

J.D. BROOKS

RESERVE STUDIES

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EUCALYPTUS GROVE HOA

GOLETA, CA

RESERVE STUDY REPORT: DECEMBER 1, 2019

**RECOMMENDATIONS FOR THE BUDGET YEAR PERIOD
FROM: JANUARY 1, 2020
THROUGH: DECEMBER 31, 2020**

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INTRODUCTION

This Reserve Study is an evaluation of the association's Common Area Components and their Reserve Funds. It was prepared after a thorough on-site inspection performed on: July 23, 2019

The goal is to keep the Reserve Funds at a sufficient level for future repair and/or replacement of these components and to disclose this information formally to the Association.

Eucalyptus Grove HOA

a condominium development consisting of thirteen: three-story buildings, plus a pool house, is located in: Goleta, CA

The community is comprised of 179 units built in 1985.

The Association's Fiscal Year End is December 31.

This study's Reserve Component Inventory lists the components that require reserve funding.

The Projected Reserve Fund Balance at Fiscal Year End 2019 is \$2,710,500.

The Ideal Reserve Fund Balance at Fiscal Year End 2019 is \$2,677,993.

Therefore, the Reserve Fund is theoretically 101% Funded.

The Current (2019) Annual Reserve Contribution is set at approximately \$312,544.

J.D. Brooks recommends increasing this Annual Reserve Contribution to \$325,539 (The Cash-Flow (Minimum) Contribution) for 2020, plus a contribution increase of 3% annually. This funding plan *should* keep the association's Reserve Fund above \$186,890 over a thirty-year period.

NOTE: This Funding Plan includes the assumption that all Interest earned on the Reserve Funds will be re-invested back into the Reserve Accounts (Net after Tax obligations)

The Repair / Replace Estimates and other parameters used in this study were estimated with the assistance of information obtained from one or more of the following:

- 1 The Association's Board of Directors.
- 2 The Association's Property Manager.
- 3 Vendor (Subcontractor) Proposal / Contract for work.
- 4 Vendor (Subcontractor) experience with the Association.
- 5 Construction estimating reference books & databases.
- 6 J.D. Brooks database of area construction costs and similar reserve studies.

This reserve study does not imply a warranty or guarantee of any form.

The named Association, by receiving this study, agrees to release J.D. Brooks from any claims and/or lawsuits.

RESERVE STUDY SUMMARY

ASSOCIATION INFORMATION:

Name of Association: EUCALYPTUS GROVE HOA
Location: GOLETA, CA
Number of Units: 179
Approximate Age of Complex: 34

This report recommends contributions for Budget Year:

Beginning: JANUARY 1, 2020
Ending: DECEMBER 31, 2020

Reserve Study Report Date: DECEMBER 1, 2019
Current Fiscal Year End: DECEMBER 31, 2019

CURRENT FUNDS SUMMARY:

Projected Reserve Balance at Current Fiscal Year End: \$2,710,500
Ideal Reserve Balance at Current Fiscal Year End: \$2,677,993

PERCENT FUNDED: **101%**

CURRENT RESERVE CONTRIBUTIONS:

	Annual	Monthly	Monthly Per Unit
2019 Budgeted Reserve Contribution:	\$312,544	\$26,045	\$145.50

RECOMMENDATIONS FOR BUDGET YEAR 2020

RESERVE CONTRIBUTION MODELS:

2020 J.D. Brooks Recommendation in Box

	Annual	Monthly	Monthly Per Unit
2020 Straight-Line Contribution:	\$316,703	\$26,392	\$147.44
2020 Deficit Reduction Contribution:	\$316,703	\$26,392	\$147.44
2020 Cash-Flow (Minimum) Contribution:	\$325,539	\$27,128	\$151.55

RESERVE STUDY DEFINITIONS

AVG. NET INTEREST ON RESERVE SAVINGS:

Average amount (after tax) of interest re-invested into the Reserve Account

CASH-FLOW (MINIMUM) CONTRIBUTION:

Calculated by not allowing the Reserve Balance to ever fall below (5% of the Total Replacement Cost of all the components) over a thirty-year period.

This Funding Plan should keep the Reserve Fund Balance just above \$0.

DEFICIT REDUCTION ANNUAL CONTRIBUTION:

Equals (the Straight-Line Annual Contribution) plus {(the Underfunded Balance if any) divided by (the Remaining Life)}.

F.Y.E. (FISCAL YEAR END):

End of the accounting budget year.

IDEAL BALANCE AT F.Y.E.:

Equals (the Straight-Line Annual Contribution) multiplied by (the age) of the component.

INFLATION RATE:

Average Inflation Rate for the region and year.

PERCENT FUNDED:

Equals (the Projected Reserve Balance at Fiscal Year End) divided by (the Ideal Reserve Balance at Fiscal Year End).

PROJECTED BALANCE AT F.Y.E.:

Projected Reserve Balances for each Reserve Component. Calculated according to priority (need) of replacement.

RESERVE COMPONENT:

Common Area item that requires replacement within thirty-years.

RMNG. LIFE (REMAINING LIFE):

Life-span remaining for the Reserve Component.

STRAIGHT-LINE ANNUAL CONTRIBUTION:

Equals (the Repair/Replace Cost) divided by (the Useful Life).

SURPLUS / DEFICIT:

Equals (the Ideal Balance at F.Y.E.) minus (the Projected Balance at F.Y.E.).

UNIT COST:

Cost per unit of measure.

UNIT TYPE:

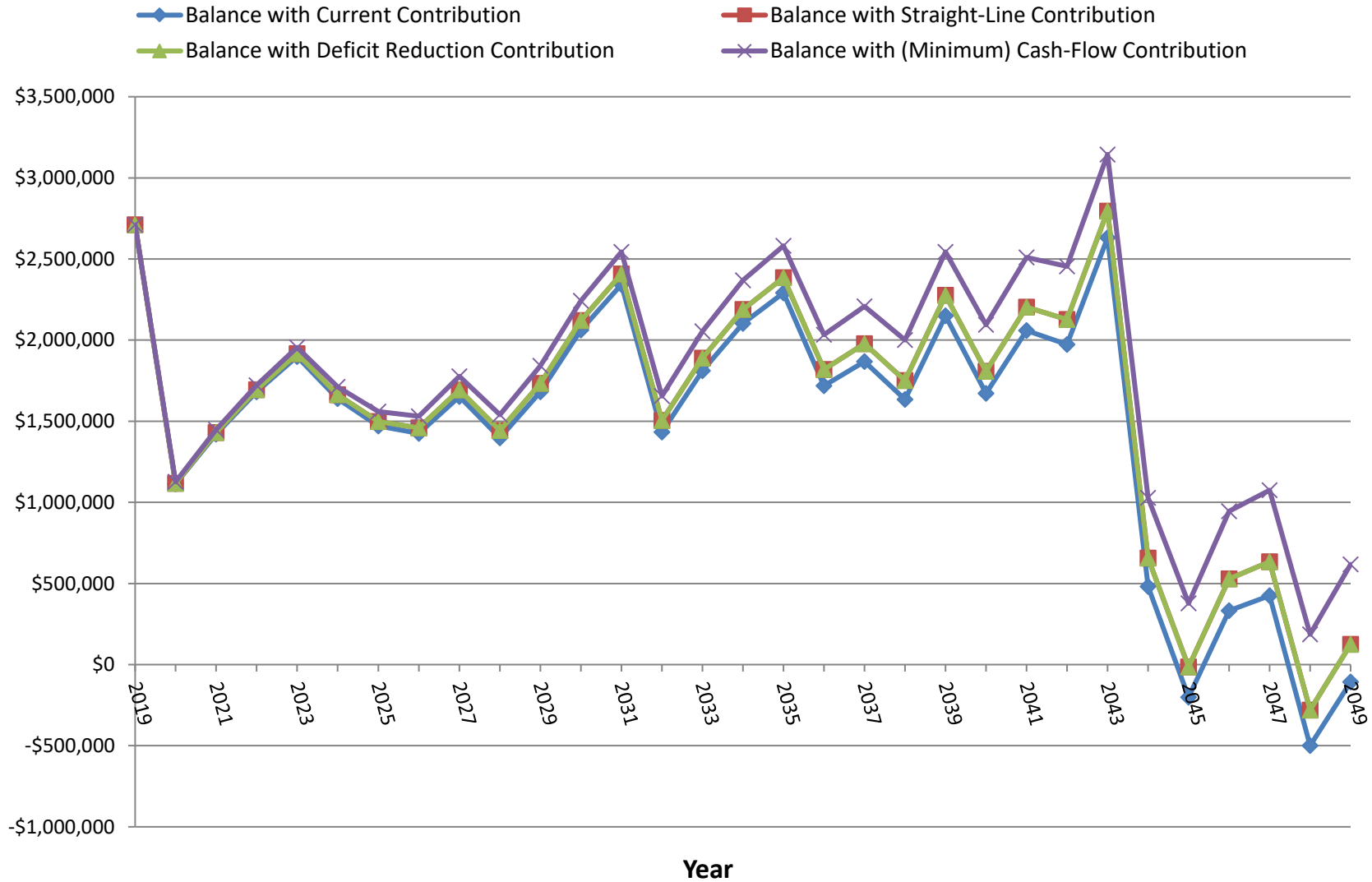
Unit of measure.

