

James E. Smith

Vice President, Strategic Planning & Operational Excellence
Jorgensen Facilities Services Division

Education

MSc, Management Science, California State University
BSc, Management, Pepperdine University
AA, Business Administration, Los Angeles Valley College

Professional Registrations and Memberships

International Facilities Management Association (IFMA)
American Society of Safety Engineers
American Society for Industrial Security
National Fire Protection Association

Profile

As a Vice President with Roy Jorgensen Associates, James E. Smith brings a thirty-nine year career of managing people and processes, including work experience in accounting and finance, human resources, health, safety and environmental affairs, risk management, information technology, facilities condition assessments, and facilities operations and maintenance. Prior to joining Jorgensen, Smith spent sixteen years as a Division, and Group Director of Facilities, Safety, Health, Security and Environmental Affairs with Litton Industries. His responsibilities included real estate and personnel across North America, Europe, and the Far East.

41 Years of Professional Experience Roy Jorgensen Associates, Inc.

Roy Jorgensen Associates, Inc.

Litton Systems, Inc.

Transtech Corporation

KKW Industries, Inc.

United States Army

Independent Project Consultant

Vice President, Strategic Planning & Operational Excellence, 2010
to Present

National Manager Service Solutions, Strategic Planning &
Analytics, 2002-2010

Business Segment Director, Facilities, Health, Safety, Security, &
Environmental Affairs, 1986 to 2001

Director of Administration and Chief Safety Engineer, 1980 to
1986

Director Facilities, Insurance, Safety and Risk Management, 1974
to 1980

Commissioned Office, 1967 to 1974

Project Consultant, 1985 to 2002

Projects included being a pyrotechnic separation subsystem analyst on the NASA Accident Review Board for the Challenger SST investigation; DOT classification and exemption for transportation of hazardous materials; space utilization and facility planning for major aerospace and defense contractors; technical review for a waste explosive disposal facility; a contractor system status review, multiple environmental management surveys, ordnance safety consultant for the 1984 Olympics, among others.

Key Projects



Toyota Motor Sales - 2002 to 2011

National Manager Service Solutions, Strategic Planning & Analytics.

Development, implementation, and management of several key business processes including a business segment strategic plan, "next level" development and implementation of a computer-based maintenance management system. Development and implementation of an asset management strategy including hardscape and landscape assets, equipment and infrastructure maintenance standards, and BAS/MMS/EMS integration technologies. Management of a National

Customer Service operations supporting an Associate population of approximately 12,000, maintenance engineering and technology development, "process green" standards and implementation, "subject matter expert" for facility O&M environmental, and safety and health programs.



Toyota Financial Services - 2002 to Present

Vice President Strategic Planning and Operational Excellence. A key responsibility was as the lead manager in the implementation of a performance-based facility management out-source agreement. The scope included performance metrics, governance structure, staff development and process improvement for all aspects of a service agreement.



City of Placentia - 2012

Vice President Strategic Planning and Operational Excellence. Managed generating a facility asset list with remaining useful life for a Facility Condition Assessment of the City of Placentia. The City has approximately 80,000 sq ft of owned facilities. Also managed detailing a deferred maintenance and operational requirements over a 20-year period.



International Monetary Fund - 2010 to Present

Vice President Strategic Planning and Operational Excellence. Prepared summary list of skills needed by role for a new organizational structure, compared those skills with existing staff, and performed a gap analysis. Reviewed resumes, conducted interviews with IMF staff. Generated a summary report of available training programs which addressed the gap in existing skills and maintenance of those skills. The report included benefits of each program and the estimated costs. Ranked programs and made recommendations. Proposed a customized

internal training program and schedule where needed.



County of Santa Barbara - 2013 to 2014

Vice President Strategic Planning and Operational Excellence. In 2013 Roy Jorgensen Associates Inc. was selected by the County of Santa Barbara CA to conduct a comprehensive Facility Condition Assessment, and development of an asset driven Maintenance Management Plan (MMP). The scope of the work covered in excess of 8.3 MM square feet of county-owned facilities including office buildings, health facilities, fire stations, sheriff stations, parks, jails, and vehicle operations and maintenance facilities. The FCA activities involved approximately 800 buildings, structures and parks at 52 geographic locations. The MMP scope

includes life cycle costing, short and long-term econometric modeling, and general and specific maintenance management system recommendations.

ALFRED L PIPKIN

National Energy/Utility Manager

Jorgensen Facilities Services Division



EDUCATION	Mechanical Engineering, UCLA United States Navy
PROFESSIONAL REGISTRATIONS AND MEMBERSHIPS	International Facility Management Association (IFMA) Association of Energy Engineers (AEE) American Society of Heating, Air Conditioning Engineers (ASHRAE)

PROFILE

Al Pipkin supported development of the Energy/Utility management organization for Toyota Motor Sales. He has been involved in facility operations, management, energy efficiency and energy related issues for over 30 years. Presently, Al works as a RJA facility and process consultant working on accounts such as Toyota Financial Services, Google, Irvine Barclay Theatre, OCTA, and others.

Al has conducted commercial facility and energy audits since 1982 in corporate campuses, office buildings, hospitals, warehouses, jails/prisons, water treatment facilities, manufacturing facilities, and other varied buildings, resulting in over 1,000 successful facility projects. Further, he has taught energy auditing to building operators and managers in Southern California, Chicago, Boston, and Stockholm, Sweden.

Prior to joining Jorgensen, he formed Pipkin & Associates, Inc. in 1986 to provide facility and energy efficiency and demand management consulting services for facility managers and utility companies. The last project Mr. Pipkin completed as an independent consultant was a project in Chicago for the Center for Neighborhood Technology and Commonwealth Edison to develop and operate the first community-based demand response cooperative in the U.S. specifically designed to be responsive to load issues on an electric utility's feeders and substations.

The California Energy Coalition, a non-profit association specializing in developing and operating demand response/load management energy cooperatives and other energy efficiency programs, retained Mr. Pipkin's services as its Managing Director from 1986 until 2000. In addition to his role as Managing Director, he acted as Project Manager developing and implementing several energy projects around the U.S. He also managed energy projects in Sweden and Norway for the CEC's sister organization, the Scandinavian Energy Coalition.

He has worked with cities, energy users, and utilities in California, New York, Illinois, Wisconsin, Massachusetts, Pennsylvania, and New Jersey developing energy efficiency initiatives. He also worked in Scandinavia, supporting energy utilities and users in the preparation and subsequent implementation of a competitive energy marketplace.

43 YEARS OF PROFESSIONAL EXPERIENCE

Roy Jorgensen Associates, Inc.

Pipkin & Associates, Inc.

Fluor Corporation

Union Oil Company of California

National Energy/Utility Manager, 2002 to Present

Owner/Operator, 1986 to 2002

Director of Facilities, 1976 to 1986

Chief Engineer, 1972 to 1976

KEY PROJECTS



County of Santa Barbara – 2013 to Present

Utilities Systems Analyst. In 2013 Roy Jorgensen Associates Inc. was selected by the County of Santa Barbara CA to conduct a comprehensive Facility Condition Assessment, and development of an asset driven Maintenance Management Plan. The scope of the work covers in excess of 8.3 MM square feet of county-owned facilities including office buildings, health facilities, fire stations, sheriff stations, parks, jails, and vehicle operations and maintenance facilities. The FCA activities involve approximately 800 buildings, structures and parks at 52 geographic locations. The MMP scope includes life cycle costing, short and long-term econometric modeling, and general and specific maintenance management system recommendations. The work is expected to take six to eight months.



Toyota Motor Sales – 2002 to 2010

National Energy/Utility Manager. Managed and implemented enterprise-wide natural resource efficiency programs. Achieved energy reduction of 16 percent from baseline in first four years of program operation for a final seven year total savings of \$14.7MM. Developed tools to support decision making in capital and expense expenditures for facility projects. Responsible of development and maintenance of facility use and cost database and a program to monitor and verify savings from implemented projects.



Toyota Financial Services – 2002 to Present

National Facility/Energy/Utility Manager. Implemented and managed enterprise-wide natural resource efficiency programs. Achieved energy reduction of 38.1% from baseline. Developed tools to support decision making in capital and expense expenditures for projects. Responsible for the development and maintenance of energy use and cost database, a program to monitor energy use in real time and verify savings from implemented energy projects.



California Energy Coalition– 1986 to 2000

Managing Director. Responsibilities included project management, marketing, new member implementation, operations, financial management, and administration. Worked with education professionals to develop an energy-focused program and curriculum for late elementary and middle school ages. Member companies included TRW, The Irvine Company, Sanitation District of Orange County, Koll Company, Steelcase, Trammell Crow company, Hoag Hospital, and Fluor Corporation.



Commonwealth Edison Energy Cooperative – 2000 to 2003

Consultant. Designed, marketed, and implemented a Demand Response Energy Cooperative for Commonwealth Edison in Chicago, IL. Participants included Sears Tower, Cook County Jail, Argonne National Labs, CAN Insurance, Great Lakes Naval Training Center, Baxter Healthcare, Allstate Insurance, Rush St. Lukes Medical Center, Anchor Glass. Program delivered 14MW the first summer.

JUSTIN D. MAY
Asset Specialist
Jorgensen Facilities Services Division



EDUCATION B.S. Mechanical Engineering, University of California,
Santa Barbara

**PROFESSIONAL REGISTRATIONS
AND MEMBERSHIPS** EIT Certified

PROFILE

Since joining the Jorgensen team as an intern, Justin has participated in several Facilities Condition Assessments. Mr. May is currently developing a facility maintenance management plan on behalf of Jorgensen for LPL Financial facilities in San Diego, CA, Charlotte, NC and Boston, MA.

Prior to teaming with Jorgensen Justin worked with CAD design and drawings, and possesses experience in iterative designing, and project planning. Justin worked as a senior team member designing and fabricating test design prototypes.

4 YEARS OF PROFESSIONAL EXPERIENCE

Roy Jorgensen Associates, Inc.	Asset and System Engineer, 2013 to Present
Raytheon Vision Systems	Senior Project Team Member, 2011 to 2012
Independent Contractor	Construction Worker/Handyman Assistant, 2006 to 2010

KEY PROJECTS



County of Santa Barbara – 2013 to 2014

Asset and System Specialist. In 2013 Roy Jorgensen Associates Inc. was selected by the County of Santa Barbara CA to conduct a comprehensive Facility Condition Assessment, and development of an asset driven Maintenance Management Plan. The scope of the work covers in excess of 2.5 MM square feet of county-owned facilities including office buildings, health facilities, fire stations, sheriff stations, parks, jails, and vehicle operations and maintenance facilities. The FCA activities involved approximately 800 buildings, structures and parks at 52 geographic locations. The MMP scope includes life cycle costing, short and long-term econometric modeling, and general and specific maintenance management system recommendations. The work is expected to take six to eight months.



