

J.D. BROOKS

RESERVE STUDIES

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EUCALYPTUS GROVE HOA

GOLETA, CA

RESERVE STUDY REPORT: NOVEMBER 6, 2016

RECOMMENDATIONS FOR THE BUDGET YEAR PERIOD

FROM: JANUARY 1, 2017

THROUGH: DECEMBER 31, 2017

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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: June 22, 2016

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 2016 is \$2,316,000.

The Ideal Reserve Fund Balance at Fiscal Year End 2016 is \$2,528,016.

Therefore, the Reserve Fund is theoretically 92% Funded.

The Current (2016) Annual Reserve Contribution is set at approximately \$370,464.

J.D. Brooks recommends reducing this Annual Reserve Contribution to \$279,782

(The Deficit Reduction Contribution) for 2017, plus a contribution increase of 3% annually.

This funding plan *should* keep the association's Reserve Fund above \$1,005,526 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: **31**

This report recommends contributions for Budget Year:

Beginning: **JANUARY 1, 2017**
 Ending: **DECEMBER 31, 2017**

Reserve Study Report Date: **NOVEMBER 6, 2016**
 Current Fiscal Year End: **DECEMBER 31, 2016**

CURRENT FUNDS SUMMARY:

Projected Reserve Balance at Current Fiscal Year End: **\$2,316,000**
 Ideal Reserve Balance at Current Fiscal Year End: **\$2,528,016**

PERCENT FUNDED: **92%**

CURRENT RESERVE CONTRIBUTIONS:

	Annual	Monthly	Monthly Per Unit
2016 Budgeted Reserve Contribution:	\$370,464	\$30,872	\$172.47

RECOMMENDATIONS FOR BUDGET YEAR 2017

RESERVE CONTRIBUTION MODELS:

2017 J.D. Brooks Recommendation in Box

	Annual	Monthly	Monthly Per Unit
2017 Straight-Line Contribution:	\$266,463	\$22,205	\$124.05
2017 Deficit Reduction Contribution:	\$279,782	\$23,315	\$130.25
2017 Cash-Flow (Minimum) Contribution:	\$187,925	\$15,660	\$87.49

RESERVE STUDY DEFINITIONS

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.

INCREASE TO ANNUAL RESERVE CONTRIBUTION:

Average Rate of Increase to the Reserve Contribution amount over the next thirty years.

INFLATION RATE:

Average Inflation Rate for the region and year.

NET INTEREST ON RESERVE SAVINGS:

Average amount (after tax) of interest re-invested back into the Reserve Account over the next thirty years. (forecast estimate)

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:

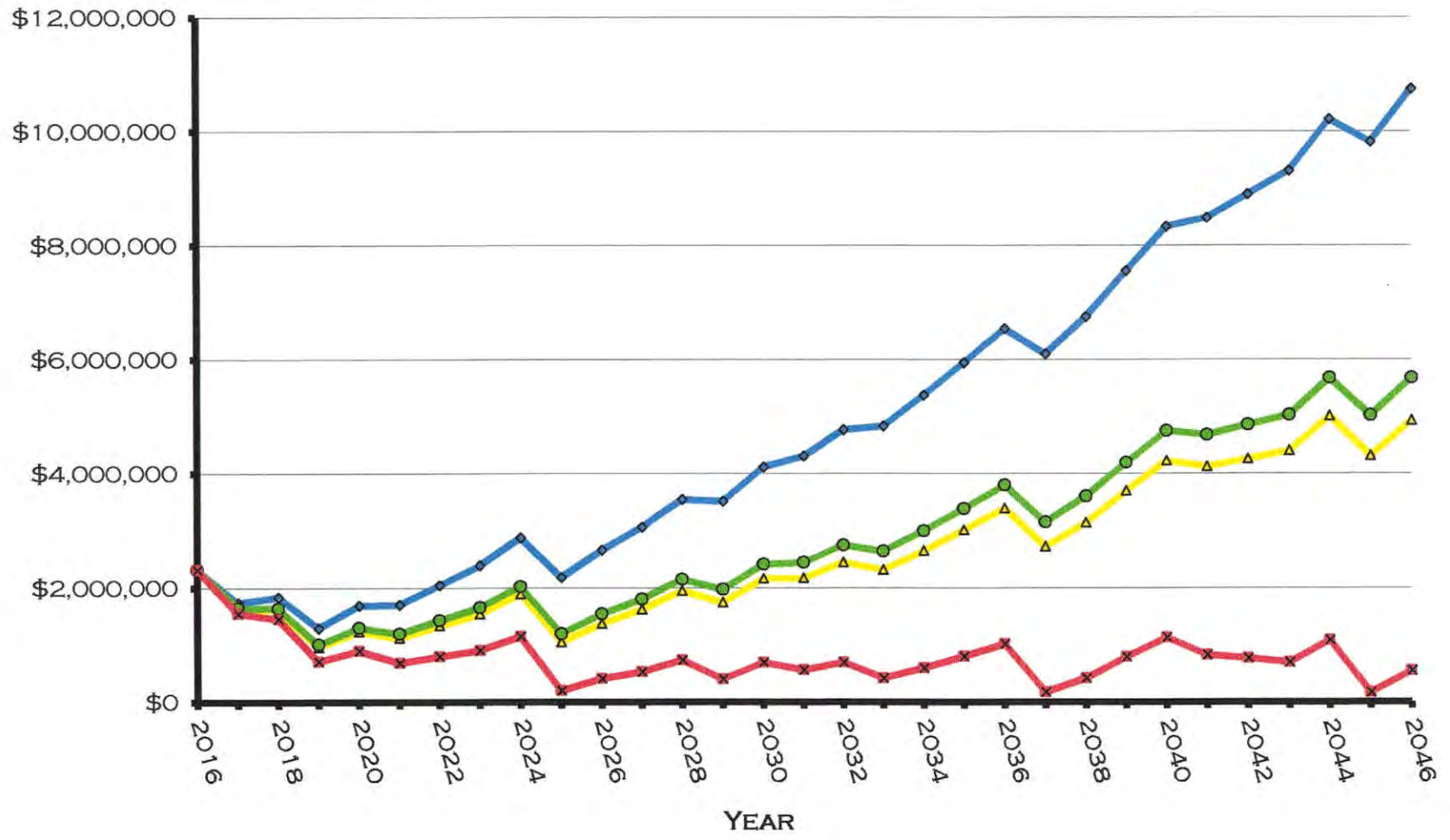
Unit of measure.

