Reserve Analysis Report

University Terrace Berkeley Homeowners Association

Berkeley, California

Version 1

Wednesday, March 30, 2011

Murray Joseph & Associates

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March 30, 2011

Ms. Dina Varellas, Manager
University Terrace Berkeley Homeowners Association
c/o Willis Management Group, Inc.
7033 Village Parkway #212
Dublin, CA 94568

Dear Ms. Varellas:

Enclosed is the completed reserve study for University Terrace Berkeley Homeowners Association for the fiscal year beginning July 1, 2011. Your report is presented in two parts:

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

Report includes your reserve analysis study, including an Executive Summary, a Calculation of Percent Funded, Detail Reports for each asset, Projections with graphs, Annual Expenditure Detail, and an alphabetical Detail Report Index. The table of contents lists the pages of all reports.

Building 9 will be 33% funded and the Common components will be 71% funded at the beginning of the 2011-2012 fiscal year. The Directed Cash Flow analysis is a cash flow analysis with the restricted parameter being the initial contribution to reserves. For Building 9 this initial annual contribution was set to $7,750 and increased by 4% in subsequent years. For the Common components this initial annual contribution was set to $56,000 and increased by 5.25% in subsequent years. Please note by following these plans, the percentage funded level is essentially depleted before a path to the fully funded level is eventually plotted. For Building 9 this critical fiscal year is 2014-2015 and for the Common components this critical fiscal year is 2023-2024.

We trust you find our report format both informative and useful. We have enjoyed serving you and providing University Terrace Berkeley 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 me.

Thank you.

Sincerely,

Murray A. Joseph
Consultant

Disclosure Statement

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 *Murray Joseph & Associates*. 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.

All studies performed by ***Murray Joseph & Associates*** are prepared by a Professional Reserve Analyst (PRA). This reserve analysis study and the parameters under which it has been completed are based on information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the California Department of Real Estate, various construction pricing and scheduling manuals, and our own experience in the field of reserve analysis study preparation. Conditions are based on visual inspections only when accessible, and no destructive testing is performed.

It has been assumed, unless otherwise noted in this report, all assets have been designed and constructed properly and no effort is made to determine whether construction is proper. Each estimated useful life approximates that of the norm per industry standards and/or manufacture specifications used and regular maintenance is performed so normal lives may be achieved. In some cases, estimates may have been used on assets that have an indeterminable but potential liability to the association. No destructive testing is performed. All of the cost and useful life estimates are estimates and not specifications for work to be completed. Costs and useful lives will vary from projections. The use of the report is for budgetary purposes. The decision for the inclusion of these, as well as all assets considered, is left to the client.

We recommend your reserve analysis study be updated on an annual basis due to fluctuation in 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.

Murray Joseph & Associates thank you for using our services and invite you to call us at any time should you have any questions or comments or need assistance. In addition, any of the parameters and estimates used in this study may be changed at your request, after which we will provide you with a revised study.

Preface

This preface is intended to provide an introduction to the enclosed reserve analysis as well as detailed information regarding the reserve analysis report format and reserve fund calculation methods. The following sections are included in this preface:

- **Introduction to Reserve Budgeting**
- **Understanding the Reserve Analysis**
- **Reserve Budget Calculation Methods**
- **Glossary of Key Terms**

INTRODUCTION TO RESERVE BUDGETING

The Board of Directors of an association has a legal and fiduciary duty to maintain the community in a good state of repair. Individual unit property values are significantly impacted by the level of maintenance and upkeep provided by the association as well as the amount of the regular assessment charged to each owner.

A prudent plan must be implemented to address the issues of long-range maintenance, repair and replacement of the common areas. Additionally, the plan should recognize that the value of each unit is affected by the amount of the regular assessment charged to each unit.

There is a fine line between “not enough,” “just right” and “too much.” Each member of an association should contribute to the reserve fund for their proportionate amount of “depreciation” (or “use”) of the reserve components. Through time, if each owner contributes his “fair share” into the reserve fund for the depreciation of the reserve components, then the possibility of large increases in regular assessments or special assessments will be minimized.

An accurate reserve analysis and a “healthy” reserve fund are essential to protect and maintain the association's common areas and the property values of the individual unit owners. A comprehensive reserve analysis is one of the most significant elements of any association's long-range plan and provides the critical link between sound business judgment and good fiscal planning. The reserve analysis provides a “financial blueprint” for the future of an association.

UNDERSTANDING THE RESERVE ANALYSIS

In order for the reserve analysis to be useful, it must be understandable by a variety of individuals. Board members (from seasoned, experienced Board members to new Board members), property managers, accountants, attorneys and even homeowners may ultimately review the reserve analysis. The reserve analysis must be detailed enough to provide a comprehensive analysis, yet simple enough to enable less experienced individuals to understand the results.

Preface

There are four key bits of information that a comprehensive reserve analysis should provide. These items include:

- **Budget**

Amount recommended to be transferred into the reserve account each month of the fiscal year for which the reserve analysis was prepared. In some cases, the reserve analysis may present two or more funding plans based on different calculation models (i.e. Component Method, Minimum Cash Flow Method, etc.). The Board should have a clear understanding of the differences among these funding models prior to implementing one of them in the annual budget.

- **Percent Funded**

Measure of the reserve fund "health" (expressed as a percentage) as of the beginning of the fiscal year for which the reserve analysis was prepared. Remember, "100% funded" means the association has accumulated the proportionately correct amount of money, to date, for the reserve components it maintains.

- **Projections**

Indicate the "level of service" the association will provide the membership as well as a "road map" for the fiscal future of the association. The projections define the timetables for repairs and replacements, such as when the buildings will be painted or when the asphalt will be seal coated. The projections also show the financial plan for the association – when an underfunded association will "catch up" or how a properly funded association will remain fiscally "healthy."

- **Inventory**

Complete listing of the reserve components. Key bits of information are available for each reserve component, including placed-in-service date, useful life, remaining life, replacement year, quantity, current cost of replacement, future cost of replacement and analyst's comments.

In this section, a description of most of the summary or report sections are provided along with comments regarding what to look for and how to use each section. All reserve analyses may not include all of the summaries or report formats described herein.

In some cases, the reserve analysis may be a lengthy document of one hundred pages or more. A complete and thorough review of the reserve analysis is always a good idea. However, if time is limited, it is suggested that a thorough review of the summary pages be made. If a "red flag" is raised in this review, the reader should then check the detail information, of the component in question, for all relevant information.

- **Executive Summary**

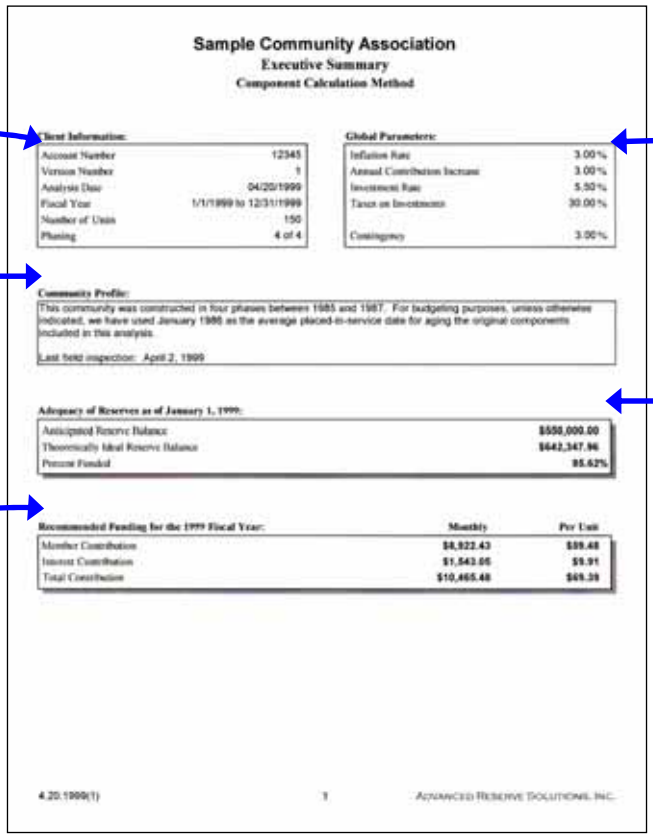
Preface

Provides general information about the client, global parameters used in the calculation of the reserve analysis as well as the core results of the reserve analysis.

Client Information
Provides various client information including fiscal year for which the analysis was prepared, number of units, phasing, etc.

Global Parameters
Displays the calculation parameters that were used to calculate the reserve analysis including inflation, annual contribution increase, investment rate, tax rate and contingency.

Community Profile
Provides brief description of the community, as well as other "global" type comments.



Sample Community Association
Executive Summary
Component Calculation Method

Client Information:

Account Number	12345
Version Number	1
Analysis Date	04/20/1999
Fiscal Year	1/1/1999 to 12/31/1999
Number of Units	150
Phasing	4 of 4

Global Parameters:

Inflation Rate	3.00%
Annual Contribution Increase	3.00%
Investment Rate	5.50%
Taxes on Investments	30.00%
Contingency	3.00%

Community Profile:
This community was constructed in four phases between 1985 and 1987. For budgeting purposes, unless otherwise indicated, we have used January 1986 as the average placed-in-service date for aging the original components included in this analysis.
Last field inspection: April 2, 1999

Adequacy of Reserves as of January 1, 1999:

Anticipated Reserve Balance	$550,000.00
Theoretically Ideal Reserve Balance	$642,347.96
Percent Funded	85.62%

Recommended Funding for the 1999 Fiscal Year:

	Monthly	Per Unit
Member Contribution	$8,922.43	$59.48
Interest Contribution	$1,543.05	$9.91
Total Contribution	$10,465.48	$69.39

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Adequacy of Reserves
Displays the results of calculations with regard to the "health" of the reserve fund as of the beginning of the fiscal year for which the reserve analysis was prepared. Provides the anticipated reserve balance, theoretically ideal reserve balance and the percent funded.

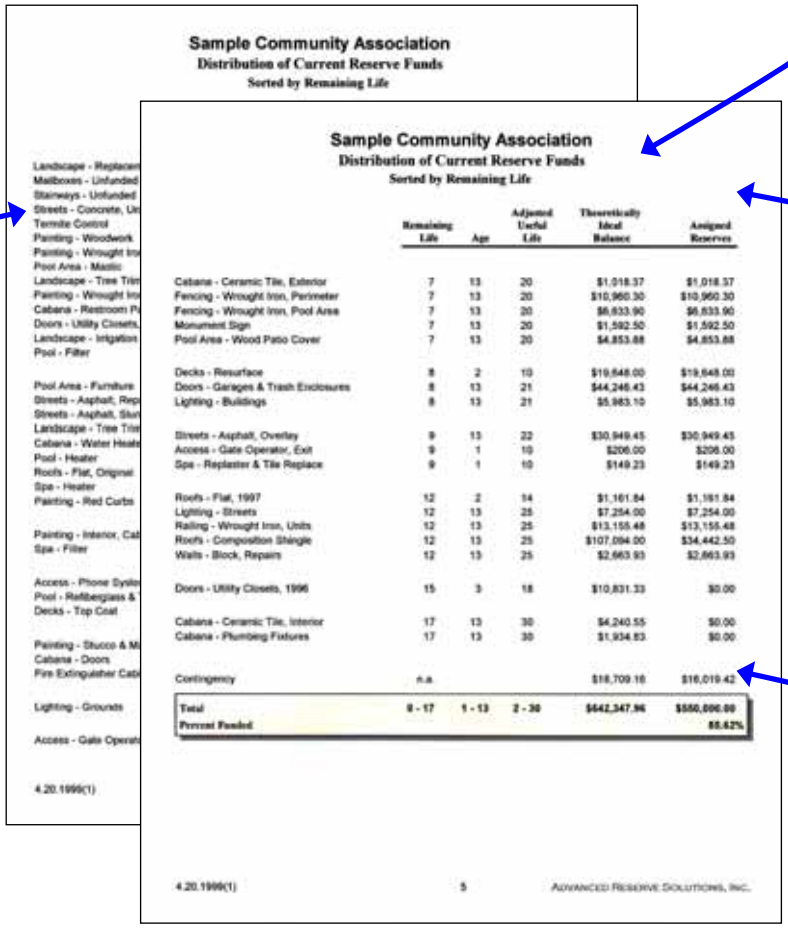
Recommended Funding
Provides the results of calculations with regard to the "bottom line." Indicates the monthly reserve funding recommendation from the membership, anticipated interest contribution and the total contribution requirement.

- **Distribution of Current Reserve Funds**

Preface

Displays all reserve components, shown here in ascending “remaining life” order. Provides the remaining life, age and useful life of each component along with its theoretically ideal reserve balance as of the beginning of the fiscal year for which the reserve analysis was prepared. The far right-hand column displays the amount of money that was actually assigned to each component during the calculation process.

Theoretically Ideal Reserves
Displays the ideal reserve balance for each component.



Sample Community Association
Distribution of Current Reserve Funds
Sorted by Remaining Life

	Remaining Life	Age	Adjusted Useful Life	Theoretically Ideal Balance	Assigned Reserves
Cabana - Ceramic Tile, Exterior	7	13	20	$1,018.37	$1,018.37
Fencing - Wrought Iron, Perimeter	7	13	20	$10,960.30	$10,960.30
Fencing - Wrought Iron, Pool Area	7	13	20	$6,633.90	$6,633.90
Monument Sign	7	13	20	$1,592.50	$1,592.50
Pool Area - Wood Patio Cover	7	13	20	$4,853.88	$4,853.88
Decks - Resurface	8	2	10	$19,648.00	$19,648.00
Doors - Garages & Trash Enclosures	8	13	21	$44,246.43	$44,246.43
Lighting - Buildings	8	13	21	$5,983.10	$5,983.10
Streets - Asphalt, Overlay	9	13	22	$30,949.45	$30,949.45
Access - Gate Operator, Exit	9	1	10	$206.00	$206.00
Spa - Replaster & Tile Replace	9	1	10	$149.23	$149.23
Roofs - Flat, 1997	12	2	14	$1,161.84	$1,161.84
Lighting - Streets	12	13	25	$7,254.00	$7,254.00
Railing - Wrought Iron, Units	12	13	25	$13,155.48	$13,155.48
Roofs - Composition Shingle	12	13	25	$107,094.00	$34,442.50
Walls - Block, Repairs	12	13	25	$2,663.93	$2,663.93
Doors - Utility Closets, 1996	15	3	18	$10,831.33	$0.00
Cabana - Ceramic Tile, Interior	17	13	30	$4,240.55	$0.00
Cabana - Plumbing Fixtures	17	13	30	$1,934.83	$0.00
Contingency	n.a.			$18,709.16	$16,019.42
Total	0 - 17	1 - 13	2 - 30	$642,347.96	$550,000.00
Percent Funded					85.62%

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Reserve Components
All components are displayed (shown here in ascending “remaining life” order).

Assigned Reserves
Displays the actual amount assigned to each component.

The total theoretically ideal reserves, assigned reserves and percent funded are provided at the bottom of this summary. Also shown is the range of reserve component remaining lives, ages and useful lives.

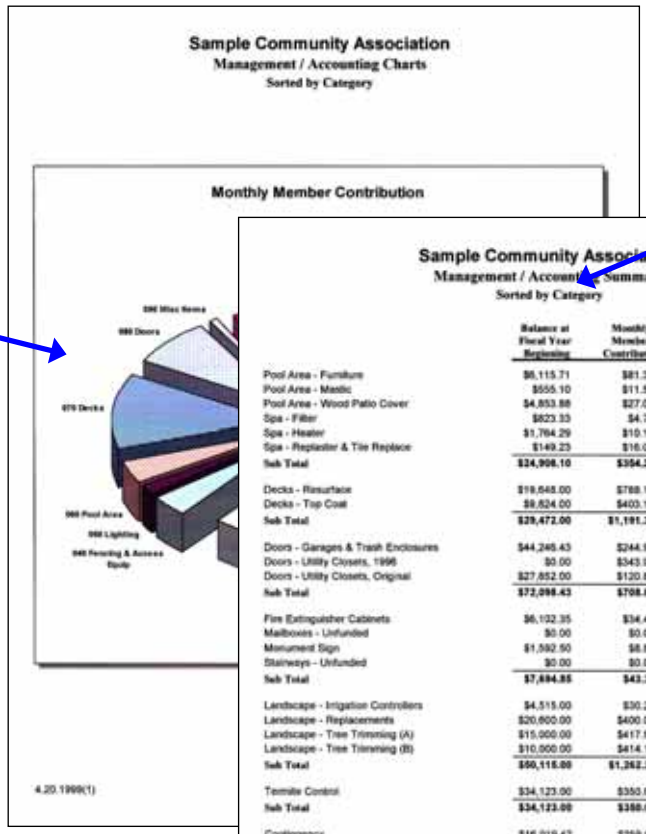
- **Management / Accounting Summa**

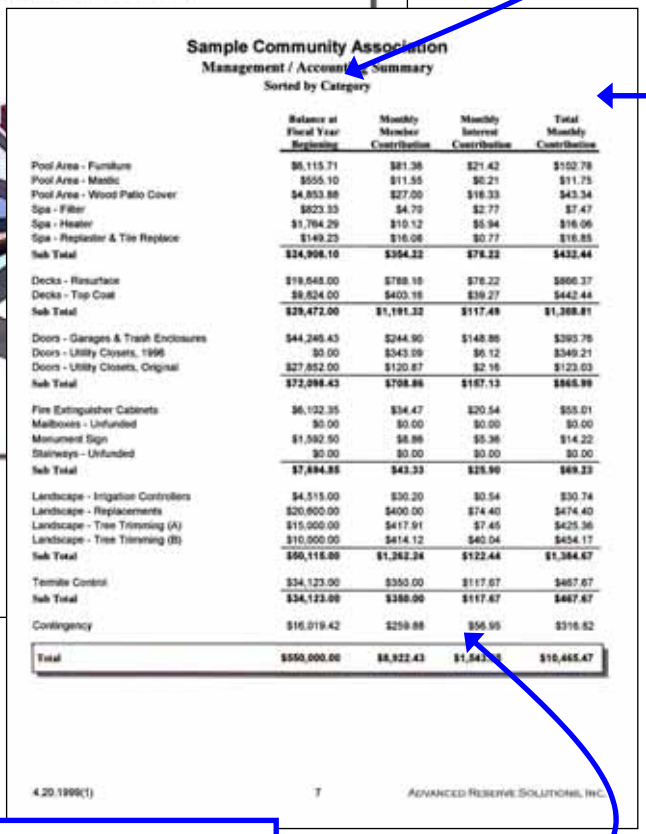
Preface

Summary displays all reserve components, shown here in “category” order. Provides the assigned reserve funds at the beginning of the fiscal year for which the reserve analysis was prepared along with the monthly member contribution, interest contribution and total contribution for each component and category. Three pie charts show graphically how the total reserve fund is distributed amongst the reserve component categories and how each category is funded on a monthly basis.

Pie Charts
Show graphically how the reserve fund is distributed amongst the reserve components and how the components are funded.

