

Reserve Study Report
Mariposa of Mission Pacific POA
November of 2004



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PREFACE

A Reserve Study by Intraspect is designed to help the Board comply with the provisions of California Civil Code Section 1365 by determining a recommended monthly reserve contribution, which will fund all anticipated future reserve expenses. Pursuant to the law, the study shall at a minimum include:

1. Identifying the accumulated cash reserves currently set aside to repair, replace, restore, or maintain the major common area components.
2. Estimating the current amount of cash reserves necessary to repair, replace, restore, or maintain the major common area components.
3. Projecting the current estimated life cycles and replacement costs of the major common area components.
4. Showing the ratio of actual reserves to total reserve liability, expressed as a percentage (i.e. **'Percent Funded'**). This provides an accurate measure of the relative strength of the Reserve fund, and
5. Addressing the procedures used for the calculation and establishment of the Reserve projections to defray the future repair, replacement, or additions to those major common area components that the Association is obligated to maintain.

The law requires that this information be part of the pro forma operating budget and distributed to the homeowners annually in the 45 to 60 day window period before the coming fiscal year or their ability to increase regular assessments or impose special assessments will be severely inhibited.

Furthermore, the law requires (AB 3015 amends Civil Code Section 1365.5), at least once every three years the Board of directors shall cause a study of reserve account requirements of the common interest development to be conducted if the current replacement value of the major components which the Associations obligated to repair, replace, restore, or maintain is equal to or greater than one-half of the gross budget of the Association for any fiscal year. The Board shall review this study annually and shall consider and implement necessary adjustments to the Board's analysis of the reserve account requirements as a result of that review.

INTRODUCTION

This Reserve Study is an independent analysis of various major reserve components of the **Mariposa of Mission Pacific Property Owners Association**. The purpose of this report is to provide the Association with the most current projections and accounting information available, reflecting the existing conditions, useful and projected remaining life expectancies, and probable replacement cost of the Association's common area reserve components. To maintain the integrity of your Reserve Study as a viable financial tool, we feel it is of sound policy to have the components physically re-evaluated at least every other year. This evaluation is warranted to comply with California Civil Code Section 1365, and provides a comprehensive overview of the Association's long term financial obligations.

Intraspect's on-site visual inspections were **conducted in November of 2004**. Items not readily apparent by visual observations or those that were not disclosed may not be included. Component evaluations are based on the condition assumption that each were completed under current building code requirements, acceptable industry and manufacturer's standards, and receiving a continuing schedule of regular maintenance. No analyses of construction defects or possible hazardous materials have been made, including the results of legal matters or problems such as title defects, liens, encroachments, changes in building and zoning codes, pending litigation, etc.

The report information is based in part, from a number of sources familiar with the history and operating practices of the Association. This may have been provided to us from the current Association's property manager, Board of Directors and/or representatives, outside contractors and service vendors, including published replacement manuals adjusted for local conditions, and our own expertise. Representation of this study is the direct result of information being provided, and current visual assessments. Every reasonable effort have been made to ensure that the recommendations in this report are based on reliable information and accurate inspection field notes, combined with current costs not including any inflationary factors.

An annual review of the Reserve Study by the Board is required by law and is strongly recommended to reflect the impact of any significant changing conditions on the Association's future assessments. Unanticipated future events may occur and some assumptions may not materialize. Therefore, Intraspect assumes no responsibility or liability in connection therewith for uncontrollable factors such as any misuse, vandalism, unusual and excessive forces or environmental conditions (whether natural or man-made), exclusion of certain asset responsibility, and local or national conditions changing the costs in labor and/or materials. Updating the use of data in this Intraspect Reserve Study by other sources will be the sole responsibility of the Board of Directors.

Intraspect

Christopher L. Lyerly
President

PROPERTY DESCRIPTION

Mariposa of Mission Pacific Property Owners Association is a common-interest, planned unit residential development, community association project **incorporated in July of 1982** (In addition to the common area which will consist of landscaped easements, homes and dedicated common ground improvement Lot areas were constructed as a separate incremental Phase(s) of the overall multiple-phased residential development), and located off Mission Vista Drive, within the County of San Diego, City limits of San Diego (**Lots 148 through 360, inclusive, and Lots 362 through 365, inclusive, of MISSION PACIFIC UNIT NO. 2, according to said Map thereof No. 10252**).

Mariposa of Mission Pacific Property Owners Association was developed by TREETOPS UNLIMITED, a joint venture, and comprises of **two-hundred and ten (210)** townhouse-styled residential units, in a cluster grouping of **forty-two (42)** 2-story, multi-family complex buildings with attached parking garages. Buildings' flat and pitched roofing deck elevations consists of a combination of concrete "S" Mission tile cover, and hot-asphalt applied built-up system(s) with related metal flashing details. Buildings' exteriors comprise of conventional wood-framed style with trim, and plaster "stucco" surfaces.

Mariposa of Mission Pacific Property Owners Association is structured as a non-profit corporation, which is responsible for maintaining the aesthetics and integrity of the community consisting of: paved asphaltic roadway street/driveways, including some open guest parking and restricted spaces; site landscaping, including automated controlled irrigation and drainage systems, located on natural and open spaces, as well as on identified "Common Area and Common Maintenance Area" portions of the Property (the maintenance of which is the responsibility of the Association as provided in the Declaration or by easement or agreement) on which are located plantings, ground covers, planted trees, shrubs, other plant materials, slopes on the periphery, "Brush Areas" designated as brush management zones in the Brush management Plan, concrete terrace drains/brow ditches, walls, concrete sidewalks, signs, and other landscaping improvements thereon; main community recreational center consisting of an solar-assisted heated adult/family swimming pool, therapy spa, adjacent concrete sunning deck areas with patio furnishings, as well as pool side cabana building housing men's and women's rest rooms with outside tiled shower, and mechanical supply room; stucco-coated masonry block sound walls, located atop slopes along the project's outermost perimeter Tract boundary line markers; exterior fencing panels, safety hand/guard rails, and pedestrian pass through gates; and various exterior lighting fixtures utilizing timer clocks and sensors.

EXCLUSIONS

According to the Association's agents, the Association is not responsible for any maintenance to residences (other than that portion the maintenance of which is the responsibility of the Association), excluding, but not limited to the caulking and painting of exterior building surfaces, as well as the roofing and other related components.

GENERAL REPORT INFORMATION & TERMS

This study is based on an analysis of all anticipated future expenses, the time remaining until the expense occurs and the amounts necessary to be placed in reserve accounts to ensure that funds are available to meet those expenses. The Reserve Study budgetary process begins with an accurate inventory of all of the major components for which the Association is responsible. The determination of whether an expense should be included in the operational budget, as a reserve category or excluded altogether, is sometimes subjective. Since this can have a major impact on the financial plans of the Association, it should not be minimized.

Once the reserve assets have been identified and quantified, their respective replacement costs, useful lives and remaining lives must be assigned, so that a funding schedule can be constructed. Certain calculations must be performed on the compiled data work sheet, **found in Report Section II**, in order for the Reserve Study to take on a practical meaning. Several "**methods of funding**" have been developed to accommodate these long-term Reserve expenditures, ranging from simple to more complex ("**methods of funding**" **contained in the CPA Reserve Funding Analysis Report has been excluded since the Association is currently fully funded with excess amounts placed in a contingency account, and does not require any more planning than funding the given annual requirement**).

By following the recommendations of an effective Reserve Study the Association should avoid any major shortfalls. However, to remain accurate, the report should be reviewed annually to reflect the impact of any significant changes. The Association can assist in simplifying this process by keeping accurate records of these changes throughout the year.

The following terms relate to all items on the Reserve Study! **Please take the time to familiarize yourself** with these, so as to gain a clearer understanding of the Reserve Study process, considerations when labeling an expense, and succeeding compilations. In addition, **the Summary Component Worksheet found in Report Section II contains footnotes**, which include important data about the reserve components and other detailed information. Accordingly, we ask that you pay particular attention to these footnotes.

TERMS

MASTERFORMAT CODING SYSTEM

The specification titles and numbers are organized in basic groupings of related construction information called "**divisions**". Numbered "**sections**" are within each division, which covers one portion of the total work or requirements.

