

RESERVE STUDY
FOR

Sharon Park HOA - Common



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Sharon Park HOA - Common
1200 Sharon Park Drive
Menlo Park, California

ATTN: Board of Directors

RE: Sharon Park HOA - Common

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

TERMS & CONDITIONS OF STUDY

This Reserve Fund Analysis, undertaken by Reserve Analysis Consulting, L.L.C., has been conducted in compliance with California Civil Codes § 1365 and 1365.5 and in compliance with standards established by the Association of Professional Reserve Analysts (APRA).

Components that meet the following criteria will be included in this report:

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

Component condition and remaining life projections are based on industry standard manufacturer information, care and maintenance information provided by the Contractee and/or its management or staff. However, as a result of construction methodology, maintenance by the facility staff or other specific local conditions, component useful life and/or remaining life may vary from standard. Repair or replacement schedules and the resulting assessment schedules are derived by combining the resources described above and reliance on these schedules is at the Contractee's discretion. Reserve Analysis Consulting, L.L.C. makes no guarantee as to the actual performance of any components. Each component's condition, life expectancy and replacement cost evaluations are based on visual inspections only. Inspection will be limited to areas accessible to the inspectors. When components are not accessible, assumptions will be made based on available component statistical information. There will be no disassembly of components or demolition involved. This report will not address any factory defects or any damage due to improper maintenance, system design or installation. This Component Analysis is a statistical analysis which the Contractee has responsibility and does not employ methods used for forensic or defect investigation or actual construction. It is also assumed that all components covered by this report receive reasonable maintenance by the contractee. Reserve Analysis Consulting, L.L.C. makes no statement of warranty, either specific or implied, as to the actual future performance of any component.

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

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

CONTACT INFORMATION

CONTACT:	Board of Directors
ASSOCIATION NAME:	Sharon Park HOA - Common
ADDRESS:	1200 Sharon Park Drive
CITY STATE ZIP:	Menlo Park, California
PHONE NUMBER:	-

PROPERTY INFORMATION

BEGINNING DATE OF STUDY:	2007	NUMBER OF UNITS IN PROJECT:	87
YEAR CONSTRUCTED:	1978	NUMBER OF BUILDINGS ANALYZED:	ALL
NUMBER OF CONSTRUCTION PHASES:	2	YEAR ENDING DATE:	12/31
YEAR OF LAST INSPECTION:	2006		
PERFORMED BY:	Reserve Analysis Consulting, L.L.C.		
YEAR OF NEXT INSPECTION:	2008 (as required by the Davis-Stirling Act - 1997)		
COMPLETE SET PLANS AVAILABLE:	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	
MAINTENANCE RECORDS AVAILABLE:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	
RESERVE STUDY PREPARER:	Reserve Analysis Consulting, L.L.C. 3030 Bridgeway, Suite 305 Sausalito, California 94965 Tom O'Neill (415) 332-7800 reserveanalysis@gmail.com FAX (415) 332-7801		
CURRENT PROPERTY MANAGER:	Mr. Stephen Fox PML Management 655 Mariners Island Boulevard, # 301 San Mateo, California 94404 (650) 349-9113		
MAINTENANCE CONTRACTOR:			

RESERVE ACCOUNT INFORMATION

PROJECTED BEGINNING YEAR BALANCE:	140,566.48	CURRENT RETURN ON ACCOUNT:	4.00%
REQUESTED MINIMUM RESERVE BALANCE:	N/A	ANNUAL OPERATING BUDGET:	\$242,211
MONTHLY ASSESSMENTS:	\$271.00	LAST YEARS SPECIAL ASSESSMENT:	N/A
CURRENT RATE OF INFLATION:	3.20%	UNSCHEDULED EXPENSE RATE:	5.00%

RESERVE ACCOUNT SETUP

TOTAL ANNUAL ASSESSMENTS:	\$282,927	UNIT PER MONTH TO RESERVE FUND:	\$39.00
ANNUALLY TO RESERVE FUND:	\$40,716	TOTAL VALUE OF COMPONENTS:	\$1,003,408
MONTHLY TO RESERVE FUND:	\$3,393.00		

LEGAL REQUIREMENTS

Identify the current cash reserve balance.
 Identify the major components to be included.
 Establish reasonable life of all components.
 Establish remaining life of all components.
 Project estimated cost of all repairs.
 Project year in which repairs are to occur.
 Prepare Statement of Methodology.

SCOPE OF STUDY

The time frame covered by this analysis is from 2007 through 2036. These are the beginning and ending points for all repairs and funding calculations included in this study.

STATEMENT OF RESERVE STUDY METHODOLOGY

In order to determine the annual Reserve contributions which will be required, a Fund Balance Methodology was performed. The premise of this replacement cost projection is to ensure a positive cash balance in the Reserve Fund Account which will enable the Association to fulfill its responsibility for maintaining the common area components. It is equally important that a positive cash fund be maintained without relying on Special Assessments or overfunding of Reserves. The initial inflation rate used is based upon a specific construction industry index. The Association's current rate of return on its reserve account(s) is used for this study.

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

- Original plans and specifications
- Original contractors, maintenance contractors and vendors.
- Current contractor, maintenance contractors and vendors.
- Association maintenance staff.
- Association management.
- Independent subcontractors.
- In-house quantity surveyor.

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

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

- Only components which met the following criteria were included in this report.
- The component maintenance is the responsibility of the Association.
- The component is not covered by the Associations Annual Operating Budget.
- The components estimated useful life is greater than one year.
- The components remaining estimated useful life is less than 30 years. (Provided its performing to standards)
- The replacement cost of all components included in this report is based on current repair or replacement costs.

Based on the fact we have no knowledge or control over costs in the future, we would advise the Association to have the Reserve Study reviewed on an annual basis and make any necessary adjustments regarding component performance and their respective replacement costs.

4.00

COMPONENT DATA

CODE #	COMPONENT NAME	YEAR NEW	EXPECT. LIFE	OBSERVED CONDITION	INCLUDE NOTES	ITEM QUAN	UM	UNIT COST	TOTAL COST
1.00 ROADS - COMMON AREA									
1.01	Main Entry Road Sealing - 3/4 Share	2002	5	FAIR		19253	S.F.	\$0.10	\$1,925
1.02	Asphalt Replacement/Repairs -3/4 Share	2002	5	N/A		1	L.S.	\$3,000.00	\$3,000
1.03	Asphalt Replacement - 3/4 Share	1978	45	FAIR		19253	S.F.	\$3.00	\$57,759
1.04	Main Entry Road Sealing - Full Ownership	2002	5	FAIR		30535	S.F.	\$0.15	\$4,580
1.05	Asphalt Repairs - Full Ownership	2002	5	N/A		1	L.S.	\$7,000.00	\$7,000
1.06	Asphalt Replacement - Full Ownership	1978	45	FAIR		31335	S.F.	\$4.00	\$125,340
1.07	Asphalt Sealing @ Condos	2002	5	FAIR		14062	S.F.	\$0.15	\$2,109
1.08	Asphalt Repairs @ Condos	2002	5	N/A		1	L.S.	\$3,500.00	\$3,500
1.09	Asphalt Replacement @ Condos	1978	45	FAIR		14062	S.F.	\$4.00	\$56,248
1.10	Asphalt Sealing @ Trellis Parking	2006	5	FAIR/POOR		4580	S.F.	\$0.25	\$1,145
1.11	Asphalt Replacement @ Trellis Parking	2006	30	FAIR/POOR		4580	L.S.	\$5.00	\$22,900
1.12	Asphalt Sealing @ Townhouses	2002	5	FAIR		10024	E.A.	\$0.15	\$1,504
1.13	Asphalt Repairs @ Townhouses	2002	5	N/A		1	L.S.	\$2,500.00	\$2,500
1.14	Asphalt Replacement @ Townhouses	1978	45	FAIR		10024	E.A.	\$4.00	\$40,097
1.15	Asphalt Sealing @ Parking Areas	2002	5	FAIR		9105	S.F.	\$0.25	\$2,276
1.16	Asphalt Repairs @ Parking Area	2002	5	N/A		1	L.S.	\$2,500.00	\$2,500
1.17	Asphalt Replacement @ Parking Areas	1978	30	FAIR		8255	S.F.	\$5.00	\$41,275
1.18	Cul-de-sac @ 1280 & 1290 Replacement	2007	45	POOR		3136	S.F.	\$5.00	\$15,680
1.19	Striping	2002	5	FAIR		840	L.F.	\$0.60	\$504
1.20	Asphalt Path - Sealing	2006	5	FAIR		9448	S.F.	\$0.35	\$3,307
1.21	Asphalt Path - Replacement	1978	35			9448	S.F.	\$6.00	\$56,688
2.00 CONCRETE - COMMON AREA									
2.01	Pool Deck Replacement	2005	3	N/A		1	L.S.	\$2,500.00	\$2,500
2.02	Sidewalk Replacement Allowance	2006	5	N/A		1	L.S.	\$2,500.00	\$2,500
2.03	Parking Bumpers	1978	30	GOOD/FAIR		70	E.A.	\$35.00	\$2,450
2.04	Brick	1978	40	GOOD/FAIR		240	S.F.	\$15.00	\$3,600
3.00 CLUBHOUSE									
3.01	Paint Exterior	2002	6	FAIR	Yes	1	L.S.	\$4,841.00	\$4,841
3.02	Paint Interior	1999	10	GOOD/FAIR		1	L.S.	\$3,000.00	\$3,000
3.03	Wood Shingle Roofing	1989	20	FAIR		1400	S.F.	\$6.00	\$8,400
3.04	Demolish Existing Roof	2009	100	N/A		1400	S.F.	\$1.50	\$2,100
3.05	Wood Siding	1977	50	GOOD/FAIR		1480	E.A.	\$6.00	\$8,880
3.06	Trim	1977	50	GOOD/FAIR		280	E.A.	\$7.00	\$1,960
3.07	Entry Doors	1977	35	FAIR		4	E.A.	\$650.00	\$2,600
3.08	Pergola	1996	30	GOOD/FAIR		1	L.S.	\$17,500.00	\$17,500