USEFUL LIFE:

Expected life-span of the Reserve Component.

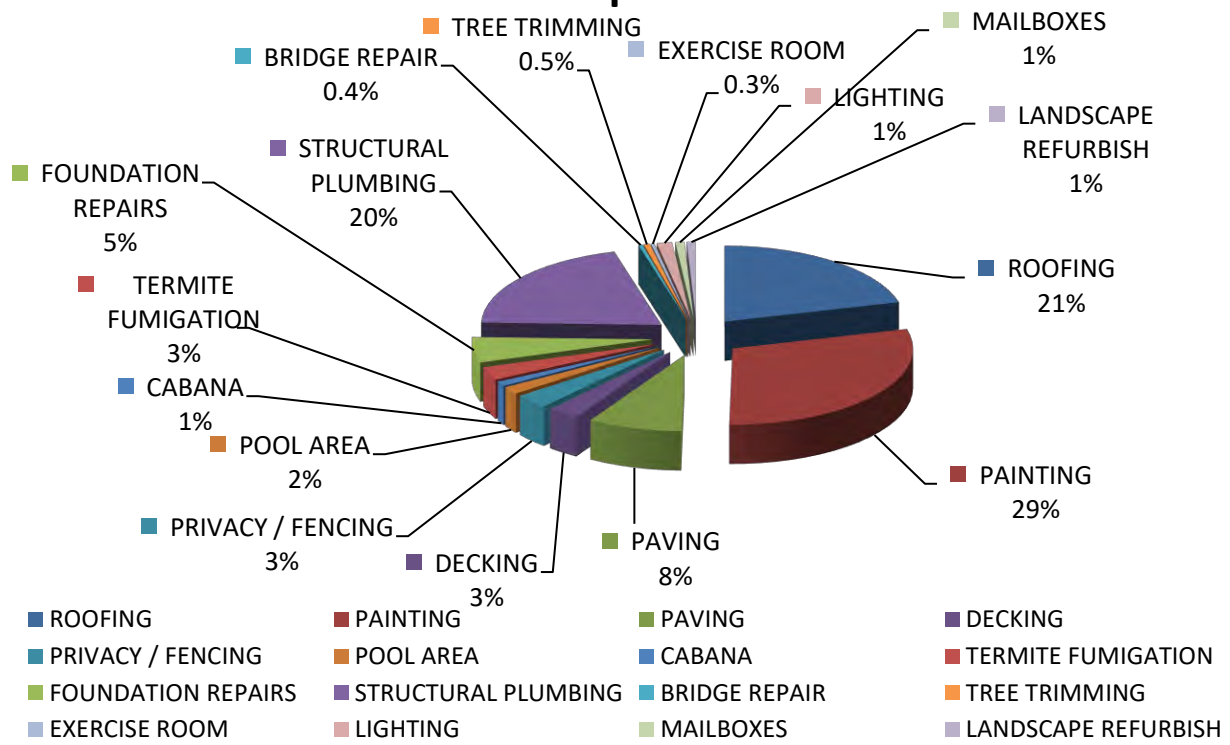
EUCALYPTUS GROVE HOA

Thirty-Year Reserve Balance Projections

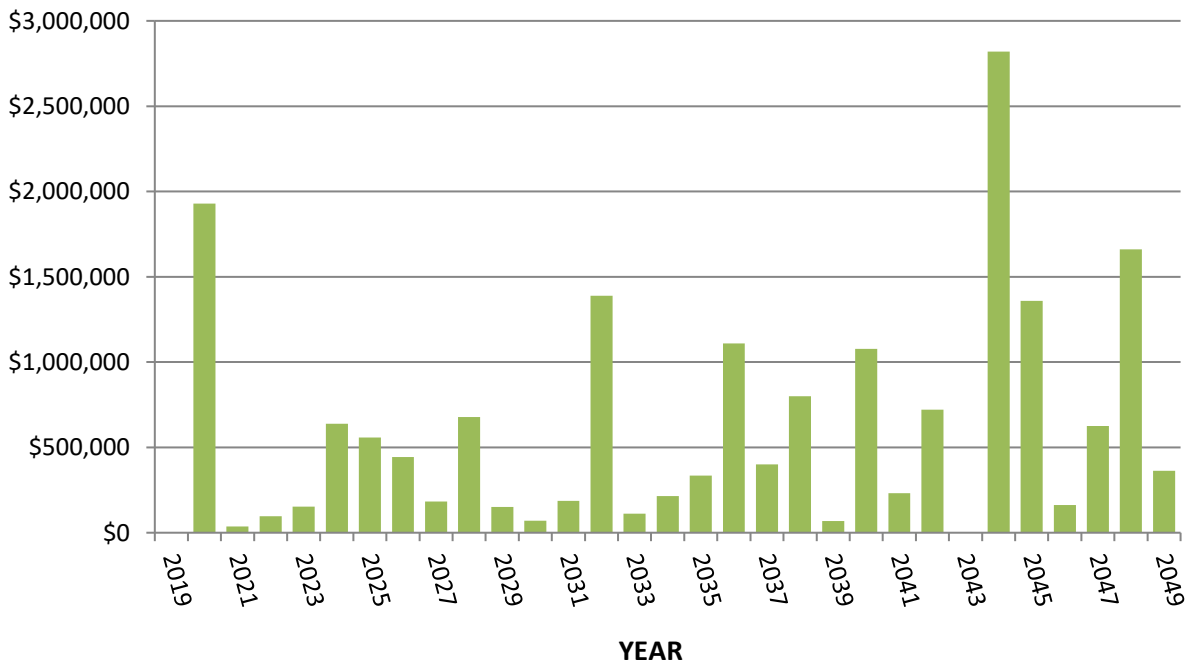


EUCALYPTUS GROVE HOA

Reserve Category Values As Percentage Of All Components



Projected Annual Reserve Expenses



12/1/2019

EUCALYPTUS GROVE HOARESERVE COMPONENT
INVENTORY

CURRENT FISCAL YEAR END: DECEMBER 31, 2019

NUMBER OF UNITS: 179

CATEGORY	UNIT	UNIT	REPAIR /	USEFUL	RMNG.	STRAIGHT-LINE	IDEAL	PROJECTED	DEFICIT		
RESERVE COMPONENT	QUANTITY	TYPE	REPLACE	LIFE	LIFE	ANNUAL	BALANCE	BALANCE	REDUCTION		
			COST			CONTRIBUTION	@F.Y.E.2019	@F.Y.E.2019	ANNUAL		
								SURPLUS	CONTRIBUTION		
ROOFING											
COMP.S:7626,7630,7634	3	BLDG.	35000	105,000	25	12	4,200	58,800	58,800	-	4,200
COMP.S: 7624, 7628	2	BLDG.	35000	70,000	25	15	2,800	30,800	30,800	-	2,800
COMP.S: 7636, 7638	2	BLDG.	35000	70,000	25	16	2,800	28,000	28,000	-	2,800
COMP.S:7602,7606,7610	3	BLDG.	35000	105,000	25	17	4,200	37,800	37,800	-	4,200
COMP.S:7620,7632,7640	3	BLDG.	35000	105,000	25	18	4,200	33,600	33,600	-	4,200
COMP.S: POOL CABANA	1	BLDG.	5000	5,000	25	18	200	1,600	1,600	-	200
METAL CARPORT	30,000	SqFT	8.00	240,000	30	1	8,000	240,000	240,000	-	8,000
GUTTER & DOWNSPOUTS	7,200	LNFT	10.00	72,000	30	30	2,400	2,400	2,400	-	2,400
PAINTING											
WOOD SIDING	120,000	SqFT	1.20	144,000	6	1	24,000	144,000	144,000	-	24,000
WOOD & METAL TRIM	35,000	SqFT	1.80	63,000	4	1	15,750	63,000	63,000	-	15,750
CARPORTS	60,000	SqFT	1.40	84,000	6	1	14,000	84,000	84,000	-	14,000
METAL FENCE & RAIL	4,000	SqFT	1.40	5,600	3	1	1,867	5,600	5,600	-	1,867
FRONT WOOD FENCE	600	LNFT	10.00	6,000	6	1	1,000	6,000	6,000	-	1,000
WOOD DRYROT REPAIRS	1	ALLOW	375000	375,000	4	1	93,750	375,000	375,000	-	93,750
WOOD SIDING REPLACE	1	ALLOW	410000	410,000	20	6	20,500	307,500	307,500	-	20,500
INTERIOR PAINTING (600 SF) OPERATING MAINTENANCE EXPENSE											
PAVING											
ASPHALT SLURRY/REPAIR	120,000	SqFT	0.19	22,800	3	2	7,600	15,200	15,200	-	7,600
ASPHALT OVERLAY	120,000	SqFT	1.90	228,000	25	25	9,120	9,120	9,120	-	9,120
CONCRETE REPAIRS	1	ALLOW	60000	60,000	3	1	20,000	60,000	60,000	-	20,000
DECKING											
STAIR LANDING RESEAL	4,600	SqFT	5.00	23,000	5	1	4,600	23,000	23,000	-	4,600
STAIR LANDING RESURFACE	4,600	SqFT	10.00	46,000	20	5	2,300	36,800	36,800	-	2,300
TREX MID-LANDINGS	1	ALLOW	37000	37,000	30	27	1,233	4,933	4,933	-	1,233
PRIVATE BALCONY SURFACES INDIVIDUAL HOMEOWNER'S EXPENSE											
PRIVACY / FENCING											
INTERCOM	1	UNIT	5800	5,800	15	12	387	1,547	1,547	-	387
FRONT GATE WIRING	1	ALLOW	8000	8,000	10	9	800	1,600	1,600	-	800
GATE OPERATORS (ROLL)	2	UNIT	3500	7,000	10	9	700	1,400	1,400	-	700
VEHICLE ROLL GATES	2	UNIT	4000	8,000	25	3	320	7,360	7,360	-	320
KEY FOB READERS	3	UNIT	2000	6,000	12	7	500	3,000	3,000	-	500
