RESERVE STUDY
FOR

Sharon Park HOA - Condominiums

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1.00 TERMS & CONDITIONS

Sharon Park HOA - Condominiums
1200 Sharon Park Drive
Menlos Park, California

ATTN: Board of Directors

RE: Sharon Park HOA - Condominiums

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.

[illegible] maintenance information provided by the Contractee and/or it's 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 components 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.

2.00

INFORMATION SHEET

CONTACT INFORMATION

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

PROPERTY INFORMATION

BEGINNING DATE OF STUDY:	2007	NUMBER OF UNITS IN PROJECT:	64
YEAR CONSTRUCTED:	1978	NUMBER OF BUILDINGS ANALYZED:	5
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 [ ]	NO [X]	
MAINTENANCE RECORDS AVAILABLE:	YES [X]	NO [ ]	

RESERVE STUDY PREPARED BY:

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 Island Boulevard, # 301
San Mateo, California 94401
(650) 349-9113

MAINTENANCE CONTRACTOR:

RESERVE ACCOUNT INFORMATION

BEGINNING/ESTIMATED RESERVE BALANCE:	44,802.31	CURRENT RETURN ON ACCOUNT:	4.00%
REQUESTED MINIMUM RESERVE BALANCE:	N/A	ANNUAL OPERATING BUDGET:	$135,936
CURRENT ASSESSMENTS:	$251.00	LAST YEARS SPECIAL ASSESSMENT:	N/A
CURRENT RATE OF INFLATION:	3.20%	UNSCHEDULED EXPENSE RATE:	5.00%

RESERVE ACCOUNT SETUP

TOTAL ANNUAL ASSESSMENTS:	$192,768	UNIT PER MONTH TO RESERVE FUND:	$74.00
SHALL BE TO RESERVE FUND:	$56,832	TOTAL VALUE OF COMPONENTS:	$2,864,558
ADDITIONAL RESERVE FUND:	$4,736.00		

3.00 RESERVE STUDY REQUIREMENTS

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 it's 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.

The 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 component's 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.

COMPONENT DATA

CODE #	COMPONENT NAME	YEAR NEW	EXPECT LIFE	OBSERVED CONDITION	INCLUDE NOTES	ITEM QUAN	UM	UNIT COST	TOTAL COST
1.00	**ELECTRICAL**								
1.01	Emergency Lighting	1982	25	FAIR		15	EA.	$325.00	$4,875
1.02	Emergency Lighting	1997	25	FAIR		5	EA.	$325.00	$1,625
1.03	Exterior Lighting	2005	25	FAIR/POOR		9	EA.	$175.00	$1,750
1.04	Garage Lighting	1978	35	FAIR		126	EA.	$175.00	$22,275
1.05	Exit Lights	1978	35	GOOD/FAIR		54	EA.	$250.00	$13,500
1.06	Emergency Power System	1978	35	GOOD/FAIR		1	L.S.	$7,000.00	$7,000
2.00	**TRELLIS REPLACEMENT ALLOWANCES**								
2.01	Replace Trellis Posts	2006	5	N/A	Yes	1	L.S.	$20,000.00	$20,000
2.02	Trellis Replacement	2006	5	N/A	Yes	1	L.S.	$10,000.00	$10,000
3.00	**PAINTING**								
3.01	Paint Garage Interior	1996	12	FAIR		1	L.S.	$12,500.00	$12,500
3.02	Paint Stairwells	2006	12	FAIR		1	L.S.	$11,000.00	$11,000
3.03	PML Management	2006	4	FAIR/POOR		1	L.S.	$45,000.00	$45,000
3.04	Paint Stucco	2006	12	FAIR		1	L.S.	$60,000.00	$60,000
3.05	Paint Entry Doors	2006	6	FAIR		64	EA	$55.00	$3,520
3.06	Paint Interior Doors	2006	6	FAIR		184	EA.	$45.00	$8,280
3.07	Scaffolding Allowance	2006	6	N/A		1	L.S.	$25,000.00	$25,000
4.00	**SIDING & TRIM REPLACEMENT ALLOWANCES**								
4.01	Stucco Siding Repair Allowance	2006	12	N/A		1	L.S.	$5,500.00	$5,500
4.02	Trim Replacement Allowance	2006	6	N/A		1	L.S.	$5,500.00	$5,500
4.03	Shingle Siding Replacement Allowance	2006	4	N/A		1	L.S.	$15,000.00	$15,000
4.04	Fascia Replacement	2006	35	N/A		3540	L.S.	$25.00	$88,493
5.00	**ROOF, GUTTER, SIDING DRY ROT REPAIRS**								
5.01	Dry Rot Repair, Gutter Replacement & Roof Patching	2006	100	N/A	Yes	5	L.S.	$220,000.00	$1,100,000
5.02	Unscheduled Expense -	2006	100	N/A		1	L.S.	$1,807.00	$1,807
5.03	Unscheduled Expense - Roof Contract Facia Project	2006	100	N/A		1	L.S.	$22,200.00	$22,200
5.04	Unscheduled Expense - Architect - Facia Project	2006	100	N/A		1	L.S.	$4,128.00	$4,128
5.05	Unscheduled Expense - Project Mgmt - PML	2006	100	N/A		1	L.S.	$3,375.00	$3,375
5.06	Unscheduled Expense - Misc. Admin - Facia Project	2006	100	N/A		1	L.S.	$2,376.00	$2,376
6.00	**BUILDING A - 1280 Sharon Park Drive**								
6.01	Composition Shingle Roofing	1996	40	GOOD/FAIR		10530	S.F.	$3.75	$39,488
6.02	Built Up Roofing	1996	20	GOOD/FAIR		7816	S.F.	$5.00	$39,080
6.03	Flashing & Gutters	2006	30	N/A		740	L.F.	$8.00	$5,920
6.04	Downspouts	2006	30	N/A		600	L.F.	$8.00	$4,800
6.05	Wood Railings	1978	35	FAIR		790	L.F.	$55.00	$43,450

COMPONENT DATA

CODE #	COMPONENT NAME	YEAR NEW	EXPECT LIFE	OBSERVED CONDITION	INCLUDE NOTES	ITEM QUAN	UM	UNIT COST	TOTAL COST
6.06	Mail Boxes & Lobby	1999	25	GOOD/FAIR		1	L.S.	$3,500.00	$3,500
6.07	Exterior Tile	1989	40	GOOD/FAIR		3724	S.F.	$15.00	$55,860
6.08	Tile Waterproofing Membrane	1989	40	GOOD/FAIR		3724	S.F.	$10.00	$37,240
6.09	Carpeting	2001	10	GOOD/FAIR		359	S.Y.	$55.00	$19,745
6.10	Refuse Chute	1978	60	GOOD/FAIR		1	EA.	$8,500.00	$8,500
6.11	Boiler	1988	30	FAIR		1	EA.	$7,500.00	$7,500
6.12	Hot Water Tank	1988	30	FAIR		1	EA.	$2,500.00	$2,500
6.13	Wood & Plaster Fence	1978	35	GOOD/FAIR		105	L.F.	$75.00	$7,875
6.14	Wood Bollards	1978	35	GOOD/FAIR		5	EA.	$250.00	$1,250
7.00	**BUILDING B - 1202 Sharon Park Drive**								
7.01	Composition Shingle Roofing	1997	40	GOOD/FAIR		7379	S.F.	$3.75	$27,671
7.02	Built Up Roofing	1997	20	GOOD/FAIR		3606	S.F.	$5.00	$18,030
7.03	Flashing & Gutters	2006	30	N/A		559	L.F.	$8.00	$4,472
7.04	Downspouts	2006	30	N/A		440	L.F.	$8.00	$3,520
7.05	Wood Railings	1978	35	FAIR		408	L.F.	$55.00	$22,440
7.06	Mail Boxes & Lobby	1999	25	GOOD/FAIR		1	L.S.	$3,500.00	$3,500
7.07	Exterior Tile	1989	40	GOOD/FAIR		1819	S.F.	$15.00	$27,285
7.08	Tile Waterproofing Membrane	1989	40	GOOD/FAIR		1819	S.F.	$10.00	$18,190
7.09	Carpeting	2001	10	GOOD/FAIR		142	S.Y.	$55.00	$7,810
7.10	Refuse Chute	1978	60	GOOD/FAIR		1	EA.	$8,500.00	$8,500
7.11	Boiler	2003	30	GOOD		1	EA.	$7,500.00	$7,500
7.12	Hot Water Tank	1988	30	FAIR		1	EA.	$2,500.00	$2,500
7.13	Wood & Plaster Fence	1978	35	GOOD/FAIR		96	L.F.	$75.00	$7,200
7.14	Wood Bollards	1978	35	GOOD/FAIR		5	EA.	$250.00	$1,250
8.00	**BUILDING C - 1204 Sharon Park Drive**								
8.01	Composition Shingle Roofing	1997	40	GOOD/FAIR		7379	S.F.	$3.75	$27,671
8.02	Built Up Roofing	1997	20	GOOD/FAIR		3606	S.F.	$5.00	$18,030
8.03	Flashing & Gutters	2006	30	N/A		559	L.F.	$8.00	$4,472
8.04	Downspouts	2006	30	N/A		440	L.F.	$8.00	$3,520
8.05	Wood Railings	1978	35	FAIR		408	L.F.	$55.00	$22,440
8.06	Mail Boxes & Lobby	1999	25	GOOD/FAIR		1	L.S.	$3,500.00	$3,500
8.07	Exterior Tile	1989	40	GOOD/FAIR		1819	S.F.	$15.00	$27,285
8.08	Tile Waterproofing Membrane	1989	40	GOOD/FAIR		1819	S.F.	$10.00	$18,190
8.09	Carpeting	2001	10	GOOD/FAIR		142	S.Y.	$55.00	$7,810
8.10	Refuse Chute	1978	60	GOOD/FAIR		1	EA.	$8,500.00	$8,500
8.11	Boiler	1988	30	FAIR		1	EA.	$7,500.00	$7,500

