

Assessment and Reserve Funding Disclosure Summary

For the Fiscal Year Ending December 31, 2011

(As illustrated by California Civil Code Section 1365.2.5)

(1) The regular assessment per ownership interest is **\$140.00** per month.

*Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on the following page of the attached summary. **NOT APPLICABLE***

(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: **SEE ANSWER BELOW TO QUESTION #4 WHICH SUGGESTS THERE WILL BE INCREASES IN REGULAR ASSESSMENTS FOR RESERVE FUNDING.**

Date assessment will be due:	Amount per ownership interest per month or year:	Purpose of the assessment:
<i>(Intentionally left blank)</i>	<i>(Intentionally left blank)</i>	<i>(Intentionally left blank)</i>

*Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on the following page of the attached summary. **NOT APPLICABLE***

(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 X No X

Yes, if the Association follows the recommended future reserve contribution increases as outlined in the reserve study and disclosed in the table of question (4) with consideration to the note below*.

No, if the Association does not follow the recommended future reserve contribution increases as outlined in the reserve study and disclosed in the table of question (4) with consideration to the note below*.

**Note: The information contained within the reserve study includes estimates of replacement value and life expectancies of the components and includes assumptions regarding future events based on information provided by and supplied to the Association's Board of Directors and/or management. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the data of this disclosure summary. Therefore, the actual replacement cost and remaining life may vary from the reserve study and the variation may be significant. Additionally, inflation and other economic events may impact the reserve study, particularly over a thirty (30) year period of time which could impact the accuracy of the reserve study and the funds available to meet the association's obligation for repair and/or replacement of major components during the next thirty (30) years. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods or other acts of God cannot be accounted for and are excluded when assessing life expectancy of the components. The reserve study only includes items that the Association has a clear and express responsibility to maintain, pursuant to the Association's CC&Rs.*

(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(s) will be due:	Amount per ownership interest per month:
3.00% starting in 2013 for 28 years	(Current amount) X (the increases)

(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 **\$863,861.10**, based in whole or in part on the last reserve study or update prepared by **SCT RESERVE CONSULTANTS, INC.** as of **December 31, 2011**. The projected reserve fund cash balance at the end of the current fiscal year is **\$998,928.10**, resulting in reserves being **115.64%** percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required amount is **\$86,908**. (See explanation below).

Explanation: *Cash Flow Methodology - a method of developing 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 anticipated schedule of reserve expenses until the desired funding goal is achieved.*

Assessment and Reserve Funding Disclosure Summary For the Fiscal Year Ending December 31, 2011

(As illustrated by California Civil Code Section 1365.2.5)

(continued)

7) See below: **30-Year Reserve Funding Plan Table**...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 \$(see **"100% Funded" column below**), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is \$(see **"Cash Flow (Balance with Funding Plan" column below**), leaving the reserve at (see **"Percent Funded" column below** 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 \$(see **"Cash Flow (Balance with Funding Plan" column below**, leaving the reserve at (see **"Percent Funded" column below**) 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 2.00% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.00% per year.

30-Year Reserve Funding Plan Table

Fiscal Year: January 01, 2011 - December 31, 2011							
Year	End of Year			Revenue			Expenditures
	100% Funded	Cash Flow (Balance with Funding Plan)	Percent Funded (EOY)	Contribution, Interest, Spec Assess	Contribution Unit/Month	Contribution % Change	Components, Taxes, Deferred Exp
2010	\$827,104	\$1,066,000	128.88%				
2011	\$863,861	\$998,928	115.64%	\$19,836	\$0.00		\$86,908
2012	\$963,699	\$1,117,603	115.97%	\$143,591	\$32.25	0.00%	\$24,916
2013	\$1,059,244	\$1,236,860	116.77%	\$149,599	\$33.22	3.00%	\$30,342
2014	\$1,113,659	\$1,314,695	118.05%	\$154,931	\$34.21	3.00%	\$77,096
2015	\$1,135,909	\$1,356,044	119.38%	\$159,649	\$35.24	3.00%	\$118,300
2016	\$1,223,414	\$1,475,384	120.60%	\$165,932	\$36.30	3.00%	\$46,591
2017	\$1,289,451	\$1,573,834	122.05%	\$172,003	\$37.39	3.00%	\$73,554
2018	\$1,356,297	\$1,675,516	123.54%	\$178,241	\$38.51	3.00%	\$76,559
2019	\$1,398,405	\$1,755,964	125.57%	\$184,207	\$39.66	3.00%	\$103,759
2020	\$1,462,904	\$1,860,339	127.17%	\$190,739	\$40.85	3.00%	\$86,363
2021	\$1,563,541	\$2,014,220	128.82%	\$198,364	\$42.08	3.00%	\$44,484
2022	\$1,644,968	\$2,148,446	130.61%	\$205,797	\$43.34	3.00%	\$71,570
2023	\$1,659,638	\$2,214,499	133.43%	\$212,062	\$44.64	3.00%	\$146,009
2024	\$1,747,247	\$2,360,343	135.09%	\$219,932	\$45.98	3.00%	\$74,088
2025	\$1,844,666	\$2,525,194	136.89%	\$228,380	\$47.36	3.00%	\$63,529
2026	\$1,401,018	\$1,830,293	130.64%	\$220,691	\$48.78	3.00%	\$915,592
2027	\$924,682	\$1,053,803	113.96%	\$210,899	\$50.24	3.00%	\$987,389
2028	\$1,078,366	\$1,249,938	115.91%	\$219,655	\$51.75	3.00%	\$23,520
2029	\$1,174,243	\$1,369,603	116.64%	\$227,940	\$53.30	3.00%	\$108,275
2030	\$1,286,070	\$1,512,831	117.63%	\$236,784	\$54.90	3.00%	\$93,556
2031	\$844,194	\$666,595	78.96%	\$227,060	\$56.55	3.00%	\$1,073,296
2032	\$899,044	\$672,330	74.78%	\$232,858	\$58.25	3.00%	\$227,123
2033	\$1,061,699	\$855,471	80.58%	\$242,924	\$59.99	3.00%	\$59,782
2034	\$1,150,991	\$915,607	79.55%	\$251,001	\$61.79	3.00%	\$190,865
2035	\$1,159,165	\$917,741	79.17%	\$258,079	\$63.65	3.00%	\$255,945
2036	\$1,323,228	\$1,105,787	83.57%	\$268,845	\$65.56	3.00%	\$80,799
2037	\$1,496,026	\$1,323,247	88.45%	\$280,540	\$67.52	3.00%	\$63,080
2038	\$1,656,069	\$1,542,020	93.11%	\$292,506	\$69.55	3.00%	\$73,733
2039	\$1,703,619	\$1,632,174	95.81%	\$302,263	\$71.63	3.00%	\$212,109
2040	\$1,893,518	\$1,893,631	100.01%	\$315,398	\$73.78	3.00%	\$53,942
30-Year Sum:				\$6,370,704			\$5,543,073