GATE KEYPADS	2	UNIT	2000	4,000	12	2	333	3,667	3,667	-	333
FRONT WOOD FENCE	600	LNFT	65.00	39,000	20	8	1,950	25,350	25,350	-	1,950
METAL POOL FENCE 6'	180	LNFT	60.00	10,800	25	18	432	3,456	3,456	-	432
STAIR RAILS 3.5'	500	LNFT	34.00	17,000	30	10	567	11,900	11,900	-	567
WOOD RAIL FENCE	450	LNFT	20.00	9,000	30	15	300	4,800	4,800	-	300
TRASH GATES OPERATING MAINTENANCE EXPENSE											

J.D. BROOKS

RESERVE STUDIES

12/1/2019

EUCALYPTUS GROVE HOA

RESERVE COMPONENT INVENTORY

THIRTY-YEAR PROJECTED ANNUAL RESERVE EXPENSES

CATEGORY	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
RESERVE COMPONENT	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
ROOFING																
COMP.S:7626,7630,7634	-	-	-	-	-	-	-	-	-	-	-	-	168,108	-	-	-
COMP.S: 7624, 7628	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	126,066
COMP.S: 7636, 7638	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
COMP.S:7602,7606,7610	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
COMP.S:7620,7632,7640	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
COMP.S: POOL CABANA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
METAL CARPORT	-	249,600	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GUTTER & DOWNSPOUTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PAINTING																
WOOD SIDING	-	149,760	-	-	-	-	-	189,494	-	-	-	-	-	239,771	-	-
WOOD & METAL TRIM	-	65,520	-	-	-	76,649	-	-	-	89,669	-	-	-	104,900	-	-
CARPORTS	-	87,360	-	-	-	-	-	110,538	-	-	-	-	-	139,866	-	-
METAL FENCE & RAIL	-	5,824	-	-	6,551	-	-	7,369	-	-	8,289	-	-	9,324	-	-
FRONT WOOD FENCE	-	6,240	-	-	-	-	-	7,896	-	-	-	-	-	9,990	-	-
WOOD DRYROT REPAIRS	-	390,000	-	-	-	456,245	-	-	-	533,742	-	-	-	624,403	-	-
WOOD SIDING REPLACE	-	-	-	-	-	-	518,781	-	-	-	-	-	-	-	-	-
PAVING																
ASPHALT SLURRY/REPAIR	-	-	24,660	-	-	27,740	-	-	31,203	-	-	35,100	-	-	39,482	-
ASPHALT OVERLAY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CONCRETE REPAIRS	-	62,400	-	-	70,192	-	-	78,956	-	-	88,815	-	-	99,904	-	-
DECKING																
STAIR LANDING RESEAL	-	23,920	-	-	-	-	29,102	-	-	-	-	35,407	-	-	-	-
STAIR LANDING RESURFACE	-	-	-	-	-	55,966	-	-	-	-	-	-	-	-	-	-
TREX MID-LANDINGS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PRIVACY / FENCING																
INTERCOM	-	-	-	-	-	-	-	-	-	-	-	-	9,286	-	-	-
FRONT GATE WIRING	-	-	-	-	-	-	-	-	-	11,386	-	-	-	-	-	-
GATE OPERATORS (ROLL)	-	-	-	-	-	-	-	-	-	9,963	-	-	-	-	-	-
VEHICLE ROLL GATES	-	-	-	8,999	-	-	-	-	-	-	-	-	-	-	-	-
KEY FOB READERS	-	-	-	-	-	-	-	7,896	-	-	-	-	-	-	-	-
GATE KEYPADS	-	-	4,326	-	-	-	-	-	-	-	-	-	-	-	6,927	-
FRONT WOOD FENCE	-	-	-	-	-	-	-	-	53,374	-	-	-	-	-	-	-
METAL POOL FENCE 6'	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
STAIR RAILS 3.5'	-	-	-	-	-	-	-	-	-	-	25,164	-	-	-	-	-
WOOD RAIL FENCE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,208