COMPONENT DATA

CODE #	COMPONENT NAME	YEAR NEW	EXPECT. LIFE	OBSERVED CONDITION	INCLUDE NOTES	ITEM QUAN	UM	UNIT COST	TOTAL COST
8.12	Hot Water Tank	1988	30	FAIR		1	EA	$2,500.00	$2,500
8.13	Wood & Plaster Fence	1978	35	GOOD/FAIR		96	L.F.	$75.00	$7,200
8.14	Wood Bollards	1978	35	GOOD/FAIR		5	EA.	$250.00	$1,250
9.00	**BUILDING D - 1230 Sharon Park Drive**								
9.01	Composition Shingle Roofing	1996	40	GOOD/FAIR		8028	S.F.	$3.75	$30,105
9.02	Built Up Roofing	1996	20	GOOD/FAIR		3934	S.F.	$5.00	$19,670
9.03	Flashing & Gutters	2006	30	N/A		610	L.F.	$8.00	$4,880
9.04	Downspouts	2006	30	N/A		480	L.F.	$8.00	$3,840
9.05	Wood Railings	1978	35	FAIR		445	L.F.	$55.00	$24,475
9.06	Mail Boxes & Lobby	1999	25	GOOD/FAIR		1	L.S.	$3,500.00	$3,500
9.07	Exterior Tile	1989	40	GOOD/FAIR		1984	S.F.	$15.00	$29,760
9.08	Tile Waterproofing Membrane	1989	40	GOOD/FAIR		1984	S.F.	$10.00	$19,840
9.09	Carpeting	2001	10	GOOD/FAIR		152	S.Y.	$55.00	$8,360
9.10	Refuse Chute	1978	60	GOOD/FAIR		1	EA.	$8,500.00	$8,500
9.11	Boiler	1988	30	FAIR		1	EA.	$7,500.00	$7,500
9.12	Hot Water Tank	1988	30	FAIR		1	EA.	$2,500.00	$2,500
9.13	Wood & Plaster Fence	1978	35	GOOD/FAIR		105	L.F.	$75.00	$7,875
9.14	Wood Bollards	1978	35	GOOD/FAIR		5	EA.	$250.00	$1,250
10.00	**BUILDING E - 1290 Sharon Park Drive**								
10.01	Composition Shingle Roofing	1996	40	GOOD/FAIR		8028	S.F.	$3.75	$30,105
10.02	Built Up Roofing	1996	20	GOOD/FAIR		3934	S.F.	$5.00	$19,670
10.03	Flashing & Gutters	2006	30	N/A		610	L.F.	$8.00	$4,880
10.04	Downspouts	2006	30	N/A		480	L.F.	$8.00	$3,840
10.05	Wood Railings	1978	35	FAIR		445	L.F.	$55.00	$24,475
10.06	Mail Boxes & Lobby	1999	25	GOOD/FAIR		1	L.S.	$3,500.00	$3,500
10.07	Exterior Tile	1989	40	GOOD/FAIR		1984	S.F.	$15.00	$29,760
10.08	Tile Waterproofing Membrane	1989	40	GOOD/FAIR		1984	S.F.	$10.00	$19,840
10.09	Carpeting	2001	10	GOOD/FAIR		152	S.Y.	$55.00	$8,360
10.10	Refuse Chute	1978	60	GOOD/FAIR		1	EA.	$8,500.00	$8,500
10.11	Boiler	1988	30	FAIR		1	EA.	$7,500.00	$7,500
10.12	Hot Water Tank	1988	30	FAIR		1	EA.	$2,500.00	$2,500
10.13	Wood & Plaster Fence	1978	35	GOOD/FAIR		105	L.F.	$75.00	$7,875
10.14	Wood Bollards	1978	35	GOOD/FAIR		5	EA.	$250.00	$1,250
11.00	**BEE SCREENS**								
11.01	Install Screens	2000	25	N/A		1	L.S.	$23,000.00	$23,000
12.00	**ELEVATORS**								

COMPONENT DATA

CODE #	COMPONENT NAME	YEAR NEW	EXPECT LIFE	OBSERVED CONDITION	INCLUDE NOTES	ITEM QUAN.	UM	UNIT COST	TOTAL COST
12.01	Refurbish Guide Rails	2005	25	N/A		1	EA	$3,500.00	$3,500
12.02	Refurbish Guide Rails	2006	25	N/A		1	EA	$3,500.00	$3,500
12.03	Refurbish Guide Rails	2007	25	N/A		1	EA	$3,500.00	$3,500
12.04	Refurbish Guide Rails	2008	25	N/A		1	EA	$3,500.00	$3,500
12.05	Plunger 1202	2007	40	N/A		1	EA	$45,000.00	$45,000
12.06	Plunger 1204	2002	40	GOOD		1	EA	$45,000.00	$45,000
12.07	Plunger 1230	2012	40	N/A		1	EA	$45,000.00	$45,000
12.08	Plunger 1280	2017	40	N/A		1	EA	$45,000.00	$45,000
12.09	Plunger 1290	2022	40	N/A		1	EA	$45,000.00	$45,000
12.10	Elevator Controllers	1978	35	N/A		5	EA	$25,000.00	$125,000
12.11	Elevator Cab Upgrades	1978	35	N/A		5	EA	$7,500.00	$37,500
12.12	Elevator Lobby Improvements	2006	25	N/A		1	L.S.	$2,300.00	
13.00	**WOOD BRIDGES**								
13.01	Repairs	2004	6	N/A		1	L.S.	$4,500.00	$4,500

5.00 COMPONENT NOTES

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 30+ 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. = Lineal Feet
   - S.F. = Square Feet
   - S.Y. = Square Yard
   - Ea. = Each
   - L.S. = Lump Sum

6.00 COMPONENT CATEGORY COST SUMMARY

CODE #	CATEGORY NAME	TOTALS
1.00	ELECTRICAL	$51,325.00
2.00	TRELLIS REPLACEMENT ALLOWANCES	$30,000.00
3.00	PAINTING	$165,300.00
4.00	SIDING & TRIM REPLACEMENT ALLOWANCES	$114,492.50
5.00	ROOF, GUTTER, SIDING DRY ROT REPAIRS	$1,133,886.00
6.00	BUILDING A - 1280 SHARON PARK DRIVE	$276,707.50
7.00	BUILDING B - 1202 SHARON PARK DRIVE	$159,868.25
8.00	BUILDING C - 1204 SHARON PARK DRIVE	$159,868.25
9.00	BUILDING D - 1230 SHARON PARK DRIVE	$172,055.00
10.00	BUILDING E - 1290 SHARON PARK DRIVE	$172,055.00
11.00	BEE SCREENS	$23,000.00
12.00	ELEVATORS	$401,500.00
13.00	WOOD BRIDGES	$4,500.00
	Grand Total:	**$2,864,557.50**

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	64
7.012 Existing unit per month to Reserve Fund	$74.00
7.013 Projected beginning year Reserve Fund balance	$44,802
7.014 Minimum Reserve Fund balance	N/A
7.015 Expenditure/Cash balance ratio	100%
7.016 Rate of inflation	3.20%
7.017 Rate of return on Reserve Fund	4.00%

7.02 Monthly assessment schedule:

Year	Amount	% Change	Requires Vote
2007	$85.10	15%	
2008	$102.12	20%	
2009	$122.54	20%	
2010	$126.22	3%	
2011	$130.01	3%	
2012	$133.91	3%	
2013	$137.92	3%	
2014	$142.06	3%	
2015	$146.32	3%	
2016	$150.71	3%	
2017	$155.23	3%	
2018	$159.89	3%	
2019	$164.69	3%	
2020	$169.63	3%	
2021	$174.72	3%	

Year	Amount	% Change	Requires Vote
2022	$179.96	3%	
2023	$185.36	3%	
2024	$190.92	3%	
2025	$196.65	3%	
2026	$202.55	3%	
2027	$208.62	3%	
2028	$214.88	3%	
2029	$221.33	3%	
2030	$227.97	3%	
2031	$234.81	3%	
2032	$241.85	3%	
2033	$249.11	3%	
2034	$256.58	3%	
2035	$264.28	3%	
2036	$272.21	3%	

Because we 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 1366 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	$ 25,000	YES
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		

Because we 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 1366 which states the special assessment cannot exceed in the aggregate 5% of the association budgeted gross expenses for the fiscal year.

8.00 NARRATIVE CONCLUSION

PROPERTY DESCRIPTION:

Sharon Park HOA - Condominium is a 64 owner homeowner association located in Menlo Park, California. The association maintains the exterior of the residential building and other common area components associated with the these buildings.

PROPERTY CONDITION:

This property is in generally good condition and is just finishing major renovations to the buildings.

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

FUNDING ANALYSIS:

Because of the renovation and additional repair/replacement work in the future this association is somewhat under-funded at this time and will require increases to Regular Assessments and a Special Assessment in 2008 of $125,000.

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.

9.00 A

RESERVE FUND CASH PROJECTIONS

2006 Average unit per month assessment contribution = [illegible]

2006 Total Annual reserve contribution = $56,832

DESCRIPTION - 1ST 10 YEARS		2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Projected Beginning Fund Balance		$44,302	$61,603	$257,602	$365,784	$403,816	$422,135	$434,382	$51,230	$85,064	$205,338
Proposed [illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Proposed [illegible]		$3.10	$3.02	$2.94	$3.68	$3.79	$3.90	$4.02	$4.14	$4.26	$4.39
Proposed average unit/month contribution		$85.10	$102.12	$99.54	$126.22	$130.03	$133.91	$137.92	$142.06	$146.32	$150.71
Proposed Total Annual Contribution	*1	$65,257	$78,428	$94,113	$96,937	$99,845	$102,841	$105,926	$109,104	$112,377	$115,748
Does increase require membership vote?											
Proposed Avg. Special Assess Per Unit		$0.00	$1,953.13	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Proposed Total Special Assessment			$125,000								
Does special assessment require vote?			YES								
Income from other sources											
Total Reserve Fund Available		$110,159	$265,032	$351,716	$462,721	$503,661	$524,975	$540,308	$160,333	$197,441	$321,086
Proposed inflated yearly expenditures		$48,925	$17,338	$0	$74,437	$99,762	$107,301	$491,048	$78,541	$0	$157,426
Balance after expenditures		$59,234	$247,694	$351,716	$388,285	$403,899	$417,675	$49,259	$81,792	$197,441	$163,660
Gross calculated interest on balance		$2,369	$9,908	$14,069	$15,531	$16,236	$16,707	$1,970	$3,272	$7,898	$6,546
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	*3	$61,603	$257,602	$365,784	$403,816	$422,135	$434,382	$51,230	$85,064	$205,338	$170,206

DESCRIPTION - 2ND 10 YEARS		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Projected Beginning Fund Balance		$170,206	$172,419	($34,703)	$95,449	$214,196	$222,999	$181,017	$336,308	$390,699	$519,115
Proposed [illegible]		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Proposed unit per month dollar increase		$4.52	$4.66	$4.80	$4.94	$5.09	$5.24	$5.40	$5.56	$5.73	$5.90
Proposed average unit/month contribution		$155.24	$159.89	$164.69	$169.63	$174.72	$179.96	$185.36	$190.92	$196.65	$202.55
Proposed Total Annual Contribution	*1	$119,221	$122,797	$126,481	$130,275	$134,184	$138,209	$142,356	$146,626	$151,025	$155,556
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											
Does special assessment require vote?											
Income from other sources											
Total Reserve Fund Available		$289,427	$295,216	$91,778	$225,724	$348,380	$361,208	$323,373	$482,934	$541,724	$674,671
Proposed inflated yearly expenditures		$123,639	$328,585	$0	$19,767	$133,958	$187,153	$0	$107,262	$42,575	$171,928
Balance after expenditures		$165,788	($33,368)	$91,778	$205,958	$214,422	$174,055	$323,373	$375,672	$499,149	$502,743
Gross calculated interest on balance		$6,632	($1,335)	$3,671	$8,238	$8,577	$6,962	$12,935	$15,027	$19,966	$20,110
Minimum requested 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%	89.84%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Projected Year Ending Balance	*3	$172,419	($34,703)	$95,449	$214,196	$222,999	$181,017	$336,308	$390,699	$519,115	$522,853

