Reserve Analysis Report

Sample Master Planned Community

Laguna Hills, California

Version 1

April 13, 2004

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Sample Master Planned Community

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Preface

This preface is intended to provide an introduction to the enclosed reserve analysis as well as detailed information regarding the reserve analysis report format and reserve fund calculation methods. The following sections are included in this preface:

◆ ◆ INTRODUCTION TO RESERVE BUDGETING ◆ ◆

The Board of Directors of an association has a legal and fiduciary duty to maintain the community in a good state of repair. Individual unit property values are significantly impacted by the level of maintenance and upkeep provided by the association as well as the amount of the regular assessment charged to each owner.

A prudent plan must be implemented to address the issues of long-range maintenance, repair and replacement of the common areas. Additionally, the plan should recognize that the value of each unit is affected by the amount of the regular assessment charged to each unit.

There is a fine line between “not enough,” “just right” and “too much.” Each member of an association should contribute to the reserve fund for their proportionate amount of “depreciation” (or “use”) of the reserve components. Through time, if each owner contributes his “fair share” into the reserve fund for the depreciation of the reserve components, then the possibility of large increases in regular assessments or special assessments will be minimized.

An accurate reserve analysis and a “healthy” reserve fund are essential to protect and maintain the association's common areas and the property values of the individual unit owners. A comprehensive reserve analysis is one of the most significant elements of any association's long-range plan and provides the critical link between sound business judgment and good fiscal planning. The reserve analysis provides a “financial blueprint” for the future of an association.

◆ ◆ UNDERSTANDING THE RESERVE ANALYSIS ◆ ◆

In order for the reserve analysis to be useful, it must be understandable by a variety of individuals. Board members (from seasoned, experienced Board members to new Board members), property managers, accountants, attorneys and even homeowners may ultimately review the reserve analysis. The reserve analysis must be detailed enough to provide a comprehensive analysis, yet simple enough to enable less experienced individuals to understand the results.

Preface

There are four key bits of information that a comprehensive reserve analysis should provide. These items include:

- **Budget**

Amount recommended to be transferred into the reserve account each month of the fiscal year for which the reserve analysis was prepared. In some cases, the reserve analysis may present two or more funding plans based on different calculation models (i.e. Component Method, Minimum Cash Flow Method, etc.). The Board should have a clear understanding of the differences among these funding models prior to implementing one of them in the annual budget.

- **Percent Funded**

Measure of the reserve fund "health" (expressed as a percentage) as of the beginning of the fiscal year for which the reserve analysis was prepared. Remember, "100% funded" means the association has accumulated the proportionately correct amount of money, to date, for the reserve components it maintains.

- **Projections**

Indicate the "level of service" the association will provide the membership as well as a "road map" for the fiscal future of the association. The projections define the timetables for repairs and replacements, such as when the buildings will be painted or when the asphalt will be seal coated. The projections also show the financial plan for the association – when an underfunded association will "catch up" or how a properly funded association will remain fiscally "healthy."

- **Inventory**

Complete listing of the reserve components. Key bits of information are available for each reserve component, including placed-in-service date, useful life, remaining life, replacement year, quantity, current cost of replacement, future cost of replacement and analyst's comments.

In this section, a description of most of the summary or report sections is provided along with comments regarding what to look for and how to use each section. All reserve analyses may not include all of the summaries or report formats described herein.

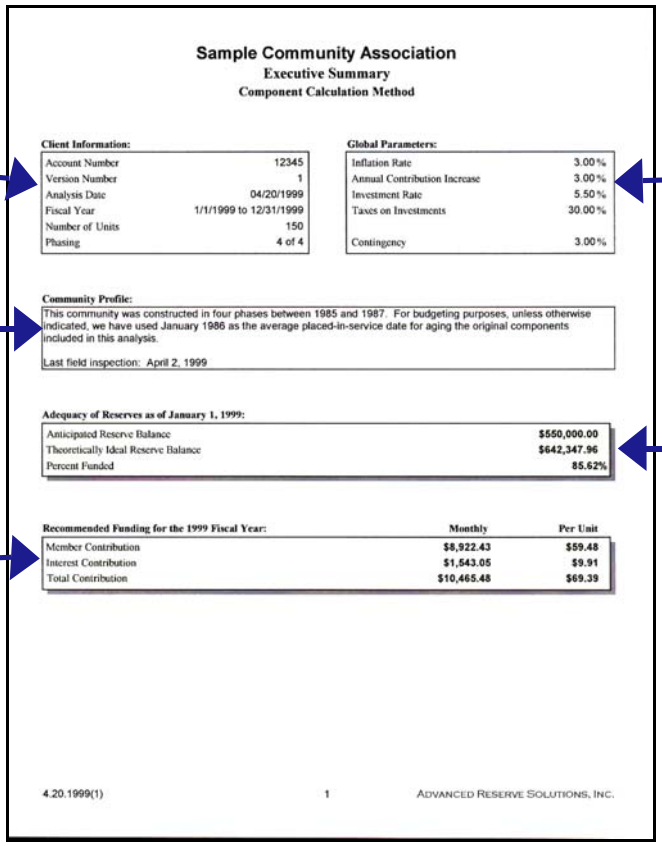
In some cases, the reserve analysis may be a lengthy document of one hundred pages or more. A complete and thorough review of the reserve analysis is always a good idea. However, if time is limited, it is suggested that a thorough review of the summary pages be made. If a "red flag" is raised in this review, the reader should then check the detail information, of the component in question, for all relevant information.

- **Executive Summary**

Provides general information about the client, global parameters used in the calculation of the reserve analysis as well as the core results of the reserve analysis.

Client Information
Provides various client information including fiscal year for which the analysis was prepared, number of units, phasing, etc.

Global Parameters
Displays the calculation parameters that were used to calculate the reserve analysis including inflation, annual contribution increase, investment rate, tax rate and contingency.



Sample Community Association
Executive Summary
Component Calculation Method

Client Information:

Account Number	12345
Version Number	1
Analysis Date	04/20/1999
Fiscal Year	1/1/1999 to 12/31/1999
Number of Units	150
Phasing	4 of 4

Global Parameters:

Inflation Rate	3.00%
Annual Contribution Increase	3.00%
Investment Rate	5.50%
Taxes on Investments	30.00%
Contingency	3.00%

Community Profile:
This community was constructed in four phases between 1985 and 1987. For budgeting purposes, unless otherwise indicated, we have used January 1986 as the average placed-in-service date for aging the original components included in this analysis.

Last field inspection: April 2, 1999

Adequacy of Reserves as of January 1, 1999:

Anticipated Reserve Balance	$550,000.00
Theoretically Ideal Reserve Balance	$642,347.96
Percent Funded	85.62%

Recommended Funding for the 1999 Fiscal Year:	Monthly	Per Unit
Member Contribution	$8,922.43	$59.48
Interest Contribution	$1,543.05	$9.91
Total Contribution	$10,465.48	$69.39

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Community Profile
Provides brief description of the community, as well as other "global" type comments.

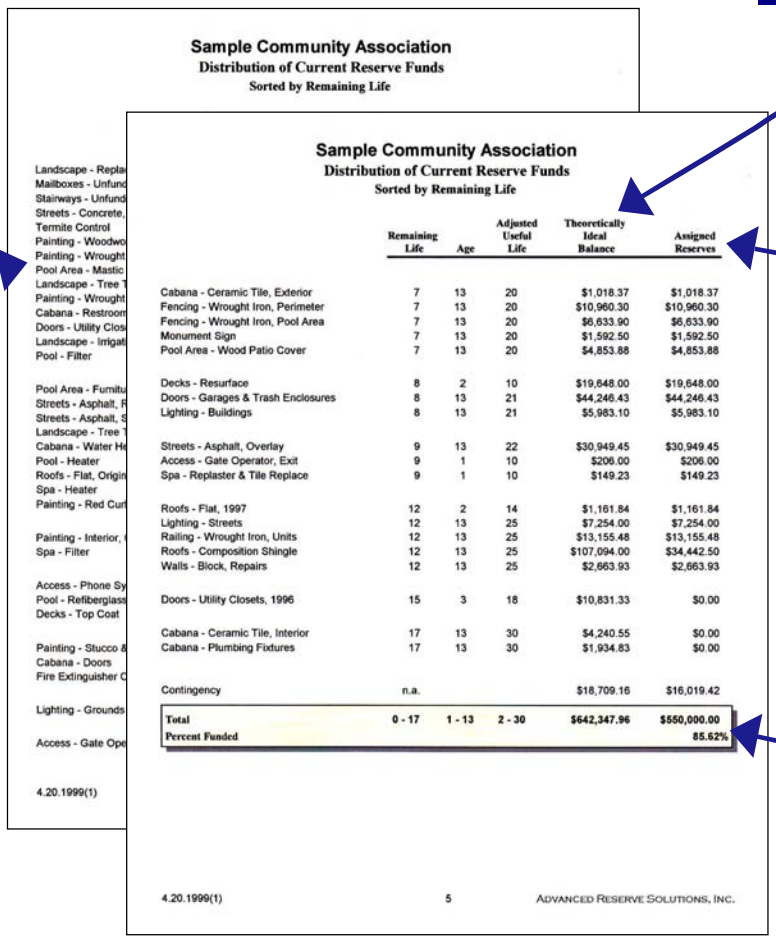
Adequacy of Reserves
Displays the results of calculations with regard to the "health" of the reserve fund as of the beginning of the fiscal year for which the reserve analysis was prepared. Provides the anticipated reserve balance, theoretically ideal reserve balance and the percent funded.

Recommended Funding
Provides the results of calculations with regard to the "bottom line." Indicates the monthly reserve funding recommendation from the membership, anticipated interest contribution and the total contribution requirement.

- **Distribution of Current Reserve Funds**

Displays all reserve components, shown here in ascending "remaining life" order. Provides the remaining life, age and useful life of each component along with its theoretically ideal reserve balance as of the beginning of the fiscal year for which the reserve analysis was prepared. The far right-hand column displays the amount of money that was actually assigned to each component during the calculation process.

Theoretically Ideal Reserves
Displays the ideal reserve balance for each component.



Sample Community Association
Distribution of Current Reserve Funds
Sorted by Remaining Life

	Remaining Life	Age	Adjusted Useful Life	Theoretically Ideal Balance	Assigned Reserves
Cabana - Ceramic Tile, Exterior	7	13	20	$1,018.37	$1,018.37
Fencing - Wrought Iron, Perimeter	7	13	20	$10,960.30	$10,960.30
Fencing - Wrought Iron, Pool Area	7	13	20	$6,633.90	$6,633.90
Monument Sign	7	13	20	$1,592.50	$1,592.50
Pool Area - Wood Patio Cover	7	13	20	$4,853.88	$4,853.88
Decks - Resurface	8	2	10	$19,648.00	$19,648.00
Doors - Garages & Trash Enclosures	8	13	21	$44,246.43	$44,246.43
Lighting - Buildings	8	13	21	$5,983.10	$5,983.10
Streets - Asphalt, Overlay	9	13	22	$30,949.45	$30,949.45
Access - Gate Operator, Exit	9	1	10	$206.00	$206.00
Spa - Replaster & Tile Replace	9	1	10	$149.23	$149.23
Roofs - Flat, 1997	12	2	14	$1,161.84	$1,161.84
Lighting - Streets	12	13	25	$7,254.00	$7,254.00
Railing - Wrought Iron, Units	12	13	25	$13,155.48	$13,155.48
Roofs - Composition Shingle	12	13	25	$107,094.00	$34,442.50
Walls - Block, Repairs	12	13	25	$2,663.93	$2,663.93
Doors - Utility Closets, 1996	15	3	18	$10,831.33	$0.00
Cabana - Ceramic Tile, Interior	17	13	30	$4,240.55	$0.00
Cabana - Plumbing Fixtures	17	13	30	$1,934.83	$0.00
Contingency	n.a.			$18,709.16	$16,019.42
Total	**0 - 17**	**1 - 13**	**2 - 30**	**$642,347.96**	**$550,000.00**
Percent Funded					**85.62%**

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Reserve Components
All components are displayed (shown here in ascending "remaining life" order).

Assigned Reserves
Displays the actual amount assigned to each component.

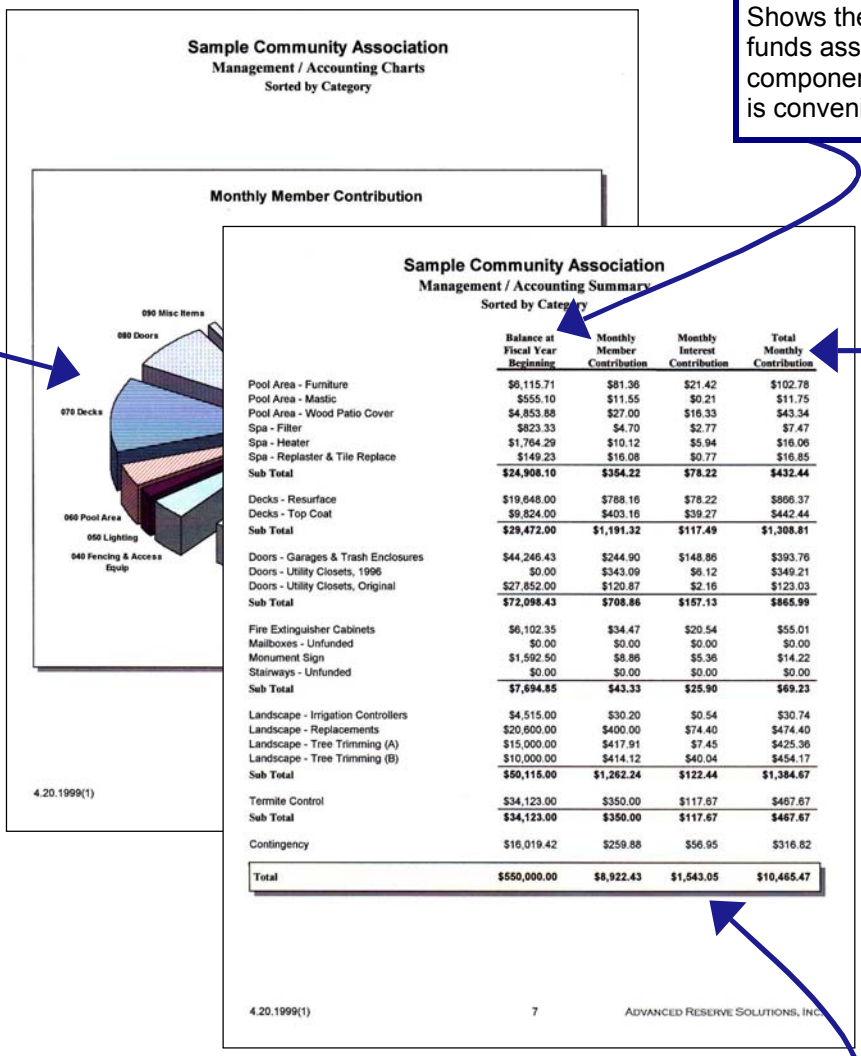
The total theoretically ideal reserves, assigned reserves and percent funded are provided at the bottom of this summary. Also shown is the range of reserve component remaining lives, ages and useful lives.