USEFUL LIFE:

Expected life-span of the Reserve Component.

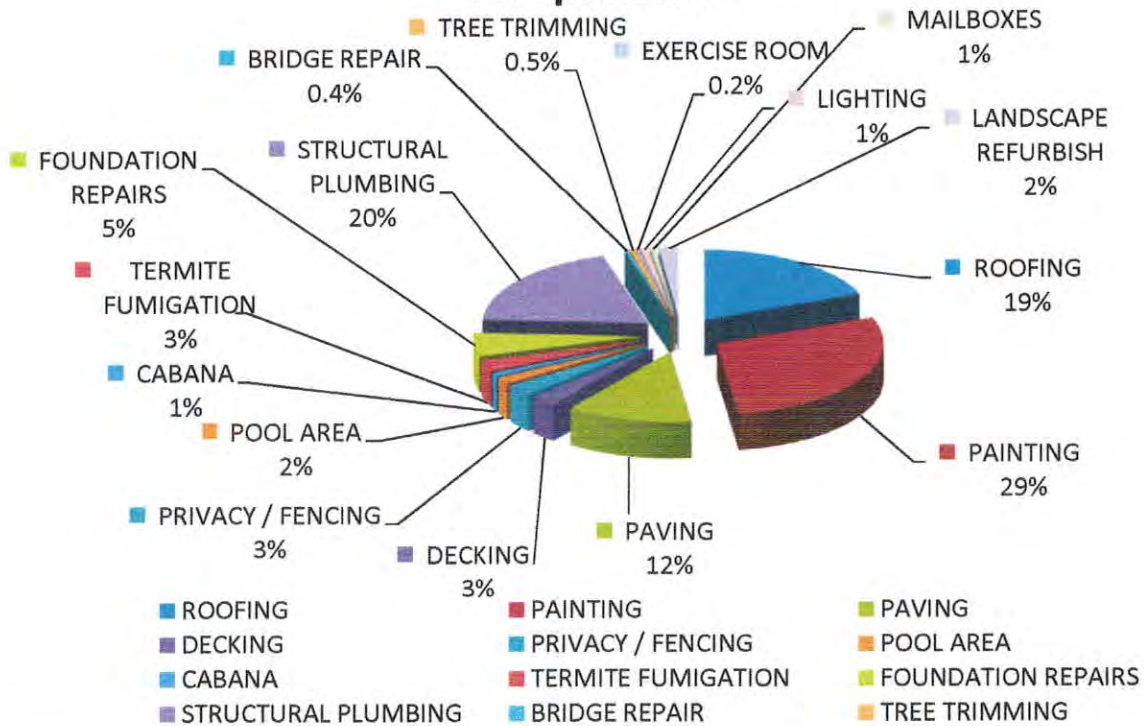
EUCALYPTUS GROVE HOA

THIRTY-YEAR RESERVE BALANCE PROJECTIONS

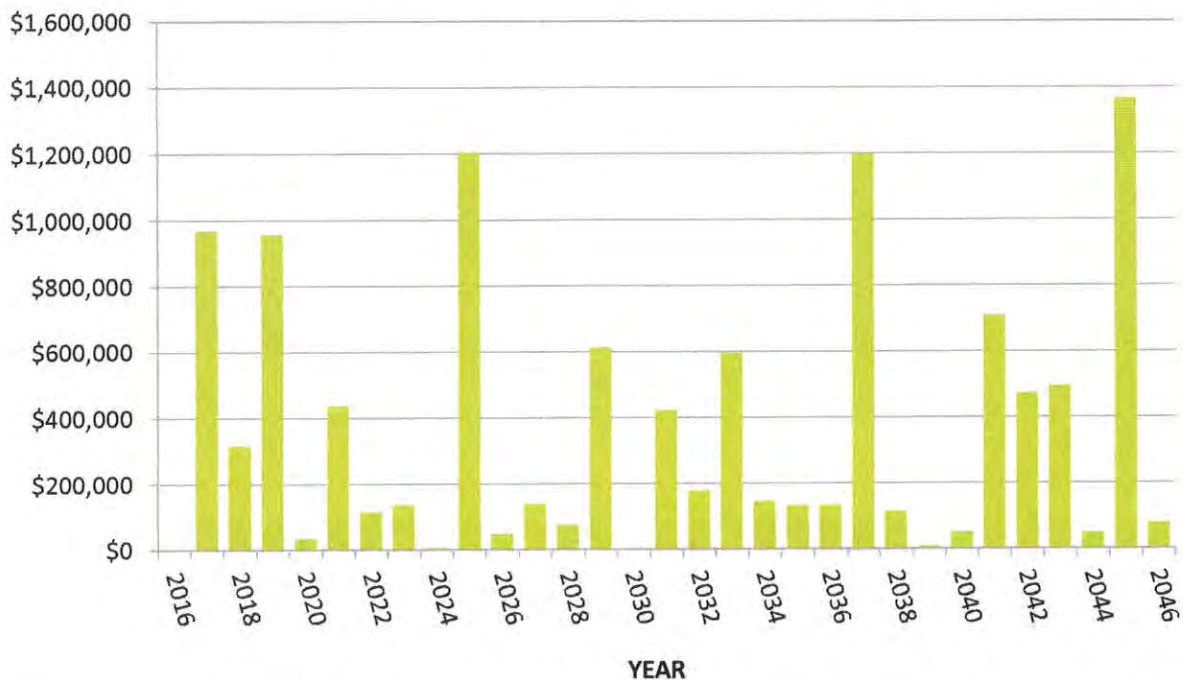


EUCALYPTUS GROVE HOA

Reserve Category Values As Percentage Of All Components



Projected Annual Reserve Expenses



EUCALYPTUS GROVE HOA

CURRENT FISCAL YEAR END: DECEMBER 31, 2016
NUMBER OF UNITS: 179

RESERVE COMPONENT INVENTORY

CATEGORY	UNIT	UNIT	REPAIR /	USEFUL	RMNG.	STRAIGHT-LINE	IDEAL	PROJECTED	DEFICIT	DEFICIT	REDUCTION
RESERVE COMPONENT	QUANTITY	TYPE	REPLACE	LIFE	LIFE	ANNUAL	BALANCE	BALANCE	DEFICIT	CONTRIBUTION	ANNUAL
			COST			CONTRIBUTION@F.Y.E.2016	@F.Y.E.2016	@F.Y.E.2016			
ROOFING											
COMP.S:7626,7630,7634	3	BLDG.	30000	90,000	25	15	3,600	39,600	-	(39,600)	6,240
COMP.S: 7624, 7628	2	BLDG.	30000	60,000	25	18	2,400	19,200	-	(19,200)	3,467
COMP.S: 7636, 7638	2	BLDG.	30000	60,000	25	19	2,400	16,800	-	(16,800)	3,284
COMP.S:7602,7606,7610	3	BLDG.	30000	90,000	25	20	3,600	21,600	-	(21,600)	4,680
COMP.S:7620,7632,7640	3	BLDG.	30000	90,000	25	21	3,600	18,000	-	(18,000)	4,457
METAL CARPORT	30,000	SQFT	6.80	204,000	30	2	6,800	197,200	197,200	-	6,800
GUTTER & DOWNSPOUTS	7,000	LNFT	7.00	49,000	25	13	1,960	25,480	-	(25,480)	3,920
PAINTING											
WOOD SIDING	120,000	SQFT	1.05	126,000	6	3	21,000	84,000	84,000	-	21,000
WOOD & METAL TRIM	35,000	SQFT	1.60	56,000	4	1	14,000	56,000	56,000	-	14,000
CARPORTS	60,000	SQFT	1.25	75,000	6	3	12,500	50,000	50,000	-	12,500
METAL FENCE & RAIL	4,000	SQFT	1.25	5,000	3	1	1,667	5,000	5,000	-	1,667
FRONT WOOD FENCE	600	LNFT	8.50	5,100	6	3	850	3,400	3,400	-	850
WOOD DRYROT REPAIRS	1	ALLOW	340000	340,000	4	1	85,000	340,000	340,000	-	85,000
WOOD SIDING REPLACE	1	ALLOW	370000	370,000	20	9	18,500	222,000	215,393	(6,607)	19,234
INTERIOR PAINTING (600 SF) OPERATING MAINTENANCE EXPENSE											
PAVING											
ASPHALT SLURRY/REPAIR	120,000	SQFT	0.16	19,200	3	1	6,400	19,200	19,200	-	6,400
ASPHALT REPLACEMENT	120,000	SQFT	3.30	396,000	30	1	13,200	396,000	396,000	-	13,200
CONCRETE REPAIR OPERATING MAINTENANCE EXPENSE											
DECKING											
STAIR LANDING RESEAL	4,600	SQFT	4.00	18,400	5	2	3,680	14,720	14,720	-	3,680
STAIR LANDING RESURFACE	4,600	SQFT	9.50	43,700	20	7	2,185	30,590	30,590	-	2,185
TREX MID-LANDINGS	1	ALLOW	25000	25,000	30	30	833	833	-	(833)	861
PRIVATE BALCONY SURFACES INDIVIDUAL HOMEOWNER'S EXPENSE											
PRIVACY / FENCING											
INTERCOM	1	UNIT	5300	5,300	15	1	353	5,300	5,300	-	353
FRONT GATE WIRING	1	ALLOW	3200	3,200	10	9	320	640	621	(19)	322
GATE OPERATOR (ROLL)	1	UNIT	3100	3,100	10	1	310	3,100	3,100	-	310
GATE OPERATOR (ROLL)	1	UNIT	3100	3,100	10	1	310	3,100	3,100	-	310