12/1/2019

EUCALYPTUS GROVE HOA

RESERVE COMPONENT INVENTORY

THIRTY-YEAR PROJECTED ANNUAL RESERVE EXPENSES

CATEGORY	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
RESERVE COMPONENT	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
ROOFING															
COMP.S:7626,7630,7634	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
COMP.S: 7624, 7628	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
COMP.S: 7636, 7638	131,109	-	-	-	-	-	-	-	-	-	-	-	-	-	-
COMP.S:7602,7606,7610	-	204,530	-	-	-	-	-	-	-	-	-	-	-	-	-
COMP.S:7620,7632,7640	-	-	212,711	-	-	-	-	-	-	-	-	-	-	-	-
COMP.S: POOL CABANA	-	-	10,129	-	-	-	-	-	-	-	-	-	-	-	-
METAL CARPORT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GUTTER & DOWNSPOUTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	233,525
PAINTING															
WOOD SIDING	-	-	-	303,386	-	-	-	-	-	383,880	-	-	-	-	-
WOOD & METAL TRIM	-	122,718	-	-	-	143,562	-	-	-	167,948	-	-	-	196,475	-
CARPORTS	-	-	-	176,975	-	-	-	-	-	223,930	-	-	-	-	-
METAL FENCE & RAIL	10,489	-	-	11,798	-	-	13,272	-	-	14,929	-	-	16,793	-	-
FRONT WOOD FENCE	-	-	-	12,641	-	-	-	-	-	15,995	-	-	-	-	-
WOOD DRYROT REPAIRS	-	730,463	-	-	-	854,538	-	-	-	999,689	-	-	-	1,169,494	-
WOOD SIDING REPLACE	-	-	-	-	-	-	-	-	-	-	1,136,713	-	-	-	-
PAVING															
ASPHALT SLURRY/REPAIR	-	44,412	-	-	49,958	-	-	56,196	-	-	63,212	-	-	-	71,105
ASPHALT OVERLAY	-	-	-	-	-	-	-	-	-	607,811	-	-	-	-	-
CONCRETE REPAIRS	112,379	-	-	126,411	-	-	142,195	-	-	159,950	-	-	179,922	-	-
DECKING															
STAIR LANDING RESEAL	43,079	-	-	-	-	52,412	-	-	-	-	63,767	-	-	-	-
STAIR LANDING RESURFACE	-	-	-	-	-	-	-	-	-	122,628	-	-	-	-	-
TREX MID-LANDINGS	-	-	-	-	-	-	-	-	-	-	-	106,685	-	-	-
PRIVACY / FENCING															
INTERCOM	-	-	-	-	-	-	-	-	-	-	-	16,724	-	-	-
FRONT GATE WIRING	-	-	-	16,855	-	-	-	-	-	-	-	-	-	24,949	-
GATE OPERATORS (ROLL)	-	-	-	14,748	-	-	-	-	-	-	-	-	-	21,831	-
VEHICLE ROLL GATES	-	-	-	-	-	-	-	-	-	-	-	-	23,990	-	-
KEY FOB READERS	-	-	-	12,641	-	-	-	-	-	-	-	-	-	-	-
GATE KEYPADS	-	-	-	-	-	-	-	-	-	-	11,090	-	-	-	-
FRONT WOOD FENCE	-	-	-	-	-	-	-	-	-	-	-	-	116,949	-	-
METAL POOL FENCE 6'	-	-	21,879	-	-	-	-	-	-	-	-	-	-	-	-
STAIR RAILS 3.5'	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WOOD RAIL FENCE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

12/1/2019

EUCALYPTUS GROVE HOARESERVE COMPONENT
INVENTORY

CURRENT FISCAL YEAR END: DECEMBER 31, 2019

NUMBER OF UNITS: 179

CATEGORY	UNIT	UNIT	REPAIR /	USEFUL	RMNG.	STRAIGHT-LINE	IDEAL	PROJECTED	DEFICIT		
RESERVE COMPONENT	QUANTITY	TYPE	REPLACE	LIFE	LIFE	ANNUAL	BALANCE	BALANCE	REDUCTION		
			COST			CONTRIBUTION	@F.Y.E.2019	@F.Y.E.2019	ANNUAL		
							SURPLUS		CONTRIBUTION		
POOL AREA											
POOL HEATER	1	UNIT	4000	4,000	8	5	500	2,000	2,000	-	500
POOL FILTER	1	UNIT	2200	2,200	12	8	183	917	917	-	183
POOL & SPA PUMPS	3	UNIT	2000	6,000	8	4	750	3,750	3,750	-	750
POOL FIBERGLASS	1,000	SQFT	15.00	15,000	15	4	1,000	12,000	12,000	-	1,000
POOL TILE/COPING	100	LNFT	50.00	5,000	20	9	250	3,000	3,000	-	250
SPA HEATER	1	UNIT	4000	4,000	8	1	500	4,000	4,000	-	500
SPA FILTER	1	UNIT	2000	2,000	12	1	167	2,000	2,000	-	167
SPA RE-TILE	1	UNIT	7500	7,500	30	2	250	7,250	7,250	-	250
POOL DECKING	1	ALLOW	14000	14,000	20	9	700	8,400	8,400	-	700
CABANA											
BATH FLOOR & WALL TILE	650	SQFT	26.00	16,900	30	1	563	16,900	16,900	-	563
BATHROOMS REMODEL	2	ALLOW	4000	8,000	30	3	267	7,467	7,467	-	267
SAUNA REMODEL	1	ALLOW	6500	6,500	20	18	325	975	975	-	325
SAUNA HEATER	1	UNIT	3400	3,400	20	14	170	1,190	1,190	-	170
WATER HEATER	1	UNIT	2000	2,000	15	14	133	267	267	-	133
TERMITE FUMIGATION											
BLDG. 7606	1	ALLOW	8000	8,000	15	15	533	533	533	-	533
BLDG. 7620, 7632	2	ALLOW	8000	16,000	15	15	1,067	1,067	1,067	-	1,067
BLDG. 7610, 7602	2	ALLOW	8000	16,000	15	15	1,067	1,067	1,067	-	1,067
BLDG. 7638, 7630	2	ALLOW	8000	16,000	15	14	1,067	2,133	2,133	-	1,067
BLDG. 7634, 7628	2	ALLOW	8000	16,000	15	14	1,067	2,133	2,133	-	1,067
BLDG. 7626	1	ALLOW	8000	8,000	15	6	533	5,333	5,333	-	533
BLDG. 7636, 7640, 7624	3	ALLOW	8000	24,000	15	4	1,600	19,200	19,200	-	1,600
FOUNDATION REPAIRS											
WATERPROOFING	1	ALLOW	200000	200,000	30	23	6,667	53,333	53,333	-	6,667
STRUCTURAL PLUMBING											
	1	ALLOW	750000	750,000	35	1	21,429	750,000	750,000	-	21,429
BRIDGE REPAIR											
	1	ALLOW	13500	13,500	22	5	614	11,045	11,045	-	614
TREE TRIMMING											
	1	ALLOW	20000	20,000	3	1	6,667	20,000	20,000	-	6,667
EXERCISE ROOM											
EQUIPMENT / REMODEL	1	ALLOW	12000	12,000	15	7	800	7,200	7,200	-	800
LIGHTING											
LARGE STREET FIXTURES	14	UNIT	2200	30,800	30	1	1,027	30,800	30,800	-	1,027
STAIRCASE LED FIXTURES	1	ALLOW	20000	20,000	25	25	800	800	800	-	800

