

DEC 01 2012

November 29, 2012

Dear Park Paseo Homeowner:

In compliance with Civil Code §1365, attached is the budget for the Park Paseo Homeowners Association's fiscal year ending December 31, 2013. This budget reflects the continuing efforts of the Board of Directors to maintain and enhance the Association's common areas. The Board is pleased to inform you that the budget indicates that there will NOT be an increase in the assessments. Therefore, the assessment rate will remain at \$85.00 per month.

The Board of Directors is constantly evaluating the Association funds regarding special assessments that may be necessary to replace, repair or restore any major component to the reserve program. A special assessment is not planned at this time.

The Association annually evaluates its reserve requirements and has retained the services of a professional reserve analyst to review the funding program and to provide recommendations for future funding of the reserve accounts. A summary of the study is provided for your review and copies of the complete reserve study are available upon request.

In addition to the fiscal year budget and reserve study, please find the following disclosure items:

- Reserve Assessment and Funding Disclosure Summary
- Association's Assessment and Billing Collection Policy/AB2289
- Summary of the Association's insurance coverage
- Summary of California Civil Code Sections 1363.850 and 1369.590 regarding IDR, Internal Dispute Resolution, and ADR, Alternative Dispute Resolution
- Architectural Guidelines

California Civil Code §1363 requires the Association to advise all owners of the right to obtain a copy of the minutes of the General Session Board of Directors meetings. Any requests for such meeting minutes must be made in writing to the Board at the address below and a distribution fee will be charged. Minutes are also available on the Association's website.

In addition, California Civil Code §1367.1 (k) requires the Association to advise all owners of the right to submit a secondary address to the association for the purpose of assessment collection, provided that the request is made in writing and mailed to the association in a manner that shall indicate that the association has received it.

Thank you for your continued support of the Association. If you should have any questions regarding the enclosed information, please contact your Community Manager, Jessica Volgenau at PCM, (949) 465 - 2463. Thank you.

Sincerely,

BOARD OF DIRECTORS
PARK PASEO HOMEOWNERS ASSOCIATION

PARK PASEO HOMEOWNERS ASOC.
 Fiscal Year End - December, 2013
 Annual Budget 625 Units

	<u>ANNUAL AMOUNT</u>	<u>MONTHLY AMOUNT</u>	<u>PER UNIT/ PER MONTH</u>
INCOME:			
4010 0000 ASSESSMENTS - OWNERS	637,500	53,125.00	85.00
4206 0000 KEY INCOME	1,500	125.00	.20
4231 0000 CLUBHOUSE RENTAL	7,500	625.00	1.00
TOTAL INCOME	646,500	53,875.00	86.20

GENERAL & ADMINISTRATIVE:

5002 0000 AUDIT	1,800	150.00	.24
5006 0000 BANK CHARGES	100	8.33	.01
5026 0000 INSURANCE EXPENSE	18,000	1,500.00	2.40
5033 0000 LEGAL	3,000	250.00	.40
5034 0000 COLLECTION/LEGAL COSTS & FEES	500	41.67	.07
5036 0000 LICENSES & FEES	1,400	116.67	.19
5039 0000 MANAGEMENT FEES	60,000	5,000.00	8.00
5041 0000 MISCELLANEOUS	1,000	83.33	.13
5041 1033 SOCIAL EVENTS	2,500	208.33	.33
5043 0000 NEWSLETTER	1,200	100.00	.16
5046 0000 PRINTING	4,500	375.00	.60
5047 0000 POSTAGE	4,500	375.00	.60
5050 0000 RESERVE ANALYSIS FEES	2,300	191.67	.31
5061 0000 SALARIES & RELATED	20,000	1,666.67	2.67
5068 0000 OFFICE SUPPLIES	4,000	333.33	.53
5090 0000 TAXES	200	16.67	.03
5096 0000 COPIES	2,000	166.67	.27
TOTAL GENERAL & ADMIN. EXPEN	127,000	10,583.33	16.93

LANDSCAPE:

5225 1004 IRRIGATION REPAIRS	10,000	833.33	1.33
5235 0000 LANDSCAPE MAINT. CONTRACT	125,000	10,416.67	16.67
5236 0000 LANDSCAPE EXTRAS	8,000	666.67	1.07
5290 1012 TREE TRIMMING	12,000	1,000.00	1.60
TOTAL LANDSCAPE EXPENSES	155,000	12,916.67	20.67

