

PROFORMA OPERATING BUDGET

RESERVE DOCUMENTS

AND

RELATED DISCLOSURES

Fiscal Year 2009 – 2010

FOR

**MONTEREY DUNES COLONY
ASSOCIATION**

AND

**MONTEREY DUNES COLONY
MUTUAL WATER ASSOCIATION**

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MONTEREY DUNES COLONY

May 8, 2009

Dear Homeowners,

Enclosed please find your copy of the 2009-2010 proforma budget that contains, next years operating budget, a copy of our reserve budget, and mandatory disclosures for your review. The enclosed documents, listed below, satisfy this year's Civil Code disclosure requirements and are intended to keep you informed of changes in laws governing Homeowner Associations. Please retain them for future reference.

- (1) 2009-2010 Monterey Dunes Colony Association Operating Budget [§1365].
- (2) 2005-2010 Monterey Dunes Colony Association Reserve Budget [§1365].
- (3) 2009-2010 Monterey Dunes Colony Mutual Water Association Operating Budget [Information].
- (4) 2009-2017 Monterey Dunes Colony Mutual Water Association Reserve Budget Projections [Information].
- (5) Monterey Dunes Colony Association Assessment Collection Summary and Policy [§1365(d)], [§1367.1(a)].
- (6) Assessments and Foreclosure Information [§1365.1, §1366, §1367].
- (7) Notice of Right to Submit Secondary Addresses for Collection Notices [§1367.1(k)].
- (8) Notice of Right to Minutes of Board Meetings, [§1363.05(e)].
- (9) Summary of Alternative Dispute Resolution, [§1369.590].
- (10) Meet and Confer Program, [§1363.850].
- (11) Monterey Dunes Colony Association Voting and Election Rules [§1363.03(a)].
- (12) Notice of Annual Reserve Assessment, 7-1-2009 [§1366(d)].
- (13) Monterey Dunes Colony Association Assessment and Reserve Funding Disclosure [§1365.2.5].
- (14) Monterey Dunes Colony Association Reserve Study, (Funding Plan), 7-1-2009 [§1365.5].
- (15) Monterey Dunes Colony Mutual Water Association Assessment and Reserve Funding Disclosure [Information].
- (16) Monterey Dunes Colony Mutual Water Association Reserve Study, (Funding Plan), 7-1-2009, [Information].
- (17) Monterey Dunes Colony Association Rules and Schedule of Fines, 3-22-2008 [§1363(g)].
- (18) Insurance Disclosures/Information and Policy Coverage's [§1365(e)].
- (19) Environmental Control Committee Policy, (Architectural Guidelines and Procedures) [§1378].

In accordance with a resolution by the Board of Directors on March 28, 2009, monthly assessments for fiscal year 2009-2010 (July 1, 2009 through June 30, 2010), increase from \$760.00 per unit, per month to \$795.00 per unit, per month (a 4.6% increase). Association insurance premiums, personnel, legal expenses, storm damage and wave run-up prevention projects are major contributors to this increase. The new monthly operating/ reserve split is \$659 operating with the remaining \$136 going into the reserve fund.

We have just finished year four of our current five year reserve replacement plan. Our General Manager has forecast that we will complete the majority of our annual programmed replacements this fiscal year with some shortfalls in our window, door and cedar sidewall shingle replacements. We have deferred a few projected replacements to next years reserve plan along with any associated reserve funds.

Management has adjusted the replacement schedule to show that we completed 13 decks, replaced 97 windows and sliding glass doors, installed over 300 square of siding, replaced over 1,200 feet of courtyard fencing, replaced 2 mailbox clusters and installed over 600 feet of patio lattice.

Our reserve fund ended the 2007-2008 fiscal year, (June 30, 2008) at \$148,598. This positive cash balance was due to some scheduled reserve work being deferred to the 2008-09 budget, as well as employee reductions and reduced spending on some reserve projects. We estimate that our reserve cash balance will be approximately \$320K on June 30, 2009. Add to this balance our annual reserve assessment of \$600K and any other accruals as of July 1, 2009, and our reserve fund will start the new fiscal year at approximately \$936K. Given the total value of our Reserve Component List at almost \$13.2M and our ideal, fully funded reserve of \$6.3M as of July 1, 2009, our Reserve Analyst has determined that our Reserve Fund is approximately 14% funded for the 2009-2010 fiscal year.

We are still several years away from completing the 30-year rebuild of the colony which began in July 2000. After the start of our second 5-year reserve budget in 2005, the board elected to "stretch out" the replacement process in order to select those components where their replacement could be deferred and in doing so, smooth out many "spikes" in projected annual reserve assessments. Management continues to defer projects on a case-by-case basis when component items are inspected for serviceability and determined to have additional remaining life. This selective replacement process is largely responsible for keeping the reserve assessments at approximately \$5,000. per-unit-per-year, while, at the same time, insuring a maximum lifecycle for all reserve components.

In future budgets we will be faced with many reserve funding challenges, especially in those years when high value components become due for replacement. Examples of this are on page 45, (Assessment and Reserve Funding Disclosure Summary) of this packet. In years 2014/15 and 2016/17 projects such as asphalt overlays and roof replacements can significantly increase our annual reserve

assessments. The same holds true for many other years unless we strengthen our reserve posture by maintaining a higher percent funded in our reserve account. This Assessment and Reserve Funding Disclosure Summary, a “financial snapshot” of our reserve plan, gives estimates of what your annual assessments could be and what major components are scheduled for replacement on any given year. While this schedule is constantly changing with some components being moved up for replacement earlier than predicted, others can be deferred and their date for replacement rescheduled to ensure maximum use out of the component.

In last year’s budget packet, management included a chart showing the history of our operating and reserve assessments here at MDCA. I have updated that chart and included it in this year’s packet for your information.

At the end of our 5-year budget cycle in June 2010, there will still be units in line for replacement windows, decks, and siding. As these remaining homes are being completed, the repair or replacement focus will shift to other major projects such as roofs, skylights, boardwalks and meter enclosures, components that will have, by then, completed their lifecycle. If you study the 30-year reserve plan, of which a summary is included in this disclosure packet, you will see that by comparing the component study with our selected funding plan, we will be funding the reserves through annual reserve assessments each year out into the foreseeable future.

This is my second year on the Board of Directors and my first as its president. I feel very fortunate to be a part of this association and look forward to working with my fellow directors, committees, homeowners and staff to continue to manage our assets in order to maintain and enhance our investments, as well as preserving our unique and beautiful beachfront community.

Sincerely,

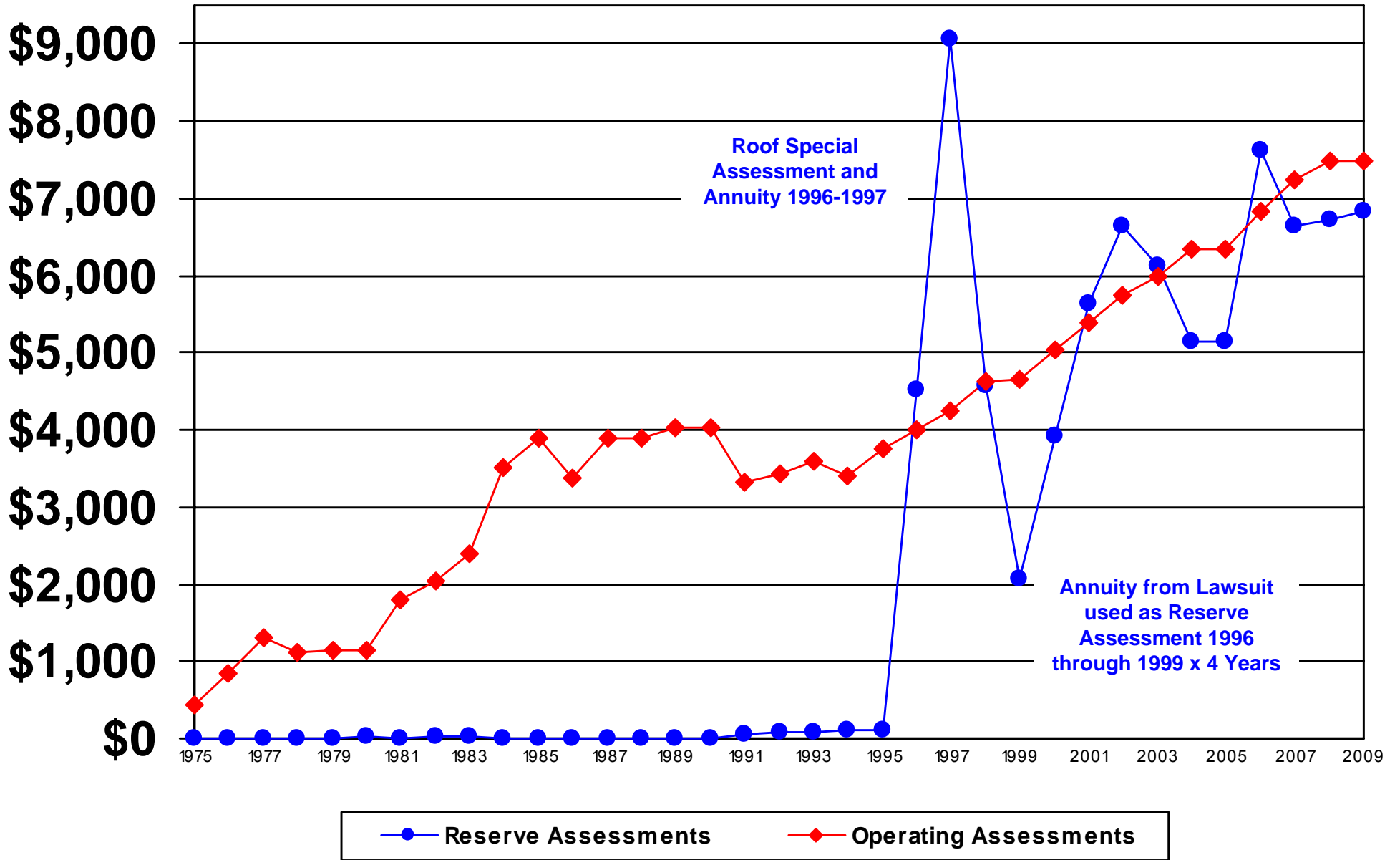


George E. Maciag

George E. Maciag, President
Monterey Dunes Colony Board of Directors

Monterey Dunes Colony Association

Annual Assessments - 1975-2009



**MONTEREY DUNES COLONY
ASSOCIATION**

OPERATING BUDGET

July 1, 2009 through June 30, 2010

Fiscal Year 2009 – 2010

Approved March 28, 2009

MONTEREY DUNES COLONY ASSOCIATION
2009 - 2010 HISTORICAL COMPARISON BUDGET - Approved 3-28-09

Dues Increased to
795.00 month.

	Unit/Mo Proposed 2009-2010	Annual Proposed 2009-2010	Unit/Mo Forecast 2008-2009	Annual Forecast 2008-2009	Unit/Mo Actual 2007-2008	Annual Actual 2007-2008	Unit/Mo Actual 2006-2007	Annual Actual 2006-2007	Unit/Mo Actual 2005-2006	Annual Actual 2005-2006	Unit/Mo Actual 2004-2005	Annual Actual 2004-2005
% Increase over Previous Year	4.61%		2.70%		4.96%		6.02%		0.00%		4.56%	
Revenue												
Dues 5010	795	1,144,800	760	1,094,400	740	1,065,600	705	1,015,200	665	957,600	665	957,600
Misc Income 5099	2	2,500	2	3,100	2	2,886	2	3,000	2	3,178	3	4,315
Interest Income 5080	0	150	0	150	0	259	0	200	0	296	0	174
Total Revenue	797	1,147,450	762	1,097,650	742	1,068,745	707	1,018,400	667	961,074	668	962,089
Less Allocation to Reserves	136	195,840	136	195,840	136	195,840	136	195,840	136	195,840	136	195,840
Operating Revenue	661	951,610	626	901,810	606	872,905	571	822,560	531	765,234	532	766,249
Operating Expenses												
Clubhouse Area Expense	30	43,851	29	41,803	27	39,560	26	37,853	65	93,200	24	35,039
General Repair Expense	46	65,532	43	62,302	37	53,271	38	54,283	41	58,512	44	62,830
Administrative Expenses	202	290,813	210	302,368	174	250,608	163	234,162	117	168,472	114	163,700
Personnel Expense	351	506,136	339	488,742	315	453,790	311	447,277	316	455,731	297	427,067
Water Company Charges	31	45,000	31	45,000	31	44,855	31	45,145	31	45,000	31	44,990
Water Sys Reimbursable												
Storm Damage / Repairs												
Water Meter Project												
TOTAL EXPENSE	661	951,332	653	940,215	585	842,084	569	818,720	570	820,915	509	733,626
Net Operating	0	278	(27)	(38,405)	21	30,821	3	3,840	(39)	(55,681)	23	32,623

MONTEREY DUNES COLONY ASSOCIATION
2009 - 2010 HISTORICAL COMPARISON BUDGET - Approved 3-28-09

Dues Increased to \$795.00 month.
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Proposed 2009-2010	Forecast 2008-2009	Actual 2007-2008	Actual 2006-2007	Actual 2005-2006	Actual 2004-2005	Actual 2003-2004	Actual 2002-2003	Actual 2001-2002
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Summary of Revenues and Expenditures

Operating Revenue

Dues 5010	1,144,800	1,094,400	1,065,600	1,015,200	957,600	957,600	915,840	885,600	842,400
Misc Income 5060	2,500	3,100	2,886	3,266	3,178	4,315	3,527	3,463	2,571
01-02 Budget Income 5083									
Interest Income 5080	150	150	259	238	296	174	78	299	573
Total Revenue	1,147,450	1,097,650	1,068,745	1,018,703	961,074	962,089	919,445	889,362	845,544
Less Allocation to Reserves	195,840	195,840	195,840	195,840	195,840	195,840	195,840	195,840	195,840
Operating Revenue	951,610	901,810	872,905	822,863	765,234	766,249	723,605	693,522	649,704

Operating Expenses

Security	To personnel line								
Clubhouse Area Expense	43,851	41,803	39,560	37,853	93,200	35,039	32,670	30,603	27,700
General Repair Expense	65,532	62,302	53,271	54,283	58,512	62,830	53,273	54,584	49,127
Administrative Expenses	290,813	302,368	250,608	234,162	168,472	163,700	163,856	154,770	148,434
Personnel Expense	506,136	488,742	453,790	447,277	455,731	427,067	398,076	386,210	379,453
Water Company Charges	45,000	45,000	44,855	45,145	45,000	44,990	42,926	39,802	39,802
Water Sys Reimbursable							599		
Storm Damage / Repairs								788	
Loss on Asset Disposal									
Water Meter Project								31,542	
TOTAL OPERATING EXPENSE	951,332	940,215	842,084	818,720	820,915	733,627	691,400	665,969	644,516
Net Operating	278	(38,405)	30,821	4,143	(55,681)	32,622	32,205	(4,777)	5,188

**MONTEREY DUNES COLONY
ASSOCIATION**

RESERVE BUDGET

July 1, 2005 through June 30, 2010

Fiscal Year 2005/6 – 2009/10

Approved January 18, 2005

Monterey Dunes Colony Reserve Budget July 2005 - June 2010

RESERVE REVENUE				2005-2006	2006-2007	2007-2008	2008-2009		2008-2009	2009-2010	2009-2010
Monthly Assessments, \$16,320. month.				\$195,840	\$195,840	\$195,840	\$195,840		\$195,840	\$195,840	\$195,840
Required Special Assessments (Approved 1-18-05)				\$720,000	\$600,000	\$612,000	\$624,000		\$624,000	\$600,000	\$600,000
Interest Income (estimated)				\$2,748	\$2,388	\$2,424	\$2,460		\$2,460	\$2,388	\$2,388
Total Reserve Revenue				\$918,588	\$798,228	\$810,264	\$822,300		\$822,300	\$798,228	\$798,228
RESERVE STUDY UPDATES EACH YEAR											
RESERVE EXPENSES	REPLACEMENT COST	EST	REM	2005-2006	2006-2007	2007-2008	2008-2009		2008-2009	2009-2010	2009-2010
RESERVE COMPONENT ITEM	AS OF - July 1, 2008 (RS)	LIFE	LIFE	Jul/05-Jun/06	Jul/06-Jun/07	Jul/07-Jun/08	Jul/08-Jun/09		2008-2009	2009-2010	2009-2010
	Adjusted annually for inflation @ .03			BUDGET REMAINS FIXED 7-1-05 THROUGH 6-30-10							
ROOFS AND SIDING											
Wood Shake Roofs	\$1,881,570	20	8								
Built-up Roofs - Phase I	\$68,977	20	12								
Built-up Roofs - Phase II	\$113,248	20	2								
Built-up Roofs - Phase III	\$113,248	20	3								
Built-up Roofs - Phase IV	\$113,248	20	4								
Skylights (flat)	\$18,815	25	12								
Skylights (sloped)	\$50,300	20	2								
Skylights (Large Phase 1)	\$9,390	25	5								
Skylights (Large Phase 2)	\$28,170	25	7								
SW Shingles (S - Exp Repairs Phase1)	\$11,590	20	17								
SW Shingles (S - Exp Repairs Phase2)	\$11,590	20	16								
SW Shingles (S - Exp Repairs Phase3)	\$11,590	20	15								
Wood Siding Phase I (Cedar Material Only)	\$133,670	25	19								
Wood Siding Phase II	\$258,643	25	20								
Wood Siding Phase III	\$274,396	25	21	\$274,396							
Wood Siding Phase IIIa	\$176,136	25	22								
Wood Siding Phase IV	\$274,396	25	23		\$282,628						
Wood Siding Phase V	\$192,100	25	25			\$291,107					
Wood Siding Phase VI	\$282,625	25	0				\$282,628	\$220,000	\$282,625		
Wood Siding Phase VII	\$282,625	25	1							\$291,104	\$291,104
Wood Siding Phase VIII	\$282,625	25	2								
Wood Siding Phase IX	\$131,067	25	3								
Chimney Chase Caps (@ 4 per yr x 10 yrs.)	\$4,200	1	0					\$4,200			\$4,326
PAINTING											
Wood Trim Phase I	\$40,365	5	0				\$41,561	\$15,600	\$40,365		
Wood Trim Phase II	\$20,158	5	3		\$6,254	\$20,175					
Wood Trim Phase III	\$9,527	5	5								
ASPHALT SURFACES											
Asphalt Overlay	\$625,350	40	6								
Chip Seal Repair/Coating	\$115,466	6	4	\$115,466							
Road Repair	\$26,223	6	3								
FENCING, GATES & WALLS											
Wood Fencing	\$54,000	1	0	\$54,000	\$55,620	\$57,289	\$27,823	\$54,000	\$54,000	\$28,658	\$55,620
Wood Fence Posts	\$9,375	1	0	\$9,375	\$9,656	\$9,946	\$9,274	\$10,300	\$9,375	\$9,552	\$9,656
Main Fence Entry Gates	\$7,500	1	0	\$7,500	\$7,725	\$7,957	\$7,535	\$9,100	\$7,500	\$7,761	\$7,725
Chain Link Fence, Tennis Area	\$76,487	15	6								
Retaining Walls	\$6,272	15	12								
SWIMMING POOL											
Pool Resurface	\$25,500	15	9								

Monterey Dunes Colony Reserve Budget July 2005 - June 2010

RESERVE REVENUE				2005-2006	2006-2007	2007-2008	2008-2009		2008-2009	2009-2010	2009-2010
Monthly Assessments, \$16,320. month.				\$195,840	\$195,840	\$195,840	\$195,840		\$195,840	\$195,840	\$195,840
Required Special Assessments (Approved 1-18-05)				\$720,000	\$600,000	\$612,000	\$624,000		\$624,000	\$600,000	\$600,000
Interest Income (estimated)				\$2,748	\$2,388	\$2,424	\$2,460		\$2,460	\$2,388	\$2,388
Total Reserve Revenue				\$918,588	\$798,228	\$810,264	\$822,300		\$822,300	\$798,228	\$798,228
RESERVE STUDY UPDATES EACH YEAR											
RESERVE EXPENSES	REPLACEMENT COST	EST	REM	2005-2006	2006-2007	2007-2008	2008-2009		2008-2009	2009-2010	2009-2010
RESERVE COMPONENT ITEM	AS OF - July 1, 2008 (RS)	LIFE	LIFE	Jul/05-Jun/06	Jul/06-Jun/07	Jul/07-Jun/08	Jul/08-Jun/09		2008-2009	2009-2010	2009-2010
	Adjusted annually for inflation @ .03			BUDGET REMAINS FIXED 7-1-05 THROUGH 6-30-10							
Pool Tile	\$6,375	15	7								
Pool Heater	\$3,475	4	4								
Pool Filter Systems	\$1,510	12	1							\$1,700	\$1,555
Pumps and Motors	\$590	4	3		\$608						
Chlorinator	\$415	6	5		\$427						
Covers	\$2,550	4	3		\$2,627						
SPA											
Refurbish Tile Surface	\$5,225	20	17								
Heater	\$2,075	4	2								
Filter System	\$1,225	10	9		\$1,262						
Pumps and Motors	\$1,180	2	1		\$1,215					\$1,328	\$1,215
Chlorinator	\$415	6	0				\$412	\$350	\$415		
TENNIS COURTS											
Sport Court Court 3	\$28,975	10	4								
Sport Court Court 4	\$28,975	10	0			\$30,740		\$28,975			
Rebuild Courts 1 and 2 to Original Specs	\$189,136	20	18	\$189,136							
Tennis Court #1 Resurface	\$3,100	5	4			\$3,289					
Tennis Court #2 Resurface	\$3,100	5	4								
Bocce Ball Court	\$2,780	30	29								
Multi-use Court Replace	\$60,000	20	19		\$61,800						
Multi-use Court Equipment	\$3,605	5	4								
Multi-use Court Resurface	\$3,100	5	4								
Putting Green Replace	\$15,450	10	9								
Mini Driving Range Replace	\$10,300	10	9								
Mini Driving Range Equipment	\$1,080	5	4								
Windscreens	\$5,010	10	5		\$5,160						
ELECTRICAL & LIGHTING											
Meters & Enclosures Phase I	\$52,530	20	3								
Meters & Enclosures Phase II	\$52,530	20	4								
Meters & Enclosures Phase III	\$52,530	20	5								
Meters & Enclosures Phase IV	\$52,530	20	11								
Meters & Enclosures Phase V	\$52,530	20	12								
Meters & Enclosures Phase VI	\$52,530	20	13								
Electrical Fixtures, Oceanside	\$2,250	1	0	\$2,250	\$2,318	\$2,387	\$2,259	\$2,100	\$2,250	\$2,327	\$2,318
Electrical Fixtures, Landside	\$2,745	1	0	\$2,745	\$2,827	\$2,912	\$2,745	\$1,650	\$2,745	\$2,827	\$2,827
Parking Lot Lights Phase I	\$8,800	25	17								
Parking Lot Lights Phase II	\$7,200	25	19								
Parking Lot Lights Phase III	\$8,000	25	20								
Parking Lot Lights Phase IV	\$9,600	25	22								
Parking Lot Lights Phase V	\$6,400	25	0		\$6,592			\$6,400			

Monterey Dunes Colony Reserve Budget July 2005 - June 2010

RESERVE REVENUE				2005-2006	2006-2007	2007-2008	2008-2009	2008-2009	2009-2010	2009-2010			
Monthly Assessments, \$16,320. month.				\$195,840	\$195,840	\$195,840	\$195,840	\$195,840	\$195,840	\$195,840			
Required Special Assessments (Approved 1-18-05)				\$720,000	\$600,000	\$612,000	\$624,000	\$624,000	\$600,000	\$600,000			
Interest Income (estimated)				\$2,748	\$2,388	\$2,424	\$2,460	\$2,460	\$2,388	\$2,388			
Total Reserve Revenue				\$918,588	\$798,228	\$810,264	\$822,300	\$822,300	\$798,228	\$798,228			
RESERVE STUDY UPDATES EACH YEAR								2008-2009 Forecast	Reserve Study	Reserve Study			
RESERVE EXPENSES				REPLACEMENT COST	EST	REM	2005-2006	2006-2007	2007-2008	2008-2009	2008-2009	2009-2010	2009-2010
RESERVE COMPONENT ITEM	AS OF - July 1, 2008 (RS)	LIFE	LIFE	AS OF - July 1, 2008 (RS)	LIFE	LIFE	Jul/05-Jun/06	Jul/06-Jun/07	Jul/07-Jun/08	Jul/08-Jun/09	2008-2009	2009-2010	2009-2010
				BUDGET REMAINS FIXED 7-1-05 THROUGH 6-30-10									
				Adjusted annually for inflation @ .03									
DECKS													
Decks Phase I	\$136,500	40	32										
Decks Phase II	\$136,500	40	33										
Decks Phase III	\$136,500	40	34										
Decks Phase IV	\$136,500	40	35										
Decks Phase V	\$136,500	40	36										
Decks Phase VI	\$136,500	40	37	\$136,500									
Decks Phase VII	\$136,500	40	38		\$140,595								
Decks Phase VIII	\$136,500	40	39			\$144,813							
Decks Phase IX	\$136,500	30	0				\$93,133	\$107,300	\$136,500				
Decks Phase X	\$136,500	30	1									\$95,927	\$140,595
Decks Phase XI	\$146,250	30	2										
Decks Phase XII	\$97,500	30	3										
Decking Annual Repair Start Year 11-12	\$6,025	1	9										
SECURITY SYSTEMS													
Gate Telephone System	\$5,380	8	7			\$5,541							
Gate Card Entry System	\$5,768	8	7			\$5,941							
Vehicle Gates	\$6,070	12	5										
Vehicle Gate Motors	\$8,960	12	6										
BOARDWALKS													
Boardwalk Oceanside Phase 1	\$125,196	25	17							\$1,140			
Boardwalk Oceanside Phase 2	\$212,180	25	18										
Boardwalk Landside	\$370,980	20	5										
Boardwalk Repairs	\$9,130	10	8										
CLUBHOUSE													
Window Coverings	\$5,460	12	9										
Clubhouse Furniture	\$12,500	12	9										
Office Furniture	\$6,230	12	9										
Clubhouse Appliances	\$6,285	12	4										
Clubhouse and Office Carpeting	\$3,810	12	2										
Saunas, Refurbish/Repair	\$2,430	8	5										
Saunas, Heaters (2)	\$4,170	5	4										
Rest Rooms, Refurbish/Repair	\$12,150	20	17										
Copier	\$5,790	10	2				\$5,796	\$6,100					
WINDOWS & DOORS													
Windows/SGD Phase I	\$365,150	25	17										
Windows/SGD Phase II	\$365,150	25	18										
Windows/SGD Phase III	\$365,150	25	19										
Windows/SGD Phase IV	\$365,150	25	20										
Windows/SGD Phase V	\$365,150	25	21										

Monterey Dunes Colony Reserve Budget July 2005 - June 2010

RESERVE REVENUE				2005-2006	2006-2007	2007-2008	2008-2009	2008-2009	2009-2010	2009-2010
Monthly Assessments, \$16,320. month.				\$195,840	\$195,840	\$195,840	\$195,840	\$195,840	\$195,840	\$195,840
Required Special Assessments (Approved 1-18-05)				\$720,000	\$600,000	\$612,000	\$624,000	\$624,000	\$600,000	\$600,000
Interest Income (estimated)				\$2,748	\$2,388	\$2,424	\$2,460	\$2,460	\$2,388	\$2,388
Total Reserve Revenue				\$918,588	\$798,228	\$810,264	\$822,300	\$822,300	\$798,228	\$798,228
RESERVE STUDY UPDATES EACH YEAR								2008-2009 Forecast	Reserve Study	Reserve Study
RESERVE EXPENSES				2005-2006	2006-2007	2007-2008	2008-2009	2008-2009	2009-2010	2009-2010
RESERVE COMPONENT ITEM	REPLACEMENT COST AS OF - July 1, 2008 (RS)	EST LIFE	REM LIFE	Jul/05-Jun/06	Jul/06-Jun/07	Jul/07-Jun/08	Jul/08-Jun/09	2008-2009	Jul/09-Jun/10	2009-2010
				BUDGET REMAINS FIXED 7-1-05 THROUGH 6-30-10						
				Adjusted annually for inflation @ .03						
Windows/SGD Phase VI	\$242,875	25	22	\$242,875						
Windows/SGD Phase VII	\$242,875	25	23		\$250,161					
Windows/SGD Phase VIII	\$201,000	25	25			\$257,666				
Windows/SGD Phase IX	\$254,600	25	0				\$281,320	\$161,600	\$254,600	
Windows/SGD Phase X	\$252,925	25	1						\$289,760	\$260,513
Windows/SGD Phase XI	\$252,925	25	2							
Windows/SGD Phase XII	\$252,925	25	3							
Windows/SGD Alum Replacement Phase 1	\$23,250	15	7							
Windows/SGD Alum Replacement Phase 2	\$23,250	15	8							
Windows/SGD Alum Replacement Phase 3	\$23,250	15	9							
Windows/SGD Alum Replacement Phase 4	\$23,250	15	10							
Windows/SGD Alum Replacement Phase 5	\$23,250	15	11							
Windows/SGD Alum Replacement Phase 6	\$23,250	15	12							
Windows/SGD Alum Replacement Phase 7	\$23,250	15	13							
Windows/SGD Alum Replacement Phase 8	\$23,250	15	14							
Windows/SGD Alum Replacement Phase 9	\$23,250	15	15							
Exterior Entrance Doors	\$4,500	1	0	\$4,500	\$4,635	\$4,774	\$4,782	\$5,150	\$4,500	\$4,925
Garage Doors	\$2,365	1	0	\$2,365	\$2,436	\$2,509	\$2,434	\$2,700	\$2,365	\$2,507
MISCELLANEOUS RESERVE ITEMS										
Mailbox Clusters (2 each)	\$3,380	25	19	\$3,380						
Mailbox Clusters (2 each)	\$3,380	25	23		\$3,481					
Mailbox Clusters (2 each)	\$3,380	25	24			\$3,586				
Mailbox Clusters (4 each)	\$6,760	25	0				\$3,478	\$4,100	\$6,760	
Mailbox Clusters (1 each)	\$1,690	25	1							\$1,902
Wood Trim Replacement	\$16,480	1	0	\$16,480	\$16,974	\$17,484	\$16,717	\$16,717	\$16,480	\$17,219
Maintenance Trailer #1	\$1,854	6	0		\$1,910			\$1,897	\$1,854	
Maintenance Trailer #2	\$1,854	6	0		\$1,910				\$1,854	
Unit Entrance Cluster Signs	\$6,695	20	0		\$6,896				\$6,695	
Organizational Signs and Entry Fixtures	\$9,125	20	4		\$9,399					
Power Tools and Equipment	\$6,085	1	0	\$6,085	\$6,268	\$6,456	\$6,089	\$6,300	\$6,085	\$6,272
Company Truck	\$17,370	9	0			\$18,428			\$17,370	
Fumigation	\$97,850	17	8							
Res. Employee PTO/Holiday/Benefits/Uniforms/Taxes								\$28,662		
Patio Lattice Repairs	\$2,110	1	0	\$2,110	\$2,173	\$2,238	\$2,130	\$2,130	\$2,110	\$2,194
Reserve Study	\$2,200	2	2	\$2,200			\$2,266	\$2,500		
Contingency Funds, (approx 3 - 5% yr).	\$25,885	1	1	\$17,600	\$24,400	\$21,900	\$27,500	\$27,500	\$25,885	\$30,300
TOTALS	\$12,845,615			\$1,088,963	\$929,439	\$905,654	\$819,882	\$659,396	\$921,908	\$796,262
<i>Per owner per year...</i>				\$7,443	\$6,113	\$5,915	\$5,200	\$6,051	\$5,004	\$5,354
<i>Net Income over Expenses...</i>				(\$170,375)	(\$131,212)	(\$95,390)	\$2,418	(\$99,608)	\$1,966	(\$40,115)
Contingency Percent Funded				1.616%	2.625%	2.418%	3.354%	2.808%	3.805%	3.180%

MONTEREY DUNES COLONY
MUTUAL WATER ASSOCIATION

OPERATING BUDGET

July 1, 2009 through June 30, 2010

Fiscal Year 2009 - 2010

Approved March 28, 2009

MONTEREY DUNES COLONY MUTUAL WATER ASSOCIATION

2009 - 2010 Budget Approved 3-28-09

Summary of Revenues and Expenditures

Line Items	2009-2010 Proposed	2008-2009 Forecast	2007-2008 Actual	2006-2007 Actual	2005-2006 Actual	2004-2005 Actual	2003-2004 Actual	2002-2003 Actual	2001-2002 Actual
Revenues									
MDCA Water Fees	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$43,370	\$39,802	\$39,802
Miscellaneous Water Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$63
Interest Earned	\$23	\$23	\$27	\$38	\$36	\$455	\$667	\$663	\$860
Less Income Taxes Paid	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$45,023	\$45,023	\$45,027	\$45,038	\$45,036	\$45,455	\$44,037	\$40,465	\$40,725
Less Allocation to Reserves	\$15,912	\$15,912	\$15,912	\$15,912	\$15,912	\$15,912	\$15,912	\$15,912	\$15,912
Operating Revenue	\$29,111	\$29,111	\$29,115	\$29,126	\$29,124	\$29,543	\$28,125	\$24,553	\$24,813
Operating Expenses									
Year End Audit and Tax Returns	\$3,750	\$3,750	\$3,849	\$3,479	\$3,798	\$3,678	\$3,161	\$3,198	\$3,117
Monthly Bookkeeping Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Office Supplies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$195
Legal	\$300	\$200	\$124	\$124	\$103	\$118	\$0	\$5,115	\$137
Licensed Operator	\$8,476	\$7,938	\$7,530	\$7,200	\$7,200	\$6,513	\$5,620	\$2,676	\$2,500
Franchise Fees	\$100	\$100	\$100	\$100	\$100	\$100	\$0	\$100	\$300
Licenses, Permits, Fees, Taxes	\$5,122	\$4,400	\$4,085	\$3,601	\$3,283	\$2,370	\$3,322	\$1,540	\$789
Maintenance and Repairs	\$4,250	\$4,100	\$2,090	\$9,952	\$3,388	\$7,043	\$3,552	\$2,550	\$3,705
Miscellaneous	\$0	\$0	\$0	\$0	\$367	\$99	\$0	\$0	\$10
Water Testing	\$3,800	\$3,880	\$2,477	\$2,294	\$2,478	\$2,224	\$2,071	\$2,075	\$1,849
Utilities and Chemicals	\$4,900	\$4,500	\$3,359	\$4,095	\$4,261	\$3,371	\$3,512	\$4,137	\$4,657
Contingency	\$500	\$500	\$500	\$530	\$381	\$1,074	\$617	\$0	\$591
Taxes penalties and interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Conservation Program	\$100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State Income Tax			\$56				\$16		
Total Operating Expenses	\$31,298	\$29,368	\$24,170	\$31,375	\$25,359	\$26,588	\$21,870	\$21,391	\$17,850
Reserve Accruals	\$15,912	\$15,912	\$15,912	\$15,912	\$15,912	\$15,912	\$15,912	\$15,912	\$15,912
Total Operating Expense & Reserve	\$47,210	\$45,280	\$40,082	\$47,287	\$41,271	\$42,500	\$37,782	\$37,303	\$33,762
Net Operating	(\$2,187)	(\$257)	\$4,946	(\$2,249)	\$3,765	\$2,955	\$5,599	\$3,162	\$6,963

Monthly Charge to Association = \$3,750.00

Monthly Water Charge to each Residence (included in monthly dues) = \$31.25 (Tier 1 charges) for 200 GPD service

MONTEREY DUNES COLONY
MUTUAL WATER ASSOCIATION

RESERVE PROJECTIONS

July 1, 2009 through June 30, 2017

Fiscal Year 2009/10 - 2016/17

Approved March 28, 2009

**Monterey Dunes Colony Mutual Water Association
Water System Reserve Projections 2009 - 2017**

Water Company Components	Useful Life	Est Rem Life	Current 09-10 Rep Cost	Budget 2009-10	Budget 2010-11	Budget 2011-12	Budget 2012-13	Budget 2013-14	Budget 2014-15	Budget 2015-16	Budget 2016-17
Per Reserve Study: as of 07-01-09											
Well Pumps, Well #4	6	4	\$7,214					\$8,115			
Well Pumps, Well #3	6	Due	\$9,837	\$9,837						\$11,745	
Water Storage Tank	40	22	\$30,900								
Paint - Water Storage Tank (Exterior)	5	4	\$15,450					\$17,389			\$8,658
Cathode Protection	4	Due	\$7,040	\$7,040			\$7,693				
Paint - Pressure Water Tank (Exterior)	5	4	\$3,811					\$4,289			
Pressure Tank Compressor	2	Due	\$2,060	\$2,060		\$2,185		\$2,319		\$2,460	
Water System Fire Pump (Replace/Rebuild)	30	13	\$36,050								
Water System Fire Pump (Overhaul)	3	1	\$3,605		\$3,713			\$4,057			\$4,434
Booster Pump #1 Replacement	30	13	\$3,605								
Booster Pump #2 Replacement	30	13	\$3,605								
Booster Pumps (Annual Maintenance)	1	Due	\$4,738	\$4,738	\$4,880	\$5,027	\$5,177	\$5,333	\$5,493	\$5,657	\$5,827
CL2 Pumps	3	3	\$1,586			\$1,683			\$1,839		
50 KW Power Generator (Replace/Rebuild)	30	13	\$25,750								
50 KW Power Generator (Overhaul)	3	2	\$3,090			\$3,278			\$3,582		
Distribution Water System Valves	25	17	\$25,750								
Water System Control Panel	30	15	\$32,445								
Annual Contingency	1	Required	\$6,154	\$6,154	\$6,339	\$6,529	\$6,725	\$6,927	\$7,134	\$7,348	\$7,569
Total Estimated Yearly Reserve Expenditures				\$29,829	\$14,932	\$18,702	\$19,595	\$48,429	\$18,048	\$27,210	\$26,488
Reserve Account Balance. (Estimated)				\$93,882	\$79,965	\$80,945	\$78,155	\$74,472	\$41,955	\$39,819	\$28,521
Estimated Reserve Accrual				\$15,912	\$15,912	\$15,912	\$15,912	\$15,912	\$15,912	\$15,912	\$15,912
Audited Reserve Balance on 6-30-08											
Estimated Year End Reserve Balance				\$79,965	\$80,945	\$78,155	\$74,472	\$41,955	\$39,819	\$28,521	\$17,945

NOTES AND ASSUMPTIONS

THE ASSOCIATION

THE MONTEREY DUNES COLONY ASSOCIATION was organized to maintain and protect real property and common areas within the confines of the development. The Association derives its authority and responsibilities from its governing documents, which include its Articles of Incorporation, Declaration of Covenants, Conditions and Restrictions (CC&Rs) and Corporate Bylaws.