Balance at FYB
Shows the amount of reserve funds assigned to each reserve component. And, this column is conveniently sub totaled.


Sample Community Association
Management / Accounting Charts
Sorted by Category
Monthly Member Contribution


Sample Community Association
Management / Accounting Summary
Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
Pool Area - Furniture	$6,115.71	$81.38	$21.42	$102.78
Pool Area - Mastic	$555.10	$11.55	$0.21	$11.75
Pool Area - Wood Patio Cover	$4,853.88	$27.00	$16.33	$43.34
Spa - Filter	$823.33	$4.70	$2.77	$7.47
Spa - Heater	$1,764.29	$10.12	$5.94	$16.06
Spa - Replaster & Tile Replace	$149.23	$16.08	$0.77	$16.85
Sub Total	**$24,906.10**	**$354.22**	**$78.22**	**$432.44**
Decks - Resurface	$19,648.00	$788.10	$78.22	$866.37
Decks - Top Coat	$9,824.00	$403.16	$39.27	$442.44
Sub Total	**$29,472.00**	**$1,191.32**	**$117.49**	**$1,308.81**
Doors - Garages & Trash Enclosures	$44,246.43	$244.90	$148.86	$393.76
Doors - Utility Closets, 1996	$0.00	$343.09	$6.12	$349.21
Doors - Utility Closets, Original	$27,852.00	$120.87	$2.16	$123.03
Sub Total	**$72,098.43**	**$708.86**	**$157.13**	**$865.99**
Fire Extinguisher Cabinets	$6,102.35	$34.47	$20.54	$55.01
Mailboxes - Unfunded	$0.00	$0.00	$0.00	$0.00
Monument Sign	$1,592.50	$8.86	$5.36	$14.22
Stairways - Unfunded	$0.00	$0.00	$0.00	$0.00
Sub Total	**$7,694.85**	**$43.33**	**$25.90**	**$69.23**
Landscape - Irrigation Controllers	$4,515.00	$30.20	$0.54	$30.74
Landscape - Replacements	$20,600.00	$400.00	$74.40	$474.40
Landscape - Tree Trimming (A)	$15,000.00	$417.91	$7.45	$425.36
Landscape - Tree Trimming (B)	$10,000.00	$414.12	$40.04	$454.17
Sub Total	**$50,115.00**	**$1,262.24**	**$122.44**	**$1,384.67**
Termite Control	$34,123.00	$350.00	$117.67	$467.67
Sub Total	**$34,123.00**	**$350.00**	**$117.67**	**$467.67**
Contingency	$16,019.42	$259.88	$56.95	$316.82
Total	**$550,000.00**	**$8,922.43**	**$1,543.03**	**$10,465.47**

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Monthly Funding
Displays the monthly funding for each component from the members and interest. Total monthly funding is also indicated. And, these columns are conveniently sub totaled.

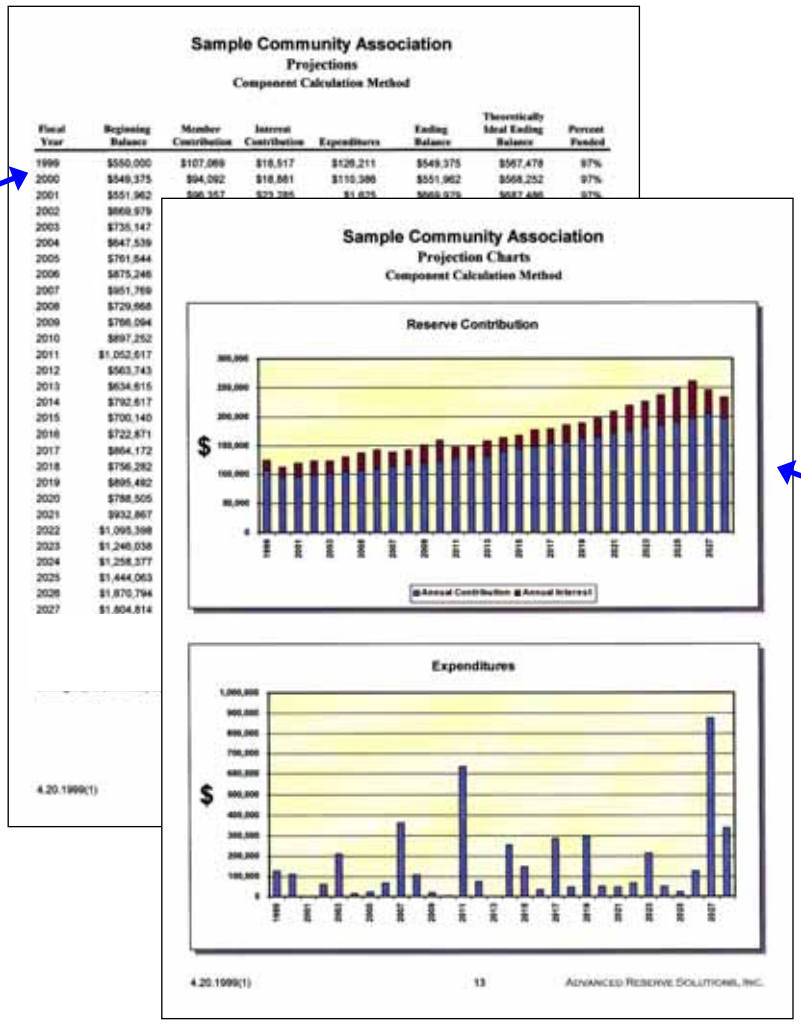
The total assigned reserves and monthly funding are provided at the bottom of this summary.

Could your Treasurer or accountant ask for anything else?

- **Project**

Preface

Summary displays projections of beginning reserve balance, member contribution, interest contribution, expenditures and ending reserve balance for each year of the projection period (shown here for 30 years). The two columns on the right-hand side provide the theoretically ideal ending balance and the percent funded for each year. Four charts show the same information in an easy-to-understand graphic format.



Improved format makes the numbers as easy to read and understand as possible.

Charts make it easy to understand the funding plan through time.

◆ ◆ CALCULATION METHODS ◆

Preface

There are only a few *true* reserve funding calculation methods used by reserve analysis firms. Some articles in trade publications seem to indicate that there are dozens of "unique" and different reserve calculation methods (i.e. component, cash flow, pooling, front-loading, splitting, etc.). Most "unique" calculation methods are actually hybrid derivatives of either the component method or the cash flow method.

The following sections describe the calculation methods utilized most often for our clients.

- **Component Calculation Method**

This calculation method develops a funding plan for each individual reserve component included in the reserve analysis. The sum of the funding plans for each component equal the total funding plan for the association.

This calculation method is typically the most conservative. This method structures a funding plan that enables the association to pay all reserve expenditures as they come due, enables the association to achieve the ideal level of reserves in time, and then enables the association to maintain the ideal level of reserves through time.

One of the major benefits of using this calculation method is that for any single component (or group of components), the accumulated balance and reserve funding can be reported. For example, using this calculation method, the reserve analysis can indicate the amount of current reserve funds "in the bank" for the roofs and the amount of money being funded towards the roofs each month. Using other calculation methods, this information cannot be calculated and therefore, cannot be reported.

The following is a detailed description of the Component Calculation Method:

Step 1: Calculation of Theoretically Ideal Balance for each component

The theoretically ideal balance is calculated for each component based on its age, useful life and current cost. The actual formula is as follows:

Theoretically Ideal Balance = (Age / Useful Life) * Current Cost

Step 2: Distribution of current reserve funds

The association's current reserve funds are assigned to (or distributed amongst) the reserve components based on each component's remaining life and theoretically ideal balance as follows:

Pass 1: Components are organized in remaining life order, from least to greatest, and the current reserve funds are assigned to each component up to its theoretically ideal balance, until reserves are exhausted.

Pass 2: If all components are assigned their theoretically ideal balance and additional funds exist, they are assigned in a "second pass." Again, the components are organized in remaining life order, from least to greatest, and the remaining current reserve funds are assigned to each component up to its current cost, until reserves are exhausted.

Pass 3: If all components are assigned their current cost and additional funds exist, they are assigned in a "third pass." Components with a remaining life of zero years are assigned double their current cost.

Distributing, or assigning, the current reserve funds in this manner is the most efficient use of the funds on hand – it defers the make-up period of any underfunded reserves over the lives of the components with the largest remaining lives.

Step 3: Developing a funding plan

After step 2, all components have a "starting" balance. A calculation is made to determine what funding would be required to get from the starting balance to the future cost over the number of years remaining until replacement. The funding plan incorporates the annual contribution increase parameter to develop "stair stepped" contribution.

For example, if an association needs to accumulate $100,000 in ten years, $10,000 could be contributed each year. Alternatively, the association could contribute $8,723 in the first year and increase the contribution by 3% each year thereafter until the tenth year.

In most cases, this rate should match the Inflation Parameter. Matching the Annual Contribution Increase Parameter to the Inflation Parameter indicates, in theory, that Member Contributions should increase at the same rate as the cost of living (Inflation Parameter). Due to the "time value of money," this creates the most equitable distribution of Member Contributions through time.

Using an Annual Contribution Increase Parameter that is greater than the Inflation Parameter will reduce the burden to the current membership at the expense of the future membership. Using an Annual Contribution Increase Parameter that is less than the Inflation Parameter will increase the burden to the current membership to the benefit of the future membership. The following chart shows a comparison:

	0% Increase	3% Increase	10% Increase
Year 1	$10,000.00	$8,723.05	$6,274.54
Year 2	$10,000.00	$8,984.74	$6,901.99
Year 3	$10,000.00	$9,254.28	$7,592.19
Year 4	$10,000.00	$9,531.91	$8,351.41
Year 5	$10,000.00	$9,817.87	$9,186.55

Year 6	$10,000.00	$10,112.41	$10,105.21
Year 7	$10,000.00	$10,415.78	$11,115.73
Year 8	$10,000.00	$10,728.25	$12,227.30
Year 9	$10,000.00	$11,050.10	$13,450.03
Year 10	$10,000.00	$11,381.60	$14,795.04
TOTAL	$100,000.00	$100,000.00	$100,000.00

This parameter is used to develop a funding plan only; it does not mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a Total Reserve Contribution increase or decrease from year to year than this parameter.

- **Minimum Cash Flow Method**

This calculation method develops a funding plan based on current reserve funds and projected expenditures during a "window," typically 30 years.

This calculation method is not as conservative as the Component Method and will typically produce a lower monthly reserve contribution. This method structures a funding plan that enables the association to pay for all reserve expenditures as they come due, but is not concerned with the ideal level of reserves through time. Consequently, this funding method can allow an association to become increasingly underfunded, while never running completely out of money during the "window."

This calculation method structures a funding plan that is the "bare" minimum required to pay for all reserve expenditures as they come due during the "window." This method disregards components that do not have an expenditure associated with them during the "window." This method tests reserve contributions to determine the minimum contribution necessary, based on the association's beginning reserve balance and anticipated expenses through time, so that the reserve balance in any one year does not drop below $0 (or some other threshold level).

- **Directed Cash Flow Method**

This calculation method is a hybrid of the Minimum Cash Flow Method which enables the development of "custom" or "non-traditional" funding plans which may include deferred contributions or special assessments.

This method is similar to the Minimum Cash Flow Method in the sense that it is making calculations based on all reserve expenditures during the "window." This calculation method can be used to calculate a reserve contribution that enables the association to become "ideally funded" in time.

◆ ◆ GLOSSARY OF KEY TERMS ◆ ◆

- **Annual Contribution Increase Parameter**

The rate used in the calculation of the funding plan developed by the Component Calculation Method and Minimum Cash Flow Method. This rate is used on an annual compounding basis. This rate represents, in theory, the rate the association expects to increase contributions each year.

In most cases, this rate should match the Inflation Parameter. Matching the Annual Contribution Increase Parameter to the Inflation Parameter indicates, in theory, that Member Contributions should increase at the same rate as the cost of living (Inflation Parameter). Due to the "time value of money," this creates the most equitable distribution of Member Contributions through time.

This parameter is used to develop a funding plan only; it does not mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a Total Reserve Contribution increase or decrease from year to year than this parameter.

See the description of "Calculation Methods" in this preface for more detail on this parameter.

- **Anticipated Reserve Balance (or Reserve Funds)**

The amount of money, as of a certain point in time, held by the association to be used for the repair or replacement of Reserve Components.

This figure is "anticipated" because it is calculated based on the most current financial information available as of the analysis date, which is almost always prior to the Fiscal Year beginning date for which the reserve analysis is prepared.

- **Assigned Funds (and "Fixed" Assigned Funds)**

The amount of money, as of the Fiscal Year beginning date for which the reserve analysis is prepared, that a Reserve Component has been assigned based on the Component Calculation Method.

Assigned Funds do not apply to the Minimum Cash Flow Calculation Method or the Directed Cash Flow Calculation Method.

The Assigned Funds are considered "Fixed" when the normal calculation process is bypassed and a specific amount of money is assigned to a Reserve Component. For example, if the normal calculation process assigns $10,000 to the roofs, but the association would like to show $20,000 assigned to roofs, "fixed" funds of $20,000 can be assigned.
The Component Calculation Method assigns funds to each component in the most efficient manner possible; assigning "fixed" reserves in this manner can have a detrimental impact on the association's overall budget structure in the long run. A more detailed description of the actual calculation process is included in the "Calculation Methods" section of the preface.

- **Component Calculation Method (or Component Method)**

Reserve funding calculation method developed based on each individual component. A more detailed description of the actual calculation process is included in the "Calculation Methods" section of the preface.

- **Contingency Parameter**

The rate used as a built-in buffer in the calculation of the funding plan developed by the Component Calculation Method. This rate will assign a percentage of the Reserve Funds, as of the Fiscal Year beginning, as contingency funds and will also determine the level of funding toward the contingency each month.

- **Current Replacement Cost**

The amount of money, as of the Fiscal Year beginning date for which the reserve analysis is prepared, that a Reserve Component is expected to cost to replace.

- **Directed Cash Flow Calculation Method (or Directed Cash Flow Method)**

Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the "Calculation Methods" section of the preface.

- **Fiscal Year**

Indicates the budget year for the association for which the reserve analysis was prepared. The fiscal year beginning (FYB) is the first day of the budget year; the fiscal year end (FYE) is the last day of the budget year.

- **Future Replacement Cost**

The amount of money, as of the Fiscal Year during which replacement of a Reserve Component is scheduled, that a Reserve Component is expected to cost to replace. This cost is calculated using the Current Replacement Cost compounded annually by the Inflation Parameter.

- **Global Parameters**

The financial parameters used to calculate the reserve analysis (see Inflation Parameter, Annual Contribution Increase Parameter, Investment Rate Parameter and Taxes on Investments Parameter).

- **Inflation Parameter**

The rate used in the calculation of future costs for Reserve Components. This rate is used on an annual compounding basis. This rate represents the rate the association expects the cost of goods and services relating to their Reserve Components to increase each year.

- **Interest Contribution**

The amount of money contributed to the Reserve Fund by the interest earned on the Reserve Fund and Member Contributions.

- **Investment Rate Parameter**

The gross rate used in the calculation of Interest Contribution (interest earned) from the Reserve Balance and Member Contributions. This rate (net of the Taxes on Investments Parameter) is used on a monthly compounding basis. This parameter represents the weighted average interest rate the association expects to earn on their Reserve Fund investments.

- **Membership Contribution**

The amount of money contributed to the Reserve Fund by the association's membership.

- **Minimum Cash Flow Calculation Method (or Minimum Cash Flow Method)**

Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the "Calculation Methods" section of the preface.

- **Monthly Contribution (and "Fixed" Monthly Contribution)**

The amount of money, for the Fiscal Year which the reserve analysis is prepared, that a Reserve Component will be funded base Theoretically Ideal Reserve Balance

Monthly Contribution does not apply to the Minimum Cash Flow Calculation Method or the Directed Cash Flow Calculation Method.

The Monthly Contribution is considered "Fixed" when the normal calculation process is bypassed and a specific amount of money is funded to a Reserve Component. For example, if the normal calculation process funds $1,000 to the roofs each month, but the association would like to show $500 funded to roofs each month, a "fixed" contribution of $500 can be assigned.

The Component Calculation Method funds each component in the most efficient manner possible; assigning a "fixed" contribution in this manner can have a detrimental impact on the association's overall budget structure in the long run. A more detailed description of the actual calculation process is included in the "Calculation Methods" section of the preface.

- **Number of Units (or other assessment basis)**

Indicates the number of units for which the reserve analysis was prepared. In "phased" developments (see Phasing), this number represents the number of units, and corresponding common area components, that existed as of a certain point in time.

For some associations, assessments and reserve contributions are based on a unit of measure other than the number of units. Examples include time-interval weeks for timeshare resorts or lot acreage for industrial developments.

- **One-Time Replacement**

Used for components that will be budgeted for only once.

- **Percent Funded**

A measure (expressed as a percentage) of the association's reserve fund "health" as of a certain point in time. This number is the ratio of the Anticipated Reserve Fund Balance to the Theoretically Ideal Reserve Balance:

$$\text{Percent Funded} = \frac{\text{Anticipated Reserve Fund Balance}}{\text{Theoretically Ideal Reserve Balance}}$$

Preface

An association that is 100% funded does not have all of the Reserve Funds necessary to replace all of its Reserve Components immediately; it has the proportionately appropriate Reserve Funds for the Reserve Components it maintains, based on each component's Current Replacement Cost, age and Useful Life.

- **Percentage of Replacement**

The percentage of the Reserve Component that is expected to be replaced.

For most Reserve Components, this percentage should be 100%. In some cases, this percentage may be more or less than 100%. For example, fencing which is shared with a neighboring community may be set at 50%.

- **Phasing**

Indicates the number of phases for which the reserve analysis was prepared and the total number of phases expected at build-out (i.e. Phase 4 of 7). In phased developments, the first number represents the number of phases, and corresponding common area components, that existed as of a certain point in time. The second number represents the number of phases that are expected to exist at build-out.

- **Placed-In-Service Date**

The date (month and year) that the Reserve Component was originally put into service or last replaced.

- **Remaining Life**

The length of time, in years, until a Reserve Component is scheduled to be replaced.

- **Remaining Life Adjustment**

The length of time, in years, that a Reserve Component is expected to last in excess (or deficiency) of its Useful Life for the current cycle of replacement.

If the current cycle of replacement for a Reserve Component is expected to be greater than or less than the "normal" life expectancy, the Reserve Component's life should be adjusted using a Remaining Life Adjustment.

For example, if wood trim is painted normally on a 4 year cycle, the Useful Life should be 4 years. However, when it comes time to paint the wood trim and it is determined that it can be deferred for an additional year, the Useful Life should remain at 4 years and a Remaining Life Adjustment of +1 year should be used.

- **Replacement Year**

The Fiscal Year that a Reserve Component is scheduled to be replaced.

- **Reserve Components**

Line items included in the reserve analysis.

- **Salvage Value**

The amount of money that is expected to be received at the point in time that a Reserve Component is replaced.