MAINTENANCE:

5202 0000 KEYS AND LOCKS	1,800	150.00	.24
5205 0000 BUILDING REPAIRS & MAINT.	3,000	250.00	.40
5218 0000 ELECTRICAL MAINTENANCE	3,000	250.00	.40
5220 1002 EQUIPMENT MAINTENANCE	500	41.67	.07
5231 0000 JANITORIAL SERVICE CONTRACT	10,300	858.33	1.37
5231 1000 JANITORIAL EXTRAS	1,000	83.33	.13
5231 1003 JANITORIAL SUPPLIES	2,500	208.33	.33
5244 0000 PLUMBING REPAIRS	2,000	166.67	.27
5249 0000 POOL CONTRACT	14,000	1,166.67	1.87

PARK PLACE HOMEOWNERS ASSOC.
 Fiscal Year End - December, 2013
 Annual Budget 625 Units

			<u>ANNUAL AMOUNT</u>	<u>MONTHLY AMOUNT</u>	<u>PER UNIT/ PER MONTH</u>
MAINTENANCE:					
5250	0000	POOL REPAIRS	7,500	625.00	1.00
5250	1000	POOL SUPPLIES/CHEMICALS	1,500	125.00	.20
5250	1008	POOL MONITOR	12,000	1,000.00	1.60
5251	0000	PEST CONTROL	1,500	125.00	.20
5255	0000	REPAIRS & MAINTENANCE	12,000	1,000.00	1.60
5255	1028	CONCRETE REPAIR	33,439	2,786.58	4.46
5255	1084	TENNIS COURT MAINTENANCE	500	41.67	.07
5293	0000	VANDALISM	150	12.50	.02
TOTAL MAINTENANCE EXPENSES			106,689	8,890.75	14.23
PROPERTY PROTECTION:					
5363	0000	PROPERTY PROTECTION	45,000	3,750.00	6.00
TOTAL PROPERTY PROTECTION EX			45,000	3,750.00	6.00
UTILITIES:					
5419	0000	ELECTRICITY	28,000	2,333.33	3.73
5423	0000	GAS	13,000	1,083.33	1.73
5454	0000	REFUSE DISPOSAL	1,500	125.00	.20
5481	0000	TELEPHONE	4,000	333.33	.53
5495	0000	WATER	30,000	2,500.00	4.00
TOTAL UTILITIES			76,500	6,375.00	10.20
RESERVES:					
6000	0000	LIGHTING	10,014	834.50	1.34
6008	0000	CONTINGENCY	6,169	514.08	.82
6025	0000	IRRIGATION SYSTEM	5,747	478.92	.77
6034	1031	LANDSCAPE RESERVE	12,928	1,077.33	1.72
6039	0000	CLUBHOUSE RESERVE	25,134	2,094.50	3.35
6046	1000	TRELLIS RESERVE	2,956	246.33	.39
6048	0000	PAINTING RESERVE	5,932	494.33	.79
6050	1002	POOL/SPA	13,572	1,131.00	1.81
6050	1051	POOL AREA	9,951	829.25	1.33
6050	1055	PROSA POOL	4,519	376.58	.60
6050	1056	PROSA POOL AREA	5,343	445.25	.71
6053	1033	ROOF BUILDING	2,207	183.92	.29
6057	1000	RECREATION AREA RESERVE 2	9,272	772.67	1.24
6065	0000	FENCES & WALLS	10,029	835.75	1.34
6068	1002	SIGNS	214	17.83	.03
6084	0000	TENNIS COURT	7,371	614.25	.98
6085	1050	ASPHALT/SLURRY COAT	4,572	381.00	.61
6086	1000	TERMITE RESERVE	381	31.75	.05
TOTAL RESERVES			136,311	11,359.25	18.17

PARA PASEO HOMEOWNERS ASSOC.
Fiscal Year End - December, 2013
Annual Budget 625 Units

	<u>ANNUAL AMOUNT</u>	<u>MONTHLY AMOUNT</u>	<u>PER UNIT/ PER MONTH</u>
TOTAL EXPENSES	646,500	53,875.00	86.20
NET PROFIT (LOSS)	0	.00	.00
	=====	=====	=====

Park Paseo Homeowners Association
Irvine, California
RDA Owner's Summary

Report Date	September 13, 2012
Version	030
Account Number	1393
Budget Year Beginning	1/ 1/13
Ending	12/31/13
Total Units Included	625
Phase Development	1 of 1