RESERVE COMPONENT EVALUATIONS

Estimates of that amount of money which should be put aside over a projected time frame, to replace a determined common area reserve component. Reserve allocations are based on setting aside sufficient funds each year so as to have the necessary funds on hand when needed. **Some Associations choose to set up phased replacement cycles** (e.g. special landscaping projects and general upgrades to the project's irrigation system to enhance the beauty of the common areas, as well as conserve water and control maintenance costs; tree trimming; selected removal of misplaced trees and replacements with appropriate trees and/or shrubs over budget allowances; planned painting cycles; carpet replacement and sidewalk replacement, **if applicable**, etc.) and fund each phase out of the operating accounts.

CONTINGENCY

A contingency reserve fund is recommended for the budget to help cushion the Association's current operating expenses and as a normal added precautionary measure. This fund equating approximately **2-4 percent of the total component(s) replacement cost** should be used for unusual circumstances covering unreserved items, not correctable by normal budget revisions (i.e. major unscheduled and emergency storm type repairs over budget allowances, including, but not limited to **applicable**: concrete site works; repairs and rehabilitation to damaged structures, including earthquake and/or other types of hazardous reduction modifications, meeting existing codes and site conditions; structural block wall, soil movement and erosion failures; correcting water intrusion points requiring permanent repairs that exceed the financial budget scope of maintenance repairs and reserve planning; reasonable amount of capital improvements; re-plumbing and leak repairs; underground utility and piping line breaks; electrical re-wiring and new conduit of common areas, etc.). **Over-estimating for these contingencies** is better than under-estimating the amount required.

CURRENT REPLACEMENT COST

Estimated in current (**in today's dollars**) and not as an inflated (future) replacement cost. Many items are too small to warrant setting up a reserve fund since **the replacement cost has the ability to be absorbed in the general operating maintenance budget** (i.e. minor touch-up painting, common area, building and preventive roofing maintenance repairs, including, but not limited to **applicable**: local termite pest controls and normal repairs to damaged timbers; fencing, rails, gates and doors; periodic cleaning of the project's rain gutters, waste and sewage disposal systems; annual servicing, monitoring and testing of all and any related fire alarm control and preventive systems; identification signs; service contracts and in-house repair works necessary to return same to reliable operations, including, but not limited to the project's electronic, mechanical components, pumps and operator mechanisms, etc; periodic lamp, fuse and minor related trouble-shoot electrical works "as required" to restore common lighting fixtures, including timer clocks, covers and sensors; master TV antenna, booster signal and channel processor unit equipment, etc.). Clearly distinguishing these items from each other also facilitates accurate accounting. This Intraspect Reserve Study has established **\$1,000.00 as a minimum** capital reserve asset expenditure based on the most current budget statements, type of project and number of units.

Improvements to any of the existing Association assets will be **capitalized only if they materially extend the useful life of that asset** (i.e. **applicable** preventive roofing maintenance; rebuilding and repairs to fence, rail and gate sections, etc.).

NORMAL USEFUL LIFE

Estimated based on data found in standard published construction manuals, on-site visual inspection and past replacement history.

Intraspect has drawn the line to reserve for items **at 30 years**, reasoning that (a) 30 years is generally the maximum life of a mortgage and lenders are not apt to be concerned about the absence of reserve funds for an item that "outlives" the mortgage; (b) with longer life cycles, the less accurate are the projections which are subject to wider margins of error; and (c) most items lasting longer than 30 years (such as new plumbing, main water and sewer lines; damage due to termite/dry rot; wiring; concrete surfaces, etc.) are generally those associated with a major building rehabilitation, and considered to have the same life as the building.

Some of these significant assets have an indeterminable but potential liability, which may be demonstrated as a likely occurrence. The Board may, at its discretion, determine and **include an allocation to cover** the afore-described situations as deemed necessary.

REMAINING ESTIMATED LIFE

This value can be ascertained from deducting the component's age from its determined useful life. However, **deterioration can vary** significantly from year to year with future uncertainties. In addition, a one-year remaining life indicates replacement within the current fiscal year. A zero remaining life is never used.

QUANTITY

The inventory quantity of each evaluated common area asset. For reports being **updated by Intraspect**, measurements provided in the previous Reserve Study are presumed to be accurate and may be used as part of the re-evaluation analysis, reflecting any known differences in the conditions, life cycles and probable replacement cost of each reserve component.

UNIT

The unit of measurement for each inventoried reserve component.

ANNUAL RESERVE REQUIREMENT

Determined by the total major repair and/or replacement cost of a common area component divided by the normal useful life of that asset. This is the amount which needs to be set aside annually, exclusive of any reserve deficit. Adequate annual reserves are essential to assure the availability of funds when various reserve components require replacement.

ACCUMULATED RESERVE REQUIREMENT

This is to identify the **ideal level of reserves** for each category, which is calculated by multiplying the annual reserve requirement by the determined expendable life of that reserve component. For example, an asset which is 3 years old, has an useful life of 5 years and current replacement cost of \$10,000, should have accumulated approximately \$6,000 (**annual reserve requirement of \$2,000 x 3**) in reserves. Adequate funding recommendations and projections can then be determined by analytical comparisons made between the total current required (**ideal**) reserve amounts and total current actual reserve funds on hand (i.e. "**Percent Funded**"). **Accumulated reserve funds can be used to offset replacements to be disbursed earlier than the projection shown.**

SOURCE INDEX

Component evaluations and replacement costs are based on one or more of the following:

- 1 - Information supplied by the Property Manager, Board of Directors and/or Representatives.
- 2 - The standard published National Construction Estimator manual.
- 3 - Industry estimates provided from qualified contractors and inspection field notes.
- 4 - Accepted past known and/or current proposed contracts.

FUNDING SUMMARY & CONSIDERATIONS

Based on **current replacement costs of \$1,009,829** and estimated useful lives and remaining lives:

- ◇ The **Annual Reserve Requirement is approximately \$81,257 (the Association is currently budgeting an annual 2004 Reserve contribution of \$60,060).**
- ◇ The **Accumulated Reserve Requirement is calculated to be \$580,840.**

As of **August 31, 2004** the Association has **\$752,368** in various investment savings account(s) available for reserve expenditures, which therefore represents:

- ◇ A **fully funded** reserve fund (**130% funded**).
- ◇ We have applied all **excess funds in the amount of \$171,528** in a contingency account.
- ◇ It would be helpful **to contribute at least our minimum recommended annual reserve requirement** and have the study updated annually (this will maintain the annual funding requirement as calculated in this report, without regard for any funding excesses). This would continue to improve your cash position and help anticipate any unforeseen contingency type issues.

CONSIDERATIONS

- ◇ As a general assumption to be noted as a precautionary measure only-correcting common area components and water intrusion points **may require permanent repairs that exceed the financial budget scope of maintenance repairs and reserve planning** (e.g. **applicable** commonly maintained storm drains locate on Lots which are not within public easements; concrete brow ditches located on Lots which pass from one Lot through an adjacent Lot; drainage system issues; monitoring surveys and correction of subsidence issues; limited investigation, report findings, and the implementation of corrective repairs to noted distress features and site conditions; locate and properly seal the water intrusion points at random cracks, open joints between dissimilar materials, flashing and termination areas; dryrot & termite damaged timber repairs, etc.).
- ◇ This Reserve Study is intended to be a financial guide for the Association, and to be considered as one means to determine Reserve funding requirements.
- ◇ Frequent review and appropriate adjustments to report findings, due to fluctuating interest rates, inflationary changes, sudden failures and unplanned capital expenditures.
- ◇ By studying your replacement reserve balances, keeping accurate records of these changes, and considering upcoming needs when preparing your annual operating budget, problems can be anticipated and dealt with best.
- ◇ Provide for good investment management of the funds.
- ◇ The report indicates what normally would be required to fund the reserves adequately, and does not include the **excess funds of \$171,528**. These identified funds can be used to offset the monthly contribution requirements recommended, or in any other manner the Client may desire (e.g. **capital improvements within the project's common areas; potential slope and block wall failures in excess of budget allowances; upgrade renovations to the project's landscaping, including tree replacements and new plant materials**).