10.00 A

PROJECTED EXPENDITURE SCHEDULE - FIRST TEN YEARS

CODE	COMPONENT DESCRIPTION	REPLACE/ REPAIR CST	YEAR NEW	USEFL LIFE	RMNG LIFE	YR 1 2008	YR 2 2009	YR 3 2010	YR 4 2010	YR 5 2011	YR 6 2012	YR 7 2013	YR 8 2014	YR 9 2015	YR 10 2016	TOTAL 10 YRS
1.00	ELECTRICAL															
1.01	Emergency Lighting	$4,875	1993	25	10											
1.02	Emergency Lighting	$1,625	1993	25	10											
1.03	Exterior Lighting	$1,750	2005	35	33											
1.04	Carriage Lighting	$22,537	1978	35	5											
1.05	Exit Lights	$16,500	1978	35	5							$22,537				$22,537
1.06	Emergency Power Units	$5,000	1978	35	6							$13,500				$13,500
2.00	TRELLIS REPLACEMENT ALLOWANCES											$5,000				$5,000
2.01	Replace Trellis Posts	$20,000	2006	5	4											
2.02	Trellis Replacement	$10,000	2006	5	4					$30,000						$30,000
3.00	PAINTING									$10,000					$10,000	$20,000
3.01	Paint Garage Interior	$12,500	1996	12	3		$12,500									
3.02	Paint Stairwells	$11,000	2006	12	11											$12,500
3.03	PML Management	$45,000	2006	1	1											$11,000
3.04	Paint Stucco	$60,000	2006	12	11				$45,000				$45,000			$90,000
3.05	Paint Entry Doors	$3,520	2006	6	5						$3,520					$3,520
3.06	Paint Interior Doors	$8,280	2006	6	5						$8,280					$8,280
3.07	Scaffolding Allowance	$25,000	2006	6	5						$25,000					$25,000
4.00	SIDING & TRIM REPLACEMENT ALLOWANCES															
4.01	Stucco Siding Repair Allowance	$5,500	2006	2	1											
4.02	Trim Replacement Allowance	$5,500	2006	9	5											$5,500
4.03	Shingle Siding Replacement Allowance	$15,000	2006	4	3				$15,000				$15,000			$30,000
4.04	Fascia Replacement	$88,493	2006	35	34											
5.00	ROOF, GUTTER, SIDING DRY ROT REPAIRS															
5.01	Dry Rot Repair, Gutter Replacement & Roof Patching	$1,100,000	2006	100	99											
5.02	Unscheduled Expense -	$1,807	2006	100	99											
5.03	Unscheduled Expense - Roof Contract Facia Project	$22,200	2006	100	99											
5.04	Unscheduled Expense - Architect - Facia Project	$4,128	2006	100	99											
5.05	Unscheduled Expense - Project Mgmt - PML	$3,375	2006	100	99											
5.06	Unscheduled Expense - Misc. Admin - Facia Project	$2,376	2006	100	99											
6.00	BUILDING A - 1280 Sharon Park Drive															
6.01	Composition Shingle Roofing	$39,488	1996	40	29											
6.02	Built Up Roofing	$39,080	1996	20	9										$39,080	$39,080
6.03	Flashing & Gutters	$5,920	2006	30	29											
6.04	Downspouts	$4,800	2006	30	29											
6.05	Wood Railings	$43,450	1978	35	6							$43,450				$43,450
6.06	Mail Boxes & Lobby	$3,500	1999	25	17											
6.07	Exterior Tile	$55,860	1989	40	22											
6.08	Tile Waterproofing Membrane	$37,240	1989	40	22											
6.09	Carpeting	$19,745	2001	10	4					$19,745						$19,745
6.10	Refuse Chute	$8,500	1978	60	31											
6.11	Boiler	$7,500	1988	30	11											
6.12	Hot Water Tank	$2,500	1988	30	11											
6.13	Wood & Plaster Fence	$7,875	1978	35	6							$7,875				$7,875
6.14	Wood Bollards	$1,250	1978	35	6							$1,250				$1,250
7.00	BUILDING B - 1202 Sharon Park Drive															
7.01	Composition Shingle Roofing	$27,671	1997	40	30											
7.02	Built Up Roofing	$18,030	1997	20	10											
7.03	Flashing & Gutters	$4,472	2006	30	29											
7.04	Downspouts	$3,520	2006	30	29											
7.05	Wood Railings	$22,440	1978	35	6							$22,440				$22,440
7.06	Mail Boxes & Lobby	$3,500	1999	25	17											
7.07	Exterior Tile	$27,285	1989	40	22											
7.08	Tile Waterproofing Membrane	$18,190	1989	40	22											
7.09	Carpeting	$7,810	2001	10	4					$7,810						$7,810
7.10	Refuse Chute	$8,500	1978	60	31											
7.11	Boiler	$7,500	2003	30	26											
7.12	Hot Water Tank	$2,500	1988	30	11											
7.13	Wood & Plaster Fence	$7,200	1978	35	6							$7,200				$7,200
7.14	Wood Bollards	$1,250	1978	35	6							$1,250				$1,250
8.00	BUILDING C - 1204 Sharon Park Drive															

PROJECTED EXPENDITURE SCHEDULE - FIRST TEN YEARS

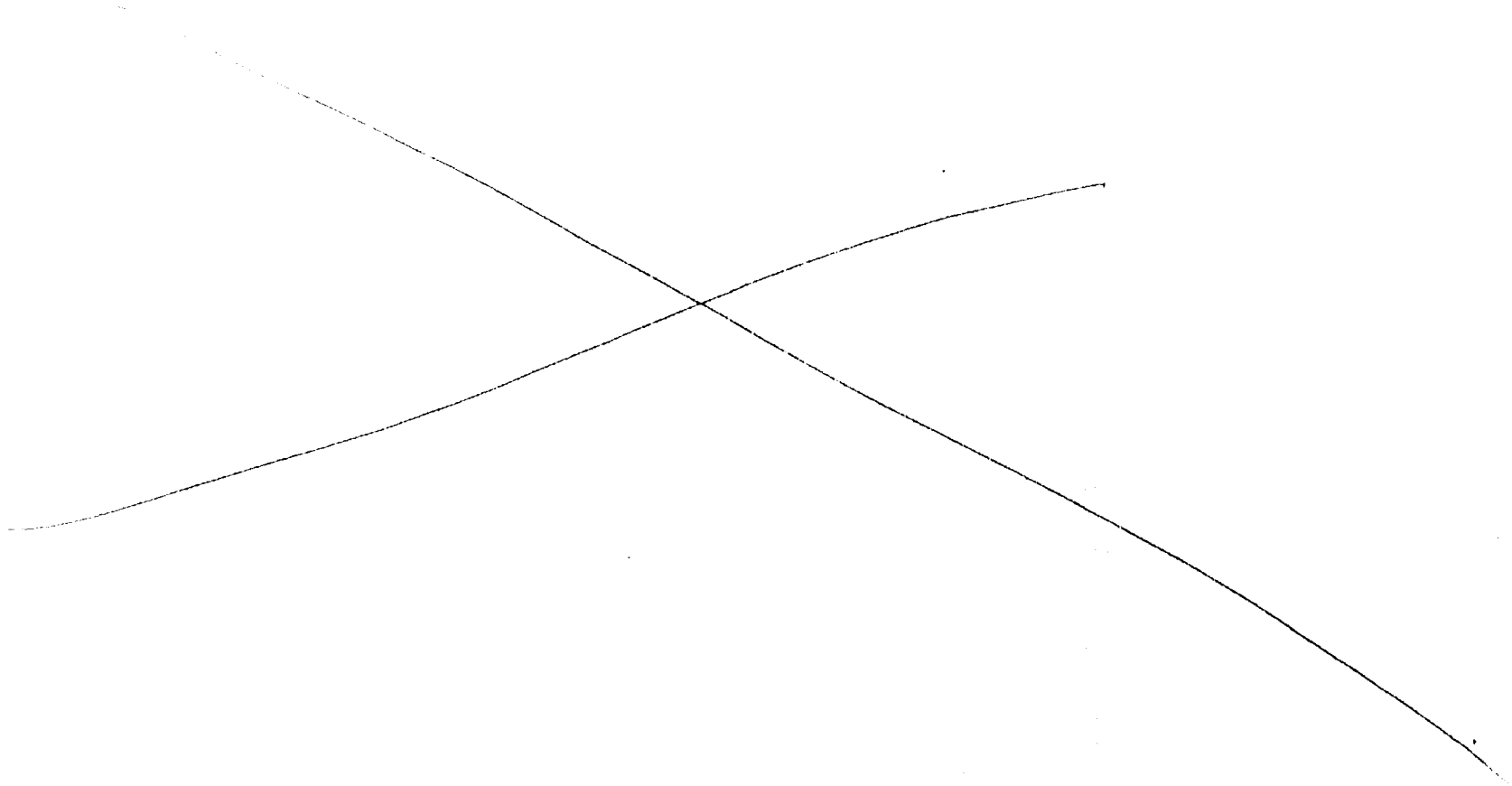
CODE	COMPONENT DESCRIPTION	REPLACE REPAIR COST	YEAR NEW	USEFL LIFE	RMNG LIFE	YR 1 2007	YR 2 2008	YR 3 2009	YR 4 2010	YR 5 2011	YR 6 2012	YR 7 2013	YR 8 2014	YR 9 2015	YR 10 2016	TOTAL 10 YRS
8.01	Composition Shingle Roofing	[illegible]	[illegible]	40	36											
8.02	Built Up Roofing	$18,0[illegible]	[illegible]	20	[illegible]											
8.03	Flashing & Gutters	$4,472	2006	30	[illegible]											
8.04	Downspouts	$3,520	2006	30	[illegible]											
8.05	Wood Railings	$12,[illegible]40	[illegible]	35	[illegible]											
8.06	Mail Boxes & Lobby	$3,500	[illegible]	25	17							$[illegible]440				$[illegible]440
8.07	Exterior Tile	$2[illegible],280	1989	40	[illegible]											
8.08	Tile Waterproofing Membrane	$[illegible]8,150	1989	40	22											
8.09	Carpeting	$7,810	2001	10	[illegible]											
8.10	Refuse Chute	$8,500	1978	60	[illegible]					$7,810						
8.11	Boiler	$7,500	1988	30	11											[illegible]
8.12	Hot Water Tank	$2,500	1988	30	[illegible]											
8.13	Wood & Plaster Fence	$7,200	1978	35	[illegible]											
8.14	Wood Bollards	$1,250	1978	35	6							$7,200				$7,200
9.00	BUILDING D - 1230 Sharon Park Drive											$1,250				$1,250
9.01	Composition Shingle Roofing	$30,105	1996	30	2[illegible]											
9.02	Built Up Roofing	$19,670	1996	20	9											
9.03	Flashing & Gutters	$4,880	2006	30	29										$19,670	$19,670
9.04	Downspouts	$3,840	2006	30	29											
9.05	Wood Railings	$24,475	1978	35	6											
9.06	Mail Boxes & Lobby	$3,500	1999	25	17							$24,475				$24,475
9.07	Exterior Tile	$29,760	1989	40	22											
9.08	Tile Waterproofing Membrane	$19,840	1989	40	22											
9.09	Carpeting	$8,360	2001	10	4											
9.10	Refuse Chute	$8,500	1978	60	31					$8,360						
9.11	Boiler	$7,500	1988	30	11											$8,360
9.12	Hot Water Tank	$2,500	1988	30	11											
9.13	Wood & Plaster Fence	$7,875	1978	35	6											
9.14	Wood Bollards	$1,250	1978	35	6											
10.00	BUILDING E - 1290 Sharon Park Drive											$7,875				$7,875
10.01	Composition Shingle Roofing	$30,105	1996	30	2[illegible]							$1,250				$1,250
10.02	Built Up Roofing	$19,670	1996	20	9											
10.03	Flashing & Gutters	$4,880	2006	30	29											
10.04	Downspouts	$3,840	2005	30	29										$19,670	$19,670
10.05	Wood Railings	$24,475	1978	35	6											
10.06	Mail Boxes & Lobby	$3,500	1999	25	17							$24,475				
10.07	Exterior Tile	$29,760	1989	40	22											$24,475
10.08	Tile Waterproofing Membrane	$19,840	1989	40	22											
10.09	Carpeting	$8,360	2001	10	4											
10.10	Refuse Chute	$8,500	1978	60	31					$8,360						
10.11	Boiler	$7,500	1988	30	11											$8,360
10.12	Hot Water Tank	$2,500	1988	30	11											
10.13	Wood & Plaster Fence	$7,875	1978	35	6											
10.14	Wood Bollards	$1,250	1978	35	6							$7,875				$7,875
11.00	BEE SCREENS											$1,250				$1,250
11.01	Install Screens	$23,000	2000	25	13											
12.00	ELEVATORS															
12.01	Refurbish Guide Rails	$3,500	2005	25	23											
12.02	Refurbish Guide Rails	$3,500	2006	25	24											
12.03	Refurbish Guide Rails	$3,500	2007	25	25	$3,500										
12.04	Refurbish Guide Rails	$3,500	2008	25	1		$3,500									$3,500
12.05	Plunger 1202	$45,000	2007	40	40	$45,000										$3,500
12.06	Plunger 1204	$45,000	2002	40	35											$15,000
12.07	Plunger 1210	$15,000	2012	40	5											
12.08	Plunger 1280	$45,000	2017	40	10						$45,000					
12.09	Plunger 1290	$45,000	2022	40	15											$45,000
12.10	Elevator Controllers	$125,000	1978	35	6											
12.11	Elevator Cab Upgrades	$37,500	1978	35	6							$125,000				$125,000
12.12	Elevator Lobby Improvements		2006	25	24							$37,500				$37,500
13.00	WOOD BRIDGES															
13.01	Repairs	$4,500	2004	6	3				$4,500						$4,500	$9,000