Toyota Financial Services – 2014

Asset and System Specialist. In 2014 Roy Jorgensen Associates Inc. was tasked by Toyota Financial Services to conduct comprehensive Facility Condition Assessments at both their Chandler, AZ property and the Cedar Rapids, IA site. The scope of the work covered in excess of 260,000 square feet of storied office buildings.



Metropistas – 2014 to 2015

Asset and System Specialist. Justin participated in the annual update of Facility Condition Assessments at the Metropistas toll facilities in Puerto Rico. He was responsible for reporting on site, mechanical, electrical, interior finishes and life safety aspects of various facility types including office buildings, police stations, emergency medical areas, and eight highway toll booth plaza locations.



LPL Financial – 2014 to Present

Asset and System Specialist. In 2014 Roy Jorgensen Associates Inc. was requested by LPL Financial to develop a comprehensive Facility Asset Maintenance Management Plan. The MMP scope includes life cycle costing, short- and long-term econometric modeling, and general and specific maintenance management system recommendations.

SARA A. HENNINGSGAARD, PE

Project Role: QA Manager



EDUCATION BSCE 2005, University of Minnesota

PROFESSIONAL REGISTRATIONS AND MEMBERSHIPS Licensed Professional Engineer, Florida #70684; Texas #106472; Georgia #PE035434
Certified Florida General Contractor, CGC1515238
Certified NBIS Bridge Inspector
Maintenance Rating FDOT Program (MRP) Certified Team Leader

PROFILE

Ms. Henningsgaard provides technical support, supervision, and quality assurance for all of Jorgensen's asset management and highway maintenance projects and provides specialized technical services for other Jorgensen domestic and international projects. Her primary responsibility is providing engineering support Jorgensen asset maintenance projects in Florida and Texas, including the interstate system in Jacksonville Florida; I-595 in South Florida; all primary roadways in Citrus County in western Florida; and the Harris County Tollway system in Houston, Texas. For these projects she directs the performance of the condition assessment programs, asset inventories, specialized technical and construction inspections, and quality control. Ms. Henningsgaard has participated in research projects covering soils engineering, traffic operations, and medical data collection and documentation.

16 YEARS OF PROFESSIONAL EXPERIENCE

Roy Jorgensen Associates, Inc.	Project Engineer, 2005 to Present
University of Minnesota, Minnesota	Joint Research Project, 2004 to 2005
Department of Transportation (MNDOT)	
Roy Jorgensen Associates, Inc.	Intern/Coop, 2004
Minnesota Department of Transportation	2002 to 2003
University of Minnesota, Cardiac Research Laboratory	2001
Howard Hughes Medical Institutes, National Eye Institute, National Institutes of Health	1999 to 2000

KEY PROJECTS



New Jersey Asset Valuation, State of New Jersey Treasury Department

Associate Engineer. Responsible for the development and implementation, and subsequent data analysis of condition rating programs for both the road network and facility systems on three tollway systems: New Jersey Turnpike, Garden State Parkway, and Atlantic City Expressway. The resulting conditions scores were used in the development of a detailed cost model for an Asset Valuation Study



Jacksonville Asset Maintenance Contract, Florida Department of Transportation, Jacksonville, Florida

Project Engineer. Directs all quality control efforts on interstate systems in Nassau, Duval, and St. John's Counties in northeast Florida, as required by contract. This includes the tri-annual Maintenance Rating Program (MRP) inspections; technical inspections of signs, guardrail, and attenuators; construction plan review and inspections; and conducting quarterly quality assurance reviews on project performance for corporate review. The information is used for the evaluation of internal performance and development and modification of maintenance programs.



Asset Maintenance Contract, NTTA/TxDot, Dallas, Texas

Project Engineer. Aided in the development and implementation of condition assessment program for President George Bush Turnpike Tollway system in Dallas Texas. The project included a tri-annual review of the roadway, bridge, and facility systems on the toll way network, and subsequent data analysis to provide a quantifiable condition score of the system.

Operation and Maintenance Contract, ACS Infrastructure, I-595 Maintenance Contract, Florida



Project Engineer. Assisted in the start up of the I-595 Corridor Improvement Project. Responsibilities included aiding in the development of the maintenance manuals; identifying the current condition of all system assets, specifically safety critical components; training of personnel in the implementation of the quality control program; and preparation of quarterly quality assurance reviews.



Asset Maintenance Contract, Harris County Toll Road Authority, Texas

Project Engineer. Developed and implemented a condition assessment program for the Harris County Tollway system. The project involved defining condition criteria for all network assets and creating a field manual to inspect and rate the condition of the system and its assets. The resulting performance of the system is used to create the annual work plan and budget for the project.



Quality Management System, Roy Jorgensen Associates, Inc.

Project Engineer. Developed Jorgensen's internal quality management system, which included creating policies and procedures for quality processes on all Jorgensen Projects. This involved the development of a QMS manual, training project teams on the quality processes, performing quality assurance audits, and updating quality procedures as needed. The QMS system is used as an internal evaluation of project performance and for identifying maintenance program modifications.

TOBIN PROFFER
Field Service Supervisor
Jorgensen Facilities Services Division



EDUCATION

- ITT Technical Institute – Heating, Air Conditioning, Refrigeration
- C-20 Contractors License
- EPA Universal Certificate
- Allerton Building Automaton Systems

**PROFESSIONAL REGISTRATIONS
AND MEMBERSHIPS**

- Associated General Contractors of America
-

PROFILE

Toby Proffer is a heating, air conditioning, and refrigeration technology specialist holding multiple certifications from ITT Technical Institute, Honeywell, Carrier, and Allerton Controls. He holds a California C-20 Contractors license and an EPA universal certification. Mr. Proffer joined Jorgensen in 1993 managing a route services crew for HVAC, mechanical and general maintenance activities for multiple clients. His focus on total operating systems provides significant support across the entire Jorgensen client base. He often consults on operating systems to troubleshoot recurring issues and works with end-users to perform performance and efficiency studies. He has spent several years performing equipment condition assessments either as stand-alone projects or as a part of larger overall facility condition assessments for different Jorgensen accounts.

34 YEARS OF PROFESSIONAL EXPERIENCE

Roy Jorgensen Associates, Inc.

Field Services Supervisor, 2001 to Present

Roy Jorgensen Associates, Inc.

Field Services Engineer, 1993 to 2001

Proffer Air Conditioning

Owner and Operator, 1983 to 1993

City of Anaheim

Facility Maintenance Dept-HVAC, 1981 to 1984

KEY PROJECTS



County of Santa Barbara – 2013 to 2014

Mechanical Systems Specialist. In 2013 Roy Jorgensen Associates Inc. was selected by the County of Santa Barbara CA to conduct a comprehensive Facility Condition Assessment, and development of an asset driven Maintenance Management Plan (MMP). The scope of the work covered in excess of 8.3 MM square feet of county-owned facilities including office buildings, health facilities, fire stations, sheriff stations, parks, jails, and vehicle operations and maintenance facilities. The FCA activities involved approximately 800 buildings, structures and parks at 52 geographic locations. The MMP scope includes life cycle costing, short and long-term econometric modeling, and general and specific maintenance management system recommendations.



Toyota Motor Sales – 2008 to Present

Field Services Supervisor. Performs maintenance and repairs for the Toyota CALTY location in Irvine for all their HVAC equipment. Also services the Data Center at the Toyota Technical Center (TTC) in Gardena, CA. Troubleshooting, diagnostics, and consulting for mechanical systems problems at Data Center II in Chandler, AZ.



Toyota Financial Services – 2011

Mechanical Systems Specialist. Inspected an HVAC problem at Toyota's San Diego location that the local area technician was unable to diagnose. Found the problem and made the necessary repairs.



Hoag Hospital, Irvine, CA – 2009 to 2011

Mechanical Systems Specialist. Inspected exterior, interior, and all equipment for several Facility Condition Assessments at different Hoag Hospital departments and locations. This included taking pictures of everything inspected and writing up what was right and/or what was wrong with each item. Also created estimates for repair and/or replacement of items, whether it be cracked concrete or an aging A/C unit.



College of Charleston - 2010

Mechanical Systems Specialist. A Condition Assessment was undertaken to provide the College with a baseline condition report in conjunction with a capital and expense prioritization and outlook plan of its Residence Life facility portfolio. The accompanying report divided the portfolio into the individual components that comprised the thirty-three historic residences and the ten contemporary residence halls.



Port of Los Angeles and Port of Long Beach – 2008-2009

Mechanical Systems Specialist. Inspected exterior, interior, and all equipment for both Equipment and Facility Condition Assessments at the Ports of Long Beach and Los Angeles. This included developing maintenance standards still being used today.



City of Placentia – 2012

Mechanical Systems Specialist. Generated a facility asset list with remaining useful life for a Facility Condition Assessment of the City of Placentia. The City has approximately 80,000 sq ft of owned facilities. Also assisted in detailing a deferred maintenance and operational requirements over a 20-year period.

CARL G EDELBLUTE
Senior Vice President
Jorgensen Facilities Services
Division



EDUCATION

- BS Business Administration, Colorado Technical University
- Licensed C-20 Contractor
- AA Energy Engineering, Orange Coast College
- Certificates- Human Resource Development, Business in a Global Environment and Accounting and Finance
- Numerous IFMA Real Estate and Management Seminars

**PROFESSIONAL REGISTRATIONS
AND MEMBERSHIPS**

- American Society of Heating, Refrigeration, Air Conditioning Engineers (ASHRAE)
 - ASHRAE Energy Awards, Past Judge
 - California Energy Coalition, Past Chairman of the Facilities Operation Committee
 - International Facilities Management Association (IFMA)
 - Association of Energy Engineers (AEE)
 - Association of Professional Energy Managers (APEM)
-

PROFILE

Carl is a Senior Vice President and Officer with Roy Jorgensen Associates, Inc. He oversees the Jorgensen Facilities Services Division including technical operations, facilities and maintenance management consulting, long- and short-term planning, establishing strategic alliances, marketing, and new business development. Carl's responsibilities include fiscal management, business development and strategic positioning.

38 YEARS OF PROFESSIONAL EXPERIENCE

Roy Jorgensen Associates, Inc.
Roy Jorgensen Associates, Inc.
Emulus Facilities Management,
Inc.
C.J. Segerstrom & Sons
The Irvine Company

Senior Vice President/Officer, 2005 to Present
Vice President/Officer, 1992 to 2005
Principal and CEO, 1987 to 1992
Chief Engineer/Maintenance, 1981 to 1987
Lead Engineer, 1977 to 1981

KEY PROJECTS



Toyota Motor Sales – 1984 to 2011

Senior Vice President. Responsible for the facilities management for 8MM sq ft of Campus (2MM sq ft) and regional offices, warehouses, parts distribution centers, manufacturing and distribution centers across the U.S. and Puerto Rico. This included project management, sustainability programs (savings of over \$12MM in 7 years), consulting services, capital and expense planning, integrated asset management, and customized CMMS design and implementation. Jorgensen's day-to-day operations and consulting efforts reduced Toyota's operating expenses by over \$53MM.



