

May 28, 2008

Reserve Summary By TROWER

Fiscal Year End: June 30, 2008
Site Inspection On: May 20, 2008
Number of Units: 40

Sample Homeowners Association

Completion Date of Report: May 28, 2008

| CATEGORY Component | Est. | Est. | Unit Type | Estimated | Life | Source & Condition See Legend | Recommended | | Projected | Allocation Under w\Deficit Reduction | |
|---|--------|-------|--------------|-----------|-------------|-------------------------------------|-------------|-----------|-----------|---|--------|
| | Comp. | Unit | | Cost to | Expectancy | | Allocation | Balance | Balance | | Funded |
| | Qty | Cost | | Replace | Normal Rmng | | in 2009 | @ FYE2008 | @ FYE | | |
| CONCRETE TILE ROOFS | | | | | | | | | | | |
| Underlay & Repairs | 30,550 | 7.25 | SqFt | 221,488 | 35 | 33 3,5 G | 6,328 | 12,656 | 0 | (12,656) | 6,712 |
| Underlay & Repairs | 16,450 | 7.25 | SqFt | 119,263 | 40 | 12 3,5 G-F | 2,982 | 83,484 | 16,803 | (66,680) | 8,538 |
| Gutter & Downspout | 5,500 | 8.12 | LnFt | 44,660 | 40 | 12 3 G-F | 1,117 | 31,262 | 6,292 | (24,970) | 3,197 |
| Subtotal | | | | 385,410 | | | 10,426 | 127,402 | 23,096 | | |
| RECOMMEND ANNUAL ROOF INSPECTION, CLEANING & REPAIRS (1) | | | | | | | | | | | |
| PAINTING | | | | | | | | | | | |
| Building Stucco | 70,477 | 0.82 | SqFt | 57,791 | 10 | 8 3 G | 5,779 | 11,558 | 11,558 | 0 | 5,779 |
| Stucco Walls | 8,568 | 1.50 | SqFt | 12,852 | 10 | 8 3 G | 1,285 | 2,570 | 2,570 | 0 | 1,285 |
| Wood Trim & Trellis | 13,740 | 1.15 | SqFt | 15,801 | 5 | 3 3 G | 3,160 | 6,320 | 6,320 | 0 | 3,160 |
| Metal Rails | 8,028 | 0.80 | SqFt | 6,422 | 5 | 3 3 G | 1,284 | 2,569 | 2,569 | 0 | 1,284 |
| Subtotal | | | | 92,867 | | | 11,509 | 23,018 | 23,018 | | |
| UNIT FRONT DOOR MAINTENANCE Homeowners Expense (5) | | | | | | | | | | | |
| RECOMMEND ANNUAL PAINT TOUCH-UP (1) | | | | | | | | | | | |
| WOOD REPAIRS | | | | | | | | | | | |
| Trim & Soffits | 15 | 1,500 | Annual | 22,500 | 15 | 13 5 G | 1,500 | 3,000 | 0 | (3,000) | 1,731 |
| Subtotal | | | | 22,500 | | | 1,500 | 3,000 | 0 | | |
| ASPHALT PAVING | | | | | | | | | | | |
| Slurry & Repair | 24,065 | 0.179 | SqFt | 4,296 | 3 | 3 5 G | 1,432 | 0 | 0 | 0 | 1,432 |
| Overlay & Replace | 24,065 | 1.65 | SqFt | 39,707 | 35 | 7 3 F | 1,134 | 31,766 | 31,766 | 0 | 1,134 |
| Subtotal | | | | 44,003 | | | 2,566 | 31,766 | 31,766 | | |
| CONCRETE | | | | | | | | | | | |
| Flat Repairs 15% | 7,750 | 12.50 | SqFt | 14,531 | 20 | 18 3,5 G-F | 727 | 1,453 | 0 | (1,453) | 807 |
| Stamped Seal | 3,052 | 1.14 | SqFt | 3,494 | 4 | 3 3,5 G-P | 873 | 873 | 873 | 0 | 873 |
| Stamped Rep. 15% | 3,052 | 18.97 | SqFt | 8,684 | 40 | 12 3,5 G-P | 217 | 6,079 | 1,224 | (4,856) | 622 |
| Subtotal | | | | 26,710 | | | 1,817 | 8,406 | 2,097 | | |
| POOL DECKING AND STAMPED CONCRETE COBBLESTONE REPLACEMENT Future Capital Improvement (5) | | | | | | | | | | | |
| SECURITY & PRIVACY | | | | | | | | | | | |