October 13, 2006

10.00A

PROJECTED EXPENDITURE SCHEDULE - FIRST TEN YEARS

CODE	COMPONENT DESCRIPTION	REPLACE REPAIR COST	YEAR NEW	USEFUL LIFE	REMNG LIFE	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10	TOTAL 10 YRS
						2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
UNSCHEDULED EXPENSE																
TOTAL REPAIR/REPLACEMENT EXPENSE																
INFLATION FACTOR																
INFLATED EXPENDITURES																



9.00 B

RESERVE FUND CASH PROJECTIONS

DESCRIPTION - 3RD 10 YEARS		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Projected Beginning Fund Balance		$522,853	$710,398	$900,923	$495,230	$282,367	$282,170	$448,228	$637,879	$703,462	$942,684
Proposed percentage increase		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Proposed monthly dollar increase		$6.08	$6.26	$6.45	$6.64	$6.84	$7.04	$7.26	$7.47	$7.70	$7.92
Proposed average unit month contribution		$208.62	$214.88	$221.33	$227.97	$234.81	$241.85	$249.11	$256.58	$264.28	$272.21
Proposed Total Annual Contribution	*1	$160,222	$165,029	$169,980	$175,079	$180,332	$185,742	$191,314	$197,053	$202,965	$209,054
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											
Does special assessment require vote?											
Income from other sources											
Total Reserve Fund Available		$683,075	$875,427	$1,070,903	$670,310	$462,699	$467,912	$639,542	$834,932	$906,427	$1,151,738
Proposed inflated yearly expenditures		$0	$9,155	$594,720	$398,803	$191,381	$36,923	$26,197	$158,526	$0	$771,039
Balance after expenditures		$683,075	$866,272	$476,183	$271,507	$271,317	$430,988	$613,345	$676,406	$906,427	$380,699
Gross calculated interest on balance		$27,323	$34,651	$19,047	$10,860	$10,853	$17,240	$24,534	$27,056	$36,257	$15,228
Minimum requested 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	$710,398	$900,923	$495,230	$282,367	$282,170	$448,228	$637,879	$703,462	$942,684	$395,927

* 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."

10.00A

PROJECTED EXPENDITURE SCHEDULE - FIRST TEN YEARS

CODE	COMPONENT DESCRIPTION	REPLACE COST	YEAR NEW	USEFUL LIFE	REMNG LIFE	YR 1 2007	YR 2 2008	YR 3 2009	YR 4 2010	YR 5 2011	YR 6 2012	YR 7 2013	YR 8 2014	YR 9 2015	YR 10 2016	TOTAL for 10 YEARS
1.00	ELECTRICAL															
1.01	Emergency Lighting	$4,8[illegible]	[illegible]	25	[illegible]											
1.02	Emergency Lighting	$1,625	[illegible]	25	[illegible]											
1.03	Exterior Lighting	$1,750	2003	[illegible]	[illegible]											
1.04	Garage Lighting	$22,[illegible]	[illegible]	[illegible]	[illegible]											
1.05	Exit Lights	$[illegible]	[illegible]	[illegible]	[illegible]							$2,[illegible]				$2,[illegible]
1.06	Emergency Power [illegible]	$[illegible]	[illegible]	[illegible]	[illegible]							$13,000				$13,000
2.00	TRELLIS REPLACEMENT ALLOWANCES											$[illegible]				$[illegible]
2.01	Replace Trellis Posts	$[illegible]	[illegible]		[illegible]											$[illegible]
2.02	Trellis Replacement	$80,000	2006		[illegible]					$20,000					$20,000	$40,000
3.00	PAINTING									[illegible]					[illegible]	$20,000
3.01	Paint Garage Interior	$[illegible]	[illegible]	[illegible]	[illegible]	[illegible]										
3.02	Paint Stairwells	$12,000	2006	[illegible]	[illegible]											$12,000
3.03	EML Management	$45,000	2006	3	3				$45,000							$90,000
3.04	Paint Stucco	$60,000	2003	12	11								$45,000			
3.05	Paint Entry Doors	$3,520	2006	5	5						$3,520					$3,520
3.06	Paint Interior Doors	$8,250	2006	5	5						$8,250					$8,250
3.07	Scaffolding Allowance	$25,000	2006	5	5						$25,000					$25,000
4.00	SIDING & TRIM REPLACEMENT ALLOWANCES															
4.01	Stucco Siding Repair Allowance	$5,500	2006	12	11											
4.02	Trim Replacement Allowance	$5,500	2003	9	5											
4.03	Shingle Siding Replacement Allowance	$15,000	2003	1	1						$5,500					$5,500
4.04	Fascia Replacement	$88,400	2006	35	34				$15,000							$15,000
5.00	ROOF, GUTTER, SIDING DRY ROT REPAIRS												$12,000			$12,000
5.01	Dry Rot Repair, Gutter Replacement & Roof Patching	$1,100,000	2006	100	99											
5.02	Unscheduled Expense	$1,867	2006	100	99											
5.03	Unscheduled Expense - Roof Contract Facia Project	$22,200	2006	100	99											
5.04	Unscheduled Expense - Architect - Facia Project	$4,128	2006	100	99											
5.05	Unscheduled Expense - Project Mgmt - PML	$3,375	2006	100	99											
5.06	Unscheduled Expense - Misc Admin - Facia Project	$2,376	2006	100	99											
6.00	BUILDING A - 1280 Sharon Park Drive															
6.01	Composition Shingle Roofing	$39,488	1996	40	29											
6.02	Built Up Roofing	$39,050	1998	20	9											
6.03	Flashing & Gutters	$5,720	2006	30	29										$39,050	$39,050
6.04	Downspouts	$4,800	2006	30	29											
6.05	Wood Railings	$43,450	1978	35	7											
6.06	Mail Boxes & Lobby	$3,500	1998	25	17							$43,450				$43,450
6.07	Exterior Tile	$53,860	1989	40	22											
6.08	Tile Waterproofing Membrane	$47,240	1989	40	22											
6.09	Carpeting	$19,745	2001	10	4											
6.10	Refuse Chute	$8,500	1978	60	31					$19,745						$19,745
6.11	Boiler	$7,500	1988	30	11											
6.12	Hot Water Tank	$2,500	1988	30	11											
6.13	Wood & Plaster Fence	$7,875	1978	35	6											
6.14	Wood Bollards	$1,250	1978	35	6							$7,875				$7,875
7.00	BUILDING B - 1202 Sharon Park Drive											$1,250				$1,250
7.01	Composition Shingle Roofing	$27,971	1997	40	30											
7.02	Built Up Roofing	$18,030	1997	20	10											
7.03	Flashing & Gutters	$4,472	2006	30	29											
7.04	Downspouts	$3,520	2006	30	29											
7.05	Wood Railings	$22,440	1978	35	7											
7.06	Mail Boxes & Lobby	$3,500	1998	25	17							$22,440				$22,440
7.07	Exterior Tile	$27,285	1989	40	22											
7.08	Tile Waterproofing Membrane	$18,190	1989	40	22											
7.09	Carpeting	$7,810	2001	10	4											
7.10	Refuse Chute	$8,500	1978	60	31					$7,810						$7,810
7.11	Boiler	$7,500	2001	30	26											
7.12	Hot Water Tank	$2,500	1988	30	11											
7.13	Wood & Plaster Fence	$7,200	1978	35	6											
7.14	Wood Bollards	$1,250	1978	35	6							$7,200				$7,200
8.00	BUILDING C - 1204 Sharon Park Drive											$1,250				$1,250

