

# RDA REPORT

**Park Paseo Homeowners Association**  
Irvine, California  
Account 1393 - Version 034  
July 24, 2014

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*Prepared By*



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July 24, 2014

Mr. Trevor Fenwick, Manager  
Park Paseo Homeowners Association  
Professional Community Management  
23726 BIRTCHE DR  
LAKE FOREST CA 92630-1771

Dear Mr. Fenwick:

Enclosed is the completed reserve analysis study for Park Paseo Homeowners Association for the fiscal year beginning January 1, 2015. Your RDA REPORT is presented in three parts:

**Part 1** offers an easy-to-understand introduction to reserve budgeting and terminology along with a Users' Guide to your reserve analysis study.

**Part 2** is your reserve analysis study, including a report summary, a distribution of accumulated reserves, an asset listing/summary, detail reports for each asset, 30-year projections with graphs, and an alphabetical detail report index.

**Part 3** includes the most recent legislation affecting community associations along with a section for personal notations.

We hope that you find our report format both informative and useful. All of us at RDA have enjoyed serving you and providing Park Paseo Homeowners Association with the most detailed, comprehensive and useful reserve analysis study available. If you have any additional questions or comments, please feel free to call us.

Thank you.

Sincerely,



Shaun Takkinen RS  
Reserve Specialist



## Please Note

**This document has been provided pursuant to an agreement containing restrictions on its use. No part of this document may be copied or distributed, in any form or by any means, nor disclosed to third parties without the express written permission of Reserve Data Analysis, Southern California. The Client shall have the right to reproduce and distribute copies of this report, or the information contained within, as may be required for compliance with all applicable regulations.**

This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Associations Institute, various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual and the McGraw Hill Book Company. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of property management and preparation of reserve analysis studies.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and each estimated useful life will approximate that of the norm per industry standards and/or manufacture specifications used. In some cases, estimates may have been used on assets which have an indeterminable but potential liability to the association.

**We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the association and subsequent computations made in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.**

Reserve Data Analysis, Southern California, would like to thank you for using our services, and we invite you to call us at any time should you have any questions or comments or need assistance.

**RESERVE DATA ANALYSIS, SOUTHERN CALIFORNIA**

**(714) 434-8396**

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## PART I - INTRODUCTION

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Preparing the annual budget and overseeing the association's finances are perhaps the most important responsibilities of board members. The annual operating and reserve budgets reflect the planning and goals of the association and set the level and quality of service for all of the association's activities.

### ■ 1. Funding Options

When a major repair or replacement is required in a community, an association has essentially four options available to address the expenditure:

The first option is to pass a "special assessment" to the membership in an amount required to cover the expenditure. Although not commonplace, there have been special assessments in the amount of \$10,000 per member assessed in associations in Virginia and Southern California. When a special assessment is passed, the association has the authority and responsibility to collect the assessments, even by means of foreclosure if necessary. However, an association operating on a special assessment basis cannot guarantee that an assessment, when needed, will be passed. Consequently, it cannot guarantee its ability to perform the required repairs or replacements to those major components for which the association is obligated to maintain when the need arises. Additionally, while relatively new communities require very little in the way of major "reserve" expenditures, associations reaching 12 to 15 years of age and older find many components reaching the end of their effective useful lives. These required expenditures, all accruing at the same time, can be devastating to an association's overall budget.

The second option is for the association to acquire a loan from a lending institution in order to effect the required repairs. In many cases, banks will lend money to an association using "future homeowner assessments" as collateral for the loan. With this method, not only is the current board of directors pledging the future assets of an association, they are also required to pay interest fees on the loan payback in addition to the original principal. In the case of a \$150,000 roofing replacement, the association may be required to pay back the loan over a three to five year period, with interest; whereas, if the association was setting aside reserves for this purpose, using the vehicle of the regularly assessed membership dues, it would have had the full term of

the life of the roof in order to accumulate the necessary moneys. Additionally, those contributions would have been evenly distributed over the entire membership and would have earned interest as part of that contribution.

The third option, too often used, is simply to defer the required repair or replacement. This option can create an environment of declining property values due to the increasing deferred maintenance and the association's financial inability to keep pace with the normal aging process of the common area components. This, in turn, can have a seriously negative impact on sellers in the Association by making it difficult or even impossible for potential buyers to obtain financing from lenders. Increasingly, many lending institutions are requesting copies of the association's most recent reserve study before granting loans, either for the association, a prospective purchaser, or for an individual within such association.

The fourth, and only logical means that the board of directors has to ensure its ability to maintain the assets for which it is obligated, uniformly distributing the costs of the replacements over the entire membership, is by assessing an adequate level of reserves as part of the regular membership assessment. The community is not only comprised of present members, but also future members. Any decision by the board of directors to adopt a calculation method or funding plan which would disproportionately burden future members in order to make up for past reserve deficits would be a breach of its fiduciary responsibility to those future members. Unlike individuals determining their own course of action, the board is responsible to the "community" as a whole.

## ■ 2. The Reserve Study

There are two components of a reserve study – a physical analysis and a financial analysis. During the physical analysis, a reserve provider evaluates information regarding the physical status and repair/replacement cost of the association's major common area components. To do so, the provider conducts a component inventory, a condition assessment, and life and valuation estimates. A financial analysis assesses the association's reserve balance or "fund status" (measured in cash or as percent funded) to determine a recommendation for an appropriate reserve contribution rate in the future known as the "funding plan."

Reserve studies fit into one of three categories: 1) Full Study; 2) Update - with site inspection; and 3) Update - without site inspection.

- In a Full reserve study, the reserve provider conducts a component inventory, a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both a "fund status" and "funding plan."
- In an Update – with site inspection, the reserve provider conducts a component inventory (verification only, not quantification), a condition assessment (based on

on-site visual observations), and life and valuation estimates to determine both the “fund status” and “funding plan.”

- In an Update – without site inspection, the reserve provider conducts life and valuation estimates to determine the “fund status” and “funding plan.”

### ■ 3. Developing a Component List

The budget process begins with an accurate inventory of all the major components for which the association is responsible. The determination of whether an expense should be labeled as operational, reserve, or excluded altogether is sometimes subjective. Since this labeling may have a major impact on the financial plans of the association, subjective determinations should be minimized. We suggest the following considerations when labeling an expense:

**OPERATIONAL EXPENSES** occur at least annually, no matter how large the expense, and can be effectively budgeted for each year. They are characterized as being reasonably predictable both in terms of frequency and cost. Operational expenses include all minor expenses which would not otherwise adversely affect an operational budget from one year to the next. Examples of Operational Expenses include:

**Utilities:**

- Electricity
- Gas
- Water
- Telephone
- Cable TV

**Services:**

- Landscaping
- Pool Maintenance
- Street Sweeping
- Accounting
- Reserve Study

**Administrative:**

- Supplies
- Bank Service Charges
- Dues & Publications
- Licenses, Permits & Fees

**Repair Expenses:**

- Tile Roof Repairs
- Equipment Repairs
- Minor Concrete Repairs
- Operating Contingency

**RESERVE EXPENSES** are major expenses that occur other than annually and which must be budgeted for in advance in order to provide the necessary funds in time for their occurrence. Reserve expenses are reasonably predictable both in terms of frequency and cost. However, they may include significant assets which have an indeterminable but potential liability which may be demonstrated as a likely occurrence. They are expenses that when incurred would have a significant affect on the smooth operation of the budgetary process from one year to the

next if they were not reserved for in advance. Examples of Reserve Expenses include:

- Roof Replacements
- Painting
- Deck Resurfacing
- Fencing Replacement
- Street Slurry Coating
- Asphalt Overlays
- Pool Re-plastering
- Pool Equipment Replacement
- Pool Furniture Replacement
- Tennis Court Resurfacing
- Park & Play Equipment
- Equipment Replacement
- Interior Furnishings
- Lighting Replacement

**BUDGETING IS NORMALLY EXCLUDED FOR** repairs or replacements of assets which are deemed to have an estimated useful life equal to or exceeding the estimated useful life of the facility or community itself, or exceeding the legal life of the community as defined in an association's governing documents. Examples include the complete replacement of elevators, tile roofs, wiring and plumbing. Also excluded are insignificant expenses which may be covered either by an operating or reserve contingency, or otherwise in a general maintenance fund. Costs which are caused by acts of God, accidents or other occurrences which are more properly insured for, rather than reserved for, are also excluded.

#### ■ 4. Preparing the Reserve Study

Once the reserve assets have been identified and quantified, their respective replacement costs, useful lives and remaining lives must be assigned so that a funding schedule can be constructed. Replacement costs and useful lives can be found in published manuals such as construction estimators, appraisal handbooks, and valuation guides. Remaining lives are calculated from the useful lives and ages of assets and adjusted according to conditions such as design, manufacture quality, usage, exposure to the elements and maintenance history.

By following the recommendations of an effective reserve study the association should avoid any major shortfalls. However, to remain accurate, the report should be updated on an annual basis to reflect such changes as shifts in economic parameters, additions of phases or assets, or expenditures of reserve funds. The association can assist in simplifying the reserve analysis update process by keeping accurate records of these changes throughout the year.

#### ■ 5. Funding Methods



From the simplest to most complex, reserve analysis providers use many different computational processes to calculate reserve requirements. However, there are two basic processes identified as industry standards: the cash-flow method and the component method.

The cash flow method develops a reserve-funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the actual anticipated schedule of reserve expenses until the desired funding goal is achieved. This method sets up a "window" in which all future anticipated replacement costs are computed, based on the individual lives of the components under consideration.

The component method develops a reserve-funding plan where the total contribution is based on the sum of contributions for individual components. The component method is the more conservative of the two funding options, and assures that the association will achieve and maintain an ideal level of reserves over time. This method also allows for computations on individual components in the analysis. The RDA Summary and RDA Projection Reports are based upon the component methodology.

## ■ 6. Funding Strategies

Once an association has established its funding goals, the association can select an appropriate funding plan. There are four basic strategies from which most associations select. It is recommended that associations consult professionals to determine the best strategy or combination of plans that best suit the association's need. Additionally, associations should consult with their financial advisor to determine the tax implications of selecting a particular plan. Further, consultation with the American Institute of Certified Public Accountants (AICPA) for their reporting requirements is advisable. The four funding plans and descriptions of each are detailed below. Associations will have to update their reserve studies more or less frequently depending on the funding strategy they select.

- **Full Funding** — Given that the basis of funding for reserves is to distribute the costs of the replacements over the lives of the components in question, it follows that the ideal level of reserves would be proportionately related to those lives and costs. If an association has a component with an expected estimated useful life of ten years, it would set aside approximately one-tenth of the replacement cost each year. At the end of three years, one would expect that three-tenths of the replacement cost to have accumulated, and if so, that component would be "fully-funded." This model is important in that it is a measure of the adequacy of an association's reserves at any one point of time, and is independent of any particular method which may have been used for past funding or may be under consideration for future funding. The formula is based on current replacement cost, and is a measure in time, independent of future inflationary or investment factors:

$$\text{Fully Funded Reserves} = \frac{\text{Age of Component}}{\text{Useful Life}} \times \text{Current Replacement Cost}$$

When an association's total accumulated reserves for all components meet this criteria, its reserves are "fully-funded."

- **Baseline Funding (RDA Cash Flow Minimum Reports)** — The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance overall does not drop below zero during the projected period. An association using this funding method must understand that even a minor reduction in a component's remaining useful life can result in a deficit in the reserve cash balance.
- **Threshold Funding (RDA Cash Flow Specific Reports)** — This method is based on the baseline funding concept. The minimum reserve cash balance in threshold funding, however, is set at a predetermined dollar amount.
- **Statutory Funding** — This method is based on local statutes. To use it, associations set aside a specific minimum amount of reserves as required by statutes.

## ■ 7. Distribution of Accumulated Reserves

The "Distribution of Accumulated Reserves Report" can be viewed and printed after performing the "RDA Summary Calculations," which is a "Component or Segregated Calculation Process," as opposed to the "Cash Flow Calculation Process," also available to the user in the program.

When calculating reserves based upon the component methodology, a beginning reserve balance must be allocated for each of the individual components considered in the analysis before the individual calculations can be completed. When this distribution is not available, or of sufficient detail, the following method is suggested for allocating reserves:

The first step the program performs in this process is subtracting, from the total accumulated reserves, any amounts for assets which have predetermined (fixed) reserve balances. The user can "fix" the accumulated reserve balance within the program on the individual asset's detail page. If by error these amounts total more than the amount of funds available, then the remaining assets are adjusted accordingly. A provision for a contingency reserve is then deducted by the determined percentage used, and if there are sufficient remaining funds available.

The second step is to identify the ideal level of reserves for each asset. As indicated in the prior section, this is accomplished by evaluating the component's age proportionate to its estimated useful life and current replacement cost. Again, the equation used is as follows:

$$\text{Fully Funded Reserves} = \frac{\text{Age of Component}}{\text{Useful Life}} \times \text{Current Replacement Cost}$$

The RDA RESERVE MANAGEMENT SOFTWARE™ program performs the above calculations to the very month the component was placed-in-service. It also allows for the accumulation of the necessary reserves for the replacement to be available on the first day of the fiscal year it is scheduled to be replaced.

The next step the program performs is to arrange all of the assets used in the study in ascending order by remaining life, and alphabetically within each grouping of remaining life items. These assets are then assigned their respective ideal level of reserves until the amount of funds available are depleted, or until all assets are appropriately funded. If any assets are assigned a zero remaining life (schedule for replacement this fiscal year), then the amount assigned equals the current replacement cost and funding begins for the next cycle of replacement. If there are insufficient funds available to accomplish this, then the software automatically adjust the zero remaining life item to 1 year and that asset assumes its new grouping position alphabetically in the final printed report.

If at the completion of this task there are additional moneys which have not been distributed, the remaining reserves are then assigned, in ascending order, to a level equal to, but not exceeding, the current replacement cost for each component. If there are sufficient moneys available to fund all assets at their current replacement cost levels, then any excess funds are designated as such and are not factored into any of the report computations. If at the end of this assignment process there are designated excess funds, they can be used to offset the monthly contribution requirements recommended, or used in any other manner the client may desire.

Assigning the reserves in this manner defers the make-up period for any underfunding over the longest remaining life of all the assets under consideration, thereby minimizing the impact of deficiency. For example, if the report indicates an underfunding of \$50,000, this underfunding will be assigned to components with the longest remaining life possible in order to give more time to "replenish" the account. If the \$50,000 underfunding were to be assigned to short remaining life items, the impact would be immediately felt.

If the reserves are underfunded, the monthly contribution requirements as outlined in this report can be expected to be higher than normal. In future years, as individual assets are replaced, the funding requirements will return to their normal levels. In the

case of a large deficiency, a special assessment may be considered. The program can easily generate revised reports outlining how the monthly contributions would be affected by such an adjustment, or by any other changes which may be under consideration.

## ■ 8. Funding Reserves

Two contribution numbers are provided in the report, the "Monthly Membership Contribution" and the "Net Monthly Allocation." The association should contribute to reserves each month the "Monthly Membership Contribution" figure, when the interest earned on the reserves is left in the reserve accounts as part of the contribution. When interest is earned on the reserves, that interest must be left in reserves and only amounts set aside for taxes should be removed.

The second alternative is to allocate the "Net Monthly Allocation" to reserves (this is the member contribution plus the anticipated interest earned for the fiscal year). This method assumes that all interest earned will be assigned directly as operating income. This allocation takes into consideration the anticipated interest earned on accumulated reserves regardless of whether or not it is actually earned. When taxes are paid the amount due will be taken directly from the association's operating accounts as the reserve accounts are allocated only those moneys net of taxes.

## ■ 9. Users' Guide to Your Reserve Analysis Study

Part II of your RDA REPORT contains the reserve analysis study for your association. There are seven types of pages in the study as described below.

### REPORT SUMMARY

The **Report Summary** lists all of the parameters which were used in calculating the report as well as the summary of your reserve analysis study.

### INDEX REPORTS

The **Distribution of Accumulated Reserves** report lists all assets in remaining life order. It also identifies the ideal level of reserves which should have accumulated for the association as well as the actual reserves available.

The **Asset Listing/Summary** lists all assets by category (i.e. roofing, painting, lighting, etc.) together with their remaining life, current cost, monthly reserve contribution, and net monthly allocation.

### DETAIL REPORTS

The **Detail Report** itemizes each asset and lists all measurements, current and future costs and calculations for that asset. Provisions for percentage replacements, salvage values and one-time replacements can also be utilized.

The numerical listings for each asset are enhanced by extensive narrative detailing factors such as design, manufacture quality, usage, exposure to elements and maintenance history.

The **Detail Report Index** is an alphabetical listing of all assets together with the page number of the asset's detail report and asset number.

### PROJECTIONS AND CHARTS

**Thirty-year Projections** as well as **Charts and Graphs** of projected data add to the usefulness of your reserve analysis study.

## ■ 10. Definitions

**REPORT I.D.** - Includes the REPORT DATE (ex. November 15, 1992), VERSION (ex. 001), and ACCOUNT NUMBER (ex. 9773). Please use this information when referencing your report. (Displayed on the summary page.)

**BUDGET YEAR BEGINNING/ENDING** - The budgetary year for which the report is prepared. For associations with fiscal years ending December 31, the monthly contribution figures indicated are for the 12 month period beginning 1/1/2X and ending 12/31/2X.

**NUMBER OF UNITS/PHASES** - If applicable, the number of units and/or phases included in this version of the report.

**INFLATION** - This figure is used to approximate the future cost to repair or replace each component in the report. The current cost for each component is compounded on an annual basis by the number of remaining years to replacement and the total is used in calculating the monthly reserve contribution which will be necessary in order to accumulate the required funds in time for replacement.

**ANNUAL CONTRIBUTION INCREASE** - The percentage rate at which the association will increase its contribution to reserves at the end of each year until the year in which the asset is replaced. For example, in order to accumulate \$10,000 in 10 years, you could set aside \$1,000 per year. As an alternative, you could set aside \$795 the first year and increase that amount by 5% each year until the year of replacement. In either case you arrive at the same amount. The idea is that you start setting aside a lower amount and increase that number each year in accordance with the planned percentage. Ideally this figure should be equal to the rate of inflation. It can, however, be used to aid those associations that have not set aside appropriate reserves in the past by making the initial year's allocation less formidable.

**INVESTMENT YIELD** - The average interest rate anticipated by the association based upon its current investment practices.

**TAXES ON YIELD** - The estimated percentage of interest income which will be set aside for taxes.

**ACCUMULATED RESERVE BALANCE** - The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. Based upon information provided and not audited.

**PERCENT FULLY FUNDED** - The ratio, at the beginning of the fiscal year, of the actual (or projected) reserve balance to the calculated fully funded balance, expressed as a percentage.

**PHASE INCREMENT DETAIL/AGE** - Comments regarding aging of the components on the basis of construction date or date of acceptance by the association.

**MONTHLY CONTRIBUTION** - The contribution to reserves required by the association each month.

**INTEREST CONTRIBUTION** - The interest that should be earned on the reserves, net of taxes, based upon their beginning reserve balance and monthly contributions for one year. This figure is averaged for budgeting purposes.

**NET MONTHLY ALLOCATION** - The sum of the monthly contribution and interest contribution figures.

**GROUP OR FACILITY NUMBER/CATEGORY NUMBER** - The report may be prepared and sorted either by group or facility (location, building, phase, etc.) or by category (roofing, painting, etc.). Standard report printing format is by category.

**PERCENTAGE OF REPLACEMENT** - In some cases, an asset may not be replaced in its entirety or the cost may be shared with a second party. Examples are budgeting for a percentage of replacement of streets over a period of time, or sharing the expense to replace a common wall with a neighboring party.

**PLACED-IN-SERVICE** - The month and year that the asset was placed-in-service. - This may be the construction date, the first escrow closure date in a given phase, or the date of the last servicing or replacement.

**ESTIMATED USEFUL LIFE** - The estimated useful life of an asset based upon industry standards, manufacturer specifications, visual inspection, location, usage, association standards and prior history. All of these factors are taken into consideration when tailoring the estimated useful life to the particular asset. For example, the carpeting in a hallway or elevator (a heavy traffic area) will not have the same life as the identical carpeting in a seldom-used meeting room or office.

**ADJUSTMENT TO USEFUL LIFE** - Once the useful life is determined it may be adjusted +/- by this separate figure for the current cycle of replacement. This will allow for a current period adjustment without affecting the estimated replacement cycles for future replacements.

**ESTIMATED REMAINING LIFE** - This calculation is completed internally based upon the report's fiscal year date and the date the asset was placed-in-service.

**REPLACEMENT YEAR** - The year that the asset is scheduled to be replaced. The appropriate funds will be available by the first day of the fiscal year for which replacement is anticipated.

**FIXED ACCUMULATED RESERVES** - An optional figure which, if used, will override the normal process of allocating reserves to each asset.

**FIXED MONTHLY CONTRIBUTION** - An optional figure which, if used, will override all calculations and set the contribution at this amount.

**SALVAGE VALUE** - The salvage value of the asset at the time of replacement, if applicable.

**ONE-TIME REPLACEMENT** - Notation if the asset is to be replaced on a one-time basis.

**CURRENT REPLACEMENT COST** - The estimated replacement cost effective as of the beginning of the fiscal year for which the report is being prepared.

**FUTURE REPLACEMENT COST** - The estimated cost to repair or replace the asset at the end of its estimated useful life based upon the current replacement cost and inflation.

**COMPONENT INVENTORY** - The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents and discussion with appropriate association representative(s).



## ■ 11. A Multi-Purpose Tool

Your RDA REPORT is an important part of your association's budgetary process. Following its recommendations should ensure the association's smooth budgetary transitions from one fiscal year to the next, and either decrease or eliminate the need for "special assessments".

In addition, your RDA reserve study serves a variety of useful purposes:

- Following the recommendations of a reserve study performed by a professional consultant can protect the Board of Directors in a community from personal liability concerning reserve components and reserve funding.
- A reserve analysis study is required by your accountant during the preparation of the association's annual audit.
- A reserve study is often requested by lending institutions during the process of loan applications, both for the community and, in many cases, the individual owners.
- Your RDA REPORT is also a detailed inventory of the association's major assets and serves as a management tool for scheduling, coordinating and planning future repairs and replacements.
- Your RDA REPORT is a tool, which can assist the Board in fulfilling its legal and fiduciary obligations for maintaining the community in a state of good repair. If a community is operating on a special assessment basis, it cannot guarantee that an assessment, when needed, will be passed. Therefore, it cannot guarantee its ability to perform the required repairs or replacements to those major components, which the association is obligated to maintain.
- Since the RDA reserve analysis study includes precise measurements and cost estimates of the client's assets, the detail reports may be used to evaluate the accuracy and price of contractor bids when assets are due to be repaired or replaced.
- The reserve study is an annual disclosure to the membership concerning the financial condition of the association, and may be used as a "consumers' guide" by prospective purchasers.