Parameters:	
Inflation	2.70%
Annual Contribution Increase	2.70%
Investment Yield	1.00%
Taxes on Yield	30.00%
Contingency	3.00%
Reserve Fund Balance as of	
1/ 1/13:	\$660,877.00

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: September 17, 2010

RDA Summary of Calculations

Monthly Contribution to Reserves Required:	\$11,171.23
(\$17.87 per unit per month)	
Average Net Monthly Interest Contribution This Year:	187.96
Net Monthly Allocation to Reserves 1/ 1/13 to 12/31/13:	\$11,359.19
(\$18.17 per unit per month)	

RDA Reserve Management Software
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Park Paseo Homeowners Association
RDA Owner's Summary

REPORT DATE: September 13, 2012
VERSION: 030
ACCOUNT NUMBER: 1393

DESCRIPTION	USE LIFE	+/-	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Parking Lot - Asphalt Overlay	20	+1	5	11,691	8,839	0
Parking Lot - Asphalt Repairs	3	0	2	2,495	430	430
Parking Lot - Asphalt Slurry Seal	3	0	2	2,338	403	403
*** CATEGORY SUMMARY:				16,524	9,672	833
Roofs - Composition Roll, Clubhouse	18	0	10	1,278	555	0
Roofs - DaVinci Roof - Prosa	50	0	48	10,985	439	0
Roofs - Tile, Clubhouse, Replace	35	0	18	25,528	12,368	0
*** CATEGORY SUMMARY:				37,791	13,362	0
Painting - Aluminum, Pools	25	0	22	9,942	1,193	0
Painting - Int Restrooms, Clubhouse	8	0	4	4,062	2,031	2,031
Painting - Int Restrooms, Prosa	8	0	7	1,540	118	0
Painting - Main Spa, Equipment Room	5	0	3	2,684	927	927
Painting - Stucco	10	0	8	3,081	486	0
Painting - Woodwork, Clubhouse	5	0	3	11,525	3,981	3,981
Painting - Woodwork, Prosa	5	0	3	3,159	1,091	1,091
Painting - Wrought Iron, Streets	3	0	1	160	106	106
*** CATEGORY SUMMARY:				36,153	9,935	8,137
Fencing - Aluminum, Main Pool	30	0	27	136,427	12,611	0
Fencing - Aluminum, Prosa Pool	25	0	22	48,934	5,872	0
Fencing - W/I, Alba West/Entrada	20	0	18	906	66	0
Fencing - W/I, Delamesa/Campanero	20	0	18	6,357	636	0
Walls - Stucco Repairs	20	0	18	2,500	202	0
*** CATEGORY SUMMARY:				195,124	19,387	0
Lighting - Exterior, Main Pool/Club	10	0	0	13,120	13,120	13,120
Lighting - Exterior, Prosa, 1992	10	0	0	2,530	2,530	2,530
Lighting - Interior, Clubhouse	25	+13	2	15,053	14,261	14,261
Lighting - Interior, Prosa Cabana	25	+7	1	1,678	1,626	1,626
Lighting - Parking Lot, 2000	22	0	9	1,371	790	0
Lighting - Parking Lot, Original	22	+15	1	6,855	6,670	6,670
Lighting - Walkway	15	0	0	89,675	89,675	89,675
*** CATEGORY SUMMARY:				130,282	128,671	127,881
Main Pool - Filter	12	0	0	6,332	6,332	6,332
Main Pool - Heater	12	+2	1	22,170	20,538	20,538
Main Pool - Motor	8	0	0	1,531	1,531	1,531
Main Pool - Pump	8	0	0	5,806	5,806	5,806
Main Pool - Refiberglass & Tile	14	0	14	71,725	0	0
Main Pool - Spa Filter	10	0	1	1,531	1,370	1,370
Main Pool - Spa Heater	10	+2	1	3,853	3,532	3,532