9.00 B

RESERVE FUND CASH PROJECTIONS

DESCRIPTION - 3RD 10 YEARS		2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Projected Beginning Fund Balance		$522,853	$710,398	$900,923	$495,230	$282,367	$282,170	$448,228	$637,879	$703,462	$942,684
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 per month dollar increase		$6.08	$6.26	$6.45	$6.64	$6.84	$7.04	$7.26	$7.47	$7.70	$7.93
Proposed average unit/month contribution		$208.62	$214.88	$221.33	$227.97	$234.81	$241.85	$249.11	$256.58	$264.28	$272.21
Proposed Total Annual Contribution	*1	$160,222	$165,029	$169,980	$175,079	$180,332	$185,742	$191,314	$197,053	$202,965	$209,054
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											
Does special assessment require vote?											
Income from other sources											
Total Reserve Fund Available		$683,075	$875,427	$1,070,903	$670,310	$462,699	$467,912	$639,542	$834,932	$906,427	$1,151,738
Proposed inflated yearly expenditures		$0	$9,155	$594,720	$398,803	$191,381	$36,923	$26,197	$158,526	$0	$771,039
Balance after expenditures		$683,075	$866,272	$476,183	$271,507	$271,317	$430,988	$613,345	$676,406	$906,427	$380,699
Gross calculated interest on balance		$27,323	$34,651	$19,047	$10,860	$10,853	$17,240	$24,534	$27,056	$36,257	$15,228
Minimum requested 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	$710,398	$900,923	$495,230	$282,367	$282,170	$448,228	$637,879	$703,462	$942,684	$395,927

* **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 - SECOND TEN YEARS

CODE	DESCRIPTION	REPLACE COST	YEAR NEW	USEFUL LIFE	REMAINING LIFE	YR 11 2017	YR 12 2018	YR 13 2019	YR 14 2020	YR 15 2021	YR 16 2022	YR 17 2023	YR 18 2024	YR 19 2025	YR 20 2026	TOTAL
1.00	ELECTRICAL															
1.01	Emergency Lighting			25	10	$2,875										
1.02	Emergency Lighting	$1,625	1997	25	16											$1,625
1.03	Exterior Lighting	$1,250	1997	25	16						$1,625					$1,625
1.04	Garage Lighting			25	16											
1.05	Exit Lights			25	16											
1.06	Emergency Power	$2,500	1997	25	16											
1.07	Electric Meters	$3,000	1997	25	16											
2.00	TRELLIS REPLACEMENT ALLOWANCES															
2.01	Replace Trellis Lights															
2.02	Trellis Replacement	$20,000	2006	25	14					$20,000						$20,000
3.00	PAINTING	$10,000	2006	5	4					$10,000					$10,000	$20,000
3.01	Paint Garage Doors															
3.02	Paint Stairwells	$12,500	1996	10	3			$12,500								$12,500
3.03	PML Management	$11,000	2006	10	9											$11,000
3.04	Paint Stucco	$45,000	2006	4	3			$45,000								$45,000
3.05	Paint Entry Doors	$60,000	2006	12	11			$60,000			$45,000				$45,000	$135,000
3.06	Paint Interior Doors	$3,520	2006	6	5			$3,520								$3,520
3.07	Stairwell Allowance	$8,280	2006	6	5			$8,280					$3,520			$50,000
4.00	SIDING & TRIM REPLACEMENT ALLOWANCES	$25,000	2006	5	4			$25,000					$8,280			$8,280
4.01	Stucco Siding Repair Allowance												$25,000			$25,000
4.02	Trim Replacement Allowance	$5,500	2006	12	11			$5,500								$5,500
4.03	Shingle Siding Replacement Allowance	$3,500	2006	6	5			$3,500								$3,500
4.04	Fascia Replacement	$15,000	2006	5	4			$15,000					$5,500			$11,000
5.00	ROOF, GUTTER, SIDING DRY ROT REPAIRS	$58,493	2006	35	34					$15,000					$15,000	$15,000
5.01	Dry Rot Repair, Gutter Replacement & Roof Patching	$1,100,000	2006	100	99											
5.02	Unscheduled Expense	$1,307	2006	100	99											
5.03	Unscheduled Expense - Roof Contract Facia Project	$22,200	2006	100	99											
5.04	Unscheduled Expense - Architect - Facia Project	$4,128	2006	100	99											
5.05	Unscheduled Expense - Project Mgmt - PML	$3,375	2006	100	99											
5.06	Unscheduled Expense - Misc. Admin - Facia Project	$2,376	2006	100	99											
6.00	BUILDING A - 1230 Sharon Park Drive															
6.01	Composition Shingle Roofing	$39,488	1996	40	29											
6.02	Built Up Roofing	$39,080	1996	20	9											
6.03	Flashing & Gutters	$5,920	2006	30	29											
6.04	Downspouts	$4,500	2006	30	29											
6.05	Wood Railings	$43,450	1978	35	6											
6.06	Mail Boxes & Lobby	$3,500	1999	25	17								$3,500			$3,500
6.07	Exterior Tile	$55,860	1989	40	22											
6.08	Tile Waterproofing Membrane	$37,240	1989	40	22											
6.09	Carpeting	$19,745	2001	10	4					$19,745						$19,745
6.10	Refuse Chute	$8,500	1978	50	31											
6.11	Boiler	$7,500	1988	40	11		$7,500									$7,500
6.12	Hot Water Tank	$2,500	1988	30	11		$2,500									$2,500
6.13	Wood & Plaster Fence	$7,875	1978	35	6											
6.14	Wood Bollards	$1,250	1978	35	6											
7.00	BUILDING B - 1202 Sharon Park Drive															
7.01	Composition Shingle Roofing	$22,671	1997	40	19											
7.02	Built Up Roofing	$18,030	1997	20	10	$18,030										$18,030
7.03	Flashing & Gutters	$4,432	2006	30	29											
7.04	Downspouts	$3,520	2006	30	29											
7.05	Wood Railings	$22,140	1978	35	6											
7.06	Mail Boxes & Lobby	$3,500	1999	25	17								$3,500			$3,500
7.07	Exterior Tile	$27,285	1989	40	22											
7.08	Tile Waterproofing Membrane	$18,190	1989	40	22											
7.09	Carpeting	$7,810	2001	10	4					$7,810						$7,810
7.10	Refuse Chute	$8,500	1978	50	31											
7.11	Boiler	$7,500	2003	30	26											
7.12	Hot Water Tank	$2,500	1988	30	11		$2,500									$2,500
7.13	Wood & Plaster Fence	$7,200	1978	35	5											
7.14	Wood Bollards	$1,250	1978	35	5											
8.00	BUILDING C - 1204 Sharon Park Drive															

PROJECTED EXPENDITURE SCHEDULE - SECOND TEN YEARS

CODE	DESCRIPTION	REPLACE / REPAIR COST	YEAR NEW	USEFUL LIFE	REMAINING LIFE	YR 11 2022	YR 12 2023	YR 13 2024	YR 14 2025	YR 15 2026	YR 16 2027	YR 17 2028	YR 18 2029	YR 19 2030	YR 20 2031	TOTAL
8.01	Composition Shingle Roofing															
8.02	Built Up Roofing															
8.03	Flashing & Gutters															
8.04	Downspouts															
8.05	Wood Railings															
8.06	Mail Boxes & Cubbies															
8.07	Exterior Tile															
8.08	Tile Waterproofing Membrane															
8.09	Carpeting															
8.10	Refuse Chute															
8.11	Boiler															
8.12	Hot Water Tank															
8.13	Wood & Plaster Fence															
8.14	Wood Bollards															
9.00	**BUILDING D - 1230 Sharon Park Drive**															
9.01	Composition Shingle Roofing	$30,105	1986	40	20											
9.02	Built Up Roofing	$19,670	1996	20	9											
9.03	Flashing & Gutters	$4,880	2006	30	20											
9.04	Downspouts	$3,840	2006	30	20											
9.05	Wood Railings	$24,475	1978	35	6											
9.06	Mail Boxes & Cubbies	$3,500	1992	25	11											
9.07	Exterior Tile	$20,760	1985	40	22								$3,500			$3,500
9.08	Tile Waterproofing Membrane	$19,840	1989	40	22											
9.09	Carpeting	$8,360	2001	10	4				$8,360							
9.10	Refuse Chute	$8,500	1978	60	31											$8,360
9.11	Boiler	$7,500	1988	30	11	$7,500										
9.12	Hot Water Tank	$2,500	1988	30	11	$2,500										$7,500
9.13	Wood & Plaster Fence	$7,875	1978	35	6											$2,500
9.14	Wood Bollards	$1,250	1978	35	6											$2,500
10.00	**BUILDING E - 1290 Sharon Park Drive**															
10.01	Composition Shingle Roofing	$30,105	1986	40	20											
10.02	Built Up Roofing	$19,670	1996	20	9											
10.03	Flashing & Gutters	$4,880	2006	30	20											
10.04	Downspouts	$3,840	2006	30	20											
10.05	Wood Railings	$24,475	1978	35	6											
10.06	Mail Boxes & Cubbies	$3,500	1992	25	17											
10.07	Exterior Tile	$20,760	1985	40	22								$3,500			$3,500
10.08	Tile Waterproofing Membrane	$19,840	1989	40	22											
10.09	Carpeting	$8,360	2001	10	4				$8,360							
10.10	Refuse Chute	$8,500	1978	60	31											$8,360
10.11	Boiler	$7,500	1988	30	11	$7,500										
10.12	Hot Water Tank	$2,500	1988	30	11	$2,500										$7,500
10.13	Wood & Plaster Fence	$7,875	1978	35	6											$2,500
10.14	Wood Bollards	$1,250	1978	35	6											$2,500
11.00	**BEE SCREENS**															
11.01	Install Screens	$23,000	2000	25	18											
12.00	**ELEVATORS**															
12.01	Refurbish Guide Rails	$3,500	2005	25	23									$23,000		$23,000
12.02	Refurbish Guide Rails	$3,500	2006	25	24											
12.03	Refurbish Guide Rails	$3,500	2007	25	25											
12.04	Refurbish Guide Rails	$3,500	2008	25	1											
12.05	Plunger 1202	$45,000	2007	40	25											
12.06	Plunger 1204	$45,000	2002	40	35											
12.07	Plunger 1230	$45,000	2012	40	5											
12.08	Plunger 1280	$45,000	2017	40	10	$45,000										
12.09	Plunger 1260	$45,000	2022	40	15											
12.10	Elevator Controllers	$125,000	1978	35	6											$45,000
12.11	Elevator Cab Upgrades	$37,500	1978	35	6											$45,000
12.12	Elevator Lobby Improvements		2006	25	24											$75,000
13.00	**WOOD BRIDGES**															
13.01	Repairs	$4,500	2004	6	3											