VEHICLE ROLL GATES	2	UNIT	3600	7,200	25	6	288	5,760	5,760	-	288
CARD READERS GYM/POOL	2	UNIT	1300	2,600	12	1	217	2,600	2,600	-	217
CARD READERS GATE	2	UNIT	1300	2,600	12	11	217	433	-	(433)	256
FRONT WOOD FENCE	600	LNFT	56.00	33,600	20	11	1,680	16,800	-	(16,800)	3,207
METAL POOL FENCE 6'	180	LNFT	55.00	9,900	25	21	396	1,980	-	(1,980)	490
STAIR RAILS 3.5'	500	LNFT	30.00	15,000	30	2	500	14,500	14,500	-	500
SPLIT-RAIL FENCE	450	LNFT	18.00	8,100	30	4	270	7,290	7,290	-	270
TRASH GATES OPERATING MAINTENANCE EXPENSE											

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
ROOFING																
COMP.S:7626,7630,7634	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	121,128
COMP.S: 7624, 7628	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
COMP.S: 7636, 7638	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
COMP.S:7602,7606,7610	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
COMP.S:7620,7632,7640	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
METAL CARPORT	-	-	212,242	-	-	-	-	-	-	-	-	-	-	-	-	-
GUTTER & DOWNSPOUTS	-	-	-	-	-	-	-	-	-	-	-	-	-	63,387	-	-
PAINTING																
WOOD SIDING	-	-	-	133,712	-	-	-	-	-	150,582	-	-	-	-	-	169,579
WOOD & METAL TRIM	-	57,120	-	-	-	61,829	-	-	-	66,925	-	-	-	72,442	-	-
CARPORTS	-	-	-	79,591	-	-	-	-	-	89,632	-	-	-	-	-	100,940
METAL FENCE & RAIL	-	5,100	-	-	5,412	-	-	5,743	-	-	6,095	-	-	6,468	-	-
FRONT WOOD FENCE	-	-	-	5,412	-	-	-	-	-	6,095	-	-	-	-	-	6,864
WOOD DRYROT REPAIRS	-	346,800	-	-	-	375,387	-	-	-	406,331	-	-	-	439,826	-	-
WOOD SIDING REPLACE	-	-	-	-	-	-	-	-	-	442,184	-	-	-	-	-	-
PAVING																
ASPHALT SLURRY/REPAIR	-	19,584	-	-	20,783	-	-	22,055	-	-	23,405	-	-	24,837	-	-
ASPHALT REPLACEMENT	-	403,920	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DECKING																
STAIR LANDING RESEAL	-	-	19,143	-	-	-	-	21,136	-	-	-	-	23,336	-	-	-
STAIR LANDING RESURFACE	-	-	-	-	-	-	-	50,198	-	-	-	-	-	-	-	-
TREX MID-LANDINGS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PRIVACY / FENCING																
INTERCOM	-	5,406	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FRONT GATE WIRING	-	-	-	-	-	-	-	-	-	3,824	-	-	-	-	-	-
GATE OPERATOR (ROLL)	-	3,162	-	-	-	-	-	-	-	-	-	3,854	-	-	-	-
GATE OPERATOR (ROLL)	-	3,162	-	-	-	-	-	-	-	-	-	3,854	-	-	-	-
VEHICLE ROLL GATES	-	-	-	-	-	-	8,108	-	-	-	-	-	-	-	-	-
CARD READERS GYM/POOL	-	2,652	-	-	-	-	-	-	-	-	-	-	-	3,363	-	-
CARD READERS GATE	-	-	-	-	-	-	-	-	-	-	-	3,233	-	-	-	-
FRONT WOOD FENCE	-	-	-	-	-	-	-	-	-	-	-	41,777	-	-	-	-
METAL POOL FENCE 6'	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
STAIR RAILS 3.5'	-	-	15,606	-	-	-	-	-	-	-	-	-	-	-	-	-
SPLIT-RAIL FENCE	-	-	-	-	8,768	-	-	-	-	-	-	-	-	-	-	-