The Association, organized in December 1974, provides essential and desired services to the community such as exterior building maintenance, capital repair and replacement projects (reserves), operation and care of common areas (operating), swimming pool, jacuzzi, saunas, tennis courts, the operation and maintenance of the Association Mutual Water Company, its distribution system, emergency backup water and fire pump system, backup power generator support, septic waste water disposal systems and water system testing. The Association staff hosts a 24-hour a day, seven day a week on-call system for support. Office Staff are available during normal business hours, 8 AM to 4:30 PM Monday through Friday. Janitorial and maintenance staff are available on Saturday and Sunday from 8 AM to 4:30 PM. Security is on duty between 4:30 PM and 12:30 AM, 7 days a week and emergency response after 12:30 AM by the appropriate support agency and/or the General Manager. Effectively, the cost to run the daily operation of the Association, the Mutual Water Company, and to fund future major reserve repairs and replacements is paid for exclusively and equally by the owners of the 120 units.

The Board of Directors, in accordance with specific provisions of the governing documents, establishes all policy and directs the operations of the Association through the General Manager and several committees. However, most major issues and any changes in the way we do business must be approved by the general membership of the Association.

Revenue

The total monthly assessment charged to the individual unit owners is not prorated or proportional. In accordance with the Association's governing documents, operating and reserve budget revenue and projected reserve fund special assessments are assessed equally to each unit.

Short Term Loans from the Reserve Fund to be use by the Operating Fund

Operating assessments are collected monthly, and reserve assessments both monthly and annually. Therefore, cash flow is continuous throughout the fiscal year. Some operating expenses can exceed the monthly cash flow provided by the dues. Usually this happens in months when large insurance premiums are due. The Association maintains that it is prudent to borrow money from the reserves and not incur interest expense from a bank.

From time to time, the Association will make short term loans from the Reserve Fund to the Operating fund in order to correct short term cash flow problems or vice versa. In each case, the temporary transfer of funds will be structured in accordance with civil code 1365.5c(2).

NOTICE TO MEMBERS

IN ACCORDANCE WITH CIVIL CODE SECTION 1363.05 (e), ASSOCIATION MEMBERS ARE ADVISED OF THEIR RIGHT TO RECEIVE MINUTES OF DIRECTOR'S MEETINGS WITHIN 30 DAYS FOLLOWING THE MEETING. MINUTES ARE SENT TO MEMBERS IN THE FOLLOWING FORMAT:

- 1. U.S. MAIL.**
- 2. PERSONAL ELECTRONIC MAIL, (When selected by the Member).**
- 3. POSTED ON THE ASSOCIATION PROTECTED WEBSITE.**

SECURITY STATEMENT

Please be advised that the Association provides onsite security 8-hours a day, 7-days a week.

The purpose of onsite security is to service the common area, assist homeowners and their guests with common area issues, and to act as a liaison to the General Manager from 4:30 PM to 12:30 AM.

The colony does not have onsite security from 12:30 AM to 8:00 AM, 7-days a week and relies on an answering service to contact the General Manager in the event on an emergency.

Homeowners are advised to remain security conscious at all times. We are a gated community but remain vulnerable to the professional criminal. Please be sure to secure your unit when not at home and take any other security precaution necessary to protect yourself and your personal property.

Homeowners may want to consider installing professional security devices to ensure the safety of their home when away for extended periods of time.

NOTICE

Homeowners are advised to turn off your water supply when leaving your home for extended periods. Shutoff valves are located on the exteriors of each unit near the water supply meter.

NOTICE

The association inspects and tests unit smoke alarms each year for serviceability. All batteries are replaced regardless of age for each detector that has a DC volt function. Reports of this inspection are sent to individual owners with a bill for the cost of the battery(s) and for the service call.

Monterey Dunes Colony Association

NOTICE OF COLLECTION RIGHTS AND OBLIGATIONS

The following Notice is provided in accordance with California Civil Code section 1365.1, amended effective January 1, 2006.

NOTICE

ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due. The failure to pay association assessments may result in the loss of your property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as nonjudicial foreclosure. For liens recorded on or after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce a lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Section 1367.4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 1366, 1367.1, and 1367.4 of the Civil Code)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 1366 and 1367.1 of the Civil Code)

The association must comply with the requirements of Section 1367.1 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 1367.1 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 1367.1 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 1367.1 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 1367.1 of the Civil Code)

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 5 (commencing with Section 1368.810) of Chapter 4 of Title 6 of Division 2 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 2 (commencing with Section 1369.510) of Chapter 7 of Title 6 of Division 2 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 1367.1 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner may request the association consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. (Section 1367.1 of the Civil Code)

The board of the directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 1367.1 of the Civil Code)

Monterey Dunes Colony Association Assessment Collection Policy

1. Regular assessments are due, in advance, on the first (1st) day of each month and are delinquent if not received, in full, by the Association within fifteen (15) days after the due date. Special assessments or any installments thereof shall be due on the date(s) specified by the Board and are delinquent if not received as directed by the Board fifteen (15) days after the assessment or installment becomes due.
2. Delinquent assessments shall incur a late charge of ten percent (10%) of the assessment. Homeowners shall be notified by first class mail of accounts that remain unpaid fifteen (15) days after the due date.
3. At the option of the Association, interest shall be imposed on all amounts that are due but unpaid, commencing thirty (30) days after the due date of any such amounts, at the rate of twelve percent (12%) per annum. Amounts subject to interest include all delinquent assessments, collection fees and costs, attorneys' fees, and late charges as prescribed by law.
4. If any assessment remains unpaid thirty (30) days after its original due date, a "Letter of Intent" to file a Notice of Delinquent Assessment ("Lien") will be prepared and sent by certified mail to the record owner(s) of the Lot. The Letter of Intent shall include a general statement of the Association's collection and lien enforcement procedures, an itemized statement of the amounts owed as of the date of the Letter, and other disclosures required by law.
5. Upon the decision of the Board at an open Board meeting and as reflected in the minutes of that meeting, a Lien shall be recorded against the delinquent owner's property without further notice to the owner if the owner fails to pay all amounts owed within thirty (30) days after the Letter of Intent is issued. All collection fees and costs, including reasonable attorneys' fees, will be added to the total delinquent amount.
6. Upon the recording of the Lien, the Association may declare due and payable the entire balance of all sums then due or to become due from the owner, including the balance of the annual assessment and any special assessment. This total sum may be included in any foreclosure proceeding or collection action.
7. After the lien is recorded and at least 30 days have elapsed, foreclosure proceedings may commence when assessment principal either exceeds the amount, or remains unpaid for the time period, specified in state law. The Board's decision to initiate foreclosure will be made in executive session and reflected in the minutes of the Board's next open meeting.

IMPORTANT NOTICE:

IF AN OWNER'S LOT IS PLACED IN FORECLOSURE BECAUSE THE OWNER IS BEHIND IN PAYMENT OF ASSESSMENTS, THE LOT MAY BE SOLD WITHOUT COURT ACTION.

8. All payments received by the Association, regardless of the amount paid, will be applied to the oldest assessment balances first, until all outstanding assessment balances are paid, and then to late charges, interest and costs of collection.

9. The Association shall not be obligated to accept partial payments on an assessment account. The Board may, in its sole discretion, enter into a written payment agreement with an owner for periodic partial payments on the balance of the assessment account, in amounts and on a payment schedule agreed to by the Board. The agreement shall include payment of accruing assessments but may not include late charges so long as the owner is complying with the terms of the payment agreement. The Association has no obligation to enter into such an agreement, and any agreement entered into with the owner shall be reasonable, as determined by the Board in its sole discretion, and for the sole purpose of serving the best interests of the Association. The agreement shall be in writing and shall specify that failure to meet any term of the agreement shall give the Board the right to immediately continue the collection process without further notice to the owner. The agreement shall not impede the Association's ability to record a lien on the owner's Lot to secure payment of delinquent assessments.

10. A Release of Lien shall not be recorded until the entire balance of the owner's account is paid. All charges incurred in recording the Release, including reasonable attorneys' fees, shall be charged to the owner's account. Upon satisfaction in full of the entire balance owing, the Association shall within 21 days record or cause to be recorded a Release of Lien.

11. An owner may dispute the amount demanded by the Association by submitting to the Board a written explanation of the reasons for disputing the amount. State law also permits owners with assessment disputes to request participation in the Association's "meet and confer" program or alternative dispute resolution, depending on the stage of the collection. The owner should provide the following information regarding an assessment dispute:

- a. The owner's name, mailing address, and account number.
- b. The exact dollar amount claimed to be in dispute or in error.
- c. For each charge or payment in dispute, an explanation of the reasons the owner believes there is an error, with sufficient detail such as dates, names and check numbers, so that the dispute may be investigated

efficiently and effectively. If the owner does not know how the error was made, that statement may be made.

- d. Copies of checks, letters or other documents referred to or claimed should accompany the written explanation.

12. The Association reserves the right to avail itself of any other remedy permitted by law and the Association's governing documents to collect assessments and related costs and charges, including but not limited to bringing an action in Small Claims or Superior Court. Such remedies may be taken in addition to or in lieu of any action already taken, and commencement of one action shall not preclude the Association from electing at a later date to pursue another remedy.

13. Owners may submit a secondary address to the Association for purposes of collection notices. Such information must be submitted in writing, signed by the Owner, and mailed to the Association in a manner that confirms the Association has received it. After an Owner identifies a secondary address, the Association will send copies of any collection notices to the secondary address provided, in addition to the Owner's primary address shown in the Association's records. An Owner may identify or change a secondary address at any time. If a secondary address is identified or changed during any collection process, the Association will only be required to send notices to the designated secondary address from the point that the Association receives the request.

14. The Association shall mail notices to the address of the record owners of each Lot, at the last mailing address provided in writing to the Association by such owners and to secondary addresses, if any. The Association's mailing address for overnight payment of assessments is 195 Monterey Dunes Way, Castroville, California, 95012, the same as that for routine assessment payments, unless otherwise noted in the "Letter of Intent" or subsequent correspondence from the Association or its agent.

15. If the Association or its agent receives a check dishonored by the bank for any reason, a "returned check charge" of twenty-five dollars (\$25.00) shall be imposed. The Association may also seek damages in accordance with California Civil Code section 1719.

16. The Board of Directors of the Association may revise this policy, from time to time.

**Adopted by Resolution of the Board of Directors, Monterey Dunes Colony Association on March 18, 2006*

SUMMARY OF CALIFORNIA CIVIL CODE SECTION 1369.520
ENFORCEMENT OF GOVERNING DOCUMENTS AND
SPECIFIED STATE LAWS FOR COMMUNITY ASSOCIATIONS
THROUGH ALTERNATIVE DISPUTE RESOLUTION

PLEASE TAKE NOTICE: *California Civil Code section 1369.520 addresses your rights to sue the Association or another member of the Association regarding the enforcement of the governing documents and/or specified state laws. The following is a summary of Civil Code section 1369.520.*

In general, Civil Code §1369.520 provides that an association or an owner may not file a lawsuit to enforce the governing documents or to enforce certain laws that govern community associations, unless the parties *first* try to submit their dispute to alternative dispute resolution (“ADR”). Recognized forms of ADR include conciliation, mediation, or arbitration. The ADR law for common interest developments applies to enforcement of most provisions of the governing documents as well as to provisions of the Davis-Stirling Common Interest Development Act (Civil Code §§ 1350 through 1378) and the Nonprofit Mutual Benefit Corporation Law (Corporations Code §§ 7110 et seq.).

The intent of the ADR law is to promote speedy and cost-effective resolution of disputes, to better preserve community cohesiveness, and to channel CC&R and compliance disputes away from our state’s court system.

The form of alternative dispute resolution may be binding or non-binding, and costs will be borne as agreed to by the parties involved. The ADR law does not generally apply to assessment disputes or to disputes that can be resolved in small claims court.

Any party to a covered dispute may initiate the ADR process by serving a Request for Resolution on another party to the dispute. A Request for Resolution must contain (1) a brief description of the nature of the dispute, (2) a request for ADR, and (3) a notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the Request will be deemed rejected.

If the Request is accepted, the ADR must be completed within 90 days of receipt of the acceptance, unless otherwise agreed by the parties. Any Request for Resolution sent to an owner must include a copy of the ADR law in its entirety. If an applicable statute of limitations will expire, serving the Request will extend the statutory period for 30 days and, if ADR is accepted, also for the 90-day period of time allowed to complete the process and any agreed-upon extension of time.

Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 1369.520 of the Civil Code may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.

Should the Association or an individual member wish to file a lawsuit for enforcement of the governing documents or a specified statute, the law requires the Association or the individual to file a certificate with the court *prior* to the filing of the suit, stating: (1) that ADR has been completed, (2) that one of the other parties did not accept the terms offered for ADR, or (3) that urgent orders of the court were necessary. Failure to file this certificate can be grounds for dismissing the lawsuit.

In any lawsuit to enforce the governing documents, Civil Code section 1354 provides that the prevailing party shall be awarded attorneys’ fees and costs. Section 1369.580 provides that if any party has refused to participate in ADR prior to the lawsuit being filed, the court may consider whether that refusal was reasonable when it determines how large or small the award should be.

“MEET AND CONFER” PROGRAM
(CIVIL CODE § 1363.820)

PLEASE TAKE NOTICE: Pursuant to California Civil Code section 1363.820, the Association provides an informal, internal dispute resolution program whose goal is to reach early resolution of disputes over enforcement of the governing documents and/or specified state laws. The Association’s “meet and confer” program supplements and does not replace the requirement for more formal alternative dispute resolution (ADR) prior to filing an enforcement lawsuit.

California law requires community associations to establish a fast, fair and reasonable internal program for early resolution of disputes that sometimes arise between associations and their members over compliance with the governing documents or applicable state law. This internal program is intended to be an informal meeting process, one that supplements and does not replace more formal mediation or arbitration procedures or litigation but that hopefully makes such steps unnecessary.

Monterey Dunes Colony offers a “meet and confer” program by which members who have disputes with the Association involving their rights, duties, or liabilities under the governing documents or specified provisions of state law can explain their positions to the board or to a board representative and attempt to resolve their concerns informally. The “meet and confer” program also applies when the board has a dispute with an owner and would like to talk it over. Here’s how it works:

- Either party can ask the other to participate in this program. If the member asks the Association, the Association is required to participate. If the Association asks the owner, the owner may choose whether or not to attend.
- Either party can initiate the program by sending the other a written request. Such requests may be personally delivered, mailed, faxed or sent by electronic transmission.
- Any costs associated with the program will be borne by the Association.
- The Association may be represented at the meeting by the board or by one or more representatives of the board, including the general manager. Either party may ask other persons to attend, if doing so is reasonably likely to aid in explaining or resolving the dispute. For example, if the issue involves architectural control, the board may ask a member of the Environmental Control Committee to join the meeting. If the issue involves assessment collection, the board may ask the Association’s treasurer to attend.
- Although not precluded, attorney participation in the meeting is discouraged, in order to foster direct discussions between the parties and to maintain the goal of speedy and inexpensive early resolution. If either party wishes his/her/its attorney to attend the meeting, that party shall give the other at least five (5) business days’ notice.
- The parties shall meet at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
- If the Association initiates the “meet and confer” program and its dispute with the owner member, if left unresolved, is such that the board could consider discipline against the member, the request to the owner shall additionally indicate whether the board intends to consider such discipline following the conclusion of the meeting and, if so, what discipline might be considered. Only meetings attended by at least a majority of the board may result in disciplinary action.

The Association’s “meet and confer” program is intended to resolve differences informally, in a fast, fair, and reasonable manner. However, where the circumstances of a dispute reasonably call for the assistance of a neutral third party, the program makes maximum use of local dispute resolution services, including low-cost mediation services such as those listed on the Internet Web sites of the Department of Consumer Affairs and the United States Department of Housing and Urban Development. If such services are used, they are paid for entirely by the Association.

Monterey Dunes Colony Association

Voting and Election Rules

These Voting and Election Rules were adopted by the board at an open meeting on Wednesday April 26, 2006 and are intended to comply with the requirements of Civil Code section 1363.03(a). These Rules shall be effective as of July 1, 2006, shall supersede any other voting rules of the association, and shall remain in effect until modified by the board.

Article 1 **MEDIA**

1.1 Access to Association Media – Candidates for the Board. The board may but is not required to make association media (i.e., posting on the association’s official bulletin board/notice board/kiosk, official website, publication in association newsletter or newspaper, or other notices mailed or delivered by the association to the owners or the Units/Lots) available to qualified candidates running for election to the board for purposes that are reasonably related to the election in which that candidate is running. If the board allows any candidate access to association media, then all qualified candidates shall be allowed equal access to the same media.

1.2 Access to Association Media – Other Matters. If the board utilizes association media to advocate a point of view on any matter (other than election of directors) that requires member approval, or allows any member access to association media for that purpose, then all members advocating a different point view shall be allowed equal access to the same media. The board shall not be required to allow access to more than one member advocating the same point of view.

1.3 “Equal Access”. “Equal access” shall mean publication of written statements not to exceed a predetermined number of words. The board shall not edit or redact any statement, but shall not be required to publish any statement that exceeds the predetermined length restrictions

1.4 Responsibility for Content. All statements published in association media pursuant to the “equal access” rules must identify the author or proponent. No anonymous statements will be permitted. The author and/or proponent of any statement or point of view shall be solely responsible and liable for the content of their statements. The association shall not be responsible or liable for the content of any statement published pursuant to the “equal access” rules. Statements on behalf of candidates for election to the board shall be limited to personal statements by the candidate concerning the candidate’s qualifications to serve on the board.

Article 2 **MEETING SPACE**

2.1 Access to Common Area Meeting Space – Campaigning by Candidates for the Board. The board shall ensure that during a campaign all qualified candidates for election to the board are given access to common area meeting space, at no cost, for purposes reasonably related to their campaigns.

2.2 Access to Common Area Meeting Space – Other Matters. Whenever the board places a matter before the members which requires member approval, the board shall ensure that members advocating a point of view on the matter are given access to common area meeting space, at no cost, for purposes reasonably related to advocating their point of view, whether or not they agree with the point of view advocated by the board on the matter at issue.

Article 3 **VOTING BY SECRET BALLOTS**

All voting by the members shall be conducted by secret ballot using a “double envelope system” as described in Civil Code section 1363.03(e). The ballot and envelopes shall be mailed or delivered to the members entitled to vote in the vote or election.

Article 4 **INSPECTORS OF ELECTION**

4.1 Appointment of Inspectors. Whenever there is a membership vote or election, the board shall appoint one or three inspectors of election.

4.2 Qualification of Inspectors of Election. Inspectors may be any persons the board reasonably believes to be independent with respect to the matter or matters being voted on and may include the association’s accountant, or legal counsel or members of the association, but may not be a member of the board or a candidate for election to the board or a family member of a current member of the board or of a candidate.

4.3 Indemnification of Inspectors; Liability Insurance. Inspectors of election shall be deemed to be agents of the association for purposes of Corporations Code section 7237 and shall be entitled to indemnification by the association to the fullest extent provided by law. As provided in Corporations Code section 7237(i), the association shall have the power to purchase and maintain insurance on behalf of any agent of the association against any liability asserted against or incurred by the agent in his or her capacity as an agent of the association or arising out of the agent’s status as such, whether or not the association would have the power to indemnify the agent against such liability under the provisions of Corporations Code section 7237.

Article 5

CANDIDATES FOR THE BOARD

5.1 Qualification of Candidates. Candidates for the board must be members in good standing (Bylaws Section 5.2) who have not been declared of unsound mind by a final order of court or been convicted of a felony (Corporations Code section 7221(a)). Co-owners of one or more lots / units may not serve on the board at the same time. “Member” means a person who holds legal title to the property (i.e., is named in the deed for the property).

5.2 Nominations. The board shall publish or post a notice recruiting candidates for the board and stating the deadline for receipt of nominations. Any member who satisfies the qualifications may place his or her name in nomination for the board by giving written notice to the board before the published deadline for receiving nominations. In addition, the board may appoint a nominating committee to nominate qualified candidates.

Article 6 **MEMBER VOTING RIGHTS**

6.1 Qualification for Voting. Only members in good standing shall be allowed to vote. A member shall be deemed to be in good standing unless, after notice to the member and an opportunity for hearing, the board has found the member to be not in good standing and has so notified the member in accordance with Civil Code section 1363(h). As long as any co-owner of a lot or unit is not in good standing, no vote shall be permitted for the lot or unit.

6.2 Voting Power of Each Membership. Only one vote shall be cast for each lot or unit. Once a ballot is received by the inspector of election, it may not be rescinded. Cumulative voting is not permitted in the election of directors.

6.3 Election by Acclamation. If, as of the published deadline for receiving nominations, the number of qualified candidates for election to the board is not more than the number of directors to be elected, then the qualified candidates shall be declared elected and written notice of the election shall be given to the members.

6.4 Proxies. As defined in Corporations Code section 5069, “proxy” means a written authorization signed by a member or the member’s attorney-in-fact giving another person or persons power to vote on behalf of such member. In any election or vote of the members conducted by the association, only official ballots issued by the association shall be counted as votes. Proxies are not ballots and are not valid as votes in any election or vote conducted by the association.

Ratified by a majority vote of the Board of Directors on April 26, 2005

Original Signed

Original Signed

Ellen Michaels, President

Thomas J. Bugary, Secretary

RESERVE SUMMARY

The reserve component list, and the estimates for replacement costs, contained in our Reserve Study were updated by the Barrera and Company Reserve Specialists in April 2009, for implementation in fiscal year 2009-2010, (July 1, 2009). Under our current funding plan, this study can be considered the basis for future reserve assessments and validates year 5 of the current 5-year reserve budget. In past budgets, our reserve plan has provided the necessary baseline reserve funding to meet projected expenditures using a combination of monthly and annual reserve assessments. You will find that the Association is funded for year 2009/2010, however, only minimally funded after that year ending on June 30, 2010. During the planning stages for the 2010-2011 budget, the Association will have to re-assess it's reserve posture and establish adequate reserve funding based on the needs of the Association at that time.

FUNDING PLAN

Since 1999, the Board of Directors has contracted with the Barrera and Company Reserve Specialists to complete tri-annual reserve studies with annual updates for both the Monterey Dunes Colony Association and the Mutual Water Association. The purpose for these studies and funding plans is to identify reserve components for replacement and to establish and update schedules for the replacement of these components. This study is updated in accordance with California Law, and funding plans are adjusted annually as reserve components are repaired or replaced. The attached Reserve Study Update outlines our current funding plan, and offers two other general funding plans used in the industry. These funding plans allow us to compare our plan against other strategies.

The essential elements of reserve studies are:

1. Identification of the major components, which the association is obligated to maintain.
2. Current estimate of the useful life of each component.
3. Current estimate of the remaining life of each component.
4. Current estimate of the replacement cost of each component.
5. Current estimate of the total annual contribution necessary to maintain the major components.
6. Current estimate of the amount of cash reserves necessary to maintain the major components.
7. Disclosure of the current amount of accumulated cash reserves actually funded.
8. Disclosure of the percentage of reserves actually funded.
9. Disclosure of any determined or anticipated special assessments.
10. A general statement of methodology.

SCOPE

This year's Reserve Study Update is aligned with the Association's fiscal year and establishes July 1, 2009, through June 30, 2039 as the 30-year period for which reserve expenditures and reserve fund balances are projected.

METHODOLOGY

An adjusted Minimum Funding Option was used to determine the annual reserve contribution both through monthly contributions as well as annual assessments. The underlying premise of this reserve funding approach is to establish a contribution level that allows the Association to maintain a positive balance in the reserve fund while meeting all anticipated maintenance obligations.

It has been the intention of this Board, as well as that of past Boards of Directors to use a combination of monthly reserve contributions, combined with annual assessments to cover years where reserve expenses would exceed monthly reserve contributions, and not to increase regular monthly reserve contributions to accumulate necessary cash in advance. The Board continues to justify this approach through periodic input from the general membership. Accordingly, the Finance Committee continues to formulate and propose reserve budgets with this methodology in mind. The premise behind using an adjusted Minimum Funding Option allows the Association to meet its commitments without over funding the reserve.

In developing our funding study, a list of major component items was developed by the Reserve Study Specialist. This included the average life expectancy of the component, the estimated remaining life of the component, the estimated replacement cost of the item and other contributing data to support a reasonable cost basis and timeline for replacement, and/or repair. In processing this information, certain assumptions have been made concerning costs, conditions, future events and circumstances, all of which may occur subsequent to the date of this report. All component life expectancies were initially based on industry experience and standards taking into account the effects of our harsh coastal environmental on materials and equipment. You will find, however, that many component items have adjusted replacement periods to allow for extended use before scheduled replacement. In most cases, these extended dates are well beyond the lifecycle estimates of the reserve study analyst and are identified as Board of Director/management adjustments to the original reserve study document. It is assumed that all components will be reasonably maintained for the remainder of their life expectancy. For a component to be included in this Study, the following criteria must be met:

1. The maintenance of the component is the responsibility of the Association.
2. The maintenance of the component is not included in the annual operating budget.
3. The estimated useful life of the component is greater than one year.
4. The estimated remaining life of the component is less than 30 years.

The Reserve Study is intended to reflect the estimated replacement cost of the components and related labor when performed. Costs will vary from year to year as it is virtually impossible to predict, with any degree of certainty, the myriad of factors that can, and will impact costs at any future date in time. Because of this qualification, it is necessary for the results of this study to be reviewed annually to reflect any meaningful changes in use, or significant increases in labor and/or material costs.

RESERVE SUMMARY INFORMATION

The following is a summary of the most recent Reserve Study Update from the Barrera and Company Reserve Specialists. This report describes our reserve posture from July 1, 2009 through June 30, 2010 based on a snapshot of funds either accrued, or otherwise available as of 7/1/09. This report does not take into account any reserve funds outside of those physically allocated to the reserve account on the date of the report for fiscal year 2009-2010. Consequently, the Barrera and Company Reserve Summary assigns a Percent Funding level of 14.9 percent to our reserve account. This funding level is derived by taking the total cash on hand as of the date of the report (\$936,632), and dividing it by the funds which would have been in the reserve account, as of the date of the report, (7/1/09) had we accumulated the reserve to represent 100% of the cost to repair or replace components as they became due as of 7/1/09, (\$6,301,308).

Assigning a 14.9 percent funding level to our reserve posture satisfies Civil Code disclosure requirements, but does not clearly communicate where the Association stands financially, outside of that one-year reporting period.

The Reserve Summary quotes a figure of \$936,632 available, either in current reserves or funds accrued under the approved 5-year reserve budget. Each year we will be at a different level of “percent funded”, always using funds accrued or on hand and dividing it by the amount of dollars we would have accumulated, given we were 100% funded through monthly assessments, as of the date of the report.

During the next fiscal year, our reserve revenue will cover most of our reserve disbursements, as is the case with most minimum funding plans. As we move beyond 2010, into years beyond our approved 5-year budget, we will again have to address reserve requirements and in turn, develop new funding initiatives either through continued annual reserve assessments or larger monthly reserve contributions.

In addition to the attention given to the *percent funded* for our reserves, we will continue to adjust our reserve requirements each year, always reassessing our posture and subsequently our repair and/or replacement schedules. The process of adjusting, and readjusting reserve schedules is not a precise science. One component may last longer than estimated and, at the same time, another component may require replacement earlier than originally scheduled. The business of estimating reserve requirements requires frequent inspection and adjustment to the schedule in order to realize the most from reserve dollars, especially given our location and corrosive coastal environment.

The following pages represent a summary of this year’s Reserve Study. It contains a component list and supporting data that identifies those repairs and replacements funded by our reserve account. It also shows the financial standing of our reserves and gives an estimate of the cost of those component items that must be replaced over the next 30 years.

Assessment and Reserve Funding Disclosure Summary

Association: **Monterey Dunes Colony Association**
 Location: **Castroville, CA**

Year-end Date: **07/01/09**
 No. of Units: **120**

Compliance
CC1365.2.5

(1) Current Regular Assessment per ownership interest is: \$795.00 Per Month

Note: if Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages to be provided by Board or Management.

(2) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date Assessment Is Due	Average Amount Per Unit Per Month	Purpose Of Assessment
2009/10	\$417	Additional Reserve Contributions

Total: \$417 (If assessments are variable, see note immediately below)

* Rounded off to the nearest dollar

Note: if Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.

(3) Based on the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes: (a) No:

(4) If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years?

Approximate date assessment will be due: (July 1st)	Amount of Assessment	Amount Per Unit Per Month	
2010/11	\$185,454	\$128.79	Built-up roofs, Skylights, Siding, Fencing, Decks, Windows
2011/12	\$674,345	\$468.30	Built-up roofs, Siding, Meters, Fencing, Decks, Windows
2012/13	\$334,048	\$231.98	Built-up roofs, Road seal, Fencing, Meters, Rec Equipment
2013/14	\$458,624	\$318.49	Fencing, Meter Enclosures, L/S Boardwalks, Saunas, Ext. Doors
2014/15	\$850,600	\$590.69	Skylights, Asphalt Overlay, Fencing, Gate Motors, Lighting
2015/16	\$62,846	\$43.64	Skylights, Fencing, Pool Tile, Spa overhaul, Alum windows
2016/17	\$2,514,515	\$1,746.19	Roofs, Fencing, O/S B-walk rep, Alum Windows, Fumigation
2017/18	\$87,036	\$60.44	Fencing, Pool Resurface, Rec Area Refurb, Clubhouse Refurb.
2018/19	\$165,119	\$114.67	Alum Windows, Company Truck, Copper Chase Caps, Chip Seal
2019/20	\$97,197	\$67.50	Paint, Fencing, Meter Enclosures, Alum Windows, Decking
2020/21	\$177,781	\$123.46	Built-up roofs, Skylights, Meters, Decking, Alum Windows
2021/22	\$118,659	\$82.40	Asphalt Repairs, Fencing, Meters, Alum Windows, Decking
2022/23	\$41,805	\$29.03	Refurbish Tennis Courts & Rec Area, Decking, Alum Windows
2023/24	\$22,094	\$15.34	Decking, Alum Windows, Gate Card Reader Sys, Pool/Spa Equip.
2024/25	\$206,302	\$143.27	Siding Rep. S Exp, Chip Seal, Fencing, Decking, Appliances
2025/26	\$801,651	\$556.70	Siding Rep. S Exp, Elec Fixtures, L/S Boardwalk, Veh Gates
2026/27	\$1,290,641	\$896.28	Rebuild Tennis Courts, Windows, Decks, Fencing, Gate Motors
2027/28	\$1,079,860	\$749.90	Rec Area Refurb, Parking Lot Light Posts, Windows, Co. Truck
2028/29	\$1,086,829	\$754.74	Windows, Copier, Decking, Parking Lot Light Posts, Copier
2029/30	\$1,480,382	\$1,028.04	Built-up roofs, Wood Siding, Decking, Windows, Org. Signs

Assessment and Reserve Funding Disclosure Summary

Association: **Monterey Dunes Colony Association**
 Location: **Castroville, CA**

Year-end Date: **07/01/09**
 No. of Units: **120**

Compliance
CC1365.2.5

(4) Continued from Page 1

Year	Assessment	Reserve	Description
2030/31	\$1,214,887	\$843.67	Built-up roofs, Skylights, Spa/Pool Heater circ sys, Windows
2031/32	\$1,371,679	\$952.55	Built-up roofs, Siding, fencing, decking, windows, Lattice
2032/33	\$465,526	\$323.28	Built-up roofs, fencing, decks, windows, Pool/Spa Refurbish
2033/34	\$1,956,951	\$1,358.99	Siding, Asphalt Repairs, Meter Encl, Boardwalks, Windows
2034/35	\$2,390,410	\$1,660.01	Siding, Gable Trim, Parking Light Posts, Windows, Mailboxes
2035/36	\$1,152,168	\$800.12	Siding, Fencing, decking, windows, Clubhouse Refurbish
2036/37	\$5,518,553	\$3,832.33	Siding, Chip Seal, Fencing, Decking, Windows, Truck, Lattice
2037/38	\$71,958	\$49.97	Fencing, Pool/Spa Refurbish, Rec Area Refurbish, Windows
2038/39	\$1,972	\$1.37	Gable Trim, Gate Motors, Restroom Refurbish, Windows, Decks
Totals:	\$25,879,892	\$17,972.15	

(5) All major components are included in the reserve study and are included in its calculations (Note below the status of components with a 30+ yr. remaining life).

Major Component	Useful Remaining Life in Years:	Reason this major component was not included:
Interior Surfaces - Paint	Vary	"As Needed" Maintenance / Operating Budget
Concrete Surfaces	30+	Life of Project / Operating Budget
Landscape & Irrigation	Vary	"As Needed" Maintenance / Operating Budget
Electrical Outlets	Vary	"As Needed" Maintenance / Operating Budget
Unit Number Lights	Vary	"As Needed" Maintenance / Operating Budget
2-Way Radio	Vary	"As Needed" Maintenance / Operating Budget
Leach Field Replacement	30+	Life of Project / Operating Budget
Building Foundations	30+	Life of Project / Operating Budget
Septic Tanks	30+	Life of Project / Operating Budget

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of section 1365.2.5, the estimated amount required in the reserve fund as of 07/01/09 (to be 100% funded) is **\$6,301,308** based in whole or in part on the last reserve study or updated study prepared by Barrera and Company, Inc. as of **April, 2009**. The projected accrued reserve fund cash balance as of 07/01/09 is projected to be **\$936,632** resulting in reserves being **14.9%** at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$ N/A.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next 5 budget years is \$ (column E), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is \$ (column D), leaving the reserve at (column F) percent funding. Please see the projected five year funding plan below that has been implemented and approved by the association.

	Reserve Allocation --A--	Average Per Unit / Mo. --B--	Projected Disbursements --C--	Year-end Balance --D--	Fully Funded Amount --E--	Percentage Funded --F--
Year 1	\$195,840	\$136.00	\$949,979	\$599,240	\$6,250,160	9.6%
Year 2	\$201,715	\$140.08	\$990,506	(\$185,454)	\$6,182,126	0.0%
Year 3	\$207,767	\$144.28	\$883,967	(\$861,654)	\$6,244,727	0.0%
Year 4	\$214,000	\$148.61	\$548,064	(\$1,195,718)	\$6,678,814	0.0%
Year 5	\$220,420	\$153.07	\$679,036	(\$1,654,334)	\$7,015,361	0.0%

Note: Year 1 Includes Special Assessment.

Assessment and Reserve Funding Disclosure Summary

Association: **Monterey Dunes Colony Association**

Location: **Castroville, CA**

Year-end Date: **07/01/09**

No. of Units: **120**

Compliance

CC1365.2.5

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. (b) For the purposes of preparing a summary pursuant to this section: (1) "Estimated remaining useful life: means the time reasonably calculated to remain before a major component will require replacement. (2) "Major component" has the meaning used in Section 1365.5. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary. (3) The form set out in subdivision (a) shall accompany each proforma operating budget or summary thereof that is delivered pursuant to this article. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided. (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

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

The reserve study report completed and reviewed for the purposes of completing the enclosed summary was finalized based on approval from the Board of Directors. Therefore, the final decisions for implementation, updating or revising the information obtained in this report, for any changes in assumptions, is the sole right and responsibility of the Board of Directors. This report and the numbers generated herein are for use only for the year it was developed. The preparer of this form is not responsible for the use of the Assessment and Reserve Disclosure Summary in any subsequent year, or in updating the summary in any subsequent year, or in updating the summary for events and circumstances occurring after the date of this report.

BARRERA AND COMPANY, INC. · RESERVE ANALYSIS

RESERVE STUDY FINANCIAL REPORT FOR THE MONTEREY DUNES COLONY HOMEOWNERS ASSOCIATION APRIL – 2009

(Report Start Date: July 1st, 2009)

1230 Market Street, Suite 238 · San Francisco, CA 94102 · (800) 543-8670
2207 Garnet Avenue, Suite H · San Diego, CA 92109 · (858) 483-0600
Barrera and Company, Inc.

Introduction

Reserve study reports are required as part of the annual Association budget by California law CC §1365.5. Specifically, this law requires that reserve studies are updated and distributed to each owner-member within 60 days (and not less than 30 days) prior to the beginning of each fiscal year along with the operating budget and a statement regarding assessment collection policies. California law CC §1365.5 also requires reserve studies so distributed include the following:

- Current estimated replacement cost, estimated remaining life, and estimated useful life of each major component.
- The current estimate of cash reserves necessary to repair, replace, or maintain the major components.
- The current amount of cash reserves actually set aside to repair, replace or maintain the major components.
- The percentage to which the association is fully funded.

The following Reserve Study financial Report begins with a summary of the financial projection tables and a data summary sheet, which presents the required data, listed above in a concise, easy to read format. The summary describes the procedures and methods used for calculating and establishing the reserve projections, presents a brief discussion of the results and implications of the three different funding methods which have been calculated, and is followed by definitions of calculated values. Tables presenting the detailed numerical analyses, a thirty-year projection of reserve disbursements, and three funding plans projected in thirty-year cash flow tables are included as supporting detail for the summary and for the information of the Association.

The contents of this financial report are based on estimates of the most probable reserve component replacement costs and remaining useful lives as described in the Reserve Component Worksheet and based on the on-site inspection completed on March 19, 2008. Accordingly, the funding plans reflect consultant judgments based on circumstances at the time of inspection of the most likely costs, maintenance, conditions, and remaining lives. The Association may elect to implement any of the three funding plans presented, or may implement some variation developed from this information. Except for manual funding adjustments, a 3% annual increase has been assumed in the three funding plans provided (for future projections).

Because the compilation of the reserve funding plans and related projections is limited as described above, no conclusion or any other form of assurance on the funding options or projections is provided. No responsibility to update this report for events and circumstances occurring after the date of this report is assumed.

Percentage Funded

Based on the estimated current replacement costs of **\$13,192,797** and estimated useful lives and remaining useful lives for the individual reserve components, the annual (day 1) reserve funding for the Monterey Dunes Colony Homeowners Association is **\$722,813** and the Fully Funded "ideal" reserve as of July 1, 2009 is calculated to be **\$6,301,308**. As of this date the Association has projected an accrued balance of **\$936,632** (this includes the first month of funding of \$16,320) to be in savings available for reserves. This will be a **deficit (accrued)** of **\$5,364,676** under the Fully Funded reserve. Based on these numbers, the Monterey Dunes Colony HOA will be **14.9% funded** as of 07/01/09.