PROJECTED EXPENDITURE SCHEDULE - SECOND TEN YEARS

CODE	COMPONENT DESCRIPTION	REPLACE/ REPAIR CST	YEAR NEW	USEFUL LIFE	RMNG LIFE	YR 11 2017	YR 12 2018	YR 13 2019	YR 14 2020	YR 15 2021	YR 16 2022	YR 17 2023	YR 18 2024	YR 19 2025	YR 20 2026	TOTAL 2nd 10 Yrs
UNSCHEDULED EXPENSE		5.00%				$4,297	$11,065	$0	$625	$1,124	$5,556	$0	$2,999	$1,150	$1,500	[illegible]
TOTAL REPAIR/REPLACEMENT EXPENSE						[illegible]	[illegible]	$0	$13,123	$86,189	$116,381	$0	$62,790	$24,150	$54,500	$685,245
INFLATION FACTOR		3.50%				1.37	1.41	1.46	1.51	1.55	1.60	1.65	1.71	1.76	1.82	
INFLATED EXPENDITURES						[illegible]	[illegible]	$0	$19,767	$133,058	[illegible]	$0	[illegible]	[illegible]	[illegible]	

10.00 C

PROJECTED EXPENDITURE SCHEDULE - THIRD TEN YEARS

CODE	COMPONENT DESCRIPTION	REPLACE. REPAIR COST	YEAR NEW	USEFUL LIFE	REMAINING LIFE	YR 21 2027	YR 22 2028	YR 23 2029	YR 24 2030	YR 25 2031	YR 26 2032	YR 27 2033	YR 28 2034	YR 29 2035	YR 30 2036	TOTAL Ten Years
1.00	ELECTRICAL															
1.01	Emergency Lighting	$4,875	1992	25	11											
1.02	Emergency Lighting	$5,625	1992	25	11											
1.03	Exterior Lighting	$1,350	2004	15	24											
1.04	Garage Lighting	$22,275	1978	25	1			$22,275								$22,275
1.05	Fire Exits	$18,000	1978	25	1											
1.06	Emergency Power System	$7,000	1978	25	1											
2.00	TRELLIS REPLACEMENT ALLOWANCES															
2.01	Replace Trellis Posts	$20,000	2006	5	4					$20,000						$20,000
2.02	Trellis Replacement	$10,000	2006	5	4					$10,000					$10,000	$20,000
3.00	PAINTING															
3.01	Paint Garage Interior	$12,500	1996	10	3						$12,500					$12,500
3.02	Paint Stairwells	$11,000	2006	5	4											
3.03	PMI Management	$15,000	2006	5	4			$11,000								$11,000
3.04	Paint Stucco	$60,000	2006	12	11			$45,000					$35,000			$80,000
3.05	Paint Entry Doors	$3,520	2006	6	5			$60,000								$60,000
3.06	Paint Interior Doors	$8,250	2006	6	5			$3,520							$3,520	$3,520
3.07	Scaffolding Allowance	$25,000	2006	6	5			$5,580							$8,250	$13,830
4.00	SIDING & TRIM REPLACEMENT ALLOWANCES							$25,000							$25,000	$50,000
4.01	Stucco Siding Repair Allowance	$5,500	2006	12	11			$5,500								$5,500
4.02	Trim Replacement Allowance	$5,500	2006	12	11			$2,500							$5,500	$11,000
4.03	Shingle Siding Replacement Allowance	$15,000	2006	6	5			$15,000					$15,000			$30,000
4.04	Fascia Replacement	$88,493	2006	12	11											
5.00	ROOF, GUTTER, SIDING DRY ROT REPAIRS															
5.01	Dry Rot Repair, Gutter Replacement & Roof Patching	$1,100,000	2006	100	99											
5.02	Unscheduled Expense -	$1,807	2006	100	99											
5.03	Unscheduled Expense - Roof Contract Fascia Project	$22,200	2006	100	99											
5.04	Unscheduled Expense - Architect - Fascia Project	$4,128	2006	100	99											
5.05	Unscheduled Expense - Project Mgmt - PML	$3,375	2006	100	99											
5.06	Unscheduled Expense - Misc. Admin - Fascia Project	$2,170	2006	100	99											
6.00	BUILDING A - 1280 Sharon Park Drive															
6.01	Composition Shingle Roofing	$39,489	1976	40	10										$39,498	$39,498
6.02	Built Up Roofing	$30,080	1993	20	7										$30,080	$30,080
6.03	Flashing & Gutters	$5,920	2006	30	29										$5,920	$5,920
6.04	Downspouts	$4,800	2006	30	29										$4,800	$4,800
6.05	Wood Railings	$13,450	1978	35	6											
6.06	Mail Boxes & Lobby	$3,500	1990	25	17											
6.07	Exterior Tile	$55,860	1983	40	23		$55,860									$55,860
6.08	Tile Waterproofing Membrane	$37,240	1983	40	22		$37,240									$37,240
6.09	Carpeting	$19,745	2001	10	4				$19,745							$19,745
6.10	Refuse Chute	$8,500	1978	60	31											
6.11	Boiler	$7,500	1988	30	11											
6.12	Hot Water Tank	$2,500	1988	30	11											
6.13	Wood & Plaster Fence	$7,875	1978	35	6											
6.14	Wood Bollards	$1,250	1978	35	6											
7.00	BUILDING B - 1202 Sharon Park Drive															
7.01	Composition Shingle Roofing	$27,971	1997	40	30											
7.02	Built Up Roofing	$18,030	1997	20	10											
7.03	Flashing & Gutters	$4,472	2006	30	29										$4,472	$4,472
7.04	Downspouts	$3,529	2006	30	29										$3,529	$3,529
7.05	Wood Railings	$22,440	1978	35	6											
7.06	Mail Boxes & Lobby	$3,500	1990	25	17											
7.07	Exterior Tile	$27,285	1989	40	22		$27,285									$27,285
7.08	Tile Waterproofing Membrane	$18,190	1989	40	22		$18,190									$18,190
7.09	Carpeting	$7,810	2001	10	4				$7,810							$7,810
7.10	Refuse Chute	$8,500	1978	60	31											
7.11	Boiler	$7,500	2003	30	26							$7,500				$7,500
7.12	Hot Water Tank	$2,500	1988	30	11											
7.13	Wood & Plaster Fence	$7,200	1978	35	6											
7.14	Wood Bollards	$1,250	1978	35	6											
8.00	BUILDING C - 1204 Sharon Park Drive															

10.00C

PROJECTED EXPENDITURE SCHEDULE - THIRD TEN YEARS

COMPONENT CODE	DESCRIPTION	REPLACE. COST	YEAR NEW	USEFUL LIFE	REMNG LIFE	YR 21 2027	YR 22 2028	YR 23 2029	YR 24 2030	YR 25 2031	YR 26 2032	YR 27 2033	YR 28 2034	YR 29 2035	YR 30 2036	TEN YEARS
8.01	Composition Shingle Roofing	$27,675	1993	30	16											
8.02	Built Up Roofing	$18,020	1997	20	13											
8.03	Flashing & Gutters	$4,172	2006	25	22										$4,172	$4,172
8.04	Downspouts	$3,520	2006	30	22										$3,520	$3,520
8.05	Wood Railings	$22,440	1978	35	6											
8.06	Mail Boxes & Lobby	$4,500	1990	25	18											
8.07	Exterior Tile	$27,280	1989	40	22		$27,280									$27,280
8.08	Tile Waterproofing Membrane	$18,150	1989	40	22		$18,150									$18,150
8.09	Carpeting	$16,170	2001	10	4											$16,170
8.10	Refuse Chute	$8,500	1978	60	31					$7,810						$7,810
8.11	Boiler	$7,500	1988	30	11											
8.12	Hot Water Tank	$2,500	1988	30	11											
8.13	Wood & Plaster Fence	$7,205	1978	35	7											
8.14	Wood Bollards	$1,250	1978	35	6											
9.00	**BUILDING D - 1230 Sharon Park Drive**															
9.01	Composition Shingle Roofing	$30,105	1996	40	29										$30,105	$30,105
9.02	Built Up Roofing	$19,670	1996	20	9										$19,670	$19,670
9.03	Flashing & Gutters	$4,880	2006	30	22										$4,880	$4,880
9.04	Downspouts	$3,840	2006	30	22										$3,840	$3,840
9.05	Wood Railings	$24,475	1978	35	6											
9.06	Mail Boxes & Lobby	$3,500	1990	25	17											
9.07	Exterior Tile	$29,760	1989	40	22		$29,760									$29,760
9.08	Tile Waterproofing Membrane	$19,840	1989	40	22		$19,840									$19,840
9.09	Carpeting	$8,360	2001	10	4					$8,360						$8,360
9.10	Refuse Chute	$8,500	1978	60	31											
9.11	Boiler	$7,500	1988	30	11											
9.12	Hot Water Tank	$2,500	1988	30	11											
9.13	Wood & Plaster Fence	$7,875	1978	35	6											
9.14	Wood Bollards	$1,250	1978	35	6											
10.00	**BUILDING E - 1290 Sharon Park Drive**															
10.01	Composition Shingle Roofing	$30,105	1996	40	23										$30,105	$30,105
10.02	Built Up Roofing	$19,670	1996	20	9										$19,670	$19,670
10.03	Flashing & Gutters	$4,880	2006	30	22										$4,880	$4,880
10.04	Downspouts	$3,840	2006	30	22										$3,840	$3,840
10.05	Wood Railings	$24,475	1978	35	6											
10.06	Mail Boxes & Lobby	$3,500	1990	25	17											
10.07	Exterior Tile	$29,760	1989	40	22		$29,760									$29,760
10.08	Tile Waterproofing Membrane	$19,840	1989	40	22		$19,840									$19,840
10.09	Carpeting	$8,360	2001	10	4					$8,360						$8,360
10.10	Refuse Chute	$8,500	1978	60	31											
10.11	Boiler	$7,500	1988	30	11											
10.12	Hot Water Tank	$2,500	1988	30	11											
10.13	Wood & Plaster Fence	$2,875	1978	35	5											
10.14	Wood Bollards	$1,250	1978	35	6											
11.00	**BEE SCREENS**															
11.01	Install Screens	$23,000	2000	25	18											
12.00	**ELEVATORS**															
12.01	Refurbish Guide Rails	$3,500	2005	25	23				$4,500							$4,500
12.02	Refurbish Guide Rails	$3,500	2006	25	24					$3,500						$3,500
12.03	Refurbish Guide Rails	$3,500	2007	25	25						$3,500					$3,500
12.04	Refurbish Guide Rails	$3,500	2008	25	1							$3,500				$3,500
12.05	Plunger 1292	$45,000	2007	40	40											
12.06	Plunger 1294	$45,000	2002	40	35											
12.07	Plunger 1236	$45,000	2012	40	5											
12.08	Plunger 1288	$45,000	2017	40	10											
12.09	Plunger 1290	$45,000	2022	40	15											
12.10	Elevator Controllers	$125,000	1978	35	6											
12.11	Elevator Cab Upgrades	$37,500	1978	35	6											
12.12	Elevator Lobby Improvements		2006	25	24											
13.00	**WOOD BRIDGES**															
13.01	Repairs	$1,500	2004	5	3		$4,500						$4,500			$9,000

