

**Reserve Study Review Report**  
**Mariposa of Mission Pacific Property Owners Association**  
**June of 2005**

---

---



1401 Eagle Glen Escondido, CA 92029  
(800) CCC-1365 (760) 741-7023 Fax (760) 741-1559

© Intraspect, 1994

## **TABLE OF CONTENTS**

### **SECTION I**

Preface .....	2
Introduction .....	3
Property Description .....	5
General Report Information & Terms .....	6

### **SECTION II**

Assessment & Reserve Funding Disclosure Summary .....	9
Considerations .....	10
Summary Component Work Sheet (Inserted)	

### **SECTION III**

General Comments & Observations .....	11
Conclusion .....	19

## 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 major components which the association is obligated to repair, replace, restore, or maintain which, as of the report date of the study, have a remaining life of less than 30 years.
2. Identifying the current amount of accumulated cash reserves actually set aside in the “reserve accounts” to repair, replace, restore, or maintain the major common area components.
3. Estimating the current amount of cash reserves necessary to repair, replace, restore, or maintain the major common area components.
4. Projecting the current estimated life cycles and replacement costs of the major common area components identified in the report.
5. 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
6. 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 30 to 90 day window period prior to the beginning of the association’s 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 updated Reserve Study is an independent analysis of various major reserve components of the **Mariposa of Mission Pacific Property Owners Association**. Updating the prior year's projections and accounting are being conducted without an on-site visual inspection and supersedes the prior Report. Our updated reports are very similar in content to the original product, however, it does not contain the descriptive component evaluation and care suggestion sections, and so are not as bulky. Otherwise, the format is similar. The purpose of this report is to provide the Association with the most current accurate information available, reflecting only those known differences in the line by line conditions, life cycles, 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 report evaluations were **conducted in June of 2005**. 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 analysis 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. It is further assumed that there were no major changes to the inventory of common area components, and no deviations in the pattern of operations and maintenance exhibited other than during and since the site visit performed in conjunction with the prior Reserve Study.

Updated re-evaluation report information relies in part on our previous site inspection details and measurements, notes, our own background investigation into recent expenses and policies at **Mariposa of Mission Pacific Property Owners Association**, any additional knowledge supplied by a number of sources familiar with the history and operating practices (i.e. this may have been provided to us from the current property manager, board members and/or representatives, service vendors and outside contractors), published replacement manuals adjusted for local conditions, and our own expertise. In addition, reliability of this study is the result of presumed accurate information obtained verbally and/or in writing (with respect to the current condition of the common area components and the record of reserve replacements, repairs and expenditures since our last inspection), using current costs not including any inflationary factors. Representation of this study is the direct result of information being provided, and current visual assessments. Every reasonable effort has 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 (**AB 871, CC1365.5**) is required by law and is strongly recommended to reflect the impact of any significant changing conditions on the Association's future assessments. The Board shall consider and implement necessary adjustments to the board's analysis of the reserve account requirements as a result of that review. There is no substitute for ongoing correction and refinement. The effort spent in annual reserve planning can result in the priceless payoff of sufficient funds for timely common area repairs and replacements.

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.

If there are any questions that arise from this Report, please feel free to contact the office for clarification. We look forward to continued involvement with responsible and accurate long range budgeting for the **Mariposa of Mission Pacific Property Owners Association.**

Intraspect

Christopher L. Lyerly  
Owner

## 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 a 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 Program Report has been excluded-since the Association is practically fully funded, and does not require any more planning than funding the report's estimated annual reserve account 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 Work Sheet 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 amount is being recommended and should be used for unknown and/or concealed conditions that require repair, and as a normal added precautionary measure. This fund equaling 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; 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 inspections, lamps, fuses and minor related trouble-shoot electrical works "as required" to restore common lighting fixtures, including timer clocks, compact fluorescent kits in the sockets, 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, wall and gate sections, etc.).

