully Funded Balance Percent		1.00%
Life Remainging Percent	-	**5%**			

Lighting — Ceiling Mounted Garage

Approximate Component Quantity	-	9	Estimated Current Unit Cost	$	135.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	1,215
Normal Useful Life (Years)	-	20	Estimated Total Future Cost	$	2,131
Estimated Remaining Useful Life (Years)	-	19	Fully Funded Balance	$	61
Estimated Replacement Year	-	2036	Depreciation This Year	$	61
Cost Source	-	1	Monthly Contribution	$	5.57
Depreciation Percent	-	0.34%	Fully Funded Balance Percent		0.03%
Life Remainging Percent	-	**95%**			

Lighting — Exit Light Fixtures

Approximate Component Quantity	-	6	Estimated Current Unit Cost	$	130.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	780
Normal Useful Life (Years)	-	20	Estimated Total Future Cost	$	803
Estimated Remaining Useful Life (Years)	-	1	Fully Funded Balance	$	741
Estimated Replacement Year	-	2018	Depreciation This Year	$	39
Cost Source	-	1	Monthly Contribution	$	3.58
Depreciation Percent	-	0.22%	Fully Funded Balance Percent		0.42%
Life Remainging Percent	-	**5%**			

Lighting — Column Lights (Bollards)

Approximate Component Quantity	-	6	Estimated Current Unit Cost	$	400.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	2,400
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	$	2,623
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	$	2,112
Estimated Replacement Year	-	2020	Depreciation This Year	$	96
Cost Source	-	1	Monthly Contribution	$	8.80
Depreciation Percent	-	0.53%	Fully Funded Balance Percent		1.20%
Life Remainging Percent	-	**12%**			

Miscellaneous — Mailboxes

Approximate Component Quantity	-	30	Estimated Current Unit Cost	$	70.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	2,100
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	$	2,295
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	$	1,848
Estimated Replacement Year	-	2020	Depreciation This Year	$	84
Cost Source	-	1	Monthly Contribution	$	7.70
Depreciation Percent	-	0.47%	Fully Funded Balance Percent		1.05%
Life Remainging Percent	-	**12%**			

Miscellaneous — Termite Treatment

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	16,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	16,000
Normal Useful Life (Years)	-	10	Estimated Total Future Cost	$	19,105
Estimated Remaining Useful Life (Years)	-	6	Fully Funded Balance	$	6,400
Estimated Replacement Year	-	2023	Depreciation This Year	$	1,600
Cost Source	-	1	Monthly Contribution	$	146.73
Depreciation Percent	-	8.89%	Fully Funded Balance Percent		3.62%
Life Remainging Percent	-	**60%**			

Miscellaneous — Laundry Room Renovation

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)	-	18	Estimated Total Future Cost	$	2,000
Estimated Remaining Useful Life (Years)	-	0	Fully Funded Balance	$	2,000
Estimated Replacement Year	-	2017	Depreciation This Year	$	111
Cost Source	-	1	Monthly Contribution	$	10.19
Depreciation Percent	-	0.62%	Fully Funded Balance Percent		1.13%
Life Remainging Percent	-	**0%**			

Assessment and Reserve Funding Disclosure Summary
Windemere Court HOA

(1) The current regular assessment per ownership interest per month is:

$ 220.00 per month for the year ending 12/31/16

(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: As of 8/9/2016

Date Assessment is Due	Amount per unit	Purpose of Assessment
NA		
Total:		

(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 [ ] No [X]

Note: This calculation assumes the association will raise their current reserve contribution 3% per year over the next 30 years.

(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?

Increase the monthly reserve contribution by $ 39.66 per unit

For more detail see attached theoretical 30 year funding plans.

Note: This calculation assumes the association will raise their current reserve contribution 3% per year over the next 30 years.

(5) All major components appropriate for reserve funding are included in the reserve study and are included in it's calculations.

(6) 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 the current fiscal year is:
$ 176,560
based in whole or in part on the last reserve study or update prepared by McCaffery Reserve Consulting as of 12/31/2016 the projected reserve fund cash balance at the end of the current fiscal year is: $ 154,932 resulting in the reserves being 88% funded at this date.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the civil code the projected required amount in reserves, projected reserve fund cash balance and projected percent funded for each of the next 5 years is:

Year	Amt Required	Proj. Balance	% Funded
2017	$ 194,982	$ 152,256	78%
2018	$ 197,406	$ 133,722	68%
2019	$ 131,717	$ 51,334	39%
2020	$ 130,332	$ 28,444	22%
2021	$ 117,646	$ (5,761)	-5%

For more detail see attached theoretical 30 year funding plans.

Note: This calculation assumes the association will raise their reserve contribution 3% per year over the next 30 years.

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 was : 1.50% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was: 3.00% 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 5530. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.

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

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

The Preparer of this form will be indemnified and held harmless against all losses, claims, action, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which has been provided to Preparer by others and relied upon by Preparer which may result from any improper use or reliance on this disclosure.

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 in 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.