4.00

COMPONENT DATA

CODE #	COMPONENT NAME	YEAR NEW	EXPECT. LIFE	OBSERVED CONDITION	INCLUDE NOTES	ITEM QUAN	UM	UNIT COST	TOTAL COST
3.09	Pergola	1999	30	GOOD/FAIR		1	L.S.	\$5,000.00	\$5,000
3.10	Carpeting	1999	10	GOOD/FAIR		87	S.Y.	\$55.00	\$4,785
3.11	Pergo Wood Flooring	1999	30	GOOD/FAIR		119	S.F.	\$15.00	\$1,785
3.12	Lamoleum Flooring - Womans	1999	20	GOOD/FAIR		74	S.F.	\$4.00	\$296
3.13	Lamoleum Flooring - Mens	1989	20	FAIR		74	S.F.	\$4.00	\$296
3.14	Kitchen Appliances	1977	30	FAIR	Yes	1	L.S.	\$1,650.00	\$1,650
3.15	Hot Water Heater	1999	15	GOOD/FAIR		1	L.A.	\$750.00	\$750
3.16	Furnishings & Window Coverings	1998	20	GOOD/FAIR	Yes	1	L.S.	\$28,600.00	\$28,600
3.17	HVAC	1977	30	FAIR		1	L.S.	\$3,250.00	\$3,250
3.18	Front Decking Replace	1999	20	GOOD/FAIR		1	L.S.	\$5,000.00	\$5,000
4.00	SWIMMING POOL								
4.01	Replastering	2005	10	FAIR/POOR		142	S.Y.	\$15.00	\$6,390
4.02	Coping	1996	30	GOOD/FAIR		120	L.F.	\$15.00	\$1,800
4.03	Tile	1996	30	GOOD/FAIR		120	L.F.	\$16.67	\$2,000
4.04	Heater	2003	15	GOOD		1	EA	\$3,150.00	\$3,150
4.05	Filter	2004	15	FAIR/POOR		1	EA	\$2,550.00	\$2,550
4.06	Filter Pump	1997	10	GOOD/FAIR		1	EA	\$900.00	\$900
4.07	Pool Cover	2003	4	GOOD		1	EA	\$2,200.00	\$2,200
4.08	Pool Cover Motor	1996	21	GOOD/FAIR		1	EA	\$900.00	\$900
4.09	Pool Furniture	1977	28	FAIR	Yes	1	L.S.	\$7,305.00	\$7,305
5.00	SPA								
5.01	Replastering	2001	10	GOOD/FAIR		1	L.S.	\$8,500.00	\$8,500
5.02	Coping	1980	25	FAIR		34	L.F.	\$15.00	\$510
5.03	Tile	1980	25	FAIR		34	L.F.	\$15.00	\$510
5.04	Heater	1990	15	FAIR		1	EA	\$4,500.00	\$4,500
5.05	Filter	1990	15	FAIR		1	EA	\$2,450.00	\$2,450
5.06	Pumps	1999	10	GOOD/FAIR		4	EA	\$900.00	\$3,600
6.00	SIGNAGE - COMMON AREA								
6.01	Decorative Deer Sign	1977	40	GOOD/FAIR		1	EA	\$4,500.00	\$4,500
6.02	Pool Signage	1994	15	GOOD/FAIR		1	L.S.	\$2,000.00	\$2,000
6.03	Miscellaneous Signs	1996	20	GOOD/FAIR		1	L.S.	\$1,500.00	\$1,500
6.04	Miscellaneous Signs	1994	20	GOOD/FAIR		1	L.S.	\$2,000.00	\$2,000
7.00	RETAINING WALLS - COMMON AREA								
7.01	Wood @ Townhouses	1994	20	GOOD/FAIR		126	L.F.	\$50.00	\$6,300
7.02	Wood @ Townhouses	2004	20	FAIR/POOR		126	L.F.	\$50.00	\$6,300
7.03	Masonry	1978	60	GOOD/FAIR		1108	L.F.	\$125.00	\$138,500

4.00 COMPONENT DATA

CODE #	COMPONENT NAME	YEAR NEW	EXPECT LIFE	OBSERVED CONDITION	INCLUDE NOTES	ITEM QUAN	UNIT	UNIT COST	TOTAL COST
7.04	Pool Area Plantings	1996	20	GOOD/FAIR		1	L.S.	\$5,000.00	\$5,000
8.00	FENCING - COMMON AREA								
8.01	Open Fence at Pool	1996	20	GOOD/FAIR		198	L.F.	\$55.00	\$10,890
8.02	Solid Fence at Pool	1996	20	GOOD/FAIR		234	L.F.	\$55.00	\$12,870
9.00	ELECTRICAL - COMMON AREA								
9.01	Street Lights	2005	20	FAIR		5	EA.	\$289.60	\$1,448
9.02	Landscape Lights	2003	25	N/A		1	L.S.	\$3,500.00	\$3,500
9.03	Path Lighting	2003	25	N/A		17	FA	\$250.00	\$4,250
9.04	Pool Area Lighting	1996	25	GOOD/FAIR		5	EA.	\$250.00	\$1,250
9.05	Recreation Center Exterior Lights	1996	25	GOOD/FAIR		7	FA.	\$1,000.00	\$7,000
9.06	Recreation Center Interior Lights	1999	30	GOOD/FAIR	yes	1	L.S.	\$3,250.00	\$3,250
10.00	LANDSCAPE/IRRIGATION - COMMON AREA								
10.01	Wood Landscape Steps	1994	20	GOOD/FAIR		319	L.F.	\$35.00	\$11,165
10.02	Wood Benches	1994	20	GOOD/FAIR		1	L.S.	\$1,750.00	\$1,750
10.03	Landscape & Irrigation - 1202	1997	20	GOOD/FAIR		1	L.S.	\$2,500.00	\$2,500
10.04	Irrigation - 1280	1997	20	GOOD/FAIR		1	L.S.	\$5,000.00	\$5,000
10.07	Tree Removal & Replacement	2005	100	N/A		1	L.S.	\$7,440.00	\$7,440
10.08	Tree Removal & Replacement	2006	100	N/A		1	L.S.	\$11,052.00	\$11,052
10.09	Tree Removal & Replacement	2007	100	N/A		1	L.S.	\$10,000.00	\$10,000
10.10	Tree Removal & Replacement	2008	100	N/A		1	L.S.	\$10,000.00	\$10,000
10.11	Tree Removal & Replacement	2009	100	N/A		1	L.S.	\$10,000.00	\$10,000
10.12	Tree Removal & Replacement	2010	10	N/A		1	L.S.	\$10,000.00	\$10,000
10.13	Plantings	2007	1	N/A		1	L.S.	\$1,500.00	\$1,500
10.14	Irrigation Line Replacement	2007	1	N/A		1	L.S.	\$2,000.00	\$2,000
11.00	SITE REPLACEMENT ALLOWANCES								
11.01	Drainage Corrections	1996	20	N/A		1	L.S.	\$9,500.00	\$9,500
12.00	GAZEBO @ 1280 - COMMON AREA								
12.01	Gazebo Replacement Allowance	2005	5	N/A		1	L.S.	\$1,000.00	\$1,000
12.02	Gazebo Post Replacement	2005	5	N/A		1	L.S.	\$500.00	\$500
13.00	RETAINING WALLS - SH #9								
13.01	Concrete	1990	50	GOOD/FAIR		60	L.F.	\$125.00	\$7,500
13.02	Masonry Block	1977	30	FAIR		45	L.F.	\$55.00	\$2,475
14.00	GATE HOUSE								
14.01	Painting	2006	6	FAIR/POOR		511	S.F.	\$2.00	\$1,022
14.02	Composition Shingle Roofing	1999	20	GOOD/FAIR		484	S.F.	\$4.00	\$1,936
14.03	Siding	1977	50	FAIR		385	S.F.	\$5.00	\$1,925

4.00

COMPONENT DATA

CODE #	COMPONENT NAME	YEAR NEW	EXPECT LIFE	OBSERVED CONDITION	INCLUDE NOTES	ITEM QUAN.	UM	UNIT COST	TOTAL COST
14.04	Trim	1977	30	FAIR		128	L.F.	\$7.00	\$896
14.05	Gutters	1999	20	GOOD		73	L.F.	\$8.00	\$584
14.06	Downspouts	1999	20	GOOD		20	L.F.	\$8.00	\$160
14.07	Doors	1977	25	FAIR		1	EA	\$550.00	\$550
15.00	ENTRY GATE								
15.01	Telephone Entry System	1992	20	FAIR		1	EA	\$6,000.00	\$6,000
15.02	Iron Entry Gate	1992	30	GOOD/FAIR		1	L.S.	\$15,000.00	\$15,000
15.03	Gate Operators	1992	15	FAIR		2	EA	\$2,750.00	\$5,500
15.04	Vehicle Loops	2001	8	FAIR		3	EA	\$850.00	\$2,550
15.05	Miscellaneous Gate Equipment	1992	20	FAIR		1	L.S.	\$6,000.00	\$6,000
16.00	LANDSCAPE - SH #9								
16.01	Concrete Curbs/Walks	2001	6	N/A		1	L.S.	\$2,750.00	\$2,750
16.02	Entryway Landscaping	2000	15	GOOD/FAIR		1	L.S.	\$24,000.00	\$24,000
17.00	ELECTRICAL - SH #9								
17.01	Street Lighting	1987	20	FAIR		12	EA	\$500.00	\$6,000
18.00	IRRIGATION - SH #9								
18.01	System Replacement	2000	15	GOOD/FAIR		1	L.S.	\$4,000.00	\$4,000

GENERAL NOTES:

1. Where component replacement dates were unavailable, assumptions were made based on the visual condition of the component and its statistical life expectancy.
2. The use of a 100 year life expectancy in this report indicates a one - time expenditure in the year shown as year new.
3. Per California Civil Code 1365.5, inspections and subsequent condition reports contained within this report were based on visual identification and inspection. No destructive testing was completed during this inspection.
4. We recommend that the Board seek appropriate expert inspection, testing, and opinions for the following areas of concern. These may include, but are not restricted to:
 - A.) Defective construction and component installation.
 - B.) Dry rot damage.
 - C.) Pest infestation.
 - D.) Mold infestation.
 - E.) Moisture penetration.
 - F.) Roof inspection and repair
 - G.) Balcony, deck and stair condition.
5. Units of measurement abbreviations:
 - L.F. = Lined Feet
 - S.F. = Square Feet
 - S.Y. = Square Yard
 - EA = Each
 - L.S. = Lump Sum