This percent funded value presented in the data summary sheet is calculated by dividing the current (or projected) cash reserve savings by the Fully Funded reserve amount. The maximum reported percentage is 100%, and indicates an association is currently fully funded.

Funding and disbursement projections presented have been computed with a Time Value of Money approach. An annual 3.00% inflation rate and 2.00% average interest rate were assumed. Inflation was applied to the projected disbursements, and interest to the ending cash balance values. A straight-line method of calculation was employed for both time value rates.

Respectfully Submitted,

Barrera and Company, Inc.

Approved 5-Year Special Assessment & Funding Level

<u>Fiscal Year</u>	<u>Annual Funding</u>	<u>Special Assessment</u>
2005-2006	\$195,840	\$720,000
2006-2007	\$195,840	\$600,000
2007-2008	\$195,840	\$612,000
2008-2009	\$195,840	\$624,000
2009-2010	\$195,840	\$600,000

**Description of Funding Plans
Monterey Dunes Colony Homeowners Association**

Funding Option 1: Current Funding Plan of the Monterey Dunes Colony Association

This option projects the Reserve Fund over the next 30 years with a front-end 5-year funding plan, (2005/2006 through 2009/2010), provided by the Board of Directors in 2005. Over the projected year (2009-2010) the Association projects to receive a total of \$795,840 for reserve funding. This includes an annual funding level of \$195,840 or \$136.00 per unit per month for fiscal year 2009-2010, (year 5 of 5 yr. plan), and proceeds obtained from year 5 of an approved 5-year special assessment (\$600,000 for year 2009/2010). Based on projected cash reserves, it appears that this method will meet 100% of all projected reserve disbursement requirements as they occur over the next fiscal year, (see approved 5-year plan, Page A-2). **This funding method will not meet the disbursement requirements in years 2 through 30, and will never meet the fully funded (100%) level based on the projected fully funded reserve amounts.** It is recommended that this funding level be reviewed annually and adjusted accordingly to ensure all future funding requirements will be met

Funding Plan #2: 100% Funding (In 5 Years)

This plan projects the Annual Funding for the Fully Funded Reserve, and is a method for funding the current annual requirement (Day 1) while allocating any existing deficit (of the fully funded reserve) over the next 5 years. Full funding in 5 years (including the approved 5 year Special Assessment plan) would require an allocation of **\$1,765,000** or **\$1,225.69** dollars per unit per month, over the first year. This amount will decrease to the annual (day 1) funding amount as the deficit is funded (i.e. the association reaches full funding - note year 6). This funding plan is considered the ideal, compensating for any past funding deficiencies, and providing the full replacement cost of each component at the end of its projected useful life.

Funding Plan #3: Threshold Funding

This plan projects the lowest annual funding feasible over the next 30 years which will meet all reserve requirements as they occur. Including the approved 5-year Special Assessment, an allocation of **\$818,875** (**\$568.66** monthly per unit) is required for the first year of implementation. This funding requirement is calculated in which a minimum annual contribution is sought with the constraint that the ending reserve balance for each year (1 through 30) must be greater than or equal to five percent (5%) of the current replacement cost (approximate), \$660,000 (note years 8 & 28). The calculation takes into consideration only the immediate total annual requirements, as opposed to projected % requirements by component computed in Plan #2. Due to this fact, annual allocations may fluctuate widely from year to year (note year 9). This plan provides a **minimal** contingency for unanticipated emergency expenditures. If implemented, funding and required disbursements should be reviewed on an annual basis and adjusted as required to ensure current and future-funding requirements will be met.

See Definitions, Page A-4.

Definition of Terms

(For page A-5)

Column A - Useful Life: Normal time period the association reserve component can be expected to remain in functional or useful condition.

Column B - Remaining Life (B): An estimate of years remaining before repair, replacement or refurbishment will be necessary.

Column C - Calculated Years in Service (C): A calculation derived by subtracting Remaining Life from Useful Life. (Note: Years in service is a calculated value, not necessarily the actual age of the component.) Calculation: $(A) - (B) = (C)$.

Column D - Current Replacement Cost (D): The current cost of repairing, replacing or refurbishing a component.

Column E - Current Actual Reserve Funds (E): Current amount of reserve funds available for each component. This is calculated by: (individual component Fully Funded Reserve) / (the total Fully Funded Reserve for all components) x (the Total Current Actual Reserve Balance for all reserve components) Calculation $G / G (\text{Total}) \times E (\text{Total}) = (E)$ Individual Component Current Actual Reserve Balance.

Column F - Day 1 Reserve Funding (Annual) (F): The annual amount of reserve funding required as of the Fiscal Year End which, when Fully Funded from the first year of service for all components will achieve full funding. This annualized value is calculated by dividing Current Replacement Cost by the Useful Life. This funding level makes no adjustment to eliminate any current reserve deficits. Calculation: $(D) / (A) = (F)$.

Column G - Fully Funded Reserve (G): This value is calculated by multiplying the Calculated Years in Service by the Day 1 Reserve Funding Amount. If an association is 100% funded, this number will be equal or less than the Current Allocated Reserve Fund Balance for each component. Calculation: $(C) \times (F) = (G)$.

Column H - Deficit Below Fully Funded Reserve (H): The shortage of reserve funding with respect to the Fully Funded Reserve as of the reported Current Actual Reserve Balance (E). The deficit is calculated by subtracting the Current Actual Reserve Balance from the Fully Funded Reserve: $(G) - (E) = (H)$.

Column I - 100% Funding Annual (I): The annual allocation of reserve funding needed to eliminate the deficit by spreading it over the remaining years of service of the individual component. Dividing the Deficit by the Remaining Life and adding the Annual Day 1 Funding amount. Calculation: $(H) / (B) + (F) = (I)$.

Monterey Dunes Colony Association

Financial Projections

120 Units

Percent Funded: 14.9%

* Includes: Balance + Annual Funding + Special Assess.

(Column)	Usfl Life (A)	Rmng Life (B)	Calc. Yrs in Svc (C)	Current Rplcmnt Cost (D)	* Projected Accrued Reserve Balance 07/01/09 (E)	Day 1 Reserve Funding (Annual) (F)	Projected	Deficit	100% Funding (Annual) (I)
							Fully Funded Reserve 07/01/09 (G)	below Fully Funded Reserve (H)	
ROOFING & SIDING									
Wood Shake Roofing	20	7	13	1,938,017	187,245	96,901	1,259,711	1,072,466	250,110
Built-Up Roofing - Phase I	20	11	9	71,046	4,752	3,552	31,971	27,219	6,027
Built-Up Roofing - Phase II	20	0	20	58,322	8,669	2,916	58,322	49,653	52,569
Built-Up Roofing - Phase III	20	1	19	58,323	8,236	2,916	55,407	47,171	50,087
Built-Up Roofing - Phase IV	20	2	18	116,645	15,604	5,832	104,981	89,376	50,520
Built-Up Roofing - Phase V	20	3	17	116,645	14,737	5,832	99,148	84,411	33,969
Skylights (Flat)	25	11	14	19,379	1,613	775	10,852	9,239	1,615
Skylights (Sloped)	20	1	19	51,809	7,316	2,590	49,219	41,903	44,493
Skylights - Large (Phase I)	25	5	20	9,671	1,150	387	7,737	6,587	1,704
Skylights - Large (Phase II)	25	6	19	29,015	3,278	1,161	22,051	18,774	4,290
Wood Siding (S.) - Repairs - I	20	16	4	11,937	355	597	2,387	2,033	724
Wood Siding (S.) - Repairs - II	20	15	5	11,937	444	597	2,984	2,541	766
Wood Siding (S.) - Repairs - III	20	14	6	11,937	532	597	3,581	3,049	815
Wood Siding (Cedar Mat. Only) - I	25	18	7	137,680	5,730	5,507	38,550	32,820	7,331
Wood Siding - II	25	19	6	266,402	9,504	10,656	63,936	54,433	13,521
Wood Siding - III	25	20	5	281,627	8,372	11,265	56,325	47,953	13,663
Wood Siding - III(a)	25	21	4	181,420	4,315	7,257	29,027	24,713	8,434
Wood Siding - IV	25	22	3	282,627	5,041	11,305	33,915	28,874	12,618
Wood Siding - V	25	24	1	197,863	1,176	7,915	7,915	6,738	8,195
Wood Siding - VI	25	25	0	291,103	0	11,644	0	0	11,644
Wood Siding - VII	25	0	25	291,103	43,270	11,644	291,103	247,833	259,477
Wood Siding - VIII	25	1	24	291,103	41,539	11,644	279,459	237,920	249,564
Wood Siding (Labor/Miscl.) - IX	25	2	23	134,999	18,461	5,400	124,199	105,738	58,269
Chimney Chase Caps (4 per year/10 Yrs)	1	0	1	4,326	643	4,326	4,326	3,683	8,009
PAINTING									
Wood Trim - Phase I	5	5	0	41,575	0	8,315	0	0	8,315
Wood Trim - Phase II	5	2	3	20,762	1,852	4,152	12,457	10,606	9,455
Wood Trim - Phase III	5	4	1	9,812	292	1,962	1,962	1,671	2,380
ASPHALT & CONCRETE SURFACES									
Asphalt Overlay	40	5	35	644,300	83,798	16,108	563,763	479,964	112,100
Chip & Seal	6	3	3	118,929	8,839	19,822	59,465	50,626	36,697
Asphalt Repairs	6	0	6	27,009	4,015	4,502	27,009	22,994	27,496
FENCING, GATES & WALLS									
Wood Fencing (Annual)	1	0	1	55,620	8,267	54,000	55,620	47,353	101,353
Wood Fence Posts (Annual)	1	0	1	9,656	1,435	9,375	9,656	8,221	17,596
Entry Gates (Annual)	1	0	1	7,725	1,148	7,500	7,725	6,577	14,077
Chain Link - Tennis Courts	15	5	10	78,781	7,807	5,252	52,521	44,714	14,195
Retaining Walls	15	11	4	6,460	256	431	1,723	1,467	564
POOL									
Pool Resurface	15	8	7	26,265	1,822	1,751	12,257	10,435	3,055
Pool Tile	15	6	9	6,566	586	438	3,940	3,354	997
Pool Heater	4	3	1	3,579	133	895	895	762	1,149
Pool Filter	12	0	12	1,700	253	142	1,700	1,447	1,589
Pool Pump / Motor	4	2	2	664	49	166	332	283	307
Pool Chlorinator	6	4	2	427	21	71	142	121	101
Pool Cover	4	2	2	2,626	195	657	1,313	1,118	1,215
SPA									
Spa Re-Tile	20	16	4	5,381	160	269	1,076	916	326
Spa Heater	4	1	3	2,137	238	534	1,603	1,365	1,899
Spa Filter	10	8	2	1,261	37	126	252	215	153
Spa Pumps / Motors	2	0	2	1,328	197	664	1,328	1,131	1,795
Spa Chlorinator	6	6	0	427	0	71	0	0	71

Monterey Dunes Colony Association

Financial Projections

120 Units

Percent Funded: 14.9%

* Includes: Balance + Annual Funding + Special Assess.

	Usfl		Calc.	Current	* Projected	Day 1	Projected	Deficit	100%
	Life	Rmng	Yrs	Rplcmnt	Accrued	Reserve	Fully Funded	below	Funding
(Column)	(A)	(B)	in	Cost	Reserve Balance	Funding	Reserve	Fully Funded	(Annual)
	(A)	(B)	Svc	(D)	07/01/09	(F)	(G)	(H)	(I)
RECREATION AREAS									
Sport Court #3	10	3	7	29,844	3,105	2,984	20,891	17,786	8,913
Tennis Courts (1 & 2) Rebuild	20	17	3	194,810	4,344	9,741	29,222	24,878	11,204
Tennis Courts #1 - Resurface	5	3	2	3,193	190	639	1,277	1,087	1,001
Tennis Courts #2 - Resurface	5	3	2	3,193	190	639	1,277	1,087	1,001
Bocce Ball Court	30	28	2	2,863	28	95	191	162	101
Mult-use Sport Court - Replace	20	18	2	61,800	919	3,090	6,180	5,261	3,382
Mult-use Sport Court - Equipment	5	3	2	3,713	221	743	1,485	1,264	1,164
Mult-use Sport Court - Resurface/Stripe	5	3	2	3,193	190	639	1,277	1,087	1,001
Putting Green	10	8	2	15,913	473	1,591	3,183	2,710	1,930
Mini Driving Range - Resurface	10	8	2	10,609	315	1,061	2,122	1,806	1,287
Mini Driving Range - Equipment	5	3	2	1,112	66	222	445	379	349
Windscreens - Tennis Courts	10	4	6	5,160	460	516	3,096	2,636	1,175
ELECTRICAL & LIGHTING									
Meters & Enclosures - Phase I	20	2	18	54,105	7,238	2,705	48,695	41,457	23,434
Meters & Enclosures - Phase II	20	3	17	54,105	6,836	2,705	45,989	39,153	15,756
Meters & Enclosures - Phase III	20	4	16	54,105	6,434	2,705	43,284	36,850	11,918
Meters & Enclosures - Phase IV	20	10	10	54,105	4,021	2,705	27,053	23,031	5,008
Meters & Enclosures - Phase V	20	11	9	54,105	3,619	2,705	24,347	20,728	4,590
Meters & Enclosures - Phase VI	20	12	8	54,105	3,217	2,705	21,642	18,425	4,241
Electrical Fixtures (OS)	1	0	1	2,317	344	2,250	2,317	1,973	4,223
Electrical Fixtures (LS)	1	0	1	2,827	420	2,745	2,827	2,407	5,152
Electrical Parking Posts - Ph. I	25	16	9	9,064	485	363	3,263	2,778	536
Electrical Parking Posts - Ph. II	25	18	7	7,416	309	297	2,076	1,768	395
Electrical Parking Posts - Ph. III	25	19	6	8,240	294	330	1,978	1,684	418
Electrical Parking Posts - Ph. IV	25	21	4	9,888	235	396	1,582	1,347	460
Electrical Parking Posts - Ph. V	25	25	0	6,592	0	264	0	0	264
DECKS									
Decks - Phase I	40	32	8	140,000	4,162	3,500	28,000	23,838	4,245
Decks - Phase II	40	33	7	140,000	3,642	3,500	24,500	20,858	4,132
Decks - Phase III	40	34	6	140,000	3,121	3,500	21,000	17,879	4,026
Decks - Phase IV	40	35	5	140,000	2,601	3,500	17,500	14,899	3,926
Decks - Phase V	40	36	4	140,000	2,081	3,500	14,000	11,919	3,831
Decks - Phase VI	40	37	3	140,000	1,561	3,500	10,500	8,939	3,742
Decks - Phase VII	40	38	2	140,000	1,040	3,500	7,000	5,960	3,657
Decks - Phase VIII	40	39	1	140,000	520	3,500	3,500	2,980	3,576
Decks - Phase IX	40	40	0	140,000	0	3,500	0	0	3,500
Decks - Phase X	40	0	40	140,000	20,810	3,500	140,000	119,190	122,690
Decks - Phase XI	40	1	39	150,000	21,739	3,750	146,250	124,511	128,261
Decks - Phase XII	40	2	38	100,000	14,121	2,500	95,000	80,879	42,940
Decking - Annual (Start Yr. 11)	1	8	0	6,205	0	6,025	0	0	6,025
SECURITY SYSTEMS									
Gate Telephone System	8	6	2	5,541	206	693	1,385	1,179	889
Gate Card Entry System	8	6	2	5,941	221	743	1,485	1,264	953
Vehicle Gates	12	4	8	6,252	620	521	4,168	3,548	1,408
Vehicle Gate Motors	12	5	7	9,228	800	769	5,383	4,583	1,686
BOARDWALKS									
Boardwalk (LS)	20	4	16	382,109	45,438	19,105	305,687	260,250	84,168
Boardwalk (OS)	25	16	9	128,951	6,900	5,158	46,422	39,522	7,628
Boardwalk (OS)	25	17	8	218,545	10,395	8,742	69,934	59,539	12,244
Boardwalks - Repairs	10	7	3	9,403	419	940	2,821	2,402	1,283

Monterey Dunes Colony Association

Financial Projections

120 Units

Percent Funded: → 14.9%

* Includes: Balance + Annual Funding + Special Assess.

	Usfl	Rmng	Calc.	Current	* Projected	Day 1	Projected	Deficit	100%
	Life	Life	Yrs	Rplcmnt	Accrued	Reserve	Fully Funded	below	Funding
	Life	Life	in	Cost	Reserve Balance	Funding	Reserve	Fully Funded	(Annual)
(Column)	(A)	(B)	Svc	(D)	07/01/09	(F)	07/01/09	Reserve	(I)
CLUBHOUSE									
Window Coverings	12	8	4	5,623	279	469	1,874	1,596	668
Furniture	12	8	4	12,875	638	1,073	4,292	3,654	1,530
Office Furniture	12	8	4	6,416	318	535	2,139	1,821	762
Appliances	12	3	9	6,473	722	539	4,855	4,133	1,917
Carpeting	12	1	11	3,924	535	327	3,597	3,062	3,389
Saunas (Refurbish)	8	4	4	2,502	186	313	1,251	1,065	579
Saunas - Heaters (2)	5	3	2	4,294	255	859	1,718	1,462	1,346
Rest Rooms (Refurbish)	20	16	4	12,514	372	626	2,503	2,131	759
Copier	10	9	1	5,796	86	580	580	493	634
WINDOWS & DOORS									
Windows/SGD - Phase I	25	16	9	376,050	20,123	15,042	135,378	115,255	22,245
Windows/SGD - Phase II	25	17	8	376,050	17,887	15,042	120,336	102,449	21,068
Windows/SGD - Phase III	25	18	7	376,050	15,651	15,042	105,294	89,643	20,022
Windows/SGD - Phase IV	25	19	6	376,050	13,415	15,042	90,252	76,837	19,086
Windows/SGD - Phase V	25	20	5	376,050	11,179	15,042	75,210	64,031	18,244
Windows/SGD - Phase VI	25	21	4	250,125	5,949	10,005	40,020	34,071	11,627
Windows/SGD - Phase VII	25	22	3	250,125	4,461	10,005	30,015	25,554	11,167
Windows/SGD - Phase VIII	25	24	1	207,000	1,231	8,280	8,280	7,049	8,574
Windows/SGD - Phase IX	25	25	0	262,200	0	10,488	0	0	10,488
Windows/SGD - Phase X	25	0	25	260,475	38,717	10,419	260,475	221,758	232,177
Windows/SGD - Phase XI	25	1	24	260,475	37,169	10,419	250,056	212,887	223,306
Windows/SGD - Phase XII	25	2	23	260,475	35,620	10,419	239,637	204,017	112,428
Windows/SGD Alum. - Ph. 1	15	6	9	23,940	2,135	1,596	14,364	12,229	3,634
Windows/SGD Alum. - Ph. 2	15	7	8	23,940	1,898	1,596	12,768	10,870	3,149
Windows/SGD Alum. - Ph. 3	15	8	7	23,940	1,661	1,596	11,172	9,511	2,785
Windows/SGD Alum. - Ph. 4	15	9	6	23,940	1,423	1,596	9,576	8,153	2,502
Windows/SGD Alum. - Ph. 5	15	10	5	23,940	1,186	1,596	7,980	6,794	2,275
Windows/SGD Alum. - Ph. 6	15	11	4	23,940	949	1,596	6,384	5,435	2,090
Windows/SGD Alum. - Ph. 7	15	12	3	23,940	712	1,596	4,788	4,076	1,936
Windows/SGD Alum. - Ph. 8	15	13	2	23,940	474	1,596	3,192	2,718	1,805
Windows/SGD Alum. - Ph. 9	15	14	1	23,940	237	1,596	1,596	1,359	1,693
Exterior Entrance Doors (Annual)	1	0	1	4,635	689	4,500	4,635	3,946	8,446
Garage Doors (Annual)	1	0	1	2,436	362	2,365	2,436	2,074	4,439
MISCELLANEOUS									
Mailbox Clusters (2)	25	18	7	3,480	145	139	974	830	185
Mailbox Clusters (2)	25	22	3	3,480	62	139	418	356	155
Mailbox Clusters (2)	25	23	2	3,480	41	139	278	237	150
Mailbox Clusters (4)	25	25	0	6,960	0	278	0	0	278
Mailbox Clusters (1)	25	0	25	1,740	259	70	1,740	1,481	1,551
Wood Trim Replace (Annual)	1	0	1	16,974	2,523	16,480	16,974	14,451	15,756
Maintenance Trailer #1	6	6	0	1,897	0	316	0	0	316
Maintenance Traile #2	6	0	6	1,897	282	316	1,897	1,615	1,931
Unit Entrance Cluster Signs	20	0	20	6,895	1,025	345	6,895	5,870	6,215
Organization Signs & Entry Fixt.	20	3	17	9,398	1,187	470	7,988	6,801	2,737
Power Tools & Equipment Annual	1	0	1	6,268	932	6,085	6,268	5,336	5,739
Fumigation	17	7	10	100,785	8,812	5,929	59,285	50,473	13,139
Patio Lattice Repairs	1	0	1	2,173	323	2,110	2,173	1,850	2,008
Reserve Study	2	1	1	2,266	168	1,133	1,133	965	2,098
Company Truck	9	0	9	17,891	2,659	1,988	17,891	15,232	17,220
Annual Contingency Reserve	1	0	1	26,662	3,963	25,885	26,662	22,699	24,400
Totals				13,192,797	936,632	722,813	6,301,308	5,364,676	2,909,659

Monterey Dunes Colony Association

Financial Projections

Projected Annual Reserve Disbursements - Years 1 thro

(Column)	Usfl Life	Rmng Life	Yrs in Srv	Calc. Current Rplcmnt Cost	2009	2010	2011	2012	2013	2014
					2010	2011	2012	2013	2014	
(A)	(B)	(C)	(D)	1	2	3	4	5		
ROOFING & SIDING										
Wood Shake Roofing	20	7	13	1,938,017	0	0	0	0	0	0
Built-Up Roofing - Phase I	20	11	9	71,046	0	0	0	0	0	0
Built-Up Roofing - Phase II	20	0	20	58,322	58,322	0	0	0	0	0
Built-Up Roofing - Phase III	20	1	19	58,323	0	60,073	0	0	0	0
Built-Up Roofing - Phase IV	20	2	18	116,645	0	0	123,749	0	0	0
Built-Up Roofing - Phase V	20	3	17	116,645	0	0	0	127,461	0	0
Skylights (Flat)	25	11	14	19,379	0	0	0	0	0	0
Skylights (Sloped)	20	1	19	51,809	0	53,363	0	0	0	0
Skylights - Large (Phase I)	25	5	20	9,671	0	0	0	0	0	0
Skylights - Large (Phase II)	25	6	19	29,015	0	0	0	0	0	0
Wood Siding (S.) - Repairs - I	20	16	4	11,937	0	0	0	0	0	0
Wood Siding (S.) - Repairs - II	20	15	5	11,937	0	0	0	0	0	0
Wood Siding (S.) - Repairs - III	20	14	6	11,937	0	0	0	0	0	0
Wood Siding (Cedar Mat. Only) - I	25	18	7	137,680	0	0	0	0	0	0
Wood Siding - II	25	19	6	266,402	0	0	0	0	0	0
Wood Siding - III	25	20	5	281,627	0	0	0	0	0	0
Wood Siding - III(a)	25	21	4	181,420	0	0	0	0	0	0
Wood Siding - IV	25	22	3	282,627	0	0	0	0	0	0
Wood Siding - V	25	24	1	197,863	0	0	0	0	0	0
Wood Siding - VI	25	25	0	291,103	0	0	0	0	0	0
Wood Siding - VII	25	0	25	291,103	291,103	0	0	0	0	0
Wood Siding - VIII	25	1	24	291,103	0	299,836	0	0	0	0
Wood Siding (Labor/Miscl.) - IX	25	2	23	134,999	0	0	143,220	0	0	0
Chimney Chase Caps (4 per year/10 Yrs)	1	0	1	4,326	4,326	4,456	4,589	4,727	4,869	
PAINTING										
Wood Trim - Phase I	5	5	0	41,575	0	0	0	0	0	0
Wood Trim - Phase II	5	2	3	20,762	0	0	22,026	0	0	0
Wood Trim - Phase III	5	4	1	9,812	0	0	0	0	11,043	
ASPHALT & CONCRETE SURFACES										
Asphalt Overlay	40	5	35	644,300	0	0	0	0	0	0
Chip & Seal	6	3	3	118,929	0	0	0	129,957	0	0
Asphalt Repairs	6	0	6	27,009	27,009	0	0	0	0	0
FENCING, GATES & WALLS										
Wood Fencing (Annual)	1	0	1	55,620	55,620	57,289	59,007	60,777	62,601	
Wood Fence Posts (Annual)	1	0	1	9,656	9,656	9,946	10,244	10,552	10,868	
Entry Gates (Annual)	1	0	1	7,725	7,725	7,957	8,195	8,441	8,695	
Chain Link - Tennis Courts	15	5	10	78,781	0	0	0	0	0	0
Retaining Walls	15	11	4	6,460	0	0	0	0	0	0
POOL										
Pool Resurface	15	8	7	26,265	0	0	0	0	0	0
Pool Tile	15	6	9	6,566	0	0	0	0	0	0
Pool Heater	4	3	1	3,579	0	0	0	3,911	0	0
Pool Filter	12	0	12	1,700	1,700	0	0	0	0	0
Pool Pump / Motor	4	2	2	664	0	0	704	0	0	0
Pool Chlorinator	6	4	2	427	0	0	0	0	481	
Pool Cover	4	2	2	2,626	0	0	2,786	0	0	0
SPA										
Spa Re-Tile	20	16	4	5,381	0	0	0	0	0	0
Spa Heater	4	1	3	2,137	0	2,201	0	0	0	0
Spa Filter	10	8	2	1,261	0	0	0	0	0	0
Spa Pumps / Motors	2	0	2	1,328	1,328	0	1,409	0	1,495	
Spa Chlorinator	6	6	0	427	0	0	0	0	0	0

Monterey Dunes Colony Association

Financial Projections

Projected Annual Reserve Disbursements - Years 1 thro

	Calc.			Current	2009	2010	2011	2012	2013
	Usfl	Rmng	Yrs	Rplcmnt	2010	2011	2012	2013	2014
(Column)	Life	Life	in	Cost	1	2	3	4	5
(A)	(B)	(C)	(D)						
RECREATION AREAS									
Sport Court #3	10	3	7	29,844	0	0	0	32,611	0
Tennis Courts (1 & 2) Rebuild	20	17	3	194,810	0	0	0	0	0
Tennis Courts #1 - Resurface	5	3	2	3,193	0	0	0	3,489	0
Tennis Courts #2 - Resurface	5	3	2	3,193	0	0	0	3,489	0
Bocce Ball Court	30	28	2	2,863	0	0	0	0	0
Multit-use Sport Court - Replace	20	18	2	61,800	0	0	0	0	0
Multit-use Sport Court - Equipment	5	3	2	3,713	0	0	0	4,057	0
Multit-use Sport Court - Resurface/Stripe	5	3	2	3,193	0	0	0	3,489	0
Putting Green	10	8	2	15,913	0	0	0	0	0
Mini Driving Range - Resurface	10	8	2	10,609	0	0	0	0	0
Mini Driving Range - Equipment	5	3	2	1,112	0	0	0	1,215	0
Windscreens - Tennis Courts	10	4	6	5,160	0	0	0	0	5,808
ELECTRICAL & LIGHTING									
Meters & Enclosures - Phase I	20	2	18	54,105	0	0	57,400	0	0
Meters & Enclosures - Phase II	20	3	17	54,105	0	0	0	59,122	0
Meters & Enclosures - Phase III	20	4	16	54,105	0	0	0	0	60,896
Meters & Enclosures - Phase IV	20	10	10	54,105	0	0	0	0	0
Meters & Enclosures - Phase V	20	11	9	54,105	0	0	0	0	0
Meters & Enclosures - Phase VI	20	12	8	54,105	0	0	0	0	0
Electrical Fixtures (OS)	1	0	1	2,317	2,317	2,387	2,458	2,532	2,608
Electrical Fixtures (LS)	1	0	1	2,827	2,827	2,912	2,999	3,089	3,182
Electrical Parking Posts - Ph. I	25	16	9	9,064	0	0	0	0	0
Electrical Parking Posts - Ph. II	25	18	7	7,416	0	0	0	0	0
Electrical Parking Posts - Ph. III	25	19	6	8,240	0	0	0	0	0
Electrical Parking Posts - Ph. IV	25	21	4	9,888	0	0	0	0	0
Electrical Parking Posts - Ph. V	25	25	0	6,592	0	0	0	0	0
DECKS									
Decks - Phase I	40	32	8	140,000	0	0	0	0	0
Decks - Phase II	40	33	7	140,000	0	0	0	0	0
Decks - Phase III	40	34	6	140,000	0	0	0	0	0
Decks - Phase IV	40	35	5	140,000	0	0	0	0	0
Decks - Phase V	40	36	4	140,000	0	0	0	0	0
Decks - Phase VI	40	37	3	140,000	0	0	0	0	0
Decks - Phase VII	40	38	2	140,000	0	0	0	0	0
Decks - Phase VIII	40	39	1	140,000	0	0	0	0	0
Decks - Phase IX	40	40	0	140,000	0	0	0	0	0
Decks - Phase X	40	0	40	140,000	140,000	0	0	0	0
Decks - Phase XI	40	1	39	150,000	0	154,500	0	0	0
Decks - Phase XII	40	2	38	100,000	0	0	106,090	0	0
Decking - Annual (Start Yr. 11)	1	8	0	6,205	0	0	0	0	0
SECURITY SYSTEMS									
Gate Telephone System	8	6	2	5,541	0	0	0	0	0
Gate Card Entry System	8	6	2	5,941	0	0	0	0	0
Vehicle Gates	12	4	8	6,252	0	0	0	0	7,037
Vehicle Gate Motors	12	5	7	9,228	0	0	0	0	0
BOARDWALKS									
Boardwalk (LS)	20	4	16	382,109	0	0	0	0	430,067
Boardwalk (OS)	25	16	9	128,951	0	0	0	0	0
Boardwalk (OS)	25	17	8	218,545	0	0	0	0	0
Boardwalks - Repairs	10	7	3	9,403	0	0	0	0	0

Monterey Dunes Colony Association

Financial Projections

Projected Annual Reserve Disbursements - Years 1 thro

(Column)	Usfl Life	Rmng Life	Calc. Yrs in Srvc	Current Rplcmnt Cost	2009	2010	2011	2012	2013	2014
					2010	2011	2012	2013	2014	
	(A)	(B)	(C)	(D)	1	2	3	4	5	
CLUBHOUSE										
Window Coverings	12	8	4	5,623	0	0	0	0	0	0
Furniture	12	8	4	12,875	0	0	0	0	0	0
Office Furniture	12	8	4	6,416	0	0	0	0	0	0
Appliances	12	3	9	6,473	0	0	0	7,073	0	0
Carpeting	12	1	11	3,924	0	4,042	0	0	0	0
Saunas (Refurbish)	8	4	4	2,502	0	0	0	0	2,816	0
Saunas - Heaters (2)	5	3	2	4,294	0	0	0	4,692	0	0
Rest Rooms (Refurbish)	20	16	4	12,514	0	0	0	0	0	0
Copier	10	9	1	5,796	0	0	0	0	0	0
WINDOWS & DOORS										
Windows/SGD - Phase I	25	16	9	376,050	0	0	0	0	0	0
Windows/SGD - Phase II	25	17	8	376,050	0	0	0	0	0	0
Windows/SGD - Phase III	25	18	7	376,050	0	0	0	0	0	0
Windows/SGD - Phase IV	25	19	6	376,050	0	0	0	0	0	0
Windows/SGD - Phase V	25	20	5	376,050	0	0	0	0	0	0
Windows/SGD - Phase VI	25	21	4	250,125	0	0	0	0	0	0
Windows/SGD - Phase VII	25	22	3	250,125	0	0	0	0	0	0
Windows/SGD - Phase VIII	25	24	1	207,000	0	0	0	0	0	0
Windows/SGD - Phase IX	25	25	0	262,200	0	0	0	0	0	0
Windows/SGD - Phase X	25	0	25	260,475	260,475	0	0	0	0	0
Windows/SGD - Phase XI	25	1	24	260,475	0	268,289	0	0	0	0
Windows/SGD - Phase XII	25	2	23	260,475	0	0	276,338	0	0	0
Windows/SGD Alum. - Ph. 1	15	6	9	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 2	15	7	8	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 3	15	8	7	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 4	15	9	6	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 5	15	10	5	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 6	15	11	4	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 7	15	12	3	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 8	15	13	2	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 9	15	14	1	23,940	0	0	0	0	0	0
Exterior Entrance Doors (Annual)	1	0	1	4,635	4,635	4,774	4,917	5,065	5,217	5,217
Garage Doors (Annual)	1	0	1	2,436	2,436	2,509	2,584	2,662	2,742	2,742
MISCELLANEOUS										
Mailbox Clusters (2)	25	18	7	3,480	0	0	0	0	0	0
Mailbox Clusters (2)	25	22	3	3,480	0	0	0	0	0	0
Mailbox Clusters (2)	25	23	2	3,480	0	0	0	0	0	0
Mailbox Clusters (4)	25	25	0	6,960	0	0	0	0	0	0
Mailbox Clusters (1)	25	0	25	1,740	1,740	0	0	0	0	0
Wood Trim Replace (Annual)	1	0	1	16,974	16,974	17,483	18,008	18,548	19,104	19,104
Maintenance Trailer #1	6	6	0	1,897	0	0	0	0	0	0
Maintenance Traile #2	6	0	6	1,897	1,897	0	0	0	0	0
Unit Entrance Cluster Signs	20	0	20	6,895	6,895	0	0	0	0	0
Organization Signs & Entry Fixt.	20	3	17	9,398	0	0	0	10,269	0	0
Power Tools & Equipment Annual	1	0	1	6,268	6,268	6,456	6,650	6,849	7,055	7,055
Fumigation	17	7	10	100,785	0	0	0	0	0	0
Patio Lattice Repairs	1	0	1	2,173	2,173	2,238	2,305	2,374	2,446	2,446
Reserve Study	2	1	1	2,266	0	2,334	0	2,476	0	0
Company Truck	9	0	9	17,891	17,891	0	0	0	0	0
Annual Contingency Reserve	1	0	1	26,662	26,662	27,462	28,286	29,134	30,008	30,008
Totals				13,192,797	949,979	990,506	883,967	548,064	679,036	

Monterey Dunes Colony Association

Financial Projections

Projected Annual Reserve Disbursements - Years 6 thro

(Column)	Usfl Life	Rmng Life	Yrs in Srv	Calc. Current Rplcmnt Cost	2014	2015	2016	2017	2018
					2015	2016	2017	2018	2019
	(A)	(B)	(C)	(D)	6	7	8	9	10
ROOFING & SIDING									
Wood Shake Roofing	20	7	13	1,938,017	0	0	2,383,516	0	0
Built-Up Roofing - Phase I	20	11	9	71,046	0	0	0	0	0
Built-Up Roofing - Phase II	20	0	20	58,322	0	0	0	0	0
Built-Up Roofing - Phase III	20	1	19	58,323	0	0	0	0	0
Built-Up Roofing - Phase IV	20	2	18	116,645	0	0	0	0	0
Built-Up Roofing - Phase V	20	3	17	116,645	0	0	0	0	0
Skylights (Flat)	25	11	14	19,379	0	0	0	0	0
Skylights (Sloped)	20	1	19	51,809	0	0	0	0	0
Skylights - Large (Phase I)	25	5	20	9,671	11,211	0	0	0	0
Skylights - Large (Phase II)	25	6	19	29,015	0	34,645	0	0	0
Wood Siding (S.) - Repairs - I	20	16	4	11,937	0	0	0	0	0
Wood Siding (S.) - Repairs - II	20	15	5	11,937	0	0	0	0	0
Wood Siding (S.) - Repairs - III	20	14	6	11,937	0	0	0	0	0
Wood Siding (Cedar Mat. Only) - I	25	18	7	137,680	0	0	0	0	0
Wood Siding - II	25	19	6	266,402	0	0	0	0	0
Wood Siding - III	25	20	5	281,627	0	0	0	0	0
Wood Siding - III(a)	25	21	4	181,420	0	0	0	0	0
Wood Siding - IV	25	22	3	282,627	0	0	0	0	0
Wood Siding - V	25	24	1	197,863	0	0	0	0	0
Wood Siding - VI	25	25	0	291,103	0	0	0	0	0
Wood Siding - VII	25	0	25	291,103	0	0	0	0	0
Wood Siding - VIII	25	1	24	291,103	0	0	0	0	0
Wood Siding (Labor/Miscl.) - IX	25	2	23	134,999	0	0	0	0	0
Chimney Chase Caps (4 per year/10 Yrs)	1	0	1	4,326	5,015	5,165	5,320	5,480	5,644
PAINTING									
Wood Trim - Phase I	5	5	0	41,575	48,197	0	0	0	0
Wood Trim - Phase II	5	2	3	20,762	0	0	25,535	0	0
Wood Trim - Phase III	5	4	1	9,812	0	0	0	0	12,802
ASPHALT & CONCRETE SURFACES									
Asphalt Overlay	40	5	35	644,300	746,920	0	0	0	0
Chip & Seal	6	3	3	118,929	0	0	0	0	155,175
Asphalt Repairs	6	0	6	27,009	0	32,250	0	0	0
FENCING, GATES & WALLS									
Wood Fencing (Annual)	1	0	1	55,620	64,479	66,413	68,406	70,458	72,571
Wood Fence Posts (Annual)	1	0	1	9,656	11,194	11,530	11,876	12,232	12,599
Entry Gates (Annual)	1	0	1	7,725	8,955	9,224	9,501	9,786	10,079
Chain Link - Tennis Courts	15	5	10	78,781	91,329	0	0	0	0
Retaining Walls	15	11	4	6,460	0	0	0	0	0
POOL									
Pool Resurface	15	8	7	26,265	0	0	0	33,272	0
Pool Tile	15	6	9	6,566	0	7,840	0	0	0
Pool Heater	4	3	1	3,579	0	0	4,402	0	0
Pool Filter	12	0	12	1,700	0	0	0	0	0
Pool Pump / Motor	4	2	2	664	0	793	0	0	0
Pool Chlorinator	6	4	2	427	0	0	0	0	0
Pool Cover	4	2	2	2,626	0	3,136	0	0	0
SPA									
Spa Re-Tile	20	16	4	5,381	0	0	0	0	0
Spa Heater	4	1	3	2,137	2,477	0	0	0	2,788
Spa Filter	10	8	2	1,261	0	0	0	1,597	0
Spa Pumps / Motors	2	0	2	1,328	0	1,586	0	1,682	0
Spa Chlorinator	6	6	0	427	0	510	0	0	0