For example, the “trade-in allowance” received at the time a security vehicle is replaced should be considered as its Salvage Value.

- **Taxes on Investments Parameter**

The rate used to offset the Investment Rate Parameter in the calculation of the Interest Contribution. This parameter represents the marginal tax rate the association expects to pay on interest earned by the Reserve Funds and Member Contributions.

- **Theoretically Ideal Reserve Balance (or Ideal Reserves)**

The amount of money that should theoretically have accumulated in the reserve fund as of a certain point in time. Ideal reserves are calculated for each Reserve Component based on the Current Replacement Cost, age and Useful Life:

$$\text{Ideal Reserves} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Replacement Cost}$$

The Theoretically Ideal Reserve Balance is the sum of the Ideal Reserves for each Reserve Component.

An association that has accumulated the Theoretically Ideal Reserve Balance does not have all of the funds necessary to replace all of its Reserve Components immediately; it has the proportionately appropriate Reserve Funds for the Reserve Components it maintains, based on each component’s Current Replacement Cost, age and Useful Life.

- **Total Contribution**

The sum of the Membership Contribution and Interest Contribution.

- **Useful Life**

The length of time, in years, that a Reserve Component is expected to last each time it is replaced. See also Remaining Life Adjustment.

Reserve Analysis Report

University Terrace Berkeley HOA (Building 9)

Berkeley, California

Version 1

Wednesday, March 30, 2011

Murray Joseph & Associates

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Walnut Creek, California 94598

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University Terrace Berkeley HOA (Building 9)

Table of Contents

University Terrace Berkeley HOA (Building 9)

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	11005
Version Number	1
Analysis Date	03/30/2011
Fiscal Year	7/1/2011 to 6/30/2012
Number of Units	19
Phasing	1 of 1

Global Parameters:

Inflation Rate	2.00 %
Annual Contribution Increase	4.00 %
Investment Rate	2.00 %
Taxes on Investments	30.00 %
Contingency	3.00 %

Community Profile:

For budgeting purposes, unless otherwise indicated, we have used July 1994 as the average placed-in-service date for aging the original components included in this analysis.

The client has directed us to include these specific components exclusive to building 9.

Field evaluations: March 28, 2011; May 2008; January 2005

Adequacy of Reserves as of July 1, 2011:

Anticipated Reserve Balance	**$29,743.00**
Theoretically Ideal Reserve Balance	**$88,471.10**
Percent Funded	**33.62%**

Recommended Funding for the 2011-2012 Fiscal Year:	Annual	Monthly	Per Unit Per Month
Member Contribution	**$7,750**	**$645.83**	**$33.99**
Interest Contribution	**$413**	**$34.39**	**$1.81**
Total Contribution	**$8,163**	**$680.22**	**$35.80**

University Terrace Berkeley HOA (Building 9)

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Theoretically Ideal Balance
030 Paint				
Paint - Interiors, Corridors	1	13	$11,972.88	$11,051.89
Sub Total	**1**	**13**	**$11,972.88**	**$11,051.89**
050 Lighting				
Lighting - Interiors	8	25	$10,300.00	$7,004.00
Sub Total	**8**	**25**	**$10,300.00**	**$7,004.00**
070 Interiors				
Interiors - Carpet	1	18	$10,824.00	$10,222.67
Sub Total	**1**	**18**	**$10,824.00**	**$10,222.67**
080 Elevator				
Elevator - Load Test	1	5	$850.00	$680.00
Elevator - Major Repairs	23	40	$50,000.00	$21,250.00
Elevator - Minor Repairs	4	10	$6,000.00	$3,600.00
Sub Total	**1-23**	**5-40**	**$56,850.00**	**$25,530.00**
085 Hot Water				
Hot Water - Boiler	3	20	$17,000.00	$14,450.00
Hot Water - Pumps	3	10	$8,000.00	$5,600.00
Hot Water - Storage Tanks	3	20	$5,500.00	$4,675.00
Hot Water - Storage Tanks, 2009	18	20	$2,750.00	$275.00
Sub Total	**3-18**	**10-20**	**$33,250.00**	**$25,000.00**
090 Other				
Baseboard Heaters	7	14	$1,400.00	$700.00
Entrance Access Phone	0	14	$4,000.00	$4,000.00
Pedestrian Door Operator	13	14	$8,900.00	$635.71
Sump Pump	3	10	$2,500.00	$1,750.00
Sub Total	**0-13**	**10-14**	**$16,800.00**	**$7,085.71**
Contingency	n.a.	n.a.	n.a.	$2,576.83
Total	**0-23**	**5-40**	**$139,996.88**	**$88,471.10**
Anticipated Reserve Balance				**$29,743.00**
Percent Funded				**33.62%**

University Terrace Berkeley HOA (Building 9)

Distribution of Current Reserve Funds

Sorted by Remaining Life

	Remaining Life	Theoretically Ideal Balance	Assigned Reserves
Entrance Access Phone	0	$4,000.00	$4,000.00
Elevator - Load Test	1	$680.00	$680.00
Interiors - Carpet	1	$10,222.67	$10,222.67
Paint - Interiors, Corridors	1	$11,051.89	$11,051.89
Hot Water - Boiler	3	$14,450.00	$0.00
Hot Water - Pumps	3	$5,600.00	$0.00
Hot Water - Storage Tanks	3	$4,675.00	$1,172.14
Sump Pump	3	$1,750.00	$1,750.00
Elevator - Minor Repairs	4	$3,600.00	$0.00
Baseboard Heaters	7	$700.00	$0.00
Lighting - Interiors	8	$7,004.00	$0.00
Pedestrian Door Operator	13	$635.71	$0.00
Hot Water - Storage Tanks, 2009	18	$275.00	$0.00
Elevator - Major Repairs	23	$21,250.00	$0.00
Contingency	n.a.	$2,576.83	$866.30
Total	**0-23**	**$88,471.10**	**$29,743.00**
Percent Funded			**33.62%**

University Terrace Berkeley HOA (Building 9)

Projections

Directed Cash Flow Calculation Method

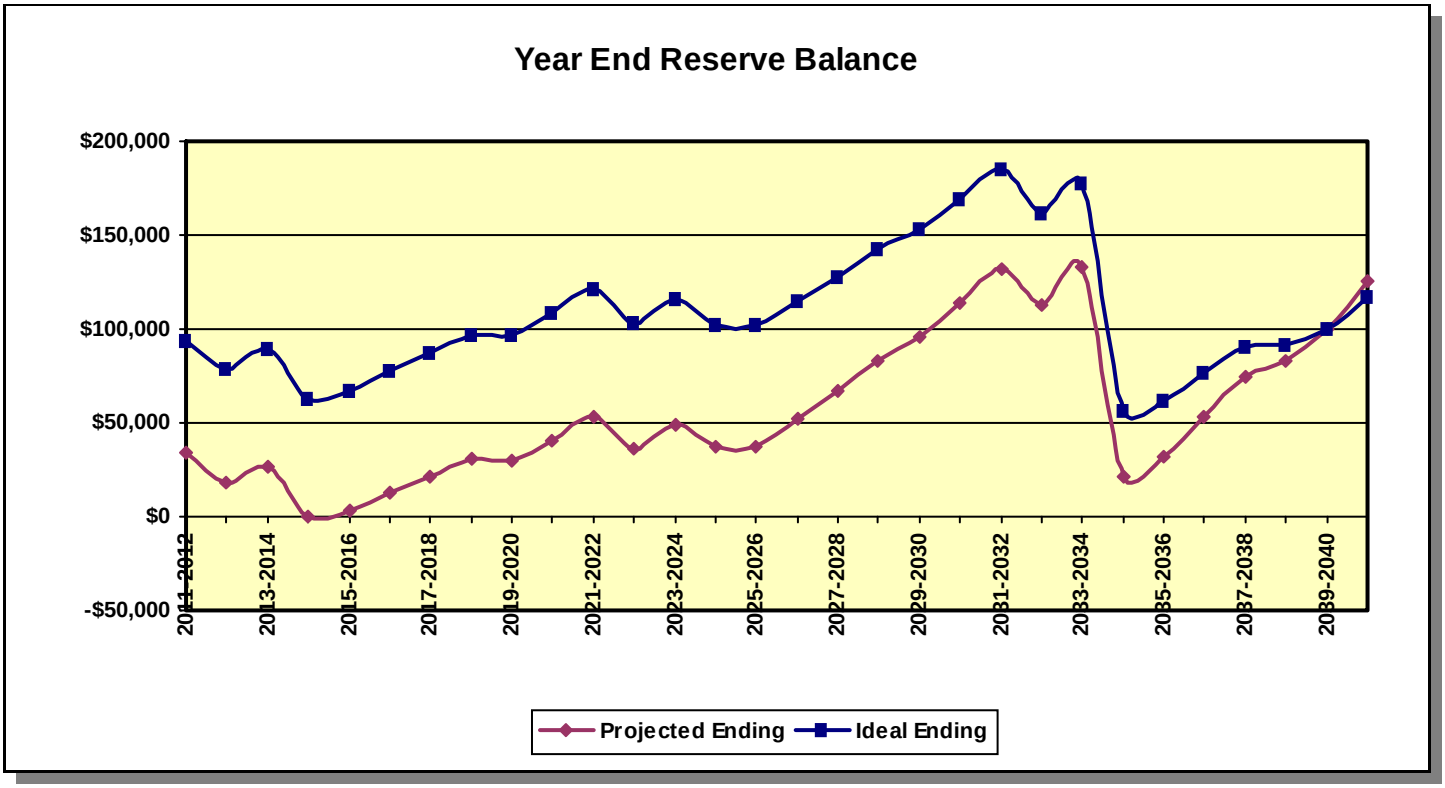
Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Theoretically Ideal Ending Balance	Percent Funded
2011-2012	$29,743	$7,750	$413	$4,000	$33,906	$93,695	36%
2012-2013	$33,906	$8,060	$190	$24,120	$18,036	$78,851	23%
2013-2014	$18,036	$8,382	$308	$0	$26,726	$89,222	30%
2014-2015	$26,726	$8,718	($61)	$35,020	$363	$63,184	1%
2015-2016	$363	$9,066	($28)	$6,495	$2,907	$66,774	4%
2016-2017	$2,907	$9,429	$102	$0	$12,438	$77,442	16%
2017-2018	$12,438	$9,806	$225	$957	$21,512	$87,505	25%
2018-2019	$21,512	$10,198	$346	$1,608	$30,448	$97,275	31%
2019-2020	$30,448	$10,606	$327	$12,068	$29,314	$96,445	30%
2020-2021	$29,314	$11,031	$484	$0	$40,829	$108,476	38%
2021-2022	$40,829	$11,472	$649	$0	$52,950	$120,949	44%
2022-2023	$52,950	$11,931	$409	$29,402	$35,887	$102,989	35%
2023-2024	$35,887	$12,408	$586	$0	$48,881	$115,768	42%
2024-2025	$48,881	$12,904	$418	$25,096	$37,107	$102,652	36%
2025-2026	$37,107	$13,420	$423	$13,195	$37,756	$101,996	37%
2026-2027	$37,756	$13,957	$622	$0	$52,336	$115,412	45%
2027-2028	$52,336	$14,516	$814	$1,167	$66,499	$128,099	52%
2028-2029	$66,499	$15,096	$1,034	$0	$82,629	$142,496	58%
2029-2030	$82,629	$15,700	$1,210	$3,928	$95,612	$153,292	62%
2030-2031	$95,612	$16,328	$1,452	$0	$113,392	$168,672	67%
2031-2032	$113,392	$16,981	$1,707	$0	$132,081	$184,606	72%
2032-2033	$132,081	$17,660	$1,440	$37,963	$113,218	$161,226	70%
2033-2034	$113,218	$18,367	$1,714	$0	$133,299	$177,518	75%
2034-2035	$133,299	$19,102	$157	$130,883	$21,675	$56,893	38%
2035-2036	$21,675	$19,866	$297	$9,651	$32,187	$61,487	52%
2036-2037	$32,187	$20,660	$587	$0	$53,434	$76,584	70%
2037-2038	$53,434	$21,487	$871	$1,422	$74,369	$90,767	82%
2038-2039	$74,369	$22,346	$978	$15,191	$82,502	$91,050	91%
2039-2040	$82,502	$23,240	$1,214	$6,964	$99,992	$100,271	100%
2040-2041	$99,992	$24,170	$1,565	$0	$125,726	$117,287	107%

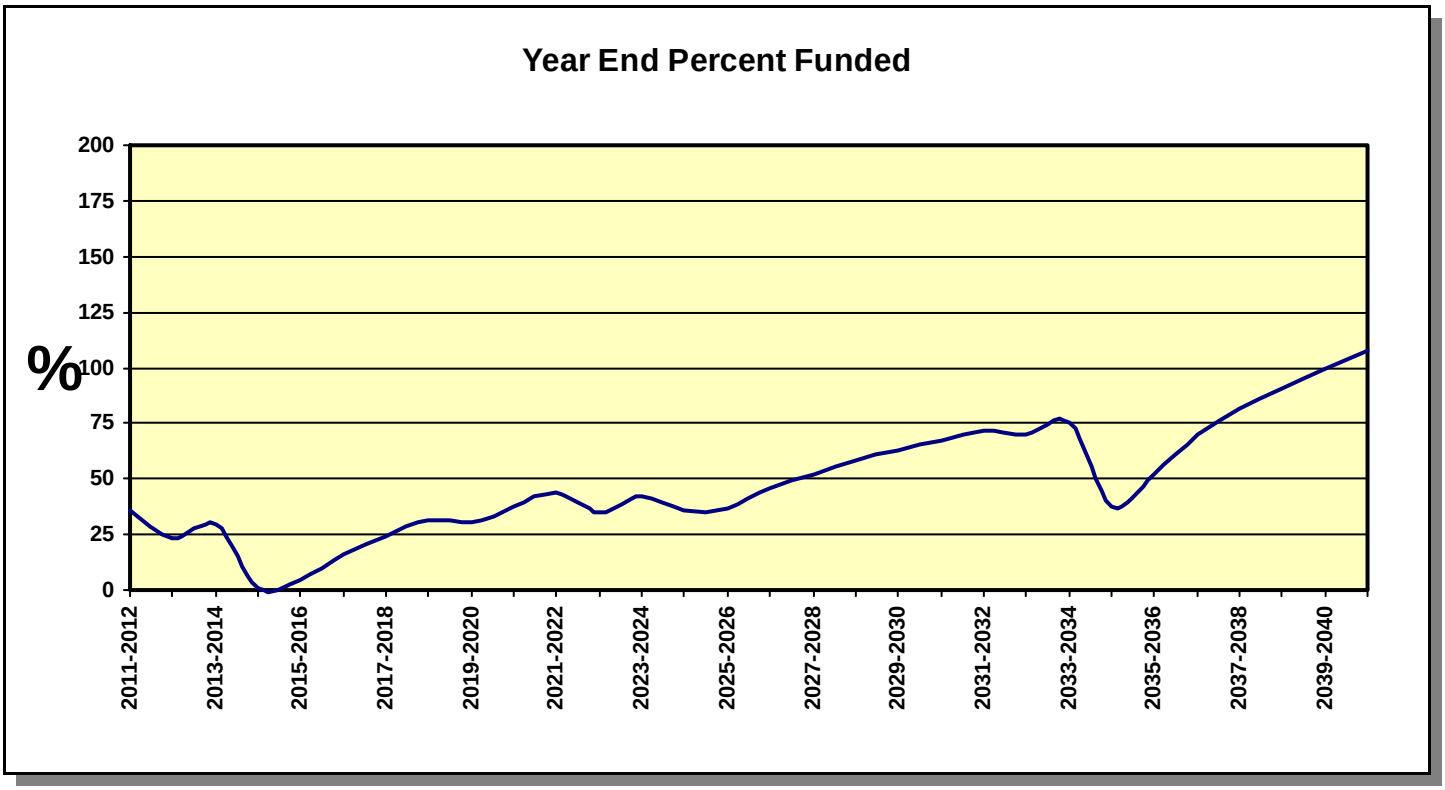
NOTE: In some cases, the projected Ending Balance may exceed the Theoretically Ideal Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need and any excess is redistributed among all components included.