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| | | | | | | | | | | | | |
|-------------------|-----|-------|----------|---------------|----|----|-------|--------------|---------------|--------------|---------|-----|
| Tennis Chain Link | 720 | 25 | LnFt | 18,216 | 35 | 35 | 4 G | 520 | 0 | 0 | 0 | 520 |
| Sentex Intercom | 1 | 3,100 | System | 3,100 | 18 | 5 | 3 F | 172 | 2,239 | 2,239 | 0 | 172 |
| Entry Gates | 2 | 5,500 | Estimate | 11,000 | 40 | 12 | 5 G-F | 275 | 7,700 | 1,550 | (6,150) | 788 |
| Dorene Controller | 1 | 2,500 | Unit | 2,500 | 15 | 14 | 4 G | 167 | 167 | 0 | (167) | 179 |
| Elite Controller | 1 | 2,500 | Unit | 2,500 | 15 | 10 | 3 G | 167 | 833 | 833 | 0 | 167 |
| Subtotal | | | | 37,316 | | | | 1,301 | 10,939 | 4,622 | | |

POOL AREA

| | | | | | | | | | | | | |
|---------------------|-------|-------|----------|---------------|----|----|-------|--------------|---------------|---------------|---------|-------|
| Pool Equipment | 1 | 5290 | System | 5,290 | 10 | 7 | 1,5 G | 529 | 1,587 | 1,587 | 0 | 529 |
| Spa Equipment | 1 | 4140 | System | 4,140 | 10 | 7 | 1,5 G | 414 | 1,242 | 1,242 | 0 | 414 |
| Pool Replaster | 1,350 | 8.50 | SqFt | 11,475 | 15 | 8 | 3 G | 765 | 5,355 | 5,355 | 0 | 765 |
| Spa Replaster | 1 | 3250 | Unit | 3,250 | 8 | 1 | 3 G-P | 406 | 2,844 | 2,844 | 0 | 406 |
| Wrought Iron 8' | 160 | 46.72 | LnFt | 7,475 | 20 | 17 | 3 G | 374 | 1,121 | 0 | (1,121) | 440 |
| Wrought Iron 3' | 180 | 29 | LnFt | 5,175 | 20 | 17 | 3 G | 259 | 776 | 0 | (776) | 304 |
| Drinking Fountain | 1 | 475 | Unit | 475 | 20 | 7 | 3 F | 24 | 309 | 309 | 0 | 24 |
| Furniture Refurbish | 28 | 110 | Unit | 3,075 | 7 | 6 | 3 G | 439 | 439 | 439 | 0 | 439 |
| Sauna Heater Men | 1 | 1000 | Unit | 1,000 | 15 | 15 | 5 G | 67 | 0 | 0 | 0 | 67 |
| Sauna Heater Women | 1 | 1000 | Unit | 1,000 | 15 | 1 | 5 P | 67 | 933 | 933 | 0 | 67 |
| Water Heater | 1 | 750 | Unit | 750 | 10 | 6 | 3 G | 75 | 300 | 300 | 0 | 75 |
| Trellis Replace | 1 | 25000 | Estimate | 25,000 | 25 | 25 | 5 G | 1,000 | 0 | 0 | 0 | 1,000 |
| Grills | 3 | 800 | Unit | 2,400 | 15 | 4 | 3 F | 160 | 1,760 | 1,760 | 0 | 160 |
| Subtotal | | | | 70,505 | | | | 4,578 | 16,667 | 14,769 | | |

FURNITURE REPLACEMENT & RESTROOM REFURBISH Future Capital Improvement (5)

LIGHTING

| | | | | | | | | | | | | |
|--------------------|----|-----|------|---------------|----|----|-------|--------------|---------------|--------------|----------|-------|
| Garage Flourescent | 36 | 144 | Unit | 5,184 | 35 | 7 | 3 F | 148 | 4,147 | 4,147 | 0 | 148 |
| Street Posts | 31 | 980 | Unit | 30,380 | 40 | 12 | 3 G-F | 760 | 21,266 | 4,280 | (16,986) | 2,175 |
| Landscape Pogodas | 10 | 103 | Unit | 1,030 | 15 | 14 | 5 G | 69 | 69 | 0 | (69) | 74 |
| Walkway Bollards | 13 | 485 | Unit | 6,305 | 40 | 12 | 3 G-F | 158 | 4,414 | 888 | (3,525) | 451 |
| Subtotal | | | | 42,899 | | | | 1,134 | 29,895 | 9,316 | | |