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**Park Paseo Homeowners Association**  
 Irvine, California  
RDA Reserve Analysis Report Summary

<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Report Date</td> <td style="width: 70%;">July 24, 2014</td> </tr> <tr> <td>Version</td> <td>034</td> </tr> <tr> <td>Account Number</td> <td>1393</td> </tr> <tr> <td>Budget Year Beginning</td> <td>1/ 1/15</td> </tr> <tr> <td style="padding-left: 20px;">Ending</td> <td>12/31/15</td> </tr> <tr> <td>Total Units Included</td> <td>625</td> </tr> <tr> <td>Phase Development</td> <td>1 of 1</td> </tr> </table>	Report Date	July 24, 2014	Version	034	Account Number	1393	Budget Year Beginning	1/ 1/15	Ending	12/31/15	Total Units Included	625	Phase Development	1 of 1	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Parameters:</td> </tr> <tr> <td style="width: 70%;">Inflation</td> <td style="width: 30%; text-align: right;">2.00%</td> </tr> <tr> <td>Annual Contribution Increase</td> <td style="text-align: right;">2.00%</td> </tr> <tr> <td>Investment Yield</td> <td style="text-align: right;">1.00%</td> </tr> <tr> <td>Taxes on Yield</td> <td style="text-align: right;">30.00%</td> </tr> <tr> <td>Contingency</td> <td style="text-align: right;">3.00%</td> </tr> <tr> <td colspan="2">Reserve Fund Balance as of</td> </tr> <tr> <td>1/ 1/15:</td> <td style="text-align: right;">\$733,211.00</td> </tr> </table>	Parameters:		Inflation	2.00%	Annual Contribution Increase	2.00%	Investment Yield	1.00%	Taxes on Yield	30.00%	Contingency	3.00%	Reserve Fund Balance as of		1/ 1/15:	\$733,211.00
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Budget Year Beginning	1/ 1/15																														
Ending	12/31/15																														
Total Units Included	625																														
Phase Development	1 of 1																														
Parameters:																															
Inflation	2.00%																														
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Reserve Fund Balance as of																															
1/ 1/15:	\$733,211.00																														

Project Profile & Introduction

For budgeting purposes, unless otherwise indicated, we have used the following placed-in-service dates for aging all of the original components throughout these areas:

Clubhouse/Main Pool.....January 1977  
 Prosa Pool.....January 1982

RDA field inspections: October 11, 2013

RDA Summary of Calculations

Monthly Contribution to Reserves Required:	\$10,334.67
( \$16.54 per unit per month)	
Average Net Monthly Interest Contribution This Year:	285.55
Net Monthly Allocation to Reserves 1/ 1/15 to 12/31/15:	\$10,620.22
( \$16.99 per unit per month)	

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**Park Paseo Homeowners Association**  
Distribution of Accumulated Reserves

REPORT DATE: July 24, 2014  
 VERSION: 034  
 ACCOUNT NUMBER: 1393

DESCRIPTION	REM LIFE	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Clubhouse - Doors, Entry, Orig	0	15,432.00	15,432.00
Clubhouse - Doors, Interior	0	1,928.00	1,928.00
Clubhouse - Doors, Sliding Original	0	6,368.00	6,368.00
Clubhouse - Water Heater	0	3,501.00	3,501.00
Golf Cart - Replacement, Unfunded	0	0.00	0.00
Lighting - Exterior, Main Pool/Club	0	13,598.00	13,598.00
Lighting - Exterior, Prosa, 1992	0	2,630.00	2,630.00
Lighting - Interior, Clubhouse	0	15,594.00	15,594.00
Lighting - Walkway	0	110,000.03	110,000.03
Main Pool - Spa Pump/Motor	0	1,122.00	1,122.00
Main Pool - Spa, Sump Pump	0	2,869.00	2,869.00
Main Pool - Wader Filter	0	969.00	969.00
Main Pool Area - Deck Repair	0	25,000.00	25,000.00
Main Pool Area - Furniture, 2001	0	18,981.00	18,981.00
Main Pool Area - Furniture, 2007	0	15,581.00	15,581.00
Painting - Wrought Iron, Streets	0	165.78	165.78
Parking Lot - Asphalt Repairs	0	2,593.10	2,593.10
Parking Lot - Asphalt Slurry Seal	0	2,432.26	2,432.26
Prosa Pool Area - Ceramic Shower	0	7,099.79	7,099.79
Prosa Pool Area - Deck Repairs	0	12,500.00	12,500.00
Prosa Pool Area - Furniture	0	8,865.00	8,865.00
Prosa Pool Area - Water Heater	0	3,501.00	3,501.00
Rec Area - Drinking Fountain, Pross	0	1,481.00	1,481.00
Rec Area - Sand Repl, Main	0	6,000.00	6,000.00
Signs - Monument	0	3,230.00	3,230.00
Tennis Court - Resurfacing	0	12,240.00	12,240.00
Tennis Court - Windscreen	0	3,321.36	3,321.36
Termite Control/Fumigation	0	5,060.00	5,060.00
Clubhouse - Furnishings	1	27,000.00	27,000.00
Irrigation - Enclosures	1	25,682.15	25,682.15
Landscape - Tree Trimming, Jac.	1	6,652.17	6,652.17
Lighting - Parking Lot, Original	1	6,942.31	6,942.31
Main Pool - Filter	1	5,649.23	5,649.23
Main Pool - Spa Filter	1	1,293.55	1,293.55
Main Pool - Spa Pump/Motor, Booster	1	2,462.57	2,462.57
Main Pool Area - Barbecues	1	3,717.55	3,717.55
Painting - Main Spa, Equipment Room	1	2,167.20	2,167.20
Painting - Woodwork, Clubhouse	1	9,303.56	9,303.56
Painting - Woodwork, Prosa	1	2,549.79	2,549.79
Prosa Pool - Pump/Motor Systems	1	2,040.00	2,040.00
Prosa Pool Area - Rstrm Counters	1	1,042.41	1,042.41
Prosa Pool Area - Rstrm Fixtures	1	5,377.06	5,377.06

**Park Paseo Homeowners Association**  
Distribution of Accumulated Reserves

DESCRIPTION	REM LIFE	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Prosa Pool Area - Rstrm Partitions	1	3,055.41	3,055.41
Prosa Pool Area - Wood Repairs	1	2,800.00	2,800.00
Clubhouse - Billiard Tables	2	9,253.00	9,253.00
Clubhouse - Deck, Railing, Wood	2	4,170.88	4,170.88
Clubhouse - Doors, Restrooms	2	2,264.80	2,264.80
Clubhouse - Kitchen, Appliances	2	4,345.03	4,345.03
Clubhouse - Office, Equipment	2	7,966.10	7,966.10
Clubhouse - Wallpaper	2	11,215.97	11,215.97
Clubhouse - Window Blinds	2	12,948.91	12,948.91
Landscape - Tree Trimming, Windrow	2	9,272.73	9,272.73
Lighting - Interior, Prosa Cabana	2	1,631.14	1,631.14
Main Pool Area - Ceramic Shower	2	2,039.75	2,039.75
Main Pool Area - Deck Caulking	2	5,897.50	5,897.50
Painting - Int Restrooms, Clubhouse	2	3,218.67	3,218.67
Prosa Pool Area - Deck Caulking	2	1,679.07	1,679.07
Rec Area - Play Equip, Alba	2	19,760.89	19,760.89
Rec Area - Play Equip, Main, Prosa	2	45,374.36	45,374.36
Signs - Bulletin Board, Clubhouse	2	988.38	988.38
Tennis Court - Lighting	2	12,798.40	12,798.40
Main Pool - Wader Heater	3	2,261.74	2,261.74
Parking Lot - Asphalt Overlay	3	10,314.62	10,314.62
Prosa Pool Area - Barbecues	4	1,790.64	1,790.64
Prosa Pool Area - Rstrm Tile	4	8,088.70	8,088.70
Painting - Int Restrooms, Prosa	5	545.40	545.40
Prosa Pool - Filter, 2008	5	1,565.22	1,565.22
Tennis Court - Chain Link	5	17,327.12	17,327.12
Main Pool - Motor/Pump System	6	1,490.77	1,490.77
Main Pool - Wader Pump/Motor	6	226.79	226.79
Painting - Stucco	6	1,180.42	1,180.42
Clubhouse - Carpet, Replace	7	354.55	354.55
Lighting - Parking Lot, 2000	7	955.59	955.59
Rec Area - Benches	8	3,716.62	3,716.62
Roofs - Composition Roll, Clubhouse	8	725.55	725.55
Rec Area - Sand Repl, Alba	9	480.69	480.69
Rec Area - Sand Repl, Prosa	9	292.86	292.86
Clubhouse - Restroom Shower Door	10	748.50	748.50
Main Pool - Spa Refiberglass & Tile	10	1,520.50	1,520.50

**Park Paseo Homeowners Association**  
Distribution of Accumulated Reserves

DESCRIPTION	REM LIFE	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Main Pool - Heater	11	1,110.17	1,110.17
Prosa Pool - Heater	11	488.46	488.46
Rec Area - Trash Cans	11	2,836.80	2,836.80
Tennis Court - Benches, Tennis/Grds	11	5,267.73	5,267.73
Clubhouse - Office, Refurbishment	12	5,045.59	5,045.59
Main Pool - Refiberglass & Tile	12	10,660.29	10,660.29
Main Pool - Spa Heater	12	183.45	183.45
Main Pool - Wader Refiberglassing	12	1,352.43	1,352.43
Prosa Pool - Refiberglass & Tile	12	4,658.43	4,658.43
Rec Area - Drinking Fountain, C\H	12	650.68	650.68
Irrigation - Controllers	13	4,039.20	4,039.20
Clubhouse - Restroom Counters	14	1,152.00	1,152.00
Clubhouse - Restroom Partitions	14	1,576.50	1,576.50
Clubhouse - Doors, Entry, 2005	15	5,061.68	5,061.68
Clubhouse - Floor Tile	15	7,153.59	7,153.59
Clubhouse - Kitchen, Cabinets	15	9,517.49	9,517.49
Clubhouse - Kitchen, Sink	15	302.15	302.15
Clubhouse - Restroom Lockers/Bench	16	5,454.55	5,454.55
Fencing - W/I, Alba West/Entrada	16	165.89	165.89
Fencing - W/I, Delamesa/Campanero	16	1,322.34	1,322.34
Walls - Stucco Repairs	16	457.45	457.45
Clubhouse - HVAC, Clubhouse/Office	19	1,051.78	1,051.78
Clubhouse - Restroom	19	0.00	0.00
Clubhouse - Restroom Ceramic Tile	19	2,798.72	2,798.72
Clubhouse - Restroom Epoxy Floor	19	543.44	543.44
Clubhouse - Restroom Fixtures	19	1,731.84	1,731.84
Fencing - Aluminum, Prosa Pool	20	10,182.00	10,182.00
Painting - Aluminum, Pools	20	2,066.58	2,066.58
Clubhouse - Exterior Staircase	21	5,287.29	5,287.29
Clubhouse - Doors, Double Slide	22	833.28	833.28
Clubhouse - Women's Shower	22	384.15	384.15
Fencing - Aluminum, Main Pool	25	22,662.37	310.25
Trellis - Prosa Pool	25	1,938.00	0.00
Trellis - Clubhouse	26	5,352.47	0.00
Roofs - Tile, Clubhouse, Replace	34	929.81	0.00

**Park Paseo Homeowners Association**  
Distribution of Accumulated Reserves

DESCRIPTION	REM LIFE	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Roofs - DaVinci Roof - Prosa	46	913.81	0.00
Total Asset Summary:		743,341.55	711,855.34
Contingency @ 3.00%:		22,300.25	21,355.66
Grand Total:		765,641.80	733,211.00
Excess Reserves Not Used:			0.00
Percent Fully Funded:	96%		

**Park Paseo Homeowners Association**  
**Funding Status Report**

REPORT DATE: July 24, 2014  
VERSION: 034  
ACCOUNT NUMBER: 1393

DESCRIPTION	USE LIFE	+/- LIFE	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Parking Lot - Asphalt Overlay	20	+1	3	12,083	10,315	10,315
Parking Lot - Asphalt Repairs	3	0	0	2,593	2,593	2,593
Parking Lot - Asphalt Slurry Seal	3	0	0	2,432	2,432	2,432
*** CATEGORY SUMMARY:				17,108	15,340	15,340
Roofs - Composition Roll, Clubhouse	18	0	8	1,326	726	726
Roofs - DaVinci Roof - Prosa	50	0	46	11,423	914	0
Roofs - Tile, Clubhouse, Replace	35	0	34	48,350	930	0
*** CATEGORY SUMMARY:				61,099	2,569	726
Painting - Aluminum, Pools	25	0	20	10,333	2,067	2,067
Painting - Int Restrooms, Clubhouse	8	0	2	4,292	3,219	3,219
Painting - Int Restrooms, Prosa	8	0	5	1,601	545	545
Painting - Main Spa, Equipment Room	5	0	1	2,772	2,167	2,167
Painting - Stucco	10	0	6	3,204	1,180	1,180
Painting - Woodwork, Clubhouse	5	0	1	11,900	9,304	9,304
Painting - Woodwork, Prosa	5	0	1	3,261	2,550	2,550
Painting - Wrought Iron, Streets	3	0	0	166	166	166
*** CATEGORY SUMMARY:				37,529	21,197	21,197
Fencing - Aluminum, Main Pool	30	0	25	141,938	22,662	310
Fencing - Aluminum, Prosa Pool	25	0	20	50,910	10,182	10,182
Fencing - W/I, Alba West/Entrada	20	0	16	943	166	166
Fencing - W/I, Delamesa/Campanero	20	0	16	6,612	1,322	1,322
Walls - Stucco Repairs	20	0	16	2,500	457	457
*** CATEGORY SUMMARY:				202,902	34,790	12,438
Lighting - Exterior, Main Pool/Club	10	0	0	13,598	13,598	13,598
Lighting - Exterior, Prosa, 1992	10	0	0	2,630	2,630	2,630
Lighting - Interior, Clubhouse	25	0	0	15,594	15,594	15,594
Lighting - Interior, Prosa Cabana	25	+10	2	1,730	1,631	1,631
Lighting - Parking Lot, 2000	22	0	7	1,425	956	956
Lighting - Parking Lot, Original	22	+17	1	7,125	6,942	6,942
Lighting - Walkway	15	0	0	110,000	110,000	110,000
*** CATEGORY SUMMARY:				152,102	151,351	151,351
Main Pool - Filter	12	+1	1	6,120	5,649	5,649
Main Pool - Heater	12	0	11	19,428	1,110	1,110
Main Pool - Motor/Pump System	8	0	6	7,140	1,491	1,491
Main Pool - Refiberglass & Tile	14	0	12	74,622	10,660	10,660
Main Pool - Spa Filter	10	+7	1	1,377	1,294	1,294
Main Pool - Spa Heater	10	+3	12	2,585	183	183
Main Pool - Spa Pump/Motor	8	0	0	1,122	1,122	1,122

**Park Paseo Homeowners Association**  
Funding Status Report

DESCRIPTION	USE LIFE	+/- LIFE	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Main Pool - Spa Pump/Motor, Booster	8	+6	1	2,652	2,463	2,463
Main Pool - Spa Refiberglass & Tile	12	0	10	9,123	1,521	1,521
Main Pool - Spa, Sump Pump	8	0	0	2,869	2,869	2,869
Main Pool - Wader Filter	12	0	0	969	969	969
Main Pool - Wader Heater	12	0	3	3,060	2,262	2,262
Main Pool - Wader Pump/Motor	8	0	6	969	227	227
Main Pool - Wader Refiberglassing	14	0	12	9,467	1,352	1,352
*** CATEGORY SUMMARY:				141,503	33,171	33,171
Main Pool Area - Barbecues	5	0	1	4,755	3,718	3,718
Main Pool Area - Ceramic Shower	25	+15	2	2,147	2,040	2,040
Main Pool Area - Deck Caulking	4	0	2	11,795	5,898	5,898
Main Pool Area - Deck Repair	30	0	0	25,000	25,000	25,000
Main Pool Area - Furniture, 2001	7	0	0	18,981	18,981	18,981
Main Pool Area - Furniture, 2007	7	0	0	15,581	15,581	15,581
*** CATEGORY SUMMARY:				78,259	71,217	71,217
Prosa Pool - Filter, 2008	12	0	5	2,754	1,565	1,565
Prosa Pool - Heater	12	0	11	6,350	488	488
Prosa Pool - Pump/Motor Systems	8	+3	1	2,244	2,040	2,040
Prosa Pool - Refiberglass & Tile	14	0	12	32,609	4,658	4,658
*** CATEGORY SUMMARY:				43,957	8,752	8,752
Prosa Pool Area - Barbecues	8	0	4	3,887	1,791	1,791
Prosa Pool Area - Ceramic Shower	25	0	0	7,100	7,100	7,100
Prosa Pool Area - Deck Caulking	4	0	2	3,358	1,679	1,679
Prosa Pool Area - Deck Repairs	30	0	0	12,500	12,500	12,500
Prosa Pool Area - Furniture	7	0	0	8,865	8,865	8,865
Prosa Pool Area - Rstrm Counters	20	+14	1	1,074	1,042	1,042
Prosa Pool Area - Rstrm Fixtures	25	+9	1	5,540	5,377	5,377
Prosa Pool Area - Rstrm Partitions	20	+14	1	3,148	3,055	3,055
Prosa Pool Area - Rstrm Tile	25	+12	4	9,069	8,089	8,089
Prosa Pool Area - Water Heater	18	0	0	3,501	3,501	3,501
Prosa Pool Area - Wood Repairs	5	0	1	3,500	2,800	2,800
*** CATEGORY SUMMARY:				61,542	55,799	55,799
Clubhouse - Billiard Tables	25	+15	2	9,740	9,253	9,253
Clubhouse - Carpet, Replace	8	0	7	7,800	355	355
Clubhouse - Doors, Double Slide	25	0	22	6,944	833	833
Clubhouse - Doors, Entry, 2005	25	0	15	12,916	5,062	5,062
Clubhouse - Doors, Entry, Orig	25	0	0	15,432	15,432	15,432
Clubhouse - Doors, Interior	25	0	0	1,928	1,928	1,928
Clubhouse - Doors, Restrooms	25	+15	2	2,384	2,265	2,265
Clubhouse - Doors, Sliding Original	25	0	0	6,368	6,368	6,368
Clubhouse - Exterior Staircase	30	0	21	18,350	5,287	5,287
Clubhouse - Floor Tile	25	0	15	18,254	7,154	7,154
Clubhouse - Furnishings	10	0	1	30,000	27,000	27,000



**Park Paseo Homeowners Association**  
Funding Status Report

DESCRIPTION	USE LIFE	+/- LIFE	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Clubhouse - HVAC, Clubhouse/Office	20	0	19	27,697	1,052	1,052
Clubhouse - Kitchen, Appliances	12	0	2	5,244	4,345	4,345
Clubhouse - Kitchen, Cabinets	25	0	15	24,286	9,517	9,517
Clubhouse - Kitchen, Sink	25	0	15	771	302	302
Clubhouse - Office, Equipment	8	+2	2	10,000	7,966	7,966
Clubhouse - Office, Refurbishment	20	0	12	12,775	5,046	5,046
Clubhouse - Restroom	25	0	19	0	0	0
Clubhouse - Restroom Ceramic Tile	25	0	19	11,661	2,799	2,799
Clubhouse - Restroom Counters	20	0	14	3,840	1,152	1,152
Clubhouse - Restroom Epoxy Floor	25	0	19	2,264	543	543
Clubhouse - Restroom Fixtures	25	0	19	7,216	1,732	1,732
Clubhouse - Restroom Lockers/Bench	22	0	16	20,000	5,455	5,455
Clubhouse - Restroom Partitions	20	0	14	5,255	1,577	1,577
Clubhouse - Restroom Shower Door	16	0	10	1,996	749	749
Clubhouse - Wallpaper	15	-3	2	13,537	11,216	11,216
Clubhouse - Water Heater	12	0	0	3,501	3,501	3,501
Clubhouse - Window Blinds	10	+2	2	15,628	12,949	12,949
Clubhouse - Women's Shower	25	0	22	3,367	384	384
*** CATEGORY SUMMARY:				299,154	151,220	151,220
Tennis Court - Benches, Tennis/Grds	15	0	11	19,754	5,268	5,268
Tennis Court - Chain Link	30	+13	5	19,607	17,327	17,327
Tennis Court - Lighting	25	+15	2	13,472	12,798	12,798
Tennis Court - Resurfacing	6	0	0	12,240	12,240	12,240
Tennis Court - Windscreen	6	0	0	3,321	3,321	3,321
*** CATEGORY SUMMARY:				68,394	50,955	50,955
Rec Area - Benches	12	0	8	11,308	3,717	3,717
Rec Area - Drinking Fountain, C\H	16	0	12	2,936	651	651
Rec Area - Drinking Fountain, Pross	16	+15	0	1,481	1,481	1,481
Rec Area - Play Equip, Alba	18	0	2	22,231	19,761	19,761
Rec Area - Play Equip, Main, Prosa	18	+2	2	50,560	45,374	45,374
Rec Area - Sand Repl, Alba	10	0	9	6,970	481	481
Rec Area - Sand Repl, Main	10	0	0	6,000	6,000	6,000
Rec Area - Sand Repl, Prosa	10	0	9	8,200	293	293
Rec Area - Trash Cans	15	0	11	10,638	2,837	2,837
*** CATEGORY SUMMARY:				120,324	80,594	80,594
Clubhouse - Deck, Railing, Wood	12	+5	2	4,727	4,171	4,171
Trellis - Clubhouse	30	0	26	44,189	5,352	0
Trellis - Prosa Pool	30	0	25	11,628	1,938	0
*** CATEGORY SUMMARY:				60,544	11,461	4,171
Signs - Bulletin Board, Clubhouse	15	+8	2	1,086	988	988
Signs - Monument	30	0	0	3,230	3,230	3,230
*** CATEGORY SUMMARY:				4,316	4,218	4,218

**Park Paseo Homeowners Association**  
Funding Status Report

DESCRIPTION	USE LIFE	+/-	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Golf Cart - Replacement, Unfunded	12	0	0	0	0	0
*** CATEGORY SUMMARY:				0	0	0
Landscape - Tree Trimming, Jac.	4	0	1	9,000	6,652	6,652
Landscape - Tree Trimming, Windrow	3	0	2	34,000	9,273	9,273
*** CATEGORY SUMMARY:				43,000	15,925	15,925
Irrigation - Controllers	15	0	13	30,294	4,039	4,039
Irrigation - Enclosures	24	+15	1	26,358	25,682	25,682
*** CATEGORY SUMMARY:				56,652	29,721	29,721
Termite Control/Fumigation	15	+4	0	5,060	5,060	5,060
*** CATEGORY SUMMARY:				5,060	5,060	5,060
<b>TOTAL ASSET SUMMARY:</b>				<b>1,453,445</b>	<b>743,342</b>	<b>711,855</b>
CONTINGENCY @ 3.00%:					22,300	21,356
<b>GRAND TOTAL:</b>					<b>765,642</b>	<b>733,211</b>

Percent Fully Funded: 96%

**Park Paseo Homeowners Association**  
Asset Listing - Summary by Category

REPORT DATE: July 24, 2014  
 VERSION: 034  
 ACCOUNT NUMBER: 1393

DESCRIPTION	REM LIFE	CURRENT COST	MONTHLY CONTRIBUTION	NET MONTHLY ALLOCATION
Parking Lot - Asphalt Overlay	3	12,083	61.70	67.93
Parking Lot - Asphalt Repairs	0	2,593	74.18	74.42
Parking Lot - Asphalt Slurry Seal	0	2,432	69.57	69.79
*** CATEGORY SUMMARY:		17,108	205.45	212.14
Roofs - Composition Roll, Clubhouse	8	1,326	7.43	7.88
Roofs - DaVinci Roof - Prosa	46	11,423	27.66	27.75
Roofs - Tile, Clubhouse, Replace	34	48,350	147.67	148.14
*** CATEGORY SUMMARY:		61,099	182.76	183.77
Painting - Aluminum, Pools	20	10,333	41.67	43.01
Painting - Int Restrooms, Clubhouse	2	4,292	49.21	51.25
Painting - Int Restrooms, Prosa	5	1,601	18.94	19.32
Painting - Main Spa, Equipment Room	1	2,772	53.58	55.02
Painting - Stucco	6	3,204	30.77	31.56
Painting - Woodwork, Clubhouse	1	11,900	230.01	236.19
Painting - Woodwork, Prosa	1	3,261	63.04	64.73
Painting - Wrought Iron, Streets	0	166	4.74	4.76
*** CATEGORY SUMMARY:		37,529	491.96	505.84
Fencing - Aluminum, Main Pool	25	141,938	557.67	559.64
Fencing - Aluminum, Prosa Pool	20	50,910	205.30	211.92
Fencing - W/I, Alba West/Entrada	16	943	4.70	4.81
Fencing - W/I, Delamesa/Campanero	16	6,612	32.20	33.08
Walls - Stucco Repairs	16	2,500	12.38	12.69
*** CATEGORY SUMMARY:		202,902	812.25	822.14
Lighting - Exterior, Main Pool/Club	0	13,598	121.96	122.35
Lighting - Exterior, Prosa, 1992	0	2,630	23.59	23.67
Lighting - Interior, Clubhouse	0	15,594	61.37	61.57
Lighting - Interior, Prosa Cabana	2	1,730	5.97	6.94
Lighting - Parking Lot, 2000	7	1,425	6.93	7.51
Lighting - Parking Lot, Original	1	7,125	22.96	27.10
Lighting - Walkway	0	110,000	678.56	680.74
*** CATEGORY SUMMARY:		152,102	921.34	929.88
Main Pool - Filter	1	6,120	45.98	49.43
Main Pool - Heater	11	19,428	151.50	152.64
Main Pool - Motor/Pump System	6	7,140	83.96	85.10
Main Pool - Refiberglass & Tile	12	74,622	495.58	503.41
Main Pool - Spa Filter	1	1,377	8.47	9.25
Main Pool - Spa Heater	12	2,585	18.37	18.54
Main Pool - Spa Pump/Motor	0	1,122	12.42	12.46