Toyota Financial Services – 1992 to Present

Senior Vice President. Responsible for facility operations and maintenance for 38 leased sites across the U.S. This includes capital project management, sustainability program services, and facility and equipment condition assessments. In 2007, Jorgensen redesigned the maintenance service delivery model to lower the cost of operations. In 2008, Jorgensen led the team to research, award, and implement a CAD/CAFM system to provide more transparency into workplace strategies to control churn. In 2010, a new type of room systems, DIRRT was installed in their Seattle and Denver locations and is now being installed in the Chandler AZ Customer Service Center – West.



City of San Marcos – 2000 to 2007

Senior Vice President. Responsible for consulting management for the City of San Marcos, CA. In early 2000, Jorgensen was retained by the City to re-commission all City facilities and to design and implement a facilities maintenance management system for their in-house use. In 2007, the City again retained Jorgensen to provide an evaluation of the City's facilities management plan. Jorgensen provided a physical inventory, staff capability evaluations, and recommendations on software systems and assisted the City in hiring a facilities manager.



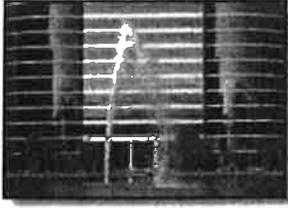
Press Enterprise – 2002 to 2012

Senior Vice President. Responsible for mechanical maintenance services and project management for the Pulitzer Prize winning The Press Enterprise, the largest newspaper in the Inland Empire. This includes 14 production and distribution centers located in Riverside, CA. During the last 10 years that Jorgensen has served The Press Enterprise, no production interruption has occurred as a result of our maintenance responsibilities.



United States Air Force Hospitals – 2000 to 2005

Vice President. Responsible for facilities maintenance, repair, and operations to a mix of co-located occupancies including office, acute confined care, acute ambulatory care, surgical suites, laboratory, food service, warehouse, and special occupancies in four locations. Whiteman AFB, Ellsworth AFB, Nellis AFB, and Charleston AFB. Interviewed potential employees and their clearances, chose new facility manager and supported his transition. Maintained relations with Local Union 501.



Siebel Systems, Inc/Oracle – 2000-2006

Vice President. Responsible for the full service facility management, maintenance, repair, and operations to a variety of occupancies including executive offices, offices, operations, and data centers. Managed services including food service, employee shuttle, day care, and fitness center in their 600,000 sq ft headquarters in the San Francisco area.



Friday, May 22, 2015

Pleasant Hill Rec
c/o: Pleasant Hill Recreation & Park District
ATTN: Robert Berggren
147 Gregory Lane
Pleasant Hill, CA 94528

RE: Proposal to Provide Reserve Study and Scope of Work for Pleasant Hill Rec

Dear Robert:

Thank you for the opportunity to submit a proposal to conduct a Reserve Study. This letter will both explain our services and once initialed will also act as our scope of work under our general Consulting Services Agreement which has also been included.

The Helsing Group, Inc. is a multifaceted consulting firm specializing in services to Common Interest Subdivisions. Our services include Reserve Studies; reconstruction management; forensic analysis; fraud investigation (with special emphasis on construction fraud); litigation support for association budgeting, reserve funding, construction defect issues. We are Licensed General Contractors (#672692), and employ general contractors, licensed fraud investigators, certified building inspectors, and budget analysts on our full time staff. We are recognized leaders in the Reserve Study Industry and our founder was a founding member of the Association of Professional Reserve Analysts (APRA) as well as a member of Community Associations Institute's (CAI) National Reserve Standards committee. All reserve studies are done under the supervision of a Professional Reserve Analyst (PRA) which is a designation provided Reserve Analysts who excel in their profession by APRA. We also maintain a supporting staff of outside consultants who are industry leaders in the fields of engineering, architecture, landscape architecture, and other necessary skills. Enclosed is further information concerning our firm.

Why Use The Helsing Group?

Simply stated, we feel we offer more quality at what is ultimately the least expensive price available. If you have asked for this proposal as part of a competitive bid process, you will have already noticed that we are most likely not the low bidder. What you may not realize is that not all reserve studies are the same, and more importantly not all firms which offer reserve studies provide you with a product and a service which is a useful management tool by which to both manage your reserve funds, and properly maintain your components. We ask that you use the following matrix when comparing our bid with that of our competitors. If you do, we have no doubt that you will at least be better informed on what to look for in a Reserve Study and in a vendor to provide these services.

4000 Executive Parkway, Ste 100
San Ramon, CA 94583
www.helsing.com

Since 1991 - Leading from the Front
Association Management - Reserve Studies
BRE Budgets - Maintenance Manuals - Board Training

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Sacramento, CA 95825
916-341-9754

PO BOX 358
Little River, CA 95456
707-937-2399

111 N. Market St, Ste 300
San Jose, CA 95113
408-512-3267

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Vendor 1

Vendor 2

Funding Analysis Done In- House?

Many "Reserve Study Companies" are nothing more than contractors who will do the site inspection, determine the useful remaining life of the components, and determine replacement costs. They may only provide you with this information, or they may out-source to a CPA or other business entity to provide the funding analysis. If this is the case, they generally do not understand the funding requirements (which does impact on the site inspection), and they certainly cannot update your funding analyses in an efficient manner. In many of these instances, the firm doing the funding analysis will offer updates, but they are not contractors and therefore do not understand what has happened to construction costs since the last update- they are merely making mathematical changes which are not a reflection of the real world.

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Vendor 1

Vendor 2

Licensed General Contractors?

Specifically, licensed general contractors which are actively involved with the construction industry in ways other than merely doing site inspections for Reserve Studies. How do they remain current on construction costs and practices? Are their cost estimates relied upon by others in a manner which provides credibility. Over a dozen insurance companies use us to validate their construction claims, settle disputed claims, and/or discover construction fraud.

Helsing

Vendor 1

Vendor 2

Can they Relate Reserve Issues With Other Aspects of HOA Management?

The reserve funds and reserve components do not exist in a vacuum. We prepare budgets for HOAs, provide management consulting to property management companies, and advise developers and lending institutions on all aspects of HOA management. Our staff has sat on HOA Boards of Directors and provides expert testimony concerning budgets, reserve funding, Board of Director due diligence, and construction defect issues. We can provide advice concerning handling reserve shortfalls that is made in light of the legal requirements governing your association and the overall operation of the association.

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Vendor 1

Vendor 2

Mathematically Accurate - Guaranteed!!!

We use a proprietary database system which we believe is the most sophisticated Reserve Funding software in existence today. Because it is not a spreadsheet, we do not worry about math errors - they don't happen.

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Vendor 1

Vendor 2

Easily Understood Reports?

While we will provide you with a wealth of financial data, everything you need to know to exercise your fiduciary responsibility as a Board Member is provided on two to six simple pages showing you the current and future outlook over the next 30 years.

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Vendor 1

Vendor 2

Annual Budget Disclosure Notes Prepared?

Section 5300 of the California Civil Code requires specific notes, in bold print, to accompany your budget. We provide these disclosure notes as a standard update included in the price of our study.

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Vendor 1

Vendor 2

Free Updates!

The Civil Code requires you to make budget projections estimating events on the last day of your fiscal year. It also requires your CPA to make comments concerning the Reserve Funding after the close of that year. It makes no sense to use a report which was prepared often eight months to a year previous in making these critical decisions and disclosures. As a result, our study includes two updates for your use later in the fiscal year as you deem appropriate. In addition, we will provide a sustainment package which included two updates a year and a full Reserve Study every three years for a very affordable fee (normally \$400-\$800 per year) as an add on package. (Explained later)

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Vendor 1

Vendor 2

Homeowner Disclosure Reports Included?

We provide a short (2 to 4 page) summary, with the legally required disclosure notes, for all homeowners as part of our study. Why pay more to have someone extract our data to perform this required function.

Helsing



Vendor 1

Vendor 2

Provide Maintenance Suggestions?

Components which are not adequately maintained do not last as they should. It is therefore critical that the association understand what preventive maintenance measures should be taken and fund such maintenance in their operating budget. Please see the sample reserve study supplied with this proposal for examples of our preventive maintenance suggestions.

Helsing



Vendor 1

Vendor 2

Certified Professional Reserve Analysts?

The Helsing Group prepares all Reserve Studies under the strict guidance of Professional Reserve Analysts (PRA): This designation is awarded to only the most qualified of Reserve Study Professionals by the Association of Professional Reserve Analysts.

Helsing



Vendor 1

Vendor 2

Revolutionary Sustainment Program!

We recommend you capture the major components for your association once, with accurate and reliable quantities. Complying with the Civil Code, once that is accomplished, becomes very cost effective and provides you with a useful managerial tool to rely on and update annually as you make your budget decisions. Once your association is input into our database, we can keep your association current with these civil code requirements for very affordable fees. You no longer need to go through the money wasting process of "a new Reserve Study every three years". While our Reserve Study meets and exceeds the requirements which you must currently fulfill, and for which you have most likely requested this proposal - our study is designed to place you in our RESERVE ASSET MANAGEMENT PROGRAM (RAMP) ® which allows us to track each component through time and provide periodic funding and maintenance data at the Board or managing agents request. We are able to track components to the individual unit level where necessary to provide for a complete history of the property and ensure you are not funding to replace items for which memory has lost track of previous maintenance or replacement. THIS CONCEPT OF USING COMPUTER TECHNOLOGY, RESERVE PREPARATION, AND SUSTAINMENT SERVICE IN AN INTEGRATED PACKAGE IS SO UNIQUE IT HAS BEEN GRANTED A SERVICE MARK.

Scope of Work

The Study will be in compliance with Section 5500 of the California Civil Code to include a component inspection and funding analysis.

The component inspection will include:

Scope of Work Qualified personnel will inspect your components to determine our estimate of the useful remaining life of each component. Inspection is limited to visual observation (i.e., Does not include destructive testing) unless specifically mentioned in this proposal. Unit quantities will be:

- Provided by the association
- Determined by our inspector from building plans and landscape plans provided by the association
- Calculated by our inspector by measuring and counting during the site inspection. (Note: This is the most expensive method and is not recommended if the association has already determined such quantities.

NOTE: There is often confusion concerning the last two items, and in some cases clients have indicated that they are reluctant to provide plans, previous reserve studies, and other data for fear that we would not make a site inspection. This is a false fear. Making a site inspection is an integral part of a reserve study. However, if we have plans we can make electronic measurements from those plans which are more accurate than on site measurements. If you can provide copies of previous reserve studies you also get the benefit of our comparing that work with the current condition of the components which also assists us in working together to provide a quality product.