## ESTIMATED 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. Components disregarded from the Reserve calculations will be revealed in the Reserve Study and reported in the Assessment and Reserve Funding Disclosure Summary.

## ESTIMATED REMAINING LIFE

The time reasonably calculated to remain before a major component is replaced. 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 ACCOUNT 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 ACCOUNT REQUIREMENT

As of the end of the fiscal year for which the study is prepared: This is to identify the **current 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 sources:

- 1 - Information supplied by the Property Manager, Board of Directors and/or Representatives.
- 2 - Standard construction estimating manuals such as The National Construction Estimator.
- 3 - Industry estimates provided from qualified contractors and inspection field notes.

- 4 - Accepted past known and/or current pending proposed contracts.
- 5 - Previous 2004 Intraspect Reserve Study.

## ASSESSMENT & RESERVE FUNDING DISCLOSURE SUMMARY

The following information is a condensed summary of the full Reserve Study, in compliance with amended California Civil Code Sections 1365, 1365.5, and 1366 of, and added Section 1365.2.5. It is intended for inclusion with the annual budget information to be distributed to the homeowners. Please refer to the complete Reserve Study with inserted Summary Component Work Sheet for the individual reserve assets to be identified and quantified, projected estimates and calculations, footnotes, and other detailed information.

For the current Fiscal Year Ending: 12/31/05

**(1) The Approved/Current Annual Budget Assessment is: \$110.00 per Unit per Month**

**Note:** If assessment vary by the size or type of unit, the applicable assessment rates may be found in the Association's Annual Budget and/or can be provided by the Association/management agent.

**(2)** There are no additional approved assessments scheduled to be imposed or currently charged, regardless of their purpose.

**(3) Sufficient Reserve Account Balances ? Yes:**

The cash flow analysis of this report currently projects reserve account balances at the end of each fiscal year. **Our compiled Reserve Funding Program/Summary Component Work Sheet and related report projections for this Association indicate adequate current reserve account balances and annual assessment funding (includes an increase thereafter by 3% compounded annually for inflation) to meet the association's future obligations (for repair and/or replacement of major Reserve components during the next 30 years). "Sufficient" cash requirement funding is not to be interpreted as a requirement to be "Fully Funded".**

**(4) Necessary Additional Assessments- Not applicable, proceed to #5.**

**(5a)** There **ARE NO** "Major Components" which have been included in the Reserve calculations as a capital asset, and are **NOT** included in the Reserve Funding portion of the current fiscal year Annual Budget.

**(5b)** There **ARE NO** "Major Components" which have been disregarded from the Reserve calculations as a capital asset, and **ARE** included in the Reserve Funding portion of the current fiscal year Annual Budget.

**(6)** This report shall include, but need not be limited to, reserve method calculations made using the formula described in paragraph (4) of subdivision (b) of Section 1365.2.5, and may not assume a rate of return on cash reserves in excess of 2 percent (interest earned). Therefore, based on **current replacement cost of \$1,173,738** and estimated useful lives and remaining lives, the "Reserve Account Requirements" are calculated as follows:

- ◇ **The Annual Reserve Account Requirement is approximately \$82,589 (\$32.77 per Unit per Month).**
- ◇ **The Association is currently budgeting an annual 2005 fiscal year Reserve contribution of \$67,044 (\$26.60 per Unit per Month).**
- ◇ **The Accumulated Reserve Account Requirement is calculated to be \$785,286.**

**As of April 30, 2005 the Association has identified \$730,390** in various investment savings "reserve accounts" available for reserve expenditures. The current projected "reserve accounts" balance at Fiscal Year Ending December 31, 2005 (**anticipated funding to year end less the anticipated disbursements**) is **\$372,198**, which therefore represents:

- ◇ **About 93% of your Ideal Accumulated Reserve Account Requirement** (over or at 100% balance is ideal).
- ◇ **A deficit of \$54,896 exists in current reserve funding account requirements**, however, there are adequate funds to perform the earlier scheduled Reserve projects in a timely manner, and possibly tolerate the reality of some unexpected expenses. This "deficit amount" is the difference between the total accumulated reserve account requirements and the actual cash balance on hand.