**Park Paseo Homeowners Association**  
Asset Listing - Summary by Category

DESCRIPTION	REM LIFE	CURRENT COST	MONTHLY CONTRIBUTION	NET MONTHLY ALLOCATION
Main Pool - Spa Pump/Motor, Booster	1	2,652	18.70	20.20
Main Pool - Spa Refiberglass & Tile	10	9,123	69.83	70.94
Main Pool - Spa, Sump Pump	0	2,869	31.76	31.86
Main Pool - Wader Filter	0	969	7.33	7.35
Main Pool - Wader Heater	3	3,060	25.27	26.67
Main Pool - Wader Pump/Motor	6	969	11.06	11.23
Main Pool - Wader Refiberglassing	12	9,467	62.87	63.86
*** CATEGORY SUMMARY:		141,503	1,043.10	1,062.94
Main Pool Area - Barbecues	1	4,755	91.91	94.38
Main Pool Area - Ceramic Shower	2	2,147	6.78	8.00
Main Pool Area - Deck Caulking	2	11,795	257.80	262.08
Main Pool Area - Deck Repair	0	25,000	84.49	84.76
Main Pool Area - Furniture, 2001	0	18,981	238.66	239.43
Main Pool Area - Furniture, 2007	0	15,581	195.91	196.54
*** CATEGORY SUMMARY:		78,259	875.55	885.19
Prosa Pool - Filter, 2008	5	2,754	22.35	23.34
Prosa Pool - Heater	11	6,350	48.62	49.06
Prosa Pool - Pump/Motor Systems	1	2,244	19.48	20.74
Prosa Pool - Refiberglass & Tile	12	32,609	216.56	219.98
*** CATEGORY SUMMARY:		43,957	307.01	313.12
Prosa Pool Area - Barbecues	4	3,887	47.19	48.39
Prosa Pool Area - Ceramic Shower	0	7,100	27.94	28.03
Prosa Pool Area - Deck Caulking	2	3,358	73.40	74.62
Prosa Pool Area - Deck Repairs	0	12,500	42.25	42.39
Prosa Pool Area - Furniture	0	8,865	111.47	111.83
Prosa Pool Area - Rstrm Counters	1	1,074	3.80	4.42
Prosa Pool Area - Rstrm Fixtures	1	5,540	19.60	22.81
Prosa Pool Area - Rstrm Partitions	1	3,148	11.14	12.96
Prosa Pool Area - Rstrm Tile	4	9,069	29.89	34.72
Prosa Pool Area - Water Heater	0	3,501	18.33	18.39
Prosa Pool Area - Wood Repairs	1	3,500	62.33	64.17
*** CATEGORY SUMMARY:		61,542	447.34	462.73
Clubhouse - Billiard Tables	2	9,740	30.74	36.25
Clubhouse - Carpet, Replace	7	7,800	94.00	94.51
Clubhouse - Doors, Double Slide	22	6,944	27.73	28.31
Clubhouse - Doors, Entry, 2005	15	12,916	53.91	57.05
Clubhouse - Doors, Entry, Orig	0	15,432	60.73	60.93
Clubhouse - Doors, Interior	0	1,928	7.59	7.61
Clubhouse - Doors, Restrooms	2	2,384	7.52	8.87
Clubhouse - Doors, Sliding Original	0	6,368	25.06	25.14
Clubhouse - Exterior Staircase	21	18,350	65.42	68.72
Clubhouse - Floor Tile	15	18,254	76.19	80.62
Clubhouse - Furnishings	1	30,000	283.29	300.00
Clubhouse - HVAC, Clubhouse/Office	19	27,697	134.14	135.19

**Park Paseo Homeowners Association**  
**Asset Listing - Summary by Category**

DESCRIPTION	REM LIFE	CURRENT COST	MONTHLY CONTRIBUTION	NET MONTHLY ALLOCATION
Clubhouse - Kitchen, Appliances	2	5,244	43.01	45.69
Clubhouse - Kitchen, Cabinets	15	24,286	101.36	107.26
Clubhouse - Kitchen, Sink	15	771	3.22	3.41
Clubhouse - Office, Equipment	2	10,000	95.30	100.27
Clubhouse - Office, Refurbishment	12	12,775	63.94	67.10
Clubhouse - Restroom	19	0	0.00	0.00
Clubhouse - Restroom Ceramic Tile	19	11,661	47.26	49.05
Clubhouse - Restroom Counters	14	3,840	18.90	19.63
Clubhouse - Restroom Epoxy Floor	19	2,264	9.18	9.53
Clubhouse - Restroom Fixtures	19	7,216	29.24	30.35
Clubhouse - Restroom Lockers/Bench	16	20,000	90.52	94.00
Clubhouse - Restroom Partitions	14	5,255	25.86	26.87
Clubhouse - Restroom Shower Door	10	1,996	12.00	12.48
Clubhouse - Wallpaper	2	13,537	111.03	117.95
Clubhouse - Water Heater	0	3,501	26.50	26.59
Clubhouse - Window Blinds	2	15,628	128.18	136.17
Clubhouse - Women's Shower	22	3,367	13.51	13.78
*** CATEGORY SUMMARY:		299,154	1,685.33	1,763.33
Tennis Court - Benches, Tennis/Grds	11	19,754	124.54	128.02
Tennis Court - Chain Link	5	19,607	58.31	68.64
Tennis Court - Lighting	2	13,472	42.52	50.15
Tennis Court - Resurfacing	0	12,240	178.42	178.99
Tennis Court - Windscreen	0	3,321	48.42	48.58
*** CATEGORY SUMMARY:		68,394	452.21	474.38
Rec Area - Benches	8	11,308	88.06	90.52
Rec Area - Drinking Fountain, C\H	12	2,936	18.00	18.44
Rec Area - Drinking Fountain, Pross	0	1,481	8.62	8.65
Rec Area - Play Equip, Alba	2	22,231	126.62	138.59
Rec Area - Play Equip, Main, Prosa	2	50,560	270.00	297.42
Rec Area - Sand Repl, Alba	9	6,970	64.79	65.28
Rec Area - Sand Repl, Main	0	6,000	53.82	53.99
Rec Area - Sand Repl, Prosa	9	8,200	78.62	79.04
Rec Area - Trash Cans	11	10,638	67.07	68.95
*** CATEGORY SUMMARY:		120,324	775.60	820.88
Clubhouse - Deck, Railing, Wood	2	4,727	28.21	30.74
Trellis - Clubhouse	26	44,189	168.22	168.76
Trellis - Prosa Pool	25	11,628	45.76	45.91
*** CATEGORY SUMMARY:		60,544	242.19	245.41
Signs - Bulletin Board, Clubhouse	2	1,086	5.23	5.83
Signs - Monument	0	3,230	10.92	10.96
*** CATEGORY SUMMARY:		4,316	16.15	16.79
Golf Cart - Replacement, Unfunded	0	0	0.00	0.00

**Park Paseo Homeowners Association**  
Asset Listing - Summary by Category

DESCRIPTION	REM LIFE	CURRENT COST	MONTHLY CONTRIBUTION	NET MONTHLY ALLOCATION
*** CATEGORY SUMMARY:		0	0.00	0.00
Landscape - Tree Trimming, Jac.	1	9,000	206.10	210.66
Landscape - Tree Trimming, Windrow	2	34,000	1,064.24	1,073.09
*** CATEGORY SUMMARY:		43,000	1,270.34	1,283.75
Irrigation - Controllers	13	30,294	188.92	191.89
Irrigation - Enclosures	1	26,358	84.95	100.25
*** CATEGORY SUMMARY:		56,652	273.87	292.14
Termite Control/Fumigation	0	5,060	31.21	31.31
*** CATEGORY SUMMARY:		5,060	31.21	31.31
<b>TOTAL ASSET SUMMARY:</b>		<b>1,453,445</b>	<b>10,033.66</b>	<b>10,305.74</b>
CONTINGENCY @ 3.00%:			301.01	314.48
<b>GRAND TOTAL:</b>			<b>10,334.67</b>	<b>10,620.22</b>

**Park Paseo Homeowners Association**  
**RDA Standard Projections**

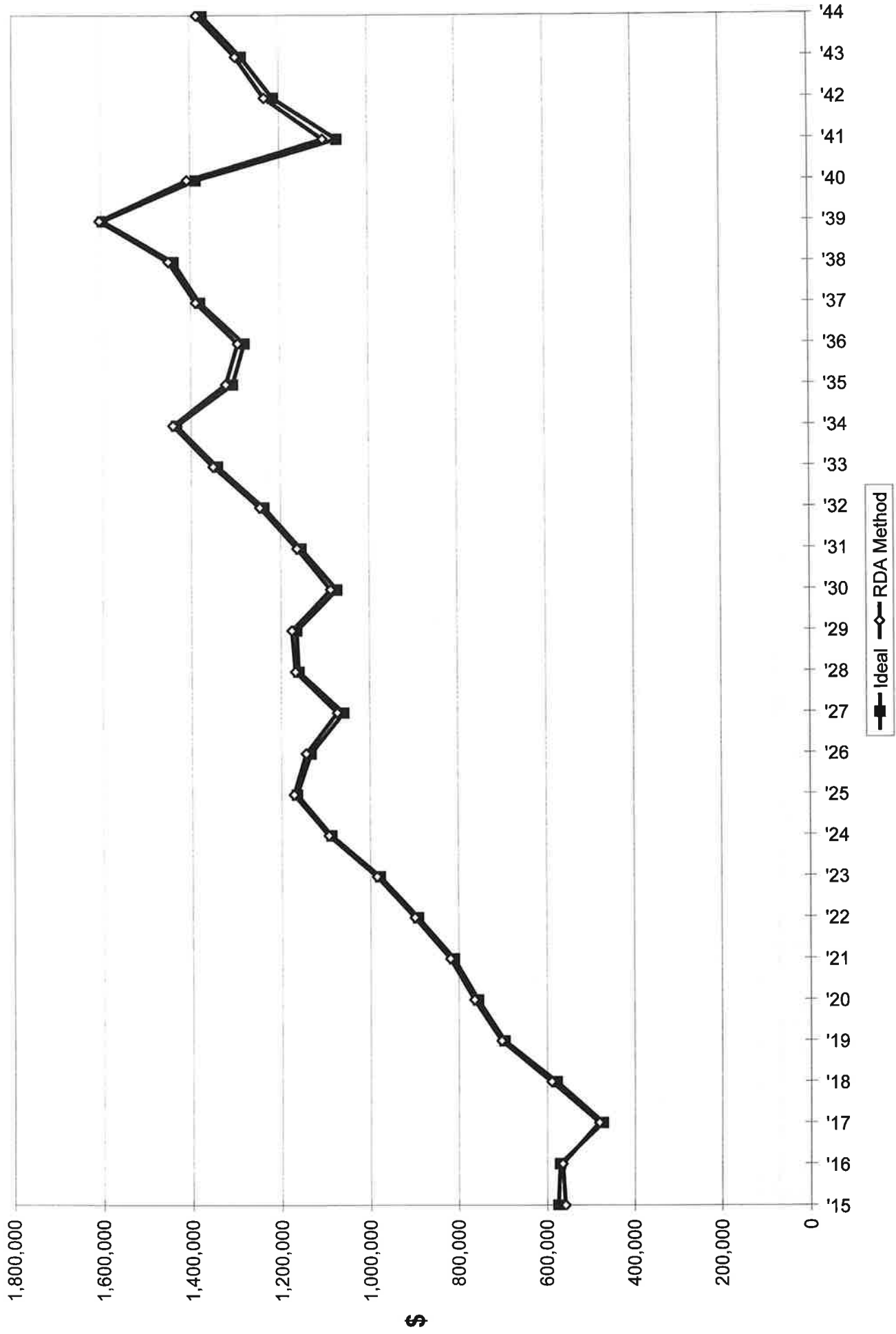
REPORT DATE: July 24, 2014  
VERSION: 034  
ACCOUNT NUMBER: 1393

Beginning Accumulated Reserves: \$733,211

YEAR	CURRENT REPLACEMENT COST	ANNUAL CONTRBTN	ANNUAL INTEREST CONTRBTN	ANNUAL EXPENDTRS	PROJECTED ENDING RESERVES	FULLY FUNDED RESERVES	PERCENT FULLY FUNDED
'15	1,453,445	124,016	3,427	302,062	558,591	574,743	97%
'16	1,482,514	126,342	3,463	123,243	565,153	570,663	99%
'17	1,512,165	127,744	2,875	214,250	481,522	473,111	102%
'18	1,542,408	126,133	3,636	21,579	589,713	578,354	102%
'19	1,573,256	122,701	4,437	14,024	702,826	696,099	101%
'20	1,604,721	130,509	4,836	73,931	764,240	755,884	101%
'21	1,636,816	131,767	5,210	82,668	818,549	810,077	101%
'22	1,669,552	134,737	5,757	60,481	898,562	891,072	101%
'23	1,702,943	139,000	6,340	59,315	984,587	977,469	101%
'24	1,737,002	142,746	7,086	40,940	1,093,478	1,087,411	101%
'25	1,771,742	147,139	7,614	76,543	1,171,689	1,164,818	101%
'26	1,807,177	148,990	7,417	183,690	1,144,405	1,133,859	101%
'27	1,843,320	149,918	6,918	227,943	1,073,299	1,058,625	101%
'28	1,880,187	147,398	7,584	60,819	1,167,462	1,160,299	101%
'29	1,917,790	158,053	7,597	158,014	1,175,097	1,164,780	101%
'30	1,956,146	157,458	6,989	252,133	1,087,411	1,073,373	101%
'31	1,995,269	157,439	7,516	89,119	1,163,247	1,154,397	101%
'32	2,035,175	166,440	8,062	91,397	1,246,351	1,237,713	101%
'33	2,075,878	172,203	8,768	76,694	1,350,628	1,341,267	101%
'34	2,117,396	173,882	9,389	93,249	1,440,650	1,432,660	101%
'35	2,159,744	177,987	8,545	305,298	1,321,885	1,306,353	101%
'36	2,202,938	175,486	8,364	211,218	1,294,516	1,279,660	101%
'37	2,246,997	178,702	9,004	94,164	1,388,058	1,378,789	101%
'38	2,291,937	188,797	9,394	136,853	1,449,396	1,438,502	101%
'39	2,337,776	191,501	10,464	46,988	1,604,372	1,597,340	100%
'40	2,384,531	197,951	9,065	404,183	1,407,205	1,387,605	101%
'41	2,432,222	194,416	6,947	506,960	1,101,608	1,069,320	103%
'42	2,480,866	187,840	7,888	64,391	1,232,946	1,213,365	102%
'43	2,530,484	196,696	8,306	140,229	1,297,719	1,284,421	101%
'44	2,581,093	207,697	8,870	129,671	1,384,615	1,371,873	101%

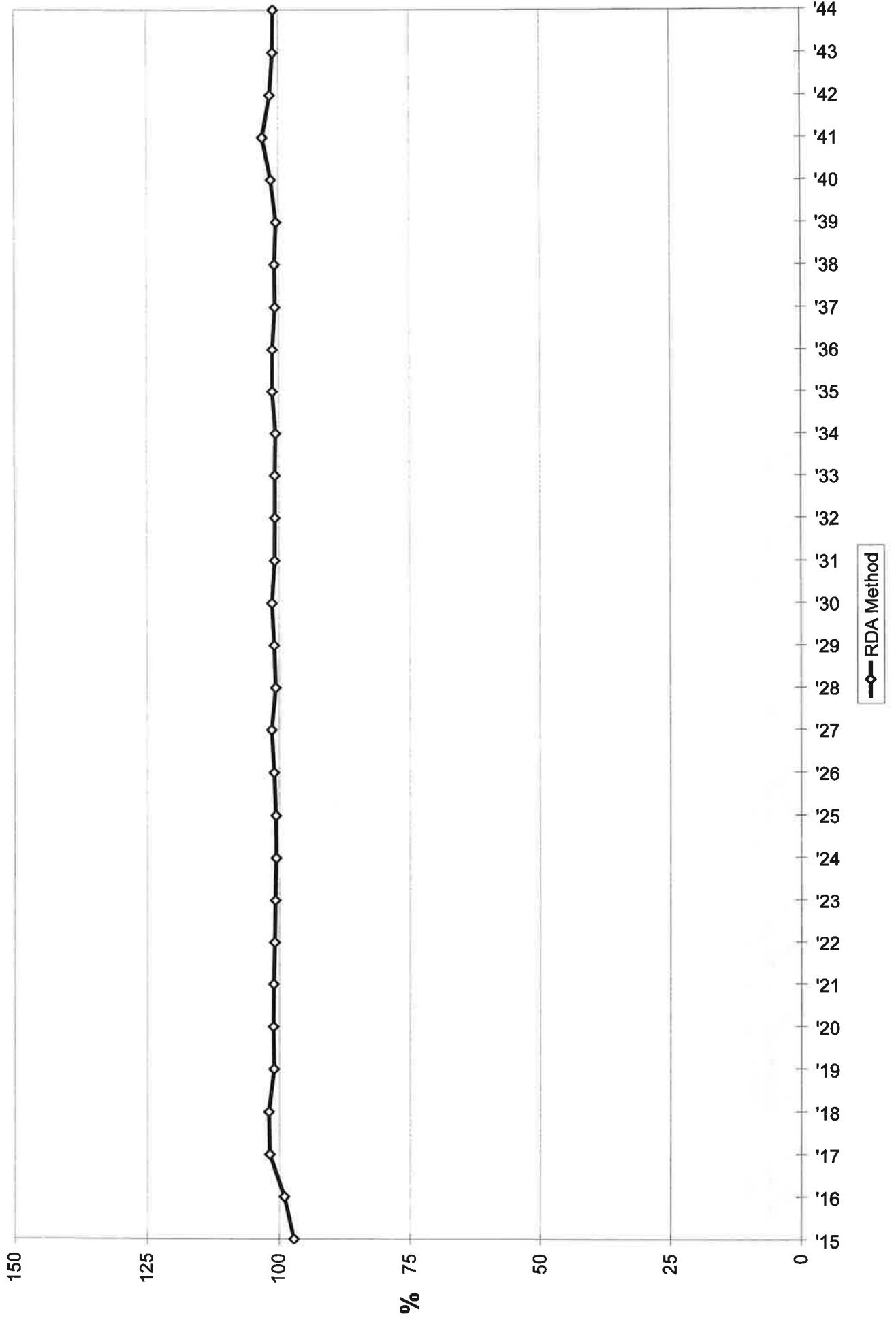
NOTE: In some cases, the projected ending reserves may exceed the fully funded reserves during years following high expenditures. This is a result of the provision for a contingency in the report, which in the projections, is never expended. The contingency is continually adjusted according to present needs and any excess is redistributed among all assets considered.

# Park Paseo Homeowners Association

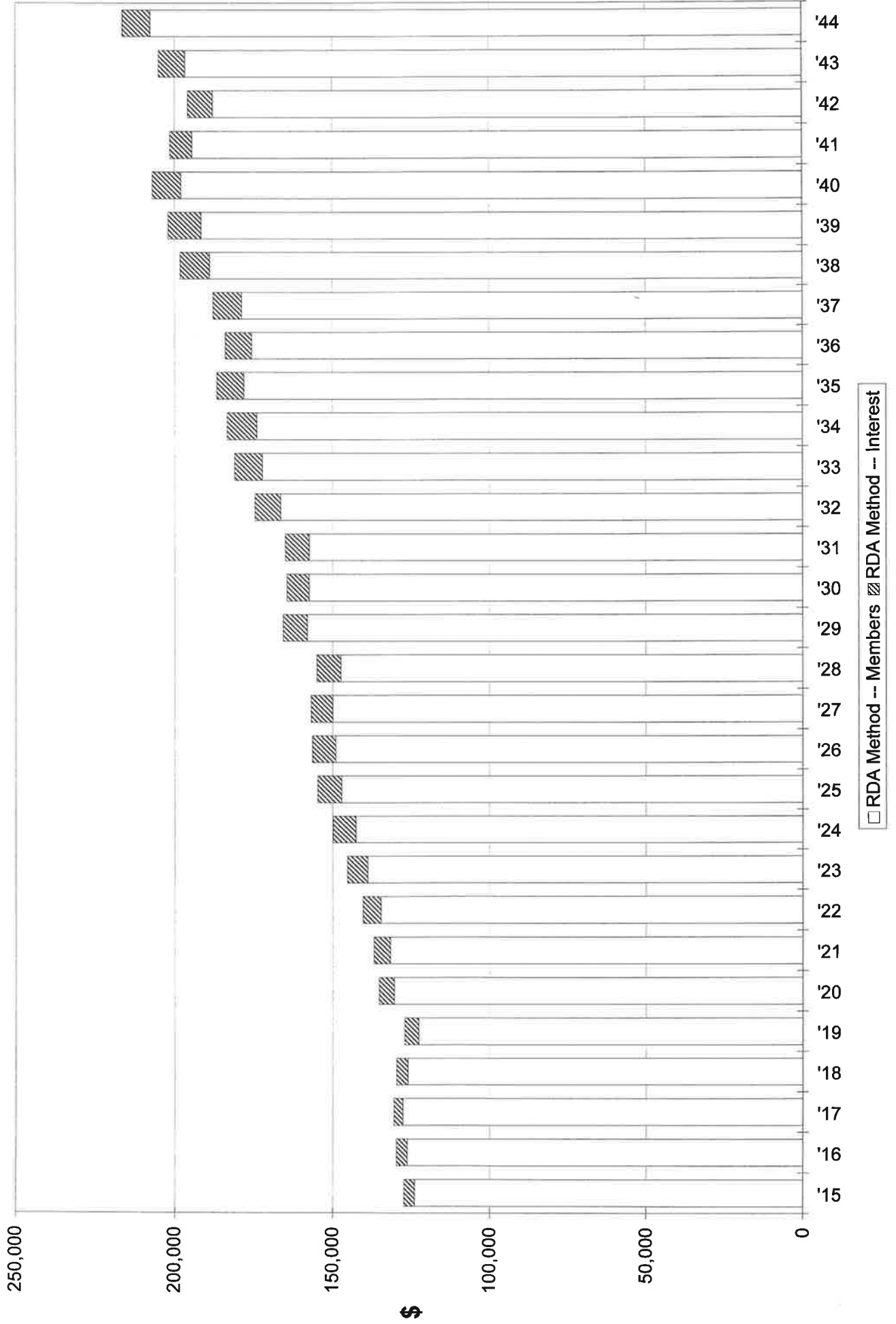




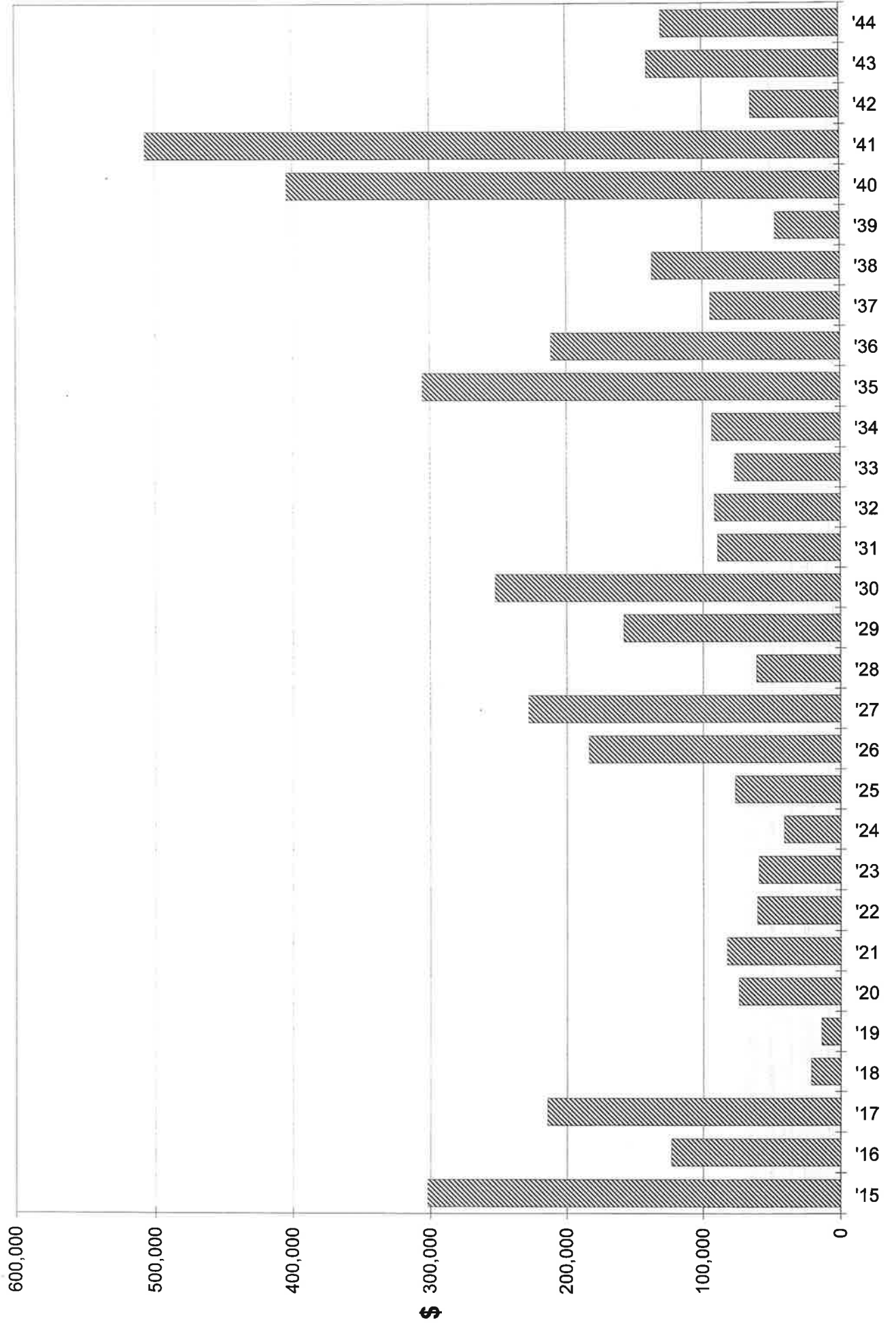
# Park Paseo Homeowners Association



# Park Paseo Homeowners Association



# Park Paseo Homeowners Association



Reserve Data Analysis, Inc.