University Terrace Berkeley HOA (Building 9)

Projection Charts

Directed Cash Flow Calculation Method

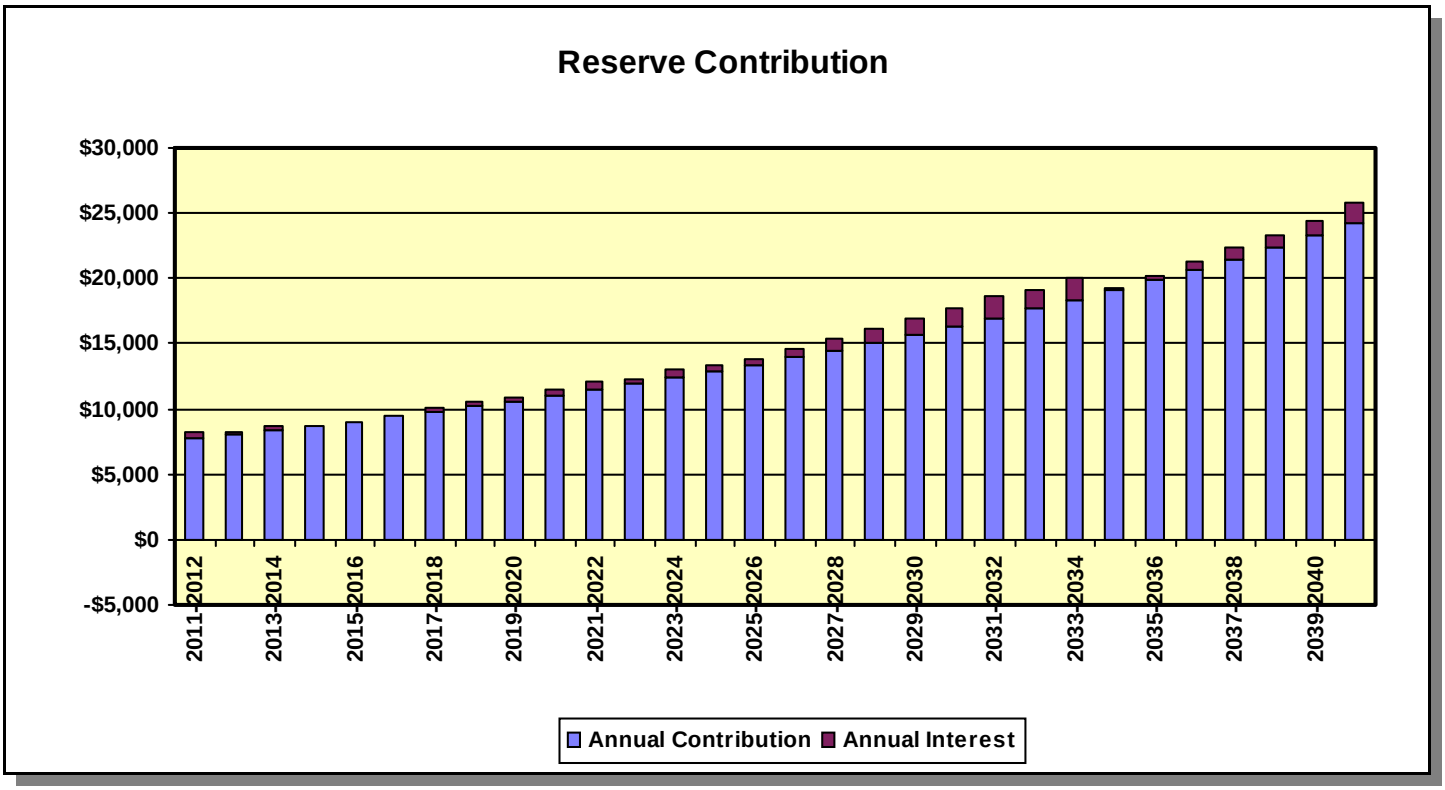


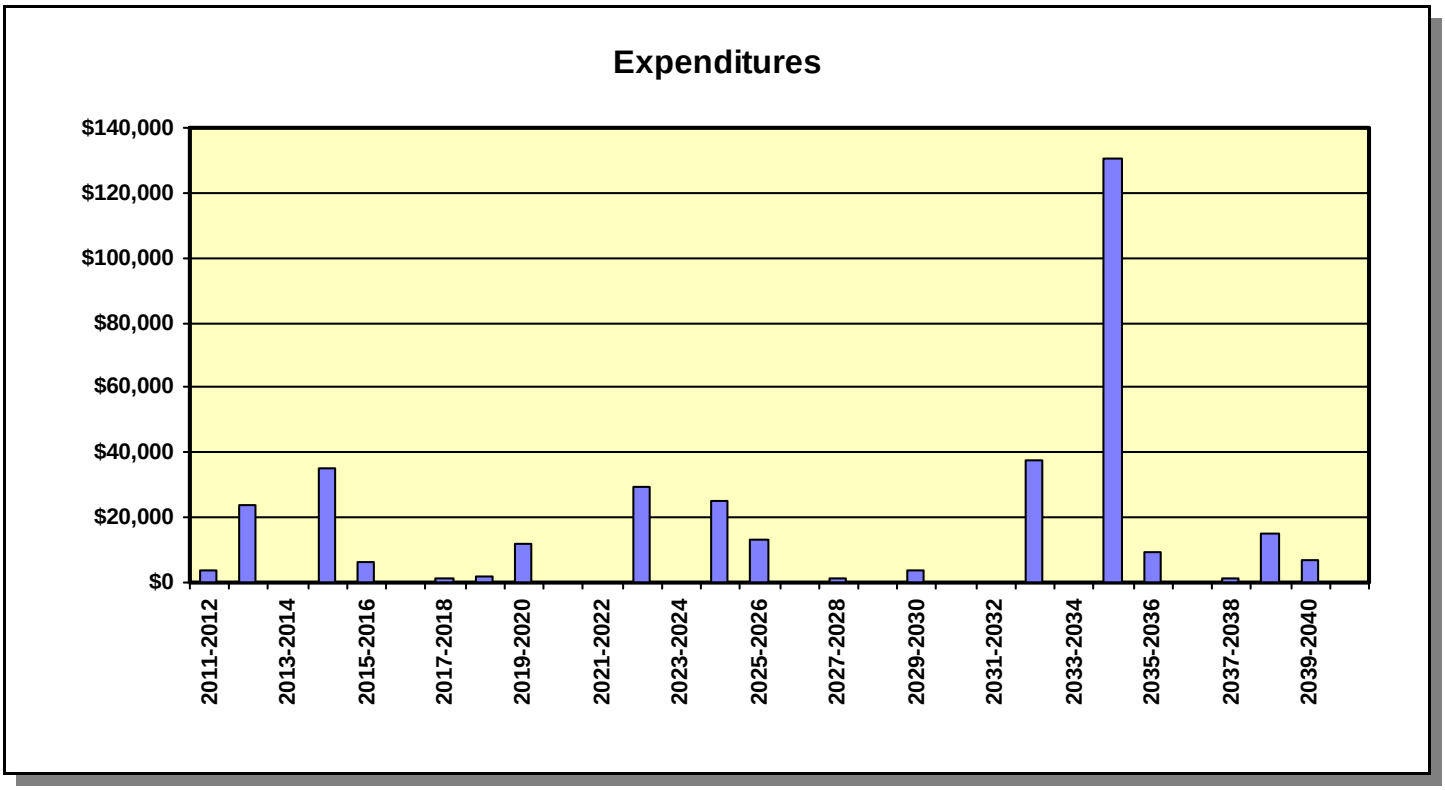


University Terrace Berkeley HOA (Building 9)

Projection Charts

Directed Cash Flow Calculation Method





University Terrace Berkeley HOA (Building 9)

Annual Expenditure Detail

Sorted by Description

2011-2012 Fiscal Year	
Entrance Access Phone	$4,000.00
Sub Total	**$4,000.00**
2012-2013 Fiscal Year	
Elevator - Load Test	$867.00
Interiors - Carpet	$11,040.48
Paint - Interiors, Corridors	$12,212.34
Sub Total	**$24,119.82**
2014-2015 Fiscal Year	
Hot Water - Boiler	$18,040.54
Hot Water - Pumps	$8,489.66
Hot Water - Storage Tanks	$5,836.64
Sump Pump	$2,653.02
Sub Total	**$35,019.86**
2015-2016 Fiscal Year	
Elevator - Minor Repairs	$6,494.59
Sub Total	**$6,494.59**
2017-2018 Fiscal Year	
Elevator - Load Test	$957.24
Sub Total	**$957.24**
2018-2019 Fiscal Year	
Baseboard Heaters	$1,608.16
Sub Total	**$1,608.16**
2019-2020 Fiscal Year	
Lighting - Interiors	$12,068.09
Sub Total	**$12,068.09**
2022-2023 Fiscal Year	
Elevator - Load Test	$1,056.87
Interiors - Carpet	$13,458.28
Paint - Interiors, Corridors	$14,886.77
Sub Total	**$29,401.92**
2024-2025 Fiscal Year	
Hot Water - Pumps	$10,348.85
Pedestrian Door Operator	$11,513.10

University Terrace Berkeley HOA (Building 9)

Annual Expenditure Detail

Sorted by Description

Sump Pump	$3,234.02
Sub Total	**$25,095.97**
2025-2026 Fiscal Year	
Elevator - Minor Repairs	$7,916.87
Entrance Access Phone	$5,277.92
Sub Total	**$13,194.79**
2027-2028 Fiscal Year	
Elevator - Load Test	$1,166.87
Sub Total	**$1,166.87**
2029-2030 Fiscal Year	
Hot Water - Storage Tanks, 2009	$3,927.68
Sub Total	**$3,927.68**
2032-2033 Fiscal Year	
Baseboard Heaters	$2,121.93
Elevator - Load Test	$1,288.32
Interiors - Carpet	$16,405.57
Paint - Interiors, Corridors	$18,146.89
Sub Total	**$37,962.71**
2034-2035 Fiscal Year	
Elevator - Major Repairs	$78,844.96
Hot Water - Boiler	$26,807.29
Hot Water - Pumps	$12,615.19
Hot Water - Storage Tanks	$8,672.95
Sump Pump	$3,942.25
Sub Total	**$130,882.64**
2035-2036 Fiscal Year	
Elevator - Minor Repairs	$9,650.62
Sub Total	**$9,650.62**
2037-2038 Fiscal Year	
Elevator - Load Test	$1,422.41
Sub Total	**$1,422.41**
2038-2039 Fiscal Year	
Pedestrian Door Operator	$15,191.29

University Terrace Berkeley HOA (Building 9)

Annual Expenditure Detail

Sorted by Description

Sub Total	**$15,191.29**
2039-2040 Fiscal Year	
Entrance Access Phone	$6,964.10
Sub Total	**$6,964.10**

University Terrace Berkeley HOA (Building 9)

Component Detail

Sorted by Category

Paint - Interiors, Corridors

Category	030 Paint	Quantity	13,014 sq. ft.
		Unit Cost	$0.920
		% of Replacement	100.00%
		Current Cost	$11,972.88
Placed In Service	07/99	Future Cost	$12,212.34
Useful Life	10		
Adjustment	+3		
Remaining Life	1		
Replacement Year	2012-2013		

Comments:

According to the client, the corridors of building 9 were painted in about 1999.

The actual month this component was placed into service is not available. For budgeting purposes we have used the month corresponding to the beginning of the client's fiscal year.

The remaining life of this component has been extended due to its condition at our most recent field inspection.

University Terrace Berkeley HOA (Building 9)

Component Detail

Sorted by Category

Lighting - Interiors

Category	050 Lighting	Quantity	1 total
		Unit Cost	$10,300.000
		% of Replacement	100.00%
		Current Cost	$10,300.00
Placed In Service	07/94	Future Cost	$12,068.09
Useful Life	25		
Remaining Life	8		
Replacement Year	2019-2020		

Comments:

During our most recent field evaluation, it appeared the EXIT signs and emergency back-ups may have been replaced. For budgeting purposes, we have included these all in the interior lighting component.

7	EXIT signs (corridors)	@	$195.00	=	$1,365.00
9	emergency back-up (corridors)	@	$280.00	=	$2,520.00
7	wall fixtures	@	$145.00	=	$1,015.00
36	recessed spots	@	$150.00	=	$5,400.00
			TOTAL	=	$10,300.00

University Terrace Berkeley HOA (Building 9)

Component Detail

Sorted by Category

Interiors - Carpet

Category	070 Interiors	Quantity	328 sq. yds.
		Unit Cost	$33.000
		% of Replacement	100.00%
		Current Cost	$10,824.00
Placed In Service	07/94	Future Cost	$11,040.48
Useful Life	10		
Adjustment	+8		
Remaining Life	1		
Replacement Year	2012-2013		

Comments:

This is the quantity for the corridors only.

The remaining life of this component has been extended due to its condition at our most recent field inspection.

Elevator - Load Test

Category	080 Elevator	Quantity	1 elevator
		Unit Cost	$850.000
		% of Replacement	100.00%
		Current Cost	$850.00
Placed In Service	07/07	Future Cost	$867.00
Useful Life	5		
Remaining Life	1		
Replacement Year	2012-2013		

Comments:

The client had the 5-year load test performed on the elevator in July 2007 for a cost of $740.

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

University Terrace Berkeley HOA (Building 9)

Component Detail

Sorted by Category

Elevator - Major Repairs

Category	080 Elevator	Quantity	1 elevator
		Unit Cost	$50,000.000
		% of Replacement	100.00%
		Current Cost	$50,000.00
Placed In Service	07/94	Future Cost	$78,844.96
Useful Life	40		
Remaining Life	23		
Replacement Year	2034-2035		

Comments:

We have included this component for modernization and future major elevator repairs/replacements.

Elevator - Minor Repairs

Category	080 Elevator	Quantity	1 elevator
		Unit Cost	$6,000.000
		% of Replacement	100.00%
		Current Cost	$6,000.00
Placed In Service	07/05	Future Cost	$6,494.59
Useful Life	10		
Remaining Life	4		
Replacement Year	2015-2016		

Comments:

We have included this component for minor repairs on a 10-year cycle beginning July 2005.

University Terrace Berkeley HOA (Building 9)

Component Detail

Sorted by Category

Hot Water - Boiler

Category	085 Hot Water	Quantity	1 boiler
		Unit Cost	$17,000.000
		% of Replacement	100.00%
		Current Cost	$17,000.00
Placed In Service	07/94	Future Cost	$18,040.54
Useful Life	20		
Remaining Life	3		
Replacement Year	2014-2015		

Comments:

This is a Caravan boiler located on the ground floor of the building.

Hot Water - Pumps

Category	085 Hot Water	Quantity	1 total
		Unit Cost	$8,000.000
		% of Replacement	100.00%
		Current Cost	$8,000.00
Placed In Service	07/04	Future Cost	$8,489.66
Useful Life	10		
Remaining Life	3		
Replacement Year	2014-2015		

Comments:

The actual date this component was placed into service is not available. For budgeting purposes, this date has been estimated based on its condition at our most recent field inspection.

2	Balder boiler pumps	@	$3,500.00	=	$7,000.00
1	circulating pump	@	$1,000.00	=	$1,000.00
			TOTAL	=	$8,000.00

University Terrace Berkeley HOA (Building 9)

Component Detail

Sorted by Category

Hot Water - Storage Tanks

Category	085 Hot Water	Quantity	2 tanks
		Unit Cost	$2,750.000
		% of Replacement	100.00%
		Current Cost	$5,500.00
Placed In Service	07/94	Future Cost	$5,836.64
Useful Life	20		
Remaining Life	3		
Replacement Year	2014-2015		

Comments:

These are 100 gallon A.O. Smith water storage tanks located on the ground floor of the building.

Hot Water - Storage Tanks, 2009

Category	085 Hot Water	Quantity	1 tank
		Unit Cost	$2,750.000
		% of Replacement	100.00%
		Current Cost	$2,750.00
Placed In Service	07/09	Future Cost	$3,927.68
Useful Life	20		
Remaining Life	18		
Replacement Year	2029-2030		

Comments:

According to the client, this American Standard water storage tank located on the ground floor of the building was installed in 2009 for a total cost of $2,700.

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

The actual month this component was placed into service is not available. For budgeting purposes we have used the month corresponding to the beginning of the client's fiscal year.

University Terrace Berkeley HOA (Building 9)

Component Detail

Sorted by Category

Baseboard Heaters

Category	090 Other	Quantity	4 heaters
		Unit Cost	$350.000
		% of Replacement	100.00%
		Current Cost	$1,400.00
Placed In Service	07/04	Future Cost	$1,608.16
Useful Life	14		
Remaining Life	7		
Replacement Year	2018-2019		

Comments:

These are the 10' baseboard heaters located in the stairwells.

The actual date this component was placed into service is not available. For budgeting purposes, this date has been estimated based on its condition at our most recent field inspection.

Entrance Access Phone

Category	090 Other	Quantity	1 phone
		Unit Cost	$4,000.000
		% of Replacement	100.00%
		Current Cost	$4,000.00
Placed In Service	07/94	Future Cost	$5,277.92
Useful Life	14		
Remaining Life	0		
Replacement Year	2011-2012		

Comments:

We anticipate this push-button entrance access phone replaced with a more techologically advanced unit.

The remaining life of this component has been extended at the request of the client.

University Terrace Berkeley HOA (Building 9)

Component Detail

Sorted by Category

Pedestrian Door Operator

Category	090 Other	Quantity	1 operator
		Unit Cost	$8,900.000
		% of Replacement	100.00%
		Current Cost	$8,900.00
Placed In Service	07/10	Future Cost	$11,513.10
Useful Life	14		
Remaining Life	13		
Replacement Year	2024-2025		

Comments:

According to the client, this pedestrian entry door operator was installed in 2010 for a total cost of $8,907.

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

The actual month this component was placed into service is not available. For budgeting purposes we have used the month corresponding to the beginning of the client's fiscal year.

University Terrace Berkeley HOA (Building 9)

Component Detail

Sorted by Category

Sump Pump

Category	090 Other	Quantity	1 pump
		Unit Cost	$2,500.000
		% of Replacement	100.00%
		Current Cost	$2,500.00
Placed In Service	07/04	Future Cost	$2,653.02
Useful Life	10		
Remaining Life	3		
Replacement Year	2014-2015		

Comments:

There is a sump pump for Building 9 in the community room storage room.

The actual date this component was placed into service is not available. For budgeting purposes, this date has been estimated based on its condition at our most recent field inspection.

University Terrace Berkeley HOA (Building 9)

Detail Report Index

Number of components included in this reserve analysis is 14.

University Terrace Berkeley HOA (Building 9)

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	11005
Version Number	1
Analysis Date	03/30/2011
Fiscal Year	7/1/2011 to 6/30/2012
Number of Units	19
Phasing	1 of 1

Global Parameters:

Inflation Rate	2.00 %
Annual Contribution Increase	4.00 %
Investment Rate	2.00 %
Taxes on Investments	30.00 %
Contingency	3.00 %

Community Profile:

For budgeting purposes, unless otherwise indicated, we have used July 1994 as the average placed-in-service date for aging the original components included in this analysis.

The client has directed us to include these specific components exclusive to building 9.

Field evaluations: March 28, 2011; May 2008; January 2005

Adequacy of Reserves as of July 1, 2011:

Anticipated Reserve Balance	**$29,743.00**
Theoretically Ideal Reserve Balance	**$88,471.10**
Percent Funded	**33.62%**

Recommended Funding for the 2011-2012 Fiscal Year:	Annual	Monthly	Per Unit Per Month
Member Contribution	**$7,750**	**$645.83**	**$33.99**
Interest Contribution	**$413**	**$34.39**	**$1.81**
Total Contribution	**$8,163**	**$680.22**	**$35.80**

University Terrace Berkeley HOA (Building 9)

Projections

Directed Cash Flow Calculation Method

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Theoretically Ideal Ending Balance	Percent Funded
2011-2012	$29,743	$7,750	$413	$4,000	$33,906	$93,695	36%
2012-2013	$33,906	$8,060	$190	$24,120	$18,036	$78,851	23%
2013-2014	$18,036	$8,382	$308	$0	$26,726	$89,222	30%
2014-2015	$26,726	$8,718	($61)	$35,020	$363	$63,184	1%
2015-2016	$363	$9,066	($28)	$6,495	$2,907	$66,774	4%
2016-2017	$2,907	$9,429	$102	$0	$12,438	$77,442	16%
2017-2018	$12,438	$9,806	$225	$957	$21,512	$87,505	25%
2018-2019	$21,512	$10,198	$346	$1,608	$30,448	$97,275	31%
2019-2020	$30,448	$10,606	$327	$12,068	$29,314	$96,445	30%
2020-2021	$29,314	$11,031	$484	$0	$40,829	$108,476	38%
2021-2022	$40,829	$11,472	$649	$0	$52,950	$120,949	44%
2022-2023	$52,950	$11,931	$409	$29,402	$35,887	$102,989	35%
2023-2024	$35,887	$12,408	$586	$0	$48,881	$115,768	42%
2024-2025	$48,881	$12,904	$418	$25,096	$37,107	$102,652	36%
2025-2026	$37,107	$13,420	$423	$13,195	$37,756	$101,996	37%
2026-2027	$37,756	$13,957	$622	$0	$52,336	$115,412	45%
2027-2028	$52,336	$14,516	$814	$1,167	$66,499	$128,099	52%
2028-2029	$66,499	$15,096	$1,034	$0	$82,629	$142,496	58%
2029-2030	$82,629	$15,700	$1,210	$3,928	$95,612	$153,292	62%
2030-2031	$95,612	$16,328	$1,452	$0	$113,392	$168,672	67%
2031-2032	$113,392	$16,981	$1,707	$0	$132,081	$184,606	72%
2032-2033	$132,081	$17,660	$1,440	$37,963	$113,218	$161,226	70%
2033-2034	$113,218	$18,367	$1,714	$0	$133,299	$177,518	75%
2034-2035	$133,299	$19,102	$157	$130,883	$21,675	$56,893	38%
2035-2036	$21,675	$19,866	$297	$9,651	$32,187	$61,487	52%
2036-2037	$32,187	$20,660	$587	$0	$53,434	$76,584	70%
2037-2038	$53,434	$21,487	$871	$1,422	$74,369	$90,767	82%
2038-2039	$74,369	$22,346	$978	$15,191	$82,502	$91,050	91%
2039-2040	$82,502	$23,240	$1,214	$6,964	$99,992	$100,271	100%
2040-2041	$99,992	$24,170	$1,565	$0	$125,726	$117,287	107%

NOTE: In some cases, the projected Ending Balance may exceed the Theoretically Ideal Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need and any excess is redistributed among all components included.