- **Management / Accounting Summary and Charts**

Summary displays all reserve components, shown here in "category" order. Provides the assigned reserve funds at the beginning of the fiscal year for which the reserve analysis was prepared along with the monthly member contribution, interest contribution and total contribution for each component and category. Three pie charts show graphically how the total reserve fund is distributed amongst the reserve component categories and how each category is funded on a monthly basis.

Pie Charts
Show graphically how the reserve fund is distributed amongst the reserve components and how the components are funded.

Balance at FYB
Shows the amount of reserve funds assigned to each reserve component. And, this column is conveniently sub totaled.



Sample Community Association
Management / Accounting Charts
Sorted by Category

Monthly Member Contribution

090 Misc Items
080 Doors
070 Decks
060 Pool Area
050 Lighting
040 Fencing & Access Equip

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Sample Community Association
Management / Accounting Summary
Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
Pool Area - Furniture	$6,115.71	$81.36	$21.42	$102.78
Pool Area - Mastic	$555.10	$11.55	$0.21	$11.75
Pool Area - Wood Patio Cover	$4,853.88	$27.00	$16.33	$43.34
Spa - Filter	$823.33	$4.70	$2.77	$7.47
Spa - Heater	$1,764.29	$10.12	$5.94	$16.06
Spa - Replaster & Tile Replace	$149.23	$16.08	$0.77	$16.85
Sub Total	**$24,908.10**	**$354.22**	**$78.22**	**$432.44**
Decks - Resurface	$19,648.00	$788.16	$78.22	$866.37
Decks - Top Coat	$9,824.00	$403.16	$39.27	$442.44
Sub Total	**$29,472.00**	**$1,191.32**	**$117.49**	**$1,308.81**
Doors - Garages & Trash Enclosures	$44,246.43	$244.90	$148.86	$393.76
Doors - Utility Closets, 1996	$0.00	$343.09	$6.12	$349.21
Doors - Utility Closets, Original	$27,852.00	$120.87	$2.16	$123.03
Sub Total	**$72,098.43**	**$708.86**	**$157.13**	**$865.99**
Fire Extinguisher Cabinets	$6,102.35	$34.47	$20.54	$55.01
Mailboxes - Unfunded	$0.00	$0.00	$0.00	$0.00
Monument Sign	$1,592.50	$8.86	$5.36	$14.22
Stairways - Unfunded	$0.00	$0.00	$0.00	$0.00
Sub Total	**$7,694.85**	**$43.33**	**$25.90**	**$69.23**
Landscape - Irrigation Controllers	$4,515.00	$30.20	$0.54	$30.74
Landscape - Replacements	$20,600.00	$400.00	$74.40	$474.40
Landscape - Tree Trimming (A)	$15,000.00	$417.91	$7.45	$425.36
Landscape - Tree Trimming (B)	$10,000.00	$414.12	$40.04	$454.17
Sub Total	**$50,115.00**	**$1,262.24**	**$122.44**	**$1,384.67**
Termite Control	$34,123.00	$350.00	$117.67	$467.67
Sub Total	**$34,123.00**	**$350.00**	**$117.67**	**$467.67**
Contingency	$16,019.42	$259.88	$56.95	$316.82
Total	**$550,000.00**	**$8,922.43**	**$1,543.05**	**$10,465.47**

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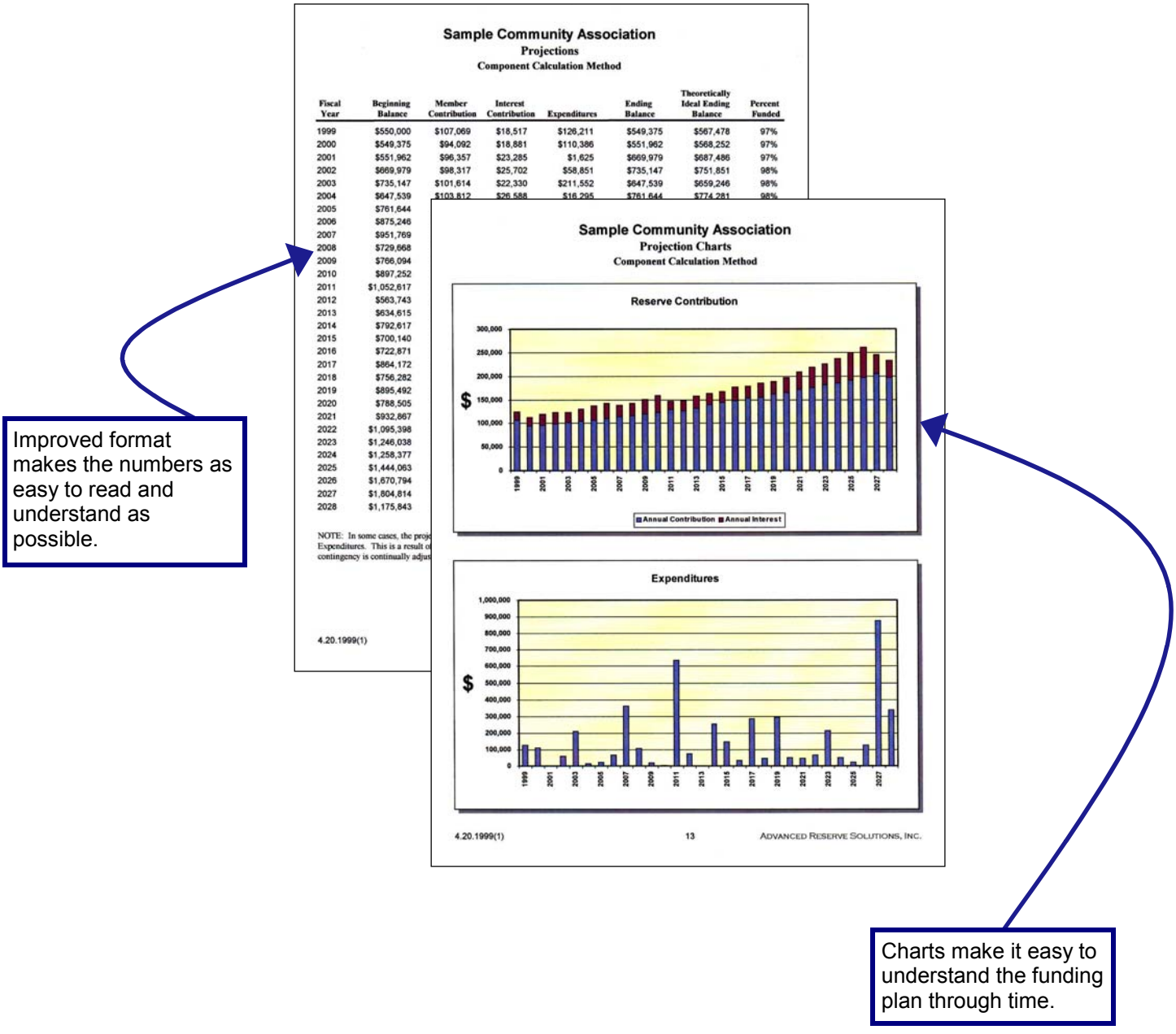
Monthly Funding
Displays the monthly funding for each component from the members and interest. Total monthly funding is also indicated. And, these columns are conveniently sub totaled.

The total assigned reserves and monthly funding are provided at the bottom of this summary.

Will your Treasurer or accountant ask for anything else?

- **Projections and Charts**

Summary displays projections of beginning reserve balance, member contribution, interest contribution, expenditures and ending reserve balance for each year of the projection period (shown here for 30 years). The two columns on the right-hand side provide the theoretically ideal ending balance and the percent funded for each year. Four charts show the same information in an easy-to-understand graphic format.



Improved format makes the numbers as easy to read and understand as possible.

Charts make it easy to understand the funding plan through time.

◆ ◆ CALCULATION METHODS ◆ ◆

There are only a few *true* reserve funding calculation methods used by reserve analysis firms. Some articles in trade publications seem to indicate that there are dozens of "unique" and different reserve calculation methods (i.e. component, cash flow, pooling, front-loading, splitting, etc.). Most "unique" calculation methods are actually hybrid derivatives of either the component method or the cash flow method.

The following sections describe the calculation methods utilized most often for our clients.

- **Component Calculation Method**

This calculation method develops a funding plan for each individual reserve component included in the reserve analysis. The sum of the funding plans for each component equal the total funding plan for the association.

This calculation method is typically the most conservative. This method structures a funding plan that enables the association to pay all reserve expenditures as they come due, enables the association to achieve the ideal level of reserves in time, and then enables the association to maintain the ideal level of reserves through time.

One of the major benefits of using this calculation method is that for any single component (or group of components), the accumulated balance and reserve funding can be reported. For example, using this calculation method, the reserve analysis can indicate the amount of current reserve funds "in the bank" for the roofs and the amount of money being funded towards the roofs each month. Using other calculation methods, this information cannot be calculated and therefore, cannot be reported.

The following is a detailed description of the Component Calculation Method:

Step 1: Calculation of Theoretically Ideal Balance for each component

The theoretically ideal balance is calculated for each component based on its age, useful life and current cost. The actual formula is as follows:

$$\text{Theoretically Ideal Balance} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Cost}$$

Step 2: Distribution of current reserve funds

The association's current reserve funds are assigned to (or distributed amongst) the reserve components based on each component's remaining life and theoretically ideal balance as follows:

Pass 1: Components are organized in remaining life order, from least to greatest, and the current reserve funds are assigned to each component up to its theoretically ideal balance, until reserves are exhausted.

Pass 2: If all components are assigned their theoretically ideal balance and additional funds exist, they are assigned in a "second pass." Again, the components are organized in remaining life order, from least to greatest, and the remaining current reserve funds are assigned to each component up to its current cost, until reserves are exhausted.

Pass 3: If all components are assigned their current cost and additional funds exist, they are assigned in a "third pass." Components with a remaining life of zero years are assigned double their current cost.

Distributing, or assigning, the current reserve funds in this manner is the most efficient use of the funds on hand – it defers the make-up period of any underfunded reserves over the lives of the components with the largest remaining lives.

Step 3: Developing a funding plan

After step 2, all components have a "starting" balance. A calculation is made to determine what funding would be required to get from the starting balance to the future cost over the number of years remaining until replacement. The funding plan incorporates the annual contribution increase parameter to develop "stair stepped" contribution.

For example, if an association needs to accumulate $100,000 in ten years, $10,000 could be contributed each year. Alternatively, the association could contribute $8,723 in the first year and increase the contribution by 3% each year thereafter until the tenth year.

In most cases, this rate should match the Inflation Parameter. Matching the Annual Contribution Increase Parameter to the Inflation Parameter indicates, in theory, that Member Contributions should increase at the same rate as the cost of living (Inflation Parameter). Due to the "time value of money," this creates the most equitable distribution of Member Contributions through time.

Using an Annual Contribution Increase Parameter that is greater than the Inflation Parameter will reduce the burden to the current membership at the expense of the future membership. Using an Annual Contribution Increase Parameter that is less than the Inflation Parameter will increase the burden to the current membership to the benefit of the future membership. The following chart shows a comparison:

	0% Increase	3% Increase	10% Increase
Year 1	$10,000.00	$8,723.05	$6,274.54
Year 2	$10,000.00	$8,984.74	$6,901.99
Year 3	$10,000.00	$9,254.28	$7,592.19
Year 4	$10,000.00	$9,531.91	$8,351.41
Year 5	$10,000.00	$9,817.87	$9,186.55
Year 6	$10,000.00	$10,112.41	$10,105.21
Year 7	$10,000.00	$10,415.78	$11,115.73
Year 8	$10,000.00	$10,728.25	$12,227.30
Year 9	$10,000.00	$11,050.10	$13,450.03
Year 10	$10,000.00	$11,381.60	$14,795.04
TOTAL	$100,000.00	$100,000.00	$100,000.00

This parameter is used to develop a funding plan only; it does not mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a Total Reserve Contribution increase or decrease from year to year than this parameter.

- **Minimum Cash Flow Method**

This calculation method develops a funding plan based on current reserve funds and projected expenditures during a "window," typically 30 years.

This calculation method is not as conservative as the Component Method and will typically produce a lower monthly reserve contribution. This method structures a funding plan that enables the association to pay for all reserve expenditures as they come due, but is not concerned with the ideal level of reserves through time. Consequently, this funding method can allow an association to become increasingly underfunded, while never running completely out of money during the "window."

This calculation method structures a funding plan that is the "bare" minimum required to pay for all reserve expenditures as they come due during the "window." This method disregards components that do not have an expenditure associated with them during the "window." This method tests reserve contributions to determine the minimum contribution necessary, based on the association's beginning reserve balance and anticipated expenses through time, so that the reserve balance in any one year does not drop below $0 (or some other threshold level).

- **Directed Cash Flow Method**

This calculation method is a hybrid of the Minimum Cash Flow Method which enables the development of "custom" or "non-traditional" funding plans which may include deferred contributions or special assessments.

This method is similar to the Minimum Cash Flow Method in the sense that it is making calculations

based on all reserve expenditures during the “window.” This calculation method can be used to calculate a reserve contribution that enables the association to become "ideally funded" in time.