PROJECTED EXPENDITURE SCHEDULE - THIRD TEN YEARS

COMPONENT DESCRIPTION	REPLACE/ REPAIR COST	YEAR NEW	USEFUL LIFE	RMNG LIFE	[illegible] 2027	[illegible] 2028	[illegible]	[illegible] 2030	[illegible] 2031	[illegible]	[illegible]	[illegible]	[illegible]	YR [illegible]	TOTAL [illegible]
UNSCHEDULED EXPENSE	5.00%				$0	$225	$[illegible]	$[illegible]	$4,270	$450	$[illegible]	$[illegible]	$0	$1[illegible]	$[illegible]
TOTAL REPAIR/REPLACEMENT EXPENSE					$0	$1,725	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
INFLATION FACTOR	3.00%				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
INFLATED EXPENDITURE					$0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$20[illegible]	[illegible]	$0	$221,0[illegible]	

11.00 NEXT 3 YEARS PROJECTED EXPENDITURES

Year 1 - 2007

12.00 ELEVATORS	
12.03 Refurbish Guide Rails	$3,500
12.05 Plunger 1202	$45,000
Unscheduled Expenses	$2,425
Year 1 - 2007 Total Proposed Expenditures:	**$50,925**

Year 2 - 2008

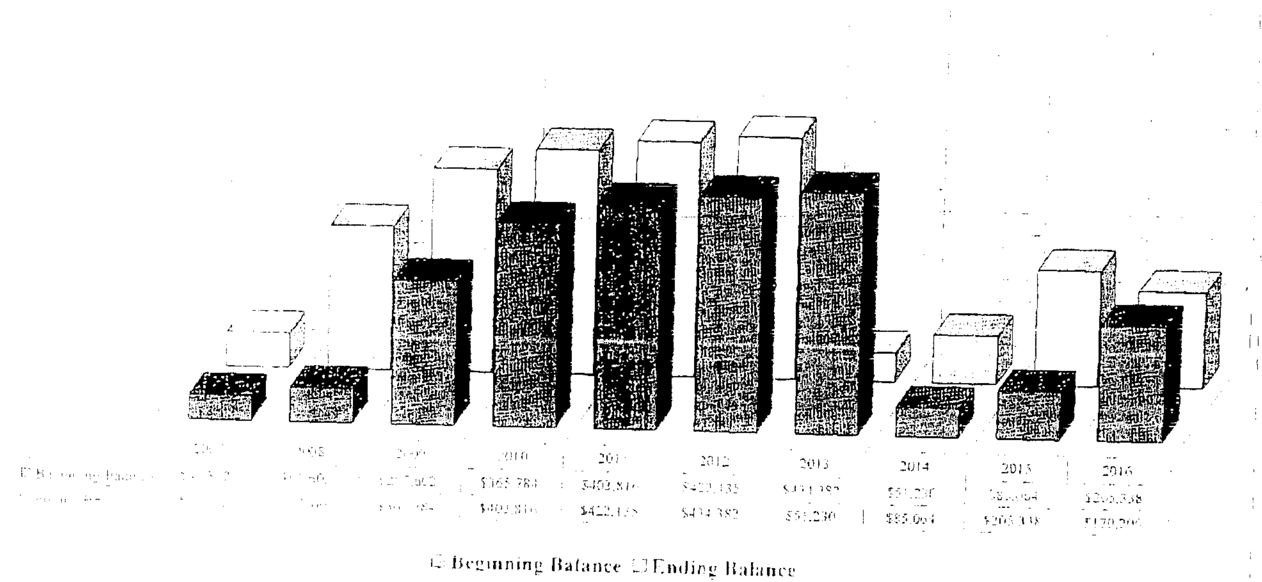
3.00 PAINTING	
3.01 Paint Garage Interior	$12,500
12.00 ELEVATORS	
12.04 Refurbish Guide Rails	$3,500
Unscheduled Expenses	$800
Year 2 - 2008 Total Proposed Expenditures:	**$16,800**

Year 3 - 2009

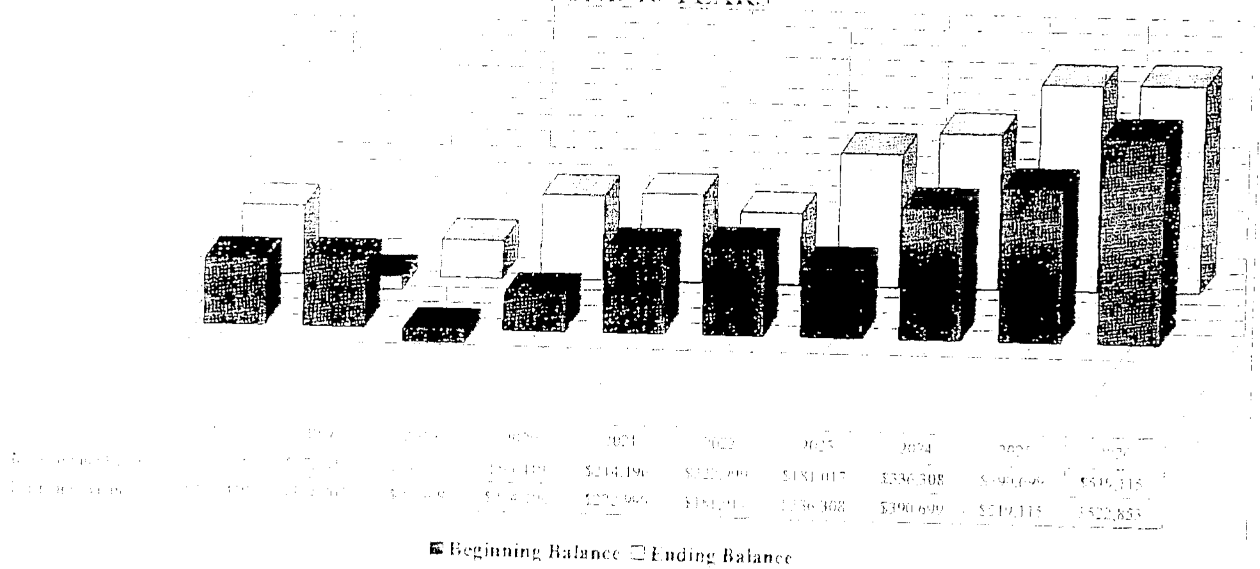
Year 3 - 2009 Total Proposed Expenditures:	**$0**

GRAPHIC ILLUSTRATIONS

RESERVE FUND BALANCE ANALYSIS
FIRST 10 YEARS



RESERVE FUND BALANCE ANALYSIS
SECOND 10 YEARS



RESERVE FUND BALANCE ANALYSIS
THIRD 10 YEARS

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Beginning Balance	[illegible]	$791,358	$900,923	$495,230	$282,367	$282,170	$418,228	$637,879	$703,462	$942,684
Ending Balance	[illegible]	$900,923	$495,230	$282,367	$282,170	$418,228	$637,879	$703,462	$942,684	$395,927

☐ Beginning Balance ☐ Ending Balance

13.00 RESOURCE REFERENCES

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:	955 Island Boulevard, # 301
CITY, STATE:	San Mateo, California 94401
PHONE:	(650) 349-9113

TRADE:	Component Replacement Dates
NAME:	Mr. Stephen Fox
CONTACT	PML Management
ADDRESS	955 Island Boulevard, # 301
CITY, STATE:	San Mateo, California 94401
PHONE	(650) 349-9113

1.00

RESERVE STUDY FINANCIAL SUMMARY

CONTACT INFORMATION

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

PROPERTY INFORMATION

BEGINNING YEAR OF STUDY:	2007	NUMBER OF UNITS IN PROJECT:	64
YEAR CONSTRUCTED:	1978	NUMBER OF BUILDINGS ANALYZED:	5
NUMBER OF CONSTRUCTION PHASES:	2	YEAR ENDING DATE:	12/31
YEAR OF LAST PHYSICAL INSPECTION:	2006		
PERFORMED BY:	Reserve Analysis Consulting, L.L.C		
YEAR OF NEXT PHYSICAL INSPECTION:	2008 (as required by the Davis-Stirling Act - 1997)		
COMPLETE SET PLANS AVAILABLE:	YES [ ]	NO [X]	
MAINTENANCE PLANS AVAILABLE:	YES [X]	NO [ ]	

RESERVE STUDY PREPARED:

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 Island Boulevard, # 301
San Mateo, California 94401
(650) 349-9113

COMMENTS/ADJUSTMENT:

RESERVE ACCOUNT INFORMATION

2007 PROJECTED BEGINNING YEAR BALANCE:	$44,802	2007 CURRENT RETURN ON ACCOUNT:	4.00%
CALCULATED MINIMUM RESERVE BALANCE:	N/A	2007 PROJECTED REPLACEMENT EXPENSES:	$50,925
CURRENT CALCULATED PERCENT FUNDED:	5.72%	2007 PROJECTED EXPENDITURE/CASH RATIO:	100%
2007 ANNUAL RESERVE FUND:	$56,832	2007 ANNUAL CONTRIBUTION:	$65,357
2007 ANNUAL INTEREST EARNED:	$4,736	2007 MONTHLY CONTRIBUTION:	$5,446
2007 UNIT PER MONTH TO RESERVE FUND:	$74.00	2007 UNIT PER MONTH CONTRIBUTION:	$85.10
2007 FIVE YEARS SPECIAL ASSESSMENT:	N/A	2007 TOTAL SPECIAL ASSESSMENT:	$0
TOTAL VALUE OF COMPONENTS:	$2,864,558		

2.00 RESERVE STUDY REQUIREMENTS

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 it's 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 component's estimated useful life is greater than one year.
The component's 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 Davis-Stirling Act.