One Draft Report This report will represent our best approximations of components, lives, and budgeted replacement costs. This report will be provided for the association or its representative to review and make the changes concerning these variables they would like to see prior to our publishing the final report.

Draft Worksheets These worksheets, along with a letter explaining how to review your draft, are provided to assist you in your review and forwarding the results of that review to us. Requesting your feedback in an organized fashion on these worksheets assists us as well, since our staff does not need to try to interpret your intent from letters or conversations. Our fixed fee for this project presumes that you will use these worksheets as the communications vehicle for relaying the results of your review back to us.

Full Color Report This report represents our professional recommendations and advice to you concerning your components and your funding plan. It includes our observations coupled with your feedback after you review the draft. Color photographs of most components enable you to see areas of concern.

Supplemental Report (Funding Update) - (at our discretion): Occasionally we encounter an association whose expectations in terms of component replacement costs and lives exceed our comfort zone for inclusion in our Final Report as professional advice to the association. In these instances, we will produce a supplemental to accompany our report as a funding update. This report will include as many of the association's desires as possible so that they may fund against that plan if they so choose. (Ultimately, the decisions concerning reserve funding are made by the Board of Directors; we can only make recommendations.) This supplement includes disclosure notes for inclusion with the budget. The cost for a supplement in these circumstances is included in our fixed fee.

Black and White Copy of Final Report For your local reproduction

Preventive Maintenance Suggestions We will provide preventive maintenance suggestions for the components as we deem appropriate.

As many as **Two Funding Updates** (as requested) - These funding updates are for THE FISCAL YEAR during which the site inspection was conducted. Because the Board of Directors may choose to modify our funding recommendations, or because there may be changes between the time the reserve study is finalized and the association's annual budget. These updates to the funding plan allow you to make required or requested modifications at no additional cost.

The funding analysis will include:

Budget Assumption Detailed information concerning the association, accounting/budget assumptions, and other mathematical modeling criteria.

Percent Funded Calculations Using all methodologies approved by the Association of Professional Reserve Analysts and/or recognized by Community Associations Institute's National Reserve Standards Panel.

Component Lists Lists the portfolio of reserve items, the quantity for each item, lives of the components, the current and future replacement costs and dates, and the basis cost of each component.

Statements of Cash Flows Monthly and annual cash flow tables are provided to reveal the amount of moneys on hand over the next thirty years using both a full funding and a threshold funding methodology.

Expenditure Schedule Shows specifically when and for what components the association is expected to expend reserve moneys over the upcoming years.

Detailed Explanations and Mathematical Back-up Designed to assist you in understanding what we have done, and to check the mathematics yourself if you desire.

This work to be done at a Flat Fee of: **10,000.00**

The Helsing Group, Inc. will commence service upon receipt of a retainer in the amount of **5,000.00** which will be submitted with the completed Association Questionnaire (included), requested documents, this scope of work (initialed), and this signed agreement. A draft report (without color pictures) will be sent for your review at which time **4,000.00** will be due and payable. The final payment of **1,000.00** will be due on receipt of the final product. It is expressly understood that this Reserve Study will not be used as part of any submittal to the Bureau of Real Estate for the purposes of obtaining a Final Subdivision Public Report. Client agrees that if they do make such use of this Reserve Study they will pay an additional \$ 20,000 for the study.

Requests for additional work not specifically mentioned in the above scope of work will be billed on a time and material basis in accordance with our standard fee schedule which is attached. From time to time associations wish to purchase additional items on a fixed fee basis. Those additional items which we will provide on a fixed fee basis if requested to perform such additional work are as follows:

Additional Drafts - (i.e., Drafts produced incorporating all or parts of the association's review of our original draft - but the association desires another draft rather than a final report) * \$75

*** Time and Material @ \$150.00 Per Hour (Minimum \$75.00)**

Additional black and white copies - of draft reports, final reports or updates (above the one provided in the scope of work) \$35

Additional color copies of final reports \$70

Additional Funding updates (above those included in the scope of work above or under Sustainment Plan below) * **Time and Material @ \$150.00 Per Hour (Minimum \$75.00)** \$75

Special Note

Our philosophy is that we are working with the association to provide you with a report with which you are comfortable and satisfied and upon which you can rely to make diligent business decisions. As a result, we ask you to provide all reasonably available data on the property. This includes building plans, CC&R's, previous reserve studies, maps, condominium plans, or any other reasonably available data. If you do not have such data, that is fine - we can proceed with whatever you have. However the more information we have at the onset, the more accurate the report we can provide. Occasionally, we find an association which does not provide this data at the onset, but uses it as a basis to ask questions later. Such an arrangement wastes both our time and yours. We specifically wish to point out that such an arrangement is not in keeping with the spirit under which we are entering into this contract. As a result, any time spent after receipt of our draft explaining variances from documents not provided to us at the inception of the project will be billed at an hourly rate of \$150 per hour. If we are provided such data at the beginning, any necessary explanations concerning variances from these documents are included in our fixed fee. We also reserve the right to go final if the Board has not been able to finalize the draft within 120 days of draft or the end of the fiscal year, whichever ends first.

Optional Three Year Sustainment Package

The following Option is provided as an add on package to reduce future Reserve Study Costs. This option enrolls you in our unique and proprietary sustainment program (RESERVE ASSET MANAGEMENT PROGRAM (RAMP) ®) which allows us to track each component through time and provide periodic funding and maintenance data at the Board or managing agents request. We do require that you buy the package in three year increments in order to ensure economy of scale on our part and keep your costs at a minimum. However, if the association notifies us in writing that they wish to cancel - we will refund as indicated below.

For an additional **8,100.00** we will provide at the Board's request up to two funding analyses a year for use with budget preparation or as you otherwise deem appropriate for each of the next two years, as well as a complete Reserve Study (Component Inspection and Funding Analysis) in 2018. (If the association desires to cancel this contract in later years, the association will be refunded on a basis of **2,700.00** per year for the canceled services).

We have taken a very unique approach to reserves, and feel that HOAs should not be held hostage to paying for reserve studies every three years. Our program is designed to relieve you of that burden in the future, while still maintaining compliance with the California Civil Code. If you decide to select our firm, please forward the following:

1. Signed Consulting Services Agreement. (Attached)
2. A complete copy of this agreement initialed below.
3. Completed Homeowner's questionnaire.
4. Retainer check in the amount of **5,000.00**
5. Copy of CC&Rs (or any governing documents as applicable)
- ~~6. Copy of Property Map / Site Map / Plot Map (On file - Obtained via website)~~
7. Copy of prior Reserve Studies (If applicable)
8. Copy of Department/Bureau of Real Estate (DRE/BRE) Budget. (If available)
9. Copy of last Annual Review.
10. Copies of all estimates and invoices for repair / replacement of major reserve components.
11. Most recent Income Statement and Balance Sheet.
12. Current Year's Budget.
13. If Optional Sustainment Program is also desired please also remit **8,100.00** and initial _____

Note: Often, some of the above documents may not be available. If they are not, please call us to determine if the missing documents may cause a material change in the scope of work.

_____ HOA Representatives (Initials) **Pleasant Hill Rec**

_____ The Helsing Group, Inc. (Initials)

If you have specific time constraints for the study, please also indicate what those might be.
Sincerely,



Roy M. Helsing
The Helsing Group, Inc.

No Blue Prints



CONSULTING SERVICES AGREEMENT

1. ENTIRE AGREEMENT. This Agreement is the offer of The Helsing Group, Inc., A California Corporation, to perform the consulting services described herein in accordance with the terms and conditions expressed in a Scope of Work attached and dated 05/22/2015. Acceptance by Pleasant Hill Rec (hereinafter "the Client") is strictly limited to these terms and may be acknowledged in writing or accepted by authorization to proceed. Acceptance in any manner shall conclusively evidence agreement to this offer as written. This Agreement supersedes all prior proposals or negotiations between the parties and is expressly conditional upon the Client's agreement to the conditions hereof. These terms and conditions will apply to any contract or purchase order document issued by the Client for these services, whether or not they are expressly incorporated. This Agreement may only be modified by a writing signed by both parties.

2. AGENCY. The Helsing Group, Inc. shall be the express agent of the Client in providing the Consulting Services described in the Scope of Work. The Helsing Group, Inc has the express authority to do everything necessary or proper and usual in the ordinary course of business to carry out the purpose of the agency as defined in the Scope of Work.

3. SERVICES TO BE PERFORMED. The services to be performed are described in an attachment hereto entitled SCOPE OF WORK or in writing(s) from the Client or to the Client from The Helsing Group, Inc. Except as specified elsewhere herein, The Helsing Group, Inc shall furnish all technical and professional services, including labor, material, supplies, equipment, transportation, accommodation, subsistence and supervision to perform all tasks set forth in the scope of work and within the target schedules.

4. RESPONSIBILITIES. Nothing in this Agreement shall be construed to mean that The Helsing Group, Inc., assumes any of the contractual or customary responsibilities or duties of the Client or the Contractors and Designers who were contracted to do the construction projects. The Contractor alone is solely responsible for means, methods, sequence, safety and for performing in accordance with the contract documents and government requirements, all as described in his contract with the owner. The designer alone is solely responsible for the project's design, including its review of shop drawings and submittals, all as described in its contract with the owner.

5. STANDARD OF CARE. The Helsing Group, Inc. covenants with the Client to furnish its professional skill and judgment with due care in accordance with standard business practice and all Federal, State and local laws and regulations which are in effect on the date of execution of this agreement.

6. INDEMNIFICATION. To the fullest extent permitted by law, the Client agrees to release, indemnify, defend and hold The Helsing Group, Inc., its agents, employees, and subcontractors harmless from any and all liability or claims, including, but not limited to, demands, causes of action, damages, costs, expenses, attorney fees, property damage, bodily injury, contract disputes, penalties, or losses arising out of, relating to or resulting from, The Helsing Group, Inc.'s performance of services whether said liability or claims arise in contract or tort. The above duty to defend includes the duty to defend against any third party claims. The Client shall have the above described duty to indemnify The Helsing Group, Inc. regardless of any negligence on the part of The Helsing Group, Inc. except where The Helsing Group, Inc.'s negligence or willful misconduct is the sole and exclusive cause of any claim or liability.

7. LIMITATION OF LIABILITY. The Client agrees to limit the liability of The Helsing Group, Inc. its agents and employees to the Client due to The Helsing Group's negligent acts, errors or omissions, such that the total aggregate of liability of The Helsing Group, Inc. to the Client shall not exceed FIFTY THOUSAND DOLLARS (\$50,000) or The Helsing Group, Inc.'s total fees, whichever is less, due to any claim of any nature whatsoever, arising out of or relating to the performance of services under this Agreement. It is expressly agreed that this limitation of liability was negotiated between the parties at arm's length and in good faith.