◆ ◆ GLOSSARY OF KEY TERMS ◆ ◆

- **Annual Contribution Increase Parameter**

The rate used in the calculation of the funding plan developed by the Component Calculation Method and Minimum Cash Flow Method. This rate is used on an annual compounding basis. This rate represents, in theory, the rate the association expects to increase contributions each year.

In most cases, this rate should match the Inflation Parameter. Matching the Annual Contribution Increase Parameter to the Inflation Parameter indicates, in theory, that Member Contributions should increase at the same rate as the cost of living (Inflation Parameter). Due to the “time value of money,” this creates the most equitable distribution of Member Contributions through time.

This parameter is used to develop a funding plan only; it does not mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a Total Reserve Contribution increase or decrease from year to year than this parameter.

See the description of “Calculation Methods” in this preface for more detail on this parameter.

- **Anticipated Reserve Balance (or Reserve Funds)**

The amount of money, as of a certain point in time, held by the association to be used for the repair or replacement of Reserve Components.

This figure is “anticipated” because it is calculated based on the most current financial information available as of the analysis date, which is almost always prior to the Fiscal Year beginning date for which the reserve analysis is prepared.

- **Assigned Funds (and “Fixed” Assigned Funds)**

The amount of money, as of the Fiscal Year beginning date for which the reserve analysis is prepared, that a Reserve Component has been assigned based on the Component Calculation Method.

Assigned Funds do not apply to the Minimum Cash Flow Calculation Method or the Directed Cash Flow Calculation Method.

The Assigned Funds are considered “Fixed” when the normal calculation process is bypassed and a specific amount of money is assigned to a Reserve Component. For example, if the normal calculation process assigns $10,000 to the roofs, but the association would like to show $20,000 assigned to roofs, “fixed” funds of $20,000 can be assigned.

The Component Calculation Method assigns funds to each component in the most efficient manner possible; assigning "fixed" reserves in this manner can have a detrimental impact on the association's overall budget structure in the long run. A more detailed description of the actual calculation process is included in the "Calculation Methods" section of the preface.

- **Component Calculation Method (or Component Method)**

Reserve funding calculation method developed based on each individual component. A more detailed description of the actual calculation process is included in the "Calculation Methods" section of the preface.

- **Contingency Parameter**

The rate used as a built-in buffer in the calculation of the funding plan developed by the Component Calculation Method. This rate will assign a percentage of the Reserve Funds, as of the Fiscal Year beginning, as contingency funds and will also determine the level of funding toward the contingency each month.

- **Current Replacement Cost**

The amount of money, as of the Fiscal Year beginning date for which the reserve analysis is prepared, that a Reserve Component is expected to cost to replace.

- **Directed Cash Flow Calculation Method (or Directed Cash Flow Method)**

Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the "Calculation Methods" section of the preface.

- **Fiscal Year**

Indicates the budget year for the association for which the reserve analysis was prepared. The fiscal year beginning (FYB) is the first day of the budget year; the fiscal year end (FYE) is the last day of the budget year.

- **Future Replacement Cost**

The amount of money, as of the Fiscal Year during which replacement of a Reserve Component is scheduled, that a Reserve Component is expected to cost to replace. This cost is calculated using the Current Replacement Cost compounded annually by the Inflation Parameter.

- **Global Parameters**

The financial parameters used to calculate the reserve analysis (see Inflation Parameter, Annual Contribution Increase Parameter, Investment Rate Parameter and Taxes on Investments Parameter).

- **Inflation Parameter**

The rate used in the calculation of future costs for Reserve Components. This rate is used on an annual compounding basis. This rate represents the rate the association expects to the cost of goods and services relating to their Reserve Components to increase each year.

- **Interest Contribution**

The amount of money contributed to the Reserve Fund by the interest earned on the Reserve Fund and Member Contributions.

- **Investment Rate Parameter**

The gross rate used in the calculation of Interest Contribution (interest earned) from the Reserve Balance and Member Contributions. This rate (net of the Taxes on Investments Parameter) is used on a monthly compounding basis. This parameter represents the weighted average interest rate the association expects to earn on their Reserve Fund investments.

- **Membership Contribution**

The amount of money contributed to the Reserve Fund by the association's membership.

- **Minimum Cash Flow Calculation Method (or Minimum Cash Flow Method)**

Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the "Calculation Methods" section of the preface.

- **Monthly Contribution (and "Fixed" Monthly Contribution)**

The amount of money, for the Fiscal Year which the reserve analysis is prepared, that a Reserve Component will be funded based on the Component Calculation Method.

Monthly Contribution does not apply to the Minimum Cash Flow Calculation Method or the Directed Cash Flow Calculation Method.

The Monthly Contribution is considered "Fixed" when the normal calculation process is bypassed and a specific amount of money is funded to a Reserve Component. For example, if the normal calculation process funds $1,000 to the roofs each month, but the association would like to show $500 funded to roofs each month, a "fixed" contribution of $500 can be assigned.

The Component Calculation Method funds each component in the most efficient manner possible; assigning a "fixed" contribution in this manner can have a detrimental impact on the association's overall budget structure in the long run. A more detailed description of the actual calculation process is included in the "Calculation Methods" section of the preface.

- **Number of Units (or other assessment basis)**

Indicates the number of units for which the reserve analysis was prepared. In "phased" developments (see Phasing), this number represents the number of units, and corresponding common area components, that existed as of a certain point in time.

For some associations, assessments and reserve contributions are based on a unit of measure other than the number of units. Examples include time-interval weeks for timeshare resorts or lot acreage for industrial developments.

- **One-Time Replacement**

Used for components that will be budgeted for only once.

- **Percent Funded**

A measure (expressed as a percentage) of the association's reserve fund "health" as of a certain point in time. This number is the ratio of the Anticipated Reserve Fund Balance to the Theoretically Ideal Reserve Balance:

$$\text{Percent Funded} = \frac{\text{Anticipated Reserve Fund Balance}}{\text{Theoretically Ideal Reserve Balance}}$$

An association that is 100% funded does not have all of the Reserve Funds necessary to replace all of its Reserve Components immediately; it has the proportionately appropriate Reserve Funds for the Reserve Components it maintains, based on each component's Current Replacement Cost, age and Useful Life.

- **Percentage of Replacement**

The percentage of the Reserve Component that is expected to be replaced.

For most Reserve Components, this percentage should be 100%. In some cases, this percentage may be more or less than 100%. For example, fencing which is shared with a neighboring community may be set at 50%.

- **Phasing**

Indicates the number of phases for which the reserve analysis was prepared and the total number of phases expected at build-out (i.e. Phase 4 of 7). In phased developments, the first number represents the number of phases, and corresponding common area components, that existed as of a certain point in time. The second number represents the number of phases that are expected to exist at build-out.

- **Placed-In-Service Date**

The date (month and year) that the Reserve Component was originally put into service or last replaced.

- **Remaining Life**

The length of time, in years, until a Reserve Component is scheduled to be replaced.

- **Remaining Life Adjustment**

The length of time, in years, that a Reserve Component is expected to last in excess (or deficiency) of its Useful Life for the current cycle of replacement.

If the current cycle of replacement for a Reserve Component is expected to be greater than or less than the "normal" life expectancy, the Reserve Component's life should be adjusted using a Remaining Life Adjustment.

For example, if wood trim is painted normally on a 4 year cycle, the Useful Life should be 4 years. However, when it comes time to paint the wood trim and it is determined that it can be deferred for an additional year, the Useful Life should remain at 4 years and a Remaining Life Adjustment of +1 year should be used.

- **Replacement Year**

The Fiscal Year that a Reserve Component is scheduled to be replaced.

- **Reserve Components**

Line items included in the reserve analysis.

- **Salvage Value**

The amount of money that is expected to be received at the point in time that a Reserve Component is replaced.

For example, the "trade-in allowance" received at the time a security vehicle is replaced should be considered as its Salvage Value.

- **Taxes on Investments Parameter**

The rate used to offset the Investment Rate Parameter in the calculation of the Interest Contribution. This parameter represents the marginal tax rate the association expects to pay on interest earned by the Reserve Funds and Member Contributions.

- **Theoretically Ideal Reserve Balance (or Ideal Reserves)**

The amount of money that should theoretically have accumulated in the reserve fund as of a certain point in time. Ideal reserves are calculated for each Reserve Component based on the Current Replacement Cost, Age and Useful Life:

$$\text{Ideal Reserves} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Replacement Cost}$$

The Theoretically Ideal Reserve Balance is the sum of the Ideal Reserves for each Reserve Component.

An association that has accumulated the Theoretically Ideal Reserve Balance does not have all of the funds necessary to replace all of its Reserve Components immediately; it has the proportionately appropriate Reserve Funds for the Reserve Components it maintains, based on each component's Current Replacement Cost, Age and Useful Life.

- **Total Contribution**

The sum of the Membership Contribution and Interest Contribution.

- **Useful Life**

The length of time, in years, that a Reserve Component is expected to last each time it is replaced. See also Remaining Life Adjustment.

Sample Master Planned Community

Executive Summary

Component Calculation Method

Client Information:

Account Number	99999
Version Number	1
Analysis Date	4/13/2004
Fiscal Year	1/1/2004 to 12/31/2004
Number of Units	97
Phasing	2 of 2

Global Parameters:

Inflation Rate	2.50%
Annual Contribution Increase	2.50%
Investment Rate	2.75%
Taxes on Investments	30.00%
Contingency	3.00%

Community Profile:

This gated community was built in phases beginning in early 2000 and completed during 2002. For budgeting purposes, unless otherwise indicated, we have used the following placed in service dates for aging the original components throughout these areas of the community:

Entrance Area/Guardhouse....January 2000
Grounds.....January 2001
Streets (final cap).....January 2004

ARS field inspections: July 2, 2003 & August 30, 2002

Adequacy of Reserves as of January 1, 2004:

Anticipated Reserve Balance	**$447,879.00**
Theoretically Ideal Reserve Balance	**$411,422.52**
Percent Funded	**108.86%**

Recommended Funding for the 2004 Fiscal Year:	**Annual**	**Monthly**	**Per Unit Per Month**
Member Contribution	**$58,239**	**$4,853.27**	**$50.03**
Interest Contribution	**$4,201**	**$350.12**	**$3.61**
Total Contribution	**$62,441**	**$5,203.39**	**$53.64**

Sample Master Planned Community

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Theoretically Ideal Balance
010 Streets				
Brick Pavers - Repairs	1	5	$27,238.48	$21,790.78
Streets - Asphalt Overlay	19	19	$267,195.59	$0.00
Streets - Asphalt Repairs	3	3	$6,335.34	$0.00
Streets - Asphalt Slurry Sealing	3	3	$14,888.05	$0.00
Sub Total	**1-19**	**3-19**	**$315,657.45**	**$21,790.78**
030 Painting				
Painting - Interior, Guardhouse	2	3	$1,501.00	$214.43
Painting - Mailbox/Lighting Posts	1	2	$8,640.00	$2,160.00
Painting - Stucco	5	8	$21,995.00	$8,248.13
Painting - Wood/Trim	1	2	$15,542.00	$3,885.50
Painting - Wrought Iron	0	2	$8,140.00	$8,140.00
Sub Total	**0-5**	**2-8**	**$55,818.00**	**$22,648.05**
040 Fencing				
Access - Entry Phone	6	10	$4,000.00	$1,600.00
Access - Gate Operators	6	10	$12,000.00	$4,800.00
Access - Operators, Gate Arm	6	10	$7,850.00	$3,140.00
Access - Security System	3	5	$5,200.00	$2,080.00
Fencing - Glass	27	30	$118,080.00	$11,808.00
Fencing - Wood, Gates	12	16	$36,000.00	$9,000.00
Fencing - Wrought Iron	15	18	$57,720.00	$9,620.00
Walls - Stucco, Repairs	22	25	$25,055.10	$3,006.61
Sub Total	**3-27**	**5-30**	**$265,905.10**	**$45,054.61**
050 Lighting				
Lighting - Entrance Area	14	18	$24,930.00	$5,540.00
Lighting - Street	17	20	$53,000.00	$7,950.00
Sub Total	**14-17**	**18-20**	**$77,930.00**	**$13,490.00**
060 Guardhouse				
Guardhouse - Cabinets	16	20	$4,410.00	$882.00
Guardhouse - Ceramic Tile	16	20	$4,761.62	$952.32
Guardhouse - Doors	14	18	$2,400.00	$533.33
Guardhouse - HVAC	8	12	$3,200.00	$1,066.67
Guardhouse - Plumbing Fixtures	16	20	$895.00	$179.00
Guardhouse - Roof, Tile, Unfunded	n.a.	n.a.	$0.00	$0.00
Guardhouse - Window Shutters	8	12	$4,680.00	$1,560.00

Sample Master Planned Community

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Theoretically Ideal Balance
Sub Total	**8-16**	**12-20**	**$20,346.62**	**$5,173.32**
100 Grounds				
Entrance - Fountains	1	5	$12,000.00	$9,600.00
Entrance - Wood Trellises	16	20	$18,900.00	$3,780.00
Mailboxes & Posts	22	25	$55,820.00	$6,698.40
Monument Sign	16	20	$3,000.00	$600.00
Wood Benches	4	8	$3,875.00	$1,937.50
Sub Total	**1-22**	**5-25**	**$93,595.00**	**$22,615.90**
110 Landscape				
Irrigation Controllers	8	12	$56,000.00	$18,666.67
Slope/Landscape Enhancement Fund	n.a.	n.a.	$0.00	$250,000.00
Sub Total	**8**	**12**	**$56,000.00**	**$268,666.67**
Contingency	n.a.	n.a.	n.a.	$11,983.18
Total	**0-27**	**2-30**	**$885,252.17**	**$411,422.52**
Anticipated Reserve Balance				**$447,879.00**
Percent Funded				**108.86%**