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	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
ROOFING															
COMP.S:7626,7630,7634	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
COMP.S: 7624, 7628	-	-	85,695	-	-	-	-	-	-	-	-	-	-	-	-
COMP.S: 7636, 7638	-	-	-	87,409	-	-	-	-	-	-	-	-	-	-	-
COMP.S:7602,7606,7610	-	-	-	-	133,735	-	-	-	-	-	-	-	-	-	-
COMP.S:7620,7632,7640	-	-	-	-	-	136,410	-	-	-	-	-	-	-	-	-
METAL CARPORT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GUTTER & DOWNSPOUTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PAINTING															
WOOD SIDING	-	-	-	-	-	190,974	-	-	-	-	-	215,068	-	-	-
WOOD & METAL TRIM	-	78,414	-	-	-	84,877	-	-	-	91,874	-	-	-	99,447	-
CARPORTS	-	-	-	-	-	113,675	-	-	-	-	-	128,016	-	-	-
METAL FENCE & RAIL	6,864	-	-	7,284	-	-	7,730	-	-	8,203	-	-	8,705	-	-
FRONT WOOD FENCE	-	-	-	-	-	7,730	-	-	-	-	-	8,705	-	-	-
WOOD DRYROT REPAIRS	-	476,082	-	-	-	515,327	-	-	-	557,806	-	-	-	603,787	-
WOOD SIDING REPLACE	-	-	-	-	-	-	-	-	-	-	-	-	-	657,063	-
PAVING															
ASPHALT SLURRY/REPAIR	26,357	-	-	27,971	-	-	29,683	-	-	31,500	-	-	33,428	-	-
ASPHALT REPLACEMENT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DECKING															
STAIR LANDING RESEAL	-	25,764	-	-	-	-	28,446	-	-	-	-	31,407	-	-	-
STAIR LANDING RESURFACE	-	-	-	-	-	-	-	-	-	-	-	74,591	-	-	-
TREX MID-LANDINGS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45,284
PRIVACY / FENCING															
INTERCOM	7,276	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FRONT GATE WIRING	-	-	-	4,662	-	-	-	-	-	-	-	-	-	5,683	-
GATE OPERATOR (ROLL)	-	-	-	-	-	4,699	-	-	-	-	-	-	-	-	-
GATE OPERATOR (ROLL)	-	-	-	-	-	4,699	-	-	-	-	-	-	-	-	-
VEHICLE ROLL GATES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CARD READERS GYM/POOL	-	-	-	-	-	-	-	-	-	4,266	-	-	-	-	-
CARD READERS GATE	-	-	-	-	-	-	-	4,100	-	-	-	-	-	-	-
FRONT WOOD FENCE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
METAL POOL FENCE 6'	-	-	-	-	-	15,005	-	-	-	-	-	-	-	-	-
STAIR RAILS 3.5'	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SPLIT-RAIL FENCE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

11/6/2016

EUCALYPTUS GROVE HOA

CURRENT FISCAL YEAR END: DECEMBER 31, 2016

NUMBER OF UNITS: 179

RESERVE COMPONENT INVENTORY											
CATEGORY	UNIT	UNIT	REPAIR /	USEFUL	RMNG.	STRAIGHT-LINE	IDEAL	PROJECTED	DEFICIT		
RESERVE COMPONENT	QUANTITY	TYPE	COST	REPLACE COST	LIFE	LIFE	ANNUAL CONTRIBUTION@F.Y.E.2016	BALANCE @F.Y.E.2016	BALANCE @F.Y.E.2016	DEFICIT	ANNUAL CONTRIBUTION
POOL AREA											
POOL HEATER	1	UNIT	4300	4,300	10	8	430	1,290	1,290	-	430
POOL FILTER	1	UNIT	2000	2,000	12	11	167	333	-	(333)	197
POOL & SPA PUMPS	3	UNIT	2000	6,000	8	2	750	5,250	5,250	-	750
POOL RE-SURFACE	1,000	SQFT	12.00	12,000	15	7	800	7,200	7,200	-	800
POOL TILE/COPING	100	LNFT	38.00	3,800	20	12	190	1,710	-	(1,710)	333
SPA HEATER	1	UNIT	4000	4,000	8	3	500	3,000	3,000	-	500
SPA FILTER	1	UNIT	1500	1,500	12	1	125	1,500	1,500	-	125
SPA RE-TILE	1	UNIT	6800	6,800	30	2	227	6,573	6,573	-	227
POOL DECKING	1	ALLOW	12500	12,500	20	12	625	5,625	-	(5,625)	1,094
CABANA											
BATH FLOOR & WALL TILE	650	SQFT	20.00	13,000	30	2	433	12,567	12,567	-	433
BATHROOMS REMODEL	2	ALLOW	3000	6,000	30	2	200	5,800	5,800	-	200
SAUNA REMODEL	1	ALLOW	5900	5,900	20	12	295	2,655	-	(2,655)	516
SAUNA HEATER	1	UNIT	3100	3,100	20	17	155	620	-	(620)	191
WATER HEATER	1	UNIT	2900	2,900	15	1	193	2,900	2,900	-	193
TERMITE FUMIGATION											
BLDG. 7606, 7638	2	ALLOW	6700	13,400	15	1	893	13,400	13,400	-	893
BLDG. 7630	1	ALLOW	6700	6,700	15	1	447	6,700	6,700	-	447
BLDG. 7634	1	ALLOW	6700	6,700	15	1	447	6,700	6,700	-	447
BLDG. 7620	1	ALLOW	6700	6,700	15	1	447	6,700	6,700	-	447
BLDG. 7632	1	ALLOW	6700	6,700	15	2	447	6,253	6,253	-	447
BLDG. 7602, 7610	2	ALLOW	6700	13,400	15	3	893	11,613	11,613	-	893
BLDG. 7636, 7640, 7624	3	ALLOW	6700	20,100	15	7	1,340	12,060	12,060	-	1,340
BLDG. 7626, 7628	2	ALLOW	6700	13,400	15	9	893	6,253	6,067	(186)	914
FOUNDATION REPAIRS											
WATERPROOFING	1	ALLOW	182000	182,000	30	26	6,067	30,333	-	(30,333)	7,233
STRUCTURAL PLUMBING											
	1	ALLOW	660000	660,000	35	3	18,857	622,286	622,286	-	18,857
BRIDGE REPAIR											
	1	ALLOW	12400	12,400	20	6	620	9,300	9,300	-	620
TREE TRIMMING											
	1	ALLOW	18000	18,000	3	3	6,000	6,000	6,000	-	6,000
EXERCISE ROOM											
EQUIPMENT / REMODEL	1	ALLOW	8000	8,000	15	10	533	3,200	-	(3,200)	853
LIGHTING											
LARGE STREET FIXTURES	14	UNIT	2000	28,000	30	2	933	27,067	27,067	-	933
OTHER LIGHT FIXTURES OPERATING MAINTENANCE EXPENSE											