## 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; mold remediation 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 and termite damaged timber repairs; and re-coating the most visible possible source of outside wall leaks, 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.
- ◇ It would be helpful **to contribute over and above our estimated Annual Reserve Account Requirement** and have the study reviewed annually (maintaining only the normal annual reserve account requirement as calculated in this report **is without regard for any funding deficiency**. This method will never achieve full funding and may not meet reserve requirements as they occur). This would begin to work down your deficit, improve your cash position and help anticipate any unforeseen contingency type issues.
- ◇ 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.

**GENERAL COMMENTS & OBSERVATIONS**

1. Adequate operating budget account(s) funding for minor scheduled and/or unscheduled repairs, including, but not limited to **applicable**: service contracts and in-house repairs works necessary to return same to reliable operations, including the project's faulty or leaking mechanical pool, spa, and solar equipment and collector system, security monitoring components, smaller hot water heater servicing the rest rooms, etc; annual servicing, monitoring, testing and defect repairs of the fire alarm and prevention systems (all **applicable** listed maintenance/service functions, including, but not limited to recharge, certify and hydrostatic test of fire extinguishers; functional inspection/testing of fire alarm and sprinkler systems in the common areas, including the backflow device; back-up batteries; replacement of defective or worn rebuildable/replaced parts, deteriorated piping and electrical, when needed, etc.) performed by a licensed fire equipment service contractor; building code and life safety issues; Dec-O-Sealing the pool area's decking expansion joints; on-site required touch-ups, painting and jobs performed in-house and funded out of the operating budget as identified in the report; weather-proof caulk sealing to open joints between dissimilar materials that could allow for water entry points, as well as periodic inspections and weather-stripping of doors and windows, etc; **should be reviewed periodically and always kept on hand.**

2. The following reserve/special projects are **upcoming**:

Section #	Division & Component Titles	Source	Normal Life	Remain Life	Unit Cost	Units Counted	Replacement Cost	Cond Code
02545	Reseal Top Coat, Fill Cracks, Markings, Curbs, and Minor Dress Up Repairs- <b>Entire Asphalt Surfaces</b>	3&4	4	1	0.15 /sf	124,588	<b>\$18,688</b>	F *
02811	Surface Mounted Timer Clock-Digital Model-(1) 18 Stations Capacity	3	15	1	1,000.00 /ea	1	<b>\$2,400</b>	F *
02826	Priority Tree Removals, Including Replacements as Required	1,3&5	1	1	Total /year	1	<b>\$12,000</b>	*
02836	Tubular Metal Hand/Guard Railings-Common Walkway Steps as Identified	1,3&5	25	1	Total /fund	1	<b>\$25,000</b>	P-F *
07321	Concrete Roofing Tiles-"S" Mission-Pitched Deck Elevations-(42) <b>Residential Complexes</b> -Recover Using Existing Tiled Materials	1,3&4		1	8,000.00 /bldg.	42	<b>\$336,000</b>	*
07510	Built Up Bituminous Roofing-MultiPly with Cap Sheet Finish-Flat Elevations and Walls- <b>Recreational Pool Lot Buildings</b> -Tearoff and Reroof Complete Using 20 Year SBS Modified or Equal Specifications	1,3&4	20	1	Total /job	1	<b>\$10,000</b>	P-F *
09915	Partial Exterior Painting-Metal Fencing Panels- <b>Surrounding Pool Lot Area</b>	3&5	4	1	Total /job	1	<b>\$1,200</b>	P-F *

**#02545. This Reserve fund to be allocated over the current 2005 fiscal year.** 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.

**#02811. This Reserve fund to be allocated over the upcoming 2006 fiscal year.** 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; installation of representative one flow meter sensor at the backflow preventor; and all necessary furnished materials and labor to complete the job.