Sample Master Planned Community

Distribution of Current Reserve Funds

Sorted by Remaining Life

	Remaining Life	Theoretically Ideal Balance	Assigned Reserves
Painting - Wrought Iron	0	$8,140.00	$8,140.00
Brick Pavers - Repairs	1	$21,790.78	$27,238.48
Entrance - Fountains	1	$9,600.00	$12,000.00
Painting - Mailbox/Lighting Posts	1	$2,160.00	$8,640.00
Painting - Wood/Trim	1	$3,885.50	$15,542.00
Painting - Interior, Guardhouse	2	$214.43	$1,501.00
Access - Security System	3	$2,080.00	$5,200.00
Streets - Asphalt Repairs	3	$0.00	$5,003.88
Streets - Asphalt Slurry Sealing	3	$0.00	$0.00
Wood Benches	4	$1,937.50	$1,937.50
Painting - Stucco	5	$8,248.13	$8,248.13
Access - Entry Phone	6	$1,600.00	$1,600.00
Access - Gate Operators	6	$4,800.00	$4,800.00
Access - Operators, Gate Arm	6	$3,140.00	$3,140.00
Guardhouse - HVAC	8	$1,066.67	$1,066.67
Guardhouse - Window Shutters	8	$1,560.00	$1,560.00
Irrigation Controllers	8	$18,666.67	$18,666.67
Fencing - Wood, Gates	12	$9,000.00	$9,000.00
Guardhouse - Doors	14	$533.33	$533.33
Lighting - Entrance Area	14	$5,540.00	$5,540.00
Fencing - Wrought Iron	15	$9,620.00	$9,620.00
Entrance - Wood Trellises	16	$3,780.00	$3,780.00
Guardhouse - Cabinets	16	$882.00	$882.00
Guardhouse - Ceramic Tile	16	$952.32	$952.32
Guardhouse - Plumbing Fixtures	16	$179.00	$179.00
Monument Sign	16	$600.00	$600.00
Lighting - Street	17	$7,950.00	$7,950.00
Streets - Asphalt Overlay	19	$0.00	$0.00

Sample Master Planned Community

Distribution of Current Reserve Funds

Sorted by Remaining Life

	Remaining Life	Theoretically Ideal Balance	Assigned Reserves
Mailboxes & Posts	22	$6,698.40	$6,698.40
Walls - Stucco, Repairs	22	$3,006.61	$3,006.61
Fencing - Glass	27	$11,808.00	$11,808.00
Guardhouse - Roof, Tile, Unfunded	n.a.	$0.00	$0.00
Slope/Landscape Enhancement Fund	n.a.	$250,000.00	$250,000.00
Contingency	n.a.	$11,983.18	$13,045.02
Total	**0-27**	**$411,422.52**	**$447,879.00**
Percent Funded			**108.86%**

Sample Master Planned Community

Management / Accounting Summary

Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
010 Streets				
Brick Pavers - Repairs	$27,238.48	$12.55	$44.19	$56.75
Streets - Asphalt Overlay	$0.00	$1,250.04	$11.09	$1,261.12
Streets - Asphalt Repairs	$5,003.88	$40.09	$8.45	$48.54
Streets - Asphalt Slurry Sealing	$0.00	$422.46	$3.75	$426.21
Sub Total	**$32,242.35**	**$1,725.14**	**$67.48**	**$1,792.62**
030 Painting				
Painting - Interior, Guardhouse	$1,501.00	$0.69	$2.44	$3.13
Painting - Mailbox/Lighting Posts	$8,640.00	$3.98	$14.02	$18.00
Painting - Stucco	$8,248.13	$239.13	$15.47	$254.60
Painting - Wood/Trim	$15,542.00	$7.16	$25.22	$32.38
Painting - Wrought Iron	$8,140.00	$345.53	$3.06	$348.59
Sub Total	**$42,071.13**	**$596.49**	**$60.21**	**$656.70**
040 Fencing				
Access - Entry Phone	$1,600.00	$35.07	$2.90	$37.97
Access - Gate Operators	$4,800.00	$105.20	$8.70	$113.90
Access - Operators, Gate Arm	$3,140.00	$68.82	$5.69	$74.51
Access - Security System	$5,200.00	$2.40	$8.44	$10.83
Fencing - Glass	$11,808.00	$362.87	$22.33	$385.20
Fencing - Wood, Gates	$9,000.00	$200.42	$16.34	$216.76
Fencing - Wrought Iron	$9,620.00	$286.42	$18.11	$304.53
Walls - Stucco, Repairs	$3,006.61	$91.19	$5.67	$96.86
Sub Total	**$48,174.61**	**$1,152.38**	**$88.19**	**$1,240.57**
050 Lighting				
Lighting - Entrance Area	$5,540.00	$124.02	$10.07	$134.09
Lighting - Street	$7,950.00	$237.96	$14.98	$252.93
Sub Total	**$13,490.00**	**$361.98**	**$25.04**	**$387.02**
060 Guardhouse				
Guardhouse - Cabinets	$882.00	$19.85	$1.60	$21.45
Guardhouse - Ceramic Tile	$952.32	$21.43	$1.73	$23.16
Guardhouse - Doors	$533.33	$11.94	$0.97	$12.91
Guardhouse - HVAC	$1,066.67	$23.50	$1.93	$25.44
Guardhouse - Plumbing Fixtures	$179.00	$4.03	$0.33	$4.35
Guardhouse - Roof, Tile, Unfunded	$0.00	$0.00	$0.00	$0.00

Sample Master Planned Community

Management / Accounting Summary

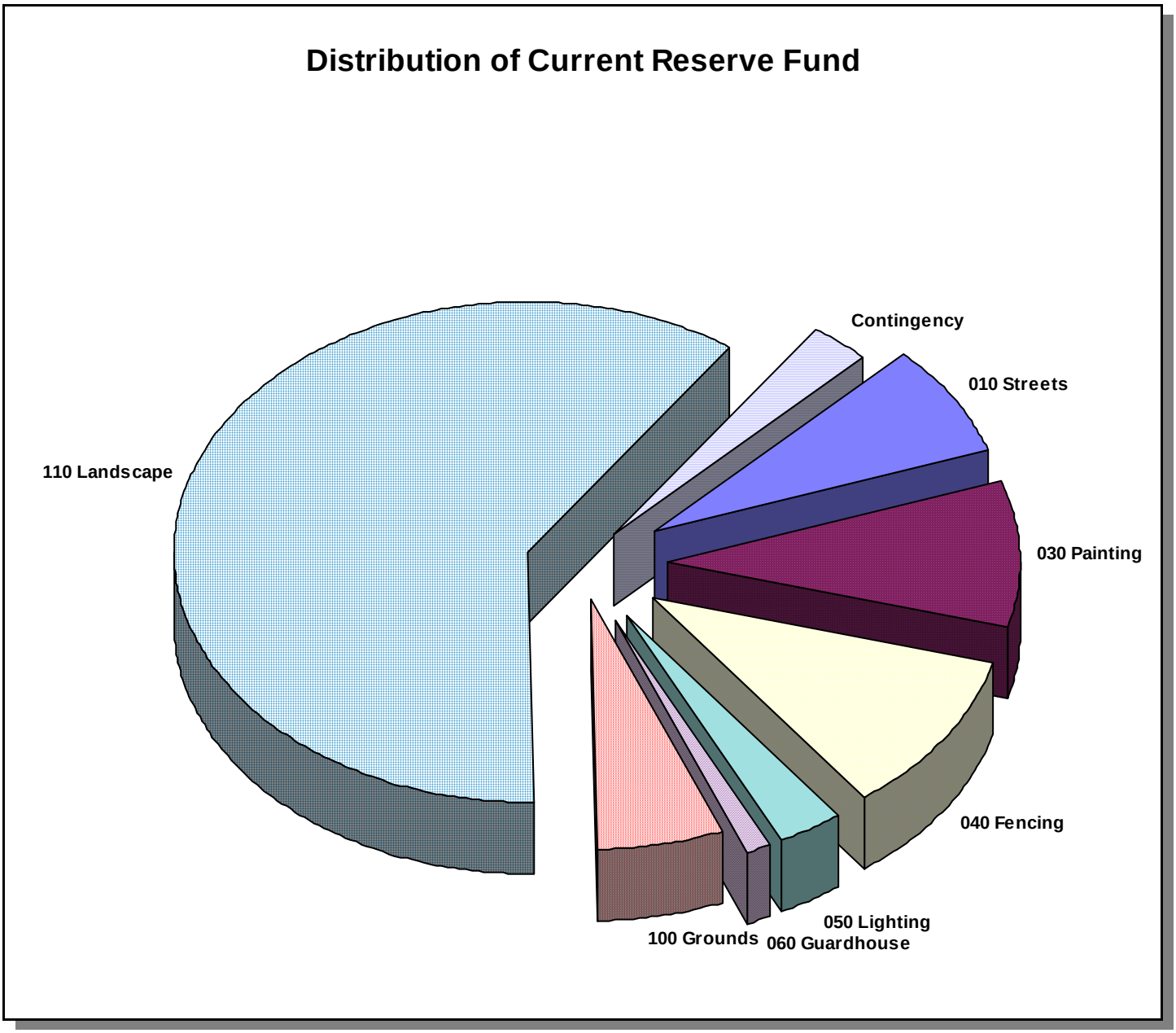
Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
Guardhouse - Window Shutters	$1,560.00	$34.37	$2.83	$37.20
Sub Total	**$5,173.32**	**$115.12**	**$9.39**	**$124.52**
100 Grounds				
Entrance - Fountains	$12,000.00	$5.53	$19.47	$25.00
Entrance - Wood Trellises	$3,780.00	$85.07	$6.87	$91.94
Mailboxes & Posts	$6,698.40	$203.16	$12.64	$215.80
Monument Sign	$600.00	$13.50	$1.09	$14.59
Wood Benches	$1,937.50	$42.24	$3.51	$45.75
Sub Total	**$25,015.90**	**$349.50**	**$43.59**	**$393.08**
110 Landscape				
Irrigation Controllers	$18,666.67	$411.30	$33.86	$445.16
Slope/Landscape Enhancement Fund	$250,000.00	$0.00	$404.60	$404.60
Sub Total	**$268,666.67**	**$411.30**	**$438.46**	**$849.76**
Contingency	$13,045.02	$141.36	$22.37	$163.72
Total	**$447,879.00**	**$4,853.27**	**$350.12**	**$5,203.39**