12/1/2019

EUCALYPTUS GROVE HOA

RESERVE COMPONENT INVENTORY

THIRTY-YEAR PROJECTED ANNUAL RESERVE EXPENSES

CATEGORY	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
RESERVE COMPONENT	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
POOL AREA																
POOL HEATER	-	-	-	-	-	4,867	-	-	-	-	-	-	-	6,660	-	-
POOL FILTER	-	-	-	-	-	-	-	-	3,011	-	-	-	-	-	-	-
POOL & SPA PUMPS	-	-	-	-	7,019	-	-	-	-	-	-	-	9,606	-	-	-
POOL FIBERGLASS	-	-	-	-	17,548	-	-	-	-	-	-	-	-	-	-	-
POOL TILE/COPING	-	-	-	-	-	-	-	-	-	7,117	-	-	-	-	-	-
SPA HEATER	-	4,160	-	-	-	-	-	-	-	5,693	-	-	-	-	-	-
SPA FILTER	-	2,080	-	-	-	-	-	-	-	-	-	-	-	3,330	-	-
SPA RE-TILE	-	-	8,112	-	-	-	-	-	-	-	-	-	-	-	-	-
POOL DECKING	-	-	-	-	-	-	-	-	-	19,926	-	-	-	-	-	-
CABANA																
BATH FLOOR & WALL TILE	-	17,576	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BATHROOMS REMODEL	-	-	-	8,999	-	-	-	-	-	-	-	-	-	-	-	-
SAUNA REMODEL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SAUNA HEATER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,888	-
WATER HEATER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,463	-
TERMITE FUMIGATION																
BLDG. 7606	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,408
BLDG. 7620, 7632	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,815
BLDG. 7610, 7602	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,815
BLDG. 7638, 7630	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,707	-
BLDG. 7634, 7628	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,707	-
BLDG. 7626	-	-	-	-	-	-	10,123	-	-	-	-	-	-	-	-	-
BLDG. 7636, 7640, 7624	-	-	-	-	28,077	-	-	-	-	-	-	-	-	-	-	-
FOUNDATION REPAIRS																
WATERPROOFING	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
STRUCTURAL PLUMBING																
	-	780,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BRIDGE REPAIR																
	-	-	-	-	-	16,425	-	-	-	-	-	-	-	-	-	-
TREE TRIMMING																
	-	20,800	-	-	23,397	-	-	26,319	-	-	29,605	-	-	33,301	-	-
EXERCISE ROOM																
EQUIPMENT / REMODEL	-	-	-	-	-	-	-	15,791	-	-	-	-	-	-	-	-
LIGHTING																
LARGE STREET FIXTURES	-	32,032	-	-	-	-	-	-	-	-	-	-	-	-	-	-
STAIRCASE LED FIXTURES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

12/1/2019

EUCALYPTUS GROVE HOA

RESERVE COMPONENT INVENTORY

THIRTY-YEAR PROJECTED ANNUAL RESERVE EXPENSES

CATEGORY	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
RESERVE COMPONENT	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
POOL AREA															
POOL HEATER	-	-	-	-	-	9,115	-	-	-	-	-	-	-	12,475	-
POOL FILTER	-	-	-	-	4,820	-	-	-	-	-	-	-	-	-	-
POOL & SPA PUMPS	-	-	-	-	13,147	-	-	-	-	-	-	-	17,992	-	-
POOL FIBERGLASS	-	-	-	31,603	-	-	-	-	-	-	-	-	-	-	-
POOL TILE/COPING	-	-	-	-	-	-	-	-	-	-	-	-	-	15,593	-
SPA HEATER	-	7,792	-	-	-	-	-	-	-	10,663	-	-	-	-	-
SPA FILTER	-	-	-	-	-	-	-	-	-	5,332	-	-	-	-	-
SPA RE-TILE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
POOL DECKING	-	-	-	-	-	-	-	-	-	-	-	-	-	43,661	-
CABANA															
BATH FLOOR & WALL TILE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BATHROOMS REMODEL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SAUNA REMODEL	-	-	13,168	-	-	-	-	-	-	-	-	-	-	-	-
SAUNA HEATER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WATER HEATER	-	-	-	-	-	-	-	-	-	-	-	-	-	6,237	-
TERMITE FUMIGATION															
BLDG. 7606	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,947
BLDG. 7620, 7632	-	-	-	-	-	-	-	-	-	-	-	-	-	-	51,894
BLDG. 7610, 7602	-	-	-	-	-	-	-	-	-	-	-	-	-	-	51,894
BLDG. 7638, 7630	-	-	-	-	-	-	-	-	-	-	-	-	-	49,898	-
BLDG. 7634, 7628	-	-	-	-	-	-	-	-	-	-	-	-	-	49,898	-
BLDG. 7626	-	-	-	-	-	18,230	-	-	-	-	-	-	-	-	-
BLDG. 7636, 7640, 7624	-	-	-	50,564	-	-	-	-	-	-	-	-	-	-	-
FOUNDATION REPAIRS															
WATERPROOFING	-	-	-	-	-	-	-	492,943	-	-	-	-	-	-	-
STRUCTURAL PLUMBING															
BRIDGE REPAIR															
	-	-	-	-	-	-	-	-	-	-	-	38,925	-	-	-
TREE TRIMMING															
	37,460	-	-	42,137	-	-	47,398	-	-	53,317	-	-	59,974	-	-
EXERCISE ROOM															
EQUIPMENT / REMODEL	-	-	-	-	-	-	28,439	-	-	-	-	-	-	-	-
LIGHTING															
LARGE STREET FIXTURES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
STAIRCASE LED FIXTURES	-	-	-	-	-	-	-	-	-	53,317	-	-	-	-	-

12/1/2019

EUCALYPTUS GROVE HOA

CURRENT FISCAL YEAR END: DECEMBER 31, 2019
 NUMBER OF UNITS: 179

RESERVE COMPONENT
INVENTORY

CATEGORY	UNIT	UNIT	REPAIR /	USEFUL	RMNG.	STRAIGHT-LINE	IDEAL	PROJECTED	DEFICIT		
RESERVE COMPONENT	QUANTITY	TYPE	REPLACE	LIFE	LIFE	ANNUAL	BALANCE	BALANCE	REDUCTION		
			COST	COST	COST	CONTRIBUTION	@F.Y.E.2019	@F.Y.E.2019	ANNUAL		
								SURPLUS	CONTRIBUTION		
MAILBOXES											
MAILBOX PAGODA	200	UNIT	150	30,000	25	1	1,200	30,000	30,000	-	1,200
LANDSCAPE REFURBISH	1	ALLOW	70000	70,000	5	3	14,000	42,000	42,000	-	14,000
IRRIGATION CONTROLS & VALVES OPERATING MAINTENANCE EXPENSE											
ELECTRICAL REPAIRS OPERATING MAINTENANCE EXPENSE											
CONTINGENCY: 0%							-	-	32,507	32,507	-
TOTALS:			3,737,800	316,703	2,677,993	2,710,500	32,507	316,703	-	-	

NET INTEREST ON RESERVE SAVINGS :	1%
INFLATION RATE :	4%
INCREASE TO ANNUAL RESERVE CONTRIBUTION:	3%

<u>BALANCE FORECAST TYPE</u>	<u>ANNUAL CONTRIBUTION</u>
CURRENT ANNUAL CONTRIBUTION	312,544
STRAIGHT-LINE ANNUAL CONTRIBUTION	316,703
DEFICIT REDUCTION ANNUAL CONTRIBUTION	316,703
(CASH-FLOW) MINIMUM ANNUAL CONTRIBUTION	325,539

12/1/2019

EUCALYPTUS GROVE HOA

RESERVE COMPONENT INVENTORY

THIRTY-YEAR PROJECTED ANNUAL RESERVE EXPENSES

CATEGORY	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
RESERVE COMPONENT	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034

MAILBOXES

MAILBOX PAGODA	-	31,200	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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LANDSCAPE REFURBISH

-	-	-	78,740	-	-	-	-	-	95,800	-	-	-	-	116,555	-	-
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CONTINGENCY: 0%

TOTALS:	0	1,928,472	37,099	96,738	152,784	637,891	558,006	444,259	183,388	677,496	151,873	70,507	187,001	1,388,005	111,174	214,312
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BALANCE FORECAST TYPE