6.00	COMPONENT CATEGORY COST SUMMARY
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<u>CODE #</u>	<u>CATEGORY NAME</u>	<u>TOTALS</u>
1.00	ROADS - COMMON AREA	\$451,587.28
2.00	CONCRETE - COMMON AREA	\$11,050.00
3.00	CLUBHOUSE	\$100,693.00
4.00	SWIMMING POOL	\$27,195.00
5.00	SPA	\$20,070.00
6.00	SIGNAGE - COMMON AREA	\$10,000.00
7.00	RETAINING WALLS - COMMON AREA	\$156,100.00
8.00	FENCING - COMMON AREA	\$23,760.00
9.00	ELECTRICAL - COMMON AREA	\$20,698.00
10.00	LANDSCAPE/IRRIGATION - COMMON AREA	\$82,407.00
11.00	SITE REPLACEMENT ALLOWANCES	\$9,500.00
12.00	GAZEBO @ 1280 - COMMON AREA	\$1,500.00
13.00	RETAINING WALLS - SH #9	\$9,975.00
14.00	GATE HOUSE	\$7,073.00
15.00	ENTRY GATE	\$35,050.00
16.00	LANDSCAPE - SH #9	\$26,750.00
17.00	ELECTRICAL - SH #9	\$6,000.00
18.00	IRRIGATION - SH #9	\$4,000.00
Grand Total:		<u><u>\$1,003,408.28</u></u>

7.00

ASSESSMENT CONCLUSION

7.01 Based on the results on this Reserve Study, please find below any possible increases that may be required in regular and/or special assessments. These increases are based on the following criteria that has either been provided or approved by the Board of Directors of the association:

- 7.011 Number of units in Association.
- 7.012 Existing unit per month to Reserve Fund.
- 7.013 Projected beginning year Reserve Fund balance.
- 7.014 Minimum Reserve Fund balance.
- 7.015 Expenditure/Cash balance ratio.
- 7.016 Rate of inflation.
- 7.017 Rate of return on Reserve Fund.

	87
	\$39.00
	\$140,566
N/A	
	100%
	3.20%
	4.00%

7.02 Monthly assessment schedule:

Year	Amount	% Change	Requires Vote
2007	\$52.65	35%	
2008	\$54.23	3%	
2009	\$55.86	3%	
2010	\$57.53	3%	
2011	\$59.26	3%	
2012	\$61.04	3%	
2013	\$62.87	3%	
2014	\$64.75	3%	
2015	\$66.70	3%	
2016	\$68.70	3%	
2017	\$70.76	3%	
2018	\$72.88	3%	
2019	\$75.07	3%	
2020	\$77.32	3%	
2021	\$79.64	3%	

Year	Amount	% Change	Requires Vote
2022	\$82.03	3%	
2023	\$84.49	3%	
2024	\$87.02	3%	
2025	\$89.63	3%	
2026	\$92.32	3%	
2027	\$95.09	3%	
2028	\$97.94	3%	
2029	\$100.88	3%	
2030	\$103.91	3%	
2031	\$107.03	3%	
2032	\$110.24	3%	
2033	\$113.54	3%	
2034	\$116.95	3%	
2035	\$120.46	3%	
2036	\$124.07	3%	

* Requires the approval of the owners constituting a quorum. A quorum means a majority of more than 50 percent of the owners of the association vote in favor of this assessment per California Civil Code 3365 which states the regular assessment cannot exceed by 20% the regular assessment for the associations preceding fiscal year.

7.03 Special assessment schedule:

Year	Amount	Requires Vote
2007		
2008		
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		

Year	Amount	Requires Vote
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		

* Requires the approval of the owners constituting a quorum. A quorum means a majority of more than 50 percent of the owners of the association vote in favor of this assessment per California Civil Code 3365 which states the special assessment cannot exceed in the aggregate 5% of the association budgeted gross expenses for that fiscal year.

PROPERTY DESCRIPTION:

Sharon Park HOA - Common is an 87 owner Homeowner association located in Menlo Park, California. This association, one of three Sharon Park Associations, maintains all of the common area components such as the roadways, Club House, pool and other common area components as set forth by the CC&Rs.

PROPERTY CONDITION:

This property is in generally fair to good condition.

For specific details on component costs, quantities and condition please refer to the accompanying Component Data and Component Notes pages.

FUNDING ANALYSIS:

Refer to Section 6.00, RESERVE FUND CASH FLOW PROJECTIONS for detailed information.

We recommend that the association review and update this Reserve Analysis on an annual basis to make adjustments for component expenditures and interest and inflation rates.

9.00A

RESERVE FUND CASH PROJECTIONS

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Average unit per month reserve contribution = \$30										
Total annual reserve contribution = \$40,716										
DESCRIPTION - 1ST 10 YEARS										
Projected Beginning Fund Balance	\$140,566	\$93,195	\$83,041	\$100,220	\$148,691	\$189,683	\$199,281	\$192,485	\$225,829	\$248,846
Proposed percent per month increase	\$13.65	\$1.58	\$1.63	\$1.68	\$1.73	\$1.78	\$1.83	\$1.89	\$1.94	\$1.99
Proposed average unit/month contribution	\$22.65	\$54.23	\$55.86	\$57.53	\$59.26	\$61.04	\$62.87	\$64.75	\$66.70	\$68.70
Proposed Total Annual Contribution	\$54,967	\$56,616	\$58,314	\$60,063	\$61,865	\$63,721	\$65,633	\$67,602	\$69,630	\$71,719
Does proposed require membership vote?										
Proposed Avg. Special Assess Per Unit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Does special assessment require vote?										
Income from other sources										
Total Reserve Fund Available	\$195,533	\$149,810	\$141,355	\$160,283	\$210,557	\$253,405	\$264,914	\$260,087	\$295,459	\$320,565
Proposed inflated yearly expenditures	\$105,923	\$69,964	\$44,989	\$17,311	\$28,169	\$61,788	\$79,833	\$42,944	\$56,184	\$70,002
Balance after expenditures	\$89,610	\$79,847	\$96,365	\$142,973	\$182,388	\$191,617	\$185,082	\$217,143	\$239,275	\$250,562
Gross calculated interest on balance	\$3,584	\$5,194	\$3,855	\$5,719	\$8,296	\$7,665	\$7,403	\$8,686	\$9,571	\$10,022
Minimum requested balance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cash balance/Expenditure ratio	*2 100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Projected Year Ending Balance	\$93,195	\$83,041	\$100,220	\$148,691	\$189,683	\$199,281	\$192,485	\$225,829	\$248,846	\$260,585

2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
DESCRIPTION - 2ND 10 YEARS									
Projected Beginning Fund Balance	\$260,585	\$267,783	\$296,055	\$341,018	\$401,866	\$456,864	\$46,932	\$119,377	\$186,554
Proposed percent per month increase	\$2.06	\$2.12	\$2.19	\$2.25	\$2.32	\$2.39	\$2.46	\$2.53	\$2.61
Proposed average unit/month contribution	\$70.76	\$72.88	\$75.07	\$77.32	\$79.64	\$82.03	\$84.49	\$87.02	\$89.63
Proposed Total Annual Contribution	\$73,871	\$76,087	\$78,369	\$80,720	\$83,142	\$85,636	\$88,205	\$90,851	\$93,577
Does increase require membership vote?									
Proposed Avg. Special Assess Per Unit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Proposed Total Special Assessment									
Does special assessment require vote?									
Income from other sources									
Total Reserve Fund Available	\$334,455	\$343,870	\$374,424	\$421,738	\$485,008	\$543,877	\$545,069	\$543,877	\$543,877
Proposed inflated yearly expenditures	\$76,971	\$59,202	\$46,522	\$35,329	\$44,392	\$104,585	\$499,942	\$72,999	\$74,679
Balance after expenditures	\$257,484	\$284,668	\$327,902	\$386,409	\$440,616	\$439,292	\$45,127	\$114,785	\$208,259
Gross calculated interest on balance	\$10,299	\$11,387	\$13,116	\$15,456	\$17,625	\$17,572	\$1,805	\$4,591	\$8,530
Minimum requested balance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Expenditure/Cash balance ratio	*2 100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Projected Year Ending Balance	\$267,783	\$296,055	\$341,018	\$401,866	\$456,864	\$46,932	\$119,377	\$186,554	\$260,585

15336 A PROJECTED EXPENDITURE SCHEDULE - FISCAL YEAR LEAKS

COMPONENT DESCRIPTION	YR. 1	YR. 2	YR. 3	YR. 4	YR. 5	YR. 6	YR. 7	YR. 8	YR. 9	YR. 10	TOTAL
1.00 ROADS - CONCRETE AREA											
1.01 Blue Luthy Road Sealing - 1/2 Stone	\$1,000										\$1,000
1.02 Asphalt Replacement - 1/2 Stone	\$1,000										\$1,000
1.03 Asphalt Replacement - 1/2 Stone	\$1,000										\$1,000
1.04 Sealant Repairs - 1/2 Stone	\$1,000										\$1,000
1.05 Asphalt Repairs - Full Widthable	\$1,000										\$1,000
1.06 Asphalt Repairs - Full Widthable	\$1,000										\$1,000
1.07 Asphalt Sealing - 1/2 Stone	\$1,000										\$1,000
1.08 Asphalt Sealing - 1/2 Stone	\$1,000										\$1,000
1.09 Asphalt Repairs - 1/2 Stone	\$1,000										\$1,000
1.10 Asphalt Repairs - 1/2 Stone	\$1,000										\$1,000
1.11 Asphalt Replacement - 1/2 Stone	\$1,000										\$1,000
1.12 Asphalt Sealing - 1/2 Stone	\$1,000										\$1,000
1.13 Asphalt Repairs - 1/2 Stone	\$1,000										\$1,000
1.14 Asphalt Repairs - 1/2 Stone	\$1,000										\$1,000
1.15 Asphalt Sealing - 1/2 Stone	\$1,000										\$1,000
1.16 Asphalt Repairs - 1/2 Stone	\$1,000										\$1,000
1.17 Asphalt Replacement - 1/2 Stone	\$1,000										\$1,000
1.18 Concrete - 1/2 Stone	\$1,000										\$1,000
1.19 Asphalt	\$1,000										\$1,000
1.20 Asphalt Path - Replacement	\$1,000										\$1,000
1.21 Asphalt Path - Replacement	\$1,000										\$1,000
2.00 CONCRETE - CONDUIT AREA											
2.01 Pool Deck Replacement	\$2,500										\$2,500
2.02 Sidewalk Replacement - Allowance	\$2,500										\$2,500
2.03 Parking Bumpers	\$2,500										\$2,500
2.04 Brick	\$2,500										\$2,500
3.00 CLUBHOUSE											
3.01 Paint Exterior	\$4,841										\$4,841
3.02 Paint Interior	\$1,000										\$1,000
3.03 Wood Single Roofing	\$8,100										\$8,100
3.04 Remodel Existing Roof	\$2,100										\$2,100
3.05 Wood Siding	\$8,880										\$8,880
3.06 Trim	\$1,900										\$1,900
3.07 Entry Doors	\$2,600										\$2,600
3.08 Pergola	\$1,500										\$1,500
3.09 Pergola	\$5,000										\$5,000
3.10 Carpeting	\$4,785										\$4,785
3.11 Pergo Wood Flooring	\$1,785										\$1,785
3.12 Laminate Flooring - Walnut	\$200										\$200
3.13 Laminate Flooring - Walnut	\$200										\$200
3.14 Kitchen Appliances	\$1,650										\$1,650
3.15 Hot Water Heater	\$750										\$750
3.16 Furnishings & Window Treatments	\$28,000										\$28,000
3.17 HVAC	\$2,250										\$2,250
3.18 Pool Decking Repairs	\$5,000										\$5,000
4.00 SWIMMING POOL											
4.01 Repairs	\$3,350										\$3,350
4.02 Coping	\$1,800										\$1,800
4.03 Tile	\$2,000										\$2,000
4.04 Heater	\$1,150										\$1,150
4.05 Filter	\$2,550										\$2,550
4.06 Filter Pump	\$500										\$500
4.07 Pool Cover	\$2,200										\$2,200
4.08 Pool Cover Motor	\$500										\$500
4.09 Pool Furniture	\$7,305										\$7,305
5.00 SPA											
5.01 Repairs	\$8,500										\$8,500
5.02 Coping	\$510										\$510
5.03 Tile	\$510										\$510
5.04 Heater	\$4,500										\$4,500