J.D. BROOKS

RESERVE STUDIES

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
POOL AREA																
POOL HEATER	-	-	-	-	-	-	-	-	5,038	-	-	-	-	-	-	-
POOL FILTER	-	-	-	-	-	-	-	-	-	-	-	2,487	-	-	-	-
POOL & SPA PUMPS	-	-	6,242	-	-	-	-	-	-	-	7,314	-	-	-	-	-
POOL RE-SURFACE	-	-	-	-	-	-	-	13,784	-	-	-	-	-	-	-	-
POOL TILE/COPING	-	-	-	-	-	-	-	-	-	-	-	-	4,819	-	-	-
SPA HEATER	-	-	-	4,245	-	-	-	-	-	-	-	4,973	-	-	-	-
SPA FILTER	-	1,530	-	-	-	-	-	-	-	-	-	-	-	1,940	-	-
SPA RE-TILE	-	-	7,075	-	-	-	-	-	-	-	-	-	-	-	-	-
POOL DECKING	-	-	-	-	-	-	-	-	-	-	-	-	15,853	-	-	-
CABANA																
BATH FLOOR & WALL TILE	-	-	13,525	-	-	-	-	-	-	-	-	-	-	-	-	-
BATHROOMS REMODEL	-	-	6,242	-	-	-	-	-	-	-	-	-	-	-	-	-
SAUNA REMODEL	-	-	-	-	-	-	-	-	-	-	-	-	7,483	-	-	-
SAUNA HEATER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
WATER HEATER	-	2,958	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TERMITE FUMIGATION																
BLDG. 7606, 7638	-	13,668	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BLDG. 7630	-	6,834	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BLDG. 7634	-	6,834	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BLDG. 7620	-	6,834	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BLDG. 7632	-	-	6,971	-	-	-	-	-	-	-	-	-	-	-	-	-
BLDG. 7602, 7610	-	-	-	14,220	-	-	-	-	-	-	-	-	-	-	-	-
BLDG. 7636, 7640, 7624	-	-	-	-	-	-	-	23,089	-	-	-	-	-	-	-	-
BLDG. 7626, 7628	-	-	-	-	-	-	-	-	-	16,014	-	-	-	-	-	-
FOUNDATION REPAIRS																
WATERPROOFING	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
STRUCTURAL PLUMBING																
	-	-	-	700,397	-	-	-	-	-	-	-	-	-	-	-	-
BRIDGE REPAIR																
	-	-	-	-	-	-	13,964	-	-	-	-	-	-	-	-	-
TREE TRIMMING																
	-	-	-	19,102	-	-	20,271	-	-	21,512	-	-	22,828	-	-	24,226
EXERCISE ROOM																
EQUIPMENT / REMODEL	-	-	-	-	-	-	-	-	-	-	9,752	-	-	-	-	-
LIGHTING																
LARGE STREET FIXTURES	-	-	29,131	-	-	-	-	-	-	-	-	-	-	-	-	-

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	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
POOL AREA															
POOL HEATER	-	-	6,141	-	-	-	-	-	-	-	-	-	-	-	-
POOL FILTER	-	-	-	-	-	-	-	3,154	-	-	-	-	-	-	-
POOL & SPA PUMPS	-	-	8,569	-	-	-	-	-	-	-	10,041	-	-	-	-
POOL RE-SURFACE	-	-	-	-	-	-	18,552	-	-	-	-	-	-	-	-
POOL TILE/COPING	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SPA HEATER	-	-	-	5,827	-	-	-	-	-	-	-	-	6,828	-	-
SPA FILTER	-	-	-	-	-	-	-	-	-	2,461	-	-	-	-	-
SPA RE-TILE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
POOL DECKING	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CABANA															
BATH FLOOR & WALL TILE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BATHROOMS REMODEL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SAUNA REMODEL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SAUNA HEATER	-	4,341	-	-	-	-	-	-	-	-	-	-	-	-	-
WATER HEATER	3,981	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TERMITE FUMIGATION															
BLDG. 7606, 7638	18,395	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BLDG. 7630	9,198	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BLDG. 7634	9,198	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BLDG. 7620	9,198	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BLDG. 7632	-	9,382	-	-	-	-	-	-	-	-	-	-	-	-	-
BLDG. 7602, 7610	-	-	19,138	-	-	-	-	-	-	-	-	-	-	-	-
BLDG. 7636, 7640, 7624	-	-	-	-	-	-	31,074	-	-	-	-	-	-	-	-
BLDG. 7626, 7628	-	-	-	-	-	-	-	-	21,553	-	-	-	-	-	-
FOUNDATION REPAIRS															
WATERPROOFING	-	-	-	-	-	-	-	-	-	-	304,562	-	-	-	-
STRUCTURAL PLUMBING															
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BRIDGE REPAIR															
	-	-	-	-	-	-	-	-	-	-	20,750	-	-	-	-
TREE TRIMMING															
	-	-	25,708	-	-	27,282	-	-	28,952	-	-	30,724	-	-	32,605
EXERCISE ROOM															
EQUIPMENT / REMODEL	-	-	-	-	-	-	-	-	-	13,125	-	-	-	-	-
LIGHTING															
LARGE STREET FIXTURES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