THIRTY-YEAR PROJECTED ANNUAL RESERVE BALANCES

CURRENT

ANNUAL CONTRIBUTION	2,710,500	1,113,597	1,420,685	1,680,903	1,897,694	1,639,726	1,470,387	1,424,923	1,652,768	1,398,250	1,681,733	2,062,488	2,343,019	1,432,780	1,810,493	2,102,582
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STRAIGHT-LINE

ANNUAL CONTRIBUTION	2,710,500	1,117,777	1,429,340	1,694,211	1,915,839	1,662,898	1,498,781	1,458,741	1,692,219	1,443,548	1,733,101	2,120,155	2,407,220	1,503,761	1,888,505	2,187,886
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DEFICIT REDUCTION

ANNUAL CONTRIBUTION	2,710,500	1,117,777	1,429,340	1,694,211	1,915,839	1,662,898	1,498,781	1,458,741	1,692,219	1,443,548	1,733,101	2,120,155	2,407,220	1,503,761	1,888,505	2,187,886
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(CASH-FLOW) MINIMUM

ANNUAL CONTRIBUTION	2,710,500	1,126,657	1,447,730	1,722,489	1,954,395	1,712,133	1,559,113	1,530,597	1,776,042	1,539,797	1,842,246	2,242,684	2,543,636	1,654,582	2,054,267	2,369,140
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12/1/2019

EUCALYPTUS GROVE HOA

RESERVE COMPONENT INVENTORY

THIRTY-YEAR PROJECTED ANNUAL RESERVE EXPENSES

CATEGORY	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
RESERVE COMPONENT	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049

MAILBOXES

MAILBOX PAGODA	-	-	-	-	-	-	-	-	-	-	83,174	-	-	-	-
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LANDSCAPE REFURBISH

-	-	141,807	-	-	-	-	-	172,530	-	-	-	-	209,909	-	-
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CONTINGENCY: 0%

TOTALS:	334,514	1,109,914	399,694	799,760	67,925	1,077,857	231,304	721,669	0	2,819,389	1,357,956	162,334	625,530	1,661,617	363,261
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BALANCE FORECAST TYPE

THIRTY-YEAR PROJECTED ANNUAL RESERVE BALANCES

CURRENT

ANNUAL CONTRIBUTION	2,291,470	1,718,092	1,868,326	1,634,039	2,149,426	1,672,005	2,058,125	1,973,346	2,631,594	482,094	-200,430	332,142	425,459	-499,999	-107,656
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STRAIGHT-LINE

ANNUAL CONTRIBUTION	2,384,333	1,818,792	1,977,148	1,751,278	2,275,386	1,806,999	2,202,478	2,127,390	2,795,674	656,566	-15,201	528,507	633,350	-280,180	124,505
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DEFICIT REDUCTION

ANNUAL CONTRIBUTION	2,384,333	1,818,792	1,977,148	1,751,278	2,275,386	1,806,999	2,202,478	2,127,390	2,795,674	656,566	-15,201	528,507	633,350	-280,180	124,505
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(CASH-FLOW) MINIMUM

ANNUAL CONTRIBUTION	2,581,650	2,032,759	2,208,374	2,000,387	2,543,025	2,093,834	2,509,196	2,454,702	3,144,311	1,027,282	378,374	945,743	1,075,076	186,890	617,801
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ROOFING: Composition Shingle



ROOFING: Carport Metal



PAINTING: Wood Siding / Wood & Metal Trim / DryRot Repairs



PAVING: Asphalt Slurry / Repair / Overlay



DECKING: Trex Mid-Landings



PRIVACY / FENCING: Intercom



PRIVACY / FENCING: Vehicle Roll Gates / Gate Operators



POOL AREA: Pool Re-Surface



POOL AREA: Spa ReTile



EXERCISE ROOM: Equipment / Remodel



LIGHTING: Large Street Fixtures



MAILBOXES: Mailbox Pagoda

ROOFING

Comp.S:7626,7630,7634

Quantity: 3 Bldg.
 Estimated Total Cost to Replace: \$ 105,000
 Useful Life: 25
 Remaining Life: 12
 Straight-Line Annual Contribution: \$ 4,200
 Cost Source: Previous Association Expense

Comp.S: 7624, 7628

Quantity: 2 Bldg.
 Estimated Total Cost to Replace: \$ 70,000
 Useful Life: 25
 Remaining Life: 15
 Straight-Line Annual Contribution: \$ 2,800
 Cost Source: Previous Association Expense

Comp.S: 7636, 7638

Quantity: 2 Bldg.
 Estimated Total Cost to Replace: \$ 70,000
 Useful Life: 25
 Remaining Life: 16
 Straight-Line Annual Contribution: \$ 2,800
 Cost Source: Previous Association Expense

Comp.S:7602,7606,7610

Quantity: 3 Bldg.
 Estimated Total Cost to Replace: \$ 105,000
 Useful Life: 25
 Remaining Life: 17
 Straight-Line Annual Contribution: \$ 4,200
 Cost Source: Previous Association Expense

Comp.S:7620,7632,7640

Quantity: 3 Bldg.
 Estimated Total Cost to Replace: \$ 105,000
 Useful Life: 25
 Remaining Life: 18
 Straight-Line Annual Contribution: \$ 4,200
 Cost Source: Previous Association Expense

Comp.S: Pool Cabana

Quantity: 1 Bldg.
 Estimated Total Cost to Replace: \$ 5,000
 Useful Life: 25
 Remaining Life: 18
 Straight-Line Annual Contribution: \$ 200
 Cost Source: Previous Association Expense

Metal Carport

Quantity: 30,000 SqFt
 Estimated Total Cost to Replace: \$ 240,000
 Useful Life: 30
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 8,000
 Cost Source: JDB Cost Database

Gutter & Downspouts

Quantity: 7,200 LnFt
 Estimated Total Cost to Replace: \$ 72,000
 Useful Life: 30
 Remaining Life: 30
 Straight-Line Annual Contribution: \$ 2,400
 Cost Source: Previous Association Expense

PAINTING

Wood Siding

Quantity: 120,000 SqFt
 Estimated Total Cost to Replace: \$ 144,000
 Useful Life: 6
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 24,000
 Cost Source: Previous Association Expense

Wood & Metal Trim

Quantity: 35,000 SqFt
 Estimated Total Cost to Replace: \$ 63,000
 Useful Life: 4
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 15,750
 Cost Source: Previous Association Expense

Carports

Quantity: 60,000 SqFt
 Estimated Total Cost to Replace: \$ 84,000
 Useful Life: 6
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 14,000
 Cost Source: Previous Association Expense

Metal Fence & Rail

Quantity: 4,000 SqFt
 Estimated Total Cost to Replace: \$ 5,600
 Useful Life: 3
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 1,867
 Cost Source: JDB Cost Database

Front Wood Fence

Quantity: 600 LnFt
 Estimated Total Cost to Replace: \$ 6,000
 Useful Life: 6
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 1,000
 Cost Source: JDB Cost Database

Wood DryRot Repairs

Quantity: 1 Allow
 Estimated Total Cost to Replace: \$ 375,000
 Useful Life: 4
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 93,750
 Cost Source: Previous Association Expense

Wood Siding Replace

Quantity: 1 Allow
 Estimated Total Cost to Replace: \$ 410,000
 Useful Life: 20
 Remaining Life: 6
 Straight-Line Annual Contribution: \$ 20,500
 Cost Source: Previous Association Expense

PAVING

Asphalt Slurry/Repair

Quantity: 120,000 SqFt
 Estimated Total Cost to Replace: \$ 22,800
 Useful Life: 3
 Remaining Life: 2
 Straight-Line Annual Contribution: \$ 7,600
 Cost Source: JDB Cost Database

Asphalt Overlay

Quantity: 120,000 SqFt
 Estimated Total Cost to Replace: \$ 228,000
 Useful Life: 25
 Remaining Life: 25
 Straight-Line Annual Contribution: \$ 9,120
 Cost Source: Previous Association Expense