Sample Master Planned Community

Management / Accounting Charts

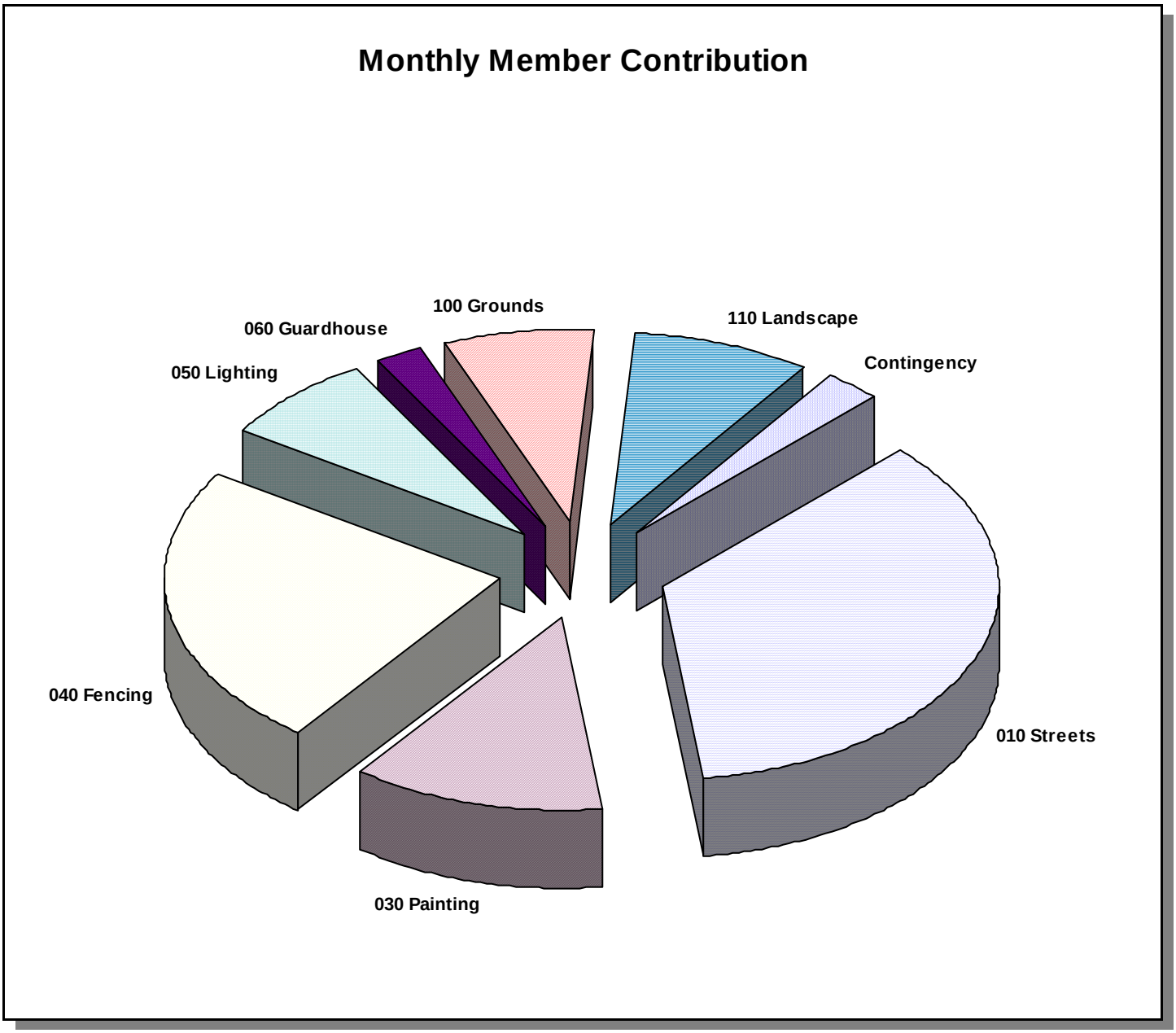
Sorted by Category



Sample Master Planned Community

Management / Accounting Charts

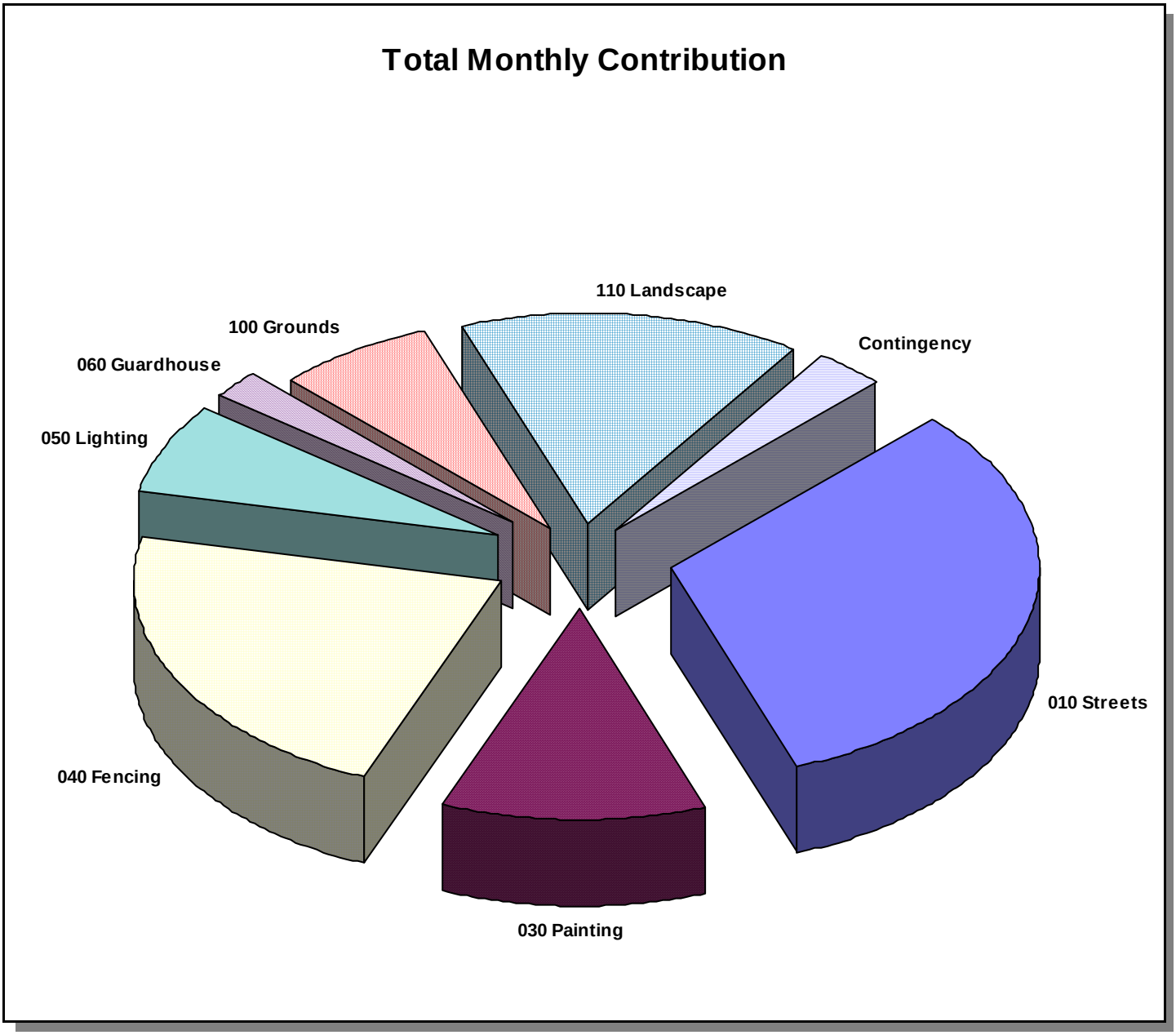
Sorted by Category



Sample Master Planned Community

Management / Accounting Charts

Sorted by Category



Sample Master Planned Community

Projections

Component Calculation Method

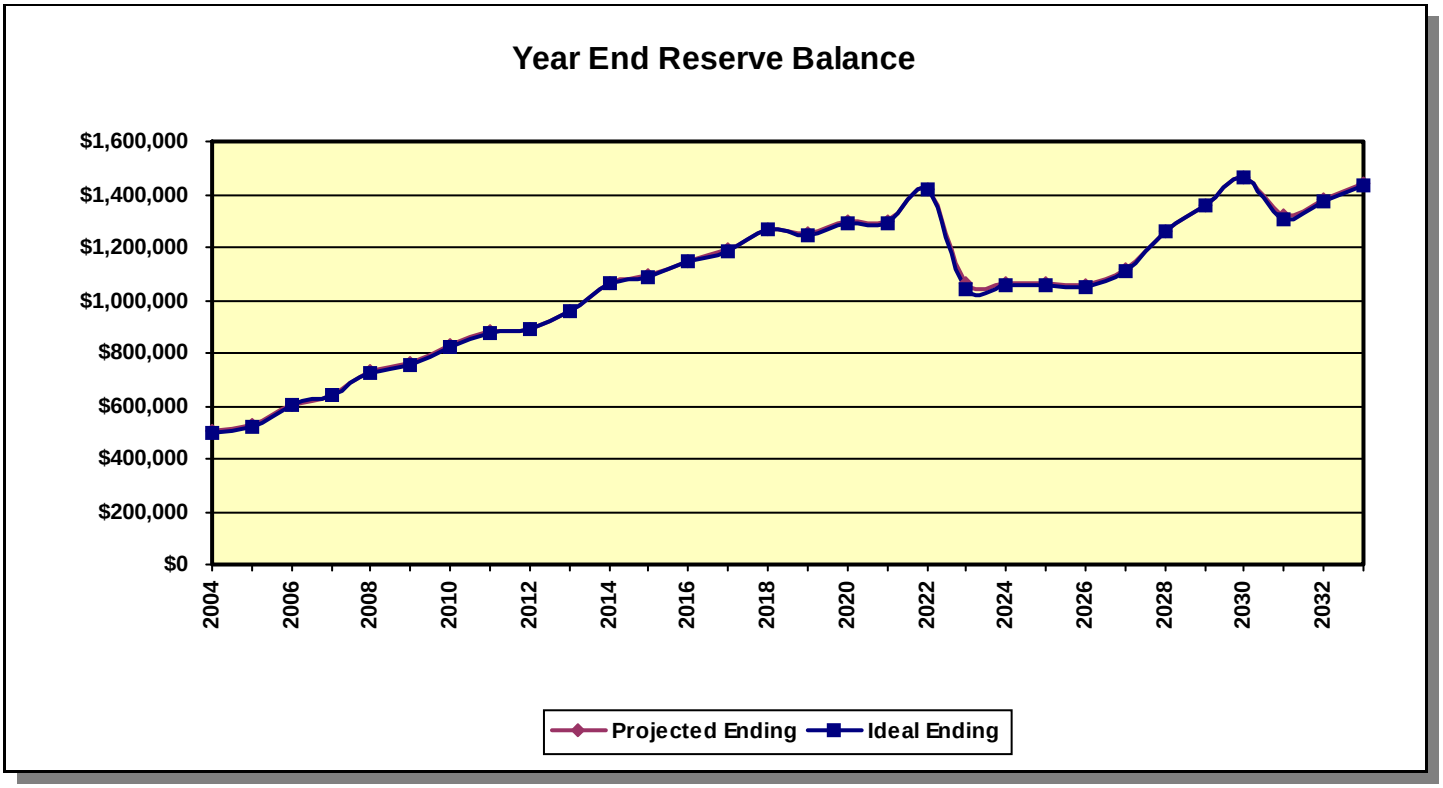
Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Theoretically Ideal Ending Balance	Percent Funded
2004	$447,879	$58,239	$9,057	$8,140	$507,035	$498,472	102%
2005	$507,035	$75,450	$9,254	$65,006	$526,733	$520,963	101%
2006	$526,733	$78,545	$10,730	$10,129	$605,879	$603,769	100%
2007	$605,879	$82,434	$11,439	$54,496	$645,255	$641,814	101%
2008	$645,255	$83,387	$13,013	$13,262	$728,394	$726,363	100%
2009	$728,394	$87,022	$13,607	$67,520	$761,503	$757,815	100%
2010	$761,503	$87,705	$14,846	$37,099	$826,955	$824,293	100%
2011	$826,955	$91,115	$15,820	$53,973	$879,918	$876,796	100%
2012	$879,918	$92,972	$16,051	$95,914	$893,027	$888,562	101%
2013	$893,027	$94,144	$17,301	$45,186	$959,285	$956,465	100%
2014	$959,285	$98,503	$19,301	$10,420	$1,066,670	$1,065,115	100%
2015	$1,066,670	$102,307	$19,734	$97,284	$1,091,426	$1,087,178	100%
2016	$1,091,426	$102,274	$20,849	$64,575	$1,149,974	$1,146,788	100%
2017	$1,149,974	$106,044	$21,577	$87,366	$1,190,229	$1,186,352	100%
2018	$1,190,229	$108,218	$23,061	$52,239	$1,269,269	$1,266,579	100%
2019	$1,269,269	$112,096	$22,744	$149,356	$1,254,752	$1,248,934	100%
2020	$1,254,752	$111,840	$23,516	$94,944	$1,295,165	$1,291,014	100%
2021	$1,295,165	$116,389	$23,506	$137,985	$1,297,075	$1,291,493	100%
2022	$1,297,075	$118,217	$25,835	$20,806	$1,420,320	$1,418,554	100%
2023	$1,420,320	$122,921	$18,969	$499,740	$1,062,470	$1,044,900	102%
2024	$1,062,470	$110,041	$19,147	$126,822	$1,064,836	$1,058,586	101%
2025	$1,064,836	$124,605	$18,999	$143,462	$1,064,978	$1,058,095	101%
2026	$1,064,978	$127,156	$18,834	$153,246	$1,057,723	$1,050,387	101%
2027	$1,057,723	$130,144	$19,910	$91,947	$1,115,830	$1,110,405	100%
2028	$1,115,830	$135,835	$22,589	$14,723	$1,259,531	$1,256,737	100%
2029	$1,259,531	$142,208	$24,420	$67,079	$1,359,079	$1,354,817	100%
2030	$1,359,079	$144,553	$26,441	$63,643	$1,466,430	$1,462,427	100%
2031	$1,466,430	$148,041	$23,608	$318,437	$1,319,641	$1,307,266	101%
2032	$1,319,641	$143,483	$24,838	$106,243	$1,381,719	$1,375,873	100%
2033	$1,381,719	$154,046	$25,829	$122,126	$1,439,468	$1,433,145	100%

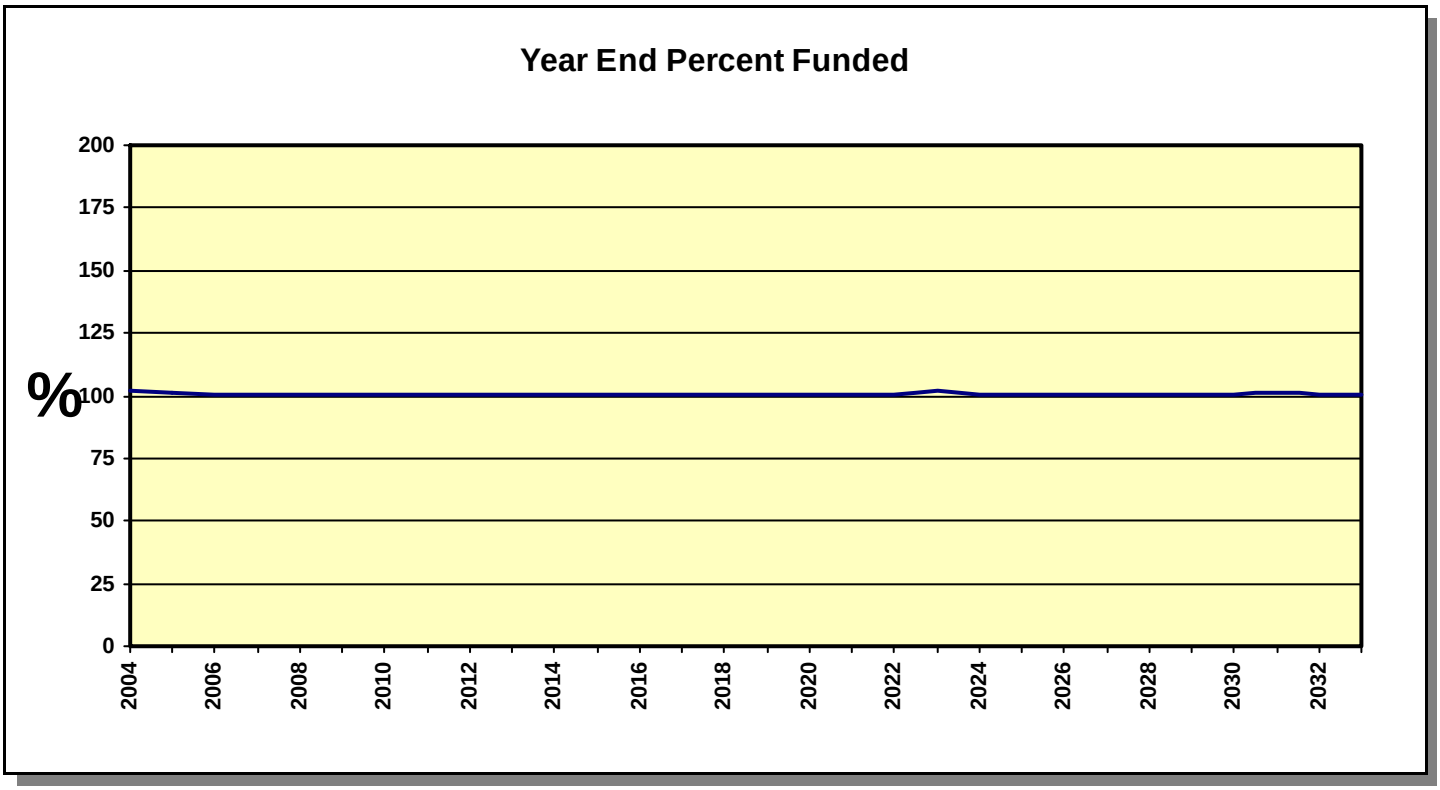
NOTE: In some cases, the projected Ending Balance may exceed the Theoretically Ideal Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need and any excess is redistributed among all components included.