11/6/2016

EUCALYPTUS GROVE HOA

CURRENT FISCAL YEAR END: DECEMBER 31, 2016

NUMBER OF UNITS: 179

RESERVE COMPONENT INVENTORY											
CATEGORY	UNIT QUANTITY	UNIT TYPE	UNIT COST	REPAIR / REPLACE COST	USEFUL LIFE	RMNG. LIFE	STRAIGHT-LINE ANNUAL CONTRIBUTION	IDEAL BALANCE @F.Y.E.2016	PROJECTED BALANCE @F.Y.E.2016	DEFICIT	DEFICIT REDUCTION ANNUAL CONTRIBUTION
MAILBOXES											
MAILBOX PAGODA	200	UNIT	90	18,000	25	1	720	18,000	18,000	-	720
LANDSCAPE REFURBISH											
	1	ALLOW	64000	64,000	5	1	12,800	64,000	64,000	-	12,800
IRRIGATION CONTROLS & VALVES OPERATING MAINTENANCE EXPENSE											
PLUMBING, ELECTRICAL & WOOD REPLACEMENT OPERATING MAINTENANCE EXPENSE											
CONTINGENCY: 0%											
TOTALS:				3,377,400			266,463	2,528,016	2,316,000	(212,016)	279,782

NET INTEREST ON RESERVE SAVINGS :	1%
INFLATION RATE :	2%
INCREASE TO ANNUAL RESERVE CONTRIBUTION:	3%

<u>BALANCE FORECAST TYPE</u>	<u>ANNUAL CONTRIBUTION</u>
CURRENT ANNUAL CONTRIBUTION	370,464
STRAIGHT-LINE ANNUAL CONTRIBUTION	266,463
DEFICIT REDUCTION ANNUAL CONTRIBUTION	279,782
(CASH-FLOW) MINIMUM ANNUAL CONTRIBUTION	187,925

11/6/2016

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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
MAILBOXES																
MAILBOX PAGODA	-	18,360	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LANDSCAPE REFURBISH																
LANDSCAPE REFURBISH	-	65,280	-	-	-	-	72,074	-	-	-	-	79,576	-	-	-	-
CONTINGENCY: 0%																
TOTALS:	0	969,204	316,178	956,679	34,963	437,216	114,418	136,004	5,038	1,203,100	46,566	139,755	74,319	612,264	0	422,737

BALANCE FORECAST TYPE

THIRTY-YEAR PROJECTED ANNUAL RESERVE BALANCES

CURRENT																	
ANNUAL CONTRIBUTION	2,316,000	1,737,426	1,832,032	1,295,731	1,692,596	1,701,736	2,048,329	2,390,030	2,880,506	2,185,984	2,661,407	3,062,940	3,549,713	3,516,644	4,114,972	4,311,328	
STRAIGHT-LINE																	
ANNUAL CONTRIBUTION	2,316,000	1,632,905	1,615,580	962,900	1,238,797	1,122,231	1,338,225	1,544,277	1,893,891	1,053,127	1,376,754	1,620,758	1,944,087	1,741,469	2,163,948	2,177,952	
DEFICIT REDUCTION																	
ANNUAL CONTRIBUTION	2,316,000	1,646,291	1,643,301	1,005,526	1,296,916	1,196,449	1,429,169	1,652,594	2,020,249	1,198,214	1,541,282	1,805,461	2,149,723	1,968,819	2,413,819	2,451,178	
(CASH-FLOW) MINIMUM																	
ANNUAL CONTRIBUTION	2,316,000	1,553,974	1,452,122	711,558	896,104	684,609	801,978	905,593	1,148,833	197,631	406,627	531,672	731,573	400,917	690,601	566,900	

11/6/2016

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	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
MAILBOXES															
MAILBOX PAGODA	-	-	-	-	-	-	-	-	-	-	30,122	-	-	-	-
LANDSCAPE REFURBISH	87,858	-	-	-	-	97,003	-	-	-	-	107,099	-	-	-	-
CONTINGENCY: 0%															
TOTALS:	178,325	593,982	145,253	133,153	133,735	1,197,680	115,485	7,254	50,505	709,234	472,573	495,338	49,619	1,365,980	77,889

BALANCE FORECAST TYPE

THIRTY-YEAR PROJECTED ANNUAL RESERVE BALANCES

CURRENT																
ANNUAL CONTRIBUTION	4,772,683	4,838,840	5,375,093	5,947,884	6,545,404	6,099,808	6,758,141	7,553,230	8,334,848	8,484,964	8,897,811	9,315,996	10,211,122	9,817,811	10,741,421	
STRAIGHT-LINE																
ANNUAL CONTRIBUTION	2,450,248	2,320,423	2,653,551	3,015,849	3,395,271	2,723,734	3,148,032	3,700,739	4,231,361	4,121,598	4,265,403	4,405,092	5,011,972	4,320,359	4,935,293	
DEFICIT REDUCTION																
ANNUAL CONTRIBUTION	2,747,686	2,642,961	3,002,104	3,391,360	3,798,714	3,156,114	3,610,385	4,194,135	4,756,902	4,680,423	4,858,684	5,034,041	5,677,836	5,024,427	5,678,895	
(CASH-FLOW) MINIMUM																
ANNUAL CONTRIBUTION	696,424	418,600	598,336	801,676	1,016,398	174,238	421,801	791,469	1,132,549	826,534	767,166	696,545	1,085,751	168,870	550,704	



ROOFING: Composition Shingle



ROOFING: Carport Metal



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



PAVING: Asphalt Slurry / Repair / Replacement



DECKING: Trex Mid-Landings



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: \$ 90,000
 Useful Life: 25
 Remaining Life: 15
 Straight-Line Annual Contribution: \$ 3,600
 Cost Source: Previous Association Expense

Comp.S: 7624, 7628

Quantity: 2 Bldg.
 Estimated Total Cost to Replace: \$ 60,000
 Useful Life: 25
 Remaining Life: 18
 Straight-Line Annual Contribution: \$ 2,400
 Cost Source: Previous Association Expense