DIVISION 2 - SITE WORK

02500 Paving & Surfacing Table

Section #	Division & Component Titles	Source	Normal Life	Remain Life	Unit Cost	Units Counted	Replacement Cost	Cond Code
02510	Asphaltic Concrete Paving-1" to 1-1/2" Overlay with 'Petromat Fabric' Membrane-Commonly Maintained Roadway Streets/Driveways, and Open Space Parking Areas as Identified	3&4	30	10	0.80 /sf	124,588	\$99,670	F-G *
02525	PCC Walkway Removal and Repairs	1&3	MAINTENANCE/OPERATING BUDGET					F-G
02545	Reseal Top Coat, Fill Cracks, Markings, Curbs, and Minor Dress Up Repairs- Entire Asphalt Surfaces	3&4	4	2	0.15 /sf	124,588	\$18,688	F-G

FIELD REMARKS

#02500. All of the following paving estimates are raw. Actual bids for the project will be based upon the total surface areas scheduled for replacement, recommended procedures used and the contractor selected. Contractors bidding outside of any recommended programs and submitting for consideration can be reviewed to determine if they are bidding accurately for this project.

#02510. A repaving overlay **to all surfaces** may not be required if streets are maintained properly, however, this fund is recommended to maintain the project's asphalt paved surfaces in a prudent fashion, cover normal repairs to damaged sections **over and beyond allowance given in #02545** (i.e. place and compact an asphalt skin patch to rough and eroded areas; haul away and repave broken, fractured pavement and failed unstable subgrade areas with new, etc.), concrete curbs, V-gutter flow lines, and required overlays to deteriorated areas over this period.

When swept and maintained on a regular timely basis, repairs done in a prudent fashion and re-sealing scheduled every 3-4 years, a 1" to 1-1/2" overlay (**variable thickness over a petro-mat fabric crack retarder may be needed in more severely cracked areas**) with a finish paving grade asphalt should be expected over the given time frame from the time of original site installation. Cost to include a hot tac binder coat applied to ensure proper bonding of all repaired materials and newly placed asphalt prior to overlays; remove all concrete wheel bumpers and re-secure after paving, **if applicable**; grind down (cold plane) all asphalt necessary to conform with existing drainage, including tie-in works at any adjacent concrete parking/garage apron pads and adjacent walkway path areas; **remove and haul away of all selected failed asphalt areas, including install new 6" Type "A" berms where needed** (cost to include excavate and export the existing to proper depth, fine grade of native soil, compact and prep for new paving, pave with new hot mix asphalt, and machine roll for maximum compaction); fog seal and sand all new asphalt after curing; and saw cut, remove and replace existing and/or install new 6" depth concrete swales where needed.

#02525. When periodically swept or washed down and maintained in a water tight condition, these areas will normally last indefinitely.

#02545. Low spots are often found in improper graded areas where water is allowed to accumulate and pond. It is common practice that these susceptible to erosion spots and any other porous or damaged asphalt sections (**from nearby tree roots, marginal steps taken to facilitate water runoffs and improper soil compactions**) be removed and replaced with new to prevent further deterioration. This is generally done on a 3-4 year cycle just prior to re-sealing. Cost to include a reasonable amount of standard asphaltic removals down to new compacted bases; 0-1" skinpatch low sunken areas eroded by water; prompt pot hole repairs done, as well as patch and fill all large, cracked areas with new hot asphalt (rubberized latex crack filler) to prevent further hazards; base coat rough areas first and apply second emulsified oil-seal coat to seal all minor surface cracking and depressions that will lead to larger ones, and help prevent moisture penetrations; an allowance for proper drainage fall and tie-in work at **any applicable** concrete parking/garage apron pads and walkway path areas; painting and re-stripping/stenciling of all pavement, speed bumps, curbs (includes some sandblasting) and parking stall markings to existing layouts.

PREVENTIVE MAINTENANCE & OPERATING EXPENSES

- ◇ With some developments containing street/driveways and parking areas built to minimum specifications, the anticipated life expectancy of the asphaltic concrete can vary greatly, and is provided that regular sealing, sweeping off abrasive materials, and a prudent preventive program is maintained in the interim period. **Semi-annual inspections** is suggested to verify surface conditions, deterioration, possible failures in the base materials, and tearing due to nearby root growth under the pavement. Curbs and drainage flow lines should also be scheduled for periodic inspections, always kept in good repair, obstruction free, and any necessary re-grading done to help ensure proper water runoff in any low spots.
- ◇ If excessive traffic flows through the streets-either more speed dots or speed bumps should be installed to slow down the traffic flow. This will make your community a much safer place to live.
- ◇ Walk through inspections should be **scheduled annually** to check for any lateral cracking (**should be cleaned out with compressed air and filled completely when found**) and vertical displacement, buckling, sinking, and separation at the seams, which could cause a hazardous condition for pedestrians and unnecessary liability to the Board. Any infrequent concrete light caulking and/or removal type repairs after initial settling, and from surface roots of nearby trees (i.e. **saw cutting and breaking out concrete; remove roots in sidewalk and common ground areas; compacting; install expansion joints to allow for proper compaction and expansion; laying sand and pouring concrete in appropriate thickness**) are generally an unscheduled cost, and will be funded out of the operating accounts or through available budget contingencies.
- ◇ Proper maintenance of the common concrete surfaces to include **semi-annual inspections** to verify surface conditions, deterioration, and possible failures in the base materials; curbs and drainage flow lines always kept in good repair, obstruction free, and any necessary re-grading done to help ensure proper water runoff in any low spots; periodic cleaning with water and/or chemicals; caulk and repairs made to any lateral cracks; expansion joints checked and kept sealed; drains cleaned out; periodic steam cleaning and detergent bathe stained and oiled surfaces prior to re-stripping/stenciling of all pavement and parking stall markings to existing layouts, **if applicable**.

DIVISION 2 - SITE WORK

02800 Irrigation and Landscape Systems Table

Section #	Division & Component Titles	Source	Normal Life	Remain Life	Unit Cost	Units Counted	Replacement Cost	Cond Code
02810	Landscape Maintenance Additional	1&3			IN HOUSE MAINTENANCE/OPERATING BUDGET			F-G *
02811	Surface and Pedestal Mounted Timer Clocks, Including Concrete Pad Replacement-Digital Models-(1) 12 Stations, and (4) 18 Stations, and (1) 24 Stations Capacity	3	15	12	1000-1400 /ea	6	\$6,800	G
02811	Surface and Pedestal Mounted Timer Clocks, Including Concrete Pad Replacement-Digital Models-(2) 18 Stations Capacity	3	15	2	1000-1400 /ea	2	\$2,400	P-F
02813	1" to 1-1/2" In Line Brass Control Valve Replacement-To Be Replaced In House on an 'As-needed' Basis	1&3			IN HOUSE MAINTENANCE/OPERATING BUDGET			P-G
02814	(8) 825Y Febco Backflow Preventor Devices with Regulators-2" Calibers	3	20	17	1,200.00 /ea	8	\$9,600	G
02825	Irrigation/Landscaping Improvements and General Upgrades (i.e. new bed and planter materials, including tree, shrub and mulch replacements; turf renovations; corrective and replacement repairs to distribution components; concrete drainage brow ditches; slope erosion controls, etc.)	3	25	10	Total /fund	1	\$100,000	F-G *
02826	Priority Tree Removals, Including Replacements as Required	1&3	1	1	Total /year	1	\$12,000	*
02827	Tree Trimming and Care Program	1&3			MAINTENANCE/OPERATING BUDGET			*

FIELD REMARKS

#02811. Controller clocks are being used in the project's pressurized distribution irrigation system, which are designed with PVC connectivity piping. **Applicable** cost to include re-programming and function testing; supply and install pedestals and specified clearance concrete pads, including all electrical sweeps and fittings inside; all necessary standard field re-wiring works; rain bucket sensors; and all necessary furnished materials and labor to complete the job.

As part of a water conservation program, a central-controlled satellite/radio signaler system may want to be installed at a later date (**this network system would uses satellite access and automatic control special service communications**). A central system will allow programming from a centrally located PC, which will then send the changes via radio and modem to each controller. If properly set up, it will also report valve zones with wiring problems, valves which are stuck open, and broken sprinklers. This information is reported daily, or as often as desired, from each controller to the computer. The system components consists of the main radio package (i.e. radio control device, receiver antenna, modem and line amp, computer and software); communication boards, radio and antenna at controllers; flow meter sensor devices installed at each water meter (i.e. master board, flow meter, transmitter and fittings); and moisture sensor devices installed at controller (i.e. master board, moisture sensor transmitter and probe).