Sample Master Planned Community

Projection Charts

Component Calculation Method

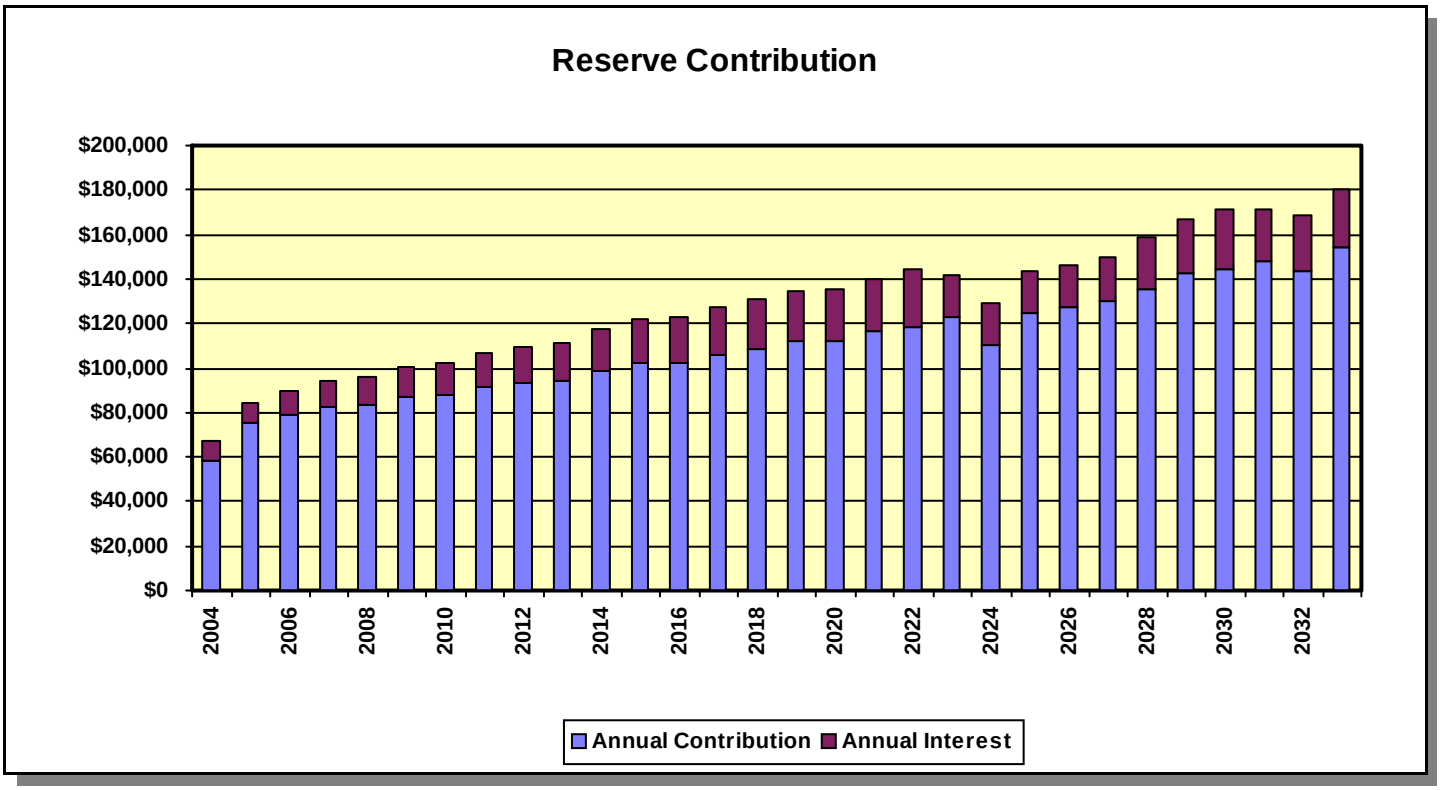


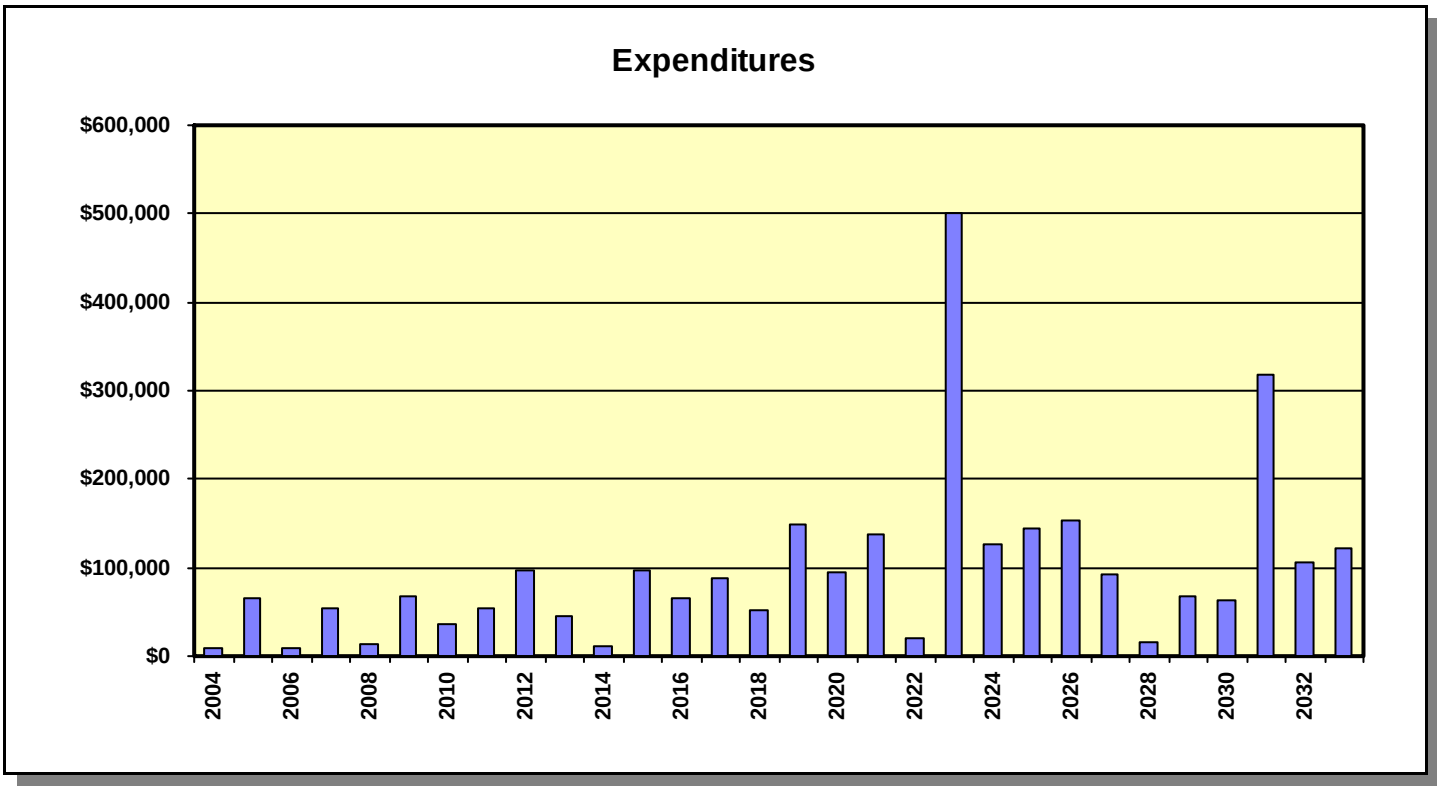


Sample Master Planned Community

Projection Charts

Component Calculation Method





Sample Master Planned Community

Annual Expenditure Detail

Sorted by Description

2004 Fiscal Year	
Painting - Wrought Iron	$8,140.00
Sub Total	**$8,140.00**
2005 Fiscal Year	
Brick Pavers - Repairs	$27,919.44
Entrance - Fountains	$12,300.00
Painting - Mailbox/Lighting Posts	$8,856.00
Painting - Wood/Trim	$15,930.55
Sub Total	**$65,005.99**
2006 Fiscal Year	
Painting - Interior, Guardhouse	$1,576.99
Painting - Wrought Iron	$8,552.09
Sub Total	**$10,129.08**
2007 Fiscal Year	
Access - Security System	$5,599.83
Painting - Mailbox/Lighting Posts	$9,304.34
Painting - Wood/Trim	$16,737.03
Streets - Asphalt Repairs	$6,822.47
Streets - Asphalt Slurry Sealing	$16,032.80
Sub Total	**$54,496.47**
2008 Fiscal Year	
Painting - Wrought Iron	$8,985.04
Wood Benches	$4,277.28
Sub Total	**$13,262.31**
2009 Fiscal Year	
Entrance - Fountains	$13,576.90
Painting - Interior, Guardhouse	$1,698.24
Painting - Mailbox/Lighting Posts	$9,775.37
Painting - Stucco	$24,885.32
Painting - Wood/Trim	$17,584.35
Sub Total	**$67,520.18**
2010 Fiscal Year	
Access - Entry Phone	$4,638.77
Access - Gate Operators	$13,916.32
Access - Operators, Gate Arm	$9,103.59

Sample Master Planned Community

Annual Expenditure Detail

Sorted by Description

Painting - Wrought Iron	$9,439.90
Sub Total	**$37,098.59**
2011 Fiscal Year	
Painting - Mailbox/Lighting Posts	$10,270.24
Painting - Wood/Trim	$18,474.55
Streets - Asphalt Repairs	$7,530.73
Streets - Asphalt Slurry Sealing	$17,697.21
Sub Total	**$53,972.74**
2012 Fiscal Year	
Access - Security System	$6,335.70
Guardhouse - HVAC	$3,898.89
Guardhouse - Window Shutters	$5,702.13
Irrigation Controllers	$68,230.56
Painting - Interior, Guardhouse	$1,828.82
Painting - Wrought Iron	$9,917.80
Sub Total	**$95,913.89**
2013 Fiscal Year	
Entrance - Fountains	$14,986.36
Painting - Mailbox/Lighting Posts	$10,790.18
Painting - Wood/Trim	$19,409.83
Sub Total	**$45,186.36**
2014 Fiscal Year	
Painting - Wrought Iron	$10,419.89
Sub Total	**$10,419.89**
2015 Fiscal Year	
Brick Pavers - Repairs	$35,739.24
Painting - Interior, Guardhouse	$1,969.44
Painting - Mailbox/Lighting Posts	$11,336.43
Painting - Wood/Trim	$20,392.45
Streets - Asphalt Repairs	$8,312.52
Streets - Asphalt Slurry Sealing	$19,534.41
Sub Total	**$97,284.49**
2016 Fiscal Year	
Fencing - Wood, Gates	$48,416.00
Painting - Wrought Iron	$10,947.40

Sample Master Planned Community

Annual Expenditure Detail

Sorted by Description

Wood Benches	$5,211.44
Sub Total	**$64,574.84**
2017 Fiscal Year	
Access - Security System	$7,168.26
Entrance - Fountains	$16,542.13
Painting - Mailbox/Lighting Posts	$11,910.34
Painting - Stucco	$30,320.35
Painting - Wood/Trim	$21,424.82
Sub Total	**$87,365.89**
2018 Fiscal Year	
Guardhouse - Doors	$3,391.14
Lighting - Entrance Area	$35,225.44
Painting - Interior, Guardhouse	$2,120.87
Painting - Wrought Iron	$11,501.61
Sub Total	**$52,239.06**
2019 Fiscal Year	
Fencing - Wrought Iron	$83,595.77
Painting - Mailbox/Lighting Posts	$12,513.30
Painting - Wood/Trim	$22,509.45
Streets - Asphalt Repairs	$9,175.46
Streets - Asphalt Slurry Sealing	$21,562.33
Sub Total	**$149,356.31**
2020 Fiscal Year	
Access - Entry Phone	$5,938.02
Access - Gate Operators	$17,814.07
Access - Operators, Gate Arm	$11,653.37
Entrance - Wood Trellises	$28,057.16
Guardhouse - Cabinets	$6,546.67
Guardhouse - Ceramic Tile	$7,068.64
Guardhouse - Plumbing Fixtures	$1,328.63
Monument Sign	$4,453.52
Painting - Wrought Iron	$12,083.88
Sub Total	**$94,943.95**
2021 Fiscal Year	
Entrance - Fountains	$18,259.42

Sample Master Planned Community

Annual Expenditure Detail

Sorted by Description

Lighting - Street	$80,645.77
Painting - Interior, Guardhouse	$2,283.95
Painting - Mailbox/Lighting Posts	$13,146.78
Painting - Wood/Trim	$23,648.99
Sub Total	**$137,984.91**
2022 Fiscal Year	
Access - Security System	$8,110.23
Painting - Wrought Iron	$12,695.62
Sub Total	**$20,805.85**
2023 Fiscal Year	
Painting - Mailbox/Lighting Posts	$13,812.34
Painting - Wood/Trim	$24,846.22
Streets - Asphalt Overlay	$427,152.28
Streets - Asphalt Repairs	$10,127.99
Streets - Asphalt Slurry Sealing	$23,800.78
Sub Total	**$499,739.61**
2024 Fiscal Year	
Guardhouse - HVAC	$5,243.57
Guardhouse - Window Shutters	$7,668.72
Irrigation Controllers	$91,762.52
Painting - Interior, Guardhouse	$2,459.56
Painting - Wrought Iron	$13,338.34
Wood Benches	$6,349.64
Sub Total	**$126,822.36**
2025 Fiscal Year	
Brick Pavers - Repairs	$45,749.25
Entrance - Fountains	$20,154.98
Painting - Mailbox/Lighting Posts	$14,511.59
Painting - Stucco	$36,942.40
Painting - Wood/Trim	$26,104.06
Sub Total	**$143,462.28**
2026 Fiscal Year	
Mailboxes & Posts	$96,098.12
Painting - Wrought Iron	$14,013.59
Walls - Stucco, Repairs	$43,134.14