Monterey Dunes Colony Association

Financial Projections

Projected Annual Reserve Disbursements - Years 6 thro

(Column)	Usfl Life	Rmng Life	Calc. Yrs in Srvc	Current Rplcmnt Cost	2014	2015	2016	2017	2018	2019
					2015	2016	2017	2018	2019	
	(A)	(B)	(C)	(D)	6	7	8	9	10	
RECREATION AREAS										
Sport Court #3	10	3	7	29,844	0	0	0	0	0	0
Tennis Courts (1 & 2) Rebuild	20	17	3	194,810	0	0	0	0	0	0
Tennis Courts #1 - Resurface	5	3	2	3,193	0	0	0	4,045	0	0
Tennis Courts #2 - Resurface	5	3	2	3,193	0	0	0	4,045	0	0
Bocce Ball Court	30	28	2	2,863	0	0	0	0	0	0
Multit-use Sport Court - Replace	20	18	2	61,800	0	0	0	0	0	0
Multit-use Sport Court - Equipment	5	3	2	3,713	0	0	0	4,704	0	0
Multit-use Sport Court - Resurface/Stripe	5	3	2	3,193	0	0	0	4,045	0	0
Putting Green	10	8	2	15,913	0	0	0	20,158	0	0
Mini Driving Range - Resurface	10	8	2	10,609	0	0	0	13,439	0	0
Mini Driving Range - Equipment	5	3	2	1,112	0	0	0	1,409	0	0
Windscreens - Tennis Courts	10	4	6	5,160	0	0	0	0	0	0
ELECTRICAL & LIGHTING										
Meters & Enclosures - Phase I	20	2	18	54,105	0	0	0	0	0	0
Meters & Enclosures - Phase II	20	3	17	54,105	0	0	0	0	0	0
Meters & Enclosures - Phase III	20	4	16	54,105	0	0	0	0	0	0
Meters & Enclosures - Phase IV	20	10	10	54,105	0	0	0	0	0	0
Meters & Enclosures - Phase V	20	11	9	54,105	0	0	0	0	0	0
Meters & Enclosures - Phase VI	20	12	8	54,105	0	0	0	0	0	0
Electrical Fixtures (OS)	1	0	1	2,317	2,686	2,767	2,850	2,935	3,023	3,023
Electrical Fixtures (LS)	1	0	1	2,827	3,277	3,376	3,477	3,581	3,689	3,689
Electrical Parking Posts - Ph. I	25	16	9	9,064	0	0	0	0	0	0
Electrical Parking Posts - Ph. II	25	18	7	7,416	0	0	0	0	0	0
Electrical Parking Posts - Ph. III	25	19	6	8,240	0	0	0	0	0	0
Electrical Parking Posts - Ph. IV	25	21	4	9,888	0	0	0	0	0	0
Electrical Parking Posts - Ph. V	25	25	0	6,592	0	0	0	0	0	0
DECKS										
Decks - Phase I	40	32	8	140,000	0	0	0	0	0	0
Decks - Phase II	40	33	7	140,000	0	0	0	0	0	0
Decks - Phase III	40	34	6	140,000	0	0	0	0	0	0
Decks - Phase IV	40	35	5	140,000	0	0	0	0	0	0
Decks - Phase V	40	36	4	140,000	0	0	0	0	0	0
Decks - Phase VI	40	37	3	140,000	0	0	0	0	0	0
Decks - Phase VII	40	38	2	140,000	0	0	0	0	0	0
Decks - Phase VIII	40	39	1	140,000	0	0	0	0	0	0
Decks - Phase IX	40	40	0	140,000	0	0	0	0	0	0
Decks - Phase X	40	0	40	140,000	0	0	0	0	0	0
Decks - Phase XI	40	1	39	150,000	0	0	0	0	0	0
Decks - Phase XII	40	2	38	100,000	0	0	0	0	0	0
Decking - Annual (Start Yr. 11)	1	8	0	6,205	0	0	0	0	0	0
SECURITY SYSTEMS										
Gate Telephone System	8	6	2	5,541	0	6,616	0	0	0	0
Gate Card Entry System	8	6	2	5,941	0	7,094	0	0	0	0
Vehicle Gates	12	4	8	6,252	0	0	0	0	0	0
Vehicle Gate Motors	12	5	7	9,228	10,698	0	0	0	0	0
BOARDWALKS										
Boardwalk (LS)	20	4	16	382,109	0	0	0	0	0	0
Boardwalk (OS)	25	16	9	128,951	0	0	0	0	0	0
Boardwalk (OS)	25	17	8	218,545	0	0	0	0	0	0
Boardwalks - Repairs	10	7	3	9,403	0	0	11,565	0	0	0

Monterey Dunes Colony Association

Financial Projections

Projected Annual Reserve Disbursements - Years 6 thro

	Usfl Life	Rmng Life	Calc. Yrs in Srvc	Current Rplcmnt Cost	2014	2015	2016	2017	2018
					2015	2016	2017	2018	2019
(Column)	(A)	(B)	(C)	(D)	6	7	8	9	10
CLUBHOUSE									
Window Coverings	12	8	4	5,623	0	0	0	7,123	0
Furniture	12	8	4	12,875	0	0	0	16,310	0
Office Furniture	12	8	4	6,416	0	0	0	8,128	0
Appliances	12	3	9	6,473	0	0	0	0	0
Carpeting	12	1	11	3,924	0	0	0	0	0
Saunas (Refurbish)	8	4	4	2,502	0	0	0	0	0
Saunas - Heaters (2)	5	3	2	4,294	0	0	0	5,440	0
Rest Rooms (Refurbish)	20	16	4	12,514	0	0	0	0	0
Copier	10	9	1	5,796	0	0	0	0	7,562
WINDOWS & DOORS									
Windows/SGD - Phase I	25	16	9	376,050	0	0	0	0	0
Windows/SGD - Phase II	25	17	8	376,050	0	0	0	0	0
Windows/SGD - Phase III	25	18	7	376,050	0	0	0	0	0
Windows/SGD - Phase IV	25	19	6	376,050	0	0	0	0	0
Windows/SGD - Phase V	25	20	5	376,050	0	0	0	0	0
Windows/SGD - Phase VI	25	21	4	250,125	0	0	0	0	0
Windows/SGD - Phase VII	25	22	3	250,125	0	0	0	0	0
Windows/SGD - Phase VIII	25	24	1	207,000	0	0	0	0	0
Windows/SGD - Phase IX	25	25	0	262,200	0	0	0	0	0
Windows/SGD - Phase X	25	0	25	260,475	0	0	0	0	0
Windows/SGD - Phase XI	25	1	24	260,475	0	0	0	0	0
Windows/SGD - Phase XII	25	2	23	260,475	0	0	0	0	0
Windows/SGD Alum. - Ph. 1	15	6	9	23,940	0	28,586	0	0	0
Windows/SGD Alum. - Ph. 2	15	7	8	23,940	0	0	29,443	0	0
Windows/SGD Alum. - Ph. 3	15	8	7	23,940	0	0	0	30,326	0
Windows/SGD Alum. - Ph. 4	15	9	6	23,940	0	0	0	0	31,236
Windows/SGD Alum. - Ph. 5	15	10	5	23,940	0	0	0	0	0
Windows/SGD Alum. - Ph. 6	15	11	4	23,940	0	0	0	0	0
Windows/SGD Alum. - Ph. 7	15	12	3	23,940	0	0	0	0	0
Windows/SGD Alum. - Ph. 8	15	13	2	23,940	0	0	0	0	0
Windows/SGD Alum. - Ph. 9	15	14	1	23,940	0	0	0	0	0
Exterior Entrance Doors (Annual)	1	0	1	4,635	5,373	5,534	5,700	5,871	6,048
Garage Doors (Annual)	1	0	1	2,436	2,824	2,909	2,996	3,086	3,178
MISCELLANEOUS									
Mailbox Clusters (2)	25	18	7	3,480	0	0	0	0	0
Mailbox Clusters (2)	25	22	3	3,480	0	0	0	0	0
Mailbox Clusters (2)	25	23	2	3,480	0	0	0	0	0
Mailbox Clusters (4)	25	25	0	6,960	0	0	0	0	0
Mailbox Clusters (1)	25	0	25	1,740	0	0	0	0	0
Wood Trim Replace (Annual)	1	0	1	16,974	19,678	20,268	20,876	21,502	22,147
Maintenance Trailer #1	6	6	0	1,897	0	2,265	0	0	0
Maintenance Traile #2	6	0	6	1,897	0	2,265	0	0	0
Unit Entrance Cluster Signs	20	0	20	6,895	0	0	0	0	0
Organization Signs & Entry Fixt.	20	3	17	9,398	0	0	0	0	0
Power Tools & Equipment Annual	1	0	1	6,268	7,266	7,484	7,709	7,940	8,178
Fumigation	17	7	10	100,785	0	0	123,953	0	0
Patio Lattice Repairs	1	0	1	2,173	2,519	2,595	2,673	2,753	2,835
Reserve Study	2	1	1	2,266	2,627	0	2,787	0	2,957
Company Truck	9	0	9	17,891	0	0	0	0	23,344
Annual Contingency Reserve	1	0	1	26,662	30,909	31,836	32,791	33,775	34,788
Totals				13,192,797	1,077,635	296,686	2,755,374	335,121	420,646

Monterey Dunes Colony Association

Financial Projections

Projected Annual Reserve Disbursements - Years 11 thr

(Column)	Usfl Life	Rmng Life	Yrs in Srv	Calc. Current Rplcmnt Cost	2019	2020	2021	2022	2023
					2020	2021	2022	2023	2024
	(A)	(B)	(C)	(D)	11	12	13	14	15
ROOFING & SIDING									
Wood Shake Roofing	20	7	13	1,938,017	0	0	0	0	0
Built-Up Roofing - Phase I	20	11	9	71,046	0	98,344	0	0	0
Built-Up Roofing - Phase II	20	0	20	58,322	0	0	0	0	0
Built-Up Roofing - Phase III	20	1	19	58,323	0	0	0	0	0
Built-Up Roofing - Phase IV	20	2	18	116,645	0	0	0	0	0
Built-Up Roofing - Phase V	20	3	17	116,645	0	0	0	0	0
Skylights (Flat)	25	11	14	19,379	0	26,825	0	0	0
Skylights (Sloped)	20	1	19	51,809	0	0	0	0	0
Skylights - Large (Phase I)	25	5	20	9,671	0	0	0	0	0
Skylights - Large (Phase II)	25	6	19	29,015	0	0	0	0	0
Wood Siding (S.) - Repairs - I	20	16	4	11,937	0	0	0	0	0
Wood Siding (S.) - Repairs - II	20	15	5	11,937	0	0	0	0	0
Wood Siding (S.) - Repairs - III	20	14	6	11,937	0	0	0	0	18,056
Wood Siding (Cedar Mat. Only) - I	25	18	7	137,680	0	0	0	0	0
Wood Siding - II	25	19	6	266,402	0	0	0	0	0
Wood Siding - III	25	20	5	281,627	0	0	0	0	0
Wood Siding - III(a)	25	21	4	181,420	0	0	0	0	0
Wood Siding - IV	25	22	3	282,627	0	0	0	0	0
Wood Siding - V	25	24	1	197,863	0	0	0	0	0
Wood Siding - VI	25	25	0	291,103	0	0	0	0	0
Wood Siding - VII	25	0	25	291,103	0	0	0	0	0
Wood Siding - VIII	25	1	24	291,103	0	0	0	0	0
Wood Siding (Labor/Miscl.) - IX	25	2	23	134,999	0	0	0	0	0
Chimney Chase Caps (4 per year/10 Yrs)	1	0	1	4,326	0	0	0	0	0
PAINTING									
Wood Trim - Phase I	5	5	0	41,575	55,873	0	0	0	0
Wood Trim - Phase II	5	2	3	20,762	0	0	29,602	0	0
Wood Trim - Phase III	5	4	1	9,812	0	0	0	0	14,842
ASPHALT & CONCRETE SURFACES									
Asphalt Overlay	40	5	35	644,300	0	0	0	0	0
Chip & Seal	6	3	3	118,929	0	0	0	0	0
Asphalt Repairs	6	0	6	27,009	0	0	38,508	0	0
FENCING, GATES & WALLS									
Wood Fencing (Annual)	1	0	1	55,620	74,749	76,991	79,301	81,680	84,130
Wood Fence Posts (Annual)	1	0	1	9,656	12,977	13,367	13,768	14,181	14,606
Entry Gates (Annual)	1	0	1	7,725	10,382	10,693	11,014	11,344	11,685
Chain Link - Tennis Courts	15	5	10	78,781	0	0	0	0	0
Retaining Walls	15	11	4	6,460	0	8,942	0	0	0
POOL									
Pool Resurface	15	8	7	26,265	0	0	0	0	0
Pool Tile	15	6	9	6,566	0	0	0	0	0
Pool Heater	4	3	1	3,579	0	4,954	0	0	0
Pool Filter	12	0	12	1,700	0	0	2,424	0	0
Pool Pump / Motor	4	2	2	664	892	0	0	0	1,004
Pool Chlorinator	6	4	2	427	574	0	0	0	0
Pool Cover	4	2	2	2,626	3,529	0	0	0	3,972
SPA									
Spa Re-Tile	20	16	4	5,381	0	0	0	0	0
Spa Heater	4	1	3	2,137	0	0	0	3,138	0
Spa Filter	10	8	2	1,261	0	0	0	0	0
Spa Pumps / Motors	2	0	2	1,328	1,785	0	1,893	0	2,009
Spa Chlorinator	6	6	0	427	0	0	609	0	0

Monterey Dunes Colony Association

Financial Projections

Projected Annual Reserve Disbursements - Years 11 thr

	Calc.			Current	2019	2020	2021	2022	2023	2024
	Usfl	Rmng	Yrs	Rplcmnt	2020	2021	2022	2023	2024	
(Column)	Life	Life	in	Cost	11	12	13	14	15	
(A)	(B)	(C)	(D)							
RECREATION AREAS										
Sport Court #3	10	3	7	29,844	0	0	0	43,827	0	
Tennis Courts (1 & 2) Rebuild	20	17	3	194,810	0	0	0	0	0	
Tennis Courts #1 - Resurface	5	3	2	3,193	0	0	0	4,689	0	
Tennis Courts #2 - Resurface	5	3	2	3,193	0	0	0	4,689	0	
Bocce Ball Court	30	28	2	2,863	0	0	0	0	0	
Multit-use Sport Court - Replace	20	18	2	61,800	0	0	0	0	0	
Multit-use Sport Court - Equipment	5	3	2	3,713	0	0	0	5,453	0	
Multit-use Sport Court - Resurface/Stripe	5	3	2	3,193	0	0	0	4,689	0	
Putting Green	10	8	2	15,913	0	0	0	0	0	
Mini Driving Range - Resurface	10	8	2	10,609	0	0	0	0	0	
Mini Driving Range - Equipment	5	3	2	1,112	0	0	0	1,633	0	
Windscreens - Tennis Courts	10	4	6	5,160	0	0	0	0	7,805	
ELECTRICAL & LIGHTING										
Meters & Enclosures - Phase I	20	2	18	54,105	0	0	0	0	0	
Meters & Enclosures - Phase II	20	3	17	54,105	0	0	0	0	0	
Meters & Enclosures - Phase III	20	4	16	54,105	0	0	0	0	0	
Meters & Enclosures - Phase IV	20	10	10	54,105	72,713	0	0	0	0	
Meters & Enclosures - Phase V	20	11	9	54,105	0	74,894	0	0	0	
Meters & Enclosures - Phase VI	20	12	8	54,105	0	0	77,141	0	0	
Electrical Fixtures (OS)	1	0	1	2,317	3,114	3,207	3,303	3,403	3,505	
Electrical Fixtures (LS)	1	0	1	2,827	3,799	3,913	4,031	4,152	4,276	
Electrical Parking Posts - Ph. I	25	16	9	9,064	0	0	0	0	0	
Electrical Parking Posts - Ph. II	25	18	7	7,416	0	0	0	0	0	
Electrical Parking Posts - Ph. III	25	19	6	8,240	0	0	0	0	0	
Electrical Parking Posts - Ph. IV	25	21	4	9,888	0	0	0	0	0	
Electrical Parking Posts - Ph. V	25	25	0	6,592	0	0	0	0	0	
DECKS										
Decks - Phase I	40	32	8	140,000	0	0	0	0	0	
Decks - Phase II	40	33	7	140,000	0	0	0	0	0	
Decks - Phase III	40	34	6	140,000	0	0	0	0	0	
Decks - Phase IV	40	35	5	140,000	0	0	0	0	0	
Decks - Phase V	40	36	4	140,000	0	0	0	0	0	
Decks - Phase VI	40	37	3	140,000	0	0	0	0	0	
Decks - Phase VII	40	38	2	140,000	0	0	0	0	0	
Decks - Phase VIII	40	39	1	140,000	0	0	0	0	0	
Decks - Phase IX	40	40	0	140,000	0	0	0	0	0	
Decks - Phase X	40	0	40	140,000	0	0	0	0	0	
Decks - Phase XI	40	1	39	150,000	0	0	0	0	0	
Decks - Phase XII	40	2	38	100,000	0	0	0	0	0	
Decking - Annual (Start Yr. 11)	1	8	0	6,205	8,339	8,589	8,847	9,112	9,386	
SECURITY SYSTEMS										
Gate Telephone System	8	6	2	5,541	0	0	0	0	8,381	
Gate Card Entry System	8	6	2	5,941	0	0	0	0	8,986	
Vehicle Gates	12	4	8	6,252	0	0	0	0	0	
Vehicle Gate Motors	12	5	7	9,228	0	0	0	0	0	
BOARDWALKS										
Boardwalk (LS)	20	4	16	382,109	0	0	0	0	0	
Boardwalk (OS)	25	16	9	128,951	0	0	0	0	0	
Boardwalk (OS)	25	17	8	218,545	0	0	0	0	0	
Boardwalks - Repairs	10	7	3	9,403	0	0	0	0	0	

Monterey Dunes Colony Association

Financial Projections

Projected Annual Reserve Disbursements - Years 11 thr

	Usfl Life	Rmng Life	Calc. Yrs in Srvc	Current Rplcmnt Cost	2019	2020	2021	2022	2023	2024
					2020	2021	2022	2023	2024	
(Column)	(A)	(B)	(C)	(D)	11	12	13	14	15	
CLUBHOUSE										
Window Coverings	12	8	4	5,623	0	0	0	0	0	0
Furniture	12	8	4	12,875	0	0	0	0	0	0
Office Furniture	12	8	4	6,416	0	0	0	0	0	0
Appliances	12	3	9	6,473	0	0	0	0	0	0
Carpeting	12	1	11	3,924	0	0	0	5,763	0	0
Saunas (Refurbish)	8	4	4	2,502	0	0	3,567	0	0	0
Saunas - Heaters (2)	5	3	2	4,294	0	0	0	6,306	0	0
Rest Rooms (Refurbish)	20	16	4	12,514	0	0	0	0	0	0
Copier	10	9	1	5,796	0	0	0	0	0	0
WINDOWS & DOORS										
Windows/SGD - Phase I	25	16	9	376,050	0	0	0	0	0	0
Windows/SGD - Phase II	25	17	8	376,050	0	0	0	0	0	0
Windows/SGD - Phase III	25	18	7	376,050	0	0	0	0	0	0
Windows/SGD - Phase IV	25	19	6	376,050	0	0	0	0	0	0
Windows/SGD - Phase V	25	20	5	376,050	0	0	0	0	0	0
Windows/SGD - Phase VI	25	21	4	250,125	0	0	0	0	0	0
Windows/SGD - Phase VII	25	22	3	250,125	0	0	0	0	0	0
Windows/SGD - Phase VIII	25	24	1	207,000	0	0	0	0	0	0
Windows/SGD - Phase IX	25	25	0	262,200	0	0	0	0	0	0
Windows/SGD - Phase X	25	0	25	260,475	0	0	0	0	0	0
Windows/SGD - Phase XI	25	1	24	260,475	0	0	0	0	0	0
Windows/SGD - Phase XII	25	2	23	260,475	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 1	15	6	9	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 2	15	7	8	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 3	15	8	7	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 4	15	9	6	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 5	15	10	5	23,940	32,173	0	0	0	0	0
Windows/SGD Alum. - Ph. 6	15	11	4	23,940	0	33,139	0	0	0	0
Windows/SGD Alum. - Ph. 7	15	12	3	23,940	0	0	34,133	0	0	0
Windows/SGD Alum. - Ph. 8	15	13	2	23,940	0	0	0	35,157	0	0
Windows/SGD Alum. - Ph. 9	15	14	1	23,940	0	0	0	0	36,211	0
Exterior Entrance Doors (Annual)	1	0	1	4,635	6,229	6,416	6,608	6,807	7,011	0
Garage Doors (Annual)	1	0	1	2,436	3,274	3,372	3,473	3,577	3,685	0
MISCELLANEOUS										
Mailbox Clusters (2)	25	18	7	3,480	0	0	0	0	0	0
Mailbox Clusters (2)	25	22	3	3,480	0	0	0	0	0	0
Mailbox Clusters (2)	25	23	2	3,480	0	0	0	0	0	0
Mailbox Clusters (4)	25	25	0	6,960	0	0	0	0	0	0
Mailbox Clusters (1)	25	0	25	1,740	0	0	0	0	0	0
Wood Trim Replace (Annual)	1	0	1	16,974	22,812	23,496	24,201	24,927	25,675	0
Maintenance Trailer #1	6	6	0	1,897	0	0	2,705	0	0	0
Maintenance Traile #2	6	0	6	1,897	0	0	2,705	0	0	0
Unit Entrance Cluster Signs	20	0	20	6,895	0	0	0	0	0	0
Organization Signs & Entry Fixt.	20	3	17	9,398	0	0	0	0	0	0
Power Tools & Equipment Annual	1	0	1	6,268	8,424	8,676	8,937	9,205	9,481	0
Fumigation	17	7	10	100,785	0	0	0	0	0	0
Patio Lattice Repairs	1	0	1	2,173	2,920	3,008	3,098	3,191	3,287	0
Reserve Study	2	1	1	2,266	0	3,137	0	3,328	0	0
Company Truck	9	0	9	17,891	0	0	0	0	0	0
Annual Contingency Reserve	1	0	1	26,662	35,831	36,906	38,014	39,154	40,329	0
Totals				13,192,797	360,389	448,870	397,880	329,403	318,320	

Monterey Dunes Colony Association

Financial Projections

Projected Annual Reserve Disbursements - Years 16 thr

(Column)	Usfl Life	Rmng Life	Yrs in Srvc	Calc. Current Rplcmnt Cost	2024	2025	2026	2027	2028	2029
					2025	2026	2027	2028	2029	
	(A)	(B)	(C)	(D)	16	17	18	19	20	
ROOFING & SIDING										
Wood Shake Roofing	20	7	13	1,938,017	0	0	0	0	0	0
Built-Up Roofing - Phase I	20	11	9	71,046	0	0	0	0	0	0
Built-Up Roofing - Phase II	20	0	20	58,322	0	0	0	0	0	0
Built-Up Roofing - Phase III	20	1	19	58,323	0	0	0	0	0	0
Built-Up Roofing - Phase IV	20	2	18	116,645	0	0	0	0	0	0
Built-Up Roofing - Phase V	20	3	17	116,645	0	0	0	0	0	0
Skylights (Flat)	25	11	14	19,379	0	0	0	0	0	0
Skylights (Sloped)	20	1	19	51,809	0	0	0	0	0	0
Skylights - Large (Phase I)	25	5	20	9,671	0	0	0	0	0	0
Skylights - Large (Phase II)	25	6	19	29,015	0	0	0	0	0	0
Wood Siding (S.) - Repairs - I	20	16	4	11,937	0	19,155	0	0	0	0
Wood Siding (S.) - Repairs - II	20	15	5	11,937	18,597	0	0	0	0	0
Wood Siding (S.) - Repairs - III	20	14	6	11,937	0	0	0	0	0	0
Wood Siding (Cedar Mat. Only) - I	25	18	7	137,680	0	0	0	234,391	0	0
Wood Siding - II	25	19	6	266,402	0	0	0	0	467,138	0
Wood Siding - III	25	20	5	281,627	0	0	0	0	0	0
Wood Siding - III(a)	25	21	4	181,420	0	0	0	0	0	0
Wood Siding - IV	25	22	3	282,627	0	0	0	0	0	0
Wood Siding - V	25	24	1	197,863	0	0	0	0	0	0
Wood Siding - VI	25	25	0	291,103	0	0	0	0	0	0
Wood Siding - VII	25	0	25	291,103	0	0	0	0	0	0
Wood Siding - VIII	25	1	24	291,103	0	0	0	0	0	0
Wood Siding (Labor/Miscl.) - IX	25	2	23	134,999	0	0	0	0	0	0
Chimney Chase Caps (4 per year/10 Yrs)	1	0	1	4,326	0	0	0	0	0	0
PAINTING										
Wood Trim - Phase I	5	5	0	41,575	64,772	0	0	0	0	0
Wood Trim - Phase II	5	2	3	20,762	0	0	34,316	0	0	0
Wood Trim - Phase III	5	4	1	9,812	0	0	0	0	17,205	0
ASPHALT & CONCRETE SURFACES										
Asphalt Overlay	40	5	35	644,300	0	0	0	0	0	0
Chip & Seal	6	3	3	118,929	185,288	0	0	0	0	0
Asphalt Repairs	6	0	6	27,009	0	0	0	45,981	0	0
FENCING, GATES & WALLS										
Wood Fencing (Annual)	1	0	1	55,620	86,654	89,254	91,931	94,689	97,530	0
Wood Fence Posts (Annual)	1	0	1	9,656	15,044	15,495	15,960	16,439	16,932	0
Entry Gates (Annual)	1	0	1	7,725	12,035	12,396	12,768	13,151	13,546	0
Chain Link - Tennis Courts	15	5	10	78,781	0	0	0	0	0	0
Retaining Walls	15	11	4	6,460	0	0	0	0	0	0
POOL										
Pool Resurface	15	8	7	26,265	0	0	0	0	0	0
Pool Tile	15	6	9	6,566	0	0	0	0	0	0
Pool Heater	4	3	1	3,579	5,576	0	0	0	6,276	0
Pool Filter	12	0	12	1,700	0	0	0	0	0	0
Pool Pump / Motor	4	2	2	664	0	0	0	1,130	0	0
Pool Chlorinator	6	4	2	427	0	685	0	0	0	0
Pool Cover	4	2	2	2,626	0	0	0	4,471	0	0
SPA										
Spa Re-Tile	20	16	4	5,381	0	8,635	0	0	0	0
Spa Heater	4	1	3	2,137	0	0	3,532	0	0	0
Spa Filter	10	8	2	1,261	0	0	0	2,147	0	0
Spa Pumps / Motors	2	0	2	1,328	0	2,131	0	2,261	0	0
Spa Chlorinator	6	6	0	427	0	0	0	727	0	0

Monterey Dunes Colony Association

Financial Projections

Projected Annual Reserve Disbursements - Years 16 thr

	Calc.			Current					
	Usfl	Rmng	Yrs	Rplcmnt					
	Life	Life	in	Cost	2024	2025	2026	2027	2028
(Column)	(A)	(B)	(C)	(D)	2025	2026	2027	2028	2029
			Srvc		16	17	18	19	20
RECREATION AREAS									
Sport Court #3	10	3	7	29,844	0	0	0	0	0
Tennis Courts (1 & 2) Rebuild	20	17	3	194,810	0	0	321,991	0	0
Tennis Courts #1 - Resurface	5	3	2	3,193	0	0	0	5,436	0
Tennis Courts #2 - Resurface	5	3	2	3,193	0	0	0	5,436	0
Bocce Ball Court	30	28	2	2,863	0	0	0	0	0
Multit-use Sport Court - Replace	20	18	2	61,800	0	0	0	105,210	0
Multit-use Sport Court - Equipment	5	3	2	3,713	0	0	0	6,321	0
Multit-use Sport Court - Resurface/Stripe	5	3	2	3,193	0	0	0	5,436	0
Putting Green	10	8	2	15,913	0	0	0	27,091	0
Mini Driving Range - Resurface	10	8	2	10,609	0	0	0	18,061	0
Mini Driving Range - Equipment	5	3	2	1,112	0	0	0	1,893	0
Windscreens - Tennis Courts	10	4	6	5,160	0	0	0	0	0
ELECTRICAL & LIGHTING									
Meters & Enclosures - Phase I	20	2	18	54,105	0	0	0	0	0
Meters & Enclosures - Phase II	20	3	17	54,105	0	0	0	0	0
Meters & Enclosures - Phase III	20	4	16	54,105	0	0	0	0	0
Meters & Enclosures - Phase IV	20	10	10	54,105	0	0	0	0	0
Meters & Enclosures - Phase V	20	11	9	54,105	0	0	0	0	0
Meters & Enclosures - Phase VI	20	12	8	54,105	0	0	0	0	0
Electrical Fixtures (OS)	1	0	1	2,317	3,610	3,718	3,830	3,945	4,063
Electrical Fixtures (LS)	1	0	1	2,827	4,404	4,537	4,673	4,813	4,957
Electrical Parking Posts - Ph. I	25	16	9	9,064	0	14,545	0	0	0
Electrical Parking Posts - Ph. II	25	18	7	7,416	0	0	0	12,625	0
Electrical Parking Posts - Ph. III	25	19	6	8,240	0	0	0	0	14,449
Electrical Parking Posts - Ph. IV	25	21	4	9,888	0	0	0	0	0
Electrical Parking Posts - Ph. V	25	25	0	6,592	0	0	0	0	0
DECKS									
Decks - Phase I	40	32	8	140,000	0	0	0	0	0
Decks - Phase II	40	33	7	140,000	0	0	0	0	0
Decks - Phase III	40	34	6	140,000	0	0	0	0	0
Decks - Phase IV	40	35	5	140,000	0	0	0	0	0
Decks - Phase V	40	36	4	140,000	0	0	0	0	0
Decks - Phase VI	40	37	3	140,000	0	0	0	0	0
Decks - Phase VII	40	38	2	140,000	0	0	0	0	0
Decks - Phase VIII	40	39	1	140,000	0	0	0	0	0
Decks - Phase IX	40	40	0	140,000	0	0	0	0	0
Decks - Phase X	40	0	40	140,000	0	0	0	0	0
Decks - Phase XI	40	1	39	150,000	0	0	0	0	0
Decks - Phase XII	40	2	38	100,000	0	0	0	0	0
Decking - Annual (Start Yr. 11)	1	8	0	6,205	9,667	9,957	10,256	10,564	10,881
SECURITY SYSTEMS									
Gate Telephone System	8	6	2	5,541	0	0	0	0	0
Gate Card Entry System	8	6	2	5,941	0	0	0	0	0
Vehicle Gates	12	4	8	6,252	0	10,033	0	0	0
Vehicle Gate Motors	12	5	7	9,228	0	0	15,252	0	0
BOARDWALKS									
Boardwalk (LS)	20	4	16	382,109	0	0	0	0	0
Boardwalk (OS)	25	16	9	128,951	0	206,929	0	0	0
Boardwalk (OS)	25	17	8	218,545	0	0	361,222	0	0
Boardwalks - Repairs	10	7	3	9,403	0	0	15,542	0	0

Monterey Dunes Colony Association

Financial Projections

Projected Annual Reserve Disbursements - Years 16 thr

	Usfl Life	Rmng Life	Calc. Yrs in Srvc	Current Rplcmnt Cost	2024	2025	2026	2027	2028	2029
					2025	2026	2027	2028	2029	
(Column)	(A)	(B)	(C)	(D)	16	17	18	19	20	
CLUBHOUSE										
Window Coverings	12	8	4	5,623	0	0	0	0	0	0
Furniture	12	8	4	12,875	0	0	0	0	0	0
Office Furniture	12	8	4	6,416	0	0	0	0	0	0
Appliances	12	3	9	6,473	10,085	0	0	0	0	0
Carpeting	12	1	11	3,924	0	0	0	0	0	0
Saunas (Refurbish)	8	4	4	2,502	0	0	0	0	0	0
Saunas - Heaters (2)	5	3	2	4,294	0	0	0	7,310	0	0
Rest Rooms (Refurbish)	20	16	4	12,514	0	20,081	0	0	0	0
Copier	10	9	1	5,796	0	0	0	0	0	10,163
WINDOWS & DOORS										
Windows/SGD - Phase I	25	16	9	376,050	0	603,450	0	0	0	0
Windows/SGD - Phase II	25	17	8	376,050	0	0	621,553	0	0	0
Windows/SGD - Phase III	25	18	7	376,050	0	0	0	640,200	0	0
Windows/SGD - Phase IV	25	19	6	376,050	0	0	0	0	659,406	0
Windows/SGD - Phase V	25	20	5	376,050	0	0	0	0	0	0
Windows/SGD - Phase VI	25	21	4	250,125	0	0	0	0	0	0
Windows/SGD - Phase VII	25	22	3	250,125	0	0	0	0	0	0
Windows/SGD - Phase VIII	25	24	1	207,000	0	0	0	0	0	0
Windows/SGD - Phase IX	25	25	0	262,200	0	0	0	0	0	0
Windows/SGD - Phase X	25	0	25	260,475	0	0	0	0	0	0
Windows/SGD - Phase XI	25	1	24	260,475	0	0	0	0	0	0
Windows/SGD - Phase XII	25	2	23	260,475	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 1	15	6	9	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 2	15	7	8	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 3	15	8	7	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 4	15	9	6	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 5	15	10	5	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 6	15	11	4	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 7	15	12	3	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 8	15	13	2	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 9	15	14	1	23,940	0	0	0	0	0	0
Exterior Entrance Doors (Annual)	1	0	1	4,635	7,221	7,438	7,661	7,891	8,128	8,128
Garage Doors (Annual)	1	0	1	2,436	3,795	3,909	4,026	4,147	4,272	4,272
MISCELLANEOUS										
Mailbox Clusters (2)	25	18	7	3,480	0	0	0	5,924	0	0
Mailbox Clusters (2)	25	22	3	3,480	0	0	0	0	0	0
Mailbox Clusters (2)	25	23	2	3,480	0	0	0	0	0	0
Mailbox Clusters (4)	25	25	0	6,960	0	0	0	0	0	0
Mailbox Clusters (1)	25	0	25	1,740	0	0	0	0	0	0
Wood Trim Replace (Annual)	1	0	1	16,974	26,445	27,238	28,055	28,897	29,764	29,764
Maintenance Trailer #1	6	6	0	1,897	0	0	0	3,230	0	0
Maintenance Traile #2	6	0	6	1,897	0	0	0	3,230	0	0
Unit Entrance Cluster Signs	20	0	20	6,895	0	0	0	0	0	0
Organization Signs & Entry Fixt.	20	3	17	9,398	0	0	0	0	0	0
Power Tools & Equipment Annual	1	0	1	6,268	9,765	10,058	10,360	10,671	10,991	10,991
Fumigation	17	7	10	100,785	0	0	0	0	0	0
Patio Lattice Repairs	1	0	1	2,173	3,385	3,487	3,592	3,699	3,810	3,810
Reserve Study	2	1	1	2,266	3,530	0	3,745	0	3,973	3,973
Company Truck	9	0	9	17,891	0	0	0	30,458	0	0
Annual Contingency Reserve	1	0	1	26,662	41,539	42,785	44,068	45,390	46,752	46,752
Totals				13,192,797	511,414	1,115,916	1,614,335	1,413,265	1,430,235	

Monterey Dunes Colony Association

Financial Projections

Projected Annual Reserve Disbursements - Years 21 thr

(Column)	Usfl Life	Rmng Life	Yrs in Srv	Calc. Current Rplcmnt Cost	2029	2030	2031	2032	2033	2034
					2030	2031	2032	2033	2034	
	(A)	(B)	(C)	(D)	21	22	23	24	25	
ROOFING & SIDING										
Wood Shake Roofing	20	7	13	1,938,017	0	0	0	0	0	0
Built-Up Roofing - Phase I	20	11	9	71,046	0	0	0	0	0	0
Built-Up Roofing - Phase II	20	0	20	58,322	105,336	0	0	0	0	0
Built-Up Roofing - Phase III	20	1	19	58,323	0	108,498	0	0	0	0
Built-Up Roofing - Phase IV	20	2	18	116,645	0	0	223,504	0	0	0
Built-Up Roofing - Phase V	20	3	17	116,645	0	0	0	230,209	0	0
Skylights (Flat)	25	11	14	19,379	0	0	0	0	0	0
Skylights (Sloped)	20	1	19	51,809	0	96,380	0	0	0	0
Skylights - Large (Phase I)	25	5	20	9,671	0	0	0	0	0	0
Skylights - Large (Phase II)	25	6	19	29,015	0	0	0	0	0	0
Wood Siding (S.) - Repairs - I	20	16	4	11,937	0	0	0	0	0	0
Wood Siding (S.) - Repairs - II	20	15	5	11,937	0	0	0	0	0	0
Wood Siding (S.) - Repairs - III	20	14	6	11,937	0	0	0	0	0	0
Wood Siding (Cedar Mat. Only) - I	25	18	7	137,680	0	0	0	0	0	0
Wood Siding - II	25	19	6	266,402	0	0	0	0	0	0
Wood Siding - III	25	20	5	281,627	508,650	0	0	0	0	0
Wood Siding - III(a)	25	21	4	181,420	0	337,495	0	0	0	0
Wood Siding - IV	25	22	3	282,627	0	0	541,543	0	0	0
Wood Siding - V	25	24	1	197,863	0	0	0	0	402,215	0
Wood Siding - VI	25	25	0	291,103	0	0	0	0	0	0
Wood Siding - VII	25	0	25	291,103	0	0	0	0	0	0
Wood Siding - VIII	25	1	24	291,103	0	0	0	0	0	0
Wood Siding (Labor/Miscl.) - IX	25	2	23	134,999	0	0	0	0	0	0
Chimney Chase Caps (4 per year/10 Yrs)	1	0	1	4,326	0	0	0	0	0	0
PAINTING										
Wood Trim - Phase I	5	5	0	41,575	75,089	0	0	0	0	0
Wood Trim - Phase II	5	2	3	20,762	0	0	39,782	0	0	0
Wood Trim - Phase III	5	4	1	9,812	0	0	0	0	19,946	0
ASPHALT & CONCRETE SURFACES										
Asphalt Overlay	40	5	35	644,300	0	0	0	0	0	0
Chip & Seal	6	3	3	118,929	0	221,243	0	0	0	0
Asphalt Repairs	6	0	6	27,009	0	0	0	0	54,904	0
FENCING, GATES & WALLS										
Wood Fencing (Annual)	1	0	1	55,620	100,456	103,470	106,574	109,771	113,064	0
Wood Fence Posts (Annual)	1	0	1	9,656	17,440	17,963	18,502	19,057	19,629	0
Entry Gates (Annual)	1	0	1	7,725	13,952	14,371	14,802	15,246	15,703	0
Chain Link - Tennis Courts	15	5	10	78,781	142,287	0	0	0	0	0
Retaining Walls	15	11	4	6,460	0	0	0	0	0	0
POOL										
Pool Resurface	15	8	7	26,265	0	0	0	51,836	0	0
Pool Tile	15	6	9	6,566	0	12,215	0	0	0	0
Pool Heater	4	3	1	3,579	0	0	0	7,063	0	0
Pool Filter	12	0	12	1,700	0	0	0	0	3,456	0
Pool Pump / Motor	4	2	2	664	0	0	1,272	0	0	0
Pool Chlorinator	6	4	2	427	0	0	818	0	0	0
Pool Cover	4	2	2	2,626	0	0	5,032	0	0	0
SPA										
Spa Re-Tile	20	16	4	5,381	0	0	0	0	0	0
Spa Heater	4	1	3	2,137	0	3,975	0	0	0	0
Spa Filter	10	8	2	1,261	0	0	0	0	0	0
Spa Pumps / Motors	2	0	2	1,328	2,399	0	2,545	0	2,700	0
Spa Chlorinator	6	6	0	427	0	0	0	0	868	0