#02813. Each operable station has its own remote control valve, which are actuated by a low voltage circuit. Cost to include any necessary re-wiring works, valve box covers, removals, labor installations and testing (**the valves will more than likely be replaced and/or repaired periodically, and will be funded out of the operating accounts**).

#02814. Cost to include specified clearance concrete pad; pressure regulators, ball valves, seals, miscellaneous copper fittings and pipe; and all furnished testing, certification, labor and materials to complete the job in compliance with the local Water District requirements.

#02825. Reserve funds are recommended for enhancement improvements to focal points throughout the community and general upgrading to the current irrigation (**this will more than likely be implemented and prioritized over a predetermined time frame, as Reserve funds are made available. Accumulated reserve funds will be used to offset those projects to be done earlier than the projections shown**) and adjacent commonly maintained landscaped areas of the Corporation, including superficial and potential slope failure conditions. Cost to include all necessary furnished labor, binder boards, materials and supplies requiring excavation and re-grading; landscaping, plants, shrub and tree replacements, including soil replaced and/or amended with new planter mix soil suitable for planters; fill and re-compaction of dirt at the slopes and **any applicable** irrigated and planted crib wall areas where voids are occurring; uniformity and upgrade improvements to the turf areas and sprinkler system (to include relocate heads away from structures), including new sod, change out of heads and valves, space and separate turf from planter lines to achieve proper coverage and watering schedules, periodic maintenance checks and general repairs done "as-needed; eliminating non-practical turf areas, including aerate soil and removals of existing thatch as required; rework existing drip distribution emitter system installed at noted areas; new rock and/or mulch of small to medium bark installed at all new planting areas; new irrigation and main PVC lateral piping lines replaced as required at noted break/defect areas to adequately water all plants (**by electrical timers, all sprinkler heads will be controlled remotely by timer clocks and valves**); bluff stabilization and alternate measures for long-term erosion control in terms of permit requirements, drainage collection system and related issues, landscape improvements, design considerations, and costs; any necessary drainage and irrigation modifications; Fire Hazard Reduction issues above operating allowances, which will provide a substantial fire barrier and reduce the threat of fire damage to homes that border common areas; some allowance given for conversion upgrades to the existing central system (requiring installation of the communication portion, digital radios and computer. To make changes to any of these controllers, one may have to go to each controller individually); install new concrete brow ditches, repair existing, and make necessary connections and clearing of site drainage devices (possible design modifications to the depth and width of concrete brow ditches for hydraulic considerations). Proper methods must be utilized to avoid recurrence of failures.

Any and all hidden conditions impacting the scope of work above these allowances will be done on an additional time and material basis. Having an indeterminable but potential liability to the Association, some of these conditions may exceed the financial budget scope of maintenance repairs and reserve planning. The Board may, at its discretion, determine and **include changes in this allocation to cover** the afore-described situation as deemed necessary.

#02826. Starting with the most hazardous trees and the “worst” case root damaged locations requiring immediate repair, it is recommended that this Reserve fund be allocated and done in monthly installments- providing for related tree services, as well as selected removals and replanting of trees vs. root pruning. Cost to include removal of all debris on a daily basis, trimmers and groundcrew, furnished equipment and handtools required to accomplish the work in a professional manner. **Unallocated Reserves in excess of the annual allowance given needs to be carried over continuously and allowed to accumulate (from year to year) for related services to be made in subsequent years (this will allow the Association to build up an allocated Reserve fund to support future schedules).**

PREVENTIVE MAINTENANCE & OPERATING EXPENSES

- ◇ **Applicable** full line maintenance services and related repairs, including, but not limited to: funds for tree trimming up to contract allowances and periodic spraying to control diseases; weed and brush abatement program expenses in conformance with provisions of the Fire Protection District, including irrigation buffer zones, selective removal of vegetation fuels, and any additional set-back restrictions; normal repair/rebuilding and relocation of common area sprinkler heads away from building and fence line structures; sporadic replacements of broken sprinkler heads with equivalents or with new plastic pop-ups, standardization of nozzles, as well as installing pressure compensating devices and filters; drip system should be inspected of loose connections, emitters checked for water to plant and that they have bug caps and stakes (these items can be easily pulled off by kids), wye filters and emitter filters to be cleaned, as well as flush entire drip system once per month; irrigation’s automated/manually control, master, gate and shut off valves (**check periodically for corrosion of wire connections, clogged screens and orifices, seat wear, leaking, mal-functioning, sticking diaphragms and rusted out solenoids repairs, and tested for proper operations**); building’s pressure reducing regulators; timer controller clocks and panels; periodic testing, defective repairs and certification of the back flow preventor devices; main irrigation PVC lateral piping lines and break repairs at couplings and glue joints; application of insecticides, herbicides, fertilizers and weeding; new planting, mulch and annual color materials; gofer/pest controls; turf care consisting of periodic aeration, de-thatching, re-planting or eliminating non-practical areas, as well as over-seeding cool-season grasses with warm-season grass to reduce water requirements during summer months; caulk and seal any concrete drainage brow ditches, where needed; interior banks, slope maintenance and erosion prevention controls to allow for increased water and nutrient retention, as well as aid in plant establishment (**adequate funding from the operating accounts is recommended to provide all labor and materials necessary to maintain applicable common area banks and planter beds, and project sloped areas, to include removals of larger deadwood, tree foliage and general clean-ups for appearance; weed extraction and elimination; prune and trim existing plant materials, trees and shrubs to maintain their natural shapes and for improved growth; soil preparation and amending to fill in bare areas; irrigation improvements and any additional line installations for better coverage; and improve erosion control with appropriate ground cover, shrubs and selected slow-growing, stocked drought-tolerant materials, etc**); and general maintenance considerations, are considered to be a re-occurring expense and are being funded out of the operating accounts.
- ◇ Periodic cleaning of swales on a regular basis, dredge/clean out of silt/debris from common storm drains, box culverts, and any desiltation channel basin-to help ensure that all drainage related facilities are working properly, restore flowlines, and remain in good working condition.

- ◇ For effective fire and watershed management, regular inspections and landscape maintenance is necessary to minimize the potential damage or loss of property from brush fires and other natural hazards such as erosion and slope failures.
- ◇ Drip system should be inspected of loose connections; emitters checked for water to plant and that they have bug caps and stakes (these items can be easily pulled off by kids); wye filters and emitter filters to be cleaned, as well as flush entire drip system once per month.
- ◇ As the trees grow to maturity, operating cost should be increased proportionately. Major project tree trimming and care should be done in such a way as to maintain their natural shapes; stake, apply insecticides and pruning to promote best growth habits, appearance, health of trees and help prevent encroachments; lace, cut back heavy lateral growth, remove deadwood, shape and balance "as-needed"; thinning and selected upper crown reductions to help prevent wind breakage risks and reduce weight/density; any necessary selected removal/replacements of trees and grind out their stumps in dangerous, crowding or vicinity of traffic way areas; clean-ups and haul away all job-related debris from premises (**it is sound management that this tree care be done on an ongoing basis to maintain best long term controls and cost savings, and funded out of the operating accounts. In addition, tree injection treatments, root barrier projects, removal and replacement over and beyond normal maintenance and Reserve considerations given are to be funded out of the aforementioned #02825 general improvement Reserve fund**). Careful monitoring of any potential tree problems (can be a big landscaping problem as they break up and clog pipes, presents wind breakage hazards, restricts visibility, buckles concrete and asphalt in walkway paths, drainage brow ditches and adjoining street/parking areas, and **wears on roofs from overhangs**, etc.) should be maintained and reviewed constant.
- ◇ The subsurface drainage systems should be kept free of debris at all times and the irrigation system periodically evaluated for reduction or any discontinuance in those shaded areas where over-watering is evident. Maintenance should consists of regular inspections of the drainage systems, drain caps and catchment basins to ensure that each component is working properly and the grate openings are not blocked by debris or silt (**particularly important in the fall when leaves and debris are falling**), automated clocks checked regularly for correct operations and programming, all valves and hose bibs that are not electronically controlled should be operated manually at least once a year, checked on a regular basis to make certain that connections are tight, and all valves and heads are operating freely-adjusted away and not allowing water to stand at structure foundations.