Sample Master Planned Community

Annual Expenditure Detail

Sorted by Description

Sub Total	**$153,245.85**
2027 Fiscal Year	
Access - Security System	$9,175.98
Painting - Interior, Guardhouse	$2,648.68
Painting - Mailbox/Lighting Posts	$15,246.24
Painting - Wood/Trim	$27,425.58
Streets - Asphalt Repairs	$11,179.41
Streets - Asphalt Slurry Sealing	$26,271.61
Sub Total	**$91,947.49**
2028 Fiscal Year	
Painting - Wrought Iron	$14,723.03
Sub Total	**$14,723.03**
2029 Fiscal Year	
Entrance - Fountains	$22,247.33
Painting - Mailbox/Lighting Posts	$16,018.08
Painting - Wood/Trim	$28,814.00
Sub Total	**$67,079.41**
2030 Fiscal Year	
Access - Entry Phone	$7,601.17
Access - Gate Operators	$22,803.51
Access - Operators, Gate Arm	$14,917.30
Painting - Interior, Guardhouse	$2,852.34
Painting - Wrought Iron	$15,468.38
Sub Total	**$63,642.70**
2031 Fiscal Year	
Fencing - Glass	$229,996.23
Painting - Mailbox/Lighting Posts	$16,828.99
Painting - Wood/Trim	$30,272.71
Streets - Asphalt Repairs	$12,339.98
Streets - Asphalt Slurry Sealing	$28,998.94
Sub Total	**$318,436.84**
2032 Fiscal Year	
Access - Security System	$10,381.77
Fencing - Wood, Gates	$71,873.82
Painting - Wrought Iron	$16,251.47

Sample Master Planned Community

Annual Expenditure Detail

Sorted by Description

Wood Benches	$7,736.42
Sub Total	**$106,243.48**
2033 Fiscal Year	
Entrance - Fountains	$24,556.89
Painting - Interior, Guardhouse	$3,071.66
Painting - Mailbox/Lighting Posts	$17,680.96
Painting - Stucco	$45,010.73
Painting - Wood/Trim	$31,805.26
Sub Total	**$122,125.50**

Sample Master Planned Community

Component Detail

Sorted by Category

Brick Pavers - Repairs

Category	010 Streets	Quantity	29,447 sq. ft.
		Unit Cost	$9.250
		% of Replacement	10.00%
		Current Cost	$27,238.48
Placed In Service	01/00	Future Cost	$27,919.44
Useful Life	10		
Adjustment	-5	Assigned Reserves at FYB	$27,238.48
Remaining Life	1	Monthly Member Contribution	$12.55
Replacement Year	2005	Monthly Interest Contribution	$44.19
		Total Monthly Contribution	$56.74

Comments:

During our July 2003 inspection, we observed many areas of the brick pavers to be cracked/chipped. Also, it is apparent that several areas have depressed/sunk and should be addressed immediately.

It is estimated that a percentage of the concrete brick pavers will require repair or replacement through time. The actual condition of these pavers should be monitored and the percentage of replacement and remaining life estimates adjusted accordingly.

The inventory for this component has been provided by the client in the form of the Department of Real Estate (DRE) reserve worksheets as originally prepared at the direction of the developer.

The remaining life of this component has been decreased due to its condition at our most recent field inspection.

Sample Master Planned Community

Component Detail

Sorted by Category

Streets - Asphalt Overlay

Category	010 Streets	Quantity	1 total
		Unit Cost	$267,195.590
		% of Replacement	100.00%
		Current Cost	$267,195.59
Placed In Service	01/04	Future Cost	$427,152.28
Useful Life	20		
Adjustment	-1	Assigned Reserves at FYB	$0.00
Remaining Life	19	Monthly Member Contribution	$1,250.04
Replacement Year	2023	Monthly Interest Contribution	$11.09
		Total Monthly Contribution	$1,261.13

Comments:

316,767	sq. ft. of overlay	@	$0.77	=	$243,910.59
51	valve cover adjustments	@	$135.00	=	$6,885.00
41	manhole cover adjustments	@	$400.00	=	$16,400.00
			TOTAL	=	$267,195.59

During our July 2003 on-site inspection, the final asphalt cap had not yet been applied to the streets. Therefore, for budgeting purposes, we have used a placed-in-service date of January 2004 for the streets throughout the community.

Most asphalt areas can be expected to last approximately 20 years before it will become necessary for an overlay to be applied. This can double the life of the surface upon application. It will be necessary to adjust manhole and valve covers at the time the overlay is applied. Deflection testing should be conducted by an independent consultant near the end of the estimated useful life to determine the condition of the asphalt and estimated remaining life before the overlay is required.

In addition to this service, a consultant may be obtained to prepare the application specifications, and to work with the contractor during actual installation. It is recommended that the client obtain bids for such a consultation near the end

of the estimated useful life. As costs vary, a provision for this consulting has not been included in this cost estimate. Should the client request, this cost can be incorporated into this analysis.

The surface area inventory for the asphalt has been provided by the client in the form of the Department of Real Estate (DRE) reserve worksheets as originally prepared at the direction of the developer.

The remaining life of the asphalt overlay has been adjusted to align with the future replacement cycles of the asphalt repairs and seal coating.

Streets - Asphalt Repairs

Category	010 Streets	Quantity	316,767 sq. ft.
		Unit Cost	$4.000
		% of Replacement	0.50%
		Current Cost	$6,335.34
Placed In Service	01/04	Future Cost	$6,822.47
Useful Life	4		
Adjustment	-1	Assigned Reserves at FYB	$5,003.88
Remaining Life	3	Monthly Member Contribution	$40.09
Replacement Year	2007	Monthly Interest Contribution	$8.45
		Total Monthly Contribution	$48.54

Comments:

It is estimated that a percentage of the asphalt areas will require repair or replacement. The actual condition of the asphalt should be monitored through time and these estimates adjusted accordingly.

We have budgeted for the asphalt to be repaired on the same cycle and in conjunction with the seal coating of the asphalt.

Sample Master Planned Community

Component Detail

Sorted by Category

Streets - Asphalt Slurry Sealing

Category	010 Streets	Quantity	316,767 sq. ft.
		Unit Cost	$0.047
		% of Replacement	100.00%
		Current Cost	$14,888.05
Placed In Service	01/04	Future Cost	$16,032.80
Useful Life	4		
Adjustment	-1	Assigned Reserves at FYB	$0.00
Remaining Life	3	Monthly Member Contribution	$422.46
Replacement Year	2007	Monthly Interest Contribution	$3.75
		Total Monthly Contribution	$426.21

Comments:

Asphalt surfaces should be seal coated within 3 years of their initial installation. Thereafter, a 3 to 5 year cycle should be observed and adjusted according to the client's particular needs.

The unit cost includes any restriping that may be necessary.

Sample Master Planned Community

Component Detail

Sorted by Category

Painting - Interior, Guardhouse

Category	030 Painting	Quantity	1,501 sq. ft.
		Unit Cost	$1.000
		% of Replacement	100.00%
		Current Cost	$1,501.00
Placed In Service	09/03	Future Cost	$1,576.99
Useful Life	3		
		Assigned Reserves at FYB	$1,501.00
Remaining Life	2	Monthly Member Contribution	$0.69
Replacement Year	2006	Monthly Interest Contribution	$2.44
		Total Monthly Contribution	$3.13

Comments:

The guardhouse interior as well as the woodwork, light posts and mailboxes throughout the community will be painted in September 2003 at a total cost of $25,651.

The useful life estimate for this component has been provided by the client.

Sample Master Planned Community

Component Detail

Sorted by Category

Painting - Mailbox/Lighting Posts

Category	030 Painting	Quantity	1 total
		Unit Cost	$8,640.000
		% of Replacement	100.00%
		Current Cost	$8,640.00
Placed In Service	09/03	Future Cost	$8,856.00
Useful Life	2		
		Assigned Reserves at FYB	$8,640.00
Remaining Life	1	Monthly Member Contribution	$3.98
Replacement Year	2005	Monthly Interest Contribution	$14.02
		Total Monthly Contribution	$18.00

Comments:

These are decorative metal posts:

52	mailbox posts	@	$70.00	=	$3,640.00
40	light posts	@	$125.00	=	$5,000.00
			TOTAL	=	$8,640.00

The guardhouse interior as well as the woodwork, light posts and mailboxes throughout the community will be painted in September 2003 at a total cost of $25,651.

The useful life estimate for this component has been provided by the client.

Sample Master Planned Community

Component Detail

Sorted by Category

Painting - Stucco

Category	030 Painting	Quantity	21,995 sq. ft.
		Unit Cost	$1.000
		% of Replacement	100.00%
		Current Cost	$21,995.00
Placed In Service	01/01	Future Cost	$24,885.32
Useful Life	8		
		Assigned Reserves at FYB	$8,248.12
Remaining Life	5	Monthly Member Contribution	$239.13
Replacement Year	2009	Monthly Interest Contribution	$15.47
		Total Monthly Contribution	$254.60

Comments:

walls	17,220	sq. ft.
guardhouse/gazebo structures	4,775	
	21,995	sq. ft.

The inventory for the walls has been provided by the client in the form of the Department of Real Estate (DRE) reserve worksheets as originally prepared at the direction of the developer.

Sample Master Planned Community

Component Detail

Sorted by Category

Painting - Wood/Trim

Category	030 Painting	Quantity	7,771 sq. ft.
		Unit Cost	$2.000
		% of Replacement	100.00%
		Current Cost	$15,542.00
Placed In Service	09/03	Future Cost	$15,930.55
Useful Life	2		
		Assigned Reserves at FYB	$15,542.00
Remaining Life	1	Monthly Member Contribution	$7.16
Replacement Year	2005	Monthly Interest Contribution	$25.22
		Total Monthly Contribution	$32.38

Comments:

The guardhouse interior as well as the woodwork, light posts and mailboxes throughout the community will be painted in September 2003 at a total cost of $25,651.

guardhouse/gazebo structures	3,183	sq. ft.
wood gates	1,888	
entrance trellises	2,700	
	7,771	sq. ft.

The useful life estimate for this component has been provided by the client.

Sample Master Planned Community

Component Detail

Sorted by Category

Painting - Wrought Iron

Category	030 Painting	Quantity	8,140 sq. ft.
		Unit Cost	$1.000
		% of Replacement	100.00%
		Current Cost	$8,140.00
Placed In Service	01/01	Future Cost	$8,552.09
Useful Life	2		
		Assigned Reserves at FYB	$8,140.00
Remaining Life	0	Monthly Member Contribution	$345.53
Replacement Year	2004	Monthly Interest Contribution	$3.06
		Total Monthly Contribution	$348.59

Comments:

To ensure that the wrought iron achieves its full useful life, it should be painted as recommended.

The useful life estimate for this component has been provided by the client.

The inventory for this component has been provided by the client.

Sample Master Planned Community

Component Detail

Sorted by Category

Access - Entry Phone

Category	040 Fencing	Quantity	1 phone
		Unit Cost	$4,000.000
		% of Replacement	100.00%
		Current Cost	$4,000.00
Placed In Service	01/00	Future Cost	$4,638.77
Useful Life	10		
		Assigned Reserves at FYB	$1,600.00
Remaining Life	6	Monthly Member Contribution	$35.07
Replacement Year	2010	Monthly Interest Contribution	$2.90
		Total Monthly Contribution	$37.97

Comments:

This is a Door King "hands-free" access phone with small LCD display.

Sample Master Planned Community

Component Detail

Sorted by Category

Access - Gate Operators

Category	040 Fencing	Quantity	4 operators
		Unit Cost	$3,000.000
		% of Replacement	100.00%
		Current Cost	$12,000.00
Placed In Service	01/00	Future Cost	$13,916.32
Useful Life	10		
		Assigned Reserves at FYB	$4,800.00
Remaining Life	6	Monthly Member Contribution	$105.20
Replacement Year	2010	Monthly Interest Contribution	$8.70
		Total Monthly Contribution	$113.90

Comments:

These are swinging gate operators manufactured by Elite Access Systems.

Sample Master Planned Community

Component Detail

Sorted by Category

Access - Operators, Gate Arm

Category	040 Fencing	Quantity	2 operators
		Unit Cost	$3,925.000
		% of Replacement	100.00%
		Current Cost	$7,850.00
Placed In Service	01/00	Future Cost	$9,103.59
Useful Life	10		
		Assigned Reserves at FYB	$3,140.00
Remaining Life	6	Monthly Member Contribution	$68.82
Replacement Year	2010	Monthly Interest Contribution	$5.69
		Total Monthly Contribution	$74.51

Comments:

These are Door King barrier arm operators.

Sample Master Planned Community

Component Detail

Sorted by Category

Access - Security System

Category	040 Fencing	Quantity	1 system
		Unit Cost	$5,200.000
		% of Replacement	100.00%
		Current Cost	$5,200.00
Placed In Service	01/02	Future Cost	$5,599.83
Useful Life	5		
		Assigned Reserves at FYB	$5,200.00
Remaining Life	3	Monthly Member Contribution	$2.40
Replacement Year	2007	Monthly Interest Contribution	$8.44
		Total Monthly Contribution	$10.84

Comments:

This system consists of the following:

2 cameras
2 monitors
2 vcr's time elapsed
1 access reader panel
1 CPU w/monitor

We have budgeted for repairs/upgrades to this sytem on a five-year cycle.

Sample Master Planned Community

Component Detail

Sorted by Category

Fencing - Glass

Category	040 Fencing	Quantity	9,600 lin. ft.
		Unit Cost	$41.000
		% of Replacement	30.00%
		Current Cost	$118,080.00
Placed In Service	01/01	Future Cost	$229,996.23
Useful Life	30		
		Assigned Reserves at FYB	$11,808.00
Remaining Life	27	Monthly Member Contribution	$362.87
Replacement Year	2031	Monthly Interest Contribution	$22.33
		Total Monthly Contribution	$385.20

Comments:

This is 4' glass fencing located throughout the community.

The inventory for this component has been provided by the client.

At the request of the association, we have budgeted for only 30% of this fencing to require replacement through time.