9.00 B

RESERVE FUND CASH PROJECTIONS

DESCRIPTION - 3RD 16 YEARS	2022	2028	2029	2030	2031	2032	2033	2034	2035	2036
Projected Beginning Fund Balance	\$216,589	\$210,793	\$301,765	\$342,869	\$370,701	\$445,628	\$449,800	\$568,288	\$648,308	\$743,317
Proposed percentage increase	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Proposed unit rent month dollar increase	\$2.77	\$2.85	\$2.94	\$3.03	\$3.12	\$3.21	\$3.31	\$3.41	\$3.51	\$3.61
Proposed average unit-month contribution	\$95.09	\$97.94	\$100.88	\$103.91	\$107.33	\$110.24	\$113.51	\$116.95	\$120.46	\$124.07
Proposed Total Annual Contribution	\$99,276	\$102,754	\$105,322	\$108,481	\$111,736	\$115,088	\$118,540	\$122,097	\$125,760	\$129,532
Does increase require membership vote?										
Proposed Avg. Special Assess. Per Unit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Proposed Total Special Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Does special assessment require vote? (except from other source)										
Total Reserve Fund Available	\$315,865	\$313,047	\$407,087	\$451,350	\$481,937	\$560,716	\$568,341	\$690,384	\$774,068	\$872,850
Proposed inflated early expenditures	\$113,180	\$22,888	\$77,405	\$95,388	\$53,448	\$128,216	\$21,910	\$67,011	\$39,339	\$194,051
Balance after expenditures	\$202,685	\$290,159	\$329,682	\$355,963	\$428,489	\$432,500	\$546,430	\$623,373	\$734,728	\$678,798
Contra calculated inflates on balance	\$8,197	\$11,606	\$13,187	\$14,239	\$17,140	\$17,300	\$21,857	\$24,935	\$28,589	\$27,152
Minimum required balance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Expenditure Cash balance ratio	*2 100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Projected Year Ending Balance	*3 \$210,793	\$301,765	\$342,869	\$370,201	\$445,628	\$449,800	\$568,288	\$648,308	\$743,317	\$705,950

* 1. Total Annual Reserve Contributions are based on the association's total annual income less the annual operating expenses. The following years are based on this same equation. The association has provided current operating expenses and reserve contribution information. Reserve Analysis Consulting, L.L.C. assumes no responsibility for the accuracy of current or projected budget figures provided by others.

* 2. Expenditure Cash balance ratio indicates the ratio of reserve funds available divided by projected annual inflated expenditures. Due to the nature of cash flow projections, some years will exceed 100% percent funding, but for clarity the highest amount shown will be 100%.

* 3. Projected Year Ending Balance. The objective throughout the funding study is to maintain a minimum year ending balance of not less than 10% of that year's total projected annual inflated expenditures.

General Notes:

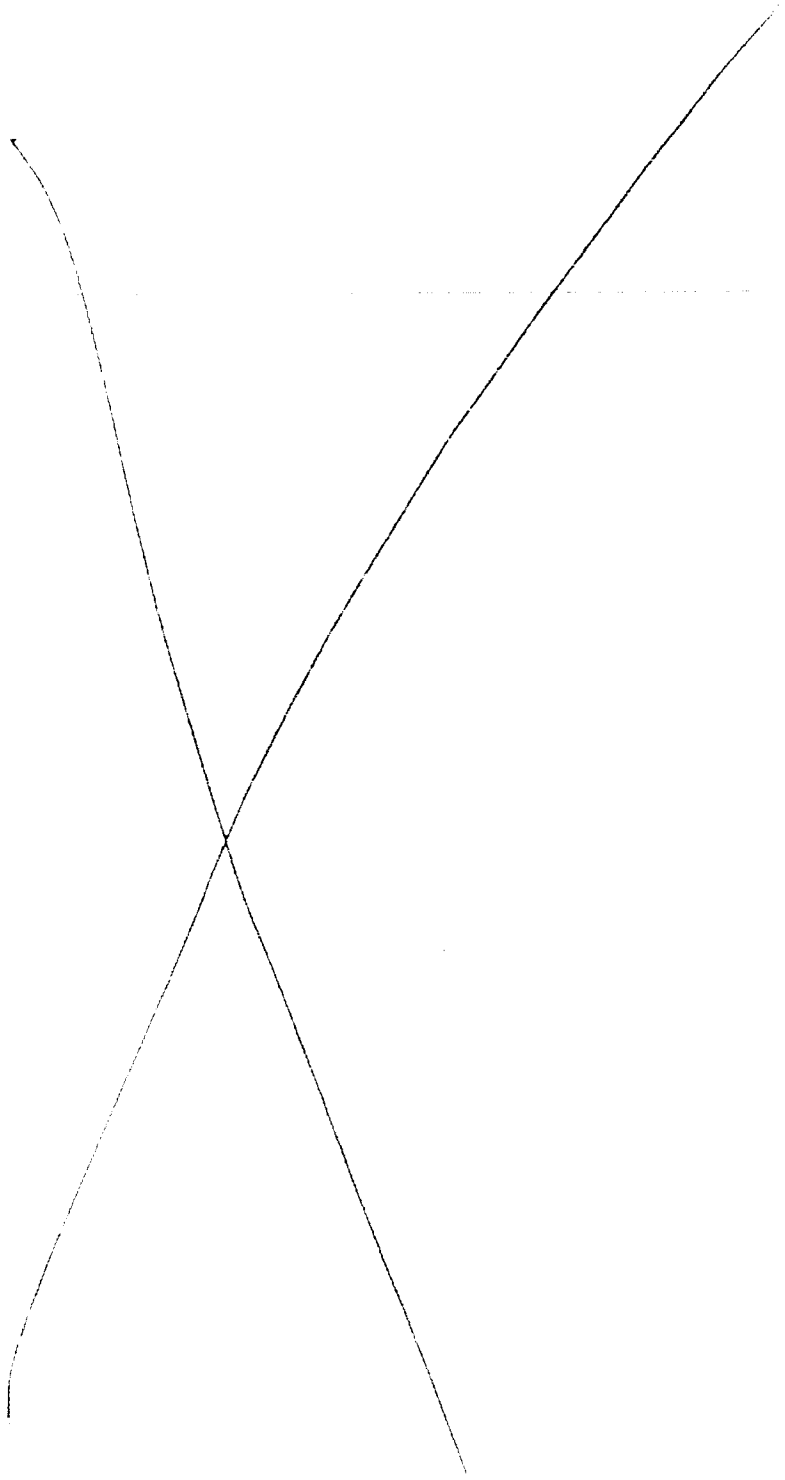
- 1.) The cash flow projections shown are based on current economic conditions. These projections are based upon future variables that cannot be controlled. Therefore, reliance on these projections beyond the first year of this study is not recommended. We recommend the association review their Reserve Fund accounts quarterly and update their reserve study annually.
- 2.) Additionally, California Civil Code § 1365.5 states in part, "At least once every three years the board of directors shall cause to be conducted a reasonably competent and diligent visual inspection of the accessible areas of the major components which the association is obligated to repair, replace, restore or maintain as part of a study of the reserve account requirements."