LANDSCAPING

| | | | | | | | | | | | | |
|----------------|---|-------|----------|--------|----|----|-------|-------|-------|-------|-------|-------|
| Controllers | 1 | 4145 | Estimate | 4,145 | 15 | 5 | 1,5 F | 276 | 2,763 | 2,763 | 0 | 276 |
| Backflow Valve | 1 | 1250 | Unit | 1,250 | 33 | 5 | 1,5 F | 38 | 1,061 | 1,061 | 0 | 38 |
| Plant Upgrades | 1 | 10000 | Estimate | 10,000 | 15 | 14 | 5 G | 667 | 667 | 0 | (667) | 714 |
| Tree Trimming | 1 | 10000 | Estimate | 10,000 | 2 | 1 | 5 G-F | 5,000 | 5,000 | 5,000 | 0 | 5,000 |

Reserve Summary By TROWER

Fiscal Year End: June 30, 2008
Site Inspection On: May 20, 2008
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Sample Homeowners Association

Subtotal 25,395

5,981 9,491 8,824

TENNIS COURTS

| | | | | | | | | | | | | |
|--------------------|---|------|--------|---------------|---|---|---------|--------------|--------------|--------------|---|-------|
| Resurface | 2 | 4000 | Unit | 8,000 | 8 | 7 | 3 G | 1,000 | 1,000 | 1,000 | 0 | 1,000 |
| Structural Repairs | 8 | 500 | Annual | 4,000 | 8 | 7 | 1,5 G-F | 500 | 500 | 500 | 0 | 500 |
| Subtotal | | | | <u>12,000</u> | | | | <u>1,500</u> | <u>1,500</u> | <u>1,500</u> | | |

MISCELLANEOUS

| | | | | | | | | | | | | |
|-------------------|----|------|----------|---------------|----|----|-------|--------------|--------------|--------------|-------|-------|
| Entry Monument | 1 | 5000 | Contract | 5,000 | 20 | 19 | 3 G | 250 | 250 | 0 | (250) | 263 |
| Mailboxes | 40 | 105 | Unit | 4,200 | 37 | 5 | 3 G-F | 114 | 3,632 | 3,632 | 0 | 114 |
| Termite Treatment | 1 | 2500 | Annual | 2,500 | 1 | 1 | 5 G | 2,500 | 0 | 0 | 0 | 2,500 |
| Subtotal | | | | <u>11,700</u> | | | | <u>2,864</u> | <u>3,882</u> | <u>3,632</u> | | |

RESERVE STUDY

| | | | | | | | | | | | | |
|-----------------|---|-----|----------|------------|---|---|-----|------------|----------|----------|---|-----|
| Due in 2011 | 1 | 900 | Estimate | 900 | 3 | 3 | 1,5 | 300 | 0 | 0 | 0 | 300 |
| Subtotal | | | | <u>900</u> | | | | <u>300</u> | <u>0</u> | <u>0</u> | | |

ANY ITEMS NOT LISTED ABOVE Maintenance or Homeowner Expense (5)

CONTINGENCY 5% 2,274 13,298 0 (13,298) 2,831

REPLACEMENT COST 772,204 47,750 279,264 122,640 (156,624) 59,456

1) Trower Estimate 2) Estimation Manual 3) Local Historical Cost 4) Bid on File with HOA
 5) Manager and Board Direction 6) Previous Study Info Condition: G-good, F-fair, P-poor
 Report Based on Inflation Rate of: 3.0% Report Based on Interest Rate on Reserve Savings of: 2.0%