Concrete Repairs

Quantity: 1 Allow
 Estimated Total Cost to Replace: \$ 60,000
 Useful Life: 3
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 20,000
 Cost Source: Recent Vendor Proposal

DECKING

Stair Landing ReSeal

Quantity: 4,600 SqFt
 Estimated Total Cost to Replace: \$ 23,000
 Useful Life: 5
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 4,600
 Cost Source: JDB Cost Database

Stair Landing ReSurface

Quantity: 4,600 SqFt
 Estimated Total Cost to Replace: \$ 46,000
 Useful Life: 20
 Remaining Life: 5
 Straight-Line Annual Contribution: \$ 2,300
 Cost Source: JDB Cost Database

Trex Mid-Landings

Quantity: 1 Allow
 Estimated Total Cost to Replace: \$ 37,000
 Useful Life: 30
 Remaining Life: 27
 Straight-Line Annual Contribution: \$ 1,233
 Cost Source: Previous Association Expense

PRIVACY / FENCING

Intercom

Quantity: 1 Unit
 Estimated Total Cost to Replace: \$ 5,800
 Useful Life: 15
 Remaining Life: 12
 Straight-Line Annual Contribution: \$ 387
 Cost Source: Previous Association Expense

Front Gate Wiring

Quantity: 1 Allow
 Estimated Total Cost to Replace: \$ 8,000
 Useful Life: 10
 Remaining Life: 9
 Straight-Line Annual Contribution: \$ 800
 Cost Source: Previous Association Expense

Gate Operators (Roll)

Quantity: 2 Unit
 Estimated Total Cost to Replace: \$ 7,000
 Useful Life: 10
 Remaining Life: 9
 Straight-Line Annual Contribution: \$ 700
 Cost Source: Previous Association Expense

Vehicle Roll Gates

Quantity: 2 Unit
 Estimated Total Cost to Replace: \$ 8,000
 Useful Life: 25
 Remaining Life: 3
 Straight-Line Annual Contribution: \$ 320
 Cost Source: JDB Cost Database

Key Fob Readers

Quantity: 3 Unit
 Estimated Total Cost to Replace: \$ 6,000
 Useful Life: 12
 Remaining Life: 7
 Straight-Line Annual Contribution: \$ 500
 Cost Source: Previous Association Expense

Gate Keypads

Quantity: 2 Unit
 Estimated Total Cost to Replace: \$ 4,000
 Useful Life: 12
 Remaining Life: 2
 Straight-Line Annual Contribution: \$ 333
 Cost Source: Previous Association Expense

Front Wood Fence

Quantity: 600 LnFt
 Estimated Total Cost to Replace: \$ 39,000
 Useful Life: 20
 Remaining Life: 8
 Straight-Line Annual Contribution: \$ 1,950
 Cost Source: Previous Association Expense

Metal Pool Fence 6'

Quantity: 180 LnFt
 Estimated Total Cost to Replace: \$ 10,800
 Useful Life: 25
 Remaining Life: 18
 Straight-Line Annual Contribution: \$ 432
 Cost Source: JDB Cost Database

Stair Rails 3.5'

Quantity: 500 LnFt
 Estimated Total Cost to Replace: \$ 17,000
 Useful Life: 30
 Remaining Life: 10
 Straight-Line Annual Contribution: \$ 567
 Cost Source: JDB Cost Database

Wood Rail Fence

Quantity: 450 LnFt
 Estimated Total Cost to Replace: \$ 9,000
 Useful Life: 30
 Remaining Life: 15
 Straight-Line Annual Contribution: \$ 300
 Cost Source: JDB Cost Database

POOL AREA

Pool Heater

Quantity: 1 Unit
 Estimated Total Cost to Replace: \$ 4,000
 Useful Life: 8
 Remaining Life: 5
 Straight-Line Annual Contribution: \$ 500
 Cost Source: Previous Association Expense

Pool Filter

Quantity: 1 Unit
 Estimated Total Cost to Replace: \$ 2,200
 Useful Life: 12
 Remaining Life: 8
 Straight-Line Annual Contribution: \$ 183
 Cost Source: Previous Association Expense

Pool & Spa Pumps

Quantity: 3 Unit
 Estimated Total Cost to Replace: \$ 6,000
 Useful Life: 8
 Remaining Life: 4
 Straight-Line Annual Contribution: \$ 750
 Cost Source: Allowance

Pool Fiberglass

Quantity: 1,000 SqFt
 Estimated Total Cost to Replace: \$ 15,000
 Useful Life: 15
 Remaining Life: 4
 Straight-Line Annual Contribution: \$ 1,000
 Cost Source: Previous Association Expense

Pool Tile/Coping

Quantity: 100 LnFt
 Estimated Total Cost to Replace: \$ 5,000
 Useful Life: 20
 Remaining Life: 9
 Straight-Line Annual Contribution: \$ 250
 Cost Source: JDB Cost Database

Spa Heater

Quantity: 1 Unit
 Estimated Total Cost to Replace: \$ 4,000
 Useful Life: 8
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 500
 Cost Source: Previous Association Expense

Spa Filter

Quantity: 1 Unit
 Estimated Total Cost to Replace: \$ 2,000
 Useful Life: 12
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 167
 Cost Source: JDB Cost Database

Spa Re-Tile

Quantity: 1 Unit
 Estimated Total Cost to Replace: \$ 7,500
 Useful Life: 30
 Remaining Life: 2
 Straight-Line Annual Contribution: \$ 250
 Cost Source: Allowance

Pool Decking

Quantity: 1 Allow
 Estimated Total Cost to Replace: \$ 14,000
 Useful Life: 20
 Remaining Life: 9
 Straight-Line Annual Contribution: \$ 700
 Cost Source: Previous Association Expense

CABANA

Bath Floor & Wall Tile

Quantity: 650 SqFt
 Estimated Total Cost to Replace: \$ 16,900
 Useful Life: 30
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 563
 Cost Source: JDB Cost Database

Bathrooms Remodel

Quantity: 2 Allow
 Estimated Total Cost to Replace: \$ 8,000
 Useful Life: 30
 Remaining Life: 3
 Straight-Line Annual Contribution: \$ 267
 Cost Source: Allowance

Sauna Remodel

Quantity: 1 Allow
 Estimated Total Cost to Replace: \$ 6,500
 Useful Life: 20
 Remaining Life: 18
 Straight-Line Annual Contribution: \$ 325
 Cost Source: Previous Association Expense

Sauna Heater

Quantity: 1 Unit
 Estimated Total Cost to Replace: \$ 3,400
 Useful Life: 20
 Remaining Life: 14
 Straight-Line Annual Contribution: \$ 170
 Cost Source: Previous Association Expense

Water Heater

Quantity: 1 Unit
 Estimated Total Cost to Replace: \$ 2,000
 Useful Life: 15
 Remaining Life: 14
 Straight-Line Annual Contribution: \$ 133
 Cost Source: Previous Association Expense

TERMITE FUMIGATION

All Buildings

Quantity: 13 \$ 8,000

Estimated Total Cost to Replace: \$ 104,000

Useful Life: 15

Remaining Life: 4-15

Straight-Line Annual Contribution: \$ 6,933

Cost Source: Previous Association Expense

FOUNDATION REPAIRS

Waterproofing

Quantity: 1 Allow

Estimated Total Cost to Replace: \$ 200,000

Useful Life: 30

Remaining Life: 23

Straight-Line Annual Contribution: \$ 6,667

Cost Source: Previous Association Expense

STRUCTURAL PLUMBING

Quantity: 1 Allow

Estimated Total Cost to Replace: \$ 750,000

Useful Life: 35

Remaining Life: 1

Straight-Line Annual Contribution: \$ 21,429

Cost Source: Recent Vendor Estimate

BRIDGE REPAIR

Quantity: 1 Allow

Estimated Total Cost to Replace: \$ 13,500

Useful Life: 22

Remaining Life: 5

Straight-Line Annual Contribution: \$ 614

Cost Source: Allowance

TREE TRIMMING

Quantity: 1 Allow

Estimated Total Cost to Replace: \$ 20,000

Useful Life: 3

Remaining Life: 1

Straight-Line Annual Contribution: \$ 6,667

Cost Source: Previous Association Expense

EXERCISE ROOM

Equipment / Remodel

Quantity: 1 Allow
 Estimated Total Cost to Replace: \$ 12,000
 Useful Life: 15
 Remaining Life: 7
 Straight-Line Annual Contribution: \$ 800
 Cost Source: Allowance