DIVISION 2 - SITE WORK

02830 Fences & Gates Table

Section #	Division & Component Titles	Source	Normal Life	Remain Life	Unit Cost	Units Counted	Replacement Cost	Cond Code
02832	Chain Link Fencing and Gates-Running Along Outermost Perimeter Tract Boundary Line Markers	3	30	15	15.00 /lf	1,450	\$21,750	F-G
02834	Tubular Metal Fencing Panels and Passage Gates-Surrounding Recreational Pool Lot Areas	3	20	16	40.00 /lf	243	\$9,720	G
02836	Tubular Metal Hand/Guard Railings-Common Walkway Steps as Identified	1&3	25	1	Total /fund	1	\$25,000	P-F
02839	Stucco Coated Masonry Block Walls-Running Along Outermost Perimeter Markers Facing Mission Gorge Road as Identified- Major Repair and/or Replacement Fund Allowance	3	30	15	Total /fund	1	\$40,000	F-G *

FIELD REMARKS

#02832. The “worst” case locations to be prioritized and done first with the remaining work to be completed over the given time frame, as Reserve funds are made available. Accumulated reserve funds will be used to offset those sections to be replaced earlier than the projections shown.

Replacements using a recommended PVC fence system, including coated fence framework, chain link fabric, gates and fittings. Installed cost per existing layout to include re-setting all necessary new posts in proper concrete footings; pedestrian pass gate installations; chain link fabric mesh, tension wire, barb wire strands with connecting angled arms, fittings and hardware (i.e. mounting brackets, locks and handle sets); removal and disposal of job related debris, including dump fees; and all furnished labor, proper materials and miscellaneous building supplies to complete the job.

#02834 and #02836. Replacements using a recommended pre-galvanized (cold-treatment) steel finish fencing material/ process (combination of steel and rust inhibiting coatings that allow a manufacture guarantee against rust for a longer period). Re-buildable repair (post; bottom rail; picket; and new repairs to open welds, pinholes, as well as severely rusted/damaged picket and rail areas) and/or full panel replacement cost to standard components that are similar to the existing railing system, including ordering of raw picket materials, stock extrusions and fixtures with hardware to include re-setting/mounting all necessary new posts in proper footings, including core drilling new post holes where needed; pedestrian passage gate(s) and fixed side paneled section(s) installations, including expanded metal security mesh; hardware (i.e. mounting brackets, tabs and anchors, hydraulic closers, magnetic locks and brackets, armored door cords, hinges, latches, ground pins, locks and handle sets, etc.); prime (all sides) and paint all new iron; removal and disposal of job related debris, including dump fees; electrical wiring and all hookups to entry systems; and all furnished labor, proper materials and miscellaneous building supplies to complete the job.

#02839. Due to the many variables involved, these are only guidelines and intended as a starting point for the development of a long-term maintenance program for special considerations. To protect the interest of the Association and help maintain the 'structural integrity' of the common perimeter block walls under normal usage conditions, reserves are being recommended over the given time frame (**accumulated reserve funds will be used to offset those sections to be replaced earlier than the projections shown**) to make miscellaneous corrective measures to remedy imperfections, damage and reinforcement related repairs (possible emergency repair failures due to differential settlement and structural considerations, improper waterproofing causing watering the soil from behind the walls and chemicals to intrude, and possible improper workmanship at the time of original installations). Determination of the degree of repair to be walked jointly and decided by representatives of Owner and Contractor.

Cost for repairs (**exhibiting greater than hairline cracking extending beyond the stucco finish into the masonry units**), re-building and replacements on an 'as-needed' basis to include an allowance for lath, plaster and coating work at wall separation repair and cap areas-to be in a thickness to blend with the surrounding areas and to cover the CMU joints; remove all existing plaster coat and sandblast block to ensure a better bonding of new coating materials; properly grout solid all block cells in the repair area; all cracks repaired with proper patching compound, grout joints with a steel trowel where necessary to ensure a smooth texture; install new block units matching size of the existing; removal of existing wood framing and masonry materials, clean ups and haul away all job-related debris from premises, including dump fees; weep holes drilled through the base of selected walls, including sub-surface drain lateral system installed connecting to the exiting out-fall; installation of temporary safety fencing; permits and final inspections; and all furnished labor, proper materials and miscellaneous building supplies to complete the job meeting full contract specifications and code requirements.

PREVENTIVE MAINTENANCE & OPERATING EXPENSES

- ◇ Major fencing, rails and gate repairs, including re-setting loose posts and re-bracing weak sections should be done immediately upon signs of weakening to ensure stability (**particularly in those areas where there is a potential hazard, such as near the edge of an embankment**). Maintaining proper base clearances, provide proper protection from oxidation at bases, given special attention to the upright supports, boards present and secure, cutting back and minimizing area vegetation growth, check and adjust the angle of sprinkler heads, and painted on a regular cycle -will help prolong their life expectancies.
- ◇ Iron needs to be monitored closely and re-coated properly to control rust conditions and help ensure full life expectancies. At some of the wrought iron support bases, slight depressions in the concrete which allow water to collect will start to rust the footings as a result. It is suggested that these most vulnerable areas be inspected on a regular basis, filled with a cement epoxy and sloped away from the iron footings.
- ◇ In addition, the amount of moisture, amount of plant life surrounding and touching, and proximity to the coast can accelerate the deterioration of the iron. The iron should be examined every six (6) months to determine conditions and what course of action to take.

DIVISION 6 - WOOD & PLASTICS

06000 Reconstruction & Pest Control Table

Section #	Division & Component Titles	Source	Normal Life	Remain Life	Unit Cost	Units Counted	Replacement Cost	Cond Code
06300	Drywood and Subterranean Termite Controls-Annual Service and Protection Programs -Recreational Pool Lot Buildings	1&3			MAINTENANCE/OPERATING BUDGET			*

FIELD REMARKS

#06300. The Association is responsible for the repair and maintenance of the common area occasioned by the presence of wood-destroying pests organisms. The fumigation/tenting of the common buildings and local treatments to miscellaneous areas will normally be required in time. A Standard Pest Control Inspection on all common structures in the project should eventually be done to determined the extent of any drywood and/or subterranean problems, and make required recommendations (as to the most efficient and economical means) for the control of the infestations, infection and structural repairs and corrections (**In the past, the recreational buildings’ visible and accessible infestation areas have been identified and prioritized for secondary eradication treatment based on the severity of the problem. According to the Association’s agents, this has and will continue to be managed within the Association’s known operating cash-flow requirements without a dues increase or “special assessment”**). Once completed, methods of funding for any necessary subterranean (trench around building for the application of termiticides to kill infestations) and primary treatments (cover entire structure(s) and fumigate with Vikane gas for the elimination of drywood or dampwood termites extending into inaccessible areas; cover or remove accessible pellets; treat areas for the controlling of existing and any future drywood termites that might invade accessible areas; remove or destroy tunnels, etc.), and any termite or fungus damaged structural repairs and/or replacements will need to be determined (**Intraspect is not a pest control company and did not look for evidence of termites, and, therefore, includes termite control calculations only when instructed by the Association**).

Currently, operating funds are being earmarked for periodic pest control inspections, local infestation and subterranean termite treatments in all visible and accessible areas of the project (**inside and outside of all units**) with an approved method as indicated, including cover or remove pellets after treatment (**in lieu of fumigation, at the request of the Association, any and all work completed as a secondary recommendation is to be classified as substandard**). Annual Control Service Inspections and local treatments as needed in accessible areas should be initiated after controls have been satisfied and after warranties on complete works have elapsed. This is highly recommended, for proper on-going treatments and better guaranteed controls (According to the Association’s agents, this would be in effect annually-which extends the warranty indefinitely for an additional year) to protect the Association from any further prohibitive primary treatment costs.

PREVENTIVE MAINTENANCE & OPERATING EXPENSES

- ◇ The conditions of the main wooden portions should be inspected annually by the Board, so those areas that are experiencing major deterioration, severe dryrot and/or fungus damage can be scheduled for proper repairs and waterproofing (these areas should be well painted or otherwise sealed).