PROJECTED EXPENDITURE SCHEDULE - FIRST TEN YEARS

CODE	COMPONENT DESCRIPTION	REPAIR/REPLACE	YEAR NEW	USEFUL LIFE	VF 1	VF 2	VF 3	VF 4	VF 5	VF 6	VF 7	VF 8	VF 9	VF 10	TOTAL
5.06	Drains	\$1,000	1996	10											\$1,000
6.00	SIGNAGE - COMMON AREA														
6.01	Decorative Iron Sign	\$3,200	1977	10											\$3,200
6.02	Food Storage	\$2,000	1994	10											\$2,000
6.03	Miscellaneous Signs	\$1,500	1990	10											\$1,500
6.04	Miscellaneous Signs	\$2,000	1994	10											\$2,000
7.00	REPAIRING WATER - COMMONS AREA														
7.01	Wood Deck Foundations	\$6,000	1996	10											\$6,000
7.02	Wood Deck Foundations	\$3,000	2004	10											\$3,000
7.03	Aluminum	\$1,000	1996	10											\$1,000
7.04	Pond Area Pavers	\$5,000	1996	10											\$5,000
8.00	PERKING - COMMON AREA														
8.01	Open Permeable Paving	\$10,800	1996	10											\$10,800
8.02	Solid Permeable Paving	\$12,500	1996	10											\$12,500
9.00	ELECTRICAL - COMMON AREA														
9.01	Street Lights	\$1,418	1996	10											\$1,418
9.02	Landscaping Lights	\$1,500	1994	10											\$1,500
9.03	Path Lighting	\$1,500	1996	10											\$1,500
9.04	Pond Area Lighting	\$3,200	1996	10											\$3,200
9.05	Recreation Center Exterior Lights	\$3,200	1996	10											\$3,200
9.06	Recreation Center Interior Lighting	\$7,500	1996	10											\$7,500
10.00	LANDSCAPE/IRRIGATION - COMMON AREA														
10.01	Wood Landscape Steps	\$1,100	1994	10											\$1,100
10.02	Wood Benches	\$1,750	1994	10											\$1,750
10.03	Landscaping & Irrigation - 12x2	\$2,500	1997	10											\$2,500
10.04	Irrigation - 12x8	\$5,000	1997	10											\$5,000
10.07	Tree Removal & Replacement	\$7,400	2005	10											\$7,400
10.08	Tree Removal & Replacement	\$11,052	2006	10											\$11,052
10.09	Tree Removal & Replacement	\$10,000	2007	10											\$10,000
10.10	Tree Removal & Replacement	\$10,000	2008	10											\$10,000
10.11	Tree Removal & Replacement	\$10,000	2009	10											\$10,000
10.12	Tree Removal & Replacement	\$10,000	2010	10											\$10,000
10.13	Plantings	\$1,500	2007	1											\$1,500
10.14	Irrigation Line Replacement	\$1,500	2007	1											\$1,500
11.00	SITE REPLACEMENT ALLOWANCES														
11.01	Drainage Corrections	\$2,000	2007	1											\$2,000
12.00	GAZEBO or 12x8 - COMMON AREA														
12.01	Gazebos Replacement Allowance	\$1,000	2005	5											\$1,000
12.02	Gazebos Post Replacement	\$500	2005	5											\$500
13.00	RETAINING WALLS - SH #6														
13.01	Concrete	\$2,500	1996	10											\$2,500
13.02	Masonry Block	\$2,175	1977	30											\$2,175
14.00	GATE HOUSE														
14.01	Painting	\$1,022	2008	6											\$1,022
14.02	Composition Shingle Roofing	\$1,576	1999	20											\$1,576
14.03	Siding	\$1,022	1977	30											\$1,022
14.04	Trim	\$894	1977	30											\$894
14.05	Counters	\$594	1999	20											\$594
14.06	Downspouts	\$160	1999	20											\$160
14.07	Doors	\$550	1977	25											\$550
15.00	ENTRY GATE														
15.01	Telephone Entry Station	\$6,000	1992	20											\$6,000
15.02	Iron Entry Gate	\$15,000	1992	15											\$15,000
15.03	Gate Operations	\$5,500	1992	15											\$5,500
15.04	Vehicle Loops	\$2,550	2001	8											\$2,550
15.05	Miscellaneous Gate Equipment	\$6,000	1992	20											\$6,000
16.00	LANDSCAPE - SH #9														
16.01	Concrete Curbs/Walks	\$2,250	2001	6											\$2,250
16.02	Entrway Landscaping	\$4,000	2000	15											\$4,000
17.00	ELECTRICAL - SH #9														
17.01	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.02	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.03	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.04	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.05	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.06	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.07	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.08	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.09	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.10	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.11	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.12	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.13	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.14	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.15	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.16	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.17	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.18	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.19	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.20	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.21	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.22	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.23	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.24	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.25	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.26	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.27	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.28	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.29	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.30	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.31	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.32	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.33	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.34	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.35	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.36	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.37	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.38	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.39	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.40	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.41	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.42	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.43	Entrway Landscaping	\$3,250	2000	15											\$3,250
17.44	Entrway Landscaping	\$3,250	2000	15											

10.00 A PROJECTED EXPENDITURE SCHEDULE - FIRST TEN YEARS

CONTRACT	YEAR	USEFUL LIFE	REPLACEMENT COST	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	TOTAL
18.00	2000	10	30,000	30,000										30,000
19.00	2000	10	30,000	30,000										30,000
TOTAL SCHEDULED EXPENSE														60,000
TOTAL DEPRECIATION EXPENSE														50,000
INFLATION FACTOR														1.00
RELATED EXPENDITURES														10,000
TOTAL PROJECTED EXPENDITURES														100,000



PROJECTED MAINTENANCE SCHEDULE - SECOND TEN YEARS

CODE	DESCRIPTION	COMPONENT	REPLACE/REPAIR	YEAR	USEE	MAINT	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
1.00	ROADS	CONCRETE																										
1.01	Main Entry Road Sealing - 1/2 Stone		\$1,000	2002	1																							
1.02	Asphalt Replacement - 1/2 Stone		\$1,000	2002	1																							
1.03	Asphalt Replacement - 1/2 Stone		\$1,000	2002	1																							
1.04	Main Entry Road Sealing - Full Coverage		\$1,000	2002	1																							
1.05	Asphalt Repairs - Full Coverage		\$1,000	2002	1																							
1.06	Asphalt Replacement - Full Coverage		\$1,000	2002	1																							
1.07	Asphalt Sealing - Full Coverage		\$1,000	2002	1																							
1.08	Asphalt Repairs - Full Coverage		\$1,000	2002	1																							
1.09	Asphalt Replacement - Full Coverage		\$1,000	2002	1																							
1.10	Asphalt Sealing - Full Coverage		\$1,000	2002	1																							
1.11	Asphalt Replacement in Traffic Parking		\$1,000	2002	1																							
1.12	Asphalt Sealing - Traffic Parking		\$1,000	2002	1																							
1.13	Asphalt Repairs - Traffic Parking		\$1,000	2002	1																							
1.14	Asphalt Replacement of Townhouse		\$1,000	2002	1																							
1.15	Asphalt Sealing of Parking Areas		\$1,000	2002	1																							
1.16	Asphalt Repairs of Parking Areas		\$1,000	2002	1																							
1.17	Asphalt Replacement of Parking Areas		\$1,000	2002	1																							
1.18	Asphalt Replacement of Parking Areas		\$1,000	2002	1																							
1.19	Asphalt Sealing of Parking Areas		\$1,000	2002	1																							
1.20	Asphalt Path - Sealing		\$1,000	2002	1																							
1.21	Asphalt Path - Replacement		\$1,000	2002	1																							
2.00	CONCRETE - COMMON AREA																											
2.01	Pool Deck Replacement		\$2,500	2005	3																							
2.02	Sidewalk Replacement - Allowance		\$2,500	2005	3																							
2.03	Parking Bombers		\$3,000	1978	40																							
3.00	CLUBHOUSE																											
3.01	Paint Exterior		\$4,841	2002	6																							
3.02	Paint Interior		\$1,000	1999	10																							
3.03	Wood Shingle Roofing		\$8,400	1982	27																							
3.04	Demolish Existing Roof		\$2,100	2003	190																							
3.05	Wood Siding		\$8,880	1977	57																							
3.06	Paint		\$1,000	1977	30																							
3.07	Entry Doors		\$2,600	1972	35																							
3.08	Pergola		\$17,800	1905	30																							
3.09	Pergola		\$5,000	1993	30																							
3.10	Lighting		\$1,785	1993	17																							
3.11	Pergo Wood Flooring		\$7,785	1999	30																							
3.12	Linoleum Flooring - Windows		\$265	1989	20																							
3.13	Linoleum Flooring - Kitchens		\$326	1989	20																							
3.14	Kitchen Appliances		\$1,650	1977	40																							
3.15	Hot Water Heater		\$350	1994	15																							
3.16	Furnishings & Window Curtains		\$25,600	1908	20																							
3.17	HVAC		\$3,250	1977	30																							
3.18	Front Decking Replace		\$5,000	1996	20																							
4.00	SWIMMING POOL																											
4.01	Replastering		\$1,800	1979	30																							
4.02	Caping		\$2,000	2003	10																							
4.03	Tile		\$2,000	1979	30																							
4.04	Heater		\$1,500	2003	15																							
4.05	Filter		\$3,500	2004	15																							
4.06	Filter Pump		\$3,200	2003	10																							
4.07	Pool Cover		\$900	1996	20																							
4.08	Pool Cover Motor		\$3,000	1996	20																							
4.09	Pool Furniture		\$1,000	1977	23																							
5.00	SLA																											
5.01	Replastering		\$5,500	1991	10																							
5.02	Caping		\$310	1987	23																							
5.03	Tile		\$510	1989	25																							
5.04	Heater		\$1,500	1990	15																							

10.00 W

PROJECTED EXPENDITURE SCHEDULE - SECOND TEN YEARS

COMPONENT	REPLACE	YEAR	USEFUL	REPAIR	VR 13	VR 14	VR 15	VR 16	VR 17	VR 18	VR 19	VR 20	TOTAL
DESCRIPTION	EST	REPL	LIFE	EST	2009	2010	2011	2012	2013	2014	2015	2016	10 YR
18.01 Street Lighting	45,000	1,875	25										2,000,000
18.01 Irrigation System	34,000	3,687	10										2,000,000
SCHEDULED EXPENSE				\$7,735	\$1,993	\$1,417	\$1,492	\$7,193	\$14,382	\$9,641	\$9,641	\$1,172	\$71,075
TOTAL REPAIR/REPLACEMENT EXPENSE				\$7,735	\$1,993	\$1,417	\$1,492	\$7,193	\$14,382	\$9,641	\$9,641	\$1,172	\$71,075
INFLATION FACTOR				1.20%									
INFLATED EXPENDITURE				\$9,282	\$2,392	\$1,701	\$1,792	\$8,635	\$17,262	\$11,604	\$10,904	\$1,406	\$84,979

11.00

NEXT 3 YEARS PROJECTED EXPENDITURES

Year 1 - 2007

1.00 ROADS - COMMON AREA	
1.01 Main Entry Road Sealing - 3/4 Share	\$1,925
1.02 Asphalt Replacement/Repairs -3/4 Share	\$3,000
1.04 Main Entry Road Sealing - Full Ownership	\$4,580
1.05 Asphalt Repairs - Full Ownership	\$7,000
1.07 Asphalt Sealing @ Condos	\$2,109
1.08 Asphalt Repairs @ Condos	\$3,500
1.12 Asphalt Sealing @ Townhouses	\$1,504
1.13 Asphalt Repairs @ Townhouses	\$2,500
1.15 Asphalt Sealing @ Parking Areas	\$2,276
1.16 Asphalt Repairs @ Parking Area	\$2,250
1.18 Concrete @ 1280 & 1290 Replacment	\$15,680
1.19 Striping	\$504
3.00 CLUBHOUSE	
3.14 Kitchen Appliances	\$1,650
3.17 HVAC	\$3,250
4.00 SWIMMING POOL	
4.03 Filter Pump	\$900
4.07 Pool Cover	\$2,200
4.09 Pool Furniture	\$7,305
5.00 SPA	
5.02 Coping	\$510
5.03 Tile	\$510
5.04 Heater	\$4,500
5.05 Filter	\$2,450
10.00 LANDSCAPE/IRRIGATION - COMMON AREA	
10.09 Tree Removal & Replacement	\$10,000
10.13 Plantings	\$1,500
10.14 Irrigation Line Replacement	\$2,000
13.00 RETAINING WALLS - SH #9	
13.02 Masonry Block	\$2,475
14.00 GATE HOUSE	
14.07 Doors	\$550
15.00 ENTRY GATE	
15.03 Gate Operators	\$5,500
16.00 LANDSCAPE - SH #9	
16.01 Concrete Curbs/Walks	\$2,750
17.00 ELECTRICAL - SH #9	
17.01 Street Lighting	\$6,000
Unscheduled Expenses	\$5,044
Year 1 - 2007 Total Proposed Expenditures:	\$105,923