4000 Executive Parkway, Ste 100
San Ramon, CA 94583
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916-341-9754

PO BOX 358
Little River, CA 95456
707-937-2399

111 N. Market Ste, Ste 300
San Jose, CA 95113
408-512-3267

8. ARBITRATION AGREEMENT.

8.1 All claims, disputes and other matters in question between The Helsing Group, Inc. and the Client that arises out of or relates to this Agreement or The Helsing Group, Inc.'s performance of services under the Agreement, whether arising in contract or tort (hereinafter referred to collectively as "Arbitrable Matter"), shall be decided by binding arbitration in accordance with the then obtaining seven step Rules of Practice and Procedure (Rules of Practice and procedure for the Arbitration of Commercial Disputes) of Judicial Arbitration and Mediation Services, Inc. ("JAMS"), as set forth below, unless The Helsing Group, Inc., at its sole discretion and option, elects not to participate in arbitration. In cases where other law prevails, such matters will be decided under Paragraph 8.7.

8.2 Notice of the demand for arbitration shall be filed in writing with the other party to this contract and with JAMS. The demand shall be made within a reasonable time after the Arbitrable Matter in question has arisen. In no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations.

8.3 The arbitrator shall decide whether the dispute is an Arbitrable Matter. In addition, the arbitrator shall award to the prevailing party its costs and attorney's fees actually incurred.

8.4 Either party shall within fifteen (15) days of receipt of the date that the hearing time and date is set, have the right to demand in writing, served personally or by facsimile, that the other party provide a list of witnesses it intends to call designating which witness will be called as expert witness, and a list of documents it intends to introduce at the hearing. A copy of such demand shall be served on the arbitrator. Such lists shall be mutually exchanged and served personally or by facsimile on the opposing party within fifteen (15) days thereafter. Copies thereof shall be served on the arbitrator. Listed documents shall be made available for the inspection and copy at reasonable times prior to the hearing.

8.5 Depositions for discovery shall not be taken unless leave to do so is first granted by the arbitrator.

8.6 Unless agreed by the parties, neither party shall be entitled to serve any form of (interrogatories, requests for admission, requests for authentication, requests for document production or written depositions) on any other party in the arbitration. The only document productions allowed shall be done pursuant to the demand above. However, the parties shall be entitled to propound requests for document production.

8.7 In cases where Paragraph 8.1 is superseded by law, any controversy arising out of this Agreement will be heard in Contra Costa County, California, by a referee pursuant to the provisions of California Code of Civil Procedure, Section 638 to 645.1, inclusive, subject to California law governing evidence and discovery. A single referee agreed upon by the parties, will try all issues of fact and law and provide a written decision, which decision shall be based upon California law. The referee will be a retired superior court judge experienced in real estate matters. If the parties are unable to agree upon a referee, any party may seek to have one appointed pursuant to California Code of Civil Procedure Section 638 and 640. The cost of such proceeding will initially be borne equally by the parties to the dispute; the prevailing party is entitled, in addition to all other costs including reasonable attorney fees, to recover its contribution for the cost of the reference as an item of damage or recoverable costs. Client and The Helsing Group, Inc. each hereby waive the right to trial by jury.

9. COMPENSATION. Charges for professional services shall be invoiced and paid in accordance with the attachment hereto entitled FEE SCHEDULE. Rates may be adjusted annually to reflect changes in the cost of living index as published by the United States Department of Labor. Subcontracted services, equipment or facilities not included in the labor rates shall be compensated at cost plus 10%. Customarily incurred expenses shall be compensated at cost; such expenses are subsistence, fares of public carriers, rental vehicles, long distance communications, etc. The Client shall be responsible for and shall pay any taxes, licenses, permits, or levies due to any governmental agency arising out of services performed under this Agreement except for taxes upon the income or personal property of The Helsing Group, Inc and appropriate individual professional licenses. Client agrees to reimburse The Helsing Group, Inc for all costs associated with any court proceedings or informal assistance in litigation, including deposition and testimony, that result from subpoena due to knowledge gained and work produced for the Client or its attorney(s).

10. INVOICING AND PAYMENT. Invoices for professional services, subcontract costs and expenses incurred shall be submitted at least monthly. Payment shall be made immediately upon presentation of the invoice but no later than thirty days from the invoice date. A one and one-half percent per month service charge will be added to all delinquent accounts. Should any invoice be in dispute, only that portion of the invoice in dispute may be held in abeyance until the disputed matter is resolved. The Helsing Group, Inc reserves the right to suspend or terminate services upon reasonable notice for the non-payment of invoice(s). All work products remain the property of The Helsing Group, Inc until all accounts are settled in full.

11. CONFIDENTIALITY. The Helsing Group, Inc agrees to maintain the confidentiality of all original Client documents in its possession and that it will not publish or make known to others results or information obtained from the performance of services under this Agreement without approval in writing from the Client or Court order. However, the Client agrees that The Helsing Group, Inc shall be free to publish in the general literature any purely theoretical results developed in the course of work performed under this Agreement without Client's written consent. All information obtained through work on this assignment shall be made available to the Client at any time, subject to the terms and conditions of this Agreement, and The Helsing Group, Inc will communicate promptly and without request all information which it deems pertinent to the Client's interests. In the event the Client intends to distribute outside of its own organization any report issued by The Helsing Group, Inc, such report shall be used in its entirety, unless any proposed summary or abridgement of the report has been first approved in writing by The Helsing Group, Inc. Information proprietary to The Helsing Group, Inc, and so identified, provided to the Client must be appropriately protected and may not be further distributed.

12. FORCE MAJEURE. Neither party shall be considered in default in the performance of its obligations hereunder to the extent that the performance of such obligation is prevented or delayed by any cause, existing or future, which is unforeseen and beyond the reasonable control of the affected party, provided however, that any obligation to make payment hereunder shall not be extended for any reason.

13. TERMINATION. This Agreement may be terminated at any time by mutual consent or by notice by either party upon seven days written notice. * In the event of termination for any reason prior to completion of the assignment, The Helsing Group, Inc reserves the right to complete such analyses and records as are necessary to place its files in order and, where considered by The Helsing Group, Inc as necessary to protect its professional reputation, to complete a report on the work performed to the date of termination. A termination charge to cover the cost thereof in an amount not to exceed twenty percent of all charges incurred up to the date of termination, at the sole discretion of The Helsing Group, Inc, may be made. The Client shall compensate The Helsing Group, Inc for all work performed prior to such termination in accordance with the FEE SCHEDULE.

14. APPLICABLE LAW. This Agreement, and any contract or purchase order issued by Client accepting this offer shall be governed by, subject to, and construed in accordance with the laws of the State of California, USA.

15. NON-WAIVER. The failure of either party to exercise any right hereunder or to take any action permitted on a breach by the other party shall not be deemed a waiver of such right or of any other rights or subsequent breach of a like or different nature.

The Helsing Group, Inc.
A California Corporation

Signature, Title

Date

(CLIENT)

Signature, Title

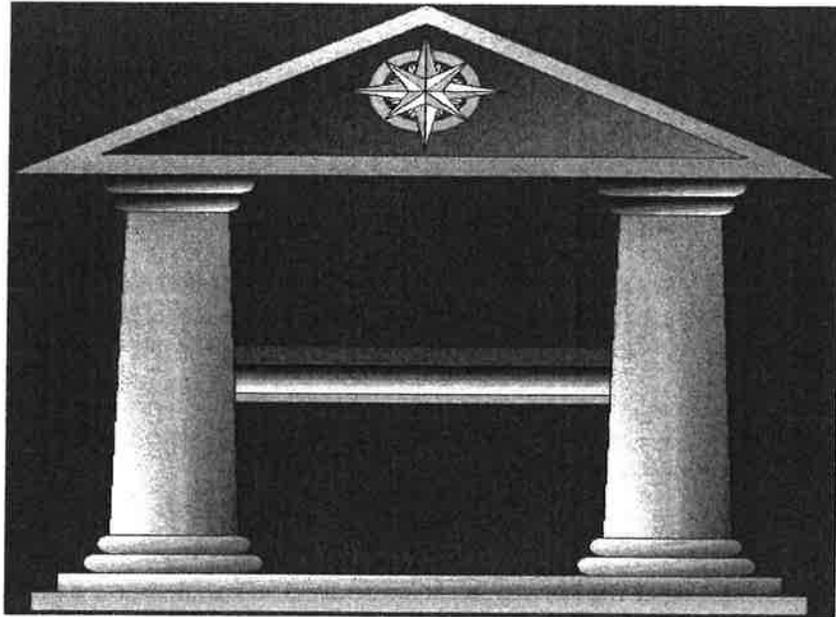
Date

* Should this contract be terminated for any reason, no documents provided will be returned; hence the client is advised not to send original documents.

INFORMATION ONLY

Sample Association

Reserve Study



Prepared for Fiscal Year beginning

January 1, 2016

through

December 30, 2016

by

The Helsing Group, Inc.

1-800-4-HELSING

May 22, 2015

Introduction

The property described in this report is a common interest development. As such, it contains areas and facilities which are owned "in common" by the members, have been conveyed to the association as common area, or are privately owned but the association has maintenance responsibility through the governing documents. As the elected governing body of the Association, the Board of Directors is responsible for ensuring its sound management and operation. One of the primary duties of the Board of Directors is the review and preparation of an annual budget.

The annual budget process must address two areas: Operating Funds and Reserve Funds. California Civil Code 5300 requires that the association review their Reserve Fund annually. Additionally, the Board of Directors must in the budget notes attest to the adequacy of the Reserve Fund. The budget notes must clearly state, in bold type:

The estimated replacement cost, estimated remaining / useful life of each component.

As of the end of the fiscal year for which the study is prepared:

(a) The current estimate of the amount of cash reserves necessary to repair, replace, restore or maintain the major components.

(b) The current amount of accumulated cash reserves necessary to repair, replace, restore, or maintain major components.

The percentage the accumulated cash reserves is of the estimated required reserve.

In addition, Section 5300 of the California Civil Code requires that the Board of Directors state in the budget notes whether they have "determined or anticipate that the levy of one or more special assessments will be required to repair, replace, or restore any major components or to provide adequate funds therefor."

This Reserve Study assists the Board of Directors in complying with Section 5300 of the California Civil Code by providing the information required by the code in order that the Board of Directors may carry out their fiduciary responsibilities in this budget process. Specifically, it provides:

- the legally required data to properly estimate the useful remaining life for each component,
- the financial information necessary to determine Reserve Fund requirements, percent of required funding currently on hand, and
- a recommended minimum monthly reserve contribution.

NOTE: This report provides the information necessary for the Board of Directors to make informed budget decisions. Additionally, our recommendations are our best professional judgement concerning the minimum reserve funding necessary for operating, maintaining, and repairing the property. We point out that budgeting is not an exact science because the budget analyst cannot foresee or control the future acts of the Association, its members, its board, its management, or of nature.