University Terrace Berkeley HOA (Building 9)

Membership Disclosure Summary

Sorted by Category

Major Reserve Components	Current Cost	Assigned Reserves	Remaining Life Range	Useful Life Range
030 Paint	$11,973	$11,052	1	13
050 Lighting	$10,300	$0	8	25
070 Interiors	$10,824	$10,223	1	18
080 Elevator	$56,850	$680	1-23	5-40
085 Hot Water	$33,250	$1,172	3-18	10-20
090 Other	$16,800	$5,750	0-13	10-14
Contingency	n.a.	$866	n.a.	n.a.
Total	$139,997	$29,743	0-23	5-40

Reserve Analysis Report

University Terrace Berkeley Homeowners Association

Berkeley, California

Version 1

Wednesday, March 30, 2011

Murray Joseph & Associates

325 Lennon Lane

Walnut Creek, California 94598

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University Terrace Berkeley Homeowners Association

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University Terrace Berkeley Homeowners Association

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	11005
Version Number	1
Analysis Date	03/30/2011
Fiscal Year	7/1/2011 to 6/30/2012
Number of Units	56
Phasing	1 of 1

Global Parameters:

Inflation Rate	2.00 %
Annual Contribution Increase	5.25 %
Investment Rate	2.00 %
Taxes on Investments	30.00 %
Contingency	3.00 %

Community Profile:

For budgeting purposes, unless otherwise indicated, we have used July 1994 as the average placed-in-service date for aging the original components included in this analysis.

Field evaluations: March 28, 2011; May 2008; January 2005

Adequacy of Reserves as of July 1, 2011:

Anticipated Reserve Balance	**$609,700.00**
Theoretically Ideal Reserve Balance	**$850,654.25**
Percent Funded	**71.67%**

Recommended Funding for the 2011-2012 Fiscal Year:	**Annual**	**Monthly**	**Per Unit Per Month**
Member Contribution	**$56,000**	**$4,666.67**	**$83.33**
Interest Contribution	**$3,054**	**$254.54**	**$4.55**
Total Contribution	**$59,054**	**$4,921.20**	**$87.88**

University Terrace Berkeley Homeowners Association

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Theoretically Ideal Balance
010 Asphalt				
Asphalt - Overlay/Replace	11	28	$52,338.00	$31,776.64
Asphalt - Repairs	3	4	$5,233.80	$1,308.45
Asphalt - Seal	3	4	$5,233.80	$1,308.45
Sub Total	**3-11**	**4-28**	**$62,805.60**	**$34,393.54**
020 Roofs				
Roofs - Building 9, Gutters & Downspouts	8	25	$2,035.00	$1,383.80
Roofs - Building 9, Low Slope	10	16	$65,790.00	$24,671.25
Roofs - Carports	13	30	$13,608.00	$7,711.20
Roofs - Composition Shingle	0	17	$239,242.50	$239,242.50
Roofs - Composition Shingle, 2005	30	36	$45,314.25	$7,552.38
Roofs - Gutters & Downspouts	0	17	$34,501.50	$34,501.50
Sub Total	**0-30**	**16-36**	**$400,491.25**	**$315,062.63**
030 Paint				
Paint - Exteriors, Building 9	6	10	$18,754.20	$7,310.96
Paint - Exteriors, Stucco	2	19	$87,517.30	$78,304.95
Paint - Exteriors, Trim	2	5	$26,600.00	$15,200.00
Paint - Interiors, Community Room	4	8	$2,299.08	$1,149.54
Paint - Light Poles/Carports	0	5	$4,456.00	$4,456.00
Paint - Metal	3	5	$4,300.00	$1,720.00
Sub Total	**0-6**	**5-19**	**$143,926.58**	**$108,141.45**
040 Fencing				
Fencing - Patio, Unfunded	n.a.	n.a.	$0.00	$0.00
Fencing - Wrought Iron	8	25	$5,238.00	$3,561.84
Sub Total	**8**	**25**	**$5,238.00**	**$3,561.84**
050 Lighting				
Lighting - Bollards	5	22	$15,400.00	$11,900.00
Lighting - Carports	3	20	$945.00	$803.25
Lighting - Exteriors	8	25	$17,415.00	$11,842.20
Lighting - Exteriors, Building 9	3	20	$5,175.00	$4,398.75
Lighting - Interiors	8	25	$6,665.00	$4,532.20
Lighting - Street	8	25	$32,000.00	$21,760.00
Sub Total	**3-8**	**20-25**	**$77,600.00**	**$55,236.40**
070 Interiors				
Interiors - Banquet Furniture	1	5	$4,000.00	$3,200.00

University Terrace Berkeley Homeowners Association

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Theoretically Ideal Balance
Interiors - Cabinets/Counters	8	25	$4,425.00	$3,009.00
Interiors - Carpet	1	5	$3,630.00	$2,904.00
Interiors - Plumbing Fixtures	8	25	$11,350.00	$7,718.00
Sub Total	**1-8**	**5-25**	**$23,405.00**	**$16,831.00**
080 Balconies/Stairs				
Balconies - Concrete, Repairs	2	5	$68,137.50	$40,882.50
Balconies - Membrane, Recoat	0	5	$13,400.00	$13,400.00
Balconies - Membrane, Replace	0	17	$59,250.00	$59,250.00
Balconies - Membrane, Replace, Building 9	5	22	$44,000.00	$34,000.00
Balconies - Railings, Building 9	0	17	$40,000.00	$40,000.00
Stairs - Repair/Replace, Unfunded	n.a.	n.a.	$0.00	$0.00
Sub Total	**0-5**	**5-22**	**$224,787.50**	**$187,532.50**
090 Other				
Doors	5	22	$1,400.00	$1,081.82
Fire Extinguisher Cabinets	3	20	$6,000.00	$5,100.00
Fire Protection - Extinguisher Cabinets, Bldg 9	8	25	$1,380.00	$938.40
Fire Protection - Recertification	1	5	$3,700.00	$2,960.00
Fire Protection - System	8	25	$30,000.00	$20,400.00
Grounds - Benches/Picnic Tables	0	17	$9,400.00	$9,400.00
Grounds - Play Structure	10	15	$21,500.00	$7,166.67
Mailboxes	3	20	$12,000.00	$10,200.00
Mailboxes - Building 9	3	20	$2,650.00	$2,252.50
Railing - Metal Pipe	13	30	$15,300.00	$8,670.00
Signs - Directional	0	15	$4,375.00	$4,375.00
Signs - Directional, 2009	13	15	$7,500.00	$1,000.00
Signs - Maps	14	15	$2,875.00	$191.67
Window Repairs	0	2	$5,000.00	$5,000.00
Wood-Destroying Pests/Organisms - Unfunded	n.a.	n.a.	$0.00	$0.00
Sub Total	**0-14**	**2-30**	**$123,080.00**	**$78,736.05**
100 Landscaping				
Irrigation - Backflow Devices	3	20	$6,450.00	$5,482.50
Irrigation - Controllers	0	14	$4,000.00	$4,000.00
Irrigation - Valve Replacement	0	3	$4,900.00	$4,900.00
Landscape Replacements	4	10	$20,000.00	$12,000.00
Sub Total	**0-4**	**3-20**	**$35,350.00**	**$26,382.50**

University Terrace Berkeley Homeowners Association

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Theoretically Ideal Balance
Contingency	n.a.	n.a.	n.a.	$24,776.34
Tota	**0-30**	**2-36**	**$1,096,683.93**	**$850,654.25**
Anticipated Reserve Balance				**$609,700.00**
Percent Funde				**71.67%**

University Terrace Berkeley Homeowners Association

Distribution of Current Reserve Funds

Sorted by Remaining Life

	Remaining Life	Theoretically Ideal Balance	Assigned Reserves
Balconies - Membrane, Recoat	0	$13,400.00	$13,400.00
Balconies - Membrane, Replace	0	$59,250.00	$59,250.00
Balconies - Railings, Building 9	0	$40,000.00	$40,000.00
Grounds - Benches/Picnic Tables	0	$9,400.00	$9,400.00
Irrigation - Controllers	0	$4,000.00	$4,000.00
Irrigation - Valve Replacement	0	$4,900.00	$4,900.00
Paint - Light Poles/Carports	0	$4,456.00	$4,456.00
Roofs - Composition Shingle	0	$239,242.50	$239,242.50
Roofs - Gutters & Downspouts	0	$34,501.50	$34,501.50
Signs - Directional	0	$4,375.00	$4,375.00
Window Repairs	0	$5,000.00	$5,000.00
Fire Protection - Recertification	1	$2,960.00	$2,960.00
Interiors - Banquet Furniture	1	$3,200.00	$3,200.00
Interiors - Carpet	1	$2,904.00	$2,904.00
Balconies - Concrete, Repairs	2	$40,882.50	$40,882.50
Paint - Exteriors, Stucco	2	$78,304.95	$78,304.95
Paint - Exteriors, Trim	2	$15,200.00	$15,200.00
Asphalt - Repairs	3	$1,308.45	$1,308.45
Asphalt - Seal	3	$1,308.45	$1,308.45
Fire Extinguisher Cabinets	3	$5,100.00	$5,100.00
Irrigation - Backflow Devices	3	$5,482.50	$5,482.50
Lighting - Carports	3	$803.25	$803.25
Lighting - Exteriors, Building 9	3	$4,398.75	$4,398.75
Mailboxes	3	$10,200.00	$7,591.40
Mailboxes - Building 9	3	$2,252.50	$2,252.50
Paint - Metal	3	$1,720.00	$1,720.00
Landscape Replacements	4	$12,000.00	$0.00
Paint - Interiors, Community Room	4	$1,149.54	$0.00
Balconies - Membrane, Replace, Building 9	5	$34,000.00	$0.00
Doors	5	$1,081.82	$0.00
Lighting - Bollards	5	$11,900.00	$0.00
Paint - Exteriors, Building 9	6	$7,310.96	$0.00
Fencing - Wrought Iron	8	$3,561.84	$0.00
Fire Protection - Extinguisher Cabinets, Bldg 9	8	$938.40	$0.00
Fire Protection - System	8	$20,400.00	$0.00

University Terrace Berkeley Homeowners Association

Distribution of Current Reserve Funds

Sorted by Remaining Life

	Remaining Life	Theoretically Ideal Balance	Assigned Reserves
Interiors - Cabinets/Counters	8	$3,009.00	$0.00
Interiors - Plumbing Fixtures	8	$7,718.00	$0.00
Lighting - Exteriors	8	$11,842.20	$0.00
Lighting - Interiors	8	$4,532.20	$0.00
Lighting - Street	8	$21,760.00	$0.00
Roofs - Building 9, Gutters & Downspouts	8	$1,383.80	$0.00
Grounds - Play Structure	10	$7,166.67	$0.00
Roofs - Building 9, Low Slope	10	$24,671.25	$0.00
Asphalt - Overlay/Replace	11	$31,776.64	$0.00
Railing - Metal Pipe	13	$8,670.00	$0.00
Roofs - Carports	13	$7,711.20	$0.00
Signs - Directional, 2009	13	$1,000.00	$0.00
Signs - Maps	14	$191.67	$0.00
Roofs - Composition Shingle, 2005	30	$7,552.38	$0.00
Fencing - Patio, Unfunded	n.a.	$0.00	$0.00
Stairs - Repair/Replace, Unfunded	n.a.	$0.00	$0.00
Wood-Destroying Pests/Organisms - Unfunded	n.a.	$0.00	$0.00
Contingency	n.a.	$24,776.34	$17,758.25
Total	**0-30**	**$850,654.25**	**$609,700.00**
Percent Funded			**71.67%**

University Terrace Berkeley Homeowners Association

Projections

Directed Cash Flow Calculation Method

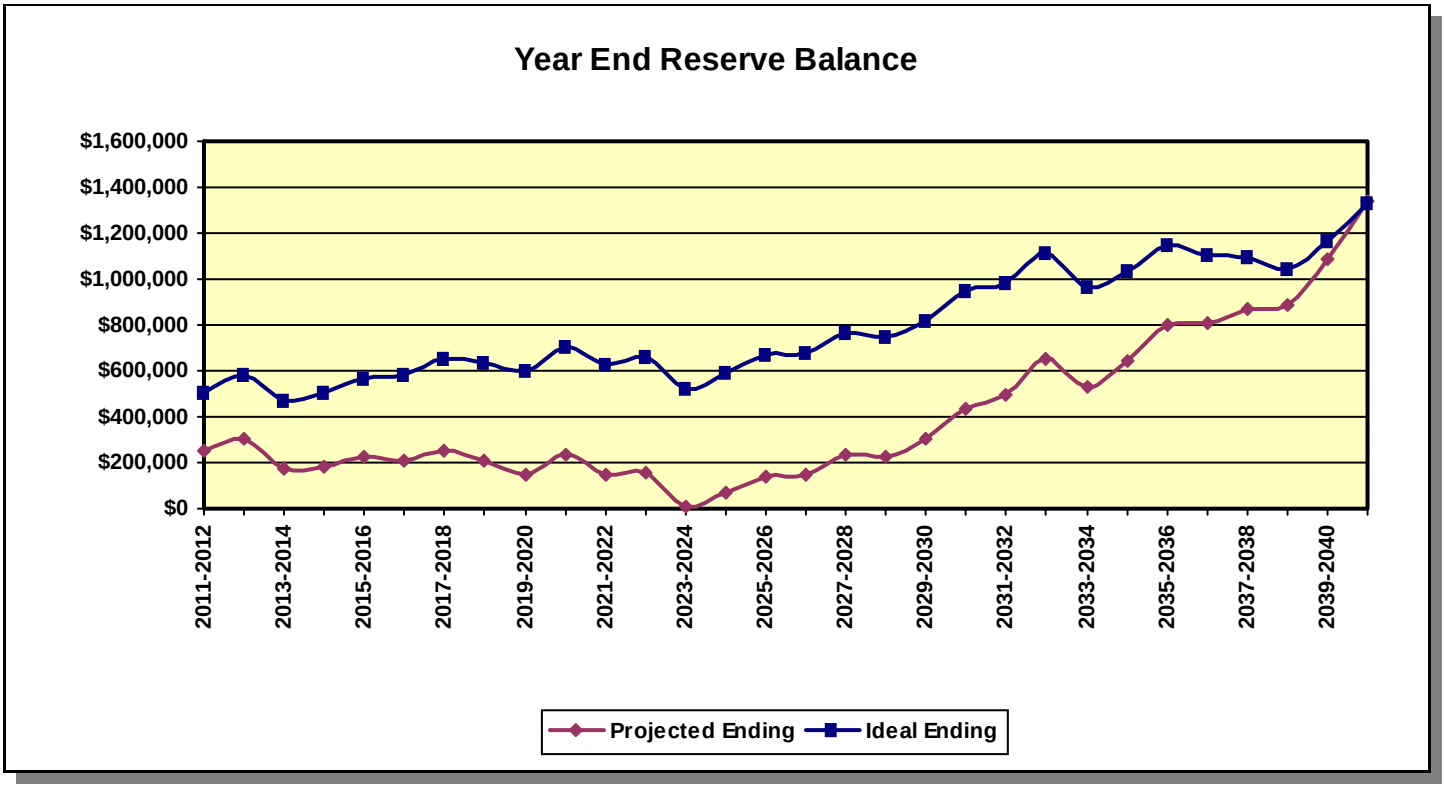
Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Theoretically Ideal Ending Balance	Percent Funded
2011-2012	$609,700	$56,000	$3,054	$418,525	$250,229	$503,652	50%
2012-2013	$250,229	$58,940	$3,743	$11,557	$301,355	$578,562	52%
2013-2014	$301,355	$62,034	$1,901	$194,820	$170,471	$468,090	36%
2014-2015	$170,471	$65,291	$2,032	$56,125	$181,669	$502,774	36%
2015-2016	$181,669	$68,719	$2,586	$29,549	$223,424	$567,757	39%
2016-2017	$223,424	$72,327	$2,390	$86,843	$211,299	$583,455	36%
2017-2018	$211,299	$76,124	$2,891	$40,941	$249,373	$649,565	38%
2018-2019	$249,373	$80,120	$2,327	$120,848	$210,972	$634,997	33%
2019-2020	$210,972	$84,327	$1,478	$144,627	$152,150	$597,167	25%
2020-2021	$152,150	$88,754	$2,633	$5,856	$237,681	$706,402	34%
2021-2022	$237,681	$93,413	$1,303	$187,903	$144,494	$628,632	23%
2022-2023	$144,494	$98,318	$1,434	$87,665	$156,581	$657,020	24%
2023-2024	$156,581	$103,479	($602)	$246,615	$12,844	$521,141	2%
2024-2025	$12,844	$108,912	$141	$52,660	$69,236	$588,515	12%
2025-2026	$69,236	$114,630	$1,121	$42,058	$142,929	$670,621	21%
2026-2027	$142,929	$120,648	$1,175	$114,706	$150,045	$680,334	22%
2027-2028	$150,045	$126,982	$2,324	$43,180	$236,171	$767,724	31%
2028-2029	$236,171	$133,648	$2,134	$145,818	$226,135	$751,414	30%
2029-2030	$226,135	$140,665	$3,112	$69,558	$300,355	$817,327	37%
2030-2031	$300,355	$148,050	$4,971	$15,249	$438,126	$944,093	46%
2031-2032	$438,126	$155,822	$5,729	$102,761	$496,917	$983,984	51%
2032-2033	$496,917	$164,003	$7,789	$19,097	$649,612	$1,115,150	58%
2033-2034	$649,612	$172,613	$6,107	$295,104	$533,228	$961,597	55%
2034-2035	$533,228	$181,676	$7,617	$75,672	$646,850	$1,038,192	62%
2035-2036	$646,850	$191,213	$9,668	$48,092	$799,639	$1,148,031	70%
2036-2037	$799,639	$201,252	$9,712	$202,379	$808,225	$1,100,766	73%
2037-2038	$808,225	$211,818	$10,460	$162,730	$867,772	$1,097,057	79%
2038-2039	$867,772	$222,938	$10,611	$216,613	$884,709	$1,039,571	85%
2039-2040	$884,709	$234,643	$13,361	$43,759	$1,088,953	$1,165,498	93%
2040-2041	$1,088,953	$246,961	$16,772	$11,552	$1,341,134	$1,330,802	101%