Sample Homeowners Association

May 28, 2008

THIRTY YEAR PROJECTED RESERVE EXPENSES STRAIGHT LINE METHOD *

| CATEGORY | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Component | Yr 0 | Yr 1 | Yr 2 | Yr 3 | Yr 4 | Yr 5 | Yr 6 | Yr 7 | Yr 8 | Yr 9 | Yr 10 | Yr 11 | Yr 12 | Yr 13 | Yr 14 | Yr 15 |
| RESERVE STUDY | | | | | | | | | | | | | | | | |
| Due in 2011 | 0 | 0 | 0 | 983 | 0 | 0 | 1,075 | 0 | 0 | 1,174 | 0 | 0 | 1,283 | 0 | 0 | 1,402 |
| Subtotal | | | | | | | | | | | | | | | | |
| CONTINGENCY 5% | | | | | | | | | | | | | | | | |
| REPLACEMENT COST | 0 | 17253 | 2652 | 47438 | 5515 | 29208 | 13756 | 101821 | 135344 | 27329 | 6720 | 22139 | 325056 | 88550 | 24247 | 53266 |
| RECOMMENDED BALANCE | 122640 | 167718 | 230245 | 250644 | 315705 | 360106 | 423029 | 400353 | 345517 | 400895 | 480478 | 548429 | 314214 | 316680 | 386710 | 431477 |
| Report Based on Inflation Rate of 3.0% and Interest Rate on Reserve Savings of 2.0% | | | | | | | | | | | | | | | | |

Sample Homeowners Association

May 28, 2008

THIRTY YEAR PROJECTED RESERVE EXPENSES STRAIGHT LINE METHOD *

| CATEGORY | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 |
|-------------------------------|-------|-------|--------|-------|-------|-------|-------|--------|-------|-------|-------|--------|---------|-------|
| Component | Yr 16 | Yr 17 | Yr 18 | Yr 19 | Yr 20 | Yr 21 | Yr 22 | Yr 23 | Yr 24 | Yr 25 | Yr 26 | Yr 27 | Yr 28 | Yr 29 |
| CONCRETE TILE ROO | | | | | | | | | | | | | | |
| Underlay & Repairs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Underlay & Repairs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Gutter & Downspout | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Subtotal | | | | | | | | | | | | | | |
| PAINTING | | | | | | | | | | | | | | |
| Building Stucco | 0 | 0 | 98,386 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 132,222 | 0 |
| Stucco Walls | 0 | 0 | 21,880 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 29,404 | 0 |
| Wood Trim & Trellis | 0 | 0 | 26,900 | 0 | 0 | 0 | 0 | 31,185 | 0 | 0 | 0 | 0 | 36,152 | 0 |
| Metal Rails | 0 | 0 | 10,934 | 0 | 0 | 0 | 0 | 12,675 | 0 | 0 | 0 | 0 | 14,694 | 0 |
| Subtotal | | | | | | | | | | | | | | |
| WOOD REPAIRS | | | | | | | | | | | | | | |
| Trim & Soffits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 51,478 | 0 |
| Subtotal | | | | | | | | | | | | | | |
| ASPHALT PAVING | | | | | | | | | | | | | | |
| Slurry & Repair | 0 | 0 | 7,313 | 0 | 0 | 7,991 | 0 | 0 | 8,732 | 0 | 0 | 9,542 | 0 | 0 |
| Overlay & Replace | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Subtotal | | | | | | | | | | | | | | |
| CONCRETE | | | | | | | | | | | | | | |
| Flat Repairs 15% | 0 | 0 | 24,738 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Stamped Seal | 0 | 0 | 0 | 6,127 | 0 | 0 | 0 | 6,896 | 0 | 0 | 0 | 7,761 | 0 | 0 |
| Stamped Rep. 15% | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Subtotal | | | | | | | | | | | | | | |
| SECURITY & PRIVACY | | | | | | | | | | | | | | |
| Tennis Chain Link | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sentex Intercom | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,118 | 0 | 0 | 0 | 0 | 0 | 0 |
| Entry Gates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dorene Controller | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,891 |
| Elite Controller | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,234 | 0 | 0 | 0 | 0 |
| Subtotal | | | | | | | | | | | | | | |
| POOL AREA | | | | | | | | | | | | | | |
| Pool Equipment | 0 | 8,744 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 11,751 | 0 | 0 |