LIGHTING

Large Street Fixtures

Quantity: 14 Unit
 Estimated Total Cost to Replace: \$ 30,800
 Useful Life: 30
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 1,027
 Cost Source: Allowance

Staircase LED Fixtures

Quantity: 1 Allow
 Estimated Total Cost to Replace: \$ 20,000
 Useful Life: 25
 Remaining Life: 25
 Straight-Line Annual Contribution: \$ 800
 Cost Source: Previous Association Expense

MAILBOXES

Mailbox Pagoda

Quantity: 200 Unit
 Estimated Total Cost to Replace: \$ 30,000
 Useful Life: 25
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 1,200
 Cost Source: JDB Cost Database

LANDSCAPE REFURBISH

Quantity: 1 Allow
 Estimated Total Cost to Replace: \$ 70,000
 Useful Life: 5
 Remaining Life: 3
 Straight-Line Annual Contribution: \$ 14,000
 Cost Source: Allowance

Civil Code §5300. Annual Budget Report.

(a) Notwithstanding a contrary provision in the governing documents, an association shall distribute an annual budget report 30 to 90 days before the end of its fiscal year.

(b) Unless the governing documents impose more stringent standards, the annual budget report shall include all of the following information:

(1) A pro forma operating budget, showing the estimated revenue and expenses on an accrual basis.

(2) A summary of the association's reserves, prepared pursuant to **Section 5565**.

(3) A summary of the reserve funding plan adopted by the board, as specified in paragraph (5) of subdivision (b) of **Section 5550**. The summary shall include notice to members that the full reserve study plan is available upon request, and the association shall provide the full reserve plan to any member upon request.

(4) A statement as to whether the board has determined to defer or not undertake repairs or replacement of any major component with a remaining life of 30 years or less, including a justification for the deferral or decision not to undertake the repairs or replacement.

(5) A statement as to whether the board, consistent with the reserve funding plan adopted pursuant to **Section 5560**, has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefor. If so, the statement shall also set out the estimated amount, commencement date, and duration of the assessment.

(6) A statement as to the mechanism or mechanisms by which the board will fund reserves to repair or replace major components, including assessments, borrowing, use of other assets, deferral of selected replacements or repairs, or alternative mechanisms.

(7) A general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement, or additions to those major components that the association is obligated to maintain. The statement shall include, but need not be limited to, reserve calculations made using the formula described

in paragraph (4) of subdivision (b) of **Section 5570**, and may not assume a rate of return on cash reserves in excess of 2 percent above the discount rate published by the Federal Reserve Bank of San Francisco at the time the calculation was made.

(8) A statement as to whether the association has any outstanding loans with an original term of more than one year, including the payee, interest rate, amount outstanding, annual payment, and when the loan is scheduled to be retired.

(9) A summary of the association's property, general liability, earthquake, flood, and fidelity insurance policies. For each policy, the summary shall include the name of the insurer, the type of insurance, the policy limit, and the amount of the deductible, if any. To the extent that any of the required information is specified in the insurance policy declaration page, the association may meet its obligation to disclose that information by making copies of that page and distributing it with the annual budget report. The summary distributed pursuant to this paragraph shall contain, in at least 10-point boldface type, the following statement: This summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.

(c) The annual budget report shall be made available to the members pursuant to **Section 5320**.

(d) The summary of the association's reserves disclosed pursuant to paragraph (2) of subdivision (b) shall not be admissible in evidence to show improper financial management of an association, provided that other relevant and competent evidence of the financial condition of the association is not made inadmissible by this provision.

(e) The Assessment and Reserve Funding Disclosure Summary form, prepared pursuant to **Section 5570**, shall accompany each annual budget report or summary of the annual budget report that is delivered pursuant to this article.

Civil Code §5550. Visual Inspection of Major Components.

(a) At least once every three years, the board shall cause to be conducted a reasonably competent and diligent visual inspection of the accessible areas of the major components that the association is obligated to repair, replace, restore, or maintain as part of a study of the reserve account requirements of the common interest development, if the current replacement value of the major components is equal to or greater than one-half of the gross budget of the association, excluding the association's reserve account for that period. The board shall review this study, or cause it to be reviewed, annually and shall consider and implement necessary adjustments to the board's analysis of the reserve account requirements as a result of that review.

(b) The study required by this section shall at a minimum include:

(1) Identification of the major components that the association is obligated to repair, replace, restore, or maintain that, as of the date of the study, have a remaining useful life of less than 30 years.

(2) Identification of the probable remaining useful life of the components identified in paragraph (1) as of the date of the study.

(3) An estimate of the cost of repair, replacement, restoration, or maintenance of the components identified in paragraph (1).

(4) An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore, or maintain the components identified in paragraph (1) during and at the end of their useful life, after subtracting total reserve funds as of the date of the study.

(5) A reserve funding plan that indicates how the association plans to fund the contribution identified in paragraph (4) to meet the association's obligation for the repair and replacement of all major components with an expected remaining life of 30 years or less,

not including those components that the board has determined will not be replaced or repaired.

Civil Code §5560. Reserve Funding Plan.

(a) The reserve funding plan required by **Section 5550** shall include a schedule of the date and amount of any change in regular or special assessments that would be needed to sufficiently fund the reserve funding plan.

(b) The plan shall be adopted by the board at an open meeting before the membership of the association as described in Article 2 (commencing with **Section 4900**) of Chapter 6.

(c) If the board determines that an assessment increase is necessary to fund the reserve funding plan, any increase shall be approved in a separate action of the board that is consistent with the procedure described in **Section 5605**.

Civil Code §5565. Summary of Association Reserves.

The summary of the association's reserves required by paragraph (2) of subdivision (b) of **Section 5300** shall be based on the most recent review or study conducted pursuant to **Section 5550**, shall be based only on assets held in cash or cash equivalents, shall be printed in boldface type, and shall include all of the following:

(a) The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component.

(b) As of the end of the fiscal year for which the study is prepared:

(1) The current estimate of the amount of cash reserves necessary to repair, replace, restore, or maintain the major components.

(2) The current amount of accumulated cash reserves actually set aside to repair, replace,

restore, or maintain major components.

(3) If applicable, the amount of funds received from either a compensatory damage award or settlement to an association from any person for injuries to property, real or personal, arising out of any construction or design defects, and the expenditure or disposition of funds, including the amounts expended for the direct and indirect costs of repair of construction or design defects. These amounts shall be reported at the end of the fiscal year for which the study is prepared as separate line items under cash reserves pursuant to paragraph (2). Instead of complying with the requirements set forth in this paragraph, an association that is obligated to issue a review of its financial statement pursuant to **Section 5305** may include in the review a statement containing all of the information required by this paragraph.

(c) The percentage that the amount determined for purposes of paragraph (2) of subdivision (b) equals the amount determined for purposes of paragraph (1) of subdivision (b).

(d) The current deficiency in reserve funding expressed on a per unit basis. The figure shall be calculated by subtracting the amount determined for purposes of paragraph (2) of subdivision (b) from the amount determined for purposes of paragraph (1) of subdivision (b) and then dividing the result by the number of separate interests within the association, except that if assessments vary by the size or type of ownership interest, then the association shall calculate the current deficiency in a manner that reflects the variation.