Monterey Dunes Colony Association

Financial Projections

Projected Annual Reserve Disbursements - Years 21 thr

(Column)	Usfl Life (A)	Rmng Life (B)	Yrs in Srvc (C)	Calc. Current Rplcmnt Cost (D)	2029	2030	2031	2032	2033	2033
					2030	2031	2032	2033	2034	
					21	22	23	24	25	
RECREATION AREAS										
Sport Court #3	10	3	7	29,844	0	0	0	58,900	0	
Tennis Courts (1 & 2) Rebuild	20	17	3	194,810	0	0	0	0	0	
Tennis Courts #1 - Resurface	5	3	2	3,193	0	0	0	6,302	0	
Tennis Courts #2 - Resurface	5	3	2	3,193	0	0	0	6,302	0	
Bocce Ball Court	30	28	2	2,863	0	0	0	0	0	
Multit-use Sport Court - Replace	20	18	2	61,800	0	0	0	0	0	
Multit-use Sport Court - Equipment	5	3	2	3,713	0	0	0	7,328	0	
Multit-use Sport Court - Resurface/Stripe	5	3	2	3,193	0	0	0	6,302	0	
Putting Green	10	8	2	15,913	0	0	0	0	0	
Mini Driving Range - Resurface	10	8	2	10,609	0	0	0	0	0	
Mini Driving Range - Equipment	5	3	2	1,112	0	0	0	2,195	0	
Windscreens - Tennis Courts	10	4	6	5,160	0	0	0	0	10,489	
ELECTRICAL & LIGHTING										
Meters & Enclosures - Phase I	20	2	18	54,105	0	0	103,671	0	0	
Meters & Enclosures - Phase II	20	3	17	54,105	0	0	0	106,781	0	
Meters & Enclosures - Phase III	20	4	16	54,105	0	0	0	0	109,984	
Meters & Enclosures - Phase IV	20	10	10	54,105	0	0	0	0	0	
Meters & Enclosures - Phase V	20	11	9	54,105	0	0	0	0	0	
Meters & Enclosures - Phase VI	20	12	8	54,105	0	0	0	0	0	
Electrical Fixtures (OS)	1	0	1	2,317	4,185	4,310	4,440	4,573	4,710	
Electrical Fixtures (LS)	1	0	1	2,827	5,106	5,259	5,417	5,579	5,747	
Electrical Parking Posts - Ph. I	25	16	9	9,064	0	0	0	0	0	
Electrical Parking Posts - Ph. II	25	18	7	7,416	0	0	0	0	0	
Electrical Parking Posts - Ph. III	25	19	6	8,240	0	0	0	0	0	
Electrical Parking Posts - Ph. IV	25	21	4	9,888	0	18,395	0	0	0	
Electrical Parking Posts - Ph. V	25	25	0	6,592	0	0	0	0	0	
DECKS										
Decks - Phase I	40	32	8	140,000	0	0	0	0	0	
Decks - Phase II	40	33	7	140,000	0	0	0	0	0	
Decks - Phase III	40	34	6	140,000	0	0	0	0	0	
Decks - Phase IV	40	35	5	140,000	0	0	0	0	0	
Decks - Phase V	40	36	4	140,000	0	0	0	0	0	
Decks - Phase VI	40	37	3	140,000	0	0	0	0	0	
Decks - Phase VII	40	38	2	140,000	0	0	0	0	0	
Decks - Phase VIII	40	39	1	140,000	0	0	0	0	0	
Decks - Phase IX	40	40	0	140,000	0	0	0	0	0	
Decks - Phase X	40	0	40	140,000	0	0	0	0	0	
Decks - Phase XI	40	1	39	150,000	0	0	0	0	0	
Decks - Phase XII	40	2	38	100,000	0	0	0	0	0	
Decking - Annual (Start Yr. 11)	1	8	0	6,205	11,207	11,543	11,889	12,246	12,613	
SECURITY SYSTEMS										
Gate Telephone System	8	6	2	5,541	0	0	10,617	0	0	
Gate Card Entry System	8	6	2	5,941	0	0	11,384	0	0	
Vehicle Gates	12	4	8	6,252	0	0	0	0	0	
Vehicle Gate Motors	12	5	7	9,228	0	0	0	0	0	
BOARDWALKS										
Boardwalk (LS)	20	4	16	382,109	0	0	0	0	776,749	
Boardwalk (OS)	25	16	9	128,951	0	0	0	0	0	
Boardwalk (OS)	25	17	8	218,545	0	0	0	0	0	
Boardwalks - Repairs	10	7	3	9,403	0	0	0	0	0	

Monterey Dunes Colony Association

Financial Projections

Projected Annual Reserve Disbursements - Years 21 thr

	Usfl Life	Rmng Life	Calc. Yrs in Srvc	Current Rplcmnt Cost	2029	2030	2031	2032	2033	2034
					2030	2031	2032	2033	2034	
(Column)	(A)	(B)	(C)	(D)	21	22	23	24	25	
CLUBHOUSE										
Window Coverings	12	8	4	5,623	10,156	0	0	0	0	0
Furniture	12	8	4	12,875	23,254	0	0	0	0	0
Office Furniture	12	8	4	6,416	11,588	0	0	0	0	0
Appliances	12	3	9	6,473	0	0	0	0	0	0
Carpeting	12	1	11	3,924	0	0	0	0	0	0
Saunas (Refurbish)	8	4	4	2,502	4,519	0	0	0	0	0
Saunas - Heaters (2)	5	3	2	4,294	0	0	0	8,475	0	0
Rest Rooms (Refurbish)	20	16	4	12,514	0	0	0	0	0	0
Copier	10	9	1	5,796	0	0	0	0	0	0
WINDOWS & DOORS										
Windows/SGD - Phase I	25	16	9	376,050	0	0	0	0	0	0
Windows/SGD - Phase II	25	17	8	376,050	0	0	0	0	0	0
Windows/SGD - Phase III	25	18	7	376,050	0	0	0	0	0	0
Windows/SGD - Phase IV	25	19	6	376,050	0	0	0	0	0	0
Windows/SGD - Phase V	25	20	5	376,050	679,188	0	0	0	0	0
Windows/SGD - Phase VI	25	21	4	250,125	0	465,306	0	0	0	0
Windows/SGD - Phase VII	25	22	3	250,125	0	0	479,265	0	0	0
Windows/SGD - Phase VIII	25	24	1	207,000	0	0	0	0	420,788	0
Windows/SGD - Phase IX	25	25	0	262,200	0	0	0	0	0	0
Windows/SGD - Phase X	25	0	25	260,475	0	0	0	0	0	0
Windows/SGD - Phase XI	25	1	24	260,475	0	0	0	0	0	0
Windows/SGD - Phase XII	25	2	23	260,475	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 1	15	6	9	23,940	0	44,535	0	0	0	0
Windows/SGD Alum. - Ph. 2	15	7	8	23,940	0	0	45,872	0	0	0
Windows/SGD Alum. - Ph. 3	15	8	7	23,940	0	0	0	47,248	0	0
Windows/SGD Alum. - Ph. 4	15	9	6	23,940	0	0	0	0	48,665	0
Windows/SGD Alum. - Ph. 5	15	10	5	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 6	15	11	4	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 7	15	12	3	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 8	15	13	2	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 9	15	14	1	23,940	0	0	0	0	0	0
Exterior Entrance Doors (Annual)	1	0	1	4,635	8,371	8,622	8,881	9,148	9,422	9,422
Garage Doors (Annual)	1	0	1	2,436	4,400	4,532	4,668	4,808	4,952	4,952
MISCELLANEOUS										
Mailbox Clusters (2)	25	18	7	3,480	0	0	0	0	0	0
Mailbox Clusters (2)	25	22	3	3,480	0	0	6,668	0	0	0
Mailbox Clusters (2)	25	23	2	3,480	0	0	0	6,868	0	0
Mailbox Clusters (4)	25	25	0	6,960	0	0	0	0	0	0
Mailbox Clusters (1)	25	0	25	1,740	0	0	0	0	0	0
Wood Trim Replace (Annual)	1	0	1	16,974	30,657	31,577	32,524	33,500	34,505	34,505
Maintenance Trailer #1	6	6	0	1,897	0	0	0	0	3,856	3,856
Maintenance Traile #2	6	0	6	1,897	0	0	0	0	3,856	3,856
Unit Entrance Cluster Signs	20	0	20	6,895	12,453	0	0	0	0	0
Organization Signs & Entry Fixt.	20	3	17	9,398	0	0	0	18,548	0	0
Power Tools & Equipment Annual	1	0	1	6,268	11,321	11,660	12,010	12,370	12,742	12,742
Fumigation	17	7	10	100,785	0	0	0	0	204,875	204,875
Patio Lattice Repairs	1	0	1	2,173	3,925	4,042	4,164	4,289	4,417	4,417
Reserve Study	2	1	1	2,266	0	4,215	0	4,472	0	0
Company Truck	9	0	9	17,891	0	0	0	0	0	0
Annual Contingency Reserve	1	0	1	26,662	48,155	49,599	51,087	52,620	54,198	54,198
Totals				13,192,797	1,834,092	1,579,206	1,746,929	852,033	2,355,053	

Monterey Dunes Colony Association

Financial Projections

Projected Annual Reserve Disbursements - Years 26 thr

(Column)	Usfl Life	Rmng Life	Yrs in Srvc	Calc. Current Rplcmnt Cost	2034	2035	2036	2037	2038	2039
					2035	2036	2037	2038	2039	
	(A)	(B)	(C)	(D)	26	27	28	29	30	
ROOFING & SIDING										
Wood Shake Roofing	20	7	13	1,938,017	0	0	4,304,896	0	0	
Built-Up Roofing - Phase I	20	11	9	71,046	0	0	0	0	0	
Built-Up Roofing - Phase II	20	0	20	58,322	0	0	0	0	0	
Built-Up Roofing - Phase III	20	1	19	58,323	0	0	0	0	0	
Built-Up Roofing - Phase IV	20	2	18	116,645	0	0	0	0	0	
Built-Up Roofing - Phase V	20	3	17	116,645	0	0	0	0	0	
Skylights (Flat)	25	11	14	19,379	0	0	0	0	0	
Skylights (Sloped)	20	1	19	51,809	0	0	0	0	0	
Skylights - Large (Phase I)	25	5	20	9,671	0	0	0	0	0	
Skylights - Large (Phase II)	25	6	19	29,015	0	0	0	0	0	
Wood Siding (S.) - Repairs - I	20	16	4	11,937	0	0	0	0	0	
Wood Siding (S.) - Repairs - II	20	15	5	11,937	0	0	0	0	0	
Wood Siding (S.) - Repairs - III	20	14	6	11,937	0	0	0	0	0	
Wood Siding (Cedar Mat. Only) - I	25	18	7	137,680	0	0	0	0	0	
Wood Siding - II	25	19	6	266,402	0	0	0	0	0	
Wood Siding - III	25	20	5	281,627	0	0	0	0	0	
Wood Siding - III(a)	25	21	4	181,420	0	0	0	0	0	
Wood Siding - IV	25	22	3	282,627	0	0	0	0	0	
Wood Siding - V	25	24	1	197,863	0	0	0	0	0	
Wood Siding - VI	25	25	0	291,103	609,505	0	0	0	0	
Wood Siding - VII	25	0	25	291,103	609,505	0	0	0	0	
Wood Siding - VIII	25	1	24	291,103	0	627,790	0	0	0	
Wood Siding (Labor/Miscl.) - IX	25	2	23	134,999	0	0	299,872	0	0	
Chimney Chase Caps (4 per year/10 Yrs)	1	0	1	4,326	0	0	0	0	0	
PAINTING										
Wood Trim - Phase I	5	5	0	41,575	87,049	0	0	0	0	
Wood Trim - Phase II	5	2	3	20,762	0	0	46,118	0	0	
Wood Trim - Phase III	5	4	1	9,812	0	0	0	0	23,123	
ASPHALT & CONCRETE SURFACES										
Asphalt Overlay	40	5	35	644,300	0	0	0	0	0	
Chip & Seal	6	3	3	118,929	0	0	264,176	0	0	
Asphalt Repairs	6	0	6	27,009	0	0	0	0	0	
FENCING, GATES & WALLS										
Wood Fencing (Annual)	1	0	1	55,620	116,456	119,950	123,548	127,255	131,072	
Wood Fence Posts (Annual)	1	0	1	9,656	20,218	20,825	21,449	22,093	22,756	
Entry Gates (Annual)	1	0	1	7,725	16,174	16,660	17,159	17,674	18,204	
Chain Link - Tennis Courts	15	5	10	78,781	0	0	0	0	0	
Retaining Walls	15	11	4	6,460	0	13,932	0	0	0	
POOL										
Pool Resurface	15	8	7	26,265	0	0	0	0	0	
Pool Tile	15	6	9	6,566	0	0	0	0	0	
Pool Heater	4	3	1	3,579	0	0	7,950	0	0	
Pool Filter	12	0	12	1,700	0	0	0	0	0	
Pool Pump / Motor	4	2	2	664	0	1,432	0	0	0	
Pool Chlorinator	6	4	2	427	0	0	0	977	0	
Pool Cover	4	2	2	2,626	0	5,663	0	0	0	
SPA										
Spa Re-Tile	20	16	4	5,381	0	0	0	0	0	
Spa Heater	4	1	3	2,137	4,474	0	0	0	5,036	
Spa Filter	10	8	2	1,261	0	0	0	2,885	0	
Spa Pumps / Motors	2	0	2	1,328	0	2,864	0	3,038	0	
Spa Chlorinator	6	6	0	427	0	0	0	0	0	

Monterey Dunes Colony Association

Financial Projections

Projected Annual Reserve Disbursements - Years 26 thr

	Calc.			Current	2034	2035	2036	2037	2038	2039
	Usfl	Rmng	Yrs	Rplcmnt	2035	2036	2037	2038	2039	
(Column)	Life	Life	in	Cost	26	27	28	29	30	
(A)	(B)	(C)	(D)							
RECREATION AREAS										
Sport Court #3	10	3	7	29,844	0	0	0	0	0	0
Tennis Courts (1 & 2) Rebuild	20	17	3	194,810	0	0	0	0	0	0
Tennis Courts #1 - Resurface	5	3	2	3,193	0	0	0	7,305	0	0
Tennis Courts #2 - Resurface	5	3	2	3,193	0	0	0	7,305	0	0
Bocce Ball Court	30	28	2	2,863	0	0	0	6,550	0	0
Multit-use Sport Court - Replace	20	18	2	61,800	0	0	0	0	0	0
Multit-use Sport Court - Equipment	5	3	2	3,713	0	0	0	8,495	0	0
Multit-use Sport Court - Resurface/Stripe	5	3	2	3,193	0	0	0	7,305	0	0
Putting Green	10	8	2	15,913	0	0	0	36,408	0	0
Mini Driving Range - Resurface	10	8	2	10,609	0	0	0	24,273	0	0
Mini Driving Range - Equipment	5	3	2	1,112	0	0	0	2,544	0	0
Windscreens - Tennis Courts	10	4	6	5,160	0	0	0	0	0	0
ELECTRICAL & LIGHTING										
Meters & Enclosures - Phase I	20	2	18	54,105	0	0	0	0	0	0
Meters & Enclosures - Phase II	20	3	17	54,105	0	0	0	0	0	0
Meters & Enclosures - Phase III	20	4	16	54,105	0	0	0	0	0	0
Meters & Enclosures - Phase IV	20	10	10	54,105	0	0	0	0	0	0
Meters & Enclosures - Phase V	20	11	9	54,105	0	0	0	0	0	0
Meters & Enclosures - Phase VI	20	12	8	54,105	0	0	0	0	0	0
Electrical Fixtures (OS)	1	0	1	2,317	4,851	4,997	5,147	5,301	5,460	5,460
Electrical Fixtures (LS)	1	0	1	2,827	5,919	6,097	6,280	6,468	6,662	6,662
Electrical Parking Posts - Ph. I	25	16	9	9,064	0	0	0	0	0	0
Electrical Parking Posts - Ph. II	25	18	7	7,416	0	0	0	0	0	0
Electrical Parking Posts - Ph. III	25	19	6	8,240	0	0	0	0	0	0
Electrical Parking Posts - Ph. IV	25	21	4	9,888	0	0	0	0	0	0
Electrical Parking Posts - Ph. V	25	25	0	6,592	13,802	0	0	0	0	0
DECKS										
Decks - Phase I	40	32	8	140,000	0	0	0	0	0	0
Decks - Phase II	40	33	7	140,000	0	0	0	0	0	0
Decks - Phase III	40	34	6	140,000	0	0	0	0	0	0
Decks - Phase IV	40	35	5	140,000	0	0	0	0	0	0
Decks - Phase V	40	36	4	140,000	0	0	0	0	0	0
Decks - Phase VI	40	37	3	140,000	0	0	0	0	0	0
Decks - Phase VII	40	38	2	140,000	0	0	0	0	0	0
Decks - Phase VIII	40	39	1	140,000	0	0	0	0	0	0
Decks - Phase IX	40	40	0	140,000	0	0	0	0	0	0
Decks - Phase X	40	0	40	140,000	0	0	0	0	0	0
Decks - Phase XI	40	1	39	150,000	0	0	0	0	0	0
Decks - Phase XII	40	2	38	100,000	0	0	0	0	0	0
Decking - Annual (Start Yr. 11)	1	8	0	6,205	12,992	13,382	13,783	14,197	14,622	14,622
SECURITY SYSTEMS										
Gate Telephone System	8	6	2	5,541	0	0	0	0	0	0
Gate Card Entry System	8	6	2	5,941	0	0	0	0	0	0
Vehicle Gates	12	4	8	6,252	0	0	0	14,304	0	0
Vehicle Gate Motors	12	5	7	9,228	0	0	0	0	21,746	21,746
BOARDWALKS										
Boardwalk (LS)	20	4	16	382,109	0	0	0	0	0	0
Boardwalk (OS)	25	16	9	128,951	0	0	0	0	0	0
Boardwalk (OS)	25	17	8	218,545	0	0	0	0	0	0
Boardwalks - Repairs	10	7	3	9,403	0	0	20,887	0	0	0

Monterey Dunes Colony Association

Financial Projections

Projected Annual Reserve Disbursements - Years 26 thr

	Usfl Life	Rmng Life	Calc. Yrs in Srvc	Current Rplcmnt Cost	2034	2035	2036	2037	2038	2039
					2035	2036	2037	2038	2039	
(Column)	(A)	(B)	(C)	(D)	26	27	28	29	30	
CLUBHOUSE										
Window Coverings	12	8	4	5,623	0	0	0	0	0	0
Furniture	12	8	4	12,875	0	0	0	0	0	0
Office Furniture	12	8	4	6,416	0	0	0	0	0	0
Appliances	12	3	9	6,473	0	0	14,378	0	0	0
Carpeting	12	1	11	3,924	8,216	0	0	0	0	0
Saunas (Refurbish)	8	4	4	2,502	0	0	0	5,724	0	0
Saunas - Heaters (2)	5	3	2	4,294	0	0	0	9,824	0	0
Rest Rooms (Refurbish)	20	16	4	12,514	0	0	0	0	0	0
Copier	10	9	1	5,796	0	0	0	0	0	13,659
WINDOWS & DOORS										
Windows/SGD - Phase I	25	16	9	376,050	0	0	0	0	0	0
Windows/SGD - Phase II	25	17	8	376,050	0	0	0	0	0	0
Windows/SGD - Phase III	25	18	7	376,050	0	0	0	0	0	0
Windows/SGD - Phase IV	25	19	6	376,050	0	0	0	0	0	0
Windows/SGD - Phase V	25	20	5	376,050	0	0	0	0	0	0
Windows/SGD - Phase VI	25	21	4	250,125	0	0	0	0	0	0
Windows/SGD - Phase VII	25	22	3	250,125	0	0	0	0	0	0
Windows/SGD - Phase VIII	25	24	1	207,000	0	0	0	0	0	0
Windows/SGD - Phase IX	25	25	0	262,200	548,989	0	0	0	0	0
Windows/SGD - Phase X	25	0	25	260,475	545,377	0	0	0	0	0
Windows/SGD - Phase XI	25	1	24	260,475	0	561,738	0	0	0	0
Windows/SGD - Phase XII	25	2	23	260,475	0	0	578,590	0	0	0
Windows/SGD Alum. - Ph. 1	15	6	9	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 2	15	7	8	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 3	15	8	7	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 4	15	9	6	23,940	0	0	0	0	0	0
Windows/SGD Alum. - Ph. 5	15	10	5	23,940	50,125	0	0	0	0	0
Windows/SGD Alum. - Ph. 6	15	11	4	23,940	0	51,629	0	0	0	0
Windows/SGD Alum. - Ph. 7	15	12	3	23,940	0	0	53,178	0	0	0
Windows/SGD Alum. - Ph. 8	15	13	2	23,940	0	0	0	54,773	0	0
Windows/SGD Alum. - Ph. 9	15	14	1	23,940	0	0	0	0	56,416	0
Exterior Entrance Doors (Annual)	1	0	1	4,635	9,705	9,996	10,296	10,605	10,923	10,923
Garage Doors (Annual)	1	0	1	2,436	5,100	5,253	5,411	5,573	5,741	5,741
MISCELLANEOUS										
Mailbox Clusters (2)	25	18	7	3,480	0	0	0	0	0	0
Mailbox Clusters (2)	25	22	3	3,480	0	0	0	0	0	0
Mailbox Clusters (2)	25	23	2	3,480	0	0	0	0	0	0
Mailbox Clusters (4)	25	25	0	6,960	14,573	0	0	0	0	0
Mailbox Clusters (1)	25	0	25	1,740	3,643	0	0	0	0	0
Wood Trim Replace (Annual)	1	0	1	16,974	35,540	36,606	37,704	38,835	40,000	40,000
Maintenance Trailer #1	6	6	0	1,897	0	0	0	0	0	0
Maintenance Traile #2	6	0	6	1,897	0	0	0	0	0	0
Unit Entrance Cluster Signs	20	0	20	6,895	0	0	0	0	0	0
Organization Signs & Entry Fixt.	20	3	17	9,398	0	0	0	0	0	0
Power Tools & Equipment Annual	1	0	1	6,268	13,124	13,518	13,923	14,341	14,771	14,771
Fumigation	17	7	10	100,785	0	0	0	0	0	0
Patio Lattice Repairs	1	0	1	2,173	4,550	4,686	4,827	4,972	5,121	5,121
Reserve Study	2	1	1	2,266	4,745	0	5,033	0	5,340	5,340
Company Truck	9	0	9	17,891	0	0	39,741	0	0	0
Annual Contingency Reserve	1	0	1	26,662	55,824	57,499	59,224	61,001	62,831	62,831
Totals				13,192,797	2,800,456	1,574,515	5,953,570	520,026	463,483	

Monterey Dunes Colony Association

Cash Flow Funding Plan Tables

Report Beginning July →	<u>2009</u> <u>2010</u>	<u>2010</u> <u>2011</u>	<u>2011</u> <u>2012</u>	<u>2012</u> <u>2013</u>	<u>2013</u> <u>2014</u>
Year Number	1	2	3	4	5
Cash Flow-Funding Plan #1					
Average Monthly Fee per Unit	136.00	140.08	144.28	148.61	153.07
Current Funding (Per BOD)	195,840	201,715	207,767	214,000	220,420
Beginning Cash	740,118	599,240	(185,454)	(861,654)	(1,195,718)
Special Assessment / Loan (BOD)	600,000	0	0	0	0
Annual Interest	13,261	4,097	0	0	0
Reserve Funds	1,549,219	805,052	22,313	(647,654)	(975,299)
Disbursements	949,979	990,506	883,967	548,064	679,036
End Balance	599,240	(185,454)	(861,654)	(1,195,718)	(1,654,334)
Projected % Funded (Y/E)	9.6%	0.0%	0.0%	0.0%	0.0%
Year Number	1	2	3	4	5
Cash Flow-Funding Plan #2					
Average Monthly Fee per Unit	1,225.69	1,262.47	1,300.34	1,339.35	1,379.53
100% Funding (In 5 Yrs.)	1,765,000	1,817,950	1,872,489	1,928,663	1,986,523
Beginning Cash	740,118	2,178,091	3,057,372	4,116,926	5,593,670
Special Assessment / Loan (BOD)	600,000	0	0	0	0
Annual Interest	22,953	51,836	71,033	96,145	124,948
Reserve Funds	3,128,071	4,047,878	5,000,893	6,141,734	7,705,141
Disbursements	949,979	990,506	883,967	548,064	679,036
End Balance	2,178,091	3,057,372	4,116,926	5,593,670	7,026,106
Projected % Funded (Y/E)	35%	49%	66%	84%	100%
Year Number	1	2	3	4	5
Cash Flow-Funding Plan #3					
Average Monthly Fee per Unit	568.66	585.72	603.29	621.39	640.04
"Threshold" Funding	818,875	843,441	868,744	894,807	921,651
Beginning Cash	740,118	1,222,505	1,098,420	1,105,014	1,477,324
Special Assessment / Loan (BOD)	600,000	0	0	0	0
Annual Interest	13,491	22,979	21,816	25,568	31,973
Reserve Funds	2,172,484	2,088,926	1,988,980	2,025,388	2,430,948
Disbursements	949,979	990,506	883,967	548,064	679,036
End Balance (Minimum \$660,000)	1,222,505	1,098,420	1,105,014	1,477,324	1,751,913
Projected % Funded (Y/E)	20%	18%	18%	22%	25%

Projections for Funding Plans 1-3 (Years 1-5)

Monterey Dunes Colony Association

Cash Flow Funding Plan Tables

Report Beginning July →	<u>2014</u> <u>2015</u>	<u>2015</u> <u>2016</u>	<u>2016</u> <u>2017</u>	<u>2017</u> <u>2018</u>	<u>2018</u> <u>2019</u>
Year Number	6	7	8	9	10
Cash Flow-Funding Plan #1					
Average Monthly Fee per Unit	157.66	162.39	167.26	172.28	177.45
<u>Current Funding (Per BOD)</u>	227,032	233,843	240,858	248,084	255,527
Beginning Cash	(1,654,334)	(2,504,937)	(2,567,780)	(5,082,296)	(5,169,332)
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	0	0	0	0	0
Reserve Funds	(1,427,302)	(2,271,094)	(2,326,922)	(4,834,211)	(4,913,805)
Disbursements	1,077,635	296,686	2,755,374	335,121	420,646
End Balance	(2,504,937)	(2,567,780)	(5,082,296)	(5,169,332)	(5,334,451)
Projected % Funded (Y/E)	0.0%	0.0%	0.0%	0.0%	0.0%
Year Number	6	7	8	9	10
Cash Flow-Funding Plan #2					
Average Monthly Fee per Unit	635.42	654.48	674.11	694.34	715.17
<u>100% Funding (In 5 Yrs.)</u>	915,000	942,450	970,724	999,845	1,029,841
Beginning Cash	7,026,106	7,002,367	7,794,635	6,148,031	6,942,363
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	138,896	146,505	138,046	129,608	144,939
Reserve Funds	8,080,001	8,091,322	8,903,405	7,277,484	8,117,143
Disbursements	1,077,635	296,686	2,755,374	335,121	420,646
End Balance	7,002,367	7,794,635	6,148,031	6,942,363	7,696,497
Projected % Funded (Y/E)	100%	100%	101%	101%	101%
Year Number	6	7	8	9	10
Cash Flow-Funding Plan #3					
Average Monthly Fee per Unit	659.24	679.01	699.38	658.33	678.08
<u>"Threshold" Funding</u>	949,301	977,780	1,007,113	948,000	976,440
Beginning Cash	1,751,913	1,657,333	2,378,384	660,208	1,292,420
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	33,755	39,958	30,085	19,333	31,406
Reserve Funds	2,734,968	2,675,070	3,415,582	1,627,541	2,300,267
Disbursements	1,077,635	296,686	2,755,374	335,121	420,646
End Balance (Minimum \$660,000)	1,657,333	2,378,384	660,208	1,292,420	1,879,621
Projected % Funded (Y/E)	24%	31%	11%	19%	25%

Projections for Funding Plans 1-3 (Years 6-10)

Monterey Dunes Colony Association

Cash Flow Funding Plan Tables

Report Beginning July →	<u>2019</u> <u>2020</u>	<u>2020</u> <u>2021</u>	<u>2021</u> <u>2022</u>	<u>2022</u> <u>2023</u>	<u>2023</u> <u>2024</u>
Year Number	11	12	13	14	15
Cash Flow-Funding Plan #1					
Average Monthly Fee per Unit	182.77	188.26	193.90	199.72	205.71
<u>Current Funding (Per BOD)</u>	263,193	271,088	279,221	287,598	296,226
Beginning Cash	(5,334,451)	(5,431,648)	(5,609,429)	(5,728,089)	(5,769,894)
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	0	0	0	0	0
Reserve Funds	(5,071,259)	(5,160,559)	(5,330,208)	(5,440,491)	(5,473,668)
Disbursements	360,389	448,870	397,880	329,403	318,320
End Balance	(5,431,648)	(5,609,429)	(5,728,089)	(5,769,894)	(5,791,989)
Projected % Funded (Y/E)	0.0%	0.0%	0.0%	0.0%	0.0%
Year Number	11	12	13	14	15
Cash Flow-Funding Plan #2					
Average Monthly Fee per Unit	736.62	758.72	781.48	804.93	829.07
<u>100% Funding (In 5 Yrs.)</u>	1,060,736	1,092,558	1,125,335	1,159,095	1,193,867
Beginning Cash	7,696,497	8,557,777	9,379,057	10,301,367	11,345,383
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	160,933	177,592	194,856	214,324	235,663
Reserve Funds	8,918,166	9,827,927	10,699,248	11,674,786	12,774,914
Disbursements	360,389	448,870	397,880	329,403	318,320
End Balance	8,557,777	9,379,057	10,301,367	11,345,383	12,456,594
Projected % Funded (Y/E)	101%	101%	101%	101%	100%
Year Number	11	12	13	14	15
Cash Flow-Funding Plan #3					
Average Monthly Fee per Unit	698.43	719.38	740.96	763.19	786.08
<u>"Threshold" Funding</u>	1,005,733	1,035,905	1,066,982	1,098,992	1,131,962
Beginning Cash	1,879,621	2,569,011	3,213,296	3,953,355	4,809,707
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	44,046	57,251	70,957	86,763	104,331
Reserve Funds	2,929,400	3,662,166	4,351,236	5,139,110	6,046,000
Disbursements	360,389	448,870	397,880	329,403	318,320
End Balance (Minimum \$660,000)	2,569,011	3,213,296	3,953,355	4,809,707	5,727,679
Projected % Funded (Y/E)	30%	35%	39%	43%	46%

Projections for Funding Plans 1-3 (Years 11-15)

Monterey Dunes Colony Association

Cash Flow Funding Plan Tables

Report Beginning July →	<u>2024</u> <u>2025</u>	<u>2025</u> <u>2026</u>	<u>2026</u> <u>2027</u>	<u>2027</u> <u>2028</u>	<u>2028</u> <u>2029</u>
Year Number	16	17	18	19	20
Cash Flow-Funding Plan #1					
Average Monthly Fee per Unit	211.88	218.24	224.79	231.53	238.48
<u>Current Funding (Per BOD)</u>	305,112	314,266	323,694	333,404	343,407
Beginning Cash	(5,791,989)	(5,998,290)	(6,799,941)	(8,090,582)	(9,170,443)
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	0	0	0	0	0
Reserve Funds	(5,486,876)	(5,684,025)	(6,476,247)	(7,757,178)	(8,827,036)
Disbursements	511,414	1,115,916	1,614,335	1,413,265	1,430,235
End Balance	(5,998,290)	(6,799,941)	(8,090,582)	(9,170,443)	(10,257,272)
Projected % Funded (Y/E)	0.0%	0.0%	0.0%	0.0%	0.0%
Year Number	16	17	18	19	20
Cash Flow-Funding Plan #2					
Average Monthly Fee per Unit	853.95	879.57	905.95	933.13	961.12
<u>100% Funding (In 5 Yrs.)</u>	1,229,683	1,266,574	1,304,571	1,343,708	1,384,020
Beginning Cash	12,456,594	13,431,178	13,851,965	13,816,143	14,022,214
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	256,315	270,130	273,942	275,627	279,982
Reserve Funds	13,942,592	14,967,882	15,430,478	15,435,479	15,686,216
Disbursements	511,414	1,115,916	1,614,335	1,413,265	1,430,235
End Balance	13,431,178	13,851,965	13,816,143	14,022,214	14,255,980
Projected % Funded (Y/E)	100%	100%	100%	100%	100%
Year Number	16	17	18	19	20
Cash Flow-Funding Plan #3					
Average Monthly Fee per Unit	809.67	833.96	858.98	884.74	911.29
<u>"Threshold" Funding</u>	1,165,920	1,200,898	1,236,925	1,274,033	1,312,254
Beginning Cash	5,727,679	6,503,284	6,719,181	6,472,381	6,461,204
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	121,099	130,915	130,610	128,055	128,044
Reserve Funds	7,014,698	7,835,098	8,086,716	7,874,469	7,901,502
Disbursements	511,414	1,115,916	1,614,335	1,413,265	1,430,235
End Balance (Minimum \$660,000)	6,503,284	6,719,181	6,472,381	6,461,204	6,471,266
Projected % Funded (Y/E)	49%	49%	47%	46%	45%

Projections for Funding Plans 1-3 (Years 16-20)

Monterey Dunes Colony Association

Cash Flow Funding Plan Tables

Report Beginning July →	<u>2029</u> <u>2030</u>	<u>2030</u> <u>2031</u>	<u>2031</u> <u>2032</u>	<u>2032</u> <u>2033</u>	<u>2033</u> <u>2034</u>
Year Number	21	22	23	24	25
Cash Flow-Funding Plan #1					
Average Monthly Fee per Unit	245.63	253.00	260.59	268.41	276.46
<u>Current Funding (Per BOD)</u>	353,709	364,320	375,250	386,507	398,102
Beginning Cash	(10,257,272)	(11,737,655)	(12,952,541)	(14,324,221)	(14,789,747)
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	0	0	0	0	0
Reserve Funds	(9,903,563)	(11,373,335)	(12,577,291)	(13,937,714)	(14,391,644)
Disbursements	1,834,092	1,579,206	1,746,929	852,033	2,355,053
End Balance	(11,737,655)	(12,952,541)	(14,324,221)	(14,789,747)	(16,746,698)
Projected % Funded (Y/E)	0.0%	0.0%	0.0%	0.0%	0.0%
Year Number	21	22	23	24	25
Cash Flow-Funding Plan #2					
Average Monthly Fee per Unit	989.96	1,019.66	1,050.25	1,081.75	1,114.21
<u>100% Funding (In 5 Yrs.)</u>	1,425,540	1,468,306	1,512,356	1,557,726	1,604,458
Beginning Cash	14,255,980	14,128,462	14,299,023	14,348,084	15,347,795
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	281,034	281,460	283,635	294,019	299,450
Reserve Funds	15,962,554	15,878,229	16,095,013	16,199,829	17,251,703
Disbursements	1,834,092	1,579,206	1,746,929	852,033	2,355,053
End Balance	14,128,462	14,299,023	14,348,084	15,347,795	14,896,650
Projected % Funded (Y/E)	99%	99%	99%	99%	99%
Year Number	21	22	23	24	25
Cash Flow-Funding Plan #3					
Average Monthly Fee per Unit	938.63	966.78	995.79	1025.66	1056.43
<u>"Threshold" Funding</u>	1,351,621	1,392,170	1,433,935	1,476,953	1,521,262
Beginning Cash	6,471,266	6,113,396	6,046,757	5,851,568	6,599,769
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	124,601	120,398	117,805	123,281	123,657
Reserve Funds	7,947,488	7,625,964	7,598,498	7,451,802	8,244,688
Disbursements	1,834,092	1,579,206	1,746,929	852,033	2,355,053
End Balance (Minimum \$660,000)	6,113,396	6,046,757	5,851,568	6,599,769	5,889,635
Projected % Funded (Y/E)	43%	42%	41%	43%	39%