Park Paseo Homeowners Association
RDA Owner's Summary

DESCRIPTION	USE LIFE	+/-	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Main Pool - Spa Pump/Motor	8		0	1,082	1,082	1,082
Main Pool - Spa Pump/Motor, Booster	8		0	2,584	2,584	2,584
Main Pool - Spa Refiberglass & Tile	12		12	8,770	0	0
Main Pool - Spa, Sump Pump	8		2	2,758	2,031	2,031
Main Pool - Wader Filter	12		0	1,213	1,213	1,213
Main Pool - Wader Heater	12		5	2,955	1,670	0
Main Pool - Wader Pump/Motor	8		0	791	791	791
Main Pool - Wader Refiberglassing	14		14	9,100	0	0
*** CATEGORY SUMMARY:				142,201	48,479	46,809
Main Pool Area - Barbecues	5		3	4,571	1,579	1,579
Main Pool Area - Ceramic Shower	25	+13	2	1,976	1,872	1,872
Main Pool Area - Deck Caulking	4		4	10,780	0	0
Main Pool Area - Deck, Repairs	30		0	11,917	11,917	11,917
Main Pool Area - Furniture, 2001	7		0	18,269	18,269	18,269
Main Pool Area - Furniture, 2007	7		1	14,977	12,702	12,702
*** CATEGORY SUMMARY:				62,490	46,339	46,339
Prosa Pool - Filter, 2008	12		7	1,531	606	0
Prosa Pool - Filter, 2010	12		9	1,531	383	0
Prosa Pool - Heater	12		0	12,669	12,669	12,669
Prosa Pool - Pump/Motor Systems	8		0	2,164	2,164	2,164
Prosa Pool - Refiberglass & Tile	14		14	31,350	0	0
*** CATEGORY SUMMARY:				49,245	15,822	14,833
Prosa Pool Area - Barbecues	8		6	3,737	714	0
Prosa Pool Area - Ceramic Shower	25		0	6,734	6,734	6,734
Prosa Pool Area - Deck Caulking	4		4	3,231	0	0
Prosa Pool Area - Deck Repairs	30		0	5,890	5,890	5,890
Prosa Pool Area - Furniture	7		0	8,545	8,545	8,545
Prosa Pool Area - Rstrm Counters	20	+13	2	1,034	971	971
Prosa Pool Area - Rstrm Fixtures	25	+8	2	5,255	4,937	4,937
Prosa Pool Area - Rstrm Partitions	20	+13	2	2,986	2,805	2,805
Prosa Pool Area - Rstrm Tile	25	+7	1	8,605	8,336	8,336
Prosa Pool Area - Water Heater	18	+11	0	3,366	3,366	3,366
Prosa Pool Area - Wood Repairs	5		3	3,500	1,400	1,400
*** CATEGORY SUMMARY:				52,883	43,697	42,983
Clubhouse - Billiard Tables	25	+12	1	9,458	9,202	9,202
Clubhouse - Carpet, 2005	8		0	5,350	5,350	5,350
Clubhouse - Carpet, Original	8		0	11,627	11,627	11,627
Clubhouse - Doors, Double Slide	25		24	6,675	267	0
Clubhouse - Doors, Entry, 2005	25		17	12,416	3,859	0
Clubhouse - Doors, Entry, Orig	25		0	14,838	14,838	14,838
Clubhouse - Doors, Interior	25	+2	4	1,857	1,582	1,582
Clubhouse - Doors, Restrooms	25	+15	4	2,296	2,066	2,066
Clubhouse - Doors, Sliding Original	25	+11	0	6,124	6,124	6,124