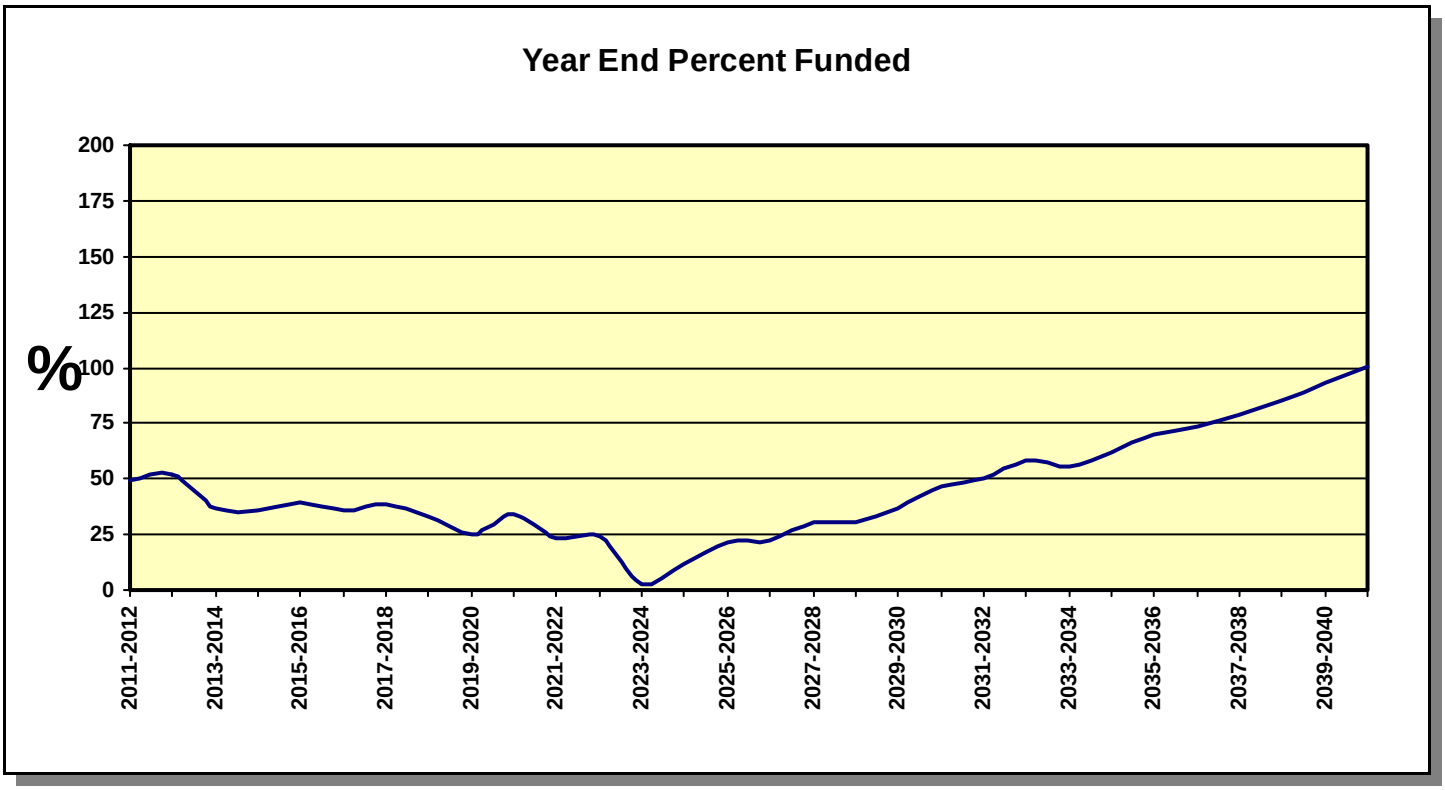
NOTE: In some cases, the projected Ending Balance may exceed the Theoretically Ideal Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need and any excess is redistributed among all components included.

University Terrace Berkeley Homeowners Association

Projection Charts

Directed Cash Flow Calculation Method

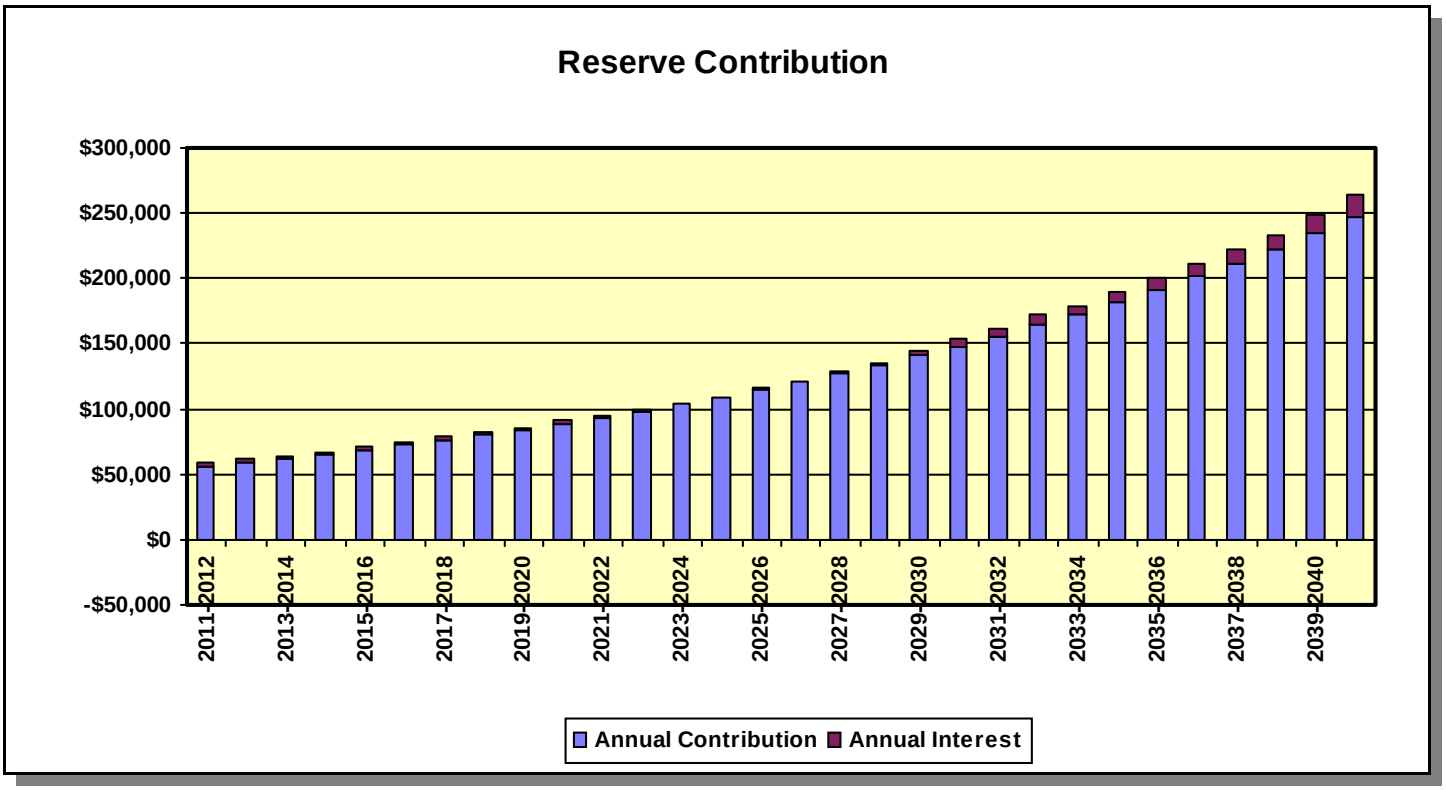


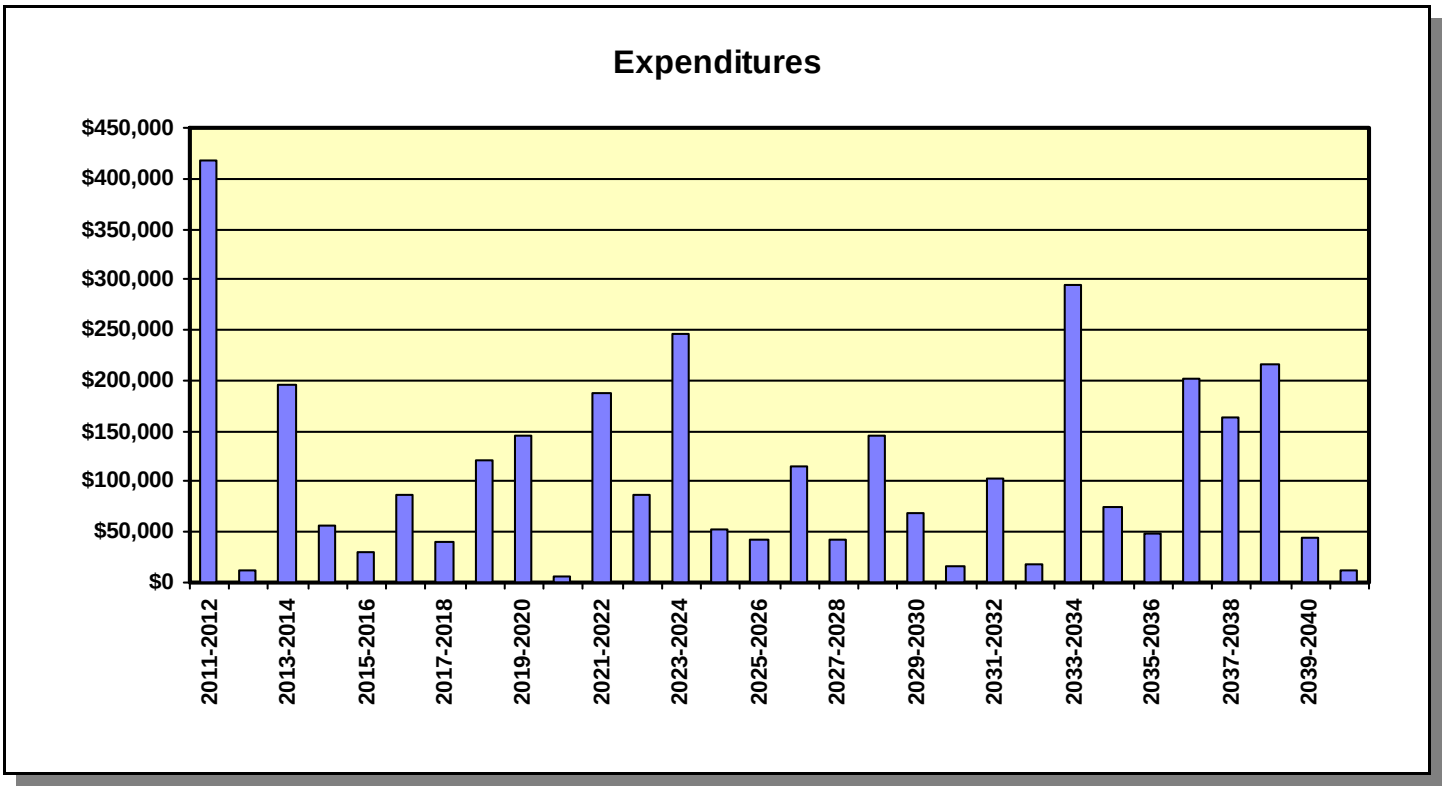


University Terrace Berkeley Homeowners Association

Projection Charts

Directed Cash Flow Calculation Method





University Terrace Berkeley Homeowners Association

Annual Expenditure Detail

Sorted by Description

2011-2012 Fiscal Year	
Balconies - Membrane, Recoat	$13,400.00
Balconies - Membrane, Replace	$59,250.00
Balconies - Railings, Building 9	$40,000.00
Grounds - Benches/Picnic Tables	$9,400.00
Irrigation - Controllers	$4,000.00
Irrigation - Valve Replacement	$4,900.00
Paint - Light Poles/Carports	$4,456.00
Roofs - Composition Shingle	$239,242.50
Roofs - Gutters & Downspouts	$34,501.50
Signs - Directional	$4,375.00
Window Repairs	$5,000.00
Sub Total	**$418,525.00**
2012-2013 Fiscal Year	
Fire Protection - Recertification	$3,774.00
Interiors - Banquet Furniture	$4,080.00
Interiors - Carpet	$3,702.60
Sub Total	**$11,556.60**
2013-2014 Fiscal Year	
Balconies - Concrete, Repairs	$70,890.26
Paint - Exteriors, Stucco	$91,053.00
Paint - Exteriors, Trim	$27,674.64
Window Repairs	$5,202.00
Sub Total	**$194,819.89**
2014-2015 Fiscal Year	
Asphalt - Repairs	$5,554.15
Asphalt - Seal	$5,554.15
Fire Extinguisher Cabinets	$6,367.25
Irrigation - Backflow Devices	$6,844.79
Irrigation - Valve Replacement	$5,199.92
Lighting - Carports	$1,002.84
Lighting - Exteriors, Building 9	$5,491.75
Mailboxes	$12,734.50
Mailboxes - Building 9	$2,812.20
Paint - Metal	$4,563.19
Sub Total	**$56,124.74**

University Terrace Berkeley Homeowners Association

Annual Expenditure Detail

Sorted by Description

2015-2016 Fiscal Year	
Landscape Replacements	$21,648.64
Paint - Interiors, Community Room	$2,488.60
Window Repairs	$5,412.16
Sub Total	**$29,549.40**
2016-2017 Fiscal Year	
Balconies - Membrane, Recoat	$14,794.68
Balconies - Membrane, Replace, Building 9	$48,579.56
Doors	$1,545.71
Lighting - Bollards	$17,002.84
Paint - Light Poles/Carports	$4,919.78
Sub Total	**$86,842.58**
2017-2018 Fiscal Year	
Fire Protection - Recertification	$4,166.80
Interiors - Banquet Furniture	$4,504.65
Irrigation - Valve Replacement	$5,518.20
Paint - Exteriors, Building 9	$21,120.28
Window Repairs	$5,630.81
Sub Total	**$40,940.73**
2018-2019 Fiscal Year	
Asphalt - Repairs	$6,011.99
Asphalt - Seal	$6,011.99
Balconies - Concrete, Repairs	$78,268.57
Paint - Exteriors, Trim	$30,555.04
Sub Total	**$120,847.59**
2019-2020 Fiscal Year	
Fencing - Wrought Iron	$6,137.15
Fire Protection - Extinguisher Cabinets, Bldg 9	$1,616.89
Fire Protection - System	$35,149.78
Interiors - Cabinets/Counters	$5,184.59
Interiors - Carpet	$4,253.12
Interiors - Plumbing Fixtures	$13,298.33
Lighting - Exteriors	$20,404.45
Lighting - Interiors	$7,809.11
Lighting - Street	$37,493.10
Paint - Metal	$5,038.14

University Terrace Berkeley Homeowners Association

Annual Expenditure Detail

Sorted by Description

Roofs - Building 9, Gutters & Downspouts	$2,384.33
Window Repairs	$5,858.30
Sub Total	**$144,627.29**
2020-2021 Fiscal Year	
Irrigation - Valve Replacement	$5,855.95
Sub Total	**$5,855.95**
2021-2022 Fiscal Year	
Balconies - Membrane, Recoat	$16,334.53
Balconies - Membrane, Replace, Building 9	$53,635.75
Grounds - Play Structure	$26,208.38
Paint - Light Poles/Carports	$5,431.84
Roofs - Building 9, Low Slope	$80,197.64
Window Repairs	$6,094.97
Sub Total	**$187,903.11**
2022-2023 Fiscal Year	
Asphalt - Overlay/Replace	$65,075.72
Asphalt - Repairs	$6,507.57
Asphalt - Seal	$6,507.57
Fire Protection - Recertification	$4,600.48
Interiors - Banquet Furniture	$4,973.50
Sub Total	**$87,664.85**
2023-2024 Fiscal Year	
Balconies - Concrete, Repairs	$86,414.83
Irrigation - Valve Replacement	$6,214.38
Paint - Exteriors, Stucco	$110,993.10
Paint - Exteriors, Trim	$33,735.23
Paint - Interiors, Community Room	$2,915.79
Window Repairs	$6,341.21
Sub Total	**$246,614.54**
2024-2025 Fiscal Year	
Paint - Metal	$5,562.51
Railing - Metal Pipe	$19,792.18
Roofs - Carports	$17,603.40
Signs - Directional, 2009	$9,702.05
Sub Total	**$52,660.14**

University Terrace Berkeley Homeowners Association

Annual Expenditure Detail

Sorted by Description

2025-2026 Fiscal Year	
Irrigation - Controllers	$5,277.92
Landscape Replacements	$26,389.58
Signs - Maps	$3,793.50
Window Repairs	$6,597.39
Sub Total	**$42,058.39**
2026-2027 Fiscal Year	
Asphalt - Repairs	$7,044.01
Asphalt - Seal	$7,044.01
Balconies - Membrane, Recoat	$18,034.64
Balconies - Membrane, Replace, Building 9	$59,218.21
Interiors - Carpet	$4,885.50
Irrigation - Valve Replacement	$6,594.75
Paint - Light Poles/Carports	$5,997.19
Signs - Directional	$5,888.17
Sub Total	**$114,706.47**
2027-2028 Fiscal Year	
Fire Protection - Recertification	$5,079.31
Interiors - Banquet Furniture	$5,491.14
Paint - Exteriors, Building 9	$25,745.50
Window Repairs	$6,863.93
Sub Total	**$43,179.88**
2028-2029 Fiscal Year	
Balconies - Concrete, Repairs	$95,408.95
Grounds - Benches/Picnic Tables	$13,162.27
Paint - Exteriors, Trim	$37,246.42
Sub Total	**$145,817.64**
2029-2030 Fiscal Year	
Irrigation - Valve Replacement	$6,998.41
Paint - Metal	$6,141.46
Roofs - Gutters & Downspouts	$49,276.64
Window Repairs	$7,141.23
Sub Total	**$69,557.73**
2030-2031 Fiscal Year	
Asphalt - Repairs	$7,624.66
Asphalt - Seal	$7,624.66