Sample Homeowners Association

May 28, 2008

THIRTY YEAR PROJECTED RESERVE EXPENSES STRAIGHT LINE METHOD *

| CATEGORY | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Component | Yr 16 | Yr 17 | Yr 18 | Yr 19 | Yr 20 | Yr 21 | Yr 22 | Yr 23 | Yr 24 | Yr 25 | Yr 26 | Yr 27 | Yr 28 | Yr 29 |
| RESERVE STUDY | | | | | | | | | | | | | | |
| Due in 2011 | 0 | 0 | 1,532 | 0 | 0 | 1,674 | 0 | 0 | 1,830 | 0 | 0 | 1,999 | 0 | 0 |
| Subtotal | | | | | | | | | | | | | | |
| CONTINGENCY 5% | | | | | | | | | | | | | | |
| REPLACEMENT COST | 6820 | 62528 | 195939 | 41021 | 17555 | 32919 | 4790 | 127873 | 15644 | 90556 | 7009 | 75900 | 269670 | 61341 |
| RECOMMENDED BALANCE | 526774 | 570519 | 483285 | 553751 | 652393 | 740650 | 862336 | 865493 | 985516 | 1035835 | 1175204 | 1251552 | 1137605 | 1235793 |
| Report Based on Inflation Rate of 3.0% and Interest Rate on Reserve Savings of 2.0% | | | | | | | | | | | | | | |

RESERVE FUNDING SUMMARY (Recommend Allocation Model in Dashed Box)

| | <u>Per Year</u> | <u>Per Month</u> | <u>Per Unit Per Month</u> |
|---|-----------------|------------------|---------------------------|
| ALLOCATION BUDGETED IN 2008 | 42,859 | 3,571.60 | 89.29 |
| RECOMMENDED ALLOCATION IN 2009 (WITHOUT DEFICIT REDUCTION) | 47,750 | 3,979.17 | 99.48 |

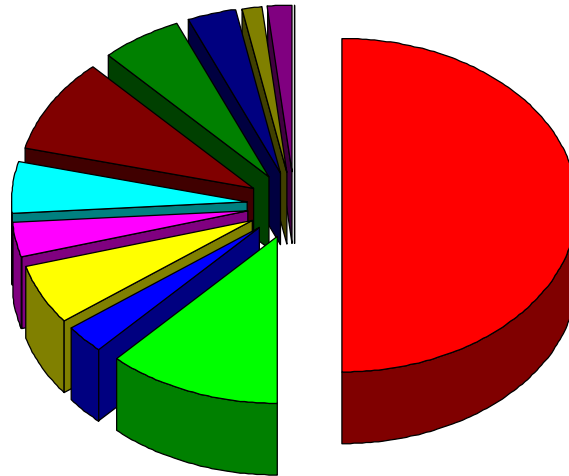
| | | | |
|--|--------|----------|--------|
| RECOMMENDED ALLOCATION IN 2009 (WITH DEFICIT REDUCTION) | 59,456 | 4,954.67 | 123.87 |
|--|--------|----------|--------|

Recommended Annual Allocation plus any underfunded balance divided by the years remaining until replacement of each component (also shown on graph)

**PERCENTAGE OF ACTUAL CASH AT FISCAL YEAR END VERSUS
RECOMMENDED CASH AT FISCAL YEAR END IS: 44%**

COST TO REPLACE BY CATEGORY

- CONCRETE TILE ROOFS
- PAINTING
- WOOD REPAIRS
- ASPHALT PAVING
- CONCRETE
- SECURITY & PRIVACY
- POOL AREA
- LIGHTING
- LANDSCAPING
- TENNIS COURTS
- MISCELLANEOUS
- RESERVE STUDY



| <u>CATEGORY</u> | <u>Rpl Cst</u> | <u>%</u> |
|---------------------|----------------|----------|
| CONCRETE TILE ROOFS | 385,410 | 49.91 |
| PAINTING | 92,867 | 12.03 |
| WOOD REPAIRS | 22,500 | 2.91 |
| ASPHALT PAVING | 44,003 | 5.70 |
| CONCRETE | 26,710 | 3.46 |
| SECURITY & PRIVACY | 37,316 | 4.83 |
| POOL AREA | 70,505 | 9.13 |
| LIGHTING | 42,899 | 5.56 |
| LANDSCAPING | 25,395 | 3.29 |
| TENNIS COURTS | 12,000 | 1.55 |
| MISCELLANEOUS | 11,700 | 1.52 |
| RESERVE STUDY | 900 | 0.12 |