Park Paseo Homeowners Association
RDA Owner's Summary

DESCRIPTION	USE LIFE	+/-	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Clubhouse - Exterior Staircase	30	0	23	17,639	3,887	0
Clubhouse - Floor Tile	25	0	17	17,547	5,454	0
Clubhouse - Furnishings	10	0	3	30,000	21,000	21,000
Clubhouse - HVAC Heat/Air Clubhouse	20	0	0	29,136	29,136	29,136
Clubhouse - HVAC Heat/Air, Office	20	0	15	3,320	830	0
Clubhouse - Kitchen, Appliances	12	0	4	5,042	3,313	3,313
Clubhouse - Kitchen, Cabinets	25	0	17	23,344	7,256	0
Clubhouse - Kitchen, Sink	25	0	17	742	231	0
Clubhouse - Office, Equipment	8	+2	4	10,000	5,932	5,932
Clubhouse - Office, Refurbishment	20	0	14	12,280	3,612	0
Clubhouse - Restroom	25	0	21	0	0	0
Clubhouse - Restroom Ceramic Tile	25	0	21	11,063	1,770	0
Clubhouse - Restroom Counters	20	0	16	3,712	742	0
Clubhouse - Restroom Epoxy Floor	25	0	21	2,178	348	0
Clubhouse - Restroom Fixtures	25	0	21	6,845	1,095	0
Clubhouse - Restroom Lockers/Bench	22	0	18	20,000	3,636	0
Clubhouse - Restroom Partitions	20	0	16	4,935	987	0
Clubhouse - Restroom Shower Door	16	0	12	1,848	462	0
Clubhouse - Wallpaper	15	0	7	13,041	6,817	0
Clubhouse - Water Heater	12	+4	1	3,366	3,156	3,156
Clubhouse - Window Blinds	10	0	2	15,022	11,914	11,914
Clubhouse - Women's Shower	25	0	24	3,237	109	0
*** CATEGORY SUMMARY:				304,938	166,602	125,241
Tennis Court - Benches	15	0	13	18,998	2,533	0
Tennis Court - Chain Link	30	+10	4	18,955	17,060	17,060
Tennis Court - Lighting	25	+15	4	12,816	11,534	4,974
Tennis Court - Resurfacing	6	0	0	11,808	11,808	11,808
Tennis Court - Windscreen	6	0	0	3,203	3,203	3,203
*** CATEGORY SUMMARY:				65,780	46,138	37,044
Rec Area - Benches	12	0	10	10,870	1,748	0
Rec Area - Drinking Fountain, C\H	16	0	14	2,823	259	0
Rec Area - Drinking Fountain, Pross	16	+15	0	1,424	1,424	1,424
Rec Area - Play Equip, Alba	18	0	4	21,369	16,620	16,620
Rec Area - Play Equip, Main, Prosa	18	0	2	48,598	43,044	43,044
Rec Area - Sand Repl, Main	10	0	0	6,335	6,335	6,335
Rec Area - Sand Repl, Prosa/Alba	10	+13	0	7,152	7,152	7,152
Rec Area - Trash Cans	15	0	13	10,233	1,364	0
*** CATEGORY SUMMARY:				108,803	77,947	74,575
Clubhouse - Deck, Railing, Wood	12	+2	1	4,544	4,219	4,219
Trellis - Clubhouse	30	0	28	42,474	2,273	0
Trellis - Prosa Pool	30	0	27	11,177	1,118	0
*** CATEGORY SUMMARY:				58,195	7,610	4,219
Signs - Bulletin Board, Clubhouse	12	+8	1	1,045	991	991

Park Paseo Homeowners Association
RDA Owner's Summary

DESCRIPTION	USE LIFE	+/- LIFE	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Signs - Monument	30	0	0	3,105	3,105	3,105
*** CATEGORY SUMMARY:				4,150	4,096	4,096
Golf Cart - Replacement, Unfunded	12	0	0	0	0	0
*** CATEGORY SUMMARY:				0	0	0
Landscape - Tree Trimming, Jac.	4	0	3	9,000	1,957	1,957
Landscape - Tree Trimming, Windrow	3	0	0	30,000	30,000	30,000
*** CATEGORY SUMMARY:				39,000	31,957	31,957
Irrigation - Controllers	12	0	0	46,453	46,453	46,453
Irrigation - Enclosures	24	0	0	25,338	25,338	25,338
*** CATEGORY SUMMARY:				71,791	71,791	71,791
Termite Control/Fumigation	15	0	0	4,889	4,889	4,889
*** CATEGORY SUMMARY:				4,889	4,889	4,889
TOTAL ASSET SUMMARY:				1,380,238	746,395	641,628
CONTINGENCY @ 3.00%:					22,392	19,249
GRAND TOTAL:					768,787	660,877