The ultimate budget decision (e.g. approving the budget) rests with the board of directors (or where the increase is over 20%, the decision rests with the members unless the documents impose more stringent standards). We believe this decision should be made after reviewing the professional advice contained in this report, and acting in a proper fiduciary manner to ensure the association is adequately funded.

Compilation Statement

We have compiled the accompanying Reserve Funding Analysis based upon representations made by management, the association Board of Directors, and our component inspection.

This report is for projecting future contributions, expenditures and balances relating to the association's Reserve Funds. Calculations incorporate the time value of money and the lives of individual major component items. The purpose of this report is to aid the association in properly managing their reserve funds. This report should not be used for any other purpose.

In preparing this study, a comprehensive list of major components was developed and data was compiled concerning the age and costs of these components. The results of that compilation are found in a chart entitled "Detailed Component Listing" included with this report. Certain assumptions were made concerning future inflation, current and future component costs, interest earnings, future aging, and other future events. Some of these assumptions may not materialize and unanticipated events and circumstances may occur in the future. Therefore the actual replacement costs and remaining lives may vary from this report and the variations may be material. The association is required by Section 5300 of the California Civil Code to review this funding plan annually and consider and implement necessary adjustments. The Helsing Group, its affiliates, and its licensees have no responsibility to update this report for events and circumstances occurring after the date of this report, except in cases where such updates have been purchased under contract.

Each major component item has been accounted for independently in regards to the date placed in service, current replacement cost and the remaining useful life. Once this information has been accumulated, the future replacement costs are calculated and all the reserve items are grouped together to calculate the future reserve fund balances, reserve funds required, and projected monthly contribution amounts.

We recommend this funding analysis be updated on an annual basis to take into account fluctuating rates of inflation, investment, and construction costs.

Summary of Significant Projection Assumptions and Accounting Policies

The following notes and comments are based upon the final methods, factors and options represented and used in compiling the accompanying financial presentation of this report. Only long term maintenance and replacement items with a life of over 12 months have been considered in this analysis. The following factors were used in preparing this report:

Inflation Rate: **3.00%**
Interest Rate: **1.50%**
Tax Election: **1120H**
Number of Units: **3.940**

Reserve Fund Balance: **\$ 1,706,570**

Resulting Calculations

	<u>Threshold Funding</u>	<u>Full Funding</u>
Estimated Contribution - Next Year:	\$ 212,905	\$ 260,004
Average Per Unit Per Month:	\$ 4.50	\$ 5.50
Our Recommendation:	Full Funding	
Association's Decision:	Full Funding	
	<u>California Method</u>	<u>Alternate Method</u>
Estimated Amount of Cash Desired:	\$ 1,113,207	\$ 1,216,558
Percent Funded:	153.30%	140.28%
<i>See Page 4 for More Information on "Percent Funded":</i>		

Special Notes

No destructive testing was undertaken, nor does this study purport to address any latent and/or patent defects or life expectancies which are abnormally short due to either improper design and/or installation or due to subsequent improper maintenance. It is assumed that all components are to be reasonably maintained for the remainder of their life expectancy.

Sample

The Association furnished the estimated Beginning Balance.

This Reserve Study differs from the previous Funding Update dated October 4, 2014 so far as; It ages the components accordingly, visual site inspection was conducted on April 27, 2015 and various adjustments have been made to component unit pricing, component expected and remaining lives. The Inflation Rate has increased from 2.2% to 3.0 % but makes not change to the Interest Rate of 1.5%.

A quantification analysis is as followed;

The following component increases are due to increases in materials, labor and/or oil bases products:

***Furnishings, Child Restroom**

-Toilet from one (1) at \$450.00 each to one (1) at \$650.00 each.

***Furnishings, Tot Lot**

-Bench, 6' Vinyl Metal from one (1) at \$650.00 each to one (1) at \$850.00 each.

-Play Bark from 2,176 sqft at \$1.75 per sqft to 71 CY at \$54.00 per CY.

***Irrigation System**

-Backflow Preventer from one (1) at \$450.00 each to one (1) at \$850.00 each.

***Paint, Interiors**

All Interior Room from 44,959 sqft total at \$0.85 per sqft to 44,959 sqft total at \$1.00 per sqft.

***Paint/Refinish Doors**

All Single and Double Doors from \$4,560.00 total to 5,210.00 total.

***Masonry, Repair Fund**

-Stone Veneer All from 1,146 lf at \$0.50 per lf to 2,564 sqft at \$0.25 per sqft.

***Wall Coverings**

-Wall Paper Conference Room from 720 sqft at \$2.75 per sqft to 720 sqft at \$4.25 per sqft.

The following component increases are due to re-quantification of said component:

***Furnishings, Aerobic Room**

-Stair Step from sixteen (16) at \$75.00 each to eighteen (18) at \$75.00 each.

***Furnishings, Entrances**

-Bike Rack 8' from one (1) at \$450.00 each to two (2) at \$450.00 each.

-Bike Rack 10' from one (1) at \$650.00 each to two (2) at \$650.00 each.

***Irrigation System**

-Landscape Valves from seventy five (75) at \$225.00 each to eighty five (85) at \$225.00.

***Paint, Metal**

-Fences, Gates, etc. from 16,011 sqft total at \$0.85 per sqft 20,167 sqft total at \$1.00 per sqft.

***Paint, Stucco**

Buildings, Wall, Cabanas from 52,396 sqft total at \$1.10 per sqft to 55,236 sqft total at \$1.10 per sqft.

***Roof, Gutters**

-Club House & Cove Café from 737 lf at \$8.00 per lf to 884 lf at \$8.00 per lf.

***Roof, Downspouts**

-Club House & Cove Café from 278 lf at \$8.00 per lf to 363 lf at \$8.00 per lf.

***Trail Surface, Maintenance**

-Gravel Access/EVA Road from 55 sqft at \$1.00 per sqft to 5,856 sqft at \$1.00 per sqft.

The following component decreases are due to re-quantification of said component:

***Furnishings, Gym**

-Television w/Bracket Mount from five (5) at \$800.00 each to four (4) at \$800.00 each.

***Pool/Spa, Mechanical**

-Pumps, Heaters, Filters, etc. from \$118,450.00 total to \$116,500.00 total.

***Wood, Repair Fund**

-Fire Place Mantle, Gym Trellis from \$22,056.00 total to \$8,856.00 total.

The following component decreases are due to decreases in labor and/or Materials:

***Flooring, Linoleum**

-Aerobic Room from 117 sqft at \$10.00 per sqft to 117 sqft at \$4.50 per sqft.

-Kids Restroom from 64 sqft at \$10.00 per sqft to 64 sqft at \$4.50 per sqft.

***Roof, Built Up**

-Club House & Pool Equipment Room from 5,344 sqft at \$6.50 per sqft to 5,344 sqft at \$5.50 per sqft.

The following added components are due to re-quantification of said components:

***Concrete, Repair Fund**

-Cove Café Patio 6,000 sqft at \$0.25 per sqft on a ten (10) year cycle.

***Door, Replace**

-Single Cabana Café one (1) at \$550.00 each on a thirty (30) year cycle.

-Double Arched Café Cove two (2) at \$2,000.00 each on a thirty (30) year cycle.

***Fence, Wrought iron**

-Pool Equipment 8' 66 lf at \$65.00 per lf on a thirty (30) year cycle.

***Flooring, Linoleum**

-Janitor Closet Locker Room 130 sqft at \$4.50 per sqft on a twenty (20) year cycle.

-Liquor Storage Closet 130 sqft at \$4.50 per sqft on a twenty (20) year cycle.

***Gate, Replace**

-Wrought Iron 4'x8' Pool Equipment Room three (3) at \$550.00 each on a thirty (30) year cycle.

-Wrought Iron 6'x8' Pool Equipment Room one (1) at \$850.00 each on a thirty (30) year cycle.

***Lights, Exterior**

-Ceiling Fan Café Cove two (2) at \$220.00 each on a twenty (20) year cycle.

-Lantern Cove Café/Pool Equipment ten (10) at \$200.00 each on a twenty (20) year cycle.

-Recessed Can Cove Café four (4) at \$155.00 each on a twenty (20) year cycle.

***Lights, Interior**

-Ceiling Cove Café two (2) at \$145.00 each on a twenty (20) year cycle.

-Ceiling Pool Equipment Room one (1) at \$135.00 each on a twenty (20) year cycle.

-Exit w/ Double Flood Cove Café one (1) at \$225.00 each on a fifteen (15) year cycle.

-Ceiling Fan Cove Café two (2) at \$250.00 each on a twenty (20) year cycle.

-Fluorescent 4' Cove Café two (2) at \$160.00 each on a twenty (20) year cycle.

-Wall Area Pool Equipment seven (7) at \$185.00 each on twenty (20) year cycle.

***Wood, Replace**

- Trellis Patio Child Care 636 lf at \$22.00 per lf on a twenty (20) year cycle.
- Trellis Toddler Pool 1,074 lf at \$22.00 per lf on a twenty (20) year cycle.
- Wood Shutters 3'x7' Exterior six (6) at \$200.00 each on a twenty (20) year cycle.

Wrought Iron, Replace

- Railing 1' Wall at Access Road 305 lf at \$18.00 per lf on a thirty (30) year cycle.
- Railing 4' Cove Café Patio 44 lf at \$42.00 per lf on a thirty (30) year cycle.
- Railing 4' Pool Equipment Room 22 lf at \$42.00 per lf on a thirty (30) year cycle.

***Reserve Study**

- Preparation one (1) cycle at \$2,250.00 each on a three (3) year cycle.

The following added components were added by the Association:

***Furnishings, Cove Café Patio**

- Speakers two (2) at \$175.00 each on a twelve (12) year cycle.
- Volume Control one (1) at \$150.00 each on a twelve (12) year cycle.
- Awning Canvas 392 sqft at \$32.15 per sqft on a ten (10) year cycle.

***Furnishings, Cabanas**

- Speakers two (2) at \$175.00 each on a twelve (12) year cycle.
- Volume Control one (1) at \$150.00 each on a twelve (12) year cycle.

***Furnishings, Cove Café**

- Wells Ventless Grill one (1) at \$13,300.00 each on a twenty (20) year cycle.
- Microwave & Shelf one (1) at \$450.00 each on a fifteen (15) year cycle.
- Nacho Cheese Warmer one (1) at \$450.00 each a fifteen (15) year cycle.
- Wall Screen one (1) at \$3,000.00 each on a twenty (20) year cycle.

***Computer, Software**

- Gigtrak Asset Manager one (1) at \$3,700.00 each on an eight (8) Year cycle.

***Furnishings, Pool/Spa**

- Umbrellas forty two (42) at \$200.00 each on a four (4) year cycle.