Year 2 - 2008**1.00 ROADS - COMMON AREA**

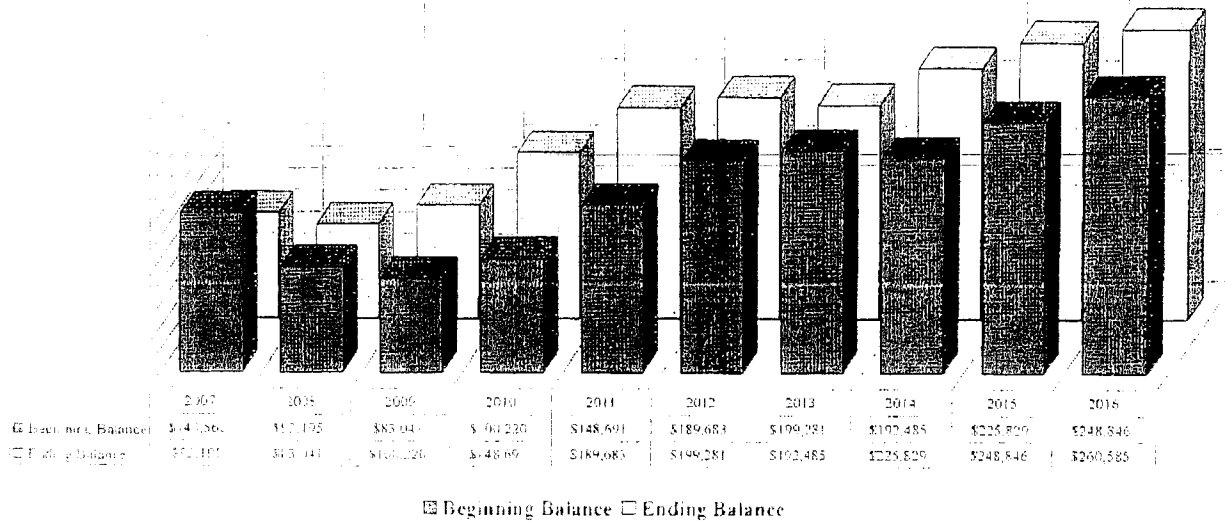
11.00**NEXT 3 YEARS PROJECTED EXPENDITURES**

1.17 Asphalt Replacement @ Parking Areas	\$41,275
2.00 CONCRETE - COMMON AREA	
2.01 Pool Deck Replacement	\$2,500
2.02 Parking Bumpers	\$2,450
3.00 CLUBHOUSE	
3.01 Paint Exterior	\$4,841
10.00 LANDSCAPE/IRRIGATION - COMMON AREA	
10.1 Tree Removal & Replacement	\$10,000
10.13 Plantings	\$1,500
10.14 Irrigation Line Replacement	\$2,000
Misc. Scheduled Expenses	\$3,228
Year 2 - 2008 Total Proposed Expenditures:	\$67,794

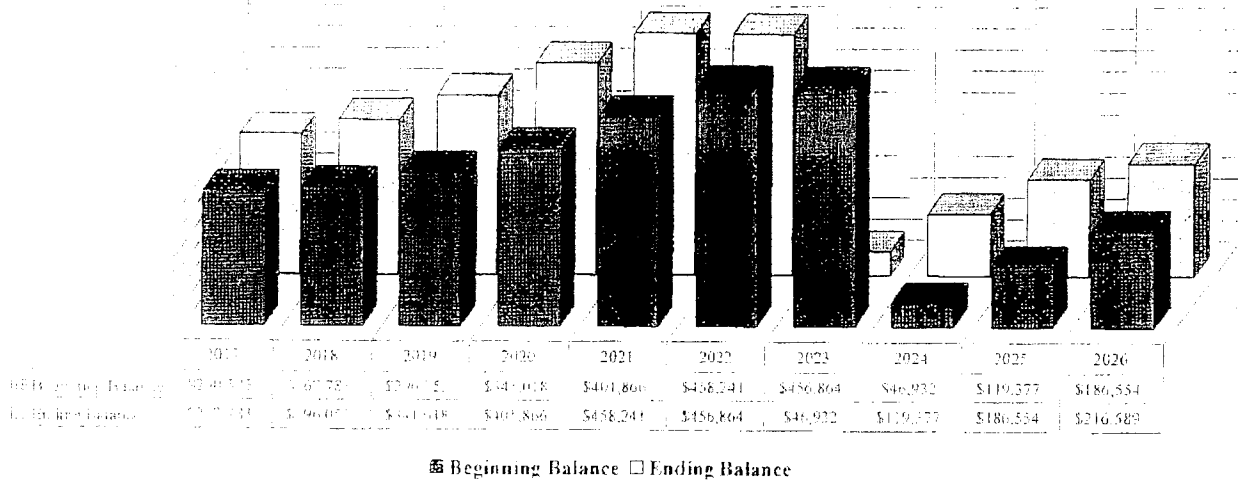
Year 3 - 2009

3.00 CLUBHOUSE -	
3.02 Paint Interior	\$3,000
3.03 Wood Shingle Roofing	\$8,400
3.04 Demolish Existing Roof	\$2,100
3.1 Carpeting	\$4,785
3.13 Linoleum Flooring - Mens	\$296
5.00 SPA	
5.05 Pumps	\$3,600
6.00 SIGNAGE - COMMON AREA	
6.02 Pool Signage	\$2,000
10.00 LANDSCAPE/IRRIGATION - COMMON AREA	
10.1 Tree Removal & Replacement	\$10,000
10.13 Plantings	\$1,500
10.14 Irrigation Line Replacement	\$2,000
15.00 ENTRY GATE	
15.04 Vehicle Loops	\$2,550
Unscheduled Expenses	\$2,012
Year 3 - 2009 Total Proposed Expenditures:	\$42,243

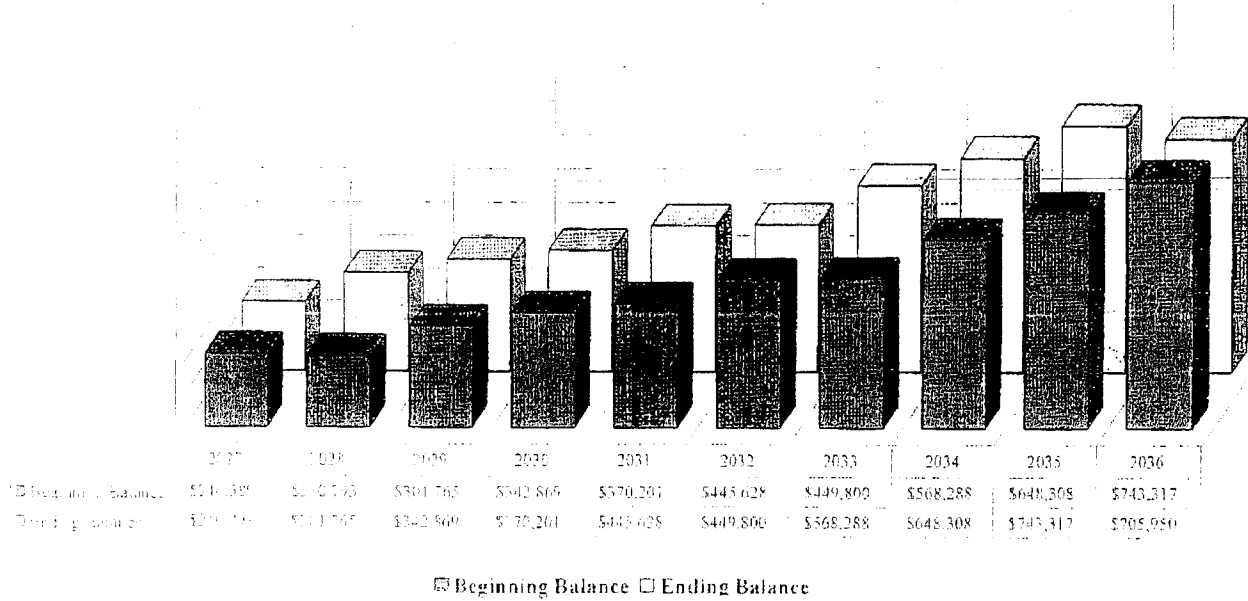
RESERVE FUND BALANCE ANALYSIS
FIRST 10 YEARS



RESERVE FUND BALANCE ANALYSIS
SECOND 10 YEARS



RESERVE FUND BALANCE ANALYSIS
THIRD 10 YEARS



TRADE: General Construction Pricing
NAME: Means Cost Work
CONTACT: R.S. Means Company, Inc.
ADDRESS: 63 Smiths Lane
CITY, STATE: Kingston, MA 02364-0800
PHONE: N/A

TRADE: Electrical Pricing
NAME: Means Cost Work
CONTACT: R.S. Means Company, Inc.
ADDRESS: 63 Smiths Lane
CITY, STATE: Kingston, MA 02364-0800
PHONE: N/A

TRADE: Plumbing & HVAC Pricing
NAME: Means Cost Work
CONTACT: R.S. Means Company, Inc.
ADDRESS: 63 Smiths Lane
CITY, STATE: Kingston, MA 02364-0800
PHONE: N/A

TRADE: Financial Information
NAME: Mr. Stephen Fox
CONTACT: PML Management
ADDRESS: 655 Mariners Island Boulevard, # 301
CITY, STATE: San Mateo, California 94404
PHONE: (650) 349-9113