Annual Reserve Expenditures

**Park Paseo Homeowners Association**  
Detail Report by Category

REPORT DATE: July 24, 2014  
 VERSION: 034  
 ACCOUNT NUMBER: 1393

**Parking Lot - Asphalt Overlay**

	QUANTITY	7,846 sq. ft.
	UNIT COST	1.540
ASSET ID 1014	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	12,082.84
CATEGORY 5	FUTURE COST	12,822.41
	ASSIGNED RESERVES	10,314.62
PLACED IN SERVICE 7/97	SALVAGE VALUE	0.00
20 YEAR USEFUL LIFE		
+1 YEAR ADJUSTMENT	MONTHLY CNTRBTN	61.70
REPLACEMENT YEAR 2018	INTEREST	6.23
3 YEAR REM LIFE	MONTHLY ALLOCTN	67.93

**REMARKS:**

According to the association, the parking lot was asphalt overlaid in July 1997 for a cost of \$4,150.

The association installed rubber speed bumps in the parking lot in September 1994 for a total cost of \$404.

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

In addition to this service, a consultant may be obtained to prepare the application specifications, and to work with the contractor during the actual installation. We recommend the client obtain bids for such a consultation near the end of the estimated useful life. As costs vary, we have not included such an expense in our cost estimates. Should the client request, we will be happy to incorporate this cost in our calculations.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

**Park Paseo Homeowners Association**  
Detail Report by Category

Parking Lot - Asphalt Repairs		QUANTITY	7,846 sq. ft.
		UNIT COST	6.610
ASSET ID	1013	PERCENT REPL	5.00%
GROUP/FACILITY	1	CURRENT COST	2,593.10
CATEGORY	5	FUTURE COST	2,593.10
		ASSIGNED RESERVES	2,593.10
PLACED IN SERVICE	8/12	SALVAGE VALUE	0.00
3 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	74.18
REPLACEMENT YEAR	2015	INTEREST	0.24
0 YEAR REM LIFE		MONTHLY ALLOCTN	74.42

REMARKS:

According to the association, the parking lot was asphalt overlaid in July 1997. Any repairs that were needed were done at this time. We have changed the placed in service date accordingly.

According to the association, they repaired the parking lot in June 2009 for a cost of \$2,230.

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

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Parking Lot - Asphalt Slurry Seal		QUANTITY	7,846 sq. ft.
		UNIT COST	0.310
ASSET ID	1012	PERCENT REPL	100.00%
GROUP/FACILITY	1	CURRENT COST	2,432.26
CATEGORY	5	FUTURE COST	2,432.26
		ASSIGNED RESERVES	2,432.26
PLACED IN SERVICE	8/12	SALVAGE VALUE	0.00
3 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	69.57
REPLACEMENT YEAR	2015	INTEREST	0.22
0 YEAR REM LIFE		MONTHLY ALLOCTN	69.79

**Park Paseo Homeowners Association**  
Detail Report by Category

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Parking Lot - Asphalt Slurry Seal, Continued ...

REMARKS:

According to the association, they are going to slurry seal the asphalt in August 2012 for a cost of \$2,335.

According to the association, they slurry sealed the parking lot in July 2009 for a cost of \$2,305.

At the time of the November 2005 on site inspection, we noted cracks throughout the asphalt.

According to the association, the parking lot was slurry sealed in November 2002 for a cost of \$1,775.

According to the association, the parking lot was slurry sealed in August 1997 for \$1,405.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

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CATEGORY SUMMARY:	ASSIGNED RESERVES	15,339.98
	MONTHLY CNTRBTN	205.45
	INTEREST	6.69
	MONTHLY ALLOCTN	212.14

**Park Paseo Homeowners Association**  
Detail Report by Category

Roofs - Composition Roll, Clubhouse		QUANTITY	340 sq. ft.
		UNIT COST	3.900
ASSET ID	1002	PERCENT REPL	100.00%
GROUP/FACILITY	1	CURRENT COST	1,326.00
CATEGORY	10	FUTURE COST	1,553.62
		ASSIGNED RESERVES	725.55
PLACED IN SERVICE	5/05	SALVAGE VALUE	0.00
18 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	7.43
REPLACEMENT YEAR	2023	INTEREST	0.45
8 YEAR REM LIFE		MONTHLY ALLOCTN	7.88

REMARKS:

According to the association, they replaced this roof in May 2005 when the clubhouse remodel was done.

According to the association, roof repairs are done as needed by an on-site maintenace person.

The replacement cost for this asset has been adjusted upward due to the small quantity to be replaced or maintained.

Roofs - DaVinci Roof - Prosa		QUANTITY	995 sq. ft.
		UNIT COST	11.480
ASSET ID	1003	PERCENT REPL	100.00%
GROUP/FACILITY	1	CURRENT COST	11,422.60
CATEGORY	10	FUTURE COST	28,403.57
		ASSIGNED RESERVES	0.00
PLACED IN SERVICE	1/11	SALVAGE VALUE	0.00
50 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	27.66
REPLACEMENT YEAR	2061	INTEREST	0.09
46 YEAR REM LIFE		MONTHLY ALLOCTN	27.75

REMARKS:

This roofing is located at the Prosa cabana and spa equipment room.

According to the association, they replaced the roofs at the Prosa cabana and spa equipment room in October 2010 for a cost of \$10,385. This roof carries a 50 year warranty.

Due to the likelihood of state-wide restrictions prohibiting replacement with wood shake or wood shingle materials, an alternative application may need to be selected by the client. Until this alternative application is established, all cost estimates used are based upon replacement with similar roofing materials as is currently in place.

**Park Paseo Homeowners Association**  
Detail Report by Category

Roofs - DaVinci Roof - Prosa, Continued ...

The cost used on this component includes the removal and disposal of the existing material.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

**Roofs - Tile, Clubhouse, Replace**

	QUANTITY	1 total
	UNIT COST	48,350.000
ASSET ID 1001	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	48,350.00
CATEGORY 10	FUTURE COST	94,798.69
	ASSIGNED RESERVES	0.00
PLACED IN SERVICE 5/14	SALVAGE VALUE	0.00
35 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	147.67
REPLACEMENT YEAR 2049	INTEREST	0.47
34 YEAR REM LIFE	MONTHLY ALLOCTN	148.14

**REMARKS:**

According to the associaiton, they replaced the tile roof in May 2014 for a cost of \$48,350.

The clubhouse roof was replaced with concrete tile in February 1996 at a cost of \$16,000. (4,276 sq. ft.)

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

**CATEGORY SUMMARY:**

ASSIGNED RESERVES	725.55
MONTHLY CNTRBTN	182.76
INTEREST	1.01
MONTHLY ALLOCTN	183.77



**Park Paseo Homeowners Association**  
Detail Report by Category

**Painting - Aluminum, Pools**

	QUANTITY	5,805 sq. ft.
	UNIT COST	1.780
ASSET ID 1007	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	10,332.90
CATEGORY 20	FUTURE COST	15,354.15
	ASSIGNED RESERVES	2,066.58
PLACED IN SERVICE 1/10	SALVAGE VALUE	0.00
25 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	41.67
REPLACEMENT YEAR 2035	INTEREST	1.34
20 YEAR REM LIFE	MONTHLY ALLOCTN	43.01

REMARKS:

According to the association, they replaced the fencing at the Clubhouse and Prosa pools in 2008 & 2009 with anodized aluminum fencing.

Clubhouse Pool	-	4,020 sq. ft.
Prossa Pool	-	1,785 sq. ft.
		-----
TOTAL	=	5,805 sq. ft.

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

These structure were installed with a factory baked finish, which should last an extended period of time before their first repainting will be required; thereafter, repainting will be required more frequently.

**Painting - Int Restrooms, Clubhouse**

	QUANTITY	3,276 sq. ft.
	UNIT COST	1.310
ASSET ID 1009	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	4,291.56
CATEGORY 20	FUTURE COST	4,464.94
	ASSIGNED RESERVES	3,218.67
PLACED IN SERVICE 1/09	SALVAGE VALUE	0.00
8 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	49.21
REPLACEMENT YEAR 2017	INTEREST	2.04
2 YEAR REM LIFE	MONTHLY ALLOCTN	51.25

**Park Paseo Homeowners Association**  
Detail Report by Category

Painting - Int Restrooms, Clubhouse, Continued ...

REMARKS:

This is enamel-based paint.

According to the association, they are going to paint the interior of the restroom in 2008 during the refurbishment. These walls will be retextured.

According to the association, they painted the interior of the office and hallways in September 2008.

The actual date this item was placed-in-service was not available. For budgeting purposes, we have estimated this date based upon its present condition.

Painting - Int Restrooms, Prosa		QUANTITY	1 total
ASSET ID	1010	UNIT COST	1,601.000
GROUP/FACILITY	1	PERCENT REPL	100.00%
CATEGORY	20	CURRENT COST	1,601.00
		FUTURE COST	1,767.63
		ASSIGNED RESERVES	545.40
PLACED IN SERVICE	6/12	SALVAGE VALUE	0.00
8 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	18.94
REPLACEMENT YEAR 2020		INTEREST	0.38
5 YEAR REM LIFE		MONTHLY ALLOCTN	19.32

REMARKS:

According to the association, they painted these restrooms in 2012 for a cost of \$1,500.

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

**Park Paseo Homeowners Association**  
Detail Report by Category

<b>Painting - Main Spa, Equipment Room</b>		QUANTITY	2,200 sq. ft.
		UNIT COST	1.260
ASSET ID	3018	PERCENT REPL	100.00%
GROUP/FACILITY	1	CURRENT COST	2,772.00
CATEGORY	20	FUTURE COST	2,827.44
		ASSIGNED RESERVES	2,167.20
PLACED IN SERVICE	6/11	SALVAGE VALUE	0.00
5 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	53.58
REPLACEMENT YEAR	2016	INTEREST	1.44
1 YEAR REM LIFE		MONTHLY ALLOCTN	55.02

REMARKS:

According to the association, the clubhouse, prosa cabana and all exterior buildings were painted in June 2011 for a cost of \$16,685.

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

<b>Painting - Stucco</b>		QUANTITY	1 total
		UNIT COST	3,204.000
ASSET ID	3019	PERCENT REPL	100.00%
GROUP/FACILITY	1	CURRENT COST	3,204.00
CATEGORY	20	FUTURE COST	3,608.22
		ASSIGNED RESERVES	1,180.42
PLACED IN SERVICE	7/11	SALVAGE VALUE	0.00
10 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	30.77
REPLACEMENT YEAR	2021	INTEREST	0.79
6 YEAR REM LIFE		MONTHLY ALLOCTN	31.56

REMARKS:

According to the association, this is an on going maintenance project.

According to the association, they did stucco work, drilled weep holes and painted the stucco in July 2011 for a total cost of \$5,500.

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

**Park Paseo Homeowners Association**  
Detail Report by Category

Painting - Woodwork, Clubhouse		QUANTITY	9,370 sq. ft.
		UNIT COST	1.270
ASSET ID	1005	PERCENT REPL	100.00%
GROUP/FACILITY	1	CURRENT COST	11,899.90
CATEGORY	20	FUTURE COST	12,137.90
		ASSIGNED RESERVES	9,303.56
PLACED IN SERVICE	6/11	SALVAGE VALUE	0.00
5 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	230.01
REPLACEMENT YEAR 2016		INTEREST	6.18
1 YEAR REM LIFE		MONTHLY ALLOCTN	236.19

REMARKS:

According to the association, the clubhouse, prosa cabana and all exterior buildings were painted in June 2011 for a cost of \$16,680.

According to the association, they spent \$6,181 for wood repair/replacement at the clubhouse and patio June 2000 and another \$2,905 for repairs as needed in 2011.

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Painting - Woodwork, Prosa		QUANTITY	2,568 sq. ft.
		UNIT COST	1.270
ASSET ID	1006	PERCENT REPL	100.00%
GROUP/FACILITY	1	CURRENT COST	3,261.36
CATEGORY	20	FUTURE COST	3,326.59
		ASSIGNED RESERVES	2,549.79
PLACED IN SERVICE	6/11	SALVAGE VALUE	0.00
5 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	63.04
REPLACEMENT YEAR 2016		INTEREST	1.69
1 YEAR REM LIFE		MONTHLY ALLOCTN	64.73

REMARKS:

According to the association, the clubhouse, prosa cabana and all exterior buildings were painted in June 2011 for a cost of \$16,680.

According to the association, they spent \$6,695 for wood repair/replacement at the Prossa building and patio cover in July 2000 and another \$1,232 in 2011.

**Park Paseo Homeowners Association**  
Detail Report by Category

Painting - Woodwork, Prosa, Continued ...

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Painting - Wrought Iron, Streets		QUANTITY	614 sq. ft.
ASSET ID	1008	UNIT COST	0.270
GROUP/FACILITY	1	PERCENT REPL	100.00%
CATEGORY	20	CURRENT COST	165.78
		FUTURE COST	165.78
		ASSIGNED RESERVES	165.78
PLACED IN SERVICE	1/11	SALVAGE VALUE	0.00
3 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	4.74
REPLACEMENT YEAR 2015		INTEREST	0.02
0 YEAR REM LIFE		MONTHLY ALLOCTN	4.76

REMARKS:

This painting includes the fencing on Delamesa and Campanero streets, as well as the fencing at the ends of Alba West and Entrada West.

According to the association, they painted this fencing in November 2010 for a cost of \$150.

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

CATEGORY SUMMARY:	ASSIGNED RESERVES	21,197.40
	MONTHLY CNTRBTN	491.96
	INTEREST	13.88
	MONTHLY ALLOCTN	505.84

**Park Paseo Homeowners Association**  
Detail Report by Category

Fencing - Aluminum, Main Pool		QUANTITY	1 total
ASSET ID	1060	UNIT COST	141,938.000
GROUP/FACILITY	1	PERCENT REPL	100.00%
CATEGORY	25	CURRENT COST	141,938.00
		FUTURE COST	232,864.33
PLACED IN SERVICE	4/10	ASSIGNED RESERVES	310.25
30 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	557.67
REPLACEMENT YEAR	2040	INTEREST	1.97
25 YEAR REM LIFE		MONTHLY ALLOCTN	559.64

REMARKS:

According to the association, they replaced this fencing with anodized aluminum fencing in April 2010 for a cost of \$129,223.

749 - lin. ft. of 7' fencing  
 3 - 4' x 7' gates  
 1 - 3' x 7' gate

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Fencing - Aluminum, Prosa Pool		QUANTITY	1 total
ASSET ID	1061	UNIT COST	50,910.000
GROUP/FACILITY	1	PERCENT REPL	100.00%
CATEGORY	25	CURRENT COST	50,910.00
		FUTURE COST	75,649.58
PLACED IN SERVICE	1/10	ASSIGNED RESERVES	10,182.00
25 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	205.30
REPLACEMENT YEAR	2035	INTEREST	6.62
20 YEAR REM LIFE		MONTHLY ALLOCTN	211.92

REMARKS:

According to the association, they replaced the fencing in 2009 with aluminum fencing for a cost of \$45,000

349 - lin. ft. of 7' fencing  
 2 - 4' x 7' gates

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

**Park Paseo Homeowners Association**  
Detail Report by Category

Fencing - Aluminum, Prosa Pool, Continued ...

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

Fencing - W/I, Alba West/Entrada	QUANTITY	28 lin. ft.
	UNIT COST	33.670
ASSET ID 3015	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	942.76
CATEGORY 25	FUTURE COST	1,294.21
	ASSIGNED RESERVES	165.89
PLACED IN SERVICE 8/11	SALVAGE VALUE	0.00
20 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	4.70
REPLACEMENT YEAR 2031	INTEREST	0.11
16 YEAR REM LIFE	MONTHLY ALLOCTN	4.81

REMARKS:

According to the association, this fence was repaired in August 2011 for a cost of \$90.

This 3.5' fencing was installed and painted in July 1990 for \$400.

Fencing - W/I, Delamesa/Campanero	QUANTITY	172 lin. ft.
	UNIT COST	38.440
ASSET ID 1062	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	6,611.68
CATEGORY 25	FUTURE COST	9,076.42
	ASSIGNED RESERVES	1,322.34
PLACED IN SERVICE 1/11	SALVAGE VALUE	0.00
20 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	32.20
REPLACEMENT YEAR 2031	INTEREST	0.88
16 YEAR REM LIFE	MONTHLY ALLOCTN	33.08

REMARKS:

This 3' fencing is at Delamesa and Campanero.

According to the association, this fencing was repaired/replaced as needed in November 2010 for a cost of \$6,180.

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The current cost used on this asset is based upon actual expenditures

**Park Paseo Homeowners Association**  
Detail Report by Category

Fencing - W/I, Delamesa/Campanero, Continued ...

incurred at last replacement, and has been adjusted for inflation where applicable.

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

Walls - Stucco Repairs		QUANTITY	1 provision
		UNIT COST	2,500.00
ASSET ID	3079	PERCENT REPL	100.00%
GROUP/FACILITY	1	CURRENT COST	2,500.00
CATEGORY	25	FUTURE COST	3,431.96
		ASSIGNED RESERVES	457.45
PLACED IN SERVICE	6/11	SALVAGE VALUE	0.00
20 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	12.38
REPLACEMENT YEAR	2031	INTEREST	0.31
16 YEAR REM LIFE		MONTHLY ALLOCTN	12.69

REMARKS:

This asset is for stucco wall repairs.

According to the association, they spent \$1,550 to repair the stucco walls throughout the community as needed in June 2011.

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The cost and useful life estimates on this asset have been provided by the client.

CATEGORY SUMMARY:	ASSIGNED RESERVES	12,437.93
	MONTHLY CNTRBTN	812.25
	INTEREST	9.89
	MONTHLY ALLOCTN	822.14



**Park Paseo Homeowners Association**  
Detail Report by Category

**Lighting - Exterior, Main Pool/Club**

ASSET ID 1015  
 GROUP/FACILITY 1  
 CATEGORY 30  
  
 PLACED IN SERVICE 6/92  
 10 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2015  
 0 YEAR REM LIFE

QUANTITY	1 total
UNIT COST	13,598.00
PERCENT REPL	100.00%
CURRENT COST	13,598.00
FUTURE COST	13,598.00
ASSIGNED RESERVES	13,598.00
SALVAGE VALUE	0.00
MONTHLY CNTRBTN	121.96
INTEREST	0.39
MONTHLY ALLOCTN	122.35

REMARKS:

24 - flush mount lights	@	\$ 130.00	=	\$ 3,120.00
24 - wall lights	@	156.00	=	3,744.00
16 - sodium vapor lights	@	309.00	=	4,944.00
6 - canister lights	@	106.00	=	636.00
2 - large decor lights	@	309.00	=	618.00
2 - small fluorescent floods	@	138.00	=	276.00
2 - 4' fluorescent sign lights	@	130.00	=	260.00
				-----
TOTAL				= \$ 13,598.00

The useful life estimate on this asset has been provided by the client.

**Lighting - Exterior, Prosa, 1992**

ASSET ID 1016  
 GROUP/FACILITY 1  
 CATEGORY 30  
  
 PLACED IN SERVICE 6/92  
 10 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2015  
 0 YEAR REM LIFE

QUANTITY	1 total
UNIT COST	2,630.00
PERCENT REPL	100.00%
CURRENT COST	2,630.00
FUTURE COST	2,630.00
ASSIGNED RESERVES	2,630.00
SALVAGE VALUE	0.00
MONTHLY CNTRBTN	23.59
INTEREST	0.08
MONTHLY ALLOCTN	23.67

REMARKS:

The association has spent \$520 in repairs for the canister lights in October 1990.

12 - wall lights	@	\$ 156.00	=	\$ 1,872.00
4 - canister lights	@	106.00	=	424.00
2 - recessed lights	@	167.00	=	334.00
				-----
TOTAL				= \$ 2,630.00

**Park Paseo Homeowners Association**  
Detail Report by Category

Lighting - Exterior, Prosa, 1992, Continued ...

The useful life estimate on this asset has been provided by the client.

**Lighting - Interior, Clubhouse**

ASSET ID	1017	QUANTITY	1 total
GROUP/FACILITY	1	UNIT COST	15,594.000
CATEGORY	30	PERCENT REPL	100.00%
		CURRENT COST	15,594.00
		FUTURE COST	15,594.00
PLACED IN SERVICE	1/77	ASSIGNED RESERVES	15,594.00
25 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	61.37
REPLACEMENT YEAR	2015	INTEREST	0.20
0 YEAR REM LIFE		MONTHLY ALLOCTN	61.57

REMARKS:

37 - 4' quad fluor w/lens	@	\$ 273.00	=	\$ 10,101.00
19 - 4' double fluor w/lens	@	200.00	=	3,800.00
4 - 2' x 2' fluor fixtures	@	161.00	=	644.00
4 - incandescent lights	@	67.00	=	268.00
3 - down lights	@	88.00	=	264.00
1 - hanging decor light	@	517.00	=	517.00
				-----
		TOTAL	=	\$ 15,594.00

**Lighting - Interior, Prosa Cabana**

ASSET ID	1018	QUANTITY	1 total
GROUP/FACILITY	1	UNIT COST	1,730.000
CATEGORY	30	PERCENT REPL	100.00%
		CURRENT COST	1,730.00
		FUTURE COST	1,799.89
PLACED IN SERVICE	1/82	ASSIGNED RESERVES	1,631.14
25 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+10 YEAR ADJUSTMENT		MONTHLY CNTRBTN	5.97
REPLACEMENT YEAR	2017	INTEREST	0.97
2 YEAR REM LIFE		MONTHLY ALLOCTN	6.94

REMARKS:

4 - 4' double fluor w/lens	@	\$ 200.00	=	\$ 800.00
4 - 3' double fluor, vanity	@	149.00	=	596.00
2 - recessed fixtures	@	167.00	=	334.00
				-----
		TOTAL	=	\$ 1,730.00

**Park Paseo Homeowners Association**  
Detail Report by Category

Lighting - Interior, Prosa Cabana, Continued ...

The useful life of this asset has been extended due to its present condition.

**Lighting - Parking Lot, 2000**

ASSET ID 3042  
 GROUP/FACILITY 1  
 CATEGORY 30  
  
 PLACED IN SERVICE 10/00  
 22 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2022  
 7 YEAR REM LIFE

QUANTITY	1 fixture
UNIT COST	1,425.000
PERCENT REPL	100.00%
CURRENT COST	1,425.00
FUTURE COST	1,636.88
ASSIGNED RESERVES	955.59
SALVAGE VALUE	0.00
MONTHLY CNTRBTN	6.93
INTEREST	0.58
MONTHLY ALLOCTN	7.51

REMARKS:

These are 20' poles with smaller "tennis court" type fixtures located at the parking lot near the clubhouse.

According to the association, they replaced 1 pole light in October 2000 for a cost of \$980.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

**Lighting - Parking Lot, Original**

ASSET ID 3029  
 GROUP/FACILITY 1  
 CATEGORY 30  
  
 PLACED IN SERVICE 1/77  
 22 YEAR USEFUL LIFE  
 +17 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2016  
 1 YEAR REM LIFE

QUANTITY	5 fixtures
UNIT COST	1,425.000
PERCENT REPL	100.00%
CURRENT COST	7,125.00
FUTURE COST	7,267.50
ASSIGNED RESERVES	6,942.31
SALVAGE VALUE	0.00
MONTHLY CNTRBTN	22.96
INTEREST	4.14
MONTHLY ALLOCTN	27.10

**Park Paseo Homeowners Association**  
Detail Report by Category

Lighting - Parking Lot, Original, Continued ...