***Furnishings, Maintenance Garage**

- Aqua Pro Carpet Cleaner one (1) \$3,000 each on a ten (10) year cycle.
- 6' Steel Scaffold two (2) at \$215.00 each on a fifteen (15) year cycle.

***Furnishings, Entry Hall**

- Logo Mats three (3) at \$400.00 each on a twelve (12) year cycle.

The following components have been replaced according to the Association:

***Furnishings, Pool/Spa**

- Chair, Upright eighty (80) at \$80.00 each on an eight (8) year cycle.
- Umbrellas twenty one (21) at \$200.00 each on a four year cycle.

***Pool/Spa, Mechanical**

- Pump 5 HP five (5) at \$3,500.00 each on a twelve (12) year cycle.

***HVAC**

- A/C Condenser five (5) at \$2,500.00 each on a twenty (20) year cycle.

***Furnishings, Control Room**

The Helsing Group, Inc.

Reserve Asset Management Program (RAMP)

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May 22, 2015

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-Identipass Printer one (1) \$3,800.00 each on ten (10) year cycle.

***Furnishings, Aerobic Room**

-Dumbbells seventy six (76) at \$26.32 each on a ten (10) year cycle.

The following deleted components are due to re-quantification of said component:

***Furnishings, Child Care Room**

-Hop Scotch Rug one at \$75.00 each.

***Flooring, Linoleum**

-Message Room 112 sqft at \$10.00 per sqft.

***Paint, Interior**

-Message Room 860 sqft at \$0.85 per sqft.

The following components are to be installed in the upcoming fiscal year, according to the Association:

***Computer Hardware, Replace**

-17U/4-Post Enclosed Secure Rackmount one (1) at \$894.76 each on an eight (8) year cycle.

-24-Port Gigabit Switch two (2) at \$239.98 each on an eight (8) year cycle.

-Computer Services one (1) Lot at \$750.00 each on an eight (8) year cycle.

-Cyber Power 1320 Watt 8 Outlet one (1) at \$527.85 each on an eight (8) year cycle.

-ioSafe 3TB w/ %-Year Data Recovery one (1) at \$659.95 each on an eight year cycle.

-Monitor 23" LCD seven (7) at \$194.98 each on a four (4) year cycle.

-Monitor Disposal Fee fifteen (15) at \$8.00 each on an eight (8) year cycle.

-Scanner Honeywell w/ Asset Management Program one (1) at \$3,500.00 each on an eight (8) year cycle.

-Thick Client w/ Keyboard & Mouse seven (7) at \$349.98 each on a six (6) year cycle.

-Veeam Essentials one (1) at \$2,299.63 each on an eight (8) year cycle.

-VMware Virtual Server one (1) at \$6,683.89 each on an eight (8) year cycle.

***Computer Software, Replace**

-Office 2010 Pro four (4) at \$320.25 each on a four (4) year cycle.

-Office 2010 Home/Business eleven (11) at \$165.00 each on a four (4) year cycle.

-SBS 2011 one (1) at \$782.25 each on a four (4) year cycle.

-SBS User CAL two (2) at \$259.98 each on a four (4) year cycle.

-VMware vSphere 5 Essentials one (1) at \$629.06 each on a four (4) year cycle.

-Windows 7 Pro for Veeam Backup one (1) at \$147.00 each.

-Windows 7 Pro fifteen (15) at \$152.25 each on a four (4) year cycle.

***Furnishings, Control Room**

-DVD/CD Writer Ultra Slim four (4) at \$39.99 each on an eight year cycle.

***Furnishings, Satellite Office**

-Monitor 23" LCD All Offices eight (8) total at \$194.98 each on a four (4) year cycle.

-Thick Client w/ Keyboard & Mouse All Offices eight (8) total at \$349.98 each on a six (6) year cycle.

-Router Break Room two (2) at \$550.00 each on a four (4) year cycle.

THE ASSOCIATION CAN REDUCE ITS ASSESSMENTS TO AN AVERAGE OF \$5.32 PER UNIT PER MONTH. HOWEVER, WE RECOMMEND THAT YOU HOLD THE ASSESSMENT AT THE CURRENT LEVEL AND ALLOW INFLATION TO DEplete THE EXCESS FUNDS.

What is the Current Status of your Reserve Fund? ("Percent Funded")

A general concept behind reserve funding is that over time owners will pay their fair share for the wearing out of the components, or at least that deviations from that concept are disclosed. While the State of California does not require that common interest developments maintain reserves, it does require that the association disclose to homeowners (and homeowners in turn to potential buyers) the current status of the fund. This disclosure must include the amount of money expected to be "set aside" in the reserve fund, as well as the amount of reserve money "necessary", at the end of the fiscal year. The amount of reserve "necessary" has generally been interpreted to be the amount of money that would be on hand if owners were paying their fair share over time for the wearing out of the components. For the purpose of this report, we will refer to this figure as the "Desired Balance".

Mathematically, there are two generally accepted methods of calculating the desired balance. One simple mathematical model which will give a reasonably accurate estimate is to take the current replacement cost of each component, divide it by its total life, and then multiply that figure by the current age of the component. For example, a \$100,000 component with a 10 year life, if it was 2 years old should have \$20,000 in the reserve fund. Mathematically, this is represented by the following formula:

$$\text{Desired Balance} = \text{Current Cost/Useful Life} \times \text{Current Life}$$

or, for this example -

$$\$20,000 = \$100,000/10 \text{ years} \times 2 \text{ years}$$

The calculation indicated above is made for each component, and then added together to determine the "Desired Balance" for the fund. For your association those calculations are provided in Appendix E in a table titled "Simplified Computation of Desired Balance". The resulting "Desired Balance" is provided in the table on the next page.

While this simplified method of determining the desired balance is easy to understand, mathematically it suffers from some inaccuracies because it does not take into account the fact that the reserve fund earns interest, as well as the fact that inflation will also impact the reserve portfolio over time. Simply stated (and using our 2 year old, \$100,000 component with a 10 year useful life), we would not need to collect \$10,000 each year because that \$10,000 will earn interest. The amount of money which would need to be placed in the fund annually to offset the wearing out of this component will increase each year because that years contribution will have less time to earn interest before the end of the component's useful life. At the same time, however, inflation is working on our economy and at the end of the component's useful life we will need more than \$100,000 in order to pay for its replacement, repair, restoration or maintenance. Fortunately, it is quite easy to make computations that take the expected effects of interest and inflation on each component into account using the following formulas:

$$\text{Desired Balance} = \left(\frac{\text{Current Cost}}{\text{Useful Life}} \times \text{Current Life} \right) + \left(\frac{\text{Current Cost}}{\text{Useful Life}} \times \text{Current Life} \right) \frac{1}{(1+\text{Interest Rate})^{\text{Remaining Life}}} - \left(\frac{\text{Current Cost}}{\text{Useful Life}} \times \text{Current Life} \right) \frac{1}{(1+\text{Inflation Rate})^{\text{Remaining Life}}}$$

or, for our example and assuming 3% inflation and 5% after tax interest

$$\$17,749 = \left(\frac{\$100,000}{10 \text{ years}} \times 2 \text{ years} \right) + \left(\frac{\$100,000}{10 \text{ years}} \times 2 \text{ years} \right) \frac{1}{(1+.05)^{8 \text{ years}}} - \left(\frac{\$100,000}{10 \text{ years}} \times 2 \text{ years} \right) \frac{1}{(1+.03)^{8 \text{ years}}}$$

This calculation is also run for each component in the portfolio and then added together in order to calculate a more precise "Desired Balance" for the fund. For your association those calculations are provided in Appendix F in the table titled "Recommended Computation of Desired Balance". The resulting "Desired Balance" is also shown in the table on the next page:

The State of California also requires that the association disclose to homeowners the relationship between the amount of money set aside in the reserve fund and the amount of money that should be on hand in the reserve fund as a percentage. Specifically, it is the amount of money that is on hand divided by the desired balance for the fund. Both figures are as of the end of the fiscal year and are also displayed in the table below. Unless the after tax interest rate and the inflation rate are the same, there will be a difference in both the desired balance and the percentage of funding. Typically, after tax interest is slightly greater than inflation and therefore the desired balance is lower and the percentage of funding is greater. Occasionally, we find an association that does not put interest into the reserve fund, and in this case the desired balance may be higher and the percentage of funding lower than in the simplified method. In either case, the desired balance we recommend is more accurately reflected by the more complex formula and is our recommendation concerning what disclosure you provide homeowners.

Current Status of Reserve Fund			
Projected Reserve Balance on December 31, 2015: \$1,706,570			
	<u>Estimated of Desired Balance</u>	<u>Excess</u>	<u>Percent Funded</u>
California Method:	\$ 1,113,207	\$ 593,363	153.30%
Alternate Method:	\$ 1,216,558	\$ 490,012	140.28%

What is the Impact of the Current Status of the Fund

While the above table and preceding narrative indicate the status of the fund, the impact of that status is another issue entirely. One caution about disclosing "Percent Funding" calculations is the fact that the uninformed often try to compare associations against other associations using this percentage disclosure. Unfortunately, the "Percent Funding" calculation does not indicate the impact on current and future owners. It is possible for an association have a very low percentage of funding, and the impact is only a few dollars or cents per door per month. Conversely, it is possible for an association with a very high percentage of funding to still need significant special assessments in the near future. These anomalies can be caused by a variety of factors including the number of homes compared to the size of the reserve responsibilities, or the length of time available to replenish the fund, or both.

On the other hand, the closer any given association is to 100% funded the better off it is because the "Percent Funded" calculation does disclose whether homeowners are paying their fair share over time. The extent that the "Percent Funded" disclosure is below 100% indicates the extent that current and past homeowners have not yet paid their fair share towards the wearing out of the components. The extent that the fund is greater than 100% funded indicates the extent to which current and past homeowners have paid more than their fair share of the reserve obligation. In either case, the association will eventually either need to raise the funds to do the repairs by increased regular assessments and/or by special assessments, or it will need to either reduce assessments or hold them steady for some period of time to allow for the impact of inflation to offset the excess balance in the fund.