TRADE: Component Replacement Dates
NAME: Mr. Stephen Fox
CONTACT: PML Management
ADDRESS: 655 Mariners Island Boulevard, # 301
CITY, STATE: San Mateo, California 94404
PHONE: (650) 349-9113

RESERVE STUDY FINANCIAL SUMMARY

CONTACT INFORMATION

CONTACT	Board of Directors
ASSOCIATION NAME	Sharon Park HOA - Common
ADDRESS	1200 Sharon Park Drive
CITY/STATE/ZIP	Menlo Park, California
PHONE NUMBER	

PROPERTY INFORMATION

BEGINNING YEAR OF STUDY	2007	NUMBER OF UNITS IN PROJECT:	87
YEAR CONSTRUCTED	1978	NUMBER OF BUILDINGS ANALYZED:	ALL
NUMBER OF CONSTRUCTION PHASES	2	YEAR ENDING DATE:	12/31
YEAR OF LAST PHYSICAL INSPECTION PERFORMED BY:	2006		
YEAR OF NEXT PHYSICAL INSPECTION:	2008 (as required by the Davis-Stirling Act - 1997)		
COMPLETE SET PLANS AVAILABLE	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	
MAINTENANCE RECORDS AVAILABLE	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	
RESERVE STUDY PREPARER:	Reserve Analysis Consulting, L.L.C. 3030 Bridgeway, Suite 305 Sausalito, California 94965 Tom O'Neill (415) 332-7800 reserveanalysis@gmail.com FAX (415) 332-7801		
CURRENT PROPERTY MANAGER:	Mr. Stephen Fox PML Management 655 Mariners Island Boulevard, # 301 San Mateo, California 94404 (650) 349-9113		
CURRENT ACCOUNTANT:			

RESERVE ACCOUNT INFORMATION

2007 PROJECTED BEGINNING YEAR BALANCE	\$140,566	2007 CURRENT RETURN ON ACCOUNT:	4.00%
REQUIRED MINIMUM RESERVE BALANCE	N/A	2007 PROJECTED REPLACEMENT EXPENSES:	\$105,923
TRIPLE CHECK RELATED PERCENT FUNDED	26.03%	2007 PROJECTED EXPENDITURE/CASH RATIO:	100%
2007 ANNUAL TO RESERVE FUND:	\$40,716	2007 ANNUAL CONTRIBUTION:	\$54,967
2007 MONTHLY TO RESERVE FUND:	\$3,393	2007 MONTHLY CONTRIBUTION:	\$4,581
2007 UNIT PER MONTH TO RESERVE FUND:	\$39.00	2007 UNIT PER MONTH CONTRIBUTION:	\$52.65
2007 ONE YEAR SPECIAL ASSESSMENT:	N/A	2007 TOTAL SPECIAL ASSESSMENT:	\$0
TOTAL VALUE OF COMPONENTS	\$1,003,408		

LEGAL REQUIREMENTS

Identify the current cash reserve balance.
 Identify the major components to be included.
 Establish reasonable life of all components.
 Establish remaining life of all components.
 Project estimated cost of all repairs.
 Project year in which repairs are to occur.
 Prepare Statement of Methodology.

SCOPE OF STUDY

The time frame covered by this analysis is from 2007 through 2036. These are the beginning and ending points for all repairs and funding calculations included in this study.

STATEMENT OF RESERVE STUDY METHODOLOGY

In order to determine the annual Reserve contributions which will be required, a Fund Balance Methodology was performed. The premise of this replacement cost projection is to ensure a positive cash balance in the Reserve Fund Account which will enable the association to fulfill its responsibility for maintaining the common area components. It is equally important that a positive cash fund be maintained without relying on Special Assessments or overfunding of Reserves. The initial inflation rate used is based upon a specific construction industry index. The Association's current rate of return on its reserve account(s) is used for this study.

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

- Original plans and specifications.
- Original contractors, maintenance contractors and vendors.
- Current contractors, maintenance contractors and vendors.
- Association maintenance staff.
- Association management.
- Independent subcontractors.
- In-house quantity surveyor.

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

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

Only components which met the following criteria were included in this report.

The component maintenance is the responsibility of the Association.

The component is not covered by the Associations Annual Operating Budget.

The components estimated useful life is greater than one year.

The components remaining estimated useful life is less than 30 years. (Provided its performing to standards)

The replacement cost of all components included in this report is based on current repair or replacement costs.

Based on the fact we have no knowledge or control over costs in the future, we would advise the Association to have the Reserve study reviewed on an annual basis and make any necessary adjustments regarding component performance and their respective replacement costs.

3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED REQUIREMENT

STEPS FOR DETERMINING PERCENT FUNDED:

Step 1. Calculate for each component a required contribution on a "straight-line" funding methodology:

(Total component cost, divided by the life expectancy of the component)

Step 2. Calculate the required dollars in Reserves for each component:

(required annual contribution multiplied by the components life in service)

Step 3. Total the required dollars for each component to arrive at "required dollars in bank".

Step 4. Divide actual dollars in bank by required dollars in bank to arrive at percent funded calculation.

This report includes, but is not limited to, reserve calculations made using the formula described in paragraph (4) of sub-division (b) of section 1365.2.5 of the Texas Building Act.

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

5. The future funding requirements shown on page 9-00 A & B of this Reserve study are derived by cash flow funding calculations.

Code	Component Description	Year New	Useful Life	Remaining Life	Total Cost	Annual Contrib.	Total Req'd in Bank
1.00	ROADS - COMMON AREA						
1.01	Main Entry Road Sealing - 3/4 Share	2002	5	0	\$1,925	\$385	\$1,925
1.02	Asphalt Replacement/Repairs -3/4 Share	2002	5	0	\$3,000	\$600	\$3,000
1.03	Asphalt Replacement -3/4Share	1978	45	16	\$57,759	\$1,284	\$37,222
1.04	Main Entry Road Sealing - Full Ownership	2002	5	0	\$4,580	\$916	\$4,580
1.05	Asphalt Repairs - Full Ownership	2002	5	0	\$7,000	\$1,400	\$7,000
1.06	Asphalt Replacement - Full Ownership	1978	45	16	\$125,340	\$2,785	\$80,775
1.07	Asphalt Sealing @ Condos	2002	5	0	\$2,109	\$422	\$2,109
1.08	Asphalt Repairs @ Condos	2002	5	0	\$3,500	\$700	\$3,500
1.09	Asphalt Replacement @ Condos	1978	45	16	\$56,248	\$1,250	\$36,249
1.10	Asphalt Sealing @ Trellis Parking	2006	5	4	\$1,145	\$229	\$229
1.11	Asphalt Replacement @ Trellis Parking	2006	30	29	\$22,900	\$763	\$763
1.12	Asphalt Sealing @ Townhouses	2002	5	0	\$1,504	\$301	\$1,504
1.13	Asphalt Repairs @ Townhouses	2002	5	0	\$2,500	\$500	\$2,500
1.14	Asphalt Replacement @ Townhouses	1978	45	16	\$40,097	\$891	\$25,840
1.15	Asphalt Sealing @ Parking Areas	2002	5	0	\$2,276	\$455	\$2,276
1.16	Asphalt Repairs @ Parking Area	2002	5	0	\$2,250	\$450	\$2,250
1.17	Asphalt Replacement @ Parking Areas	1978	30	1	\$41,275	\$1,376	\$39,899
1.18	Curb-de-sac @ 1280 & 1290 Replacement	2007	45	45	\$15,680	\$348	
1.19	Striping	2002	5	0	\$504	\$101	\$504
1.20	Asphalt Path - Sealing	2006	5	4	\$3,307	\$661	\$661
1.21	Asphalt Path - Replacement	1978	35	6	\$56,688	\$1,620	\$46,970
2.00	CONCRETE - COMMON AREA						
2.01	Pool Deck Replacement	2005	3	1	\$2,500	\$833	\$1,667
2.02	Sidewalk Replacement Allowance	2006	5	4	\$2,500	\$500	\$500
2.03	Parking Bumpers	1978	30	1	\$2,450	\$82	\$2,368
2.04	Brick	1978	40	11	\$3,600	\$90	\$2,610
3.00	CLUBHOUSE						
3.01	Paint Exterior	2002	6	1	\$4,841	\$807	\$4,034
3.02	Paint Interior	1999	10	2	\$3,000	\$300	\$2,400
3.03	Wood Shingle Roofing	1989	20	2	\$8,400	\$420	\$7,560
3.04	Demolish Existing Roof	2009	100	2	\$2,100	\$21	\$2,058
3.05	Wood Siding	1977	50	20	\$8,880	\$178	\$5,328
3.06	Trim	1977	50	20	\$1,960	\$39	\$1,176
3.07	Entry Doors	1977	35	5	\$2,600	\$74	\$2,229
3.08	Pergola	1996	30	19	\$17,500	\$583	\$6,417
3.09	Pergola	1999	30	22	\$5,000	\$167	\$1,333
3.10	Carpeting	1999	10	2	\$4,785	\$479	\$3,828
3.11	Design Wood Flooring	1999	30	22	\$1,785	\$60	\$476
3.12	Linoleum Flooring - Womens	1999	20	12	\$296	\$15	\$118
3.13	Linoleum Flooring - Mens	1989	20	2	\$296	\$15	\$266
3.14	Kitchen Appliances	1977	30	0	\$1,650	\$55	\$1,650

3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED REQUIREMENT

STEPS FOR DETERMINING PERCENT FUNDED:

Step 1: Calculate for each component a required contribution on a "straight-line" funding methodology.
 (Total component cost divided by the life expectancy of the component)