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

The recommended 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	ELECTRICAL						
1.01	Emergency Lighting	1992	25	10	$4,875	$195	$2,925
1.02	Emergency Lighting	1997	25	15	$1,625	$65	$650
1.03	Exterior Lighting	2005	25	23	$1,750	$70	$140
1.04	Garage Lighting	1978	35	6	$22,575	$645	$18,705
1.05	Exit Lights	1978	35	6	$13,500	$386	$11,186
1.06	Emergency Power System	1978	35	6	$7,000	$200	$5,800
2.00	TRELLIS REPLACEMENT ALLOWANCES						
2.01	Replace Trellis Posts	2006	5	4	$20,000	$4,000	$4,000
2.02	Trellis Replacement	2006	5	4	$10,000	$2,000	$2,000
3.00	PAINTING						
3.01	Paint Garage Interior	1996	12	1	$12,500	$1,042	$11,458
3.02	Paint Stairwells	2006	12	11	$11,000	$917	$917
3.03	PMI Managemen	2006	4	3	$45,000	$11,250	$11,250
3.04	Paint Stucco	2006	12	11	$60,000	$5,000	$5,000
3.05	Paint Entry Doors	2006	6	5	$3,520	$587	$587
3.06	Paint Interior Doors	2006	6	5	$8,280	$1,380	$1,380
3.07	scaffolding Allowance	2006	6	5	$25,000	$4,167	$4,167
4.00	SIDING & TRIM REPLACEMENT ALLOWANCES						
4.01	stucco Siding Repair Allowance	2006	12	11	$5,500	$458	$458
4.02	Trim Replacement Allowance	2006	6	5	$5,500	$917	$917
4.03	Shingle Siding Replacement Allowance	2006	4	3	$15,000	$3,750	$3,750
4.04	Fascia Replacement	2006	35	34	$88,493	$2,528	
5.00	ROOF, GUTTER, SIDING DRY ROT REPAIRS						
5.01	Dry Rot Repair, Gutter Replacement & Roof Patching	2006	100	99	$1,100,000	$11,000	
5.02	Unscheduled Expense -	2006	100	99	$1,807	$18	
5.03	Unscheduled Expense - Roof Contract Facia Project	2006	100	99	$22,200	$222	
5.04	Unscheduled Expense - Architect - Facia Project	2006	100	99	$4,128	$41	
5.05	Unscheduled Expense - Project Mgmt - PMI	2006	100	99	$3,375	$34	
5.06	Unscheduled Expense - Misc. Admin - Facia Project	2006	100	99	$2,376	$24	
6.00	BUILDING A - 1280 Sharon Park Drive						
6.01	Composition Shingle Roofing	1996	40	29	$39,488	$987	$10,859
6.02	Built Up Roofing	1996	20	9	$39,080	$1,954	$21,494
6.03	Flashing & Gutter	2006	30	29	$5,920	$197	$197
6.04	Downspouts	2006	30	29	$4,800	$160	$160
6.05	Wood Railing	1978	35	6	$43,450	$1,241	$36,001
6.06	Mail Boxes & Entry	1999	25	17	$3,500	$140	$1,120
6.07	Exterior Tile	1989	40	22	$55,860	$1,397	$25,137
6.08	Tile Waterproofing Membrane	1989	40	22	$37,240	$931	$16,758
6.09	Carpeting	2001	10	4	$19,745	$1,975	$11,847
6.10	Incline Chute	1978	60	31	$8,500	$142	
6.11	Boiler	1988	30	11	$7,500	$250	$4,750

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)

6.12	Hot Water Tank	1988	30	11	$2,500	$83	$1,583
6.13	Wood & Plaster Fence	1978	35	6	$7,875	$225	$6,525
6.14	Wood Bollards	1978	35	6	$1,250	$36	$1,036
7.00	BUILDING B - 1202 Sharon Park Drive						
7.01	Composition Shingle Roofing	1997	40	30	$27,671	$692	$6,918
7.02	Built Up Roofing	1997	20	10	$18,030	$902	$9,015
7.03	Flashing & Gutters	2006	30	29	$4,472	$149	$149
7.04	Downspouts	2006	30	29	$3,520	$117	$117
7.05	Wood Railings	1978	35	6	$22,440	$641	$18,593
7.06	Mail Boxes & Lobby	1999	25	17	$3,500	$140	$1,120
7.07	Exterior Tile	1989	40	22	$27,285	$682	$12,278
7.08	Tile Waterproofing Membrane	1989	40	22	$18,190	$455	$8,186
7.09	Carpeting	2001	10	4	$7,810	$781	$4,686
7.10	Refuse Chute	1978	60	31	$8,500	$142	
7.11	Boiler	2003	30	26	$7,500	$250	$1,000
7.12	Hot Water Tank	1988	30	11	$2,500	$83	$1,583
7.13	Wood & Plaster Fence	1978	35	6	$7,200	$206	$5,966
7.14	Wood Bollards	1978	35	6	$1,250	$36	$1,036
8.00	BUILDING C - 1204 Sharon Park Drive						
8.01	Composition Shingle Roofing	1997	40	30	$27,671	$692	$6,918
8.02	Built Up Roofing	1997	20	10	$18,030	$902	$9,015
8.03	Flashing & Gutters	2006	30	29	$4,472	$149	$149
8.04	Downspouts	2006	30	29	$3,520	$117	$117
8.05	Wood Railings	1978	35	6	$22,440	$641	$18,593
8.06	Mail Boxes & Lobby	1999	25	17	$3,500	$140	$1,120
8.07	Exterior Tile	1989	40	22	$27,285	$682	$12,278
8.08	Tile Waterproofing Membrane	1989	40	22	$18,190	$455	$8,186
8.09	Carpeting	2001	10	4	$7,810	$781	$4,686
8.10	Refuse Chute	1978	60	31	$8,500	$142	
8.11	Boiler	1988	30	11	$7,500	$250	$4,750
8.12	Hot Water Tank	1988	30	11	$2,500	$83	$1,583
8.13	Wood & Plaster Fence	1978	35	6	$7,200	$206	$5,966
8.14	Wood Bollards	1978	35	6	$1,250	$36	$1,036
9.00	BUILDING D - 1230 Sharon Park Drive						
9.01	Composition Shingle Roofing	1996	40	29	$30,105	$753	$8,279
9.02	Built Up Roofing	1996	20	9	$19,670	$984	$10,819
9.03	Flashing & Gutters	2006	30	29	$4,880	$163	$163
9.04	Downspouts	2006	30	29	$3,840	$128	$128
9.05	Wood Railings	1978	35	6	$24,475	$699	$20,279
9.06	Mail Boxes & Lobby	1999	25	17	$3,500	$140	$1,120
9.07	Exterior Tile	1989	40	22	$29,760	$744	$13,392
9.08	Tile Waterproofing Membrane	1989	40	22	$19,840	$496	$8,928
9.09	Carpeting	2001	10	4	$8,360	$836	$5,016
9.10	Refuse Chute	1978	60	31	$8,500	$142	
9.11	Boiler	1988	30	11	$7,500	$250	$4,750
9.12	Hot Water Tank	1988	30	11	$2,500	$83	$1,583
9.13	Wood & Plaster Fence	1978	35	6	$7,875	$225	$6,525
9.14	Wood Bollards	1978	35	6	$1,250	$36	$1,036
10.00	BUILDING E - 1290 Sharon Park Drive						
10.01	Composition Shingle Roofing	1996	40	29	$30,105	$753	$8,279
10.02	Built Up Roofing	1996	20	9	$19,670	$984	$10,819
10.03	Flashing & Gutters	2006	30	29	$4,880	$163	$163
10.04	Downspouts	2006	30	29	$3,840	$128	$128
10.05	Wood Railings	1978	35	6	$24,475	$699	$20,279
10.06	Mail Boxes & Lobby	1999	25	17	$3,500	$140	$1,120
10.07	Exterior Tile	1989	40	22	$29,760	$744	$13,392
10.08	Tile Waterproofing Membrane	1989	40	22	$19,840	$496	$8,928
10.09	Carpeting	2001	10	4	$8,360	$836	$5,016

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)

10.10	Refuse Chute	1978	60	31	$8,500	$142	
10.11	Boiler	1988	30	11	$7,500	$250	$4,750
10.12	Hot Water Tank	1988	30	11	$2,500	$83	$1,583
10.13	Wood & Plaster Fence	1978	35	6	$7,875	$225	$6,525
10.14	Wood Bollards	1978	35	6	$1,250	$36	$1,036
11.00	BEE SCREENS						
11.01	Install Screens	2000	25	18	$23,000	$920	$6,440
12.00	ELEVATORS						
12.01	Refurbish Guide Rails	2005	25	23	$3,500	$140	$280
12.02	Refurbish Guide Rails	2006	25	24	$3,500	$140	$140
12.03	Refurbish Guide Rails	2007	25	25	$3,500	$140	$3,500
12.04	Refurbish Guide Rails	2008	25	1	$3,500	$140	$3,360
12.05	Plunger 1202	2007	40	40	$45,000	$1,125	
12.06	Plunger 1204	2002	40	35	$45,000	$1,125	
12.07	Plunger 1230	2012	40	5	$45,000	$1,125	$39,375
12.08	Plunger 1280	2017	40	10	$45,000	$1,125	$33,750
12.09	Plunger 1290	2022	40	15	$45,000	$1,125	$28,125
12.10	Elevator Controllers	1978	35	6	$125,000	$3,571	$103,571
12.11	Elevator Cab Upgrades	1978	35	6	$37,500	$1,071	$31,071
12.12	Elevator Lobby Improvements	2006	25	24		$0	
13.00	WOOD BRIDGES						
13.01	Repairs	2004	6	3	$4,500	$750	$2,250

Total Value of Components:	$2,864,558		
Annual Component Contribution:		$95,016	
Total Dollars Required:			$783,698
Actual Dollars In Reserve Fund:			$44,802
Percent Funded:			5.72%
(Actual dollars/Total dollars Required)			

4.00 GENERAL RESERVE STUDY NOTES

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 it's 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 it's 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 - Condominiums
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 $74.00 per unit per month.
The proposed average Reserve contribution for 2007 is $85.10 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 $3,012.00
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 ouside 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

Future economic conditions, unforseen 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.

(4) 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
2008	$ 1,953	$ 163

(5) 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
4.04	Fascia Replacement	34	Not in time scope of study.
5.01	Dry Rot Repair, Gutter Replacement & Roof F	99	Not in time scope of study.
5.02	Unscheduled Expense -	99	Not in time scope of study.
5.03	Unscheduled Expense - Roof Contract Facia	99	Not in time scope of study.
5.04	Unscheduled Expense - Architect - Facia Pro,	99	Not in time scope of study.
5.05	Unscheduled Expense - Project Mgmt - PML	99	Not in time scope of study.

5.06	Unscheduled Expense - Misc. Admin - Facia l	99	Not in time scope of study.
6.1	Refuse Chute	31	Not in time scope of study.
7.1	Refuse Chute	31	Not in time scope of study.
8.1	Refuse Chute	31	Not in time scope of study.
9.1	Refuse Chute	31	Not in time scope of study.
10.1	Refuse Chute	31	Not in time scope of study.
12.05	Plunger 1202	40	Not in time scope of study.
12.06	Plunger 1204	35	Not in time scope of study.

6) As of the last reserve study or update, as dated below, the projected beginning balance in the reserve fund is $44,802.
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 $783,698.

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.