Percent Fully Funded: 86%

Park Paseo Homeowners Association
RDA Standard Projections

REPORT DATE: September 13, 2012
VERSION: 030
ACCOUNT NUMBER: 1393

Beginning Accumulated Reserves: \$660,877

YEAR	CURRENT REPLACEMENT COST	ANNUAL CONTRBTN	ANNUAL INTEREST CONTRBTN	ANNUAL EXPENDTRS	PROJECTED ENDING RESERVES	FULLY FUNDED RESERVES	PERCENT FULLY FUNDED
'13	1,380,238	134,055	2,256	401,000	396,188	473,832	84%
'14	1,417,505	132,757	2,645	80,354	451,236	513,712	88%
'15	1,455,777	135,163	2,881	102,852	486,429	533,702	91%
'16	1,495,084	137,592	3,140	102,297	524,865	557,352	94%
'17	1,535,451	141,645	3,435	100,753	569,192	587,165	97%
'18	1,576,908	145,863	4,310	22,254	697,111	704,100	99%
'19	1,619,484	149,954	4,976	57,198	794,843	790,548	101%
'20	1,663,211	150,041	5,624	62,764	887,745	876,852	101%
'21	1,708,117	147,651	5,899	115,434	925,860	913,295	101%
'22	1,754,236	154,628	6,705	41,817	1,045,376	1,032,235	101%
'23	1,801,601	159,353	7,448	57,697	1,154,481	1,141,317	101%
'24	1,850,244	161,331	8,444	25,761	1,298,495	1,290,968	101%
'25	1,900,201	170,839	8,069	227,697	1,249,705	1,234,993	101%
'26	1,951,506	168,258	8,166	163,947	1,262,183	1,248,993	101%
'27	2,004,197	173,867	7,764	236,196	1,207,617	1,191,087	101%
'28	2,058,310	176,682	7,442	228,763	1,162,979	1,143,754	102%
'29	2,113,884	184,414	8,112	92,228	1,263,278	1,243,957	102%
'30	2,170,959	183,755	8,780	97,263	1,358,549	1,345,997	101%
'31	2,229,575	199,845	8,652	217,985	1,349,062	1,327,707	102%
'32	2,289,774	193,818	9,972	17,735	1,535,116	1,525,500	101%
'33	2,351,598	210,816	9,786	238,147	1,517,571	1,500,360	101%
'34	2,415,091	209,466	10,300	146,656	1,590,681	1,576,330	101%
'35	2,480,298	217,823	10,078	255,303	1,563,279	1,544,570	101%
'36	2,547,266	219,840	10,449	175,889	1,617,679	1,601,223	101%
'37	2,616,042	230,757	9,431	380,292	1,477,575	1,448,612	102%
'38	2,686,675	233,248	10,160	137,564	1,583,419	1,554,215	102%
'39	2,759,216	229,374	11,473	54,639	1,769,628	1,756,112	101%
'40	2,833,715	250,062	10,219	428,859	1,601,049	1,573,401	102%
'41	2,910,225	248,259	7,961	581,133	1,276,136	1,230,672	104%
'42	2,988,801	230,039	9,097	86,041	1,429,231	1,408,598	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

Assessment and Reserve Funding Disclosure Summary For the Fiscal Year January 1, 2013 through December 31, 2013

- (1) The regular assessment per ownership interest is \$85.00 per month.
- (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:

Date assessment will be due:	Amount per ownership interest per month or year (If assessments are variable, See note immediately below):	Purpose of the assessment:
N/A		
	Total:	

- (3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **Yes**
- (4) If the answer to (3) is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members?

Approximate date assessment will be due:	Amount per ownership interest per month or year:
N/A	
	Total \$

- (5) All major components are included in the reserve study and are included in its calculations.
- (6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5, the estimated amount required in the reserve fund at the end of the current fiscal year is \$768,786 based in whole or in part on the last reserve study or update prepared by Reserve Data Analysis California, LLC as of September, 2012. The projected reserve fund cash balance at the end of the current fiscal year is 660,877, resulting in reserves being 86 percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$N/A. The current deficiency in reserve funding expressed on a per unit basis is \$173.00.
- (7) Based on the method of calculation in paragraph (4) of subdivision (b) of section 1365.2.5 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is (b), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is (a), leaving the reserve at (c) percent funding. *(See recommendation below)*

Year Ending	Projected Reserve Balance (a)	Estimated Amount Required in Reserves (b)	Percent Fully Funded (c)
2013	396,188	473,832	84%
2014	451,236	513,712	86%
2015	486,429	533,702	91%
2016	524,865	557,352	94%
2017	569,192	587,165	97%

If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be (a), leaving the reserve at (b) percent funding. *(See approved budget below)*

Year Ending	Projected Reserve Balance (a)	Percent Fully Funded (b)

At the time this summary was prepared, the assumed long-term before tax interest rate earned on reserve funds was 1% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 2.7% per year.

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. The preparer of this form will be indemnified and held harmless against all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which may become subject in connection of this engagement, because of any false, misleading or incomplete information which has been relied upon by others, or which may result from any improper use or reliance on the disclosure by you or any third party.