**#02826. This annual Reserve fund to be allocated over and beyond the operating account #62430 Tree Maintenance under Land Maintenance.** 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, **including concrete repairs caused from surface roots of nearby trees**. 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).**

**#02836. This Reserve fund to be allocated over the current 2005 fiscal year.** 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; prime (all sides) and paint all new iron; removal and disposal of job related debris, including dump fees; and all furnished labor, proper materials and miscellaneous building supplies to complete the job.

**#07321. This Reserve fund to be allocated over the current 2005 fiscal year.** 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. This Reserve fund to be allocated over the current 2005 fiscal year.** 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.

**#09915. This Reserve fund to be allocated over the current 2005 fiscal year.** 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; 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 an industrial grade, rust-inhibitive gloss enamel 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.

3. A repaving overlay **to all surfaces** may not be required if streets are maintained properly, however, this fund (#02510) 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); raise utility boxes to new elevations; 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.

Any and all hidden conditions impacting the scope of work above and beyond simple patch, overlay and seal procedures (development of remediation concepts and recommendations to mitigate groundwater seepage, site drainage, and pavement distress problems) have been excluded. Although not all together excluded from this Reserve Study report, the Board may, at its discretion, determine and **include changes in this allocation to cover** the afore-described situation as deemed necessary.

4. Typically, **with proper maintenance** (i.e. site inspections to determine any normal repairs and minor removals to damaged and/or spalled sections; clean out and/or remove mortar joint gaps, open lateral cracks, and caulk fill completely with appropriate sealant where needed, etc.) to prevent further moisture intrusions into the subgrade, the construct of the project's PCC pavement should last the life of the project, and is one reserve item which, by all rights, should not have to be considered (#02520). However, some panels may deteriorate at a faster than normal rate (i.e. due primarily to being either under-designed or under-built; inadequate joint spacing providing for proper relief of normal concrete shrinkage stresses and avoid uncontrolled cracking of panels; heavy vehicular traffic and possible inadequate supporting bases; surface roots of nearby trees; lack of caulk/grout sealing and general preventive maintenance, etc.). To protect the interest of the Association, reserves are being recommended to replace a percentage of areas over the given time frame period and perform minor restoration repairs to keep surfaces in a water-tight condition.

**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.** Cost to include removals and haul away all job related debris from premises, including dump fees; all necessary base preparation works; set edge forms, reinforced with steel and install expansion joints where needed; remove roots in sidewalk and common ground areas, including the installation of any root control boxes; install new water meter boxes, where needed; pour back to existing levels and finish to closely match existing; all furnished labor, material supplies, fees, equipment, supervision, and any other services necessary to properly complete the project in accordance with local building codes and construction documents (an independent consultant with expertise in this field may want to be retained-to prepare the job specifications based on

findings; confirm thickness, reinforcement, and sub base preparation requirements; as well as work with the selected contractor during the actual installation process).

In addition, 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**. Note: However, Reserve funding is being recommended over a longer time frame to make the more extensive grinding and/or removal type repairs as noted above.

5. **Applicable** full line maintenance services and related repairs (**#02810**), 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, annual ongoing selective thinning and pruning accomplished incrementally, 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, rain guard sensors, pedestals 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.

As part of the 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).

6. 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 (#02825). 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.

**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.** An allowance for the cost of extra labor, and all necessary furnished supplies will be allocated and summarized by month over this period. These costs should be reviewed periodically to properly reflect its history, determine priorities and

funds needed so as to not exceed budget amounts.

7. As the trees grow to maturity, operating cost should be increased proportionately. Major project tree trimming and care (**#02826 and #02827**) 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.

8. 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 (**#02832**). **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.

9. **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 (**#02839**), 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). Note: 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.

10. 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 reducing 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.

## 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 the use of data in this Intraspect Reserve Study is revised, assumed and/or updated by other sources, Intraspect can no longer accept legal responsibility for errors and omissions in this and subsequent reports. 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.