DIVISION 7 - THERMAL & MOISTURE PROTECTION

07000 Roofing & Thermal Protection Table

Section #	Division & Component Titles	Source	Normal Life	Remain Life	Unit Cost	Units Counted	Replacement Cost	Cond Code
07321	Concrete Roofing Tiles-"S" Mission-Pitched Deck Elevations-(42) Residential Complexes-Major Preventive Maintenance and Repairs	1,3&4		1	5,000.00 /bldg.	42	\$210,000	*
07510	Built Up Bituminous Roofing-MultiPly with Cap Sheet Finish-Flat Elevations and Walls-Recreational Pool Lot Buildings-Tearoff and Reroof Complete Using 20 Year Modified or Equal Specifications	3	20	1	Total /job	1	\$10,000	P-F

FIELD REMARKS

#07321. The project's roofing consists of concrete "S" Mission tile, located at the residential buildings' pitched deck elevations. When installed in accordance with strict ICBO and manufacturer's specifications, the "S" pattern shaped tiled materials are considered to be a long-lived roofing material (over 30 years) with proper maintenance and is one reserve item which, by all rights, should not have to be considered. However, according to the Association's agents, general conditions and observations (**roof evaluation surveys have been conducted**) reflect typical deficiencies of the roof systems on the majority of units, due to general wear and an unusual number of improper workmanship at the time of original installations (e.g. significant amount of slippage and improper attachments; broken/cracked or loose field tiles from improper fastening, as well as cut tiles near walls and rakes; exposing felt underlayment; poor flashing techniques, particularly at the fireplaces, skylights, roofing penetrations and dormer vents, valleys, metal cricket terminations and along wall transitions; several previous temporary repairs with cement around roofing penetrations, etc.).

Most of the noted items are common on all of the units with varying degree of severity, although all units can be economically repaired. Designed to be **preventive** in nature, once the listed procedures for repairs to all tile roofs are properly followed, this should bring the tiled roofing systems to a water-tight condition and extend the useful life expectancy indefinitely. To help protect the interest of the Association, it is recommended that this one-time Reserve expense be budgeted over the given time frame.

#07510. Hot applied built-up asphalt roofing system has been installed over a securely nailed plywood decking, including all structural flat deck elevations, applicable vertical walls and curbs. **Applicable** cost to include complete tear-off of old roofing, including parapet wall coverings, composition base flashing and metal items; all necessary surface preparation works providing for a clean substrate and primers used in accordance with manufacturer's specifications; insulated base sheet properly installed; some allowance given for damaged CDX plywood deck sheathing replacements, as well as newly installed copper drains and plumbed laterals at excessive low spots; where spaces permits, cants strips shall be installed at all angles; remove completely and/or lift in place, roofed under and reinstall any project's applicable curb-mounted skylights and solar collector panels; clean, prime, reuse and/or install any necessary new metal flashing and counter flashing details, including perimeter edges, coping, and roof jack/vents; and all necessary furnished labor, materials, equipment, permits, dump fees, pre-roofing and final inspections to complete the job in compliance to building codes and job specifications.

PREVENTIVE MAINTENANCE & OPERATING EXPENSES

- ◇ Set up and establish a maintenance and inspection log program as a line item in the operating budget for all buildings-to help render the systems in a water-tight condition and insure maximum life expectancies of the roofing materials/applications (update your maintenance guides and schedules as your association's needs changes). **Applicable** provisions should be made for: at least annual inspections, cleaning and routine general maintenance repairs performed to keep the roofs, storm/roof drain catch basins, strainers and gutters free from debris preventing blockage; special attention given to all roof vent openings at pipe jack collars (loose or missing to be re-secured or replaced as necessary), around protrusions, corner laps and exposed top edges, flashing and any other **potential penetrations, rusting or popped fasteners, splits, breaks in the felt strips, cracking and vulnerable joint areas permitting the entry of water checked and properly repaired**; check walls and secured coping metal for deterioration and possible water drain interference; physical damage, dried or loose caulking, and depressed flat tops that may be holding water; deteriorated underlying felts, and occurrences of mud-cracking caused by the flow of hot bitumen into low spots; bare spots on any flat portions of the project's roofing membrane re-coated, and field lap seams checked with any open separation, splits and blisters repaired/sealed where needed; monitor valley areas and reinforce weak areas; any curb-mounted skylights, a/c pads, conduit jacks and lines checked, cleaned and kept sealed; keep foot traffic to a minimum; ridge caps, missing/blown off, improperly attached, and damaged field tiles (discourage anyone from using the roof or placing any weight upon the tiles), and appurtenant metal details checked and repaired; and intermittent local failures and/or leaks treated as emergency repairs.

- ◇ Gutter and downspout sections periodically cleaned and flushed of accumulated debris to insure proper drainage flow during heavier rains (check for bends, dings, cuts, or holes); as well as connections, hangers and fasteners kept tight and securely attached; cleaned and painted on a regular program, **if applicable**-to be coordinated with the inspection of the roofs and painting schedule.

DIVISION 9 - FINISHES

09000 Flooring Table

Section #	Division & Component Titles	Source	Normal Life	Remain Life	Unit Cost	Units Counted	Replacement Cost	Cond Code
09300	Tiling-Rest Rooms and Outside Shower	3	30	15	Total /fund	1	\$8,500	G

FIELD REMARKS

#09300. New tile installation cost to include removal and disposal of existing ceramic tiles; all necessary surface preparation works; new tile installed using thinset mortar method; grout; expansion joints provided and caulked; and all furnished labor and proper materials to complete the job.

PREVENTIVE MAINTENANCE & OPERATING EXPENSES

- ◇ Intermittent tile repairs (i.e. **reset popping up, loose and/or dislodging pieces using thinset mortar method, re-grout and caulk where needed, ground out and repair structural cracks, etc.**) will be done as-needed and funded from operating.

DIVISION 9 - FINISHES

09800 Painting & Coverings Table

Section #	Division & Component Titles	Source	Normal Life	Remain Life	Unit Cost	Units Counted	Replacement Cost	Cond Code
09910	Partial Exterior Painting-Wood and Metal Item Surfaces-Complete Residential Complexes and Adjacent Structures as Identified on Contract	3&4	6	4	750.00 /unit	210	\$157,500	G
09915	Partial Exterior Painting-Metal Fencing Panels-Surrounding Pool Lot Areas	3	4	1	Total /job	1	\$1,200	P-F
09917	Existing Exterior Stucco Surfaces- Residential Complexes, Pool House Buildings, Common Site Walls and Adjacent Structures-Complete Hydro Wash, Standard Cosmetic/Patching Repairs, and Finish Coat Applications	3	12	10	750.00 /unit	210	\$157,500	F-G
09918	Stucco Coated Masonry Block Walls- Running Along Outermost Perimeter Markers Facing Mission Gorge Road	3	10	4	Total /job	1	\$6,000	F-G

FIELD REMARKS

#09800. Comprehensive inspection and proper surface preparation completed before caulking and paint are applied, is essential to obtain a high-quality, long-lasting paint job, as well as an effective means for specifying job materials, applications and related requirements. A thorough inspection also includes the roof, guttering and downspouts, **if applicable**. Adequate control of run-off water is absolutely essential to help minimize its impact on a painted surface, among other damage it can cause.

#09910. With proper primer and coating selections (**generally speaking**, for best color retention and durability, a 100% acrylic-latex coating is recommended with a quality oil-based primer applied to all bare wood surfaces. If water resistance is a primary concern on any window sills or in high-traffic deck areas, then oil-based paint may be superior to latex overall. An industrial gloss and/or latex enamel is generally selected to seal exterior doors and metal items, however, **a standard allowance is being given for the unit entry doors to be stripped, oil-based penetrating stain applied fully/in spots, and re-varnished. The more extensive refinishing and repair cost to be paid by the individual owner**) and coating requirements (**consider applying an extra full package consistency coating and/or performing additional removals on south-facing building surfaces exposed to direct sunlight, and north-facing portions where, due to shadows, moisture is likely to remain longer**), this painting should last 4-6 years. Cost includes all necessary surface preparation works (i.e. clean and dry surfaces prior to applications; remove all bird nests, mildew/fungus, loose, unsound and/or defective coatings by effective means; prime all knotted, new and raw wood with products in accordance with manufacturers specifications; acid etch exposed bare sheet metal to permit better adhesion, and primed with a proper rust-inhibitive reduced top coat; reset all loose boards and/or protruding nail heads, and fill with putty where needed; and all normal openings, cracks and joints permitting the entry of water caulked/sealed properly with recommended sealants, where needed, etc.); and all work completed with required grounds, material supplies, permits, job related fees, and accessories in accordance with job specifications.