3.15	Hot Water Heater	1999	15	7	\$750	\$50	\$400
3.16	Furnishings & Window Coverings	1998	20	11	\$28,600	\$1,430	\$12,870
3.17	IVAC	1977	30	0	\$3,250	\$108	\$3,250
3.18	Front Decking Replace	1999	20	12	\$5,000	\$250	\$2,000
4.01	Replastering	2005	10	8	\$6,390	\$639	\$1,278
4.02	Coping	1996	30	19	\$1,800	\$60	\$660
4.03	Tile	1996	30	19	\$2,000	\$67	\$733
4.04	Heater	2003	15	11	\$3,150	\$210	\$840
4.05	Filter	2004	15	12	\$2,550	\$170	\$510
4.06	Filter Pump	1997	10	0	\$900	\$90	\$900
4.07	Pool Cover	2003	4	0	\$2,200	\$550	\$2,200
4.08	Pool Cover Motor	1996	21	10	\$900	\$43	\$471
4.09	Pool Furniture	1977	28	-2	\$7,305	\$261	\$7,773
5.01	Replastering	2001	10	4	\$8,500	\$850	\$5,100
5.02	Coping	1980	25	-2	\$510	\$20	\$543
5.03	Tile	1980	25	-2	\$510	\$20	\$543
5.04	Heater	1990	15	-2	\$4,500	\$300	\$4,788
5.05	Filter	1990	15	-2	\$2,450	\$163	\$2,607
5.06	Pumps	1999	10	2	\$3,600	\$360	\$2,880
6.01	SIGNAGE - COMMON AREA						
6.01	Decorative Beer Sign	1977	40	10	\$4,500	\$113	\$3,375
6.02	Pool Signage	1994	15	2	\$2,000	\$133	\$1,733
6.03	Miscellaneous Signs	1996	20	9	\$1,500	\$75	\$825
6.04	Miscellaneous Signs	1994	20	7	\$2,000	\$100	\$1,300
7.00	RETAINING WALLS - COMMON AREA						
7.01	Wood @ Townhouse	1994	20	7	\$6,300	\$315	\$4,095
7.02	Wood @ Townhouse	2004	20	17	\$6,300	\$315	\$945
7.03	Masonry	1978	60	31	\$138,500	\$2,308	
7.04	Pool Area Planters	1996	20	9	\$5,000	\$250	\$2,750
8.00	FENCING - COMMON AREA						
8.01	Open Fence @ Pool	1996	20	9	\$10,890	\$545	\$5,990
8.02	Solid Fence @ Pool	1996	20	9	\$12,870	\$644	\$7,079
9.00	ELECTRICAL - COMMON AREA						
9.01	Street Lights	2005	20	18	\$1,448	\$72	\$145
9.02	Landscape Lights	2003	25	21	\$3,500	\$140	\$560
9.03	Path Lighting	2003	25	21	\$4,250	\$170	\$680
9.04	Pool Area Lighting	1996	25	14	\$1,250	\$50	\$550
9.05	Recreation Center Exterior Lights	1996	25	14	\$7,000	\$280	\$3,080
9.06	Recreation Center Interior Lights	1999	30	22	\$3,250	\$108	\$867
10.00	LANDSCAPE IRRIGATION - COMMON AREA						
10.01	Wood Landscape Steps	1994	20	7	\$11,165	\$558	\$7,257
10.02	Wood Benches	1994	20	7	\$1,750	\$88	\$1,138
10.03	Landscape & Irrigation - 1202	1997	20	10	\$2,500	\$125	\$1,250
10.04	Irrigation - 1280	1997	20	10	\$5,000	\$250	\$2,500
10.05	Tree Removal & Replacement	2005	100	98	\$7,440	\$74	
10.06	Tree Removal & Replacement	2006	100	99	\$11,052	\$111	
10.07	Tree Removal & Replacement	2007	100	0	\$10,000	\$100	\$10,000
10.08	Tree Removal & Replacement	2008	100	1	\$10,000	\$100	\$9,900
10.09	Tree Removal & Replacement	2009	100	2	\$10,000	\$100	\$9,800
10.10	Tree Removal & Replacement	2010	10	3	\$10,000	\$1,000	\$7,000
10.11	Plantings	2007	1	1	\$1,500	\$1,500	\$1,500
10.12	Irrigation Line Replacement	2007	1	1	\$2,000	\$2,000	\$2,000
11.00	SITE REPLACEMENT ALLOWANCES						
11.01	Drainage Corrections	1996	20	9	\$9,500	\$475	\$5,225
12.00	GAZEBO @ 1280 - COMMON AREA						
12.01	Gazebo Replacement Allowance	2005	5	3	\$1,000	\$200	\$400

3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED REQUIREMENT

STEPS FOR DETERMINING PERCENT FUNDED:

Step Calculate for each component a required contribution on a "straight-line" funding methodology:
(total component cost divided by the life expectancy of the component)

12.02	Gazebo Post Replacement	2005	5	3	\$500	\$100	\$200
13.00	RETAINING WALLS - SH #9						
13.01	Concrete	1990	50	33	\$7,500	\$150	
13.02	Masonry Block	1977	30	0	\$2,475	\$83	\$2,475
14.00	GATE HOUSE						
14.01	Painting	2006	6	5	\$1,022	\$170	\$170
14.02	Composition Shingle Roofing	1999	20	12	\$1,936	\$97	\$774
14.03	Siding	1977	50	20	\$1,925	\$39	\$1,155
14.04	Tiles	1977	50	20	\$896	\$18	\$538
14.05	Gutters	1999	20	12	\$584	\$29	\$234
14.06	Downspouts	1999	20	12	\$160	\$8	\$64
14.07	Doors	1977	25	-5	\$550	\$22	\$638
15.00	ENTRY GATE						
15.01	Telephone Entry System	1992	20	5	\$6,000	\$300	\$4,500
15.02	Iron Entry Gate	1992	30	15	\$15,000	\$500	\$7,500
15.03	Gate Operators	1992	15	0	\$5,500	\$367	\$5,500
15.04	Vehicle Loops	2001	8	2	\$2,550	\$319	\$1,913
15.05	Miscellaneous Gate Equipment	1992	20	5	\$6,000	\$300	\$4,500
16.00	LANDSCAPE - SH #9						
16.01	Concrete Curbs/Walks	2001	6	0	\$2,750	\$458	\$2,750
16.02	Entryway Landscaping	2000	15	8	\$24,000	\$1,600	\$11,200
17.00	ELECTRICAL - SH #9						
17.01	Street Lighting	1987	20	0	\$6,000	\$300	\$6,000
18.00	IRRIGATION - SH #9						
18.01	System Replacement	2000	15	8	\$4,000	\$267	\$1,867

Total Value of Components: \$1,003,408
Annual Component Contribution: \$45,220

Total Dollars Required: \$540,041
Actual Dollars In Reserve Fund: \$140,566

Percent Funded: 26.03%
(Actual dollars/Total dollars Required)

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

All component conditions were based on a visual inspection only as required by the Davis-Stirling Act. This component analysis is a statistical analysis of the components for which the Contractee has responsibility and does not employ methods used for forensic or defect investigation or actual construction. This report does not address any factory or product defects or any damage due to improper maintenance, system design, or installation. It also assumed that all components would receive reasonable maintenance for their remaining lives.

Component useful life and remaining life projections are based on industry standards, manufacturer information, date of installation and maintenance information provided by the Contractee and/or its management or staff. Each component's condition, life expectancy and replacement cost evaluations were based on visual inspections only. Inspections were limited to areas accessible to inspectors. When components are not accessible, assumptions will be made based on available component statistical information.

Many associations are experiencing some siding failures that cannot be investigated without destructive testing. This report includes a siding replacement allowance coinciding with the paint cycle for incidental repairs but does not account for major siding replacement. We would recommend that this association's Board of Directors engage an appropriate, professional expert to do an in-depth inspection of the siding to determine its condition and likely useful life. This information, specifications and projected costs for major siding replacement will then be incorporated into the next Reserve Study update.

Because of these restrictions, we would recommend that the Board seek appropriate, expert inspection (as it deems necessary), testing and opinions for the following areas of concern. These may include but are not limited to:

- A. Defective construction and component installation.
- B. Dry Rot damage.
- C. Pest infestation.
- D. Mold infestation.
- E. Moisture penetration.
- F. Roof inspections and repairs.
- G. Balcony, deck and stair condition.
- H. Siding and Trim condition.
- I. Window and sliding glass door installation.

Sharon Park HOA - Common
 For Budget Year: 2007
ASSESSMENT and RESERVE FUNDING DISCLOSURE SUMMARY

Sec. 2 Section 1365.2.5

a)

- 1) The current average Reserve contribution for 2006 is \$39.00 per unit per month.
 The proposed average Reserve contribution for 2007 is \$52.65 per unit per month.
 Assessments that vary by size or unit type are determined by the association's governing documents and are found in the association's Pro Forma Operating Budget.

The total current 2006 annual assessment per unit/lot is \$3,252.03

The total projected 2007 annual assessment per unit/lot is \$ _____

- 2) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date assessment is due	Amount per unit per month	Purpose of assessment
_____	_____	_____
_____	_____	_____
_____	_____	_____
TOTAL	_____	_____

NOTE: These assessments might be for purposes outside of the scope of the current Reserve Study and have been included by the party preparing the association's Pro Forma Operating Budget. Proposed assessments relative to Reserve Funding, if necessary, are shown under question (3).

- 3) Based upon the most recent Reserve Study and other information available to the Board of Directors, will the 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

* Sufficient ending balances for each year of the this study are projected at this time. Future economic conditions, unforeseen component conditions, material and construction costs may alter these projections drastically. We would highly recommend that this Board of Directors have their Reserve Studies updated annually

If additional assessments or other contributions to reserves, as determined by the Board of Directors, are necessary to ensure that sufficient reserve funds will be available each year during the next 30 years:

Year Due: \$ Per unit per year Average \$ Per unit per month

- 4) The following major components, which are included in the component list, are NOT included in the existing reserve fund calculations:

Code #	Major Component	Remaining Useful Life	Reason Not Included
1-18	Cul-de-sac @ 1280 & 1290 Replacement	45	Not in time scope of study.
7-03	Masonry	31	Not in time scope of study.
10-07	Tree Removal & Replacement	98	Not in time scope of study.
10-08	Tree Removal & Replacement	99	Not in time scope of study.
13-01	Concrete	33	Not in time scope of study.

Sharon Park HOA - Common

For Budget Year: 2007

(6) As of the last reserve study or update, as dated below, the projected beginning balance in the reserve fund is \$140,566.

Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5 of the Davis-Stirling Act, the required amount in the reserve fund is \$540,041.

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.

(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 1365.5.

Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.

(3) The form set out in 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.

General Notes: Please read the General Reserve Study Notes on page 4.00 of this Financial Summary for further recommended Board actions and disclosures.

Because the reserve study is a SERIES OF PROJECTIONS, the estimated lives and costs of components will likely CHANGE OVER TIME depending on a variety of factors such as future inflation rates, levels of maintenance actioned by future boards, unknown defects in materials that may lead to premature failures, etc. As a result, some components may 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.

A Reserve Study is an evolving document that represents a moment in time covering a 30 year period. It is a dynamic document that should be updated annually to insure that the most current information is available to the association board for making informed decisions that are recorded in board minutes. Interested association members should review these minutes regularly for knowledge of the most recent board actions.