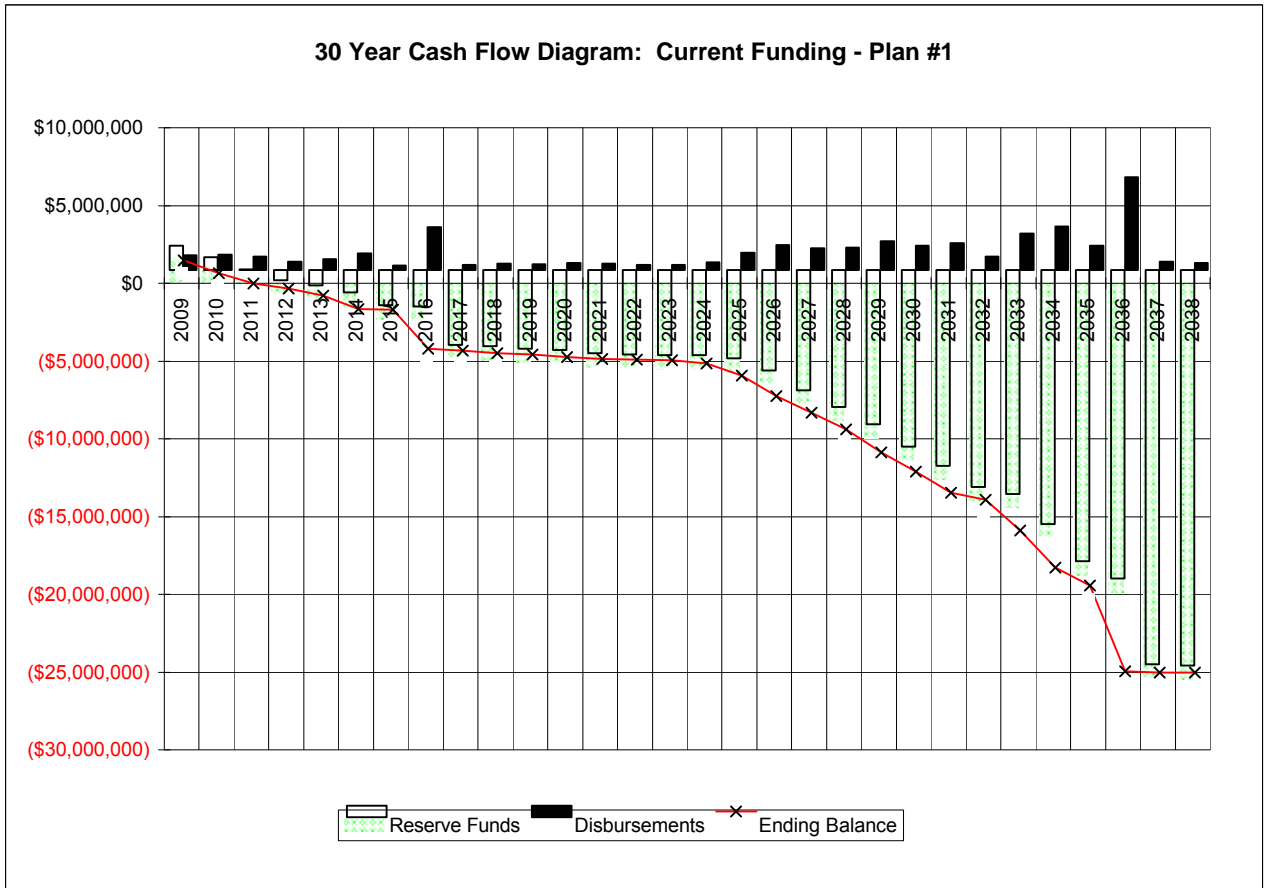
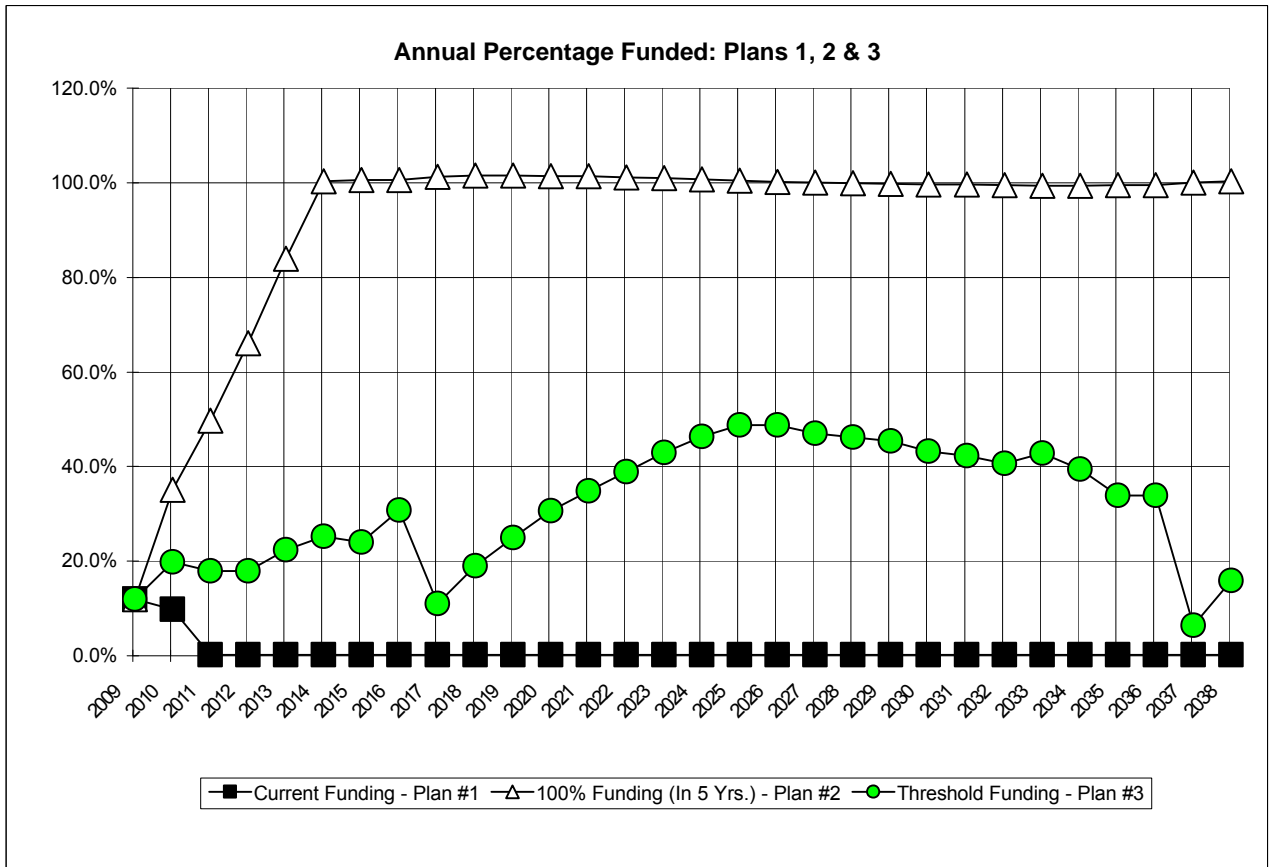
Projections for Funding Plans 1-3 (Years 21-25)

Monterey Dunes Colony Association

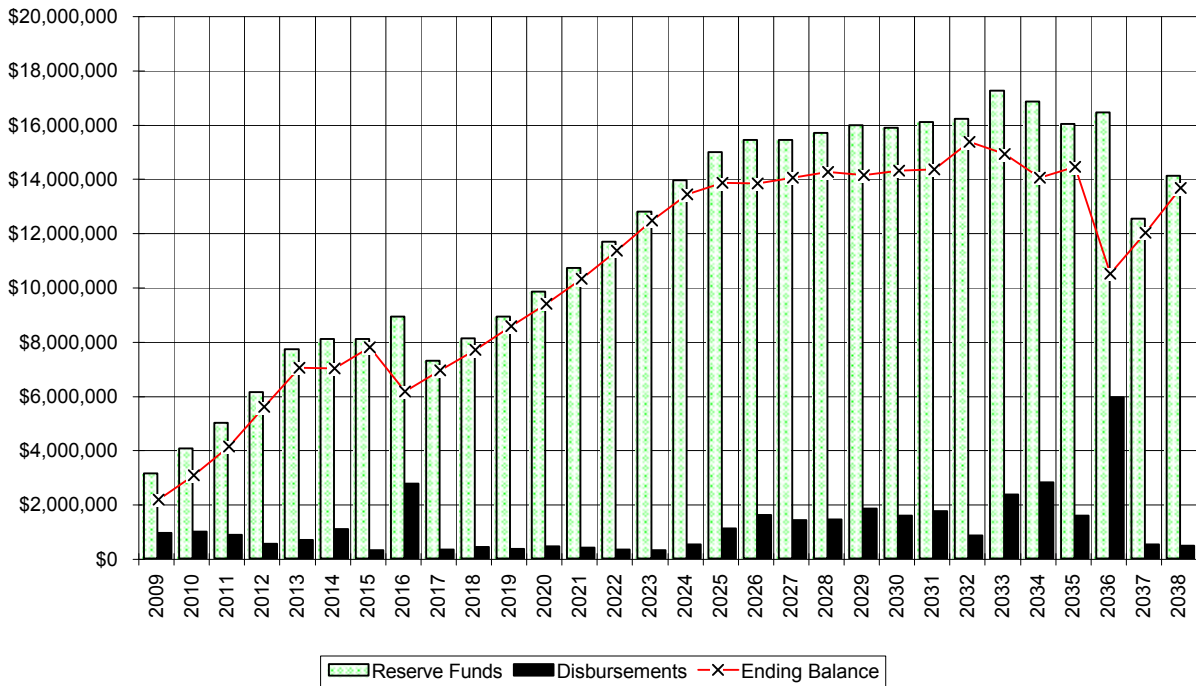
Cash Flow Funding Plan Tables

Report Beginning July →	<u>2034</u> <u>2035</u>	<u>2035</u> <u>2036</u>	<u>2036</u> <u>2037</u>	<u>2037</u> <u>2038</u>	<u>2038</u> <u>2039</u>
Year Number	26	27	28	29	30
Cash Flow-Funding Plan #1					
Average Monthly Fee per Unit	284.75	293.30	302.10	311.16	320.49
<u>Current Funding (Per BOD)</u>	410,045	422,347	435,017	448,068	461,510
Beginning Cash	(16,746,698)	(19,137,108)	(20,289,276)	(25,807,829)	(25,879,788)
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	0	0	0	0	0
Reserve Funds	(16,336,652)	(18,714,761)	(19,854,259)	(25,359,762)	(25,418,278)
Disbursements	2,800,456	1,574,515	5,953,570	520,026	463,483
End Balance	(19,137,108)	(20,289,276)	(25,807,829)	(25,879,788)	(25,881,761)
Projected % Funded (Y/E)	0.0%	0.0%	0.0%	0.0%	0.0%
Year Number	26	27	28	29	30
Cash Flow-Funding Plan #2					
Average Monthly Fee per Unit	1,147.63	1,182.06	1,217.52	1,254.05	1,291.67
<u>100% Funding (In 5 Yrs.)</u>	1,652,592	1,702,170	1,753,235	1,805,832	1,860,007
Beginning Cash	14,896,650	14,035,240	14,444,876	10,491,435	11,999,927
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	286,454	281,981	246,894	222,687	253,964
Reserve Funds	16,835,696	16,019,391	16,445,005	12,519,953	14,113,898
Disbursements	2,800,456	1,574,515	5,953,570	520,026	463,483
End Balance	14,035,240	14,444,876	10,491,435	11,999,927	13,650,415
Projected % Funded (Y/E)	99%	99%	100%	100%	100%
Year Number	26	27	28	29	30
Cash Flow-Funding Plan #3					
Average Monthly Fee per Unit	1088.12	1120.77	1154.39	1189.02	1224.69
<u>"Threshold" Funding</u>	1,566,900	1,613,907	1,662,324	1,712,193	1,763,559
Beginning Cash	5,889,635	4,761,535	4,896,552	660,324	1,877,619
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	105,457	95,625	55,019	25,128	50,553
Reserve Funds	7,561,991	6,471,067	6,613,894	2,397,645	3,691,732
Disbursements	2,800,456	1,574,515	5,953,570	520,026	463,483
End Balance (Minimum \$660,000)	4,761,535	4,896,552	660,324	1,877,619	3,228,249
Projected % Funded (Y/E)	34%	34%	6%	16%	24%

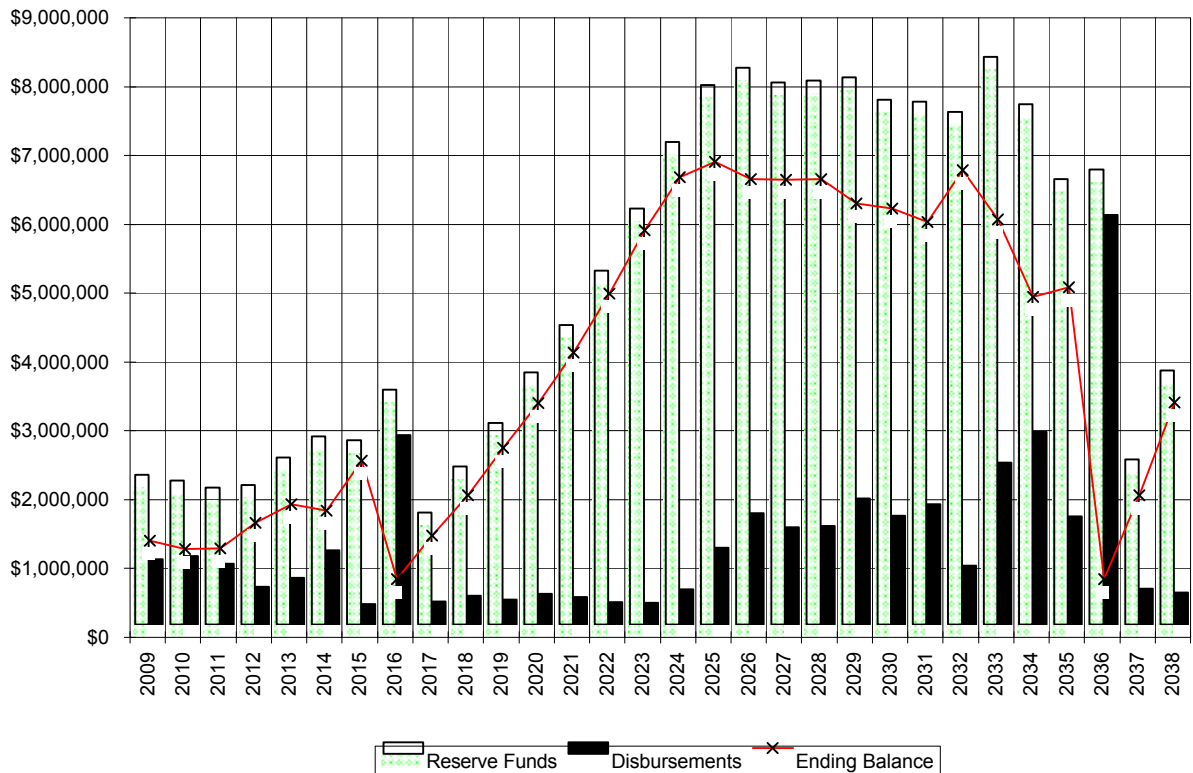
Projections for Funding Plans 1-3 (Years 26-30)



30 Year Cash Flow Diagram: Fully Funded - 100% (In 5 Yrs.) - Plan #2



30 Year Cash Flow Diagram: Threshold Funding - Plan #3



Barrera and Company, Inc. Reserve Analysis

Monterey Dunes Colony Association

Reserve Analysis Summary

April - 2009

(For Homeowner Distribution)

(Comply with state statutes, include component worksheets with Summary Page)

Number of Units:		120
Budget Yr. Report	Start:	7/1/2009
	End:	6/30/2010
Location:		Castroville, CA
2009-2010 Contribution To Reserves: \$195,840	\$195,840	Approved by Membership
2009-2010 Special Assessment: (As of 7/01/09)	\$600,000	Approved by Membership
Projected Accrued Reserve Fund Balance: (As of 7/01/09)	\$936,632	
Projected Fully Funded Balance: (As of 7/01/09)	\$6,301,308	
Deficit Below Fully Funded Reserve:	\$5,364,676	
Accrued Percentage Funded: (As of 7/01/09)	14.9%	
Current Replacement Cost:	\$13,192,797	

Funding Plans - Summary

(Report Pages A1-A33)

	<u>Year 1</u>	
Plan #1: (Current Funding)		
Year 1 Funding Amount:	\$195,840	(+ Special Assessment)
Per Unit Per Month:	\$136.00	
Plan #2: (100% Funding - In 5 years)		
Year 1 Funding Amount:	\$1,765,000	(+ Special Assessment)
Per Unit Per Month:	\$1,225.69	
Plan #3: (Threshold Funding)		
Year 1 Funding Amount:	\$818,875	(+ Special Assessment)
Per Unit Per Month:	\$568.66	

Barrera and Company, Inc. Reserve Analysis

RESERVE COMPONENT WORKSHEET DEFINITIONS:

Component:	Component: Identifies the item to be included for reserve funding.
Normal Life:	The estimated total life of a reserve component using published information and professional experience. For components in which the useful life should equal that of the project, no life expectancy has been projected (i.e. plumbing, framing, etc...)
Estimated Remaining Life:	An estimate of expected remaining longevity of that component based on information provided, maintenance, visual inspection, and assumptions of probability. Projects anticipated to occur in the initial year have "zero" remaining useful life.
Cost Per Unit:	The approximate amount of money it will take to replace the reserve component, per the measurement it is defined by (i.e. sf = Square Foot).
Approximate Quantity:	The approximate total amount of the reserve component as it has been defined under Cost Per Unit.
Current Replacement Cost:	This indicates the approximate cost of replacing the reserve component at the present time.
Future Cost:	This indicates the estimated expenditure by the Association when the component is in need of repair or replacement. The future cost has been calculated on a 3.00% yearly inflation factor. It is assumed that any repairs or replacement of any reserve component below \$1,000 in any given year will be replaced from the operating account
Source Code:	The means by which the information for the reserve component has been obtained. The Source Code is as follows: 1 - National Construction Estimator & On-file Data. 2 - Vendor Data. 3 - Actual Costs & Bids. 4 - Management and/or Board Data. 5 - Previous Reserve Study * - Awaiting Additional Information

Percentage Funded & Parameters

Percentage Funded: This percent funded value presented in the data summary sheet is calculated by dividing the current (or projected) cash reserve savings by the Fully Funded reserve amount. The maximum reported percentage is 100%, and indicates an association is currently fully funded.

Inflation/Interest: Funding and disbursement projections presented have been computed with a Time Value of Money approach. An annual 3.00% inflation rate and 2.00% average interest rate were assumed. Inflation was applied to the projected disbursements, and average interest to the ending cash balance values.

Monterey Dunes Colony Association

120 Units

Castroville, CA

Reserve Component Worksheet

April - 2009

(Report Start Date: 07/01/09)

COMPONENT	Avg Life	Rem Life	Cost Per Unit	Approx Quantity	Current Repl. Cost	Future Cost	Source Code
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ROOFING & SIDING

Wood Shake Roofing	20	7	Lump Sum	Total	1,938,017	2,383,516	1
Built-Up Roofing - Phase I	20	11	Lump Sum	7	71,046	98,344	1,4
Built-Up Roofing - Phase II	20	0	Lump Sum	Total	58,322	58,322	4
Built-Up Roofing - Phase III	20	1	Lump Sum	Total	58,323	60,073	1,4
Built-Up Roofing - Phase IV	20	2	Lump Sum	Total	116,645	123,749	1,4
Built-Up Roofing - Phase V	20	3	Lump Sum	Total	116,645	127,461	1,4
Skylights (Flat)	25	11	Lump Sum	Total	19,379	26,825	1,4
Skylights (Sloped)	20	1	Lump Sum	Total	51,809	53,363	1,4
Skylights - Large (Phase I)	25	5	Lump Sum	Total	9,671	11,211	1,4
Skylights - Large (Phase II)	25	6	Lump Sum	Total	29,015	34,645	1,4
Wood Siding (S.) - Repairs - I	20	16	Lump Sum	Total	11,937	19,155	1,4
Wood Siding (S.) - Repairs - II	20	15	Lump Sum	Total	11,937	18,597	1,4
Wood Siding (S.) - Repairs - III	20	14	Lump Sum	Total	11,937	18,056	1,4
Wood Siding (Cedar Mat. Only) - I	25	18	Lump Sum	Total	137,680	234,391	4
Wood Siding - II	25	19	Lump Sum	Total	266,402	467,138	1,4
Wood Siding - III	25	20	Lump Sum	Total	281,627	508,650	1,4
Wood Siding - III(a)	25	21	Lump Sum	Total	181,420	337,495	1,4
Wood Siding - IV	25	22	Lump Sum	Total	282,627	541,543	1,4
Wood Siding - V	25	24	Lump Sum	Total	197,863	402,215	5
Wood Siding - VI	25	25	Lump Sum	Total	291,103	609,505	4
Wood Siding - VII	25	0	Lump Sum	Total	291,103	291,103	#
Wood Siding - VIII	25	1	Lump Sum	Total	291,103	299,836	#
Wood Siding (Labor/Miscl.) - IX	25	2	Lump Sum	Total	134,999	143,220	#
Chimney Chase Caps (4 per year/10 Y	1	0	1,081.50 /ea	4	4,326	4,326	4
TOTAL REPLACEMENT COST					\$4,864,936	\$6,872,740	

PAINTING

Wood Trim - Phase I	5	5	Lump Sum	Total	41,575	48,197	1,4
Wood Trim - Phase II	5	2	Lump Sum	Total	20,762	22,026	1,4
Wood Trim - Phase III	5	4	Lump Sum	Total	9,812	11,043	1,4
Interior Surfaces	Maintenance / Operating Budget						4
TOTAL REPLACEMENT COST					\$72,149	\$81,267	

ASPHALT & CONCRETE SURFACES

Asphalt Overlay	40	5	1.70 /sf	379,000	644,300	746,920	1,4
Chip & Seal	6	3	Lump Sum	Total	118,929	129,957	1,4
Asphalt Repairs	6	0	Lump Sum	Total	27,009	27,009	1
Concrete Surfaces	Life of Project / Operating Budget						
TOTAL REPLACEMENT COST					\$790,238	\$903,886	

FENCING, GATES & WALLS

Wood Fencing (Annual)	1	0	Lump Sum	Est. 2,000	55,620	55,620	1,4
Wood Fence Posts (Annual)	1	0	77.25 /ea	125	9,656	9,656	1,4
Entry Gates (Annual)	1	0	309.00 /ea	25	7,725	7,725	1,4
Chain Link - Tennis Courts	15	5	Lump Sum	Total	78,781	91,329	1,4
Retaining Walls	15	11	Lump Sum	Total	6,460	8,942	1,4
TOTAL REPLACEMENT COST					\$158,242	\$173,272	

Monterey Dunes Colony Association

120 Units

Castroville, CA

Reserve Component Worksheet

April - 2009

(Report Start Date: 07/01/09)

COMPONENT	Avg Life	Rem Life	Cost Per Unit	Approx Quantity	Current Repl. Cost	Future Cost	Source Code
POOL							
Pool Resurface	15	8	Lump Sum	Total	26,265	33,272	1,4
Pool Tile	15	6	Lump Sum	Total	6,566	7,840	1,4
Pool Heater	4	3	3,579.00 /ea	1	3,579	3,911	1
Pool Filter	12	0	1,700.00 /ea	1	1,700	1,700	1
Pool Pump / Motor	4	2	664.00 /ea	1	664	704	1,4
Pool Chlorinator	6	4	427.00 /ea	1	427	481	1,4
Pool Cover	4	2	2,626.00 /ea	1	2,626	2,786	1,4
TOTAL REPLACEMENT COST					\$41,827	\$50,694	

SPA

Spa Re-Tile	20	16	Lump Sum	Total	5,381	8,635	1,4
Spa Heater	4	1	2,137.00 /ea	1	2,137	2,201	1,4
Spa Filter	10	8	1,261.00 /ea	1	1,261	1,597	1,4
Spa Pumps / Motors	2	0	664.00 /ea	2	1,328	1,328	1,4
Spa Chlorinator	6	6	427.00 /ea	1	427	510	1,4
TOTAL REPLACEMENT COST					\$10,534	\$14,271	

RECREATION AREAS

Sport Court #3	10	3	29,844.00 /ea	1	29,844	32,611	1,4
Sport Court #4			Status of Court To Be Determined				4
Tennis Courts (1 & 2) Rebuild	20	17	97,405.00 /ea	2	194,810	321,991	4
Tennis Courts #1 - Resurface	5	3	3,193.00 /ea	1	3,193	3,489	4
Tennis Courts #2 - Resurface	5	3	3,193.00 /ea	1	3,193	3,489	4
Bocce Ball Court	30	28	Lump Sum	Total	2,863	6,550	4
Multit-use Sport Court - Replace	20	18	Lump Sum	Total	61,800	105,210	4
Multit-use Sport Court - Equipment	5	3	Lump Sum	Total	3,713	4,057	4
Multit-use Sport Court - Resurface/Strip	5	3	Lump Sum	Total	3,193	3,489	4
Putting Green	10	8	Lump Sum	Total	15,913	20,158	4
Mini Driving Range - Resurface	10	8	Lump Sum	Total	10,609	13,439	4
Mini Driving Range - Equipment	5	3	Lump Sum	Total	1,112	1,215	4
Windscreens - Tennis Courts	10	4	Lump Sum	Total	5,160	5,808	1,4
TOTAL REPLACEMENT COST					\$335,403	\$521,508	

LANDSCAPING / IRRIGATION

Maintenance / Operating Budget 4

ELECTRICAL & LIGHTING

Meters & Enclosures - (1-Time)			Work Completed Per Management				1,4
Meters & Enclosures - Phase I	20	2	Lump Sum	15	54,105	57,400	1,4
Meters & Enclosures - Phase II	20	3	Lump Sum	15	54,105	59,122	1,4
Meters & Enclosures - Phase III	20	4	Lump Sum	15	54,105	60,896	1,4
Meters & Enclosures - Phase IV	20	10	Lump Sum	15	54,105	72,713	1,4
Meters & Enclosures - Phase V	20	11	Lump Sum	15	54,105	74,894	1,4
Meters & Enclosures - Phase VI	20	12	Lump Sum	15	54,105	77,141	1,4
Electrical Outlets - (1-Time)			Work Completed Per Management				1,4
Electrical Outlets			Maintenance / Operating Budget				1,4
Electrical Fixtures (OS)	1	0	Lump Sum	Total	2,317	2,317	1,4
Electrical Fixtures (LS)	1	0	Lump Sum	Total	2,827	2,827	1,4

Monterey Dunes Colony Association

120 Units

Castroville, CA

Reserve Component Worksheet

April - 2009

(Report Start Date: 07/01/09)

COMPONENT	Avg Life	Rem Life	Cost Per Unit	Approx Quantity	Current Repl. Cost	Future Cost	Source Code
Electrical Parking Posts - Ph. I	25	16	824.00 /ea	11	9,064	14,545	1,4
Electrical Parking Posts - Ph. II	25	18	824.00 /ea	9	7,416	12,625	1,4
Electrical Parking Posts - Ph. III	25	19	824.00 /ea	10	8,240	14,449	1,4
Electrical Parking Posts - Ph. IV	25	21	824.00 /ea	12	9,888	18,395	1,4
Electrical Parking Posts - Ph. V	25	25	824.00 /ea	8	6,592	13,802	4
Unit Number Lights							1,4
				Maintenance / Operating Budget			
TOTAL REPLACEMENT COST					\$370,974	\$481,125	

DECKS

Decks - Phase I	40	32	10,000.00 /ea	14	140,000	360,512	1,4
Decks - Phase II	40	33	10,000.00 /ea	14	140,000	371,327	1,4
Decks - Phase III	40	34	10,000.00 /ea	14	140,000	382,467	1,4
Decks - Phase IV	40	35	10,000.00 /ea	14	140,000	393,941	1,4
Decks - Phase V	40	36	10,000.00 /ea	14	140,000	405,759	1,4
Decks - Phase VI	40	37	10,000.00 /ea	14	140,000	417,932	1,4
Decks - Phase VII	40	38	10,000.00 /ea	14	140,000	430,470	1,4
Decks - Phase VIII	40	39	10,000.00 /ea	14	140,000	443,384	1,4
Decks - Phase IX	40	40	10,000.00 /ea	14	140,000	456,685	1,4
Decks - Phase X	40	0	10,000.00 /ea	14	140,000	140,000	1,4
Decks - Phase XI	40	1	10,000.00 /ea	15	150,000	154,500	1,4
Decks - Phase XII	40	2	10,000.00 /ea	10	100,000	106,090	1,4
Decking - Annual (Start Yr. 11)	1	8	Lump Sum	Total	6,205	7,860	1,4
TOTAL REPLACEMENT COST					\$1,656,205	\$4,070,926	

SECURITY SYSTEMS

Gate Telephone System	8	6	5,541.00 /ea	1	5,541	6,616	4
Gate Card Entry System	8	6	5,941.00 /ea	1	5,941	7,094	4
Vehicle Gates	12	4	3,126.00 /ea	2	6,252	7,037	1,4
Vehicle Gate Motors	12	5	4,614.00 /ea	2	9,228	10,698	1,4
TOTAL REPLACEMENT COST					\$26,962	\$31,445	

BOARDWALKS

Boardwalk (LS)	20	4	Lump Sum	Total	382,109	430,067	1,4
Boardwalk (OS)	25	16	Lump Sum	Total	128,951	206,929	1,4
Boardwalk (OS)	25	17	Lump Sum	Total	218,545	361,222	1,4
Boardwalks - Repairs	10	7	Lump Sum	Total	9,403	11,565	1,4
TOTAL REPLACEMENT COST					\$739,008	\$1,009,782	

CLUBHOUSE

Window Coverings	12	8	Lump Sum	Total	5,623	7,123	1,4
Furniture	12	8	Lump Sum	Total	12,875	16,310	1,4
Office Furniture	12	8	Lump Sum	Total	6,416	8,128	1,4
Appliances	12	3	Lump Sum	Total	6,473	7,073	1,4
Carpeting	12	1	Lump Sum	Total	3,924	4,042	1
Saunas (Refurbish)	8	4	1,251.00 /ea	2	2,502	2,816	4
Saunas - Heaters (2)	5	3	2,147.00 /ea	2	4,294	4,692	4
Rest Rooms (Refurbish)	20	16	6,257.00 /ea	2	12,514	20,081	4
Copier	10	9	5,796.00 /ea	1	5,796	7,562	4
2-Way Radio							1,4
				Maintenance / Operating Budget			
TOTAL REPLACEMENT COST					\$60,417	\$77,827	

Monterey Dunes Colony Association

120 Units

Castroville, CA

Reserve Component Worksheet

April - 2009

(Report Start Date: 07/01/09)

COMPONENT	Avg Life	Rem Life	Cost Per Unit	Approx Quantity	Current Repl. Cost	Future Cost	Source Code
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WINDOWS & DOORS

Windows/Sliding Doors (1-Time)				Work Completed Per Management			1,4
Windows/SGD - Phase I	25	16	1,725.00 /ea	218	376,050	603,450	1,4
Windows/SGD - Phase II	25	17	1,725.00 /ea	218	376,050	621,553	1,4
Windows/SGD - Phase III	25	18	1,725.00 /ea	218	376,050	640,200	1,4
Windows/SGD - Phase IV	25	19	1,725.00 /ea	218	376,050	659,406	1,4
Windows/SGD - Phase V	25	20	1,725.00 /ea	218	376,050	679,188	1,4
Windows/SGD - Phase VI	25	21	1,725.00 /ea	145	250,125	465,306	1,4
Windows/SGD - Phase VII	25	22	1,725.00 /ea	145	250,125	479,265	1,4
Windows/SGD - Phase VIII	25	24	1,725.00 /ea	120	207,000	420,788	1,4
Windows/SGD - Phase IX	25	25	1,725.00 /ea	152	262,200	548,989	1,4
Windows/SGD - Phase X	25	0	1,725.00 /ea	151	260,475	260,475	1,4
Windows/SGD - Phase XI	25	1	1,725.00 /ea	151	260,475	268,289	1,4
Windows/SGD - Phase XII	25	2	1,725.00 /ea	151	260,475	276,338	1,4
Windows/SGD Alum. - Ph. 1	15	6	1,596.00 /ea	15	23,940	28,586	1,4
Windows/SGD Alum. - Ph. 2	15	7	1,596.00 /ea	15	23,940	29,443	1,4
Windows/SGD Alum. - Ph. 3	15	8	1,596.00 /ea	15	23,940	30,326	1,4
Windows/SGD Alum. - Ph. 4	15	9	1,596.00 /ea	15	23,940	31,236	1,4
Windows/SGD Alum. - Ph. 5	15	10	1,596.00 /ea	15	23,940	32,173	1,4
Windows/SGD Alum. - Ph. 6	15	11	1,596.00 /ea	15	23,940	33,139	1,4
Windows/SGD Alum. - Ph. 7	15	12	1,596.00 /ea	15	23,940	34,133	1,4
Windows/SGD Alum. - Ph. 8	15	13	1,596.00 /ea	15	23,940	35,157	1,4
Windows/SGD Alum. - Ph. 9	15	14	1,596.00 /ea	15	23,940	36,211	1,4
Exterior Entrance Doors (Annual)	1	0	309.00 /ea	15	4,635	4,635	4
Garage Doors (Annual)	1	0	Lump Sum	Total	2,436	2,436	4
TOTAL REPLACEMENT COST					\$3,853,656	\$6,220,723	

MISCELLANEOUS

Mailbox Clusters (2)	25	18	1,740.00 /ea	2	3,480	5,924	1,4
Mailbox Clusters (2)	25	22	1,740.00 /ea	2	3,480	6,668	1
Mailbox Clusters (2)	25	23	1,740.00 /ea	2	3,480	6,868	1
Mailbox Clusters (4)	25	25	1,740.00 /ea	4	6,960	14,573	1
Mailbox Clusters (1)	25	0	1,740.00 /ea	1	1,740	1,740	1
Wood Trim Replace (Annual)	1	0	Lump Sum	Total	16,974	16,974	1,4
Maintenance Trailer #1	6	6	Lump Sum	Total	1,897	2,265	1,4
Maintenance Traile #2	6	0	Lump Sum	Total	1,897	1,897	1,4
Unit Entrance Cluster Signs	20	0	Lump Sum	Total	6,895	6,895	#
Organization Signs & Entry Fixt.	20	3	Lump Sum	Total	9,398	10,269	1,4
Power Tools & Equipment Annual	1	0	Lump Sum	Total	6,268	6,268	4
Fumigation	17	7	Lump Sum	Total	100,785	123,953	1,4
Leach Field Replacement			Life of Project / Operating Budget				4
Patio Lattice Repairs	1	0	Lump Sum	Total	2,173	2,173	4
Reserve Study	2	1	Lump Sum	Total	2,266	2,334	1
Company Truck	9	0	Lump Sum	Total	17,891	17,891	1,4
Annual Contingency Reserve	1	0	Lump Sum	Total	26,662	26,662	4
Building Foundations			Life of Project / Operating Budget				4
Septic Tanks			Life of Project / Operating Budget				4
TOTAL REPLACEMENT COST					\$212,246	\$253,355	

Monterey Dunes Colony Association

120 Units

Castroville, CA

Reserve Component Worksheet

April - 2009

(Report Start Date: 07/01/09)

COMPONENT	Avg Life	Rem Life	Cost Per Unit	Approx Quantity	Current Repl. Cost	Future Cost	Source Code
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Current Replacement Cost Total: **\$13,192,797**

CONTINGENCY Recommended 3%-5% of Total Annual Budget

Source Code: 1-National Construction Estimator and On-File Data
 2-Vendor Data
 3-Actual Costs and Bids
 4-Management/Board Data
 5-Previous Reserve Study
 *-Awaiting Additional Information

PARAMETER:
 Future Cost (Inflation) 3.00%
Unit Measurements
 lf=Linear Foot sy=Square Yard
 sf=Square Foot ea=Each
 sq=Square (100sf) ls=Lump Sum

Assessment and Reserve Funding Disclosure Summary

Association: **Monterey Dunes Colony Water Co.**
 Location: **Castroville, CA**

Year-end Date: **07/01/09**
 No. of Units: **120**

Compliance
CC1365.2.5

(1) **Current Regular Assessment** per ownership interest is: **\$31.25** Per **Month**

Note: if Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages to be provided by Board or Management.

(2) **Additional assessments** that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date Assessment Is Due	Average Amount Per Unit Per Month	Purpose Of Assessment
Total:		(If assessments are variable, see note immediately below)

Note: if Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.

(3) Based on the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes: No:

(4) If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years?

Approximate date assessment will be due: (January 1st)	Amount of Assessment	Amount Per Unit Per Month
2021-2022	\$5,379	\$3.74
2022-2023	\$99,266	\$68.93
2023-2024	\$29,330	\$20.37
2024-2025	\$45,198	\$31.39
2025-2026	\$23,903	\$16.60
2026-2027	\$39,370	\$27.34
2027-2028	\$14,408	\$10.01
2028-2029	\$31,293	\$21.73
2029-2030	\$12,950	\$8.99
2031-2032	\$67,806	\$47.09
2033-2034	\$66,821	\$46.40
2037-2038	\$23,549	\$16.35
Totals:	\$459,273	\$318.94

(5) All major components are included in the reserve study and are included in its calculations (Note below the status of a projected 30+ year remaining life).

Major Component	Useful Remaining Life in Years:	Reason this major component was not included:
Compression Water Tank	30+	Life of Project / Operating Budget
Water Wells	30+	Life of Project / Operating Budget
Water Distribution System	30+	Life of Project / Operating Budget

Assessment and Reserve Funding Disclosure Summary

Association: **Monterey Dunes Colony Water Co.**
 Location: **Castroville, CA**

Year-end Date: **07/01/09**
 No. of Units: **120**

Compliance
CC1365.2.5

- (6) Based on the method of calculation in paragraph (4) of subdivision (b) of section 1365.2.5, the estimated amount required in the reserve fund as of 07/01/09 (to be 100% funded) is **\$116,991** based in whole or in part on the last reserve study or updated prepared by Barrera and Company, Inc. as of **April, 2009**. The projected reserve fund cash Balance as of 07/01/09 is **\$93,882** resulting in reserves being **80%** at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$ N/A.
- (7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next 5 budget years is \$ (**column E**), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is \$ (**column D**), leaving the reserve at (**column F**) percent funding. Please see the projected five year funding plan below that has been implemented and approved by the association.

	Reserve Allocation	Average Per Unit / Mo.	Projected Disbursements	Year-end Balance	Fully Funded Amount	Percentage Funded
	--A--	--B--	--C--	--D--	--E--	--F--
Year 1	\$15,912	\$11.05	\$29,829	\$81,703	\$118,947	69%
Year 2	\$16,389	\$11.38	\$14,932	\$84,810	\$137,180	62%
Year 3	\$16,881	\$11.72	\$17,019	\$86,366	\$154,712	56%
Year 4	\$17,387	\$12.07	\$13,635	\$91,884	\$177,183	52%
Year 5	\$17,909	\$12.44	\$56,352	\$54,894	\$157,287	35%

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. (b) For the purposes of preparing a summary pursuant to this section: (1) "Estimated remaining useful life: means the time reasonably calculated to remain before a major component will require replacement. (2) "Major component" has the meaning used in Section 1365.5. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary. (3) The form set out in subdivision (a) shall accompany each proforma operating budget or summary thereof that is delivered pursuant to this article. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided. (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

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

The reserve study report completed and reviewed for the purposes of completing the enclosed summary was finalized based on approval from the Board of Directors. Therefore, the final decisions for implementation, updating or revising the information obtained in this report, for any changes in assumptions, is the sole right and responsibility of the Board of Directors. This report and the numbers generated herein are for use only for the year it was developed. The preparer of this form is not responsible for the use of the Assessment and Reserve Disclosure Summary in any subsequent year, or in updating the summary in any subsequent year, or in updating the summary for events and circumstances occurring after the date of this report.