#09915. Painting using a durable self priming, high-gloss with high-build barrier type of protection coating quality is recommended. Cost to include all necessary surface preparation works (i.e. **all dirt to be cleared away from the fencing, 2" below the bottom bar**; removal of surrounding foliage and plants; thoroughly clean and scrub/wire brush off all dirt, loose paint, oxide, badly chipped and surface rusted areas to a clean substrate; **allowance given for the more extensive interim repairs to open welds, pinholes, severely rusted/damaged post, picket and rail areas to be funded out of the report Fence Section #02834**; apply a DTR zinc-rich type rust seal primer coat to severely rusted/pitted substrate areas and/or where obvious metal loss has occurred-**full coat application to bottom rail and up 12" is recommended**; and finish with a polyamide-epoxy or equal finish coat application); and proper furnished materials, supplies and labor to complete the job in accordance with full job descriptions. Note: Determination of the degree of repair to be walked jointly and decided by representatives of Owner and Contractor.

#09917. The majority of exterior surfaces consists of color-coated finish stucco wall surfaces. Generally, stucco can last from 15 to 20 years before it will require its first re-surfacing, as the coloring is mixed into the stucco material itself. The full coverage application of an emulsion paint (Thorosheen type product-specifically formulated to withstand exterior exposures and provide a tough durable finish) for these exterior areas is recommended. Cost includes all necessary surface preparations works (i.e. pressure washed to thoroughly clean and remove surface contamination that may hinder durability, and provide for a sound substrate; treat runoff stained areas properly to help prevent further mildew, algae and mold re-growth; wet foundation at base of buildings, corner locations and any applicable problem block wall cracking/void and stained areas should be primed and repaired with a suitable patching compound, to insure the permanency of the materials and surfaces; bare areas to receive a masonry conditioner/sealer prior to topcoat applications; standard cosmetic repairs to blistered, loose and peeling stucco areas to be removed, properly prepared and bonded to receive new approved stucco materials matching adjacent texture and color, etc.); and all work completed with required grounds, supervision, material supplies, permits and job related fees, and accessories in accordance with job specifications.

#09918. Heavy dirt accumulation, mildew and staining will occur in various isolated areas near lower foundations, as well as from cap runoffs. The application of a fog coat (**this is a cementitious product formulated for use as a spray applied cement paint to color stucco and masonry surfaces, which becomes an integral part of the stucco after curing**) and penetrating finish sealant (**stained locations only**) over the given time frame is recommended. Cost to include all necessary surface preparations works (i.e. hydro-pressure washed to thoroughly clean and remove surface contamination that may hinder durability, and provide for a sound substrate; treat runoff stained areas properly to help prevent further mildew, algae and mold re-growth; spot-sealing bare areas with proper premium products; all normal openings, cracks and joints permitting the entry of water caulked/sealed properly; wet foundation at wall bases, corner locations and any applicable problem block wall cracking/void and stained areas should be primed and repaired with a suitable patching compound, to insure the permanency of the materials and surfaces; standard cosmetic repairs to blistered, loose and peeling stucco areas to be removed, properly prepared and bonded to receive new approved stucco materials matching adjacent texture and color, etc. **allowance given for the more extensive interim repairs to noted damaged areas to be funded out of the report Fence Section #02839**, etc.); and all work completed with required grounds, supervision, material supplies, permits, job related fees, and site accessories in accordance with job specifications.

PREVENTIVE MAINTENANCE & OPERATING EXPENSES

- ◇ The conditions of the **wood should be inspected at least annually by the Board**, so those areas that are experiencing major deterioration, water intrusions and/or severe dryrot damage can be scheduled for proper repairs and waterproofing. The rate of weathering and oxidation will vary according to the amount of direct exposure to the elements, particularly on the southern and windward side faces. Be sure to paint all six sides of doors and follow all necessary preparatory maintenance requirements before and after painting applications.
- ◇ Keeping vegetation growth down to a minimum, adjusting irrigation sprinkler heads, "**random touch-ups**" **done in-house to more frequent painted and deterioration prone areas** (i.e. **applicable** iron/metal works with emphasis on any rails sprayed with sprinklers on a regular basis and/or areas continually scratched or chipped by landscaping tools, metal light poles and walkway hand rails, utility enclosures, miscellaneous trim and framing pieces, fence portions, garages, exterior exposed doors and casings, etc.), and minor stucco repairs to any high exposure wall areas will help the aesthetics of the project, reduce the cost and frequency of a major re-paint, and help guard against any unnecessary structural repairs.
- ◇ Due primarily to irrigation overspray, vegetation growth, and roofing material/debris runoffs, any stained and fungus areas in the porous stucco (feeds on the damp moisture conditions which cannot dry out with proper air circulation. Primary project locations to spot check are at **any applicable** chimney stacks; under downspouts and fire extinguisher boxes; caps and faces to retaining, privacy and perimeter sound walls; and running along the building's foundation bases) may want to be washed with a fungicide solution to ensure proper adhesions, and waterproofed with a water-base penetrating sealant (from ground level up three feet is generally recommended). This will help guard against further fungus growth, discolored staining and/or water damaged. Some standard cosmetic repairs may be required after power washing, and has been included in the stucco painting cost figures.

DIVISION 13 - SPECIAL CONSTRUCTION

13150 Aquatic Facilities Table

Section #	Division & Component Titles	Source	Normal Life	Remain Life	Unit Cost	Units Counted	Replacement Cost	Cond Code
13152	Family/Adult Swimming Pool-Resurfacing with New White Fiberglass Application, Resetting Damaged/Loose Coping Stone Pieces, and Perimeter Border Band Re-tiling Works	3	20	20	14,000.00 /ea	1	\$14,000	G
13154	Therapeutic Pool-Resurfacing with New White Fiberglass Application, Resetting Damaged/Loose Coping Stone Pieces, and Perimeter Border Band/Seat Trim Re-tiling Works	3	10	10	3,000.00 /ea	1	\$3,000	G
13158	Pool and Spa Mechanical-(2) Commercial Heaters, and (2) 1HP to 2HP Motors with Full Pump Assembly	3	15	13	Total /ea	4	\$4,500	G
13158	Pool and Spa Mechanical-(2) DE60 Filters with Backwash Valves, and (3) 2HP Recirculating/Booster Motors with Full Pump Assembly	3	15	5	Total /ea	5	\$5,000	F-G
13160	Pool/Spa Solar Energy Systems -(21) Absorber Mat Collectors, Racks, PVC Piping, and Main Controller Unit	3	20	1	Total /job	1	\$15,000	P-F
13162	Patio Furniture and Accessories- Assortment of (25) Chaise Lounges, (16) Chairs, and (4) Tables with Fabric Umbrellas	3	6	4	Total /ea	45	\$8,000	G
13164	Rest Room Accessories (i.e. plumbing fixtures, electrical, toilets/urinal, partition walls, sinks with counter tops/ mirrors, and various dispensers, etc.)	3	20	10	4,000.00 /ea	2	\$8,000	F-G

FIELD REMARKS

#13152 and #13154. Re-surfacing of the gunite plaster pool and spa (**strip plaster to gunite, apply scratch coat and finish using a Perma-Glass product application-comprises of a 3-step fiberglass system using gel resins and mat**) to include draining and all necessary surface preparation work-sand down to smooth and sound substrate, grind out rebar and patch where needed; all necessary glazed waterline border band, any applicable steps, and non-skid deck/depth marker re-tiling works (**deck tiles to be cut out, replaced with slip-resistant pieces and re-grouted**); repairs to damaged bull nose coping stone pieces-reset all loose and replace all chipped pieces, and re-grouting done where needed; approved step/hand railings, pool lights and dual drains in compliance with local codes; remove old Deck-O-Seal and mastic and reinstall with new; and all necessary plans, permits, labor and materials to complete the job.

#13158. Installed cost to include protective cover plates for the pump/motor housing assembly; backwash and check valves; bearings; any necessary standard re-plumbing, vents and electrical works to adapt to newly installed system; all furnished labor and equipment, miscellaneous materials and supplies to complete the job.

#13160. Full system replacement (**plates are pressed stamped air-tight together and will eventually corrode and have internal problems**) cost to include removals of existing system and return new to roof; remove existing and haul away all job-related debris from premises; insulation; support racks repairs including mounting hardware for proper tilt, **if applicable**; mechanical components (i.e. auto valves, sensors, temperature controller system, etc.); standard new piping, fittings and re-plumbing works; painting of feed and return lines; and all start-up, clean-up, furnished labor and materials to complete the job meeting specifications.