Comp.S: 7636, 7638

Quantity: 2 Bldg.
 Estimated Total Cost to Replace: \$ 60,000
 Useful Life: 25
 Remaining Life: 19
 Straight-Line Annual Contribution: \$ 2,400
 Cost Source: Previous Association Expense

Comp.S:7602,7606,7610

Quantity: 3 Bldg.
 Estimated Total Cost to Replace: \$ 90,000
 Useful Life: 25
 Remaining Life: 20
 Straight-Line Annual Contribution: \$ 3,600
 Cost Source: Previous Association Expense

Comp.S:7620,7632,7640

Quantity: 3 Bldg.
 Estimated Total Cost to Replace: \$ 90,000
 Useful Life: 25
 Remaining Life: 21
 Straight-Line Annual Contribution: \$ 3,600
 Cost Source: Previous Association Expense

Metal Carport

Quantity: 30,000 SqFt
 Estimated Total Cost to Replace: \$ 204,000
 Useful Life: 30
 Remaining Life: 2
 Straight-Line Annual Contribution: \$ 6,800
 Cost Source: JDB Cost Database

Gutter & Downspouts

Quantity: 7,000 LnFt
 Estimated Total Cost to Replace: \$ 49,000
 Useful Life: 25
 Remaining Life: 13
 Straight-Line Annual Contribution: \$ 1,960
 Cost Source: JDB Cost Database

PAINTING

Wood Siding

Quantity: 120,000 SqFt
 Estimated Total Cost to Replace: \$ 126,000
 Useful Life: 6
 Remaining Life: 3
 Straight-Line Annual Contribution: \$ 21,000
 Cost Source: Previous Association Expense

Wood & Metal Trim

Quantity: 35,000 SqFt
 Estimated Total Cost to Replace: \$ 56,000
 Useful Life: 4
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 14,000
 Cost Source: Previous Association Expense

Carports

Quantity: 60,000 SqFt
 Estimated Total Cost to Replace: \$ 75,000
 Useful Life: 6
 Remaining Life: 3
 Straight-Line Annual Contribution: \$ 12,500
 Cost Source: Previous Association Expense

Metal Fence & Rail

Quantity: 4,000 SqFt
 Estimated Total Cost to Replace: \$ 5,000
 Useful Life: 3
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 1,667
 Cost Source: JDB Cost Database

Front Wood Fence

Quantity: 600 LnFt
 Estimated Total Cost to Replace: \$ 5,100
 Useful Life: 6
 Remaining Life: 3
 Straight-Line Annual Contribution: \$ 850
 Cost Source: JDB Cost Database

Wood DryRot Repairs

Quantity: 1 Allow
 Estimated Total Cost to Replace: \$ 340,000
 Useful Life: 4
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 85,000
 Cost Source: Previous Association Expense

Wood Siding Replace

Quantity: 1 Allow
 Estimated Total Cost to Replace: \$ 370,000
 Useful Life: 20
 Remaining Life: 9
 Straight-Line Annual Contribution: \$ 18,500
 Cost Source: Previous Association Expense

PAVING

Asphalt Slurry/Repair

Quantity: 120,000 SqFt
 Estimated Total Cost to Replace: \$ 19,200
 Useful Life: 3
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 6,400
 Cost Source: JDB Cost Database

Asphalt Replacement

Quantity: 120,000 SqFt
 Estimated Total Cost to Replace: \$ 396,000
 Useful Life: 30
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 13,200
 Cost Source: Recent Vendor Proposal

DECKING

Stair Landing ReSeal

Quantity: 4,600 SqFt
 Estimated Total Cost to Replace: \$ 18,400
 Useful Life: 5
 Remaining Life: 2
 Straight-Line Annual Contribution: \$ 3,680
 Cost Source: JDB Cost Database

Stair Landing ReSurface

Quantity: 4,600 SqFt
 Estimated Total Cost to Replace: \$ 43,700
 Useful Life: 20
 Remaining Life: 7
 Straight-Line Annual Contribution: \$ 2,185
 Cost Source: JDB Cost Database

Trex Mid-Landings

Quantity: 1 Allow
 Estimated Total Cost to Replace: \$ 25,000
 Useful Life: 30
 Remaining Life: 30
 Straight-Line Annual Contribution: \$ 833
 Cost Source: Recent Association Expense

PRIVACY / FENCING

Intercom

Quantity: 1 Unit
 Estimated Total Cost to Replace: \$ 5,300
 Useful Life: 15
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 353
 Cost Source: Allowance

Front Gate Wiring

Quantity: 1 Allow
 Estimated Total Cost to Replace: \$ 3,200
 Useful Life: 10
 Remaining Life: 9
 Straight-Line Annual Contribution: \$ 320
 Cost Source: Recent Association Expense

Gate Operator (Roll)

Quantity: 1 Unit
 Estimated Total Cost to Replace: \$ 3,100
 Useful Life: 10
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 310
 Cost Source: JDB Cost Database

Gate Operator (Roll)

Quantity: 1 Unit
 Estimated Total Cost to Replace: \$ 3,100
 Useful Life: 10
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 310
 Cost Source: JDB Cost Database

Vehicle Roll Gates

Quantity: 2 Unit
 Estimated Total Cost to Replace: \$ 7,200
 Useful Life: 25
 Remaining Life: 6
 Straight-Line Annual Contribution: \$ 288
 Cost Source: JDB Cost Database

Card Readers Gym/Pool

Quantity: 2 Unit
 Estimated Total Cost to Replace: \$ 2,600
 Useful Life: 12
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 217
 Cost Source: Recent Association Expense

Card Readers Gate

Quantity: 2 Unit
 Estimated Total Cost to Replace: \$ 2,600
 Useful Life: 12
 Remaining Life: 11
 Straight-Line Annual Contribution: \$ 217
 Cost Source: Recent Association Expense

Front Wood Fence

Quantity: 600 LnFt
 Estimated Total Cost to Replace: \$ 33,600
 Useful Life: 20
 Remaining Life: 11
 Straight-Line Annual Contribution: \$ 1,680
 Cost Source: Previous Association Expense

Metal Pool Fence 6'