University Terrace Berkeley Homeowners Association

Annual Expenditure Detail

Sorted by Description

Sub Total	**$15,249.32**
2031-2032 Fiscal Year	
Balconies - Membrane, Recoat	$19,911.70
Balconies - Membrane, Replace, Building 9	$65,381.69
Paint - Interiors, Community Room	$3,416.31
Paint - Light Poles/Carports	$6,621.38
Window Repairs	$7,429.74
Sub Total	**$102,760.81**
2032-2033 Fiscal Year	
Fire Protection - Recertification	$5,607.97
Interiors - Banquet Furniture	$6,062.67
Irrigation - Valve Replacement	$7,426.77
Sub Total	**$19,097.40**
2033-2034 Fiscal Year	
Balconies - Concrete, Repairs	$105,339.19
Interiors - Carpet	$5,611.91
Paint - Exteriors, Stucco	$135,299.97
Paint - Exteriors, Trim	$41,123.06
Window Repairs	$7,729.90
Sub Total	**$295,104.02**
2034-2035 Fiscal Year	
Asphalt - Repairs	$8,253.18
Asphalt - Seal	$8,253.18
Fire Extinguisher Cabinets	$9,461.40
Irrigation - Backflow Devices	$10,171.00
Lighting - Carports	$1,490.17
Lighting - Exteriors, Building 9	$8,160.45
Mailboxes	$18,922.79
Mailboxes - Building 9	$4,178.78
Paint - Metal	$6,780.67
Sub Total	**$75,671.61**
2035-2036 Fiscal Year	
Irrigation - Valve Replacement	$7,881.34
Landscape Replacements	$32,168.75
Window Repairs	$8,042.19

Sub Total	**$48,092.27**
2036-2037 Fiscal Year	
Balconies - Membrane, Recoat	$21,984.12
Balconies - Membrane, Replace, Building 9	$72,186.66
Balconies - Railings, Building 9	$65,624.24
Grounds - Play Structure	$35,273.03
Paint - Light Poles/Carports	$7,310.54
Sub Total	**$202,378.59**
2037-2038 Fiscal Year	
Fire Protection - Recertification	$6,191.65
Interiors - Banquet Furniture	$6,693.67
Paint - Exteriors, Building 9	$31,383.62
Roofs - Building 9, Low Slope	$110,094.18
Window Repairs	$8,367.09
Sub Total	**$162,730.21**
2038-2039 Fiscal Year	
Asphalt - Repairs	$8,933.50
Asphalt - Seal	$8,933.50
Balconies - Concrete, Repairs	$116,302.98
Doors	$2,389.64
Irrigation - Valve Replacement	$8,363.74
Lighting - Bollards	$26,286.05
Paint - Exteriors, Trim	$45,403.18
Sub Total	**$216,612.60**
2039-2040 Fiscal Year	
Irrigation - Controllers	$6,964.10
Paint - Interiors, Community Room	$4,002.75
Paint - Metal	$7,486.40
Roofs - Building 9, Gutters & Downspouts	$3,542.98
Signs - Directional, 2009	$13,057.68
Window Repairs	$8,705.12
Sub Total	**$43,759.04**
2040-2041 Fiscal Year	
Interiors - Carpet	$6,446.32
Signs - Maps	$5,105.55

University Terrace Berkeley Homeowners Association

Annual Expenditure Detail

Sorted by Description

Sub Total	**$11,551.87**

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Asphalt - Overlay/Replace

Category	010 Asphalt	Quantity	17,446 sq. ft.
		Unit Cost	$3.000
		% of Replacement	100.00%
		Current Cost	$52,338.00
Placed In Service	07/94	Future Cost	$65,075.72
Useful Life	25		
Adjustment	+3		
Remaining Life	11		
Replacement Year	2022-2023		

Comments:

Most asphalt areas can be expected to last approximately 25 years before it will become necessary for an overlay to be applied. This can double the life of the surface upon application. We recommend the client obtain a consultant to prepare the application specifications, and to work with the contractor during actual installation. It is recommended that the client obtain bids for such a consultation near the end of the estimated useful life.

The remaining life of the asphalt overlay has been adjusted to align with the future replacement cycles of the asphalt repairs and seal coating.

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Asphalt - Repairs

Category	010 Asphalt	Quantity	17,446 sq. ft.
		Unit Cost	$6.000
		% of Replacement	5.00%
		Current Cost	$5,233.80
Placed In Service	07/10	Future Cost	$5,554.15
Useful Life	4		
Remaining Life	3		
Replacement Year	2014-2015		

Comments:

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 these estimates adjusted accordingly.

We have budgeted for the asphalt to be repaired on the same cycle and in conjunction with the seal coating of the asphalt.

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Asphalt - Seal

Category	010 Asphalt	Quantity	17,446 sq. ft.
		Unit Cost	$0.300
		% of Replacement	100.00%
		Current Cost	$5,233.80
Placed In Service	07/10	Future Cost	$5,554.15
Useful Life	4		
Remaining Life	3		
Replacement Year	2014-2015		

Comments:

Asphalt surfaces should be seal coated within 3 years of their initial installation. Thereafter, a 3 to 5 year cycle should be observed and adjusted according to the client's particular needs.

According to the client, the asphalt was sealed in 2010 for a cost of $5,157.

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

The actual month this component was placed into service is not available. For budgeting purposes we have used the month corresponding to the beginning of the client's fiscal year.

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Roofs - Building 9, Gutters & Downspouts

Category	020 Roofs	Quantity	185 lin. ft.
		Unit Cost	$11.000
		% of Replacement	100.00%
		Current Cost	$2,035.00
Placed In Service	07/94	Future Cost	$2,384.33
Useful Life	20		
Adjustment	+5		
Remaining Life	8		
Replacement Year	2019-2020		

Comments:

During our most recent field evaluation, we noted the gutters of Building 9 appeared to be replaced. We have extended the life to reflect the gutter replacement.

gutters	50	lin. ft.
downspouts	135	
	185	lin. ft.

Roofs - Building 9, Low Slope

Category	020 Roofs	Quantity	13,158 sq. ft.
		Unit Cost	$5.000
		% of Replacement	100.00%
		Current Cost	$65,790.00
Placed In Service	07/05	Future Cost	$80,197.64
Useful Life	16		
Remaining Life	10		
Replacement Year	2021-2022		

Comments:

According to the client, the building 9 roof was replaced with a 4-ply low slope roofing system in about July 2005 for a cost of $50,510.

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

In order to ensure a high quality installation, the client may wish to obtain the services of an independent roofing consultant to work with the client and the roofing contractor providing installation. Consultants are available for the preparation of installation specifications and, if desired, to work with the contractor during the installation process. Fees for these services vary based on the size of the project and detail required by the client.

roof field	10,758	sq. ft.
roof wall	2,400	
	13,158	sq. ft.

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Roofs - Carports

Category	020 Roofs	Quantity	3,024 sq. ft.
		Unit Cost	$4.500
		% of Replacement	100.00%
		Current Cost	$13,608.00
Placed In Service	07/94	Future Cost	$17,603.40
Useful Life	30		
Remaining Life	13		
Replacement Year	2024-2025		

Comments:

These are corrugated metal carport roofs.

Roofs - Composition Shingle

Category	020 Roofs	Quantity	30,870 sq. ft.
		Unit Cost	$7.750
		% of Replacement	100.00%
		Current Cost	$239,242.50
Placed In Service	07/94	Future Cost	$488,027.75
Useful Life	36		
Adjustment	-19		
Remaining Life	0		
Replacement Year	2011-2012		

Comments:

We anticipate replacement with a 40-year composition shingle roof and adjusted the remaining life to reflect the current condition.

The cost includes stucco repairs required during replacement.

In order to ensure a high quality installation, the client may wish to obtain the services of an independent roofing consultant to work with the client and the roofing contractor providing installation. Consultants are available for the preparation of installation specifications and, if desired, to work with the contractor during the installation process. Fees for these services vary based on the size of the project and detail required by the client.

mailbox kiosks	200	sq. ft.
residence buildings	30,670	
	30,870	sq. ft.

Roofs - Composition Shingle, 2005

Category	020 Roofs	Quantity	5,847 sq. ft.
		Unit Cost	$7.750
		% of Replacement	100.00%
		Current Cost	$45,314.25
Placed In Service	07/05	Future Cost	$82,080.49
Useful Life	36		
Remaining Life	30		
Replacement Year	2041-2042		

Comments:

According to the client, the building 2 roof was replaced with a 40-year composition shingle roof in about July 2005 for a cost of about $41,000.

The cost includes stucco repairs required during replacement.

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

In order to ensure a high quality installation, the client may wish to obtain the services of an independent roofing consultant to work with the client and the roofing contractor providing installation. Consultants are available for the preparation of installation specifications and, if desired, to work with the contractor during the installation process. Fees for these services vary based on the size of the project and detail required by the client.

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Roofs - Gutters & Downspouts

Category	020 Roofs	Quantity	1 total
		Unit Cost	$34,501.500
		% of Replacement	100.00%
		Current Cost	$34,501.50
Placed In Service	07/94	Future Cost	$49,276.64
Useful Life	18		
Adjustment	-1		
Remaining Life	0		
Replacement Year	2011-2012		

Comments:

We have adjusted the remaining life to reflect the planned roof replacement.

1,876	lin. ft. gutters	@	$9.00	=	$16,884.00
2,610	lin. ft. downspouts	@	$6.75	=	$17,617.50
			TOTAL	=	$34,501.50

Paint - Exteriors, Building 9

Category	030 Paint	Quantity	13,892 sq. ft.
		Unit Cost	$1.350
		% of Replacement	100.00%
		Current Cost	$18,754.20
Placed In Service	09/07	Future Cost	$21,120.28
Useful Life	10		
Remaining Life	6		
Replacement Year	2017-2018		

Comments:

According to the client, building 9 was painted in September 2007 for a cost of $16,600.

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

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Paint - Exteriors, Stucco

Category	030 Paint	Quantity	76,102 sq. ft.
		Unit Cost	$1.150
		% of Replacement	100.00%
		Current Cost	$87,517.30
Placed In Service	07/94	Future Cost	$91,053.00
Useful Life	10		
Adjustment	+9		
Remaining Life	2		
Replacement Year	2013-2014		

Comments:

We have extended the life to align with the trim painting.

Paint - Exteriors, Trim

Category	030 Paint	Quantity	56 units
		Unit Cost	$475.000
		% of Replacement	100.00%
		Current Cost	$26,600.00
Placed In Service	11/08	Future Cost	$27,674.64
Useful Life	5		
Remaining Life	2		
Replacement Year	2013-2014		

Comments:

According to the client, the exterior trim and door painting was completed on buildings 1-8 in November 2008 for a total cost of $24,321.

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

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Paint - Interiors, Community Room

Category	030 Paint	Quantity	2,346 sq. ft.
		Unit Cost	$0.980
		% of Replacement	100.00%
		Current Cost	$2,299.08
Placed In Service	07/07	Future Cost	$2,488.60
Useful Life	8		
Remaining Life	4		
Replacement Year	2015-2016		

Comments:

According to the client, the community room in building 9 was painted in about 2007 for a cost of about $2,000.

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

The actual month this component was placed into service is not available. For budgeting purposes we have used the month corresponding to the beginning of the client's fiscal year.

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Paint - Light Poles/Carports

Category	030 Paint	Quantity	1 total
		Unit Cost	$4,456.000
		% of Replacement	100.00%
		Current Cost	$4,456.00
Placed In Service	07/02	Future Cost	$4,919.78
Useful Life	5		
Remaining Life	0		
Replacement Year	2011-2012		

Comments:

The actual date this component was placed into service is not available. For budgeting purposes, this date has been estimated based on its condition at our most recent field inspection.

3	carports	@	$800.00	=	$2,400.00
22	bollard light fixtures	@	$48.00	=	$1,056.00
10	street light poles	@	$100.00	=	$1,000.00
			TOTAL	=	$4,456.00

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Paint - Metal

Category	030 Paint	Quantity	1 total
		Unit Cost	$4,300.000
		% of Replacement	100.00%
		Current Cost	$4,300.00
Placed In Service	07/09	Future Cost	$4,563.19
Useful Life	5		
Remaining Life	3		
Replacement Year	2014-2015		

Comments:

According to the client, the mailbox kiosks, handrails, wrought iron fencing and misc. green/blue trim were painted in 2009 for a cost of $4,175.

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

The actual month this component was placed into service is not available. For budgeting purposes we have used the month corresponding to the beginning of the client's fiscal year.

5 mailbox kiosks
288 sq. ft. of wrought iron fencing
1,425 sq. ft. of balcony/stairs pipe railing

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Fencing - Patio, Unfunded

Category	040 Fencing	Quantity	1 comment
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/05	Future Cost	$0.00
Useful Life	n.a.		
Remaining Life	n.a.		
Replacement Year	n.a.		

Comments:

Pursuant to the CC&Rs, after the complete patio fencing, all future patio fencing will be a responsibility of the individual unit owner, thus no reserve funding has been provided.

The patio fencing was replaced in January 2005 for a cost of $53,518.

1,295 lin. ft. of 4' fencing
461 lin. ft. of 4' fencing with 2' lattice

The quantity includes patio gates.

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Fencing - Wrought Iron

Category	040 Fencing	Quantity	1 total
		Unit Cost	$5,238.000
		% of Replacement	100.00%
		Current Cost	$5,238.00
Placed In Service	07/94	Future Cost	$6,137.15
Useful Life	25		
Remaining Life	8		
Replacement Year	2019-2020		

Comments:

This is the fencing at the courtyard entrance on California Street.

72	- lin. ft. of 4' fencing	@	$54.00	=	$3,888.00
2	- 2.5' x 4' gates	@	$675.00	=	$1,350.00
			TOTAL	=	$5,238.00

Lighting - Bollards

Category	050 Lighting	Quantity	22 fixtures
		Unit Cost	$700.000
		% of Replacement	100.00%
		Current Cost	$15,400.00
Placed In Service	07/94	Future Cost	$17,002.84
Useful Life	22		
Remaining Life	5		
Replacement Year	2016-2017		

Comments:

These are the 3.5' metal bollard fixtures located throughout the grounds.

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Lighting - Carports

Category	050 Lighting	Quantity	7 fixtures
		Unit Cost	$135.000
		% of Replacement	100.00%
		Current Cost	$945.00
Placed In Service	07/94	Future Cost	$1,002.84
Useful Life	20		
Remaining Life	3		
Replacement Year	2014-2015		

Comments:

Lighting - Exteriors

Category	050 Lighting	Quantity	1 total
		Unit Cost	$17,415.000
		% of Replacement	100.00%
		Current Cost	$17,415.00
Placed In Service	07/94	Future Cost	$20,404.45
Useful Life	25		
Remaining Life	8		
Replacement Year	2019-2020		

Comments:

56	entry globes	@	$135.00	=	$7,560.00
31	patio globes	@	$135.00	=	$4,185.00
23	balcony globes	@	$135.00	=	$3,105.00
12	wall fixtures	@	$145.00	=	$1,740.00
5	mailbox kiosk fluorescents	@	$165.00	=	$825.00
			TOTAL	=	$17,415.00

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Lighting - Exteriors, Building 9

Category	050 Lighting	Quantity	1 total
		Unit Cost	$5,175.000
		% of Replacement	100.00%
		Current Cost	$5,175.00
Placed In Service	07/94	Future Cost	$5,491.75
Useful Life	20		
Remaining Life	3		
Replacement Year	2014-2015		

Comments:

10	wall fixtures	@	$145.00	=	$1,450.00
1	ceiling square	@	$185.00	=	$185.00
3	flood fixtures	@	$165.00	=	$495.00
18	balcony fixtures	@	$145.00	=	$2,610.00
3	patio fixtures	@	$145.00	=	$435.00
			TOTAL	=	$5,175.00

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Lighting - Interiors

Category	050 Lighting	Quantity	1 total
		Unit Cost	$6,665.000
		% of Replacement	100.00%
		Current Cost	$6,665.00
Placed In Service	07/94	Future Cost	$7,809.11
Useful Life	25		
Remaining Life	8		
Replacement Year	2019-2020		

Comments:

These are the building 9 community room and lower corridor light fixtures.

2	- EXIT signs (community room)	@	$195.00	=	$390.00
2	- EXIT signs (corridor)	@	$195.00	=	$390.00
1	- emergency back-up (community rm)	@	$280.00	=	$280.00
1	- emergency back-up (corridor)	@	$280.00	=	$280.00
1	- wall fixture	@	$145.00	=	$145.00
6	- recessed spots	@	$150.00	=	$900.00
9	- quadruple fluorescents	@	$200.00	=	$1,800.00
4	- 4' double fluorescents (restrooms)	@	$190.00	=	$760.00
2	- emergency back-ups (restrooms)	@	$280.00	=	$560.00
4	- 4' double fluorescents (storage)	@	$190.00	=	$760.00
2	- 8' double fluorescents (storage)	@	$200.00	=	$400.00
			TOTAL	=	$6,665.00

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Lighting - Street

Category	050 Lighting	Quantity	10 fixtures
		Unit Cost	$3,200.000
		% of Replacement	100.00%
		Current Cost	$32,000.00
Placed In Service	07/94	Future Cost	$37,493.10
Useful Life	25		
Remaining Life	8		
Replacement Year	2019-2020		

Comments:

These are the 25' painted metal poles with fixtures.

Interiors - Banquet Furniture

Category	070 Interiors	Quantity	1 total
		Unit Cost	$4,000.000
		% of Replacement	100.00%
		Current Cost	$4,000.00
Placed In Service	07/07	Future Cost	$4,080.00
Useful Life	5		
Remaining Life	1		
Replacement Year	2012-2013		

Comments:

This component is for the folding chairs and banquet tables.

According to the client, new community room furniture was purchased in 2007 for a cost of $1,000.

The actual month this component was placed into service is not available. For budgeting purposes we have used the month corresponding to the beginning of the client's fiscal year.

The cost estimate for this component has been calculated based on the inventory identified herein. It is likely that future replacements will vary and, therefore, the cost used should be considered as a general indication of budgetary needs rather than specific to this inventory.

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Interiors - Cabinets/Counters

Category	070 Interiors	Quantity	1 total
		Unit Cost	$4,425.000
		% of Replacement	100.00%
		Current Cost	$4,425.00
Placed In Service	07/94	Future Cost	$5,184.59
Useful Life	25		
Remaining Life	8		
Replacement Year	2019-2020		

Comments:

We noted a microwave oven we anticipate replaced through the operational budget and/or reserve contingency.

11	lin. ft. of laminate counters	@	$175.00	=	$1,925.00
5	lin. ft. of laminate wall cabinets	@	$225.00	=	$1,125.00
5	lin. ft. of laminate base cabinets	@	$275.00	=	$1,375.00
			TOTAL	=	$4,425.00

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Interiors - Carpet

Category	070 Interiors	Quantity	110 sq. yds.
		Unit Cost	$33.000
		% of Replacement	100.00%
		Current Cost	$3,630.00
Placed In Service	07/07	Future Cost	$3,702.60
Useful Life	7		
Adjustment	-2		
Remaining Life	1		
Replacement Year	2012-2013		

Comments:

This is the community room carpet.

According to the client, the community room carpet was replaced in 2007 for a cost of $3,000.

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

The actual month this component was placed into service is not available. For budgeting purposes we have used the month corresponding to the beginning of the client's fiscal year.

The remaining life of this component has been decreased due to its condition at our most recent field inspection.