#13162. When washed down routinely with a mild cleaner or with warm water and soap should last the given time frame. Restorations may be done for less (**i.e. re-strap, repair, sand blast stripped and refinish metal framing, etc.**).

#13164. Reserves for plumbing fixture replacement and decorative re-modeling to the recreational rest rooms should be earmarked. Cost to include all necessary permits, furnished labor and materials to complete the job.

PREVENTIVE MAINTENANCE & OPERATING EXPENSES

- ◇ Surfaces can be extended with proper treatments and periodic cleaning (**i.e. drain, remove stains and mineral deposits with a dilute acid/detergent solution, and sand plaster to a smooth finish**). Damage can also be minimized by making sure that the **ph and other chemicals are always in proper balances**; cleaning, testing, conditioned, replenishing the water levels and checking the water temperature; and adjusting controls, if necessary.
- ◇ It is extremely important to maintain a water-tight barrier between the decking and underlying soil. The joints in the concrete decks should be maintained and kept water-tight with intermittent repairs done, including ground out any structural cracks and caulked with a vulkem caulking (**matching as close as possible**). The joints, as well as any cracks that may develop in the concrete surface, should be cleaned out and sealed (remove old Deck-O-Seal and mastic and reinstall with new) every 3-4 years. Failure to do so greatly reduces the normal life expectancy of the pool decking as the soil swells and shrinks from varying moisture content. In addition, it is suggested that the grout be check periodically and replace those tiled areas which has deteriorated, as well as applying a sealer to help eliminate any water seepage.
- ◇ To prolong the mechanical system's life expectancy, the pumps should be replaced as soon as corrosion appears on the inside or outside. In addition, periodic inspections should be done to check for corrosion, pinholes in the plumbing, leaks, for rocks and debris which may clog it, backwashing the filters and changing the filter grids periodically (**set of grids, motor bearings, heater elements, chlorinators, water-level control units, and smaller mechanical equipment repairs are more frequent and to be funded out of the operating accounts**) will help eliminates calcification of the filter bed system.
- ◇ Solar system should be monitored, flushed and serviced periodically. Freeze damaged repairs to restore the system may be needed in the interim period. **Notification of any defective or worn rebuildable/replaced parts will be charged extra and funded out of available contingency or operating accounts**. (i.e. door tracks, rollers, retractable electronic safety edges, door clutch assembly, and locks) will need to be removed and replaced with a new GAL MOD operator, including all necessary wiring modifications and adjust doors for proper operation.

DIVISION 15 - MECHANICAL SYSTEMS

15000 Mechanical & Utility Systems Table

Section #	Division & Component Titles	Source Life	Normal Life	Remain Life	Unit Cost Counted	Units	Replacement Cost	Cond Code
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PREVENTIVE MAINTENANCE & OPERATING EXPENSES

- ◇ The fire suppression system are all devices in the building(s) for use in helping suppress a fire. All **applicable** listed maintenance functions (including, but not limited to recharge, certify and hydrostatic test of fire extinguishers; functional testing of fire alarm and sprinkler systems, both in the common areas and individual living units; replacement of back-up batteries, when needed, etc.) should be performed by a licensed fire equipment service contractor. A strict adherence to timely maintenance is governed by applicable legal statutes. **Notification of any defective or worn rebuildable/replaced parts will be charged extra and funded out of available contingency or operating accounts.**

- ◇ Plumbing including all fresh water supply systems are generally built and installed by the developer or public utility company to rigid specifications and will typically last the life of the complex. Repairs to sewer or main water lines are not out of the ordinary, however, they are not considered a normal predictable wear-out component. If the Association is responsible to maintain on site sewer and water mains, operating funds should be identified for periodic clean-outs, inspection of mains, and possible replacement to damaged and/or dislodged sections. Once determined, the most probable service expenses and required replacements can then be incorporated into the annual reserve study. Any miscellaneous plumbing and leak repairs, including the possible re-installation of the building’s pressure regulators, stop/waste and shut off valves, hose bibs, as well as locate, raise and clean-out main sewer drain lines, etc., will be funded out of the operating accounts or through budget contingencies.

- ◇ In addition, if the Association has a history of pinholes leaks, soil electrolysis problems, or pressure blowouts, it may advisable to include some form of reserve allocation if repairs cannot be regularly scheduled through the operating budget.

DIVISION 16 - ELECTRICAL

16000 Electrical/Lighting Table

Section #	Division & Component Titles	Source	Normal Life	Remain Life	Unit Cost	Units Counted	Replacement Cost	Cond Code
16050	Basic Electrical Materials-Rewiring, Conduit, and Boxes	1&3	IN HOUSE MAINTENANCE/OPERATING BUDGET					F-G
16400	Service and Distribution-(7) Complete Electrical Pedestal Meters for Irrigation Controllers-100 Amp	3	30	10	3,000.00 /ea	7	\$21,000	F-G
16520	Exterior Site Luminaries and Accessories-Variou Flush and Post Mounted Fixtures-Pool Lot, and Common Landscaped Ground Areas	3	20	10	Total /fund	1	\$35,000	F-G

FIELD REMARKS

#16400. Applicable cost to include the removal and disposal of job related debris; permits and labor installations; all miscellaneous electrical materials and standard field re-wiring works to complete the job meeting submitted specifications.

#16520. Replacements and any additional installations will more than likely be phased in over the given time frame, as Reserve funds are made available. Accumulated reserve funds will be used to offset lighting projects to be replaced earlier than the projections shown. Applicable cost using the existing concrete base and bolts to include the removal and disposal of job related debris; custom built fixture cost with extra long wire tails to allow the wiring to be spliced at each fixture (without having to add extra wire on site); labor installations; broken pipes and connection boxes, covers and reflectors, cell sensors and clock timers, transformers, junction boxes, retrofit kits including ballast, posts and new concrete footings, etc; some allowance given for standard re-wiring and conduit works, including trenching; miscellaneous electrical materials and standard re-wiring works to complete the job meeting submitted specifications.

PREVENTIVE MAINTENANCE & OPERATING EXPENSES

- ◇ Periodic ultrasonic pole inspections, lamps, fuses and minor related trouble-shoot electrical works "as required" to restore common lighting fixtures for energy savings and reliability, including timer clocks, compact fluorescent kits in the sockets, covers and sensors, etc.
- ◇ Point of fixture attachments are vulnerable places of deterioration. Any needed replacements (whether for bulbs or covers) to all other miscellaneous lighting will occur on such a random basis that they more than likely will be cleaned and replaced in house on an "as-needed" basis out of the operating budget.
- ◇ A regular routine check of all junction boxes and cover plates, with damaged or missing ones replaced; corroded hardware and leveling bases to post mounted fixtures repaired/replaced; tight connection of fixture mounting plates and any breaks in the housing; and any necessary corrections of all electrical components completed, where needed.

CONCLUSION

The maintenance being provided for and conditions of the **Mariposa of Mission Pacific Property Owners Association's** physical elements were found to be good. Maintenance is never "cut and dried" and requirements are subject to all types of weather conditions, normal and abusive use, vandalism, and the unexpected. As a result, any schedule recommendations within this report are suggested schedules and will need to be adjusted to compensate for either adverse or exceptional conditions. Reasonably sound maintenance programs are assumed in meeting the normal life expectancies given, however, more favorable than average maintenance practices could give the reserve component a possibly longer expected life with the resultant effect being a reduction in replacement funding requirements. Conversely, less favorable than average and/or no maintenance will more than likely reduce the asset's useful life creating a need to increase the funding replacement requirements. Some Associations will want to expand their reserves beyond those boundaries given and this preference should also be taken into consideration when setting reserves.

To ensure an effective maintenance program, it is advisable for the Association's Board of Directors to establish a clearly defined strategy for implementing the maintenance, diligent adherence to that system, and a conscientious follow-up to insure that all maintenance items are attended to per the guide schedule.

Statements in this Reserve Study giving information and recommendations are believed to be true and accurate at the time the report was produced. Once revised, Intraspect can accept no legal responsibility for errors and omissions in this report. The final decisions for implementation, reviewing, updating or revising the information obtained in this Intraspect reserve study, for any changes in assumptions, is the sole right and responsibility of the Board of Directors.