Sample Master Planned Community

Component Detail

Sorted by Category

Fencing - Wood, Gates

Category	040 Fencing	Quantity	1 total
		Unit Cost	$36,000.000
		% of Replacement	100.00%
		Current Cost	$36,000.00
Placed In Service	01/00	Future Cost	$48,416.00
Useful Life	16		
		Assigned Reserves at FYB	$9,000.00
Remaining Life	12	Monthly Member Contribution	$200.42
Replacement Year	2016	Monthly Interest Contribution	$16.34
		Total Monthly Contribution	$216.76

Comments:

These are heavy-duty solid wood gates:

4	- 4' x 8' pedestrian gates	@	$1,250.00	=	$5,000.00
8	- 8' x 9' vehicle gates	@	$2,700.00	=	$21,600.00
2	- 8' x 8' access gates, lift station	@	$2,500.00	=	$5,000.00
2	- 8' x 7' access gates, guard parking	@	$2,200.00	=	$4,400.00
			TOTAL	=	$36,000.00

Fencing - Wrought Iron

Category	040 Fencing	Quantity	1,480 lin. ft.
		Unit Cost	$39.000
		% of Replacement	100.00%
		Current Cost	$57,720.00
Placed In Service	01/01	Future Cost	$83,595.77
Useful Life	18		
		Assigned Reserves at FYB	$9,620.00
Remaining Life	15	Monthly Member Contribution	$286.42
Replacement Year	2019	Monthly Interest Contribution	$18.11
		Total Monthly Contribution	$304.53

Comments:

This is 5.5' decorative fencing.

The inventory for this component has been provided by the client.

Sample Master Planned Community

Component Detail

Sorted by Category

Walls - Stucco, Repairs

Category	040 Fencing	Quantity	17,220 sq. ft.
		Unit Cost	$9.700
		% of Replacement	15.00%
		Current Cost	$25,055.10
Placed In Service	01/01	Future Cost	$43,134.14
Useful Life	25		
		Assigned Reserves at FYB	$3,006.61
Remaining Life	22	Monthly Member Contribution	$91.19
Replacement Year	2026	Monthly Interest Contribution	$5.67
		Total Monthly Contribution	$96.86

Comments:

It is estimated that a percentage of the stucco walls will require repair or replacement through time. The actual condition of these walls should be monitored and the percentage of replacement and remaining life estimates adjusted accordingly.

The inventory for this component has been provided by the client in the form of the Department of Real Estate (DRE) reserve worksheets as originally prepared at the direction of the developer.

Sample Master Planned Community

Component Detail

Sorted by Category

Lighting - Entrance Area

Category	050 Lighting	Quantity	1 total
		Unit Cost	$24,930.000
		% of Replacement	100.00%
		Current Cost	$24,930.00
Placed In Service	01/00	Future Cost	$35,225.44
Useful Life	18		
		Assigned Reserves at FYB	$5,540.00
Remaining Life	14	Monthly Member Contribution	$124.02
Replacement Year	2018	Monthly Interest Contribution	$10.07
		Total Monthly Contribution	$134.09

Comments:

	ENTRANCE GROUNDS:				
44	in-ground up lights	@	$340.00	=	$14,960.00
4	large wall mounted lanterns	@	$825.00	=	$3,300.00
2	large ceiling mounted lanterns	@	$825.00	=	$1,650.00
2	step illumination fixtures	@	$410.00	=	$820.00
	GUARDHOUSE:				
6	recessed spots	@	$150.00	=	$900.00
4	large ceiling mounted lanterns	@	$825.00	=	$3,300.00
			TOTAL	=	$24,930.00

We have excluded budgeting for the landscape flood lights at the entrance to the community. We anticipate these fixtures will be replaced on an as-needed basis using the association's operating and/or reserve contingency funds.

Sample Master Planned Community

Component Detail

Sorted by Category

Lighting - Street

Category	050 Lighting	Quantity	40 fixtures
		Unit Cost	$1,325.000
		% of Replacement	100.00%
		Current Cost	$53,000.00
Placed In Service	01/01	Future Cost	$80,645.77
Useful Life	20		
		Assigned Reserves at FYB	$7,950.00
Remaining Life	17	Monthly Member Contribution	$237.96
Replacement Year	2021	Monthly Interest Contribution	$14.98
		Total Monthly Contribution	$252.94

Comments:

These are tulip-shaped vapor street lights mounted on large decorative metal poles.

The current cost used on this component represents the cost to replace the fixtures only as the metal poles are not expected to require replacement.

The inventory for this component has been provided by the client in the form of the Department of Real Estate (DRE) reserve worksheets as originally prepared at the direction of the developer.

Sample Master Planned Community

Component Detail

Sorted by Category

Guardhouse - Cabinets

Category	060 Guardhouse	Quantity	21 lin. ft.
		Unit Cost	$210.000
		% of Replacement	100.00%
		Current Cost	$4,410.00
Placed In Service	01/00	Future Cost	$6,546.67
Useful Life	20		
		Assigned Reserves at FYB	$882.00
Remaining Life	16	Monthly Member Contribution	$19.85
Replacement Year	2020	Monthly Interest Contribution	$1.60
		Total Monthly Contribution	$21.45

Comments:

These are natural wood base cabinets.

Sample Master Planned Community

Component Detail

Sorted by Category

Guardhouse - Ceramic Tile

Category	060 Guardhouse	Quantity	1 total
		Unit Cost	$4,668.250
		% of Replacement	102.00%
		Current Cost	$4,761.62
Placed In Service	01/00	Future Cost	$7,068.64
Useful Life	20		
		Assigned Reserves at FYB	$952.32
Remaining Life	16	Monthly Member Contribution	$21.43
Replacement Year	2020	Monthly Interest Contribution	$1.73
		Total Monthly Contribution	$23.16

Comments:

221	sq. ft. of floor tile	@	$12.25	=	$2,707.25
148	sq. ft. of wall tile	@	$13.25	=	$1,961.00
			TOTAL	=	$4,668.25

The unit cost indicated represents the actual area to be replaced. The percentage of replacement has been increased above 100% to allow for a waste factor which should be considered when replacing this component.

Sample Master Planned Community

Component Detail

Sorted by Category

Guardhouse - Doors

Category	060 Guardhouse	Quantity	2 doors
		Unit Cost	$1,200.000
		% of Replacement	100.00%
		Current Cost	$2,400.00
Placed In Service	01/00	Future Cost	$3,391.14
Useful Life	18		
		Assigned Reserves at FYB	$533.33
Remaining Life	14	Monthly Member Contribution	$11.94
Replacement Year	2018	Monthly Interest Contribution	$0.97
		Total Monthly Contribution	$12.91

Comments:

These are 3' x 8' french style dutch doors.

Sample Master Planned Community

Component Detail

Sorted by Category

Guardhouse - HVAC

Category	060 Guardhouse	Quantity	1 system
		Unit Cost	$3,200.000
		% of Replacement	100.00%
		Current Cost	$3,200.00
Placed In Service	01/00	Future Cost	$3,898.89
Useful Life	12		
		Assigned Reserves at FYB	$1,066.67
Remaining Life	8	Monthly Member Contribution	$23.50
Replacement Year	2012	Monthly Interest Contribution	$1.93
		Total Monthly Contribution	$25.43

Comments:

This is a Carrier, 1.5-ton system.

Sample Master Planned Community

Component Detail

Sorted by Category

Guardhouse - Plumbing Fixtures

Category	060 Guardhouse	Quantity	1 total
		Unit Cost	$895.000
		% of Replacement	100.00%
		Current Cost	$895.00
Placed In Service	01/00	Future Cost	$1,328.63
Useful Life	20		
		Assigned Reserves at FYB	$179.00
Remaining Life	16	Monthly Member Contribution	$4.03
Replacement Year	2020	Monthly Interest Contribution	$0.33
		Total Monthly Contribution	$4.36

Comments:

1	toilet, tank type	@	$435.00	=	$435.00
1	sink, wall mount rectangular	@	$460.00	=	$460.00
			TOTAL	=	$895.00

Sample Master Planned Community

Component Detail

Sorted by Category

Guardhouse - Roof, Tile, Unfunded

Category	060 Guardhouse	Quantity	2,029 sq. ft.
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/00	Future Cost	$0.00
Useful Life	99		
		Assigned Reserves at FYB	$0.00
Remaining Life	95	Monthly Member Contribution	$0.00
Replacement Year	2099	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

Tile roofs are designed to last the life of the community. Accordingly, a funding provision has not been included for this component. However, it is recommended that the client include a line item in the annual operating budget for periodic inspections and repairs that may be necessary from time to time.

The inventory for this component has been provided by the client in the form of the Department of Real Estate (DRE) reserve worksheets as originally prepared at the direction of the developer.

guardhouse	1,250	sq. ft.
gazebo structures	779	
	2,029	sq. ft.

Sample Master Planned Community

Component Detail

Sorted by Category

Guardhouse - Window Shutters

Category	060 Guardhouse	Quantity	180 sq. ft.
		Unit Cost	$26.000
		% of Replacement	100.00%
		Current Cost	$4,680.00
Placed In Service	01/00	Future Cost	$5,702.13
Useful Life	12		
		Assigned Reserves at FYB	$1,560.00
Remaining Life	8	Monthly Member Contribution	$34.37
Replacement Year	2012	Monthly Interest Contribution	$2.83
		Total Monthly Contribution	$37.20

Comments:

These are natural wood plantation style shutters.

Sample Master Planned Community

Component Detail

Sorted by Category

Entrance - Fountains

Category	100 Grounds	Quantity	4 fountains
		Unit Cost	$3,000.000
		% of Replacement	100.00%
		Current Cost	$12,000.00
Placed In Service	01/00	Future Cost	$12,300.00
Useful Life	4		
Adjustment	+1	Assigned Reserves at FYB	$12,000.00
Remaining Life	1	Monthly Member Contribution	$5.53
Replacement Year	2005	Monthly Interest Contribution	$19.47
		Total Monthly Contribution	$25.00

Comments:

These are small in-ground fountains consisting of the following:

20 sq. ft. of pebblescape surfacing
underwater lighting
pump/motor assembly
filter

We have budgeted for repairs to these fountains on a four-year cycle. The actual condition should be monitored through time and the estimates adjusted accordingly.

The useful life estimate for this component has been provided by the client.

The remaining life of this component has been extended due to its condition at our most recent field inspection.

Sample Master Planned Community

Component Detail

Sorted by Category

Entrance - Wood Trellises

Category	100 Grounds	Quantity	1,350 sq. ft.
		Unit Cost	$14.000
		% of Replacement	100.00%
		Current Cost	$18,900.00
Placed In Service	01/00	Future Cost	$28,057.16
Useful Life	20		
		Assigned Reserves at FYB	$3,780.00
Remaining Life	16	Monthly Member Contribution	$85.07
Replacement Year	2020	Monthly Interest Contribution	$6.87
		Total Monthly Contribution	$91.94

Comments:

These are decorative wood trellises located at the entrance area.

Sample Master Planned Community

Component Detail

Sorted by Category

Mailboxes & Posts

Category	100 Grounds	Quantity	1 total
		Unit Cost	$55,820.000
		% of Replacement	100.00%
		Current Cost	$55,820.00
Placed In Service	01/01	Future Cost	$96,098.12
Useful Life	25		
		Assigned Reserves at FYB	$6,698.40
Remaining Life	22	Monthly Member Contribution	$203.16
Replacement Year	2026	Monthly Interest Contribution	$12.64
		Total Monthly Contribution	$215.80

Comments:

These are bronze metal boxes mounted on heavy-duty decorative metal posts:

97	mailboxes	@	$160.00	=	$15,520.00
52	metal posts	@	$775.00	=	$40,300.00
			TOTAL	=	$55,820.00

Sample Master Planned Community

Component Detail

Sorted by Category

Monument Sign

Category	100 Grounds	Quantity	1 sign
		Unit Cost	$3,000.000
		% of Replacement	100.00%
		Current Cost	$3,000.00
Placed In Service	01/00	Future Cost	$4,453.52
Useful Life	20		
		Assigned Reserves at FYB	$600.00
Remaining Life	16	Monthly Member Contribution	$13.50
Replacement Year	2020	Monthly Interest Contribution	$1.09
		Total Monthly Contribution	$14.59

Comments:

This sign is constructed of 6" metal letters which spells, "Montecito".

Sample Master Planned Community

Component Detail

Sorted by Category

Wood Benches

Category	100 Grounds	Quantity	5 benches
		Unit Cost	$775.000
		% of Replacement	100.00%
		Current Cost	$3,875.00
Placed In Service	01/00	Future Cost	$4,277.28
Useful Life	8		
		Assigned Reserves at FYB	$1,937.50
Remaining Life	4	Monthly Member Contribution	$42.24
Replacement Year	2008	Monthly Interest Contribution	$3.51
		Total Monthly Contribution	$45.75

Comments:

These are 5' wood benches w/backs.

Sample Master Planned Community

Component Detail

Sorted by Category

Irrigation Controllers

Category	110 Landscape	Quantity	1 total
		Unit Cost	$56,000.000
		% of Replacement	100.00%
		Current Cost	$56,000.00
Placed In Service	01/00	Future Cost	$68,230.56
Useful Life	12		
		Assigned Reserves at FYB	$18,666.67
Remaining Life	8	Monthly Member Contribution	$411.30
Replacement Year	2012	Monthly Interest Contribution	$33.86
		Total Monthly Contribution	$445.16

Comments:

These are Rainmaster Evolution controllers:

8 - 48 station controllers	@	$7,000.00	=	$56,000.00
		TOTAL	=	$56,000.00

The inventory for this component has been provided by the client's maintenance contractor.

Sample Master Planned Community

Component Detail

Sorted by Category

Slope/Landscape Enhancement Fund

Category	110 Landscape	Quantity	1 comment
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/01	Future Cost	$0.00
Useful Life	99		
		Assigned Reserves at FYB	$250,000.00
Remaining Life	96	Monthly Member Contribution	$0.00
Replacement Year	2100	Monthly Interest Contribution	$404.60
		Total Monthly Contribution	$404.60

Fixed Accumulated Reserves

Comments:

At the request of the association, we have used a fixed accumulated amount of $250,000 for this component with no provision for a monthly contribution.

This component, and all information contained herein, has been provided by the client and incorporated into this analysis at their request.

Sample Master Planned Community

Detail Report Index

Number of components included in this reserve analysis is 33.