REMARKS:

These are 20' poles with smaller "tennis court" type fixtures located at the parking lot near the clubhouse.

The current cost used for this component is based upon actual expenditures incurred in October 2000, and adjusted for inflation where applicable.

The useful life of this asset has been extended due to its present condition.

Lighting - Walkway	QUANTITY	85 lights
	UNIT COST	1,294.118
ASSET ID 3013	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	110,000.03
CATEGORY 30	FUTURE COST	110,000.03
	ASSIGNED RESERVES	110,000.03
PLACED IN SERVICE 12/90	SALVAGE VALUE	0.00
15 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	678.56
REPLACEMENT YEAR 2015	INTEREST	2.18
0 YEAR REM LIFE	MONTHLY ALLOCTN	680.74

REMARKS:

These fixtures were replaced in December 1990.

The inventory for this asset has been provided to our firm by the client.

The cost estimates on this asset were originally provided by the client, and have been adjusted to allow for inflationary changes.

CATEGORY SUMMARY:	ASSIGNED RESERVES	151,351.07
	MONTHLY CNTRBTN	921.34
	INTEREST	8.54
	MONTHLY ALLOCTN	929.88

**Park Paseo Homeowners Association**  
Detail Report by Category

**Main Pool - Filter**

ASSET ID 1028  
 GROUP/FACILITY 1  
 CATEGORY 40  
 PLACED IN SERVICE 1/03  
 12 YEAR USEFUL LIFE  
 +1 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2016  
 1 YEAR REM LIFE

QUANTITY	4 total
UNIT COST	1,530.000
PERCENT REPL	100.00%
CURRENT COST	6,120.00
FUTURE COST	6,242.40
ASSIGNED RESERVES	5,649.23
SALVAGE VALUE	0.00
MONTHLY CNTRBTN	45.98
INTEREST	3.45
MONTHLY ALLOCTN	49.43

REMARKS:

these are 72 sq. ft. filters.

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The cost estimates on this asset were originally provided by the client's maintenance contractor and have been adjusted to allow for inflationary changes.

The useful life of this asset has been extended at the request of the client maintenance contractor.

**Main Pool - Heater**

ASSET ID 1024  
 GROUP/FACILITY 1  
 CATEGORY 40  
 PLACED IN SERVICE 5/14  
 12 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2026  
 11 YEAR REM LIFE

QUANTITY	1 heater
UNIT COST	19,428.000
PERCENT REPL	100.00%
CURRENT COST	19,428.00
FUTURE COST	24,156.28
ASSIGNED RESERVES	1,110.17
SALVAGE VALUE	0.00
MONTHLY CNTRBTN	151.50
INTEREST	1.14
MONTHLY ALLOCTN	152.64

REMARKS:

This is a Teledyne Laars 1,260K BTU Heater.

According to the association, they replaced the pool heater in May 2014 for a cost of \$19,428.

The information used on this asset has been provided with the assistance of the client's maintenance contractor.

The current cost used on this asset is based upon actual expenditures

**Park Paseo Homeowners Association**  
Detail Report by Category

Main Pool - Heater, Continued ...

incurred at last replacement, and has been adjusted for inflation where applicable.

**Main Pool - Motor/Pump System**

ASSET ID	1042	QUANTITY	2 systems
GROUP/FACILITY	1	UNIT COST	3,570.000
CATEGORY	40	PERCENT REPL	100.00%
		CURRENT COST	7,140.00
		FUTURE COST	8,040.80
PLACED IN SERVICE	6/13	ASSIGNED RESERVES	1,490.77
8 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	83.96
REPLACEMENT YEAR 2021		INTEREST	1.14
6 YEAR REM LIFE		MONTHLY ALLOCTN	85.10

REMARKS:

These are 5 H.P. systems

The information used on this asset has been provided with the assistance of the client's maintenance contractor.

The cost estimates on this asset were originally provided by the client's maintenance contractor and have been adjusted to allow for inflationary changes.

**Main Pool - Refiberglass & Tile**

ASSET ID	1020	QUANTITY	1 pool
GROUP/FACILITY	1	UNIT COST	74,622.000
CATEGORY	40	PERCENT REPL	100.00%
		CURRENT COST	74,622.00
		FUTURE COST	94,638.74
PLACED IN SERVICE	1/13	ASSIGNED RESERVES	10,660.29
14 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	495.58
REPLACEMENT YEAR 2027		INTEREST	7.83
12 YEAR REM LIFE		MONTHLY ALLOCTN	503.41

**Park Paseo Homeowners Association**  
Detail Report by Category

Main Pool - Refiberglass & Tile, Continued ...

REMARKS:

3,873 - sq. ft. of refiberglass  
 270 - lin. ft. of trim tile  
 420 - lin. ft. of lane tile  
 6 - tile diamonds

According to the association, they refiberglassed the pool in October 2012 for a cost of \$71,725.

The information used on this asset has been provided with the assistance of the client's maintenance contractor.

The cost estimates on this asset were originally provided by the client's maintenance contractor and have been adjusted to allow for inflationary changes.

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

Main Pool - Spa Filter	QUANTITY	1 filter
	UNIT COST	1,377.000
ASSET ID 1030	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	1,377.00
CATEGORY 40	FUTURE COST	1,404.54
	ASSIGNED RESERVES	1,293.55
PLACED IN SERVICE 7/99	SALVAGE VALUE	0.00
10 YEAR USEFUL LIFE		
+7 YEAR ADJUSTMENT	MONTHLY CNTRBTN	8.47
REPLACEMENT YEAR 2016	INTEREST	0.78
1 YEAR REM LIFE	MONTHLY ALLOCTN	9.25

REMARKS:

This is a Purex 60 sq.ft. filter.

The information used on this asset has been provided with the assistance of the client's maintenance contractor.

The cost estimates on this asset were originally provided by the client's maintenance contractor and have been adjusted to allow for inflationary changes.

The useful life of this asset has been extended at the request of the client maintenance contractor.

**Park Paseo Homeowners Association**  
Detail Report by Category

**Main Pool - Spa Heater**

ASSET ID	1026	QUANTITY	1 heater
GROUP/FACILITY	1	UNIT COST	2,585.000
CATEGORY	40	PERCENT REPL	100.00%
		CURRENT COST	2,585.00
		FUTURE COST	3,278.41
PLACED IN SERVICE	2/14	ASSIGNED RESERVES	183.45
10 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+3 YEAR ADJUSTMENT		MONTHLY CNTRBTN	18.37
REPLACEMENT YEAR	2027	INTEREST	0.17
12 YEAR REM LIFE		MONTHLY ALLOCTN	18.54

REMARKS:

This is a 400K BTU heater.

According to the association, they replaced the spa heater in February 2014 for a cost of \$2,585.

The information used on this asset has been provided with the assistance of the client's maintenance contractor.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

**Main Pool - Spa Pump/Motor**

ASSET ID	3045	QUANTITY	1 system
GROUP/FACILITY	1	UNIT COST	1,122.000
CATEGORY	40	PERCENT REPL	100.00%
		CURRENT COST	1,122.00
		FUTURE COST	1,122.00
PLACED IN SERVICE	1/01	ASSIGNED RESERVES	1,122.00
8 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	12.42
REPLACEMENT YEAR	2015	INTEREST	0.04
0 YEAR REM LIFE		MONTHLY ALLOCTN	12.46

REMARKS:

This asset is to replace the 2 h.p. pump & motor.

The information used on this asset has been provided with the assistance of the client's maintenance contractor.

The cost estimates on this asset were originally provided by the client's maintenance contractor and have been adjusted to allow for inflationary changes.



**Park Paseo Homeowners Association**  
Detail Report by Category

Main Pool - Spa Pump/Motor, Booster		QUANTITY	2 systems
ASSET ID	3082	UNIT COST	1,326.000
GROUP/FACILITY	1	PERCENT REPL	100.00%
CATEGORY	40	CURRENT COST	2,652.00
		FUTURE COST	2,705.04
PLACED IN SERVICE	1/02	ASSIGNED RESERVES	2,462.57
8 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+6 YEAR ADJUSTMENT		MONTHLY CNTRBTN	18.70
REPLACEMENT YEAR 2016		INTEREST	1.50
1 YEAR REM LIFE		MONTHLY ALLOCTN	20.20

REMARKS:

This asset is to replace the 3 h.p. booster pumps & motors.

The information used on this asset has been provided with the assistance of the client's maintenance contractor.

The cost estimates on this asset were originally provided by the client's maintenance contractor and have been adjusted to allow for inflationary changes.

Main Pool - Spa Refiberglass & Tile		QUANTITY	1 spa
ASSET ID	1022	UNIT COST	9,123.000
GROUP/FACILITY	1	PERCENT REPL	100.00%
CATEGORY	40	CURRENT COST	9,123.00
		FUTURE COST	11,120.89
PLACED IN SERVICE	1/13	ASSIGNED RESERVES	1,520.50
12 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	69.83
REPLACEMENT YEAR 2025		INTEREST	1.11
10 YEAR REM LIFE		MONTHLY ALLOCTN	70.94

REMARKS:

1 - spa refiberglassing (313 sq. ft.)  
 110 - lin. ft. of trim tile

According to the association, they refibergalssed the spa in October 2012 for a cost of \$8,770.

The information used on this asset has been provided with the assistance of the client's maintenance contractor.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where

**Park Paseo Homeowners Association**  
Detail Report by Category

Main Pool - Spa Refiberglass & Tile, Continued ...

applicable.

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

Main Pool - Spa, Sump Pump		QUANTITY	1 pump
		UNIT COST	2,869.000
ASSET ID	3069	PERCENT REPL	100.00%
GROUP/FACILITY	1	CURRENT COST	2,869.00
CATEGORY	40	FUTURE COST	2,869.00
		ASSIGNED RESERVES	2,869.00
PLACED IN SERVICE	6/07	SALVAGE VALUE	0.00
8 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	31.76
REPLACEMENT YEAR 2015		INTEREST	0.10
0 YEAR REM LIFE		MONTHLY ALLOCTN	31.86

REMARKS:

This asset is for sump pump replacement near the main spa area.

According to the association, they replaced the sump pump in June 2007 for a cost of \$2,301.

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The cost estimates on this asset were originally provided by the client's maintenance contractor and have been adjusted to allow for inflationary changes.

Main Pool - Wader Filter		QUANTITY	1 filter
		UNIT COST	969.000
ASSET ID	1031	PERCENT REPL	100.00%
GROUP/FACILITY	1	CURRENT COST	969.00
CATEGORY	40	FUTURE COST	969.00
		ASSIGNED RESERVES	969.00
PLACED IN SERVICE	8/00	SALVAGE VALUE	0.00
12 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	7.33
REPLACEMENT YEAR 2015		INTEREST	0.02
0 YEAR REM LIFE		MONTHLY ALLOCTN	7.35

**Park Paseo Homeowners Association**  
Detail Report by Category

Main Pool - Wader Filter, Continued ...

REMARKS:

This is a 36 sq.ft. filter.

According to the association, they replaced the filter in August 2000.

The information used on this asset has been provided with the assistance of the client's maintenance contractor.

The cost estimates on this asset were originally provided by the client's maintenance contractor and have been adjusted to allow for inflationary changes.

Main Pool - Wader Heater	QUANTITY	1 heater
	UNIT COST	3,060.000
ASSET ID 1027	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	3,060.00
CATEGORY 40	FUTURE COST	3,247.30
	ASSIGNED RESERVES	2,261.74
PLACED IN SERVICE 7/06	SALVAGE VALUE	0.00
12 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	25.27
REPLACEMENT YEAR 2018	INTEREST	1.40
3 YEAR REM LIFE	MONTHLY ALLOCTN	26.67

REMARKS:

This is a 267K BTU heater.

According to the association, they replaced the wader heater in July 2006 for a cost of \$2,575.

The information used on this asset has been provided with the assistance of the client's maintenance contractor.

The cost estimates on this asset were originally provided by the client's maintenance contractor and have been adjusted to allow for inflationary changes.

**Park Paseo Homeowners Association**  
Detail Report by Category

**Main Pool - Wader Pump/Motor**

ASSET ID	3044	QUANTITY	1 system
GROUP/FACILITY	1	UNIT COST	969.000
CATEGORY	40	PERCENT REPL	100.00%
		CURRENT COST	969.00
		FUTURE COST	1,091.25
PLACED IN SERVICE	3/13	ASSIGNED RESERVES	226.79
8 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	11.06
REPLACEMENT YEAR	2021	INTEREST	0.17
6 YEAR REM LIFE		MONTHLY ALLOCTN	11.23

REMARKS:

This asset is to replace the 1/2 h.p. pump & motor.

The information used on this asset has been provided with the assistance of the client's maintenance contractor.

The cost estimates on this asset were originally provided by the client's maintenance contractor and have been adjusted to allow for inflationary changes.

**Main Pool - Wader Refiberglassing**

ASSET ID	1023	QUANTITY	1 wader
GROUP/FACILITY	1	UNIT COST	9,467.000
CATEGORY	40	PERCENT REPL	100.00%
		CURRENT COST	9,467.00
		FUTURE COST	12,006.45
PLACED IN SERVICE	1/13	ASSIGNED RESERVES	1,352.43
14 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	62.87
REPLACEMENT YEAR	2027	INTEREST	0.99
12 YEAR REM LIFE		MONTHLY ALLOCTN	63.86

REMARKS:

- 1 - refiberglassing (286 sq. ft.)
- 67 - lin. ft. of trim tile
- 15 - lin. ft. of bench tile

According to the association, they refibergalssed the wader in October 2012 for a cost of \$9,100.

The information used on this asset has been provided with the assistance of the client's maintenance contractor.

The current cost used on this asset is based upon actual expenditures

**Park Paseo Homeowners Association**  
Detail Report by Category

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Main Pool - Wader Refiberglassing, Continued ...

incurred at last replacement, and has been adjusted for inflation where applicable.

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

According to the association, they spent \$2,000 for wader retrofitting in August 2000.

According to the association, they spent \$10,400 at the wader for an access ramp and handrail in 2004.

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CATEGORY SUMMARY:	ASSIGNED RESERVES	33,171.49
	MONTHLY CNTRBTN	1,043.10
	INTEREST	19.84
	MONTHLY ALLOCTN	1,062.94

**Park Paseo Homeowners Association**  
Detail Report by Category

**Main Pool Area - Barbecues**

ASSET ID 1051  
 GROUP/FACILITY 1  
 CATEGORY 45

PLACED IN SERVICE 6/11  
 5 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2016  
 1 YEAR REM LIFE

QUANTITY	1 total
UNIT COST	4,755.000
PERCENT REPL	100.00%
CURRENT COST	4,755.00
FUTURE COST	4,850.10
ASSIGNED RESERVES	3,717.55
SALVAGE VALUE	0.00
MONTHLY CNTRBTN	91.91
INTEREST	2.47
MONTHLY ALLOCTN	94.38

REMARKS:

According to the association, they replaced the bbq's at the pool area in June 2011 for a cost of \$4,330.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The useful life estimate on this asset has been provided by the client.

**Main Pool Area - Ceramic Shower**

ASSET ID 3022  
 GROUP/FACILITY 1  
 CATEGORY 45

PLACED IN SERVICE 1/77  
 25 YEAR USEFUL LIFE  
 +15 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2017  
 2 YEAR REM LIFE

QUANTITY	1 total
UNIT COST	2,105.000
PERCENT REPL	102.00%
CURRENT COST	2,147.10
FUTURE COST	2,233.84
ASSIGNED RESERVES	2,039.75
SALVAGE VALUE	0.00
MONTHLY CNTRBTN	6.78
INTEREST	1.22
MONTHLY ALLOCTN	8.00

REMARKS:

This is an exterior shower:

88 - sq. ft. of wall tile	@	\$ 20.66	=	\$ 1,818.00
15 - sq. ft. of floor tile	@	19.11	=	287.00
				-----
		TOTAL	=	\$ 2,105.00

The measurement indicated represents the actual area to be replaced. The percentage of replacement has been increased above 100% to allow for a

**Park Paseo Homeowners Association**  
Detail Report by Category

Main Pool Area - Ceramic Shower, Continued ...

waste factor which should be considered when replacing this component.

The cost used on this component includes the removal and disposal of the existing material.

The useful life of this asset has been extended due to its present condition.

Main Pool Area - Deck Caulking		QUANTITY	1,750 lin. ft.
		UNIT COST	6.740
ASSET ID	1032	PERCENT REPL	100.00%
GROUP/FACILITY	1	CURRENT COST	11,795.00
CATEGORY	45	FUTURE COST	12,271.52
		ASSIGNED RESERVES	5,897.50
PLACED IN SERVICE	1/13	SALVAGE VALUE	0.00
4 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	257.80
REPLACEMENT YEAR	2017	INTEREST	4.28
2 YEAR REM LIFE		MONTHLY ALLOCTN	262.08

REMARKS:

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

Main Pool Area - Deck Repair		QUANTITY	1 total
		UNIT COST	25,000.000
ASSET ID	3070	PERCENT REPL	100.00%
GROUP/FACILITY	1	CURRENT COST	25,000.00
CATEGORY	45	FUTURE COST	25,000.00
		ASSIGNED RESERVES	25,000.00
PLACED IN SERVICE	1/77	SALVAGE VALUE	0.00
30 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	84.49
REPLACEMENT YEAR	2015	INTEREST	0.27
0 YEAR REM LIFE		MONTHLY ALLOCTN	84.76

REMARKS:

This asset is for pool deck repairs at the main (clubhouse) pool. This cost will not cover full replacement. (14,569 sq. ft.)

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

**Park Paseo Homeowners Association**  
Detail Report by Category

Main Pool Area - Deck Repair, Continued ...

The cost estimates on this asset have been provided by the client and incorporated into our report at their request.

Main Pool Area - Furniture, 2001

ASSET ID 1036  
 GROUP/FACILITY 1  
 CATEGORY 45  
 PLACED IN SERVICE 1/01  
 7 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2015  
 0 YEAR REM LIFE

QUANTITY	1 total
UNIT COST	18,981.000
PERCENT REPL	100.00%
CURRENT COST	18,981.00
FUTURE COST	18,981.00
ASSIGNED RESERVES	18,981.00
SALVAGE VALUE	0.00
MONTHLY CNTRBTN	238.66
INTEREST	0.77
MONTHLY ALLOCTN	239.43

REMARKS:

This is Tropitone, "Tropi-Kai" style furniture:

79 - chaise lounges w/o arms	@	\$ 210.00	=	\$ 16,590.00
4 - tea tables	@	78.00	=	312.00
9 - umbrellas	@	231.00	=	2,079.00
				-----
		TOTAL	=	\$ 18,981.00

The association installed this new pool furniture in May 1989 for a total cost of \$16,900.

According to the association, the old pool furniture at the Main and Prosa pool areas will be sold and brand new furniture purchased at approximately one-half the cost of new furniture. Therefore, we have adjusted our estimates accordingly.

The actual date this item was placed-in-service was not available. For budgeting purposes, we have estimated this date based upon its present condition.

The cost estimates on this asset were originally provided by the client, and have been adjusted to allow for inflationary changes.

The useful life of this asset has been extended due to its present condition.



**Park Paseo Homeowners Association**  
Detail Report by Category

Main Pool Area - Furniture, 2007

ASSET ID	3068	QUANTITY	1 total
GROUP/FACILITY	1	UNIT COST	15,581.000
CATEGORY	45	PERCENT REPL	100.00%
		CURRENT COST	15,581.00
		FUTURE COST	15,581.00
PLACED IN SERVICE	6/07	ASSIGNED RESERVES	15,581.00
7 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	195.91
REPLACEMENT YEAR	2015	INTEREST	0.63
0 YEAR REM LIFE		MONTHLY ALLOCTN	196.54

REMARKS:

According to the association, they replaced the upper patio furniture in June 2007 for a cost of \$12,485. Following is the inventory:

- 80 - lounge chairs
- 18 - brunch tables

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

The inventory for this asset has been provided to our firm by the client in the form of a past reserve analysis study.

CATEGORY SUMMARY:

ASSIGNED RESERVES	71,216.80
MONTHLY CNTRBTN	875.55
INTEREST	9.64
MONTHLY ALLOCTN	885.19

**Park Paseo Homeowners Association**  
Detail Report by Category

Prosa Pool - Filter, 2008		QUANTITY	2 filters
ASSET ID	1029	UNIT COST	1,377.000
GROUP/FACILITY	1	PERCENT REPL	100.00%
CATEGORY	50	CURRENT COST	2,754.00
		FUTURE COST	3,040.64
PLACED IN SERVICE	6/08	ASSIGNED RESERVES	1,565.22
12 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	22.35
REPLACEMENT YEAR 2020		INTEREST	0.99
5 YEAR REM LIFE		MONTHLY ALLOCTN	23.34

REMARKS:

These are a 60 sq. ft. filters.

According to the association, they replaced the spa filter in Jne 2008 for a cost of \$1,297.

The information used on this asset has been provided with the assistance of the client's maintenance contractor.

The cost estimates on this asset were originally provided by the client's maintenance contractor and have been adjusted to allow for inflationary changes.

Prosa Pool - Heater		QUANTITY	1 heater
ASSET ID	1025	UNIT COST	6,350.000
GROUP/FACILITY	1	PERCENT REPL	100.00%
CATEGORY	50	CURRENT COST	6,350.00
		FUTURE COST	7,895.43
PLACED IN SERVICE	2/14	ASSIGNED RESERVES	488.46
12 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	48.62
REPLACEMENT YEAR 2026		INTEREST	0.44
11 YEAR REM LIFE		MONTHLY ALLOCTN	49.06

REMARKS:

Accordong to the association, thjey replaced the pool heater in February 2014 for a cost of \$6,350.

The information used on this asset has been provided with the assistance of the client's maintenance contractor.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

**Park Paseo Homeowners Association**  
Detail Report by Category

**Prosa Pool - Pump/Motor Systems**

	QUANTITY	2 total
	UNIT COST	1,122.000
ASSET ID 3046	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	2,244.00
CATEGORY 50	FUTURE COST	2,288.88
	ASSIGNED RESERVES	2,040.00
PLACED IN SERVICE 1/05	SALVAGE VALUE	0.00
8 YEAR USEFUL LIFE		
+3 YEAR ADJUSTMENT	MONTHLY CNTRBTN	19.48
REPLACEMENT YEAR 2016	INTEREST	1.26
1 YEAR REM LIFE	MONTHLY ALLOCTN	20.74

REMARKS:

These are 2 H.P. pump/motor systems.

The information used on this asset has been provided with the assistance of the client's maintenance contractor.

The cost estimates on this asset were originally provided by the client's maintenance contractor and have been adjusted to allow for inflationary changes.

The useful life of this asset has been extended at the request of the client maintenance contractor.

**Prosa Pool - Refiberglass & Tile**

	QUANTITY	1 pool
	UNIT COST	32,609.000
ASSET ID 1021	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	32,609.00
CATEGORY 50	FUTURE COST	41,356.10
	ASSIGNED RESERVES	4,658.43
PLACED IN SERVICE 1/13	SALVAGE VALUE	0.00
14 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	216.56
REPLACEMENT YEAR 2027	INTEREST	3.42
12 YEAR REM LIFE	MONTHLY ALLOCTN	219.98

REMARKS:

1,560 - sq. ft. of refiberglass  
 170 - lin. ft. of trim tile  
 36 - lin. ft. of bench tile

According to the association, they refiberglassed the pool in October 2012 for a cost of \$31,350.

The information used on this asset has been provided with the assistance of

**Park Paseo Homeowners Association**  
Detail Report by Category

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Prosa Pool - Refiberglass & Tile, Continued ...

the client's maintenance contractor.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

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CATEGORY SUMMARY:	ASSIGNED RESERVES	8,752.11
	MONTHLY CNTRBTN	307.01
	INTEREST	6.11
	MONTHLY ALLOCTN	313.12

**Park Paseo Homeowners Association**  
Detail Report by Category

**Prosa Pool Area - Barbecues**

ASSET ID	1052	QUANTITY	1 total
GROUP/FACILITY	1	UNIT COST	3,887.000
CATEGORY	55	PERCENT REPL	100.00%
		CURRENT COST	3,887.00
		FUTURE COST	4,207.41
PLACED IN SERVICE	8/11	ASSIGNED RESERVES	1,790.64
8 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	47.19
REPLACEMENT YEAR	2019	INTEREST	1.20
4 YEAR REM LIFE		MONTHLY ALLOCTN	48.39

REMARKS:

According to the association, they replaced the bbq's in August 2011 for a cost of \$3,540.

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

The useful life estimate on this asset has been provided by the client.