Quantity: 180 LnFt
 Estimated Total Cost to Replace: \$ 9,900
 Useful Life: 25
 Remaining Life: 21
 Straight-Line Annual Contribution: \$ 396
 Cost Source: JDB Cost Database

Stair Rails 3.5'

Quantity: 500 LnFt
 Estimated Total Cost to Replace: \$ 15,000
 Useful Life: 30
 Remaining Life: 2
 Straight-Line Annual Contribution: \$ 500
 Cost Source: JDB Cost Database

Split-Rail Fence

Quantity: 450 LnFt
 Estimated Total Cost to Replace: \$ 8,100
 Useful Life: 30
 Remaining Life: 4
 Straight-Line Annual Contribution: \$ 270
 Cost Source: JDB Cost Database

POOL AREA

Pool Heater

Quantity: 1 Unit
 Estimated Total Cost to Replace: \$ 4,300
 Useful Life: 10
 Remaining Life: 8
 Straight-Line Annual Contribution: \$ 430
 Cost Source: Recent Association Expense

Pool Filter

Quantity: 1 Unit
 Estimated Total Cost to Replace: \$ 2,000
 Useful Life: 12
 Remaining Life: 11
 Straight-Line Annual Contribution: \$ 167
 Cost Source: Recent Association Expense

Pool & Spa Pumps

Quantity: 3 Unit
 Estimated Total Cost to Replace: \$ 6,000
 Useful Life: 8
 Remaining Life: 2
 Straight-Line Annual Contribution: \$ 750
 Cost Source: Allowance

Pool Re-Surface

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

Pool Tile/Coping

Quantity: 100 LnFt
 Estimated Total Cost to Replace: \$ 3,800
 Useful Life: 20
 Remaining Life: 12
 Straight-Line Annual Contribution: \$ 190
 Cost Source: JDB Cost Database

Spa Heater

Quantity: 1 Unit
 Estimated Total Cost to Replace: \$ 4,000
 Useful Life: 8
 Remaining Life: 3
 Straight-Line Annual Contribution: \$ 500
 Cost Source: Previous Association Expense

Spa Filter

Quantity: 1 Unit
 Estimated Total Cost to Replace: \$ 1,500
 Useful Life: 12
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 125
 Cost Source: JDB Cost Database

Spa Re-Tile

Quantity: 1 Unit
 Estimated Total Cost to Replace: \$ 6,800
 Useful Life: 30
 Remaining Life: 2
 Straight-Line Annual Contribution: \$ 227
 Cost Source: Allowance

Pool Decking

Quantity: 1 Allow
 Estimated Total Cost to Replace: \$ 12,500
 Useful Life: 20
 Remaining Life: 12
 Straight-Line Annual Contribution: \$ 625
 Cost Source: Previous Association Expense

CABANA

Bath Floor & Wall Tile

Quantity: 650 SqFt
 Estimated Total Cost to Replace: \$ 13,000
 Useful Life: 30
 Remaining Life: 2
 Straight-Line Annual Contribution: \$ 433
 Cost Source: JDB Cost Database

Bathrooms Remodel

Quantity: 2 Allow
 Estimated Total Cost to Replace: \$ 6,000
 Useful Life: 30
 Remaining Life: 2
 Straight-Line Annual Contribution: \$ 200
 Cost Source: Allowance

Sauna Remodel

Quantity: 1 Allow
 Estimated Total Cost to Replace: \$ 5,900
 Useful Life: 20
 Remaining Life: 12
 Straight-Line Annual Contribution: \$ 295
 Cost Source: Allowance

Sauna Heater

Quantity: 1 Unit
 Estimated Total Cost to Replace: \$ 3,100
 Useful Life: 20
 Remaining Life: 17
 Straight-Line Annual Contribution: \$ 155
 Cost Source: JDB Cost Database

Water Heater

Quantity: 1 Unit
 Estimated Total Cost to Replace: \$ 2,900
 Useful Life: 15
 Remaining Life: 1
 Straight-Line Annual Contribution: \$ 193
 Cost Source: JDB Cost Database

TERMITE FUMIGATION

All Buildings

Quantity: 13 \$ 6,700
 Estimated Total Cost to Replace: \$ 87,100
 Useful Life: 15
 Remaining Life: 1-9
 Straight-Line Annual Contribution: \$ 5,811
 Cost Source: Previous Association Expense

FOUNDATION REPAIRS

Waterproofing

Quantity: 1 Allow
 Estimated Total Cost to Replace: \$ 182,000
 Useful Life: 30
 Remaining Life: 26
 Straight-Line Annual Contribution: \$ 6,067
 Cost Source: Previous Association Expense

STRUCTURAL PLUMBING

Quantity: 1 Allow
 Estimated Total Cost to Replace: \$ 660,000
 Useful Life: 35
 Remaining Life: 3
 Straight-Line Annual Contribution: \$ 18,857
 Cost Source: Recent Vendor Estimate of Repair Cost

BRIDGE REPAIR

Quantity: 1 Allow
 Estimated Total Cost to Replace: \$ 12,400
 Useful Life: 20
 Remaining Life: 6
 Straight-Line Annual Contribution: \$ 620
 Cost Source: Allowance

TREE TRIMMING

Quantity: 1 Allow
 Estimated Total Cost to Replace: \$ 18,000
 Useful Life: 3
 Remaining Life: 3
 Straight-Line Annual Contribution: \$ 6,000
 Cost Source: Recent Association Expense

EXERCISE ROOM

Equipment / Remodel

Quantity:	1	Allow
Estimated Total Cost to Replace:	\$	8,000
Useful Life:	15	
Remaining Life:	10	
Straight-Line Annual Contribution:	\$	533
Cost Source:	Allowance	

LIGHTING

Large Street Fixtures

Quantity:	14	Unit
Estimated Total Cost to Replace:	\$	28,000
Useful Life:	30	
Remaining Life:	2	
Straight-Line Annual Contribution:	\$	933
Cost Source:	Allowance	

MAILBOXES

Mailbox Pagoda

Quantity:	200	Unit
Estimated Total Cost to Replace:	\$	18,000
Useful Life:	25	
Remaining Life:	1	
Straight-Line Annual Contribution:	\$	720
Cost Source:	JDB Cost Database	

LANDSCAPE REFURBISH

Quantity:	1	Allow
Estimated Total Cost to Replace:	\$	64,000
Useful Life:	5	
Remaining Life:	1	
Straight-Line Annual Contribution:	\$	12,800
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.