BARRERA AND COMPANY, INC. · RESERVE ANALYSIS

*** RESERVE STUDY***

**FINANCIAL REPORT FOR THE
MONTEREY DUNES COLONY**

WATER COMPANY

MARCH - 2009

(Report Start Date: July 1st, 2009)

1230 Market Street, Suite 238 · San Francisco, CA 94102 · (800) 543-8670
2207 Garnet Avenue, Suite H · San Diego, CA 92109 · (858) 483-0600
BAC, Inc.

Introduction

Reserve study reports are required as part of the annual Association budget by California law CC §1365.5. Specifically, this law requires that reserve studies are updated and distributed to each owner-member within 90 days (and not less than 30 days) prior to the beginning of each fiscal year along with the operating budget and a statement regarding assessment collection policies. California law CC §1365.5 also requires reserve studies so distributed include the following:

- Current estimated replacement cost, estimated remaining life, and estimated useful life of each major component.
- The current estimate of cash reserves necessary to repair, replace, or maintain the major components.
- The current amount of cash reserves actually set aside to repair, replace or maintain the major components.
- The percentage to which the association is fully funded.

The following Reserve Study financial Report begins with a summary of the financial projection tables and a data summary sheet, which presents the required data, listed above in a concise, easy to read format. The summary describes the procedures and methods used for calculating and establishing the reserve projections, presents a brief discussion of the results and implications of the three different funding methods which have been calculated, and is followed by definitions of calculated values. Tables presenting the detailed numerical analyses, a thirty-year projection of reserve disbursements, and three funding plans projected in thirty-year cash flow tables are included as supporting detail for the summary and for the information of the Association.

The contents of this financial report are based on estimates of the most probable reserve component replacement costs and remaining useful lives as described in the Reserve Component Worksheet. Accordingly, the funding plans reflect consultant judgments based on circumstances at the time of the updated report including most likely costs, maintenance, conditions, and remaining lives. The Association may elect to implement any of the three funding plans presented, or may implement some variation developed from this information. A 3% annual increase has been assumed in the three funding plans provided (for future projections).

Because the compilation of the reserve funding plans and related projections is limited as described above, no conclusion or any other form of assurance on the funding options or projections is provided. No responsibility to update this report for events and circumstances occurring after the date of this report is assumed.

Percentage Funded

Based on the estimated current replacement costs of **\$222,686** and estimated useful lives and remaining useful lives for the individual reserve components, the annual (day 1) reserve funding for the Monterey Dunes Colony Water Company is **\$28,320** and the Fully Funded Reserve July 1, 2009 is estimated to be **\$116,991**. As of this date the Association has projected **\$93,882** to be in savings available for reserves. This will be a **deficit** of **\$23,109** under the Fully Funded Reserve. Based on these numbers, the Monterey Dunes Colony Water Company will be **80% funded** as of 07/01/09.

This percent funded value presented in the data summary sheet is calculated by dividing the current (or projected) cash reserve savings by the Fully Funded reserve amount. The maximum reported percentage is 100%, and indicates an association is currently fully funded.

Funding and disbursement projections presented have been computed with a Time Value of Money approach. An annual 3.00% inflation rate and 2.00% average interest rate were assumed. Inflation was applied to the projected disbursements, and interest to the ending cash balance values. A straight-line method of calculation was employed for both time value rates.

Respectfully Submitted,

Barrera and Company, Inc.

Description of Funding Plans Monterey Dunes Colony – Water Company

Funding Plan #1: Current Funding

This option projects the **Reserve Fund** over the next 30 years based on a funding level equal to the Association's current assessments for reserve assets. The Association has reported a current annual funding level of **\$15,912** or **\$11.05** per unit per month. Based on the projected cash reserves of **\$93,882** to be available as of 07/01/09, it appears that this method will not meet all projected reserve disbursement requirements as they occur and will never meet the fully funded (100%) level over the projected 30 years. If continued, this option should be reviewed annually and adjusted accordingly to ensure all future funding requirements will be met.

Funding Plan #2: 100% Funding

This plan projects the Annual Funding for the Fully Funded Reserve, and is a method for funding the current annual requirement (Day 1) while allocating any existing deficit over the remaining lives of each of the individual components. Full funding would require an allocation of **\$34,300** or **\$23.82** dollars per unit per month, over the first year. This amount will decrease as the deficit is funded (i.e. the association reaches full funding - note year 6). This funding plan is considered the ideal, compensating for any past funding deficiencies, and providing the full replacement cost of each component at the end of its projected useful life.

Funding Plan #3: Threshold Funding

This plan projects the lowest annual funding feasible over the next 30 years which will meet all reserve requirements as they occur. The allocation of **\$27,168 (\$18.87** monthly per unit) is required for the first year of implementation. This funding requirement is calculated in which a minimum annual contribution is sought with the constraint that the ending reserve balance for each year (1 through 30) must be greater than or equal to five percent (5%) of the current replacement cost (approximate), \$15,000 (note year 25). The calculation takes into consideration only the immediate total annual requirements, as opposed to projected requirements by component computed in Plan #2. Due to this fact, annual allocations may fluctuate widely from year to year. This plan provides a **minimal** contingency for unanticipated emergency expenditures. If implemented, funding and required disbursements should be reviewed on an annual basis and adjusted as required to ensure current and future-funding requirements will be met.

Note: A 3% annual increase in funding has been assumed for each of the three funding plans shown.

See Definitions, Page A-4.

Definition of Terms

(For page A-5)

Column A - Useful Life: Normal time period the association reserve component can be expected to remain in functional or useful condition.

Column B - Remaining Life (B): An estimate of years remaining before repair, replacement or refurbishment will be necessary.

Column C - Calculated Years in Service (C): A calculation derived by subtracting Remaining Life from Useful Life. (Note: Years in service is a calculated value, not necessarily the actual age of the component.) Calculation: $(A) - (B) = (C)$.

Column D - Current Replacement Cost (D): The current cost of repairing, replacing or refurbishing a component.

Column E - Current Actual Reserve Funds (E): Current amount of reserve funds available for each component. This is calculated by: (individual component Fully Funded Reserve) / (the total Fully Funded Reserve for all components) x (the Total Current Actual Reserve Balance for all reserve components) Calculation $G / G \text{ (Total)} \times E \text{ (Total)} = (E)$ Individual Component Current Actual Reserve Balance.

Column F - Day 1 Reserve Funding (Annual) (F): The annual amount of reserve funding required as of the Fiscal Year End which, when Fully Funded from the first year of service for all components will achieve full funding. This annualized value is calculated by dividing Current Replacement Cost by the Useful Life. This funding level makes no adjustment to eliminate any current reserve deficits. Calculation: $(D) / (A) = (F)$.

Column G - Fully Funded Reserve (G): This value is calculated by multiplying the Calculated Years in Service by the Day 1 Reserve Funding Amount. If an association is 100% funded, this number will be equal or less than the Current Allocated Reserve Fund Balance for each component. Calculation: $(C) \times (F) = (G)$.

Column H - Deficit Below Fully Funded Reserve (H): The shortage of reserve funding with respect to the Fully Funded Reserve as of the reported Current Actual Reserve Balance (E). The deficit is calculated by subtracting the Current Actual Reserve Balance from the Fully Funded Reserve: $(G) - (E) = (H)$.

Column I - 100% Funding Annual (I): The annual allocation of reserve funding needed to eliminate the deficit by spreading it over the remaining years of service of the individual component. Dividing the Deficit by the Remaining Life and adding the Annual Day 1 Funding amount. Calculation: $(H) / (B) + (F) = (I)$.

Monterey Dunes Colony Water Co.
Financial Projections

120 Units

Percent Funded: —————> 80%

(Column)	Usfl Life	Rmng Life	Calc. Yrs in Svc	Current Rplcmnt Cost	Projected Reserve Balance 07/01/09	Day 1 Reserve Funding (Annual)	Projected Fully Funded Reserve 07/01/09	Deficit below Fully Funded Reserve	100% Funding (Annual)
(Column)	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
WATER COMPANY COMPONENTS									
Well #4 (Pump & Motor)	6	4	2	7,210	1,929	1,202	2,403	475	1,320
Well #3 (Pump & Motor)	6	0	6	9,837	7,894	1,640	9,837	1,943	3,583
Water Storage Tank (220,000 Gal.)	40	22	18	30,900	11,158	773	13,905	2,747	897
Paint Storage Tank (Exterior)	5	4	1	15,450	2,480	3,090	3,090	610	3,243
Cathode Protection	4	0	4	7,040	5,649	1,760	7,040	1,391	3,151
Paint Compression Water Tank	5	4	1	3,811	612	762	762	151	800
Pressure Tank Compressor	2	0	2	2,060	1,653	1,030	2,060	407	1,437
Water System Fire Pump	30	13	17	36,050	16,393	1,202	20,428	4,035	1,512
Water System Fire Pump (Overhaul)	3	1	2	3,605	1,929	1,202	2,403	475	1,676
Pump #1 - 10 HP Booster	30	13	17	3,605	1,639	120	2,043	404	151
Pump #2 - 10 HP Booster	30	13	17	3,605	1,639	120	2,043	404	151
CL2 Pumps	3	3	0	1,586	0	529	0	0	529
Pumps (Annual Maintenance)	1	0	1	4,738	3,802	4,738	4,738	936	4,345
50 KW Generator (Rebuild/Replace)	30	13	17	25,750	11,709	858	14,592	2,882	1,080
50 KW Generator (Overhaul)	3	2	1	3,090	827	1,030	1,030	203	1,132
Dist Water System Valves	25	17	8	25,750	6,612	1,030	8,240	1,628	1,126
Water System Control Panel	30	15	15	32,445	13,018	1,082	16,223	3,204	1,295
Annual Contingency	1	0	1	6,154	4,938	6,154	6,154	1,216	5,628
Totals				222,686	93,882	28,320	116,991	23,109	33,055

Monterey Dunes Colony Water Co.

Financial Projections

Projected Annual Reserve Disbursements - Years 1 thru

(Column)	Usfl Life (A)	Rmng Life (B)	Calc. Yrs in Svc (C)	Current Rplcmnt Cost (D)	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
					2010	2011	2012	2013	2014	
					1	2	3	4	5	
<u>WATER COMPANY COMPONENTS</u>										
Well #4 (Pump & Motor)	6	4	2	7,210	0	0	0	0	8,115	
Well #3 (Pump & Motor)	6	0	6	9,837	9,837	0	0	0	0	
Water Storage Tank (220,000 Gal.)	40	22	18	30,900	0	0	0	0	0	
Paint Storage Tank (Exterior)	5	4	1	15,450	0	0	0	0	17,389	
Cathode Protection	4	0	4	7,040	7,040	0	0	0	7,924	
Paint Compression Water Tank	5	4	1	3,811	0	0	0	0	4,289	
Pressure Tank Compressor	2	0	2	2,060	2,060	0	2,185	0	2,319	
Water System Fire Pump	30	13	17	36,050	0	0	0	0	0	
Water System Fire Pump (Overhaul)	3	1	2	3,605	0	3,713	0	0	4,057	
Pump #1 - 10 HP Booster	30	13	17	3,605	0	0	0	0	0	
Pump #2 - 10 HP Booster	30	13	17	3,605	0	0	0	0	0	
CL2 Pumps	3	3	0	1,586	0	0	0	1,733	0	
Pumps (Annual Maintenance)	1	0	1	4,738	4,738	4,880	5,027	5,177	5,333	
50 KW Generator (Rebuild/Replace)	30	13	17	25,750	0	0	0	0	0	
50 KW Generator (Overhaul)	3	2	1	3,090	0	0	3,278	0	0	
Dist Water System Valves	25	17	8	25,750	0	0	0	0	0	
Water System Control Panel	30	15	15	32,445	0	0	0	0	0	
Annual Contingency	1	0	1	6,154	6,154	6,339	6,529	6,725	6,926	
Totals				222,686	29,829	14,932	17,019	13,635	56,352	

Monterey Dunes Colony Water Co.

Financial Projections

Projected Annual Reserve Disbursements - Years 6 thro.

(Column)	Usfl Life (A)	Rmng Life (B)	Calc. Yrs in Svc (C)	Current Rplcmnt Cost (D)	2014	2015	2016	2017	2018
					2015	2016	2017	2018	2019
					6	7	8	9	10
<u>WATER COMPANY COMPONENTS</u>									
Well #4 (Pump & Motor)	6	4	2	7,210	0	0	0	0	0
Well #3 (Pump & Motor)	6	0	6	9,837	0	11,746	0	0	0
Water Storage Tank (220,000 Gal.)	40	22	18	30,900	0	0	0	0	0
Paint Storage Tank (Exterior)	5	4	1	15,450	0	0	0	0	20,159
Cathode Protection	4	0	4	7,040	0	0	0	8,918	0
Paint Compression Water Tank	5	4	1	3,811	0	0	0	0	4,972
Pressure Tank Compressor	2	0	2	2,060	0	2,460	0	2,610	0
Water System Fire Pump	30	13	17	36,050	0	0	0	0	0
Water System Fire Pump (Overhaul)	3	1	2	3,605	0	0	4,434	0	0
Pump #1 - 10 HP Booster	30	13	17	3,605	0	0	0	0	0
Pump #2 - 10 HP Booster	30	13	17	3,605	0	0	0	0	0
CL2 Pumps	3	3	0	1,586	0	1,894	0	0	2,069
Pumps (Annual Maintenance)	1	0	1	4,738	5,493	5,657	5,827	6,002	6,182
50 KW Generator (Rebuild/Replace)	30	13	17	25,750	0	0	0	0	0
50 KW Generator (Overhaul)	3	2	1	3,090	3,582	0	0	3,914	0
Dist Water System Valves	25	17	8	25,750	0	0	0	0	0
Water System Control Panel	30	15	15	32,445	0	0	0	0	0
Annual Contingency	1	0	1	6,154	7,134	7,348	7,569	7,796	8,030
Totals				222,686	16,209	29,105	17,829	29,240	41,412

Monterey Dunes Colony Water Co.

Financial Projections

Projected Annual Reserve Disbursements - Years 11 thr

(Column)	Usfl Life	Rmng Life	Calc. Yrs in Svc	Current Rplcmnt Cost	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
					2020	2021	2022	2023	2024	
	(A)	(B)	(C)	(D)	11	12	13	14	15	
<u>WATER COMPANY COMPONENTS</u>										
Well #4 (Pump & Motor)	6	4	2	7,210	9,690	0	0	0	0	0
Well #3 (Pump & Motor)	6	0	6	9,837	0	0	14,025	0	0	0
Water Storage Tank (220,000 Gal.)	40	22	18	30,900	0	0	0	0	0	0
Paint Storage Tank (Exterior)	5	4	1	15,450	0	0	0	0	0	23,370
Cathode Protection	4	0	4	7,040	0	0	10,037	0	0	0
Paint Compression Water Tank	5	4	1	3,811	0	0	0	0	0	5,764
Pressure Tank Compressor	2	0	2	2,060	2,768	0	2,937	0	0	3,116
Water System Fire Pump	30	13	17	36,050	0	0	0	52,941	0	0
Water System Fire Pump (Overhaul)	3	1	2	3,605	4,845	0	0	5,294	0	0
Pump #1 - 10 HP Booster	30	13	17	3,605	0	0	0	5,294	0	0
Pump #2 - 10 HP Booster	30	13	17	3,605	0	0	0	5,294	0	0
CL2 Pumps	3	3	0	1,586	0	0	2,261	0	0	0
Pumps (Annual Maintenance)	1	0	1	4,738	6,367	6,559	6,755	6,958	7,167	0
50 KW Generator (Rebuild/Replace)	30	13	17	25,750	0	0	0	37,815	0	0
50 KW Generator (Overhaul)	3	2	1	3,090	0	4,277	0	0	4,674	0
Dist Water System Valves	25	17	8	25,750	0	0	0	0	0	0
Water System Control Panel	30	15	15	32,445	0	0	0	0	0	0
Annual Contingency	1	0	1	6,154	8,270	8,519	8,774	9,037	9,308	0
Totals				222,686	31,941	19,354	44,790	122,633	53,399	

Monterey Dunes Colony Water Co.

Financial Projections

Projected Annual Reserve Disbursements - Years 16 thr

(Column)	Usfl Life	Rmng Life	Calc. Yrs in Svc	Current Rplcmnt Cost	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2028</u>
					<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	
	(A)	(B)	(C)	(D)	16	17	18	19	20	
<u>WATER COMPANY COMPONENTS</u>										
Well #4 (Pump & Motor)	6	4	2	7,210	0	11,570	0	0	0	0
Well #3 (Pump & Motor)	6	0	6	9,837	0	0	0	16,747	0	0
Water Storage Tank (220,000 Gal.)	40	22	18	30,900	0	0	0	0	0	0
Paint Storage Tank (Exterior)	5	4	1	15,450	0	0	0	0	0	27,092
Cathode Protection	4	0	4	7,040	0	11,297	0	0	0	0
Paint Compression Water Tank	5	4	1	3,811	0	0	0	0	0	6,683
Pressure Tank Compressor	2	0	2	2,060	0	3,306	0	3,507	0	0
Water System Fire Pump	30	13	17	36,050	0	0	0	0	0	0
Water System Fire Pump (Overhaul)	3	1	2	3,605	0	5,785	0	0	0	6,321
Pump #1 - 10 HP Booster	30	13	17	3,605	0	0	0	0	0	0
Pump #2 - 10 HP Booster	30	13	17	3,605	0	0	0	0	0	0
CL2 Pumps	3	3	0	1,586	2,471	0	0	2,700	0	0
Pumps (Annual Maintenance)	1	0	1	4,738	7,382	7,603	7,831	8,066	8,308	0
50 KW Generator (Rebuild/Replace)	30	13	17	25,750	0	0	0	0	0	0
50 KW Generator (Overhaul)	3	2	1	3,090	0	0	5,107	0	0	0
Dist Water System Valves	25	17	8	25,750	0	0	42,561	0	0	0
Water System Control Panel	30	15	15	32,445	50,548	0	0	0	0	0
Annual Contingency	1	0	1	6,154	9,588	9,875	10,172	10,477	10,791	0
Totals				222,686	69,989	49,436	65,671	41,497	59,195	

Monterey Dunes Colony Water Co.

Financial Projections

Projected Annual Reserve Disbursements - Years 21 thr

(Column)	Usfl Life	Rmng Life	Calc. Yrs in Svc	Current Rplcmnt Cost	<u>2029</u>	<u>2030</u>	<u>2031</u>	<u>2032</u>	<u>2033</u>	<u>2033</u>
					2030	2031	2032	2033	2034	
	(A)	(B)	(C)	(D)	21	22	23	24	25	
<u>WATER COMPANY COMPONENTS</u>										
Well #4 (Pump & Motor)	6	4	2	7,210	0	0	13,815	0	0	
Well #3 (Pump & Motor)	6	0	6	9,837	0	0	0	0	19,997	
Water Storage Tank (220,000 Gal.)	40	22	18	30,900	0	0	59,208	0	0	
Paint Storage Tank (Exterior)	5	4	1	15,450	0	0	0	0	31,407	
Cathode Protection	4	0	4	7,040	12,715	0	0	0	14,311	
Paint Compression Water Tank	5	4	1	3,811	0	0	0	0	7,747	
Pressure Tank Compressor	2	0	2	2,060	3,721	0	3,947	0	4,188	
Water System Fire Pump	30	13	17	36,050	0	0	0	0	0	
Water System Fire Pump (Overhaul)	3	1	2	3,605	0	0	6,908	0	0	
Pump #1 - 10 HP Booster	30	13	17	3,605	0	0	0	0	0	
Pump #2 - 10 HP Booster	30	13	17	3,605	0	0	0	0	0	
CL2 Pumps	3	3	0	1,586	0	2,950	0	0	3,224	
Pumps (Annual Maintenance)	1	0	1	4,738	8,557	8,814	9,078	9,351	9,631	
50 KW Generator (Rebuild/Replace)	30	13	17	25,750	0	0	0	0	0	
50 KW Generator (Overhaul)	3	2	1	3,090	5,581	0	0	6,098	0	
Dist Water System Valves	25	17	8	25,750	0	0	0	0	0	
Water System Control Panel	30	15	15	32,445	0	0	0	0	0	
Annual Contingency	1	0	1	6,154	11,115	11,448	11,792	12,145	12,510	
				222,686	41,689	23,213	104,748	27,595	103,014	
Totals										

Monterey Dunes Colony Water Co.

Financial Projections

Projected Annual Reserve Disbursements - Years 26 thr

(Column)	Usfl Life (A)	Rmng Life (B)	Calc. Yrs in Svc (C)	Current Rplcmnt Cost (D)	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>	<u>2039</u>
					2035	2036	2037	2038	2039	
					26	27	28	29	30	
<u>WATER COMPANY COMPONENTS</u>										
Well #4 (Pump & Motor)	6	4	2	7,210	0	0	0	16,496	0	
Well #3 (Pump & Motor)	6	0	6	9,837	0	0	0	0	0	
Water Storage Tank (220,000 Gal.)	40	22	18	30,900	0	0	0	0	0	
Paint Storage Tank (Exterior)	5	4	1	15,450	0	0	0	0	36,409	
Cathode Protection	4	0	4	7,040	0	0	0	16,107	0	
Paint Compression Water Tank	5	4	1	3,811	0	0	0	0	8,981	
Pressure Tank Compressor	2	0	2	2,060	0	4,443	0	4,713	0	
Water System Fire Pump	30	13	17	36,050	0	0	0	0	0	
Water System Fire Pump (Overhaul)	3	1	2	3,605	7,548	0	0	8,248	0	
Pump #1 - 10 HP Booster	30	13	17	3,605	0	0	0	0	0	
Pump #2 - 10 HP Booster	30	13	17	3,605	0	0	0	0	0	
CL2 Pumps	3	3	0	1,586	0	0	3,523	0	0	
Pumps (Annual Maintenance)	1	0	1	4,738	9,920	10,218	10,524	10,840	11,165	
50 KW Generator (Rebuild/Replace)	30	13	17	25,750	0	0	0	0	0	
50 KW Generator (Overhaul)	3	2	1	3,090	0	6,664	0	0	7,282	
Dist Water System Valves	25	17	8	25,750	0	0	0	0	0	
Water System Control Panel	30	15	15	32,445	0	0	0	0	0	
Annual Contingency	1	0	1	6,154	12,885	13,272	13,670	14,080	14,502	
				222,686	30,353	34,596	27,717	70,484	78,339	
Totals										

Monterey Dunes Colony Water Co.

Cash Flow Funding Plan Tables

Report Beginning July →	<u>2009</u> <u>2010</u>	<u>2010</u> <u>2011</u>	<u>2011</u> <u>2012</u>	<u>2012</u> <u>2013</u>	<u>2013</u> <u>2014</u>
Year Number	1	2	3	4	5
Cash Flow-Funding Plan #1					
Average Monthly Fee per Unit	11.05	11.38	11.72	12.07	12.44
Current Funding	15,912	16,389	16,881	17,387	17,909
Beginning Cash	93,882	81,703	84,810	86,366	91,884
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	1,738	1,649	1,695	1,765	1,453
Reserve Funds	111,532	99,741	103,385	105,519	111,246
Disbursements	29,829	14,932	17,019	13,635	56,352
End Balance	81,703	84,810	86,366	91,884	54,894
Projected % Funded (Y/E)	69%	62%	56%	52%	35%

Year Number	1	2	3	4	5
Cash Flow-Funding Plan #2					
Average Monthly Fee per Unit	23.82	24.53	25.27	26.03	26.81
100% Funding	34,300	35,329	36,389	37,481	38,605
Beginning Cash	93,882	100,275	122,882	144,903	171,885
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	1,922	2,209	2,651	3,137	3,260
Reserve Funds	130,104	137,814	161,922	185,520	213,750
Disbursements	29,829	14,932	17,019	13,635	56,352
End Balance	100,275	122,882	144,903	171,885	157,398
Projected % Funded (Y/E)	84%	90%	94%	97%	100%

Year Number	1	2	3	4	5
Cash Flow-Funding Plan #3					
Average Monthly Fee per Unit	18.87	19.43	20.02	20.62	21.23
"Threshold" Funding	27,168	27,983	28,823	29,687	30,578
Beginning Cash	93,882	93,072	108,115	122,199	140,856
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	1,851	1,992	2,280	2,605	2,559
Reserve Funds	122,901	123,047	139,218	154,491	173,993
Disbursements	29,829	14,932	17,019	13,635	56,352
End Balance (Minimum \$15,000)	93,072	108,115	122,199	140,856	117,641
Projected % Funded (Y/E)	78%	79%	79%	79%	75%

Projections for Funding Plans 1-3 (Years 1-5)

Monterey Dunes Colony Water Co.

Cash Flow Funding Plan Tables

Report Beginning July →	<u>2014</u> <u>2015</u>	<u>2015</u> <u>2016</u>	<u>2016</u> <u>2017</u>	<u>2017</u> <u>2018</u>	<u>2018</u> <u>2019</u>
Year Number	6	7	8	9	10
Cash Flow-Funding Plan #1					
Average Monthly Fee per Unit	12.81	13.19	13.59	14.00	14.42
Current Funding	18,446	19,000	19,570	20,157	20,762
Beginning Cash	54,894	58,252	49,210	51,952	43,818
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	1,120	1,064	1,002	948	670
Reserve Funds	74,461	78,316	69,782	73,057	65,249
Disbursements	16,209	29,105	17,829	29,240	41,412
End Balance	58,252	49,210	51,952	43,818	23,837
Projected % Funded (Y/E)	33%	26%	24%	19%	10%

Year Number	6	7	8	9	10
Cash Flow-Funding Plan #2					
Average Monthly Fee per Unit	24.03	24.75	25.49	26.26	27.04
100% Funding	34,600	35,638	36,707	37,808	38,943
Beginning Cash	157,398	179,121	189,302	212,154	225,052
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	3,332	3,648	3,975	4,329	4,476
Reserve Funds	195,330	218,407	229,984	254,292	268,471
Disbursements	16,209	29,105	17,829	29,240	41,412
End Balance	179,121	189,302	212,154	225,052	227,059
Projected % Funded (Y/E)	100%	100%	100%	100%	100%

Year Number	6	7	8	9	10
Cash Flow-Funding Plan #3					
Average Monthly Fee per Unit	21.87	22.53	23.20	23.90	24.62
"Threshold" Funding	31,495	32,440	33,413	34,416	35,448
Beginning Cash	117,641	135,433	141,510	160,080	168,509
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	2,506	2,742	2,986	3,253	3,311
Reserve Funds	151,642	170,615	177,909	197,748	207,268
Disbursements	16,209	29,105	17,829	29,240	41,412
End Balance (Minimum \$15,000)	135,433	141,510	160,080	168,509	165,855
Projected % Funded (Y/E)	76%	75%	75%	75%	73%

Projections for Funding Plans 1-3 (Years 6-10)

Monterey Dunes Colony Water Co.

Cash Flow Funding Plan Tables

Report Beginning July →	<u>2019</u> <u>2020</u>	<u>2020</u> <u>2021</u>	<u>2021</u> <u>2022</u>	<u>2022</u> <u>2023</u>	<u>2023</u> <u>2024</u>
Year Number	11	12	13	14	15
Cash Flow-Funding Plan #1					
Average Monthly Fee per Unit	14.85	15.30	15.75	16.23	16.71
Current Funding	21,384	22,026	22,687	23,367	24,068
Beginning Cash	23,837	13,652	16,623	(5,369)	(104,635)
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	371	300	111	0	0
Reserve Funds	45,593	35,977	39,421	17,998	(80,566)
Disbursements	31,941	19,354	44,790	122,633	53,399
End Balance	13,652	16,623	(5,369)	(104,635)	(133,965)
Projected % Funded (Y/E)	6%	6%	0%	0%	0%

Year Number	11	12	13	14	15
Cash Flow-Funding Plan #2					
Average Monthly Fee per Unit	27.85	28.69	29.55	30.44	31.35
100% Funding	40,111	41,314	42,554	43,830	45,145
Beginning Cash	227,059	239,852	266,828	269,906	195,713
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	4,623	5,017	5,314	4,610	3,832
Reserve Funds	271,793	286,183	314,696	318,346	244,690
Disbursements	31,941	19,354	44,790	122,633	53,399
End Balance	239,852	266,828	269,906	195,713	191,291
Projected % Funded (Y/E)	99%	99%	99%	99%	100%

Year Number	11	12	13	14	15
Cash Flow-Funding Plan #3					
Average Monthly Fee per Unit	25.36	26.12	26.90	27.71	28.54
"Threshold" Funding	36,512	37,607	38,735	39,897	41,094
Beginning Cash	165,855	173,789	195,700	193,498	113,805
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	3,363	3,658	3,853	3,043	2,153
Reserve Funds	205,730	215,054	238,288	236,438	157,052
Disbursements	31,941	19,354	44,790	122,633	53,399
End Balance (Minimum \$15,000)	173,789	195,700	193,498	113,805	103,653
Projected % Funded (Y/E)	72%	73%	71%	58%	54%

Projections for Funding Plans 1-3 (Years 11-15)

Monterey Dunes Colony Water Co.

Cash Flow Funding Plan Tables

Report Beginning July →	<u>2024</u> <u>2025</u>	<u>2025</u> <u>2026</u>	<u>2026</u> <u>2027</u>	<u>2027</u> <u>2028</u>	<u>2028</u> <u>2029</u>
Year Number	16	17	18	19	20
Cash Flow-Funding Plan #1					
Average Monthly Fee per Unit	17.22	17.73	18.26	18.81	19.38
Current Funding	24,790	25,534	26,300	27,089	27,902
Beginning Cash	(133,965)	(179,163)	(203,066)	(242,436)	(256,844)
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	0	0	0	0	0
Reserve Funds	(109,175)	(153,629)	(176,765)	(215,347)	(228,942)
Disbursements	69,989	49,436	65,671	41,497	59,195
End Balance	(179,163)	(203,066)	(242,436)	(256,844)	(288,137)
Projected % Funded (Y/E)	0%	0%	0%	0%	0%

Year Number	16	17	18	19	20
Cash Flow-Funding Plan #2					
Average Monthly Fee per Unit	32.29	33.26	34.26	35.29	36.34
100% Funding	46,500	47,894	49,331	50,811	52,336
Beginning Cash	191,291	171,393	173,264	160,226	172,838
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	3,591	3,412	3,302	3,298	3,388
Reserve Funds	241,382	222,700	225,897	214,335	228,562
Disbursements	69,989	49,436	65,671	41,497	59,195
End Balance	171,393	173,264	160,226	172,838	169,367
Projected % Funded (Y/E)	100%	101%	101%	102%	103%

Year Number	16	17	18	19	20
Cash Flow-Funding Plan #3					
Average Monthly Fee per Unit	29.39	30.28	31.18	32.12	33.08
"Threshold" Funding	42,327	43,597	44,905	46,252	47,639
Beginning Cash	103,653	77,788	73,445	53,940	59,822
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	1,796	1,497	1,261	1,126	1,081
Reserve Funds	147,776	122,882	119,611	101,318	108,542
Disbursements	69,989	49,436	65,671	41,497	59,195
End Balance (Minimum \$15,000)	77,788	73,445	53,940	59,822	49,347
Projected % Funded (Y/E)	45%	43%	34%	35%	30%

Projections for Funding Plans 1-3 (Years 16-20)

Monterey Dunes Colony Water Co.

Cash Flow Funding Plan Tables

Report Beginning July →	<u>2029</u> <u>2030</u>	<u>2030</u> <u>2031</u>	<u>2031</u> <u>2032</u>	<u>2032</u> <u>2033</u>	<u>2033</u> <u>2034</u>
Year Number	21	22	23	24	25
Cash Flow-Funding Plan #1					
Average Monthly Fee per Unit	19.96	20.56	21.17	21.81	22.46
Current Funding	28,739	29,601	30,489	31,404	32,346
Beginning Cash	(288,137)	(301,087)	(294,699)	(368,957)	(365,148)
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	0	0	0	0	0
Reserve Funds	(259,398)	(271,486)	(264,210)	(337,554)	(332,802)
Disbursements	41,689	23,213	104,748	27,595	103,014
End Balance	(301,087)	(294,699)	(368,957)	(365,148)	(435,816)
Projected % Funded (Y/E)	0%	0%	0%	0%	0%

Year Number	21	22	23	24	25
Cash Flow-Funding Plan #2					
Average Monthly Fee per Unit	37.43	38.56	39.71	40.91	42.13
100% Funding	53,906	55,523	57,189	58,904	60,671
Beginning Cash	169,367	185,094	221,429	177,823	213,002
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	3,510	4,025	3,953	3,870	3,837
Reserve Funds	226,782	244,641	282,570	240,596	277,509
Disbursements	41,689	23,213	104,748	27,595	103,014
End Balance	185,094	221,429	177,823	213,002	174,496
Projected % Funded (Y/E)	103%	103%	105%	104%	107%

Year Number	21	22	23	24	25
Cash Flow-Funding Plan #3					
Average Monthly Fee per Unit	34.08	35.10	36.15	37.23	38.35
"Threshold" Funding	49,068	50,540	52,057	53,618	55,227
Beginning Cash	49,347	57,787	86,544	35,057	62,042
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	1,061	1,429	1,204	961	763
Reserve Funds	99,476	109,757	139,805	89,637	118,032
Disbursements	41,689	23,213	104,748	27,595	103,014
End Balance (Minimum \$15,000)	57,787	86,544	35,057	62,042	15,018
Projected % Funded (Y/E)	32%	40%	21%	30%	9%

Projections for Funding Plans 1-3 (Years 21-25)

Monterey Dunes Colony Water Co.