**Prosa Pool Area - Ceramic Shower**

ASSET ID	1053	QUANTITY	1 total
GROUP/FACILITY	1	UNIT COST	6,893.000
CATEGORY	55	PERCENT REPL	103.00%
		CURRENT COST	7,099.79
		FUTURE COST	7,099.79
PLACED IN SERVICE	1/82	ASSIGNED RESERVES	7,099.79
25 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	27.94
REPLACEMENT YEAR	2015	INTEREST	0.09
0 YEAR REM LIFE		MONTHLY ALLOCTN	28.03

REMARKS:

These are exterior showers:

304 - sq. ft. of wall tile	@	\$ 20.66	=	\$ 6,281.00
32 - sq. ft. of floor tile	@	19.11	=	612.00
				-----
		TOTAL	=	\$ 6,893.00

The measurement indicated represents the actual area to be replaced. The percentage of replacement has been increased above 100% to allow for a

**Park Paseo Homeowners Association**  
Detail Report by Category

Prosa Pool Area - Ceramic Shower, Continued ...

waste factor which should be considered when replacing this component.

**Prosa Pool Area - Deck Caulking**

	QUANTITY	577 lin. ft.
	UNIT COST	5.820
ASSET ID 1035	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	3,358.14
CATEGORY 55	FUTURE COST	3,493.81
	ASSIGNED RESERVES	1,679.07
PLACED IN SERVICE 1/13	SALVAGE VALUE	0.00
4 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	73.40
REPLACEMENT YEAR 2017	INTEREST	1.22
2 YEAR REM LIFE	MONTHLY ALLOCTN	74.62

REMARKS:

According to the association, they replaced 175 lin. ft. of caulking in April 2014 for a cost of \$1,312.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

**Prosa Pool Area - Deck Repairs**

	QUANTITY	1 total
	UNIT COST	12,500.000
ASSET ID 3073	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	12,500.00
CATEGORY 55	FUTURE COST	12,500.00
	ASSIGNED RESERVES	12,500.00
PLACED IN SERVICE 1/82	SALVAGE VALUE	0.00
30 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	42.25
REPLACEMENT YEAR 2015	INTEREST	0.14
0 YEAR REM LIFE	MONTHLY ALLOCTN	42.39

REMARKS:

This asset is for pool deck repairs at the Prosa pool. This cost will not cover full replacement. (3,600 sq. ft.)

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The cost estimates on this asset have been provided by the client and incorporated into our report at their request.

**Park Paseo Homeowners Association**  
Detail Report by Category

Prosa Pool Area - Furniture		QUANTITY	1 total
		UNIT COST	8,865.000
ASSET ID	1037	PERCENT REPL	100.00%
GROUP/FACILITY	1	CURRENT COST	8,865.00
CATEGORY	55	FUTURE COST	8,865.00
		ASSIGNED RESERVES	8,865.00
PLACED IN SERVICE	1/01	SALVAGE VALUE	0.00
7 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	111.47
REPLACEMENT YEAR 2015		INTEREST	0.36
0 YEAR REM LIFE		MONTHLY ALLOCTN	111.83

REMARKS:

23 - chaise lounges w/o arms	@	\$ 210.00	=	\$ 4,830.00
16 - lounge chairs	@	128.00	=	2,048.00
4 - brunch tables	@	208.00	=	832.00
5 - umbrellas	@	231.00	=	1,155.00
				-----
			TOTAL =	\$ 8,865.00

The actual date this item was placed-in-service was not available. For budgeting purposes, we have estimated this date based upon its present condition.

The cost estimates on this asset were originally provided by the client, and have been adjusted to allow for inflationary changes.

Prosa Pool Area - Rstrm Counters		QUANTITY	2 counters
		UNIT COST	537.000
ASSET ID	1058	PERCENT REPL	100.00%
GROUP/FACILITY	1	CURRENT COST	1,074.00
CATEGORY	55	FUTURE COST	1,095.48
		ASSIGNED RESERVES	1,042.41
PLACED IN SERVICE	1/82	SALVAGE VALUE	0.00
20 YEAR USEFUL LIFE			
+14 YEAR ADJUSTMENT		MONTHLY CNTRBTN	3.80
REPLACEMENT YEAR 2016		INTEREST	0.62
1 YEAR REM LIFE		MONTHLY ALLOCTN	4.42

REMARKS:

These are 7' laminated plastic counters.

The useful life of this asset has been extended due to its present condition.

**Park Paseo Homeowners Association**  
Detail Report by Category

**Prosa Pool Area - Rstrm Fixtures**

ASSET ID	1056	QUANTITY	1 total
GROUP/FACILITY	1	UNIT COST	5,540.000
CATEGORY	55	PERCENT REPL	100.00%
		CURRENT COST	5,540.00
		FUTURE COST	5,650.80
PLACED IN SERVICE	1/82	ASSIGNED RESERVES	5,377.06
25 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+9 YEAR ADJUSTMENT		MONTHLY CNTRBTN	19.60
REPLACEMENT YEAR 2016		INTEREST	3.21
1 YEAR REM LIFE		MONTHLY ALLOCTN	22.81

REMARKS:

4 - sinks, counter oval	@	\$ 481.00	=	\$ 1,924.00
3 - toilets, flush valve	@	838.00	=	2,514.00
1 - urinal, wall mount	@	1,102.00	=	1,102.00
				-----
		TOTAL	=	\$ 5,540.00

The useful life of this asset has been extended due to its present condition.

**Prosa Pool Area - Rstrm Partitions**

ASSET ID	1057	QUANTITY	1 total
GROUP/FACILITY	1	UNIT COST	3,148.000
CATEGORY	55	PERCENT REPL	100.00%
		CURRENT COST	3,148.00
		FUTURE COST	3,210.96
PLACED IN SERVICE	1/82	ASSIGNED RESERVES	3,055.41
20 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+14 YEAR ADJUSTMENT		MONTHLY CNTRBTN	11.14
REPLACEMENT YEAR 2016		INTEREST	1.82
1 YEAR REM LIFE		MONTHLY ALLOCTN	12.96

REMARKS:

These are metal partitions with a baked enamel finish:

3 - toilet partitions	@	\$ 834.00	=	\$ 2,502.00
1 - urinal partition	@	646.00	=	646.00
				-----
		TOTAL	=	\$ 3,148.00

The useful life of this asset has been extended due to its present condition.



**Park Paseo Homeowners Association**  
Detail Report by Category

<b>Prosa Pool Area - Rstrm Tile</b>		QUANTITY	1 total
		UNIT COST	8,805.000
ASSET ID	1059	PERCENT REPL	103.00%
GROUP/FACILITY	1	CURRENT COST	9,069.15
CATEGORY	55	FUTURE COST	9,816.74
		ASSIGNED RESERVES	8,088.70
PLACED IN SERVICE	1/82	SALVAGE VALUE	0.00
25 YEAR USEFUL LIFE			
+12 YEAR ADJUSTMENT		MONTHLY CNTRBTN	29.89
REPLACEMENT YEAR 2019		INTEREST	4.83
4 YEAR REM LIFE		MONTHLY ALLOCTN	34.72

REMARKS:

108 - sq. ft. of wall tile	@	\$ 20.66	=	\$ 2,231.00
344 - sq. ft. of floor tile	@	19.11	=	6,574.00
				-----
		TOTAL	=	\$ 8,805.00

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

The useful life of this asset has been extended due to its present condition.

<b>Prosa Pool Area - Water Heater</b>		QUANTITY	1 heater
		UNIT COST	3,501.000
ASSET ID	1070	PERCENT REPL	100.00%
GROUP/FACILITY	1	CURRENT COST	3,501.00
CATEGORY	55	FUTURE COST	3,501.00
		ASSIGNED RESERVES	3,501.00
PLACED IN SERVICE	1/82	SALVAGE VALUE	0.00
18 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	18.33
REPLACEMENT YEAR 2015		INTEREST	0.06
0 YEAR REM LIFE		MONTHLY ALLOCTN	18.39

REMARKS:

This is a Rheem 100 gallon, gas-fired unit.

**Park Paseo Homeowners Association**  
Detail Report by Category

Prosa Pool Area - Wood Repairs

ASSET ID 3077  
 GROUP/FACILITY 1  
 CATEGORY 55  
 PLACED IN SERVICE 1/11  
 5 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2016  
 1 YEAR REM LIFE

QUANTITY	1 provision
UNIT COST	3,500.000
PERCENT REPL	100.00%
CURRENT COST	3,500.00
FUTURE COST	3,570.00
ASSIGNED RESERVES	2,800.00
SALVAGE VALUE	0.00
MONTHLY CNTRBTN	62.33
INTEREST	1.84
MONTHLY ALLOCTN	64.17

REMARKS:

This asset is for miscellaneous wood repairs to the prosa building to coincide with the painting in the future.

CATEGORY SUMMARY:

ASSIGNED RESERVES	55,799.08
MONTHLY CNTRBTN	447.34
INTEREST	15.39
MONTHLY ALLOCTN	462.73

**Park Paseo Homeowners Association**  
Detail Report by Category

**Clubhouse - Billiard Tables**

	QUANTITY	2 tables
	UNIT COST	4,870.000
ASSET ID 1079	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	9,740.00
CATEGORY 60	FUTURE COST	10,133.50
	ASSIGNED RESERVES	9,253.00
PLACED IN SERVICE 1/77	SALVAGE VALUE	0.00
25 YEAR USEFUL LIFE		
+15 YEAR ADJUSTMENT	MONTHLY CNTRBTN	30.74
REPLACEMENT YEAR 2017	INTEREST	5.51
2 YEAR REM LIFE	MONTHLY ALLOCTN	36.25

REMARKS:

According to the association, these tables were recovered in 1993 for a total cost of \$1,200 and again in 2005.

During the on site inspection September 2010, we noted the pool tables needed to be re-felted.

The useful life of this asset has been extended due to its present condition.

**Clubhouse - Carpet, Replace**

	QUANTITY	1 total
	UNIT COST	7,800.000
ASSET ID 3055	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	7,800.00
CATEGORY 60	FUTURE COST	8,959.75
	ASSIGNED RESERVES	354.55
PLACED IN SERVICE 9/14	SALVAGE VALUE	0.00
8 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	94.00
REPLACEMENT YEAR 2022	INTEREST	0.51
7 YEAR REM LIFE	MONTHLY ALLOCTN	94.51

REMARKS:

This includes the carpet at the billard room, office and hallway. There is a total of 209 sq. yds. of carpet in the clubhouse.

Accoridng to the associaiton, they are going to replace the carpet in September 2014 for a cost of \$7,800.

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

**Park Paseo Homeowners Association**  
Detail Report by Category

Clubhouse - Doors, Double Slide		QUANTITY	1 total
ASSET ID	3090	UNIT COST	6,944.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	60	CURRENT COST	6,944.00
		FUTURE COST	10,735.28
		ASSIGNED RESERVES	833.28
PLACED IN SERVICE	1/12	SALVAGE VALUE	0.00
25 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	27.73
REPLACEMENT YEAR	2037	INTEREST	0.58
22 YEAR REM LIFE		MONTHLY ALLOCTN	28.31

REMARKS:

According to the association, they replaced one set of doors (odd size) in December 2011 for a cost of \$6,500.

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

Clubhouse - Doors, Entry, 2005		QUANTITY	1 total
ASSET ID	3061	UNIT COST	12,916.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	60	CURRENT COST	12,916.00
		FUTURE COST	17,383.24
		ASSIGNED RESERVES	5,061.68
PLACED IN SERVICE	5/05	SALVAGE VALUE	0.00
25 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	53.91
REPLACEMENT YEAR	2030	INTEREST	3.14
15 YEAR REM LIFE		MONTHLY ALLOCTN	57.05

REMARKS:

These are stain grade decorative mahogany doors w/ beveled glass.

2 - 3'0" x 7'0" mahogany doors w/glass @ \$ 6,458.00	=	\$ 12,916.00
		-----
TOTAL	=	\$ 12,916.00

According to the association, these doors were replaced in May 2005 for a cost of \$10,000.

**Park Paseo Homeowners Association**  
Detail Report by Category

Clubhouse - Doors, Entry, 2005, Continued ...

The cost estimates on this asset were originally provided by the client, and have been adjusted to allow for inflationary changes.

Clubhouse - Doors, Entry, Orig	QUANTITY	1 total
	UNIT COST	15,432.000
ASSET ID 3062	PERCENT REPL	100.00%
GROUP/FACILITY 0	CURRENT COST	15,432.00
CATEGORY 60	FUTURE COST	15,432.00
	ASSIGNED RESERVES	15,432.00
PLACED IN SERVICE 1/77	SALVAGE VALUE	0.00
25 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	60.73
REPLACEMENT YEAR 2015	INTEREST	0.20
0 YEAR REM LIFE	MONTHLY ALLOCTN	60.93

REMARKS:

These are paint grade decorative wood doors w/ glass.

6 - 4'0" x 7'0" wood doors w/glass @ \$ 2,572.00	=	\$ 15,432.00
		-----
TOTAL	=	\$ 15,432.00

During the on site inspection August 2008, we noted these doors were in need of repairs.

Clubhouse - Doors, Interior	QUANTITY	1 total
	UNIT COST	1,928.000
ASSET ID 3063	PERCENT REPL	100.00%
GROUP/FACILITY 0	CURRENT COST	1,928.00
CATEGORY 60	FUTURE COST	1,928.00
	ASSIGNED RESERVES	1,928.00
PLACED IN SERVICE 1/90	SALVAGE VALUE	0.00
25 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	7.59
REPLACEMENT YEAR 2015	INTEREST	0.02
0 YEAR REM LIFE	MONTHLY ALLOCTN	7.61

**Park Paseo Homeowners Association**  
Detail Report by Category

Clubhouse - Doors, Interior, Continued ...

REMARKS:

1 -	2'0" x 6'8" pocket doors	@	\$ 459.00	=	\$ 459.00
1 -	2'6" x 6'8" doors	@	323.00	=	323.00
3 -	3'0" x 6'8" doors	@	382.00	=	1,146.00
					-----
TOTAL					= \$ 1,928.00

These doors are repaired and/or replaced as needed.

Clubhouse - Doors, Restrooms

	QUANTITY	1 total
ASSET ID 3064	UNIT COST	2,384.000
GROUP/FACILITY 0	PERCENT REPL	100.00%
CATEGORY 60	CURRENT COST	2,384.00
	FUTURE COST	2,480.31
	ASSIGNED RESERVES	2,264.80
PLACED IN SERVICE 1/77	SALVAGE VALUE	0.00
25 YEAR USEFUL LIFE		
+15 YEAR ADJUSTMENT	MONTHLY CNTRBTN	7.52
REPLACEMENT YEAR 2017	INTEREST	1.35
2 YEAR REM LIFE	MONTHLY ALLOCTN	8.87

REMARKS:

These are the exterior restroom doors at both pool areas.

4 -	3'0" x 6'8" doors	@	\$ 596.00	=	\$ 2,384.00
					-----
TOTAL					= \$ 2,384.00

The useful life of this asset has been extended due to its present condition.

**Park Paseo Homeowners Association**  
Detail Report by Category

**Clubhouse - Doors, Sliding Original**

	QUANTITY	1 total
ASSET ID 3084	UNIT COST	6,368.000
GROUP/FACILITY 0	PERCENT REPL	100.00%
CATEGORY 60	CURRENT COST	6,368.00
	FUTURE COST	6,368.00
	ASSIGNED RESERVES	6,368.00
PLACED IN SERVICE 1/77	SALVAGE VALUE	0.00
25 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	25.06
REPLACEMENT YEAR 2015	INTEREST	0.08
0 YEAR REM LIFE	MONTHLY ALLOCTN	25.14

REMARKS:

These are the original aluminum sliding doors.

4 - aluminum sliding doors @ \$ 1,592.00	=	\$ 6,368.00
		-----
TOTAL	=	\$ 6,368.00

**Clubhouse - Exterior Staircase**

	QUANTITY	1 total
ASSET ID 3067	UNIT COST	18,350.000
GROUP/FACILITY 1	PERCENT REPL	100.00%
CATEGORY 60	CURRENT COST	18,350.00
	FUTURE COST	27,812.48
	ASSIGNED RESERVES	5,287.29
PLACED IN SERVICE 7/06	SALVAGE VALUE	0.00
30 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	65.42
REPLACEMENT YEAR 2036	INTEREST	3.30
21 YEAR REM LIFE	MONTHLY ALLOCTN	68.72

REMARKS:

According to the association, they replaced the exterior staircase in July 2006 for a cost of \$14,207.

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

**Park Paseo Homeowners Association**  
Detail Report by Category

**Clubhouse - Floor Tile**

ASSET ID	3034	QUANTITY	1 total
GROUP/FACILITY	1	UNIT COST	18,254.000
CATEGORY	60	PERCENT REPL	100.00%
		CURRENT COST	18,254.00
		FUTURE COST	24,567.48
PLACED IN SERVICE	5/05	ASSIGNED RESERVES	7,153.59
25 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	76.19
REPLACEMENT YEAR	2030	INTEREST	4.43
15 YEAR REM LIFE		MONTHLY ALLOCTN	80.62

REMARKS:

According to the association, the vinyl sheet flooring was replaced with decorative ceramic tile in May 2005 for \$14,133.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

**Clubhouse - Furnishings**

ASSET ID	3056	QUANTITY	1 total
GROUP/FACILITY	1	UNIT COST	30,000.000
CATEGORY	60	PERCENT REPL	100.00%
		CURRENT COST	30,000.00
		FUTURE COST	30,600.00
PLACED IN SERVICE	1/06	ASSIGNED RESERVES	27,000.00
10 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	283.29
REPLACEMENT YEAR	2016	INTEREST	16.71
1 YEAR REM LIFE		MONTHLY ALLOCTN	300.00

REMARKS:

The association replaced a majority of the furnishings in May 2005 for a cost of \$30,500.

- |                        |                        |                     |
|------------------------|------------------------|---------------------|
| 84 - folding chairs    | 21 - 6' folding tables | 1 - 8' leather sofa |
| 4 - leather chairs     | 4 - end tables         | 2 - cocktail tables |
| 18 - wood/uphl chairs  | 3 - games tables       | 4 - bar stools      |
| 4 - uphl lounge chairs | 2 - bar tables         | 4 - table lamps     |
| 2 - ceiling fans       | 1 - coffee table       | 1 - sofa table      |
| 1 - artwork provision  |                        |                     |

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The cost and useful life estimates on this asset have been provided by the



**Park Paseo Homeowners Association**  
Detail Report by Category

Clubhouse - Furnishings, Continued ...

client.

At the request of the association, we are funding for \$30,000 every ten years for furniture replacement as needed.

**Clubhouse - HVAC, Clubhouse/Office**

	QUANTITY	1 total
	UNIT COST	27,697.000
	PERCENT REPL	100.00%
ASSET ID 1068	CURRENT COST	27,697.00
GROUP/FACILITY 1	FUTURE COST	40,349.30
CATEGORY 60	ASSIGNED RESERVES	1,051.78
PLACED IN SERVICE 4/14	SALVAGE VALUE	0.00
20 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	134.14
REPLACEMENT YEAR 2034	INTEREST	1.05
19 YEAR REM LIFE	MONTHLY ALLOCTN	135.19

REMARKS:

According to the associaiton, they replaced the hvac units for the office and clubhouse in April 2014 for a cost of \$27,697.

**Clubhouse - Kitchen, Appliances**

	QUANTITY	1 total
	UNIT COST	5,244.000
	PERCENT REPL	100.00%
ASSET ID 1065	CURRENT COST	5,244.00
GROUP/FACILITY 1	FUTURE COST	5,455.86
CATEGORY 60	ASSIGNED RESERVES	4,345.03
PLACED IN SERVICE 5/05	SALVAGE VALUE	0.00
12 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	43.01
REPLACEMENT YEAR 2017	INTEREST	2.68
2 YEAR REM LIFE	MONTHLY ALLOCTN	45.69

REMARKS:

The association replaced all appliances in May 2005 for \$4,061.

These are all GE Profile appliances.

- 2 - microwaves
- 1 - refrigerator
- 1 - oven/range
- 1 - warming oven

**Park Paseo Homeowners Association**  
Detail Report by Category

Clubhouse - Kitchen, Appliances, Continued ...

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

**Clubhouse - Kitchen, Cabinets**

	QUANTITY	1 total
	UNIT COST	24,286.000
ASSET ID 1075	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	24,286.00
CATEGORY 60	FUTURE COST	32,685.76
	ASSIGNED RESERVES	9,517.49
PLACED IN SERVICE 5/05	SALVAGE VALUE	0.00
25 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	101.36
REPLACEMENT YEAR 2030	INTEREST	5.90
15 YEAR REM LIFE	MONTHLY ALLOCTN	107.26

REMARKS:

The association replaced all cabinets and counters in May 2005 for \$18,800.

These are natural wood cabinets with marble counters.

- 31 - lin. ft. of base cabinets
- 15 - lin. ft. of wall cabinets
- 31 - lin. ft. of counter top

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

**Clubhouse - Kitchen, Sink**

	QUANTITY	1 sink
	UNIT COST	771.000
ASSET ID 1077	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	771.00
CATEGORY 60	FUTURE COST	1,037.66
	ASSIGNED RESERVES	302.15
PLACED IN SERVICE 5/05	SALVAGE VALUE	0.00
25 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	3.22
REPLACEMENT YEAR 2030	INTEREST	0.19
15 YEAR REM LIFE	MONTHLY ALLOCTN	3.41

REMARKS:

This sink was installed in May 2005 for \$600.

**Park Paseo Homeowners Association**  
Detail Report by Category

Clubhouse - Kitchen, Sink, Continued ...

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

**Clubhouse - Office, Equipment**

	QUANTITY	1 provision
	UNIT COST	10,000.00
ASSET ID 3072	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	10,000.00
CATEGORY 60	FUTURE COST	10,404.00
	ASSIGNED RESERVES	7,966.10
PLACED IN SERVICE 3/07	SALVAGE VALUE	0.00
8 YEAR USEFUL LIFE		
+2 YEAR ADJUSTMENT	MONTHLY CNTRBTN	95.30
REPLACEMENT YEAR 2017	INTEREST	4.97
2 YEAR REM LIFE	MONTHLY ALLOCTN	100.27

REMARKS:

This asset is for replacement of the office equipment:

- 2 - computers
- 1 - large Cannon copier
- 1 - hp printer
- 1 - small refrigerator

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The cost and useful life estimates on this asset have been provided by the client.

The useful life of this asset has been extended due to its present condition.

**Clubhouse - Office, Refurbishment**

	QUANTITY	1 total
	UNIT COST	12,775.000
ASSET ID 1064	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	12,775.00
CATEGORY 60	FUTURE COST	16,201.79
	ASSIGNED RESERVES	5,045.59
PLACED IN SERVICE 3/07	SALVAGE VALUE	0.00
20 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	63.94
REPLACEMENT YEAR 2027	INTEREST	3.16
12 YEAR REM LIFE	MONTHLY ALLOCTN	67.10

**Park Paseo Homeowners Association**  
Detail Report by Category

Clubhouse - Office, Refurbishment, Continued ...

REMARKS:

According to the association, they renovated the office in March 2007 for a cost of \$10,238. Following are the items in the office:

carpet	file cabinets
base cabinets	office chair
counters	window blinds
wall cabinets	lighting
painting	

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

Clubhouse - Restroom	QUANTITY	1 comment
	UNIT COST	0.000
ASSET ID 3078	PERCENT REPL	0.00%
GROUP/FACILITY 1	CURRENT COST	0.00
CATEGORY 60	FUTURE COST	0.00
	ASSIGNED RESERVES	0.00
PLACED IN SERVICE 1/09	SALVAGE VALUE	0.00
25 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	0.00
REPLACEMENT YEAR 2034	INTEREST	0.00
19 YEAR REM LIFE	MONTHLY ALLOCTN	0.00

REMARKS:

The following comment applies to clubhouse restroom refurbishment:

According to the association, they refurbished the clubhouse interior restrooms in 2008 for approximately \$112,630. This will consist of new plumbing, partitons, counters, sinks, benches, lockers, lighting, vents painting and other miscellaneous items. Therefore, we have adjusted the placed in service dates for these items accordingly.

**Park Paseo Homeowners Association**  
Detail Report by Category

**Clubhouse - Restroom Ceramic Tile**

ASSET ID	1080	QUANTITY	548 sq. ft.
GROUP/FACILITY	1	UNIT COST	20.660
CATEGORY	60	PERCENT REPL	103.00%
		CURRENT COST	11,661.33
		FUTURE COST	16,988.36
PLACED IN SERVICE	1/09	ASSIGNED RESERVES	2,798.72
25 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	47.26
REPLACEMENT YEAR	2034	INTEREST	1.79
19 YEAR REM LIFE		MONTHLY ALLOCTN	49.05

REMARKS:

\* We have removed some of the sq. ft. for this asset for replacement of the women's shower.