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Interiors - Plumbing Fixtures

Category	070 Interiors	Quantity	1 total
		Unit Cost	$11,350.000
		% of Replacement	100.00%
		Current Cost	$11,350.00
Placed In Service	07/94	Future Cost	$13,298.33
Useful Life	25		
Remaining Life	8		
Replacement Year	2019-2020		

Comments:

3	toilet partitions	@	$1,100.00	=	$3,300.00
3	toilets	@	$800.00	=	$2,400.00
2	sinks (restrooms)	@	$700.00	=	$1,400.00
1	stainless community room sink	@	$700.00	=	$700.00
1	stainless drinking fountain	@	$1,200.00	=	$1,200.00
2	urinals	@	$900.00	=	$1,800.00
1	urinal partition	@	$550.00	=	$550.00
			TOTAL	=	$11,350.00

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Balconies - Concrete, Repairs

Category	080 Balconies/Stairs	Quantity	23 balconies
		Unit Cost	$19,750.000
		% of Replacement	15.00%
		Current Cost	$68,137.50
Placed In Service	07/08	Future Cost	$70,890.26
Useful Life	5		
Remaining Life	2		
Replacement Year	2013-2014		

Comments:

According to the client, all but 3 of the common membrane balconies have been replaced with concrete balconies.

Once all the membrane balconies are replaced with concrete balconies, we do not anticipate wholsale replacements to be required. Prudent budgeting dictates some repairs/replacements will be required as reflected by the percentage replacement and useful life adjustments. We have begun the cycle July 2008.

This component, and all information contained herein, has been provided by the client and incorporated into this analysis at their request.

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Balconies - Membrane, Recoat

Category	080 Balconies/Stairs	Quantity	1 total
		Unit Cost	$13,400.000
		% of Replacement	100.00%
		Current Cost	$13,400.00
Placed In Service	07/94	Future Cost	$14,794.68
Useful Life	5		
Remaining Life	0		
Replacement Year	2011-2012		

Comments:

We have budgeted for the recoating of the building 9 membrane decking.

14	smaller balconies	@	$800.00	=	$11,200.00
2	larger balconies	@	$1,100.00	=	$2,200.00
			TOTAL	=	$13,400.00

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Balconies - Membrane, Replace

One Time Replacement

Category	080 Balconies/Stairs	Quantity	3 balconies
		Unit Cost	$19,750.000
		% of Replacement	100.00%
		Current Cost	$59,250.00
Placed In Service	07/94	Future Cost	$0.00
Useful Life	17		
Remaining Life	0		
Replacement Year	2011-2012		

Comments:

According to the client, all but 3 of the common mambrane balconies have been replaced with concrete balconies. This component reflects the remaining 3 balconies that have not been replaced.

The decking at 2120 Jefferson had an elastomeric membrane installed and top coat applied in 2010 for a total cost of $1,895.

This component, and all information contained herein, has been provided by the client and incorporated into this analysis at their request.

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Balconies - Membrane, Replace, Building 9

Category	080 Balconies/Stairs	Quantity	1 total
		Unit Cost	$220,000.000
		% of Replacement	20.00%
		Current Cost	$44,000.00
Placed In Service	07/94	Future Cost	$48,579.56
Useful Life	5		
Adjustment	+17		
Remaining Life	5		
Replacement Year	2016-2017		

Comments:

This component, and all information contained herein, has been provided by the client and incorporated into this analysis at their request.

We have budgeted for 20% of the balconies requiring repairs/replacements after an initial 22-year cycle reflected by the percentage replacement and useful life adjustments.

10 - 6' x 14' balconies
4 - 6' x 18' balconies
2 - 6' x 44' balconies

14	smaller balconies	@	$13,000.00	=	$182,000.00
2	larger balconies	@	$19,000.00	=	$38,000.00
			TOTAL	=	$220,000.00

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Balconies - Railings, Building 9

Category	080 Balconies/Stairs	Quantity	16 balconies
		Unit Cost	$2,500.000
		% of Replacement	100.00%
		Current Cost	$40,000.00
Placed In Service	07/94	Future Cost	$65,624.24
Useful Life	25		
Adjustment	-8		
Remaining Life	0		
Replacement Year	2011-2012		

Comments:

The client had an inspection of the Building 9 balcony railings completed in 2008. The report recommended the client replace the balcony railings this year. We have included this component for the complete replacement of the Building 9 balcony railings.

Stairs - Repair/Replace, Unfunded

Category	080 Balconies/Stairs	Quantity	27 stairways
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	07/94	Future Cost	$0.00
Useful Life	n.a.		
Remaining Life	n.a.		
Replacement Year	n.a.		

Comments:

These 15' stairways leading to the upstairs residences are constructed of 2 wood stringers, concrete treads and two wood landings.

Pursuant to the CC&Rs, the individual homeowners are responsible for their exclusive use common areas, thus no funding has been provided.

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Doors

Category	090 Other	Quantity	2 doors
		Unit Cost	$700.000
		% of Replacement	100.00%
		Current Cost	$1,400.00
Placed In Service	07/94	Future Cost	$1,545.71
Useful Life	22		
Remaining Life	5		
Replacement Year	2016-2017		

Comments:

We have budgeted for door replacement for those doors with exposures to the elements.

1 courtyard access door
1 side storage area door

Fire Extinguisher Cabinets

Category	090 Other	Quantity	24 cabinets
		Unit Cost	$250.000
		% of Replacement	100.00%
		Current Cost	$6,000.00
Placed In Service	07/94	Future Cost	$6,367.25
Useful Life	20		
Remaining Life	3		
Replacement Year	2014-2015		

Comments:

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Fire Protection - Extinguisher Cabinets, Bldg 9

Category	090 Other	Quantity	6 cabinets
		Unit Cost	$230.000
		% of Replacement	100.00%
		Current Cost	$1,380.00
Placed In Service	07/94	Future Cost	$1,616.89
Useful Life	25		
Remaining Life	8		
Replacement Year	2019-2020		

Comments:

corridors/storage area	6	cabinets
community room	1	
	7	cabinets

Fire Protection - Recertification

Category	090 Other	Quantity	1 system
		Unit Cost	$3,700.000
		% of Replacement	100.00%
		Current Cost	$3,700.00
Placed In Service	07/07	Future Cost	$3,774.00
Useful Life	5		
Remaining Life	1		
Replacement Year	2012-2013		

Comments:

According to the client, the fire sprinkler system was recertified in May 2007.

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

Fire Protection - System

Category	090 Other	Quantity	1 system
		Unit Cost	$30,000.000
		% of Replacement	100.00%
		Current Cost	$30,000.00
Placed In Service	07/94	Future Cost	$35,149.78
Useful Life	25		
Remaining Life	8		
Replacement Year	2019-2020		

Comments:

We have included this component for future system replacements due to technology enhancements and modernization.

According to the client, the fire sprinklers in all the units were replaced in May 2007.

Grounds - Benches/Picnic Tables

Category	090 Other	Quantity	1 total
		Unit Cost	$9,400.000
		% of Replacement	100.00%
		Current Cost	$9,400.00
Placed In Service	07/94	Future Cost	$13,162.27
Useful Life	17		
Remaining Life	0		
Replacement Year	2011-2012		

Comments:

2	- 6' portable picnic tables	@	$800.00	=	$1,600.00
6	- 6' stationary benches	@	$1,300.00	=	$7,800.00
			TOTAL	=	$9,400.00

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Grounds - Play Structure

Category	090 Other	Quantity	1 structure
		Unit Cost	$21,500.000
		% of Replacement	100.00%
		Current Cost	$21,500.00
Placed In Service	07/06	Future Cost	$26,208.38
Useful Life	15		
Remaining Life	10		
Replacement Year	2021-2022		

Comments:

This is the tot lot play structure.

The actual date this component was placed into service is not available. For budgeting purposes, this date has been estimated based on its condition at our most recent field inspection.

Mailboxes

Category	090 Other	Quantity	1 total
		Unit Cost	$12,000.000
		% of Replacement	100.00%
		Current Cost	$12,000.00
Placed In Service	07/94	Future Cost	$12,734.50
Useful Life	20		
Remaining Life	3		
Replacement Year	2014-2015		

Comments:

5	set of 15 boxes	@	$1,500.00	=	$7,500.00
5	set of 2 parcel boxes	@	$900.00	=	$4,500.00
			TOTAL	=	$12,000.00

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Mailboxes - Building 9

Category	090 Other	Quantity	1 total
		Unit Cost	$2,650.000
		% of Replacement	100.00%
		Current Cost	$2,650.00
Placed In Service	07/94	Future Cost	$2,812.20
Useful Life	20		
Remaining Life	3		
Replacement Year	2014-2015		

Comments:

1	set of 18 boxes	@	$1,750.00	=	$1,750.00
1	set of 2 parcel boxes	@	$900.00	=	$900.00
			TOTAL	=	$2,650.00

Railing - Metal Pipe

Category	090 Other	Quantity	170 lin. ft.
		Unit Cost	$90.000
		% of Replacement	100.00%
		Current Cost	$15,300.00
Placed In Service	07/94	Future Cost	$19,792.18
Useful Life	30		
Remaining Life	13		
Replacement Year	2024-2025		

Comments:

We anticipate the painting of the railing will be completed through the exterior painting component or the operating budget.

1' single pipe railing	28	lin. ft.
3.5' single pipe railing	120	
3.5' multi-pipe railing	22	
	170	lin. ft.

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Signs - Directional

Category	090 Other	Quantity	7 signs
		Unit Cost	$625.000
		% of Replacement	100.00%
		Current Cost	$4,375.00
Placed In Service	07/94	Future Cost	$5,888.17
Useful Life	15		
Remaining Life	0		
Replacement Year	2011-2012		

Comments:

These are the 3' wood posts with directional signs located throughout the grounds.

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Signs - Directional, 2009

Category	090 Other	Quantity	12 signs
		Unit Cost	$625.000
		% of Replacement	100.00%
		Current Cost	$7,500.00
Placed In Service	07/09	Future Cost	$9,702.05
Useful Life	15		
Remaining Life	13		
Replacement Year	2024-2025		

Comments:

These are the 3' metal posts with directional signs located mostly at the parking area.

According to the client, these signs were installed in 2009 for a total cost of $7,407.

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

The actual month this component was placed into service is not available. For budgeting purposes we have used the month corresponding to the beginning of the client's fiscal year.

10 Reserved Parking
2 other

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Signs - Maps

Category	090 Other	Quantity	5 maps
		Unit Cost	$575.000
		% of Replacement	100.00%
		Current Cost	$2,875.00
Placed In Service	07/10	Future Cost	$3,793.50
Useful Life	15		
Remaining Life	14		
Replacement Year	2025-2026		

Comments:

These are the 1' x 2' directory maps located at the mailbox kiosks.

The actual date this component was placed into service is not available. For budgeting purposes, this date has been estimated based on its condition at our most recent field inspection.

Window Repairs

Category	090 Other	Quantity	1 total
		Unit Cost	$5,000.000
		% of Replacement	100.00%
		Current Cost	$5,000.00
Placed In Service	07/09	Future Cost	$5,202.00
Useful Life	2		
Remaining Life	0		
Replacement Year	2011-2012		

Comments:

This component, and all information contained herein, has been provided by the client and incorporated into this analysis at their request.

Wood-Destroying Pests/Organisms - Unfunded

Category	090 Other	Quantity	1 comment
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	07/94	Future Cost	$0.00
Useful Life	n.a.		
Remaining Life	n.a.		
Replacement Year	n.a.		

Comments:

1 - 2 unit building
4 - 3 unit buildings
1 - 4 unit building
1 - 5 unit building
1 - 6 unit building
1 - building 9

At the request of the client, we have excluded funding for this component, for the association is addressing it on an annual basis.

Effective September 25, 1987 an amendment to Civil Code Section 1364 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 1364(b):

(1) In a community apartment project, condominium project, or stock cooperative, as defined in Section 1351, 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.

(2) 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, the responsibility for such repair and maintenance may be delegated to the association, which shall be entitled to recover the cost thereof as a special assessment.

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Irrigation - Backflow Devices

Category	100 Landscaping	Quantity	3 devices
		Unit Cost	$2,150.000
		% of Replacement	100.00%
		Current Cost	$6,450.00
Placed In Service	07/94	Future Cost	$6,844.79
Useful Life	20		
Remaining Life	3		
Replacement Year	2014-2015		

Comments:

These devices require an annual inspection and should be repaired as needed.

At the request of the client, we have included funding for this component. We do not have an inventory, thus have estimated the quantity.

Irrigation - Controllers

Category	100 Landscaping	Quantity	2 controllers
		Unit Cost	$2,000.000
		% of Replacement	100.00%
		Current Cost	$4,000.00
Placed In Service	07/94	Future Cost	$5,277.92
Useful Life	14		
Remaining Life	0		
Replacement Year	2011-2012		

Comments:

University Terrace Berkeley Homeowners Association

Component Detail

Sorted by Category

Irrigation - Valve Replacement

Category	100 Landscaping	Quantity	7 valves
		Unit Cost	$700.000
		% of Replacement	100.00%
		Current Cost	$4,900.00
Placed In Service	07/07	Future Cost	$5,199.92
Useful Life	3		
Remaining Life	0		
Replacement Year	2011-2012		

Comments:

This component, and all information contained herein, has been provided by the client and incorporated into this analysis at their request.

The client is replacing old brass valves with plastic valves as they fail.

There are a total of 38 valves, of which 13 have already been replaced. The client anticipates 5-8 valves requiring replacement over the next 3 years. The cost per valve is $635.

We have budgeted for 7 valves requiring replacement on a 3-year cycle beginning July 2007.

Landscape Replacements

Category	100 Landscaping	Quantity	1 total
		Unit Cost	$20,000.000
		% of Replacement	100.00%
		Current Cost	$20,000.00
Placed In Service	07/05	Future Cost	$21,648.64
Useful Life	10		
Remaining Life	4		
Replacement Year	2015-2016		

Comments:

We have budgeted for future landscape replacements on a 10-year cycle beginning July 2005.

University Terrace Berkeley Homeowners Association

Detail Report Index

University Terrace Berkeley Homeowners Association

Detail Report Index

Number of components included in this reserve analysis is 52.

University Terrace Berkeley Homeowners Association

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	11005
Version Number	1
Analysis Date	03/30/2011
Fiscal Year	7/1/2011 to 6/30/2012
Number of Units	56
Phasing	1 of 1

Global Parameters:

Inflation Rate	2.00 %
Annual Contribution Increase	5.25 %
Investment Rate	2.00 %
Taxes on Investments	30.00 %
Contingency	3.00 %

Community Profile:

For budgeting purposes, unless otherwise indicated, we have used July 1994 as the average placed-in-service date for aging the original components included in this analysis.

Field evaluations: March 28, 2011; May 2008; January 2005

Adequacy of Reserves as of July 1, 2011:

Anticipated Reserve Balance	**$609,700.00**
Theoretically Ideal Reserve Balance	**$850,654.25**
Percent Funded	**71.67%**

Recommended Funding for the 2011-2012 Fiscal Year:	**Annual**	**Monthly**	**Per Unit Per Month**
Member Contribution	**$56,000**	**$4,666.67**	**$83.33**
Interest Contribution	**$3,054**	**$254.54**	**$4.55**
Total Contribution	**$59,054**	**$4,921.20**	**$87.88**

University Terrace Berkeley Homeowners Association

Projections

Directed Cash Flow Calculation Method

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Theoretically Ideal Ending Balance	Percent Funded
2011-2012	$609,700	$56,000	$3,054	$418,525	$250,229	$503,652	50%
2012-2013	$250,229	$58,940	$3,743	$11,557	$301,355	$578,562	52%
2013-2014	$301,355	$62,034	$1,901	$194,820	$170,471	$468,090	36%
2014-2015	$170,471	$65,291	$2,032	$56,125	$181,669	$502,774	36%
2015-2016	$181,669	$68,719	$2,586	$29,549	$223,424	$567,757	39%
2016-2017	$223,424	$72,327	$2,390	$86,843	$211,299	$583,455	36%
2017-2018	$211,299	$76,124	$2,891	$40,941	$249,373	$649,565	38%
2018-2019	$249,373	$80,120	$2,327	$120,848	$210,972	$634,997	33%
2019-2020	$210,972	$84,327	$1,478	$144,627	$152,150	$597,167	25%
2020-2021	$152,150	$88,754	$2,633	$5,856	$237,681	$706,402	34%
2021-2022	$237,681	$93,413	$1,303	$187,903	$144,494	$628,632	23%
2022-2023	$144,494	$98,318	$1,434	$87,665	$156,581	$657,020	24%
2023-2024	$156,581	$103,479	($602)	$246,615	$12,844	$521,141	2%
2024-2025	$12,844	$108,912	$141	$52,660	$69,236	$588,515	12%
2025-2026	$69,236	$114,630	$1,121	$42,058	$142,929	$670,621	21%
2026-2027	$142,929	$120,648	$1,175	$114,706	$150,045	$680,334	22%
2027-2028	$150,045	$126,982	$2,324	$43,180	$236,171	$767,724	31%
2028-2029	$236,171	$133,648	$2,134	$145,818	$226,135	$751,414	30%
2029-2030	$226,135	$140,665	$3,112	$69,558	$300,355	$817,327	37%
2030-2031	$300,355	$148,050	$4,971	$15,249	$438,126	$944,093	46%
2031-2032	$438,126	$155,822	$5,729	$102,761	$496,917	$983,984	51%
2032-2033	$496,917	$164,003	$7,789	$19,097	$649,612	$1,115,150	58%
2033-2034	$649,612	$172,613	$6,107	$295,104	$533,228	$961,597	55%
2034-2035	$533,228	$181,676	$7,617	$75,672	$646,850	$1,038,192	62%
2035-2036	$646,850	$191,213	$9,668	$48,092	$799,639	$1,148,031	70%
2036-2037	$799,639	$201,252	$9,712	$202,379	$808,225	$1,100,766	73%
2037-2038	$808,225	$211,818	$10,460	$162,730	$867,772	$1,097,057	79%
2038-2039	$867,772	$222,938	$10,611	$216,613	$884,709	$1,039,571	85%
2039-2040	$884,709	$234,643	$13,361	$43,759	$1,088,953	$1,165,498	93%
2040-2041	$1,088,953	$246,961	$16,772	$11,552	$1,341,134	$1,330,802	101%

NOTE: In some cases, the projected Ending Balance may exceed the Theoretically Ideal Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need and any excess is redistributed among all components included.

University Terrace Berkeley Homeowners Association

Membership Disclosure Summary

Sorted by Category

Major Reserve Components	Current Cost	Assigned Reserves	Remaining Life Range	Useful Life Range
010 Asphalt	$62,806	$2,617	3-11	4-28
020 Roofs	$400,491	$273,744	0-30	16-36
030 Paint	$143,927	$99,681	0-6	5-19
040 Fencing	$5,238	$0	8	25
050 Lighting	$77,600	$5,202	3-8	20-25
070 Interiors	$23,405	$6,104	1-8	5-25
080 Balconies/Stairs	$224,788	$153,533	0-5	5-22
090 Other	$123,080	$36,679	0-14	2-30
100 Landscaping	$35,350	$14,383	0-4	3-20
Contingency	n.a.	$17,758	n.a.	n.a.
Total	$1,096,684	$609,700	0-30	2-36