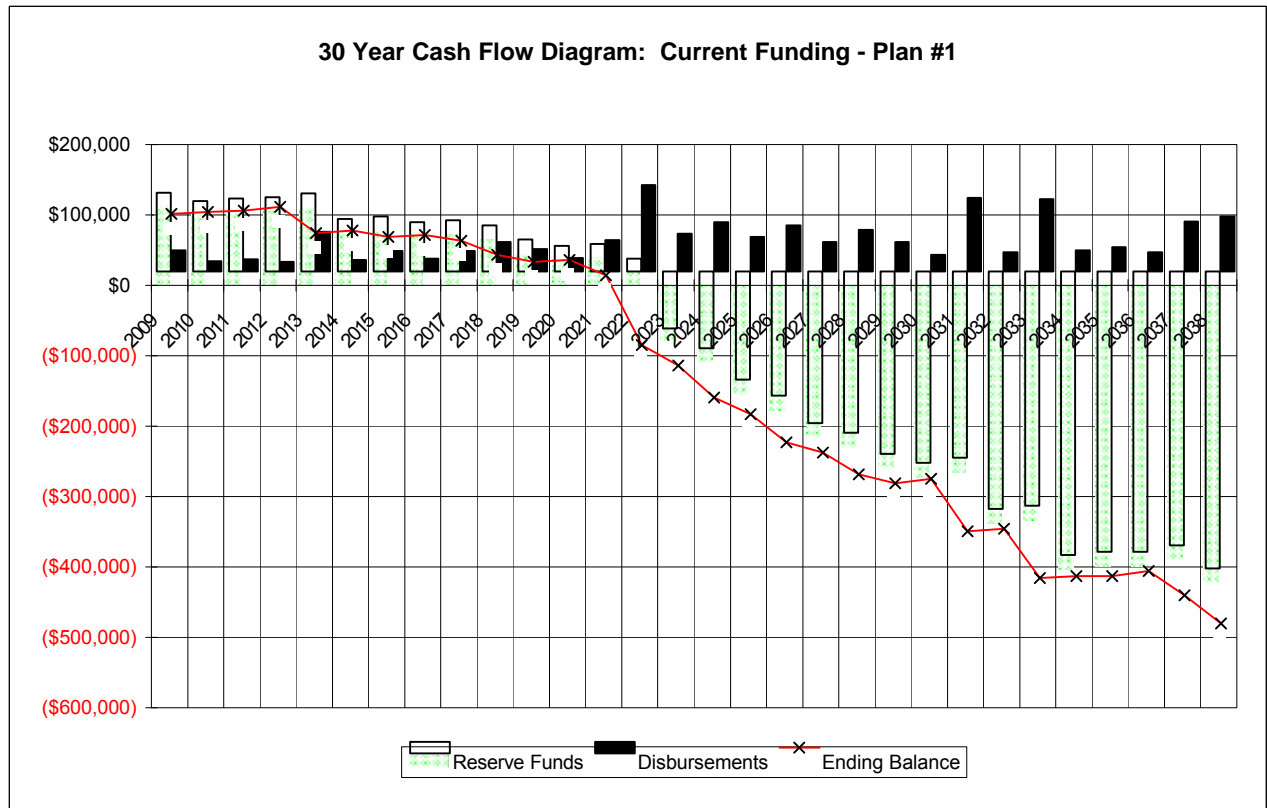
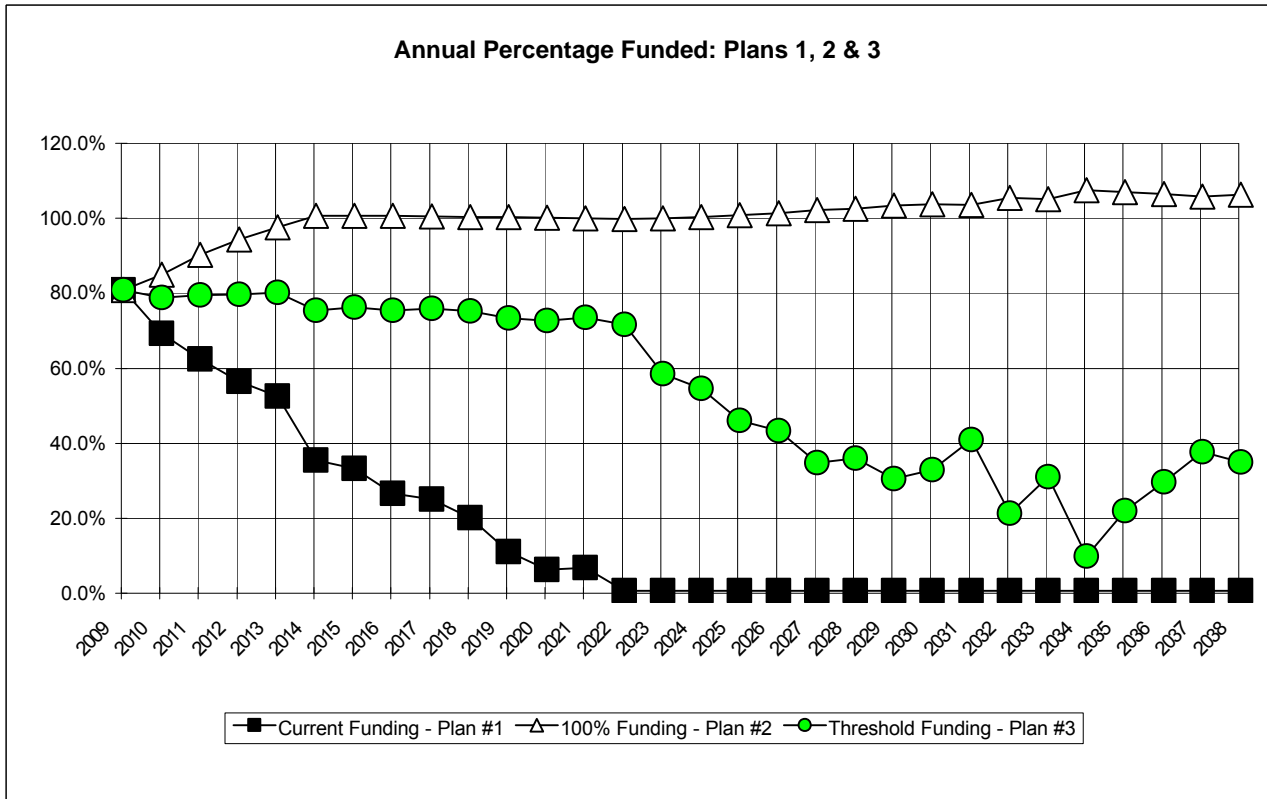
Cash Flow Funding Plan Tables

Report Beginning July →	<u>2034</u>	<u>2035</u>	<u>2036</u>	<u>2037</u>	<u>2038</u>
	2035	2036	2037	2038	2039
Year Number	26	27	28	29	30
Cash Flow-Funding Plan #1					
Average Monthly Fee per Unit	23.14	23.83	24.55	25.28	26.04
Current Funding	33,316	34,316	35,345	36,406	37,498
Beginning Cash	(435,816)	(432,854)	(433,134)	(425,506)	(459,585)
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	0	0	0	0	0
Reserve Funds	(402,500)	(398,538)	(397,789)	(389,101)	(422,087)
Disbursements	30,353	34,596	27,717	70,484	78,339
End Balance	(432,854)	(433,134)	(425,506)	(459,585)	(500,426)
Projected % Funded (Y/E)	0%	0%	0%	0%	0%

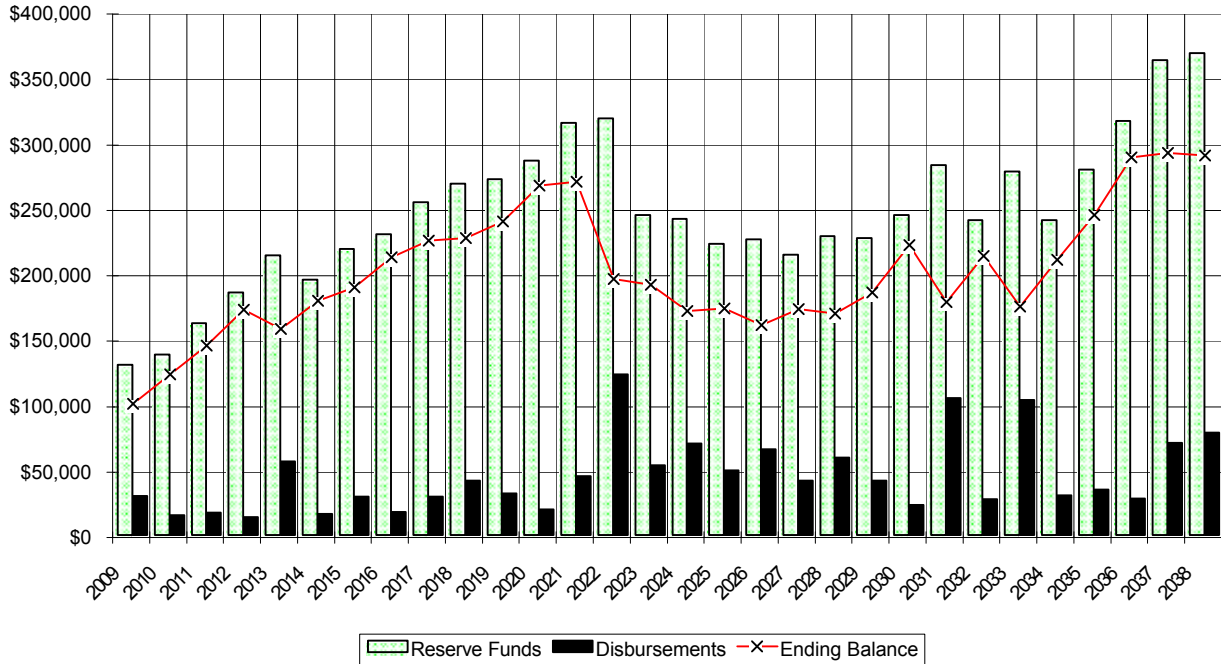
	26	27	28	29	30
Year Number	26	27	28	29	30
Cash Flow-Funding Plan #2					
Average Monthly Fee per Unit	43.40	44.70	46.04	47.42	48.84
100% Funding	62,491	64,366	66,297	68,286	70,335
Beginning Cash	174,496	210,445	244,722	288,582	292,133
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	3,811	4,507	5,280	5,750	5,763
Reserve Funds	240,798	279,318	316,299	362,618	368,231
Disbursements	30,353	34,596	27,717	70,484	78,339
End Balance	210,445	244,722	288,582	292,133	289,891
Projected % Funded (Y/E)	106%	106%	105%	106%	106%

	26	27	28	29	30
Year Number	26	27	28	29	30
Cash Flow-Funding Plan #3					
Average Monthly Fee per Unit	39.50	40.69	41.91	43.17	44.46
"Threshold" Funding	56,884	58,590	60,348	62,158	64,023
Beginning Cash	15,018	42,114	67,191	101,491	95,112
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	566	1,082	1,670	1,947	1,759
Reserve Funds	72,468	101,787	129,209	165,596	160,895
Disbursements	30,353	34,596	27,717	70,484	78,339
End Balance (Minimum \$15,000)	42,114	67,191	101,491	95,112	82,555
Projected % Funded (Y/E)	21%	29%	37%	34%	30%

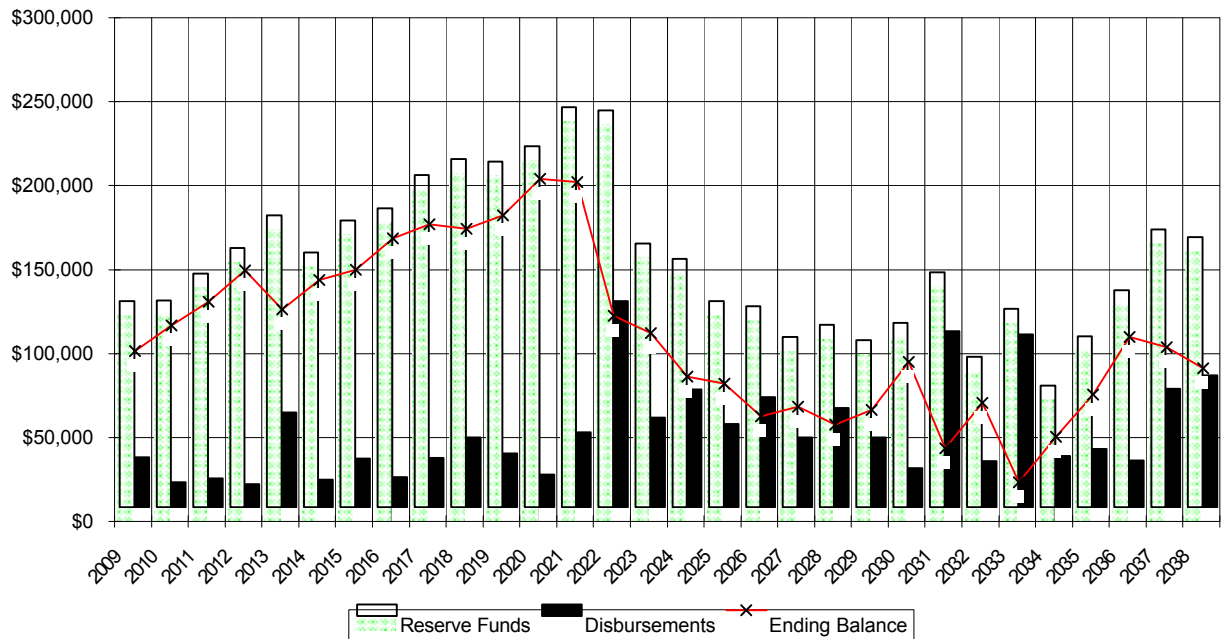
Projections for Funding Plans 1-3 (Years 26-30)



30 Year Cash Flow Diagram: Full (100%) Funding - Plan #2



30 Year Cash Flow Diagram: Threshold Funding - Plan #3



Barrera and Company, Inc. Reserve Analysis

Monterey Dunes Colony Water Co.

Reserve Analysis Summary

March - 2009

(For Homeowner Distribution)

(Comply with state statutes, include component worksheets with Summary Page)

Number of Units:	120
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Budget Yr. Report	Start:	July 1, 2009
	End:	June 30, 2010

Location:	Castroville, CA
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Projected Reserve Fund Balance: (As of 07/01/09)	\$93,882
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Projected Fully Funded Reserve: (As of 07/01/09)	\$116,991
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Deficit Below Fully Funded Reserve:	\$23,109
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Percentage Funded: (As of 07/01/09)	80%
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Current Replacement Cost:	\$222,686
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Funding Plans - Summary

(Report Pages A1-A19)

Year 1

* Recommended Funding

Plan #1: (Current Funding)

Year 1 Funding Amount:	\$15,912
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Per Unit Per Month:	\$11.05
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Plan #2: (100% Funding)

Year 1 Funding Amount:	\$34,300
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Per Unit Per Month:	\$23.82
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*

Plan #3: (Threshold Funding)

Year 1 Funding Amount:	\$27,168
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Per Unit Per Month:	\$18.87
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Note: Each cash flow funding plan provided assumes an annual 3% increase in funding.

Barrera and Company, Inc. Reserve Analysis

RESERVE COMPONENT WORKSHEET DEFINITIONS:

Component:	Component: Identifies the item to be included for reserve funding.
Normal Life:	The estimated total life of a reserve component using published information and professional experience. For components in which the useful life should equal that of the project, no life expectancy has been projected (i.e. plumbing, framing, etc...)
Estimated Remaining Life:	An estimate of expected remaining longevity of that component based on information provided, maintenance, visual inspection, and assumptions of probability. Projects anticipated to occur in the initial year have "zero" remaining useful life.
Cost Per Unit:	The approximate amount of money it will take to replace the reserve component, per the measurement it is defined by (i.e. sf = Square Foot).
Approximate Quantity:	The approximate total amount of the reserve component as it has been defined under Cost Per Unit.
Current Replacement Cost:	This indicates the approximate cost of replacing the reserve component at the present time.
Future Cost:	This indicates the estimated expenditure by the Association when the component is in need of repair or replacement. The future cost has been calculated on a 3.00% yearly inflation factor. It is assumed that any repairs or replacement of any reserve component below \$1,000 in any given year will be replaced from the operating account
Source Code:	The means by which the information for the reserve component has been obtained. The Source Code is as follows: 1 - National Construction Estimator & On-file Data. 2 - Vendor Data. 3 - Actual Costs & Bids. 4 - Management and/or Board Data. 5 - Previous Reserve Study * - Awaiting Additional Information

Percentage Funded & Parameters

Percentage Funded: This percent funded value presented in the data summary sheet is calculated by dividing the current (or projected) cash reserve savings by the Fully Funded reserve amount. The maximum reported percentage is 100%, and indicates an association is currently fully funded.

Inflation/Interest: Funding and disbursement projections presented have been computed with a Time Value of Money approach. An annual 3.00% inflation rate and 2.00% average interest rate were assumed. Inflation was applied to the projected disbursements, and average interest to the ending cash balance values.

Monterey Dunes Colony Water Company

120 Units

Castroville, CA

Reserve Component Worksheet

March - 2009

(Report Start Date: 07/01/09)

COMPONENT	Avg Life	Rem Life	Cost Per Unit	Approx Quantity	Present Cost	Future Cost	Source Code
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WATER COMPANY COMPONENTS

Well #4 (Pump & Motor)	6	4	Lump Sum	Total	7,210	8,115	1,2
Well #3 (Pump & Motor)	6	0	Lump Sum	Total	9,837	9,837	1,2
Water Storage Tank (220,000 Gal.)	40	22	30,900.00 /ea	1	30,900	59,208	1,2
Paint Storage Tank (Exterior)	5	4	15,450.00 /ea	1	15,450	17,389	1,2
Cathode Protection	4	0	7,040.00 /ea	1	7,040	7,040	1,2
Paint Compression Water Tank	5	4	3,811.00 /ea	1	3,811	4,289	1,2
Pressure Tank Compressor	2	0	2,060.00 /ea	1	2,060	2,060	1,4
Water System Fire Pump	30	13	36,050.00 /ea	1	36,050	52,941	4
Water System Fire Pump (Overhaul)	3	1	3,605.00 /ea	1	3,605	3,713	4
Pump #1 - 10 HP Booster	30	13	3,605.00 /ea	1	3,605	5,294	1
Pump #2 - 10 HP Booster	30	13	3,605.00 /ea	1	3,605	5,294	1
CL2 Pumps	3	3	1,586.00 /ea	1	1,586	1,733	4
Pumps (Annual Maintenance)	1	0	Lump Sum	3	4,738	4,738	2
50 KW Generator (Rebuild/Replace)	30	13	25,750.00 /ea	1	25,750	37,815	1,4
50 KW Generator (Overhaul)	3	2	3,090.00 /ea	1	3,090	3,278	4
Dist Water System Valves	25	17	Lump Sum	Total	25,750	42,561	1
Water System Control Panel	30	15	Lump Sum	1	32,445	50,548	1
Annual Contingency	1	0	Lump Sum	1	6,154	6,154	4
Tank Cut-Off Valves	"As Needed" Maintenance / Operating Budget						4
Compression Water Tank	Life of Project / Operating Budget						4
Water Wells	Life of Project / Operating Budget						4
Water Distribution System	Life of Project / Operating Budget						4
Destroy Well #1 (North) (1-Time)	Completed in 2004 (\$43,103)						4
Destroy Well #2 (South) (1-Time)	Completed in 2004 (\$77,239)						4
TOTAL REPLACEMENT COST					\$222,686	\$322,007	



Current Replacement Cost: **\$222,686**

CONTINGENCY Recommended 3%-5% of Total Annual Budget

Source Code: 1-National Construction Estimator and On-File Data 2-Vendor Data 3-Actual Costs and Bids 4-Management/Board Data 5-Previous Reserve Study *-Awaiting Additional Information
--

PARAMETER:	
Future Cost (Inflation)	3.00%
Unit Measurements	
lf=Linear Foot	sy=Square Yard
sf=Square Foot	ea=Each
sq=Square (100sf)	ls=Lump Sum

Monterey Dunes Colony Association

**Rules and Schedule of Fines
for
Violations to Ground Rules**

Approved by the Board of Directors on

July 21, 2001

Effective
September 1, 2001

Revised

March 22, 2008

WHEREAS, the Monterey Dunes Colony Association Declaration of Covenants and Restrictions, (Dated June 8, 2004 and recorded in Monterey County, California on June 8, 2004 as Document Number 2004059159, Article V, Paragraph 5.5, provides guidance for establishing Ground Rules, and a Schedule of Fines for infractions to these Ground Rules.

WHEREAS, the Monterey Dunes Colony Association intends to enforce certain violations of published Ground Rules as stated in the Monterey Dunes Colony Association Rules and Schedule of Fines, by means of monetary fines and/or the loss of membership rights and privileges.

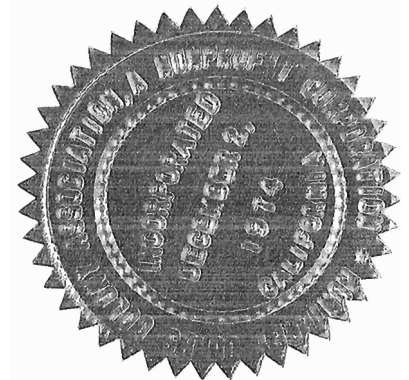
WHEREAS, it is the desire of the Board of Directors of the Monterey Dunes Colony Association to periodically revise existing Ground Rules and enforce a schedule of fines and penalties for infractions to these Ground Rules.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Monterey Dunes Colony Association do hereby revise the Monterey Dunes Colony Association Rules and Schedule of Fines, last revised on September 1, 2007 as follows:

Date: March 22, 2008

BY: 
Ellen Michaels, President

BY: 
Frank B. Williams, Vice President



MONTEREY DUNES COLONY ASSOCIATION RULES AND SCHEDULE OF FINES

Effective September 1, 2001
Last Revised March 22, 2008

THE SAND DUNES AND BEACH

1. Walking anywhere out on the Sand Dunes is prohibited. Homeowners and guests will restrict themselves to boardwalks and sand pathways that have been constructed by the Association for access to and from the homes to the beach or parking facilities. Homeowners are responsible for the strict compliance of their relatives and guests in adhering to this ground rule.

A fine of \$50.00 per incident may be assessed against a homeowner for violation of this ground rule.

2. The Sand Dunes are a sanctuary with many indigenous eco-systems all supporting a natural coastal dune environment. The Monterey Dunes Colony has invested much time and money in ensuring the survival of this natural environment for all to enjoy. Homeowners or their guests are restricted from removing any plant, driftwood, or other naturally deposited item from Monterey Dunes Colony common property without the direct written permission of the Association.

A fine of \$100.00 per incident may be assessed against a homeowner for violation of this ground rule.

3. Skateboards, skates and all forms of bicycles or scooters are prohibited on all boardwalks. Boardwalks are for foot traffic only.

A fine of \$50.00 per incident may be assessed against a homeowner for violation of this ground rule.

4. It is against California State Law to light fires on our beach. Authority: State of California Public Resources Code Section 5003 and 5008(a). Reference: California Code of Regulations, Title 14, Section 4301(i), 4326(a), and 4311 (a) and (b).

Specifically, no person shall light, build, use, or maintain a fire on Salinas River State Beach in front of Monterey Dunes Colony from the south Salinas River State Beach access parking lot to the Salinas River mouth.

The Association staff is instructed to immediately call 911 in the event there is a fire on the beach.

CLUBHOUSE

1. The Clubhouse is open daily from 8:00 a.m. to 5:00 p.m. for general use as common area. For use at times other than above, a homeowner must formally request the exclusive use of the clubhouse by filling out a Request Form, and subsequently have this request approved by a vote of the Board of Directors. These forms can be obtained at the Association administrative office.
2. Any homeowner who reserves the Clubhouse must be present during the function.
3. The privilege of reserving the clubhouse by members of the Association is non-transferable and non-cumulative, and is limited to two (2) reservations per unit per calendar year. There is a \$50 cleaning fee payable at the time of reservation.
5. If food or drink is provided and or served by any individual person, catering organization, DBA, corporation or company for a fee at any event held in the clubhouse, the name and license number of the person, organization or corporation must be included on the request form. The Monterey Dunes Colony Association will only permit licensed catering services to operate at the clubhouse.
6. The maximum number of persons in attendance at private functions in the Clubhouse is not to exceed 40.
7. The removal of kitchen equipment from Clubhouse is prohibited.
8. The Clubhouse furniture is not to be removed. Two card tables and twelve folding chairs are available on a sign-out basis.
9. No pets are allowed on the Clubhouse premises.
10. Sound equipment is not allowed on the clubhouse premises.

JACUZZI, SAUNA & POOL

1. The Jacuzzi is open from 10:00 A.M. to 10:00 P.M. 7-days a week. Saunas are open to homeowners and their immediate families from 10:00 AM to 10:00 P.M. 7-days a week. Any homeowner or members of their immediate family, (over the age of 18 years old), may request access to the Saunas from on-duty association staff by calling the office (831-633-4000), or security (831-633-3187), phone numbers and requesting access, or by visiting the association office and coordinating access to the saunas. At no time are children under the age of 18 years old allowed in the saunas without the presence of an adult sponsor. Homeowners who are using the saunas for the first time, or who may need instructions on how to operate the facility can receive this written information from the on-duty association staff. The pool is open from Easter week to

mid October depending on weather. The pool opens at 10:00 A.M. and closes at 7:00 P.M. There is no lifeguard on duty. Homeowners and their guests swim at their own risk. Parents are responsible for the safety of their children.

2. Children under 14 years of age must be accompanied by an adult (over the age of 18 years old) at all times when using the pool or Jacuzzi. The Jacuzzi holds a maximum of eight persons at any one time.

3. State Law dictates the maximum number of people who can use the Jacuzzi at any one time. The maximum number is based on the capacity of the Jacuzzi in gallons of water. Exceeding this number of people will overwork the chemical feeding equipment and the treated water's ability to maintain a sanitary state. For these reasons, homeowners and their guests are warned not to exceed the Jacuzzi's capacity of eight (8) persons at one time.

4. Eating or smoking in the area of the pool, saunas or Jacuzzi is prohibited. In addition, glass or metal containers of any type are strictly prohibited while using any of these three facilities. Beverages are permitted in plastic or paper containers.

5. Proper swimwear is required when using the Jacuzzi or pool.

6. Homeowners and their guests are advised to read all warning signs posted in the areas of the pool, Jacuzzi, and sauna before entering the area or using the equipment.

7. There is a 30-minute time limit for the use of the Jacuzzi when another party is waiting for the facility. Upon notification, the using party must yield the facility after 30 minutes of use.

TENNIS

1. Proper tennis shoes and appropriate tennis attire are required when using the tennis courts.

2. Sign up on board for play. Enter time, name and unit number. Yield court after one hour if anyone is waiting.

3. One unit may use only one court at a time when others are waiting; a unit cannot use a court and hang a racquet for another court at the same time.

4. After play is finished, players may hang racquet on the rack and wait for another court to open. You must wait on the premises or else be placed at the end of the line.

5. The clock on the Clubhouse is the official time.

6. Starting time cannot be changed on the board during the hour of play.

7. There are no reservations. First come, first serve.
8. The use of the courts by any outside group without prior approval by the Board of Directors is prohibited.

DOGS & PETS

1. Pets are not permitted at the Colony except for those belonging to Members, their immediate family, and/or an Associate Member (any other adult who permanently resides in the unit, or long term lessees of three months or longer). Renters of three months or more may maintain a pet, with written permission of the unit owner. Homeowners may invite guests to their unit, accompanied by a pet; however, the homeowner must be present at the unit for the duration of the visit and is responsible for the overall control of the animal. In all cases, the Association must be informed of any visits involving pets (in advance), as soon as possible, in order to allow management adequate time to notify security of the visit.

The Association will impose a fine on each unit homeowner in the amount of \$150.00 per day for pets brought into the Colony by any of their guests or tenants without prior notification to MDCA management.

(For the purposes of this rule, long term leases of three months or longer will be treated the same as homeowners, subject to the tenant having the written approval of the homeowner/sponsor to have a pet on the premises). Upon notification of a violation of a pet rule, the pet must be removed from the Colony immediately by the pet owner or by the pet's sponsor.

Failure to comply with this ground rule will subject the responsible homeowner to a fine of \$250 per day for each day the member is in violation of this rule.

2. All pets must be registered with the Association, at the Administrative office. This registration will include the name of the homeowner, the pet, and the size, color and breed of the pet as applicable. A picture of the animal will be required prior to the completion of this registration.

A fine of \$50.00 per incident may be assessed against a homeowner for violation of this ground rule.

3. All dogs must be leashed and restrained when in common areas.

Homeowners will be subject to a fine of \$50.00 per incident for dogs in violation of this pet leash rule.

4. Pets are prohibited in the Clubhouse area.

5. Pets are not to be a nuisance to other homeowners. This includes excessive noise, which may disturb other owners or their guests.
6. Pet owners are required to clean up after their pets.

Homeowners will be subject to a fine of \$50.00 per incident for violations to excessive noise and clean up rules.

7. Stray cats located within the confines of the Monterey Dunes Colony common area are routinely trapped by MDCA maintenance staff by means of baited animal traps approved by the California Humane Society. All trapped domestic cats will be immediately checked against identification on file at the Association administrative office. All trapped domestic cats not matching identifications on file, as reasonably determined by the General Manager or his agents, shall be turned over to the S.P.C.A. All trapped domestic cats with matching identification on file shall be detained for three days after telephonic notification (personal, not recorder) has been given to the owner or to his or her designated representative. If identification is confirmed during said three-day period the house cat shall be returned to the owner at owner's (or designee's) request. In addition to any designated fine, homeowners are responsible for charges incurred by the Association in baiting, trapping and caring for the cat prior to the animal being returned to the possession of the homeowner.

Homeowners will be subject to a fine of \$50.00 for the return of each house cat trapped by the Association after the first return.

It is determined that house cats, tame or wild out on the dunes constitute a serious threat to the survival of the native fauna, principally bird life, which nest, breed or feed in the dunes and beach area of Monterey Dunes Colony. It is in the best interest of the Colony that steps be taken to mitigate this threat to the natural wildlife, which is resident here at the Colony. The Board of Directors, upon resolution adopting the cat trapping policy in June 1992 did not want this action to be construed as a determination that domestic cats are a "nuisance", and thus to be removed entirely from the Colony, as permitted by article III, section I, subdivision (d) of the Declaration of Covenants and restrictions ("CC&R's") applicable to the Colony, but only as a procedure to control the number and predation of domestic cats, both tame and wild, that are found in the common areas of the Colony.

VEHICLE RULES

1. No dilapidated, inoperable, abandoned, excessively noisy or smoky vehicles shall be parked, kept, stored or permitted to remain upon any area within the Monterey Dunes colony Development ("Development").
2. No mobile home, trailer, camper, recreational vehicle, boat or other watercraft

and no commercial vehicle shall be parked, kept, stored or permitted to remain upon any area within the Development in excess of two (2) hours except as expressly allowed by the Board of Directors pursuant to an Owner's advance written request.

- a. For the purposes of these Rules, "commercial vehicles" shall include any of the following:
 - i. Any vehicle or truck required to be registered with the Department of Motor Vehicles as a "commercial vehicle" or "commercial truck;"
 - ii. Any non-standard sized truck or vehicle bearing commercial signs or markings that is not used for both business and personal purposes; or
 - iii. Vehicles used for the transportation of persons for hire, compensation or profit (including but not limited to buses, taxis, shuttles and limousines).

1. No vehicle shall be parked where it effectively blocks access to, or otherwise prevents the use of any street, driveway or garage by other vehicles.
2. No vehicle shall be parked in a fire lane or within fifteen (15) feet of a fire hydrant.
3. Vehicles parked on Common Area streets must be parked perpendicular to concrete curbs.
4. No vehicle shall be parked in any area where there is no concrete curb, except for short term loading or unloading not to exceed fifteen (15) minutes.
5. All vehicles parked on the common Area of the Development must be identified at all times by either:
 - a. An Owners vehicle identification sticker; or
 - b. A temporary vehicle identification tag.

Owners or Owners' agents may request a vehicle identification sticker or temporary vehicle identification tag by contacting the Association office.

1. All non-Owners who come on the Common Area must display in their vehicle at all times a temporary vehicle identification tag specifying the address of the Unit being occupied, arrival date and departure date.
2. Any Owner who allows non-Owners to use his/her Unit is responsible for ensuring that a temporary vehicle identification tag is provided by non-Owner.

ENFORCEMENT AND FINES

1. Any vehicle in violation of these Vehicle rules is deemed to be “unauthorized” and subject to towing from the Development at the Owner’s sole expense pursuant to *Vehicle Code* section 22658.
2. In addition to any other remedies available to the Association pursuant to its governing documents, Owners are subject to a fine of \$50.00 per incident/per day for any violation of these Vehicle Rules.

RESOLUTION OF TOWING DISPUTES

In the event an Owner disputes the towing of his/her vehicle, the Owner may submit a written request for and receive a hearing with the board of Directors to consider the propriety of the vehicle’s removal.

CONTRACTOR ACTIVITY AND INSURANCE

Normally, contractors may work on the property (common areas, exclusive use common areas, and on individual units) from 8:00 A.M. to 5:00 P.M. Monday through Saturday. However, there will be no scheduled construction activity or noise-producing trade work on the exterior or interior of the buildings on Saturdays, Sundays, or Holidays without advanced written permission from management. Examples of noise producing trade work is defined as hammering, use of electric, hydraulic, or gas-powered tools, generators, power washers, or any tool or device that disturbs the peace and tranquility of surrounding units occupied by other members or their guests.

1. Exceptions to this policy will be made on a case-by-case and affected homeowners will be notified of any exceptions in advance of the scheduled work.
2. In the event of emergency, after-hours contractor related services, which may cause considerable noise; the General Manager will be notified of the specific situation by on-site staff and will monitor this emergency repair as an exception to policy.
3. Contractors are subject to obey the same ground rules as their sponsors. Homeowners who employ contractors are responsible to insure these workers are aware of, and abide by all Association ground rules.
4. The following insurance shall be maintained by contractors and others performing services for homeowners or their residences or personal property. The term “contractors” includes all those individuals and entities listed below: The term “homeowners” includes the tenant of a homeowner.
 - **Domestic Employees, Housekeepers, Window Washers and Health Care providers:**
Limits not less that \$100,000 per occurrence.

- **Rental Agencies, Realtors, and Property Managers:** Limits not less than \$1,000,000 per occurrence and a \$2,000,000 aggregate.
- **All contractors including general contractors and sub contractors:** (This category includes all artisan contractors such as landscapers, plumbers, handymen, etc.) Limits of not less than \$1,000,000 per occurrence with a \$2,000,000 aggregate.

For each contractor engaged by a member, the member shall, prior to commencement of the contractor's services within the development provide the Association with a certificate of insurance evidencing that the Association has been named as an additional insured on the contractor's liability insurance policies. Such certificate shall at all times be kept current.

Homeowners will be subject to a fine of \$100.00 for violations to this rule. Homeowners will be subject to subsequent, incremental fines of \$100.00 for each hour the contractor continues to work after the initial "Stop Work" order is issued by management or Association staff.

OCCUPANCY

Residences shall be occupied and used for residential use only. The maximum number of persons who may occupy a residence may not exceed two persons per bedroom, plus one additional person.

Homeowners will be subject to a fine of up to \$200.00 for violations to this rule and/or the loss of common area rights and privileges for a period of up to 7 days for each violation.

RENTALS

Each homeowner has the right to rent his/her residence subject to the following:

1. With respect to short-term rentals of less than 30 days, the homeowner must notify management of, (at a minimum, one day in advance of any rental), the name of the tenant and the names of the members of the tenant's household that will be occupying the residence.

Homeowners will be subject to a fine of up to \$200.00 for violations to this rule and/or the loss of common area rights and privileges for a period of up to 7 days for each violation.

2. With respect to a lease of more than 30 days, the homeowner must provide the board with a copy of the signed lease or rental agreement (at a minimum, one day in advance of the lease). The lease or rental agreement must state that the occupancy is

subject to the provisions of the Governing Documents and that the breach of any provision of the Governing Documents shall constitute a default under the lease or rental agreement.

Homeowners will be subject to the loss of common area rights and privileges for a period up to an equal amount of time of the violation.

3. No owner may rent/lease less than his or her entire residence.

MISCELLANEOUS RULES AND REMINDERS

FIRE SAFETY

o Ashes from fireplaces or barbecues are not to be placed in garbage cans until they are *absolutely* cold.

o Only metal garbage cans are authorized for use on Monterey Dunes Common Property. Plastic cans are not authorized for use because they will not contain a fire if someone puts hot ashes in them. All refuse stored in cans must be in sealed plastic bags. Excess refuse (more than can reasonably fit in two metal can) is allowed to be placed on top of the can in sealed plastic bags. The contract refuse company will remove overflow garbage only if placed out in sealed plastic bags. The refuse company will charge an additional fee for each can-equivalent of excess refuse. The collection day is Thursday. Homeowners are responsible to keep the garbage enclosure area in good order.

SEPTIC TANK CAUTION

o Do not put grease down drains. This blocks our septic system lines.

o Do not dispose of non-degradable items in drains.

o Paper Products, except toilet paper, should not be flushed in toilets.

o Place excess food scrapings in the garbage instead of the disposal whenever possible.

RECYCLING PROGRAM

o All occupants are strongly encouraged to deposit any glass, paper and aluminum recyclable material in the Colony's recycling area located inside an enclosure near the clubhouse.

Policies on file in the Administrative Office:

1. ECC Policy.
2. ECC Landscaping Policy.
3. Investment Policy.
4. Hot Tub Installation Policy.
5. Assessment Collection Policy.
6. Cross Connection Control Policy.
7. Inspection, Repair and Replacement of Individual Unit Fireplaces.
8. Satellite Installation Policy.
9. Open House/Realtor Sign Policy.
10. Association and Member Responsibilities for the Maintenance and Repair of Structures.
11. Sliding Door and Window Replacement Policy.
12. Election Rules.
13. Exclusive use of the Clubhouse.
14. Business and Commercial Activity.
15. Association Rules and Schedule of Fines.
16. Feral Cat Policy.
17. Insurance Policy

PLEASE NOTE THAT THE ALL CURRENT ASSOCIATIONS POLICIES, PROCEDURES, GOVERNING DOCUMENTS, COMMITTEE & BOARD MINUTES, AND FORMS CAN BE FOUND ON THE ASSOCIATION'S WEBSITE AT:

<http://www.montereydunescolony.com>

HOMEOWNERS CAN ACCESS THIS SITE BY USING THEIR UNIT NUMBER FOLLOWED BY THE FIRST 3-LETTERS OF THEIR FIRST NAME AS THE LOGON. THE PASSWORD IS THEIR UNIT NUMBER. ONCE INSIDE THE HOMEOWNERS SECTION OF THE SITE, MEMBERS CAN CHANGE THEIR PASSWORD IF THEY SO DESIRE.

INSURANCE

This summary of the association's policies of insurance provides only certain information, as required by subdivision (e) of Section 1365 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or, real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.



SINCE 1908

INSURANCE

1006 Freedom Blvd • P.O. Box 310
Watsonville, CA 95077

PHONE (831) 724-1085

FAX (831) 724-1089

May 1, 2009

Please be advised that Monterey Dunes Colony Association currently complies with the Liability Insurance requirements as set forth by California Civil Code section 1365.9 for California Common Interest Developments.

The following is a brief summary of the amounts and type of insurance provided for your Association.

<u>TYPE</u>	<u>AMOUNT</u>	<u>DEDUCTIBLE</u>	<u>INSURANCE CARRIER</u>
Blanket Buildings	\$29,000,000	\$25,000	Travelers Insurance
Earthquake	\$10,000,000	10 percent	Golden Bear Insurance
Liability	\$1,000,000 OCCURRENCE \$2,000,000 AGGREGATE	NONE	Travelers Insurance
Directors & Officers Liability	\$3,000,000	\$5,000	CNA Surety
Excess / Umbrella	\$10,000,000	NONE	Travelers Insurance
Employee Dishonesty	\$500,000	\$2,500	CNA Surety

The Association carries the levels of insurance specified by Civil Code Section 1365.9, and pursuant to that section, owners may be individually liable only for their proportional share of assessment levied to pay the amount of any judgment which may be rendered in favor of a plaintiff bringing an action in tort arising solely by reason of an ownership interest in the common area which exceeds the limits of the Association's insurance.

This summary of the association's policies of insurance provides only certain information, as required by subdivision (f) of Section 1365 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or, real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.

Sondra Carter
Agent

05/01/2009

Date



05/01/2009

Dear Unit Owner:

We have been asked by your Board of Directors to describe in simple terms what the Homeowners Association's Master insurance policy will cover. The following is an outline of pertinent information concerning your coverage.

1. The master policy is written on a Blanket Building form for one amount of insurance covering all of the buildings for the following:
 - A. Fire, All Risk (Special Form including water damage).
 - B. \$25,000 Deductible.
 - C. Earthquake and Flood are covered under a separate DIC policy.
 - D. There is replacement cost for all perils covered.
 - E. Liability coverage for accidents to the persons or property for which the Association is held responsible.

2. The master insurance policy insures the following items for All Risk (Special Form) perils:
 - A. The building in which you live.
 - B. All exterior walls.
 - C. All permanent structural changes and upgrades.

If your association agreement (CC&R's) requires the Association to insure them, the following items are also covered under the master insurance policy.

- D. All permanent, built in cabinets and fixtures.
- E. All built in appliances.
- F. All permanent floor coverings, (carpet, linoleum, hardwood, etc.).
- G. Paint, wallpaper, and coverings.

Monterey Dunes Colony has a \$25,000 property deductible and the unit owner will be responsible for interior damage to their unit up to the deductible amount. Please review your CC and R's or contact your Property Manager with any questions concerning the interior of your unit.

3. The master policy does not cover:
 - A. Your individual contents.
 - B. Your drapes or curtains.
 - C. Your personal liability within your own unit.

4. Coverage for your personal items and personal liability should be covered by purchasing a Condominium Unit Owners policy, commonly referred to an HO-6 policy.

Please feel free to give me a call if you should have any questions about your personal insurance and how it may interact with the master insurance policy. **All unit owners should also refer to the Association's CC&R's for any restrictions or conditions that may affect the above coverage.**

Sincerely,



Sondra Carter

Client Service Agent

Monterey Dunes Colony Association

	<u>Coverage</u>	<u>Insurance Carrier</u>	<u>Policy Number</u>
Blanket Buildings	\$29,000,000	Travelers	I680838C4856
Deductible	\$25,000	Travelers	I680838C4856
Liability Limits	\$1,000,000/\$2,000,000	Travelers	I680838C4856
Directors and Officers	\$3,000,000	C N A	251106621
Automobile Liability	\$1,000,000	Travelers	BA838C4856
Fidelity/Dishonesty	\$500,000	C N A Surety	250859955
Umbrella Limits	\$10,000,000	Travelers	ISMCUP7618Y48A
Boiler and Machinery	\$1,000,000	Hartford	FBP2286934
DIC- Earthquake	\$10,000,000 Loss Limit	Golden Bear	FD34954
Flood	\$30,000,000	Fidelity National	Various - 41 Bldgs

Insurance Summary, 2009-2010