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

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

**Clubhouse - Restroom Counters**

ASSET ID	3027	QUANTITY	16 lin. ft.
GROUP/FACILITY	1	UNIT COST	240.000
CATEGORY	60	PERCENT REPL	100.00%
		CURRENT COST	3,840.00
		FUTURE COST	5,066.80
PLACED IN SERVICE	1/09	ASSIGNED RESERVES	1,152.00
20 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	18.90
REPLACEMENT YEAR	2029	INTEREST	0.73
14 YEAR REM LIFE		MONTHLY ALLOCTN	19.63

REMARKS:

These are granite counters.

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

**Park Paseo Homeowners Association**  
Detail Report by Category

**Clubhouse - Restroom Epoxy Floor**

ASSET ID 3087  
 GROUP/FACILITY 1  
 CATEGORY 60

PLACED IN SERVICE 1/09  
 25 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2034  
 19 YEAR REM LIFE

QUANTITY	127 sq. ft.
UNIT COST	17.310
PERCENT REPL	103.00%
CURRENT COST	2,264.32
FUTURE COST	3,298.69
ASSIGNED RESERVES	543.44
SALVAGE VALUE	0.00
MONTHLY CNTRBTN	9.18
INTEREST	0.35
MONTHLY ALLOCTN	9.53

REMARKS:

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

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

**Clubhouse - Restroom Fixtures**

ASSET ID 1081  
 GROUP/FACILITY 1  
 CATEGORY 60

PLACED IN SERVICE 1/09  
 25 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2034  
 19 YEAR REM LIFE

QUANTITY	1 total
UNIT COST	7,216.000
PERCENT REPL	100.00%
CURRENT COST	7,216.00
FUTURE COST	10,512.35
ASSIGNED RESERVES	1,731.84
SALVAGE VALUE	0.00
MONTHLY CNTRBTN	29.24
INTEREST	1.11
MONTHLY ALLOCTN	30.35

REMARKS:

5 - toilets, flush valve	@	\$ 838.00	=	\$ 4,190.00
4 - sinks, counter oval	@	481.00	=	1,924.00
1 - urinal, wall mount	@	1,102.00	=	1,102.00
				-----
		TOTAL	=	\$ 7,216.00

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

**Park Paseo Homeowners Association**  
Detail Report by Category

**Clubhouse - Restroom Lockers/Bench**

	QUANTITY	1 provision
	UNIT COST	20,000.000
ASSET ID 3028	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	20,000.00
CATEGORY 60	FUTURE COST	27,455.71
	ASSIGNED RESERVES	5,454.55
PLACED IN SERVICE 1/09	SALVAGE VALUE	0.00
22 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	90.52
REPLACEMENT YEAR 2031	INTEREST	3.48
16 YEAR REM LIFE	MONTHLY ALLOCTN	94.00

REMARKS:

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

**Clubhouse - Restroom Partitions**

	QUANTITY	5 partitions
	UNIT COST	1,051.000
ASSET ID 1082	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	5,255.00
CATEGORY 60	FUTURE COST	6,933.86
	ASSIGNED RESERVES	1,576.50
PLACED IN SERVICE 1/09	SALVAGE VALUE	0.00
20 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	25.86
REPLACEMENT YEAR 2029	INTEREST	1.01
14 YEAR REM LIFE	MONTHLY ALLOCTN	26.87

REMARKS:

These are laminated plastic partitions.

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

**Clubhouse - Restroom Shower Door**

	QUANTITY	4 doors
	UNIT COST	499.000
ASSET ID 1083	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	1,996.00
CATEGORY 60	FUTURE COST	2,433.11
	ASSIGNED RESERVES	748.50
PLACED IN SERVICE 1/09	SALVAGE VALUE	0.00
16 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	12.00
REPLACEMENT YEAR 2025	INTEREST	0.48
10 YEAR REM LIFE	MONTHLY ALLOCTN	12.48

**Park Paseo Homeowners Association**  
Detail Report by Category

Clubhouse - Restroom Shower Door, Continued ...

REMARKS:

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

**Clubhouse - Wallpaper**

	QUANTITY	2,816 sq. ft.
	UNIT COST	4.370
ASSET ID 1073	PERCENT REPL	110.00%
GROUP/FACILITY 1	CURRENT COST	13,536.51
CATEGORY 60	FUTURE COST	14,083.39
	ASSIGNED RESERVES	11,215.97
PLACED IN SERVICE 5/05	SALVAGE VALUE	0.00
15 YEAR USEFUL LIFE		
-3 YEAR ADJUSTMENT	MONTHLY CNTRBTN	111.03
REPLACEMENT YEAR 2017	INTEREST	6.92
2 YEAR REM LIFE	MONTHLY ALLOCTN	117.95

REMARKS:

The wallpaper throughout the clubhouse was replaced in May 2005 for a total cost of \$10,585.

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

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

The useful life of this asset has been decreased due to its present condition.

**Clubhouse - Water Heater**

	QUANTITY	1 heater
	UNIT COST	3,501.000
ASSET ID 1069	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	3,501.00
CATEGORY 60	FUTURE COST	3,501.00
	ASSIGNED RESERVES	3,501.00
PLACED IN SERVICE 1/98	SALVAGE VALUE	0.00
12 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	26.50
REPLACEMENT YEAR 2015	INTEREST	0.09
0 YEAR REM LIFE	MONTHLY ALLOCTN	26.59



**Park Paseo Homeowners Association**  
Detail Report by Category

Clubhouse - Water Heater, Continued ...

REMARKS:

This is a Fourmost 100 gallon, gas fired unit.

This water heater was replaced in May 1990 for a total cost of \$2,741.

The actual date this item was placed-in-service was not available. For budgeting purposes, we have estimated this date based upon its present condition.

Clubhouse - Window Blinds

	QUANTITY	1 total
	UNIT COST	15,628.000
ASSET ID 1074	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	15,628.00
CATEGORY 60	FUTURE COST	16,259.37
	ASSIGNED RESERVES	12,948.91
PLACED IN SERVICE 5/05	SALVAGE VALUE	0.00
10 YEAR USEFUL LIFE		
+2 YEAR ADJUSTMENT	MONTHLY CNTRBTN	128.18
REPLACEMENT YEAR 2017	INTEREST	7.99
2 YEAR REM LIFE	MONTHLY ALLOCTN	136.17

REMARKS:

This asset is for window tinting and window blinds.

The association replaced the blinds and tinted the windows in May 2005 for a cost of \$12,100.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

The useful life estimate on this asset has been provided by the client.

The useful life of this asset has been extended due to its present condition.

**Park Paseo Homeowners Association**  
Detail Report by Category

Clubhouse - Women's Shower		QUANTITY	1 total
		UNIT COST	3,367.000
ASSET ID	3092	PERCENT REPL	100.00%
GROUP/FACILITY	1	CURRENT COST	3,367.00
CATEGORY	60	FUTURE COST	5,205.31
		ASSIGNED RESERVES	384.15
PLACED IN SERVICE	3/12	SALVAGE VALUE	0.00
25 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	13.51
REPLACEMENT YEAR	2037	INTEREST	0.27
22 YEAR REM LIFE		MONTHLY ALLOCTN	13.78

REMARKS:

This asset is for the women's shower. There is approximately 237 sq. ft.

According to the association, the women's shower was replaced in March 2012 for a cost of \$3,237.

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

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

CATEGORY SUMMARY:	ASSIGNED RESERVES	151,219.91
	MONTHLY CNTRBTN	1,685.33
	INTEREST	78.00
	MONTHLY ALLOCTN	1,763.33

**Park Paseo Homeowners Association**  
Detail Report by Category

<b>Tennis Court - Benches, Tennis/Grds</b>		QUANTITY	14 benches
ASSET ID	1091	UNIT COST	1,411.000
GROUP/FACILITY	1	PERCENT REPL	100.00%
CATEGORY	65	CURRENT COST	19,754.00
		FUTURE COST	24,561.62
		ASSIGNED RESERVES	5,267.73
PLACED IN SERVICE	1/11	SALVAGE VALUE	0.00
15 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	124.54
REPLACEMENT YEAR 2026		INTEREST	3.48
11 YEAR REM LIFE		MONTHLY ALLOCTN	128.02

REMARKS:

These are wood slatted benches with backs. This asset is for the benches throughout the community.

According to the association, they are going to replace four benches, add five benches and repair the remaining benches in 2010 for a cost of \$18,000

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

<b>Tennis Court - Chain Link</b>		QUANTITY	1 total
ASSET ID	1089	UNIT COST	19,607.000
GROUP/FACILITY	1	PERCENT REPL	100.00%
CATEGORY	65	CURRENT COST	19,607.00
		FUTURE COST	21,647.71
		ASSIGNED RESERVES	17,327.12
PLACED IN SERVICE	1/77	SALVAGE VALUE	0.00
30 YEAR USEFUL LIFE			
+13 YEAR ADJUSTMENT		MONTHLY CNTRBTN	58.31
REPLACEMENT YEAR 2020		INTEREST	10.33
5 YEAR REM LIFE		MONTHLY ALLOCTN	68.64

REMARKS:

This is vinyl coated chain link fencing:

480 lin. ft. of 10' fencing	@	\$ 34.02	=	\$ 16,330.00
246 lin. ft. of 3' fencing	@	13.32	=	3,277.00
				-----
		TOTAL	=	\$ 19,607.00

The useful life of this asset has been extended due to its present condi-

**Park Paseo Homeowners Association**  
Detail Report by Category

Tennis Court - Chain Link, Continued ...

tion.

Tennis Court - Lighting		QUANTITY	16 fixtures
		UNIT COST	842.000
ASSET ID	1088	PERCENT REPL	100.00%
GROUP/FACILITY	1	CURRENT COST	13,472.00
CATEGORY	65	FUTURE COST	14,016.27
		ASSIGNED RESERVES	12,798.40
PLACED IN SERVICE	1/77	SALVAGE VALUE	0.00
25 YEAR USEFUL LIFE			
+15 YEAR ADJUSTMENT		MONTHLY CNTRBTN	42.52
REPLACEMENT YEAR	2017	INTEREST	7.63
2 YEAR REM LIFE		MONTHLY ALLOCTN	50.15

REMARKS:

The useful life of this asset has been extended due to its present condition.

Tennis Court - Resurfacing		QUANTITY	14,400 sq. ft.
		UNIT COST	0.850
ASSET ID	1086	PERCENT REPL	100.00%
GROUP/FACILITY	1	CURRENT COST	12,240.00
CATEGORY	65	FUTURE COST	12,240.00
		ASSIGNED RESERVES	12,240.00
PLACED IN SERVICE	1/04	SALVAGE VALUE	0.00
6 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	178.42
REPLACEMENT YEAR	2015	INTEREST	0.57
0 YEAR REM LIFE		MONTHLY ALLOCTN	178.99

REMARKS:

According to the association, they resurfaced both tennis courts in October 2003 for a cost of \$8,900.

This work was last completed in May 1993, at a cost of \$3,300.

According to the association, they repair the tennis courts on an as needed basis.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

**Park Paseo Homeowners Association**  
Detail Report by Category

Tennis Court - Resurfacing, Continued ...

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

Tennis Court - Windscreen	QUANTITY	3,954 sq. ft.
	UNIT COST	0.840
ASSET ID 1087	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	3,321.36
CATEGORY 65	FUTURE COST	3,321.36
	ASSIGNED RESERVES	3,321.36
PLACED IN SERVICE 8/97	SALVAGE VALUE	0.00
6 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	48.42
REPLACEMENT YEAR 2015	INTEREST	0.16
0 YEAR REM LIFE	MONTHLY ALLOCTN	48.58

REMARKS:

According to the association, the windscreens were replaced in August 1997 for a cost of \$1,971.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

CATEGORY SUMMARY:	ASSIGNED RESERVES	50,954.61
	MONTHLY CNTRBTN	452.21
	INTEREST	22.17
	MONTHLY ALLOCTN	474.38

**Park Paseo Homeowners Association**  
Detail Report by Category

Rec Area - Benches		QUANTITY	1 total
ASSET ID	3088	UNIT COST	11,308.000
GROUP/FACILITY	1	PERCENT REPL	100.00%
CATEGORY	70	CURRENT COST	11,308.00
		FUTURE COST	13,249.12
PLACED IN SERVICE	2/11	ASSIGNED RESERVES	3,716.62
12 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	88.06
REPLACEMENT YEAR 2023		INTEREST	2.46
8 YEAR REM LIFE		MONTHLY ALLOCTN	90.52

REMARKS:

According to the association, they added twelve benches throughout the community in February 2011 for a cost of \$10,277. This included the concrete footing. These are located along the greenbelts at the Christamon pool/tennis area.

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Rec Area - Drinking Fountain, C\H		QUANTITY	1 fountain
ASSET ID	3089	UNIT COST	2,936.000
GROUP/FACILITY	1	PERCENT REPL	100.00%
CATEGORY	70	CURRENT COST	2,936.00
		FUTURE COST	3,723.56
PLACED IN SERVICE	8/11	ASSIGNED RESERVES	650.68
16 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	18.00
REPLACEMENT YEAR 2027		INTEREST	0.44
12 YEAR REM LIFE		MONTHLY ALLOCTN	18.44

REMARKS:

According to the association, they replaced the drinking fountain with an ADA double unit in August 2011 for a cost of \$2,675.

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

**Park Paseo Homeowners Association**  
Detail Report by Category

**Rec Area - Drinking Fountain, Pross**

	QUANTITY	1 fountain
	UNIT COST	1,481.000
ASSET ID 1055	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	1,481.00
CATEGORY 70	FUTURE COST	1,481.00
	ASSIGNED RESERVES	1,481.00
PLACED IN SERVICE 1/82	SALVAGE VALUE	0.00
16 YEAR USEFUL LIFE		
+15 YEAR ADJUSTMENT	MONTHLY CNTRBTN	8.62
REPLACEMENT YEAR 2015	INTEREST	0.03
0 YEAR REM LIFE	MONTHLY ALLOCTN	8.65

REMARKS:

This is a stainless steel, wall mounted chilled fountains.

**Rec Area - Play Equip, Alba**

	QUANTITY	1 total
	UNIT COST	22,231.000
ASSET ID 3039	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	22,231.00
CATEGORY 70	FUTURE COST	23,129.13
	ASSIGNED RESERVES	19,760.89
PLACED IN SERVICE 1/99	SALVAGE VALUE	0.00
18 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	126.62
REPLACEMENT YEAR 2017	INTEREST	11.97
2 YEAR REM LIFE	MONTHLY ALLOCTN	138.59

REMARKS:

According to the association, new play equipment was purchased in January 1999 for a total cost of \$13,997.

1 - large structure includes: twisting slide, double slide, ladder, 3 platforms, tic-tac-toe, and a covered top.

1 - swing set w/2 swings

1 -spring mate

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

**Park Paseo Homeowners Association**  
Detail Report by Category

**Rec Area - Play Equip, Main, Prosa**

	QUANTITY	1 total
	UNIT COST	50,560.000
ASSET ID 1045	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	50,560.00
CATEGORY 70	FUTURE COST	52,602.62
	ASSIGNED RESERVES	45,374.36
PLACED IN SERVICE 7/97	SALVAGE VALUE	0.00
18 YEAR USEFUL LIFE		
+2 YEAR ADJUSTMENT	MONTHLY CNTRBTN	270.00
REPLACEMENT YEAR 2017	INTEREST	27.42
2 YEAR REM LIFE	MONTHLY ALLOCTN	297.42

REMARKS:

According to the association, the play equipment was replaced for \$30,000 in July 1997 for both the main and prosa pool areas.

The structures include:

Main Pool (play structure): 2 plastic slides, 1 double slide, metal bridge 4 metal platforms, monkey bars, climbing bar, chain, firemans pole, and 1 large climber.

Prosa Pool (play structure): 1 slide, 1 climbing bar, 1 metal/plastic platform.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

**Rec Area - Sand Repl, Alba**

	QUANTITY	1 total
	UNIT COST	6,970.000
ASSET ID 3093	PERCENT REPL	100.00%
GROUP/FACILITY 1	CURRENT COST	6,970.00
CATEGORY 70	FUTURE COST	8,329.80
	ASSIGNED RESERVES	480.69
PLACED IN SERVICE 5/14	SALVAGE VALUE	0.00
10 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	64.79
REPLACEMENT YEAR 2024	INTEREST	0.49
9 YEAR REM LIFE	MONTHLY ALLOCTN	65.28

REMARKS:

According to the associaiton, they replaced the sand in May 2014 for a cost of \$6,970.

70 cu. yds (prossa/alba)

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.



**Park Paseo Homeowners Association**  
Detail Report by Category

Rec Area - Sand Repl, Alba, Continued ...

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

**Rec Area - Sand Repl, Main**

ASSET ID	1048	QUANTITY	1 provision
GROUP/FACILITY	1	UNIT COST	6,000.00
CATEGORY	70	PERCENT REPL	100.00%
		CURRENT COST	6,000.00
		FUTURE COST	6,000.00
PLACED IN SERVICE	6/90	ASSIGNED RESERVES	6,000.00
10 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	53.82
REPLACEMENT YEAR 2015		INTEREST	0.17
0 YEAR REM LIFE		MONTHLY ALLOCTN	53.99

REMARKS:

This asset is for replacement of the sand with fiber chips.

The association replenished the sand in June 1990 for a total cost of \$1,000.

The cost estimates on this asset were originally provided by the client, and have been adjusted to allow for inflationary changes.

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

**Rec Area - Sand Repl, Prosa**

ASSET ID	1049	QUANTITY	1 total
GROUP/FACILITY	1	UNIT COST	8,200.00
CATEGORY	70	PERCENT REPL	100.00%
		CURRENT COST	8,200.00
		FUTURE COST	9,799.76
PLACED IN SERVICE	9/14	ASSIGNED RESERVES	292.86
10 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	78.62
REPLACEMENT YEAR 2024		INTEREST	0.42
9 YEAR REM LIFE		MONTHLY ALLOCTN	79.04

**Park Paseo Homeowners Association**  
Detail Report by Category

Rec Area - Sand Repl, Prosa, Continued ...

REMARKS:

According to the association, they are going to replace the sand in September 2014 for a cost of \$8,200.

70 cu. yds (prossa/alba)

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Rec Area - Trash Cans

ASSET ID	3086	QUANTITY	9 total
GROUP/FACILITY	1	UNIT COST	1,182.000
CATEGORY	70	PERCENT REPL	100.00%
		CURRENT COST	10,638.00
		FUTURE COST	13,227.02
		ASSIGNED RESERVES	2,836.80
PLACED IN SERVICE	1/11	SALVAGE VALUE	0.00
15 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	67.07
REPLACEMENT YEAR 2026		INTEREST	1.88
11 YEAR REM LIFE		MONTHLY ALLOCTN	68.95

REMARKS:

According to the association, they replaced 9 trash cans throughout the association in 2010.

According to the association, they replaced the trash can lids in 2011 for a cost of \$3,996.

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

**Park Paseo Homeowners Association**  
Detail Report by Category

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CATEGORY SUMMARY:	ASSIGNED RESERVES	80,593.90
	MONTHLY CNTRBTN	775.60
	INTEREST	45.28
	MONTHLY ALLOCTN	820.88

**Park Paseo Homeowners Association**  
Detail Report by Category

**Clubhouse - Deck, Railing, Wood**

ASSET ID	3074	QUANTITY	1 total
GROUP/FACILITY	1	UNIT COST	4,727.000
CATEGORY	80	PERCENT REPL	100.00%
		CURRENT COST	4,727.00
		FUTURE COST	4,917.97
PLACED IN SERVICE	1/00	ASSIGNED RESERVES	4,170.88
12 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+5 YEAR ADJUSTMENT		MONTHLY CNTRBTN	28.21
REPLACEMENT YEAR 2017		INTEREST	2.53
2 YEAR REM LIFE		MONTHLY ALLOCTN	30.74

REMARKS:

This asset is for wood deck and railing replacement at the clubhouse.

216 - sq. ft. of wood deck	@	\$ 15.82	=	\$ 3,417.00
30 - lin. ft. of wood railing	@	43.66	=	1,310.00
				-----
		TOTAL	=	\$ 4,727.00

The useful life of this asset has been extended due to its present condition.

**Trellis - Clubhouse**

ASSET ID	3049	QUANTITY	1 total
GROUP/FACILITY	1	UNIT COST	44,189.000
CATEGORY	80	PERCENT REPL	100.00%
		CURRENT COST	44,189.00
		FUTURE COST	73,946.67
PLACED IN SERVICE	6/11	ASSIGNED RESERVES	0.00
30 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	168.22
REPLACEMENT YEAR 2041		INTEREST	0.54
26 YEAR REM LIFE		MONTHLY ALLOCTN	168.76

REMARKS:

According to the association, they replaced the wood trellis with an aluminum trellis in June 2011 for a cost of \$40,232.

main pool - 3,794 sq.ft.

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

**Park Paseo Homeowners Association**  
Detail Report by Category

Trellis - Prosa Pool

ASSET ID 3085  
 GROUP/FACILITY 1  
 CATEGORY 80  
 PLACED IN SERVICE 1/10  
 30 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2040  
 25 YEAR REM LIFE

QUANTITY	1 total
UNIT COST	11,628.000
PERCENT REPL	100.00%
CURRENT COST	11,628.00
FUTURE COST	19,076.97
ASSIGNED RESERVES	0.00
SALVAGE VALUE	0.00
MONTHLY CNTRBTN	45.76
INTEREST	0.15
MONTHLY ALLOCTN	45.91

REMARKS:

According to the association, they replaced the wood trellis with an aluminum trellis in November 2009 for a cost of \$10,280.

prosa pool - 1,105 sq. ft.

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

CATEGORY SUMMARY:

ASSIGNED RESERVES	4,170.88
MONTHLY CNTRBTN	242.19
INTEREST	3.22
MONTHLY ALLOCTN	245.41

**Park Paseo Homeowners Association**  
Detail Report by Category

**Signs - Bulletin Board, Clubhouse**

ASSET ID	3032	QUANTITY	1 sign
GROUP/FACILITY	1	UNIT COST	1,086.000
CATEGORY	85	PERCENT REPL	100.00%
		CURRENT COST	1,086.00
		FUTURE COST	1,129.87
PLACED IN SERVICE	10/94	ASSIGNED RESERVES	988.38
15 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+8 YEAR ADJUSTMENT		MONTHLY CNTRBTN	5.23
REPLACEMENT YEAR	2017	INTEREST	0.60
2 YEAR REM LIFE		MONTHLY ALLOCTN	5.83

REMARKS:

This metal frame w/glass board measures 7' x 3' and was installed in September 1994 for a total cost of \$615.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

The useful life of this asset has been extended due to its present condition.

**Signs - Monument**

ASSET ID	3030	QUANTITY	1 provision
GROUP/FACILITY	1	UNIT COST	3,230.000
CATEGORY	85	PERCENT REPL	100.00%
		CURRENT COST	3,230.00
		FUTURE COST	3,230.00
PLACED IN SERVICE	1/77	ASSIGNED RESERVES	3,230.00
30 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	10.92
REPLACEMENT YEAR	2015	INTEREST	0.04
0 YEAR REM LIFE		MONTHLY ALLOCTN	10.96

REMARKS:

This sign consists of 6" and 8" painted metal letters mounted on a stucco wall.

At the time of the November 2005 on site inspection, the signs were in need of paint and refurbishment.

According to the association, they may replace these signs with new concrete monument signs. This asset is for refurbishment of the existing signs only, not for replacement with a different material.

The cost estimates on this asset were originally provided by the client,

**Park Paseo Homeowners Association**  
Detail Report by Category

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Signs - Monument, Continued ...

and have been adjusted to allow for inflationary changes.

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CATEGORY SUMMARY:	ASSIGNED RESERVES	4,218.38
	MONTHLY CNTRBTN	16.15
	INTEREST	0.64
	MONTHLY ALLOCTN	16.79

**Park Paseo Homeowners Association**  
Detail Report by Category

**Golf Cart - Replacement, Unfunded**

ASSET ID 3050  
 GROUP/FACILITY 1  
 CATEGORY 90

PLACED IN SERVICE 1/92  
 12 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2015  
 0 YEAR REM LIFE

QUANTITY	1 total
UNIT COST	0.000
PERCENT REPL	0.00%
CURRENT COST	0.00
FUTURE COST	0.00
ASSIGNED RESERVES	0.00
SALVAGE VALUE	0.00
MONTHLY CNTRBTN	0.00
INTEREST	0.00
MONTHLY ALLOCTN	0.00

REMARKS:

This asset is to replace the golf cart with a used or refurbished cart.

According to the association, they will repair the golf cart from the operating budget only. Once the cart stops working they will not replace it in the future.

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The cost estimates on this asset have been provided by the client and incorporated into our report at their request.

It is the intention of the client not to replace this asset and therefore we have excluded budgeting for it in our report. It is listed for inventory purposes only.

CATEGORY SUMMARY:

ASSIGNED RESERVES	0.00
MONTHLY CNTRBTN	0.00
INTEREST	0.00
MONTHLY ALLOCTN	0.00



**Park Paseo Homeowners Association**  
Detail Report by Category

**Landscape - Tree Trimming, Jac.**

ASSET ID 3066  
 GROUP/FACILITY 1  
 CATEGORY 95  
 PLACED IN SERVICE 3/12  
 4 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2016  
 1 YEAR REM LIFE

QUANTITY	1 total
UNIT COST	9,000.000
PERCENT REPL	100.00%
CURRENT COST	9,000.00
FUTURE COST	9,180.00
ASSIGNED RESERVES	6,652.17
SALVAGE VALUE	0.00
MONTHLY CNTRBTN	206.10
INTEREST	4.56
MONTHLY ALLOCTN	210.66

REMARKS:

This asset is for Jacaranda tree trimming.

The following amounts were spent on tree trimming:

2012 - \$10,175  
 2006 - \$ 8,460

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The cost and useful life estimates on this asset have been provided by the client.

**Landscape - Tree Trimming, Windrow**

ASSET ID 1094  
 GROUP/FACILITY 1  
 CATEGORY 95  
 PLACED IN SERVICE 4/14  
 3 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2017  
 2 YEAR REM LIFE

QUANTITY	1 total
UNIT COST	34,000.000
PERCENT REPL	100.00%
CURRENT COST	34,000.00
FUTURE COST	35,373.60
ASSIGNED RESERVES	9,272.73
SALVAGE VALUE	0.00
MONTHLY CNTRBTN	1,064.24
INTEREST	8.85
MONTHLY ALLOCTN	1,073.09

**Park Paseo Homeowners Association**  
Detail Report by Category

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Landscape - Tree Trimming, Windrow, Continued ...

REMARKS:

This asset is for windrow tree trimming.

The following amounts were spent on tree trimming:

2014 -	\$ 34,000
2010 -	\$ 34,000
2006 -	35,725
2003 -	25,440
2002 -	8,100
1997 -	22,705

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The cost and useful life estimates on this asset have been provided by the client.

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CATEGORY SUMMARY:	ASSIGNED RESERVES	15,924.90
	MONTHLY CNTRBTN	1,270.34
	INTEREST	13.41
	MONTHLY ALLOCTN	1,283.75

**Park Paseo Homeowners Association**  
Detail Report by Category

<b>Irrigation - Controllers</b>		QUANTITY	1 total
ASSET ID	1093	UNIT COST	30,294.000
GROUP/FACILITY	1	PERCENT REPL	100.00%
CATEGORY	100	CURRENT COST	30,294.00
		FUTURE COST	39,188.52
PLACED IN SERVICE	1/13	ASSIGNED RESERVES	4,039.20
15 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	188.92
REPLACEMENT YEAR 2028		INTEREST	2.97
13 YEAR REM LIFE		MONTHLY ALLOCTN	191.89

REMARKS:

Accoridng to the association, they replaced these controllers in 2013 for a cost of \$29,700.

11 - Weathertrak 24 station controllers @ \$ 2,754.00 =	\$ 30,294.00
	-----
TOTAL =	\$ 30,294.00

The information used on this asset has been provided with the assistance of the client's maintenance contractor.

This asset, and the information contained herein, has been provided by the client and incorporated into our report at their request.

The current cost used on this asset is based upon actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

<b>Irrigation - Enclosures</b>		QUANTITY	6 total
ASSET ID	3048	UNIT COST	4,393.000
GROUP/FACILITY	1	PERCENT REPL	100.00%
CATEGORY	100	CURRENT COST	26,358.00
		FUTURE COST	26,885.16
PLACED IN SERVICE	1/77	ASSIGNED RESERVES	25,682.15
24 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+15 YEAR ADJUSTMENT		MONTHLY CNTRBTN	84.95
REPLACEMENT YEAR 2016		INTEREST	15.30
1 YEAR REM LIFE		MONTHLY ALLOCTN	100.25

REMARKS:

These are pedestal enclosures.

\*\* There are 4 wall enclosures in good condition. We recommend replacing these from the operating and/or contingency budget in the future.

**Park Paseo Homeowners Association**  
Detail Report by Category

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Irrigation - Enclosures, Continued ...

The information used on this asset has been provided with the assistance of the client's maintenance contractor.

The cost estimates on this asset were originally provided by the client's maintenance contractor and have been adjusted to allow for inflationary changes.

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CATEGORY SUMMARY:	ASSIGNED RESERVES	29,721.35
	MONTHLY CNTRBTN	273.87
	INTEREST	18.27
	MONTHLY ALLOCTN	292.14

**Park Paseo Homeowners Association**  
Detail Report by Category

Termite Control/Fumigation		QUANTITY	1 total
ASSET ID	3065	UNIT COST	5,060.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	105	CURRENT COST	5,060.00
		FUTURE COST	5,060.00
PLACED IN SERVICE	1/96	ASSIGNED RESERVES	5,060.00
15 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+4 YEAR ADJUSTMENT		MONTHLY CNTRBTN	31.21
REPLACEMENT YEAR 2015		INTEREST	0.10
0 YEAR REM LIFE		MONTHLY ALLOCTN	31.31

REMARKS:

This asset is for the Clubhouse and Prossa cabana building.

Effective September 25, 1987 an amendment to Civil Code Section 4780 relating to responsibilities for the repair and maintenance of termite damage in various types of common interest developments was signed into California law as follows:

Section 4780:

(a) In a community apartment project, condominium project, or stock cooperative, unless otherwise provided in the declaration, the association is responsible for the repair and maintenance of the common area occasioned by the presence of wood-destroying pests or organisms.

(b) In a planned development, unless a different maintenance scheme is provided in the declaration, each owner of a separate interest is responsible for the repair and maintenance of that separate interest as may be occasioned by the presence of wood-destroying pests or organisms. Upon approval of the majority of all members of the association, pursuant to section 4065 that responsibility may be delegated to the association, which shall be entitled to recover the cost thereof as a special assessment

Section 4775 (b):

The cost of temporary relocation during the repair and maintenance of the areas within the responsibility of the association shall be borne by the owner of the separate interest affected.

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CATEGORY SUMMARY:	ASSIGNED RESERVES	5,060.00
	MONTHLY CNTRBTN	31.21
	INTEREST	0.10
	MONTHLY ALLOCTN	31.31

**Park Paseo Homeowners Association**  
Detail Report by Category

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TOTAL ALL ASSETS:	ASSIGNED RESERVES	711,855.34
	MONTHLY CNTRBTN	10,033.66
	INTEREST	272.08
	MONTHLY ALLOCTN	10,305.74
CONTINGENCY @ 3.00%:	ASSIGNED RESERVES	21,355.66
	MONTHLY CNTRBTN	301.01
	INTEREST	13.47
	MONTHLY ALLOCTN	314.48
GRAND TOTALS:	ASSIGNED RESERVES	733,211.00
	MONTHLY CNTRBTN	10,334.67
	INTEREST	285.55
	MONTHLY ALLOCTN	10,620.22

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TOTAL ASSET LINES INCLUDED: 115

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## PART III - APPENDIX

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### A. Legal Issues Affecting Community Associations

#### Selected California Statutes Affecting Common Interest Developments

Revised March 2013

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## **1. CALIFORNIA CIVIL CODE SECTION 4080 - 4190**

### **Definitions**

4080. "Association" means a nonprofit corporation or unincorporated association created for the purpose of managing a common interest development.

4085. "Board" means the board of directors of the association.

4090. "Board meeting" means either of the following:

(a) A congregation, at the same time and place, of a sufficient number of directors to establish a quorum of the board, to hear, discuss, or deliberate upon any item of business that is within the authority of the board.

(b) A teleconference, where a sufficient number of directors to establish a quorum of the board, in different locations, are connected by electronic means, through audio or video, or both. A teleconference meeting shall be conducted in a manner that protects the rights of members of the association and otherwise complies with the requirements of this act. Except for a meeting that will be held solely in executive session, the notice of the teleconference meeting shall identify at least one physical location so that members of the association may attend, and at least one director shall be present at that location. Participation by directors in a teleconference meeting constitutes presence at that meeting as long as all directors participating are able to hear one another, as well as members of the association speaking on matters before the board.

4095. (a) "Common area" means the entire common interest development except the separate interests therein. The estate in the common area may be a fee, a life estate, an estate for years, or any combination of the foregoing.

(b) Notwithstanding subdivision (a), in a planned development described in subdivision (b) of Section 4175, the common area may consist of mutual or reciprocal easement rights appurtenant to the separate interests.

4100. "Common interest development" means any of the following:

- (a) A community apartment project.
- (b) A condominium project.
- (c) A planned development.
- (d) A stock cooperative.

4105. "Community apartment project" means a development in which an undivided interest in land is coupled with the right of exclusive occupancy of any apartment located thereon.

4110. (a) "Community service organization or similar entity" means a nonprofit entity, other than an association, that is organized to provide services to residents of the common interest development or to the public in addition to the residents, to the extent community common area or facilities are available to the public.

(b) "Community service organization or similar entity" does not include an entity that has been organized solely to raise moneys and contribute to other nonprofit organizations that are qualified as tax exempt under Section 501(c)(3) of the Internal Revenue Code and that provide housing or housing assistance.

4120. "Condominium plan" means a plan described in Section 4285.

4125. (a) A "condominium project" means a real property development consisting of condominiums.

(b) A condominium consists of an undivided interest in common in a portion of real property coupled with a separate interest in space called a unit, the boundaries of which are described on a recorded final map, parcel map, or condominium plan in sufficient detail to locate all boundaries thereof. The area within these boundaries may be filled with air, earth, water, or fixtures, or any combination thereof, and need not be physically attached to land except by easements for access and, if necessary, support. The description of the unit may refer to (1) boundaries described in the recorded final map, parcel map, or condominium plan, (2) physical boundaries, either in existence, or to be constructed, such as walls, floors, and ceilings of a structure or any portion thereof, (3) an entire structure containing one or more units, or (4) any combination thereof.

(c) The portion or portions of the real property held in undivided interest may be all of the real property, except for the separate interests, or may include a particular three-dimensional portion thereof, the boundaries of which are described on a recorded final map, parcel map, or condominium plan. The area within these boundaries may be filled with air, earth, water, or fixtures, or any combination thereof, and need not be physically attached to land except by easements for access and, if necessary, support.

(d) An individual condominium within a condominium project may include, in addition, a separate interest in other portions of the real property.

4130. "Declarant" means the person or group of persons designated in the declaration as declarant, or if no declarant is designated, the person or group of persons who sign the original declaration or who succeed to special rights, preferences, or privileges designated in the declaration as belonging to the signator of the original declaration.

4135. "Declaration" means the document, however denominated, that contains the information required by Sections 4250 and 4255.

4140. "Director" means a natural person who serves on the board.

4145. (a) "Exclusive use common area" means a portion of the common area designated by the declaration for the exclusive use of one or more, but fewer than all, of the owners of the separate interests and which is or will be appurtenant to the separate interest or interests.

(b) Unless the declaration otherwise provides, any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, patios, exterior doors, doorframes, and hardware incident thereto, screens and windows or other fixtures designed to serve a single separate interest, but located outside the boundaries of the separate interest, are exclusive use common area allocated exclusively to that separate interest.

(c) Notwithstanding the provisions of the declaration, internal and external telephone wiring designed to serve a single separate interest, but located outside the boundaries of the separate interest, is exclusive use common area allocated exclusively to that separate interest.

4150. "Governing documents" means the declaration and any other documents, such as bylaws, operating rules, articles of incorporation, or articles of association, which govern the operation of the common interest development or association.

4158. (a) A "managing agent" is a person who, for compensation or in expectation of compensation, exercises control over the assets of a common interest development.

(b) A "managing agent" does not include any of the following:

(1) A regulated financial institution operating within the normal course of its regulated business practice.

(2) An attorney at law acting within the scope of the attorney's license.

4160. "Member" means an owner of a separate interest.

4170. "Person" means a natural person, corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership, limited liability company, association, or other entity.

4175. "Planned development" means a real property development other than a community apartment project, a condominium project, or a stock cooperative, having either or both of the following features:

(a) Common area that is owned either by an association or in common by the owners of the separate interests who possess appurtenant rights to the beneficial use and enjoyment of the common area.

(b) Common area and an association that maintains the common area with the power to levy assessments that may become a lien upon the separate interests in accordance with Article 2 (commencing with Section 5650) of Chapter 8.

4177. "Reserve accounts" means both of the following:

(a) Moneys that the board has identified for use to defray the future repair or replacement of, or additions to, those major components that the association is obligated to maintain.

(b) The funds received, and not yet expended or disposed of, from either a compensatory damage award or settlement to an association from any person for injuries to property, real or personal, arising from any construction or design defects. These funds shall be separately itemized from funds described in subdivision (a).

4178. "Reserve account requirements" means the estimated funds that the board has determined are required to be available at a specified point in time to repair, replace, or restore those major components that the association is obligated to maintain.

4185. (a) "Separate interest" has the following meanings:

(1) In a community apartment project, "separate interest" means the exclusive right to occupy an apartment, as specified in Section 4105.

(2) In a condominium project, "separate interest" means a separately owned unit, as specified in Section 4125.

(3) In a planned development, "separate interest" means a separately owned lot, parcel, area, or space.

(4) In a stock cooperative, "separate interest" means the exclusive right to occupy a portion of the real property, as specified in Section 4190.

(b) Unless the declaration or condominium plan, if any exists, otherwise provides, if walls, floors, or ceilings are designated as boundaries of a separate interest, the interior surfaces of the perimeter walls, floors, ceilings, windows, doors, and outlets located within the separate interest are part of the separate interest and any other portions of the walls, floors, or ceilings are part of the common area.

(c) The estate in a separate interest may be a fee, a life estate, an estate for years, or any combination of the foregoing.

4190. (a) "Stock cooperative" means a development in which a corporation is formed or availed of, primarily for the purpose of holding title to, either in fee simple or for a term of years, improved real property, and all or substantially all of the shareholders of the corporation receive a right of exclusive occupancy in a portion of the real property, title to which is held by the corporation. The owners' interest in the corporation, whether evidenced by a share of stock, a certificate of membership, or otherwise, shall be deemed to be an interest in a common interest development and a real estate development for purposes of subdivision (f) of Section 25100 of the Corporations Code.

(b) A "stock cooperative" includes a limited equity housing cooperative which is a stock cooperative that meets the criteria of Section 817.

## **2. CALIFORNIA CIVIL CODE SECTION 4775 - 4790**

### **Maintenance**

4775. (a) Unless otherwise provided in the declaration of a common interest development, the association is responsible for repairing, replacing, or maintaining the common area, other than exclusive use common area, and the owner of each separate interest is responsible for maintaining that separate interest and any exclusive use common area appurtenant to the separate interest.

(b) The costs of temporary relocation during the repair and maintenance of the areas within the responsibility of the association shall be borne by the owner of the separate interest affected.

4780. (a) In a community apartment project, condominium project, or stock cooperative, unless otherwise provided in the declaration, the association is responsible for the repair and maintenance of the common area occasioned by the presence of wood-destroying pests or organisms.

(b) In a planned development, unless a different maintenance scheme is provided in the declaration, each owner of a separate interest is responsible for the repair and maintenance of that separate interest as may be occasioned by the presence of wood-destroying pests or organisms. Upon approval of the majority of all members of the association, pursuant to Section 4065, that responsibility may be delegated to the association, which shall be entitled to recover the cost thereof as a special assessment.

4785. (a) The association may cause the temporary, summary removal of any occupant of a common interest development for such periods and at such times as may be necessary for prompt, effective treatment of wood-destroying pests or organisms.

(b) The association shall give notice of the need to temporarily vacate a separate interest to the occupants and to the owners, not less than 15 days nor more than 30 days prior to the date of the temporary relocation. The notice shall state the reason for the temporary relocation, the date and time of the beginning of treatment, the anticipated date and time of termination of treatment, and that the occupants will be responsible for their own accommodations during the temporary relocation.

(c) Notice by the association shall be deemed complete upon either:

(1) Personal delivery of a copy of the notice to the occupants, and if an occupant is not the owner, individual delivery pursuant to Section 4040, of a copy of the notice to the owner.

(2) Individual delivery pursuant to Section 4040 to the occupant at the address of the separate interest, and if the occupant is not the owner, individual delivery pursuant to Section 4040, of a copy of the notice to the owner.

(d) For purposes of this section, "occupant" means an owner, resident, guest, invitee, tenant, lessee, sublessee, or other person in possession of the separate interest.

4790. Notwithstanding the provisions of the declaration, a member is entitled to reasonable access to the common area for the purpose of maintaining the internal and external telephone wiring made part of the exclusive use common area of the member's separate interest pursuant to subdivision (c) of Section 4145. The access shall be subject to the consent of the association, whose approval shall not be unreasonably withheld, and which may include the association's approval of telephone wiring upon the exterior of the common area, and other conditions as the association determines reasonable.

### **3. CALIFORNIA CIVIL CODE SECTION 4800 - 4820** **Association Existence and Powers**

4800. A common interest development shall be managed by an association that may be incorporated or unincorporated. The association may be referred to as an owners' association or a community association.

4805. (a) Unless the governing documents provide otherwise, and regardless of whether the association is incorporated or unincorporated, the association may exercise the powers granted to a nonprofit mutual benefit corporation, as enumerated in Section 7140 of the Corporations Code, except that an unincorporated association may not adopt or use a corporate seal or issue membership certificates in accordance with Section 7313 of the Corporations Code.

(b) The association, whether incorporated or unincorporated, may exercise the powers granted to an association in this act.

4820. Whenever two or more associations have consolidated any of their functions under a joint neighborhood association or similar organization, members of each participating association shall be (a) entitled to attend all meetings of the joint association other than executive sessions, (b) given reasonable opportunity for participation in those meetings, and (c) entitled to the same access to the joint association's records as they are to the participating association's records.

### **4. CALIFORNIA CIVIL CODE SECTION 5300 - 5320** **Annual Reports**

5300. (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.

5305. Unless the governing documents impose more stringent standards, a review of the financial statement of the association shall be prepared in accordance with generally accepted accounting principles by a licensee of the California Board of Accountancy for any fiscal year in which the gross income to the association exceeds seventy-five thousand dollars (\$75,000). A copy of the review of the financial statement shall be distributed to the members within 120 days after the close of each fiscal year, by individual delivery pursuant to Section 4040.

5310. (a) Within 30 to 90 days before the end of its fiscal year, the board shall distribute an annual policy statement that provides the members with information about association policies. The annual policy statement shall include all of the following information:

(1) The name and address of the person designated to receive official communications to the association, pursuant to Section 4035.

(2) A statement explaining that a member may submit a request to have notices sent to up to two different specified addresses, pursuant to subdivision (b) of Section 4040.

(3) The location, if any, designated for posting of a general notice, pursuant to paragraph (3) of subdivision (a) of Section 4045.

(4) Notice of a member's option to receive general notices by individual delivery, pursuant to subdivision (b) of Section 4045.

(5) Notice of a member's right to receive copies of meeting minutes, pursuant to subdivision (b) of Section 4950.

(6) The statement of assessment collection policies required by Section 5730.

(7) A statement describing the association's policies and practices in enforcing lien rights or other legal remedies for default in the payment of assessments.

(8) A statement describing the association's discipline policy, if any, including any schedule of penalties for violations of the governing documents pursuant to Section 5850.

(9) A summary of dispute resolution procedures, pursuant to Sections 5920 and 5965.

(10) A summary of any requirements for association approval of a physical change to property, pursuant to Section 4765.

(11) The mailing address for overnight payment of assessments, pursuant to Section 5655.

(12) Any other information that is required by law or the governing documents or that the board determines to be appropriate for inclusion.

(b) The annual policy statement shall be made available to the members pursuant to Section 5320.

5320. (a) When a report is prepared pursuant to Section 5300 or 5310, the association shall deliver one of the following documents to all members, by individual delivery pursuant to Section 4040:

(1) The full report.

(2) A summary of the report. The summary shall include a general description of the content of the report. Instructions on how to request a complete copy of the report at no cost to the member shall be printed in at least 10-point boldface type on the first page of the summary.

(b) Notwithstanding subdivision (a), if a member has requested to receive all reports in full, the association shall deliver the full report to that member, rather than a summary of the report.

## **5. CALIFORNIA CIVIL CODE SECTION 5500 Accounting**

5500. Unless the governing documents impose more stringent standards, the board shall do all of the following:

(a) Review a current reconciliation of the association's operating accounts on at least a quarterly basis.

(b) Review a current reconciliation of the association's reserve accounts on at least a quarterly basis.

(c) Review, on at least a quarterly basis, the current year's actual reserve revenues and expenses compared to the current year's budget.

(d) Review the latest account statements prepared by the financial institutions where the association has its operating and reserve accounts.

(e) Review an income and expense statement for the association's operating and reserve accounts on at least a quarterly basis.

## **6. CALIFORNIA CIVIL CODE SECTION 5510 - 5520 Use of Reserve Funds**

5510. (a) The signatures of at least two persons, who shall be directors, or one officer who is not a director and one who is a director, shall be required for the withdrawal of moneys from the association's reserve accounts.

(b) The board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of, major components that the association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established.

5515. (a) Notwithstanding Section 5510, the board may authorize the temporary transfer of moneys from a reserve fund to the association's general operating fund to meet short-term cashflow requirements or other expenses, if the board has provided notice of the intent to consider the transfer in a board meeting notice provided pursuant to Section 4920.

(b) The notice shall include the reasons the transfer is needed, some of the options for repayment, and whether a special assessment may be considered.

(c) If the board authorizes the transfer, the board shall issue a written finding, recorded in the board's minutes, explaining the reasons that the transfer is needed, and describing when and how the moneys will be repaid to the reserve fund.

(d) The transferred funds shall be restored to the reserve fund within one year of the date of the initial transfer, except that the board may, after giving the same notice required for considering a transfer, and, upon making a finding supported by documentation that a temporary delay would be in the best interests of the common interest development, temporarily delay the restoration.

(e) The board shall exercise prudent fiscal management in maintaining the integrity of the reserve account, and shall, if necessary, levy a special assessment to recover the full

amount of the expended funds within the time limits required by this section. This special assessment is subject to the limitation imposed by Section 5605. The board may, at its discretion, extend the date the payment on the special assessment is due. Any extension shall not prevent the board from pursuing any legal remedy to enforce the collection of an unpaid special assessment.

5520. (a) When the decision is made to use reserve funds or to temporarily transfer moneys from the reserve fund to pay for litigation pursuant to subdivision (b) of Section 5510, the association shall provide general notice pursuant to Section 4045 of that decision, and of the availability of an accounting of those expenses.

(b) Unless the governing documents impose more stringent standards, the association shall make an accounting of expenses related to the litigation on at least a quarterly basis. The accounting shall be made available for inspection by members of the association at the association's office.

## **7. CALIFORNIA CIVIL CODE SECTION 5550 - 5580**

### **Reserve Planning**

5550. (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.

5560. (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.

5565. 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.

5570. (a) The disclosures required by this article with regard to an association or a property shall be summarized on the following form:

Assessment and Reserve Funding Disclosure Summary For the Fiscal Year Ending \_\_\_\_

(1) The regular assessment per ownership interest is \$ \_\_\_\_ per \_\_\_\_ . Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page \_\_\_\_ of the attached summary.

(2) Additional regular or special 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:



alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$\_\_\_\_. (See attached explanation)

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is \$\_\_\_\_, and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is \$\_\_\_\_, leaving the reserve at \_\_\_\_ percent funding. If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be \$\_\_\_\_, leaving the reserve at \_\_\_\_ percent funding.

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. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was \_\_\_\_ percent per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was \_\_\_\_ percent per year.

(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 55530. 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 annual budget report or summary thereof that is delivered pursuant to Section 5300. 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.

5580. (a) Unless the governing documents impose more stringent standards, any community service organization whose funding from the association or its members exceeds 10 percent of the organization's annual budget shall prepare and distribute to the association a report that meets the requirements of Section 5012 of the Corporations Code, and that describes in detail administrative costs and identifies the payees of those costs in a manner consistent with the provisions of Article 5 (commencing with Section 5200) of Chapter 6.

(b) If the community service organization does not comply with the standards, the report shall disclose the noncompliance in detail. If a community service organization is responsible for the maintenance of major components for which an association would otherwise be responsible, the community service organization shall supply to the association the information regarding those components that the association would use to complete disclosures and reserve reports required under this article and Section 5300. An association may rely upon information received from a community service organization, and shall provide access to the information pursuant to the provisions of Article 5 (commencing with Section 5200) of Chapter 6.

**B. Notes**

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