We can measure the impact of the status of your reserve fund by comparing it to some normalized notion of what the assessments should be if the fund happened to be exactly 100% funded. Using the simplified approach indicated above, this notional ideal assessment can be determined by taking the current cost of the component and dividing it by its useful life. Using our hypothetical two year old, \$100,000 component with a 10 year life, the notional ideal assessment would be \$10,000 for this component. As we mentioned previously, however, this simplified approach does not take into account the effects of either interest or inflation on the assessment and a more accurate formula can easily take these factors into account. That formula is:

$$\text{Assessment} = \left(\frac{\text{Current Cost}}{\text{Useful Life}} \right) + \left(\frac{\frac{\text{Current Cost}}{\text{Useful Life}}}{(1 + \text{Interest Rate})^{\text{Remaining Life}}} \right) - \left(\frac{\frac{\text{Current Cost}}{\text{Useful Life}}}{(1 + \text{Inflation Rate})^{\text{Remaining Life}}} \right)$$

Using this formula with our hypothetical \$100,000 component we discover that the notional ideal assessment for this component is only \$8,698.19 rather than the \$10,000 the simplified methodology provides. Again these calculations need to be performed for each component in the portfolio and added together to determine this notional ideal assessment. Furthermore, since the impact on the fund is usually across several years, these calculations must be made for successive future years. These calculations are provided for the next fiscal year in the appendices titled "Recommended Computation of Desired Balance". The results of calculations for future years are provided below. All data is presented as an average assessment per unit per month (PUPM):

Impact of Fund Status on Current and Future Owners
Measured in average impact per unit per month (PUPM)

<u>Fiscal Year</u>	<u>Notional Ideal Assessment</u>	<u>Assessment Needed to Achieve/Maintain Full Funding</u>	<u>Special Assessments</u>	<u>Impact of any Underfunding</u>	<u>Projected Percent Funded</u>
2016	\$ 5.74	\$ 5.50	\$ 0.00	Fully Funded	133.60%
2017	\$ 6.02	\$ 5.50	\$ 0.00	Fully Funded	128.09%
2018	\$ 6.20	\$ 5.65	\$ 0.00	Fully Funded	125.07%
2019	\$ 6.39	\$ 5.81	\$ 0.00	Fully Funded	122.34%
2020	\$ 6.58	\$ 5.99	\$ 0.00	Fully Funded	118.96%
2021	\$ 6.78	\$ 6.17	\$ 0.00	Fully Funded	117.96%
2022	\$ 6.98	\$ 6.35	\$ 0.00	Fully Funded	116.38%
2023	\$ 7.19	\$ 6.54	\$ 0.00	Fully Funded	122.23%
2024	\$ 7.41	\$ 6.74	\$ 0.00	Fully Funded	121.30%
2025	\$ 7.63	\$ 6.94	\$ 0.00	Fully Funded	119.39%
2026	\$ 7.86	\$ 7.15	\$ 0.00	Fully Funded	116.04%
2027	\$ 8.10	\$ 7.37	\$ 0.00	Fully Funded	113.14%
2028	\$ 8.34	\$ 7.59	\$ 0.00	Fully Funded	112.30%
2029	\$ 8.59	\$ 7.81	\$ 0.00	Fully Funded	111.19%
2030	\$ 8.85	\$ 8.05	\$ 0.00	Fully Funded	109.16%
2031	\$ 9.11	\$ 8.29	\$ 0.00	Fully Funded	108.12%
2032	\$ 9.39	\$ 8.54	\$ 0.00	Fully Funded	107.51%
2033	\$ 9.67	\$ 8.79	\$ 0.00	Fully Funded	109.19%
2034	\$ 9.96	\$ 9.06	\$ 0.00	Fully Funded	108.30%
2035	\$ 10.26	\$ 9.33	\$ 0.00	Fully Funded	106.38%
2036	\$ 10.56	\$ 9.61	\$ 0.00	Fully Funded	105.17%
2037	\$ 10.88	\$ 9.90	\$ 0.00	Fully Funded	104.48%
2038	\$ 11.21	\$ 10.20	\$ 0.00	Fully Funded	103.49%
2039	\$ 11.54	\$ 10.50	\$ 0.00	Fully Funded	102.90%
2040	\$ 11.89	\$ 10.82	\$ 0.00	Fully Funded	102.46%
2041	\$ 12.25	\$ 11.14	\$ 0.00	Fully Funded	102.11
2042	\$ 12.61	\$ 11.48	\$ 0.00	Fully Funded	101.85%
2043	\$ 12.99	\$ 11.82	\$ 0.00	Fully Funded	103.52%
2044	\$ 13.38	\$ 12.17	\$ 0.00	Fully Funded	101.88%
2045	\$ 13.78	\$ 12.54	\$ 0.00	Fully Funded	100.11%

**The above table presumes full funding in thirty years and is intended to provide a measure of the impact of any under or over funding on homeowners.
The association intends to follow the above funding plan.**

How Were Your Reserve Assessments Calculated?

Your assessment for the upcoming fiscal year was determined in order to move the association from its current state, discussed previously, toward a funding plan which fulfills a specific goal. There are three general theories of funding as follow:

Full Funding - The association wishes to move from its current position to a position where the amount of money on hand in the reserve fund is equal to the amount of money it should have on hand at that point in time as determined by one of the methodologies discussed earlier.

Threshold Funding - The association wishes to ensure that the balances on hand in the fund over some number of future years (generally thirty) remain above some threshold to allow some safety for estimate variations which will always be inherent in this type of estimating. We recommend a minimum threshold of ten percent of any given years expenditures.

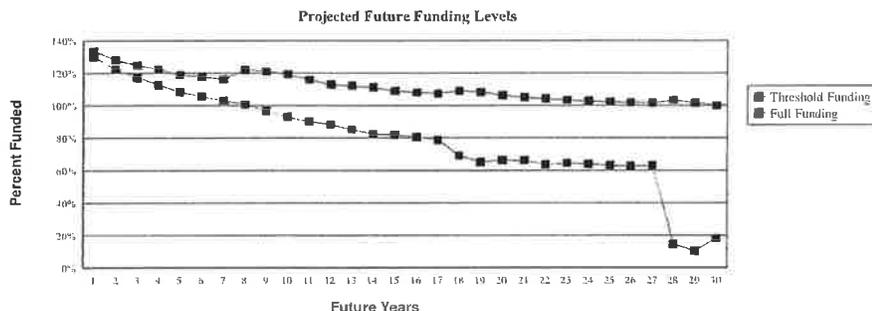
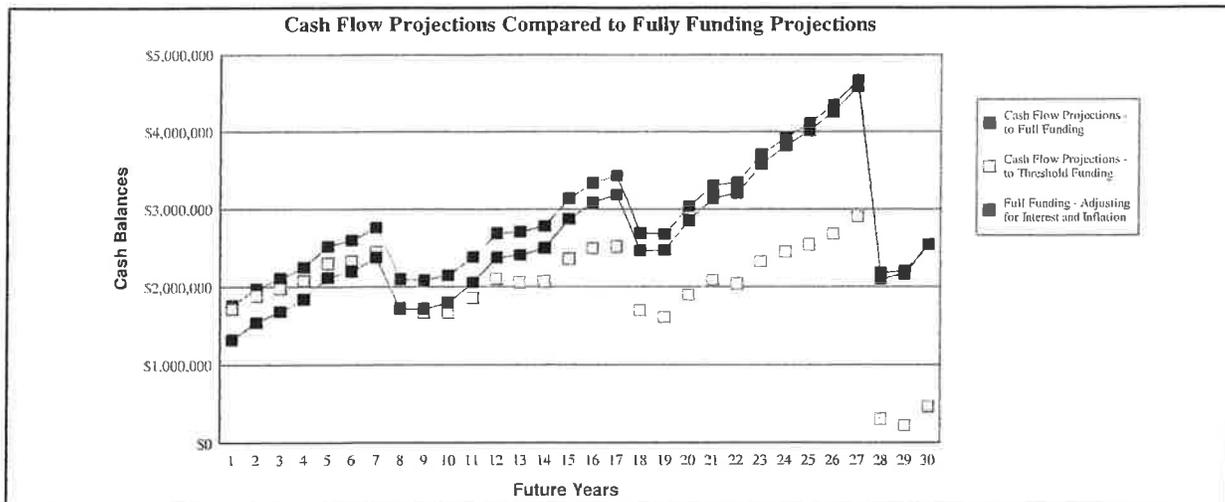
Baseline Funding - The association wishes to maintain positive balances in the fund over the next thirty years. (In essence, a threshold of zero.) We never recommend this funding plan as we feel it does not provide adequate margins for the variations which are inherent, and unpredictable, in this type of estimating.

Of special note is the fact that in many instances, threshold balance estimates may be higher than full funding balances. As a general principle, we always recommend the funding plan which will provide the higher balances between threshold and full funding. However, the final decision is up to the Board of Directors. There may be many reasons the association may desire, or need, to fund to balances different from our recommendation and this is perfectly permissible as long as clear disclosure is provided to the members.

The terms full funding, threshold funding, and baseline funding all represent a goal to be reached in the future. Without regard to which goal the association reaches, the assessment is determined by projecting expenditures across future years, and then projecting assessments across the same period in order to achieve that goal. There is much flexibility here, and the variations which may be adopted are almost limitless. There is no right answer.

We have modeled two funding plans for the association, one following the concept of reaching or sustaining full funding, and the other following the concept of threshold funding. The exact figures for each of these plans are found in the respective Cash Flow Tables in the appendices to this report, and graphs comparing each funding plan to the concept of full funding explained earlier are displayed below:

Contributions Required by Funding Goals		
2015 Contribution:	\$ 260,004	Projected End of Year Balance: \$ 1,706,570
	<u>Contribution</u>	<u>Average PUPM*</u>
Contribution to Reach Full Funding Goal:	\$ 260,004	\$ 5.50
Contribution to Reach Threshold Funding Goal:	\$ 212,905	\$ 4.50
	*PUPM = Per Unit Per Month	
Our recommendation is to fund to Full Funding as it provides for the higher cash balances between the two funding options. The association has elected to fund to Full Funding.		



The top graph above shows the estimated ending balances across the next thirty years compared to projections of full funding across the same period. The bottom graph shows estimated "Percent Funded" calculations across the same period. The data supporting these graphs are found in the tables below.

PERCENT FUNDED CALCULATIONS (ADJUSTING FOR INTEREST AND INFLATION)

Year	Fully Funded Balance	To Fully Funded Balance	To Threshold Funding	Year	Fully Funded Balance	To Fully Funded Balance	To Threshold Funding
2016	\$1,322,902	\$1,767,418 133.6%	\$1,720,106 130.0%	2031	\$3,088,993	\$3,339,692 108.1%	\$2,495,239 80.8%
2017	\$1,542,376	\$1,975,703 128.1%	\$1,887,066 122.3%	2032	\$3,192,784	\$3,432,703 107.5%	\$2,518,268 78.9%
2018	\$1,684,278	\$2,106,487 125.1%	\$1,975,839 117.3%	2033	\$2,464,915	\$2,691,426 109.2%	\$1,704,504 69.2%
2019	\$1,842,667	\$2,254,326 122.3%	\$2,080,049 112.9%	2034	\$2,471,511	\$2,676,544 108.3%	\$1,614,553 65.3%
2020	\$2,121,530	\$2,523,785 119.0%	\$2,304,211 108.6%	2035	\$2,856,534	\$3,038,770 106.4%	\$1,899,045 66.5%
2021	\$2,202,077	\$2,597,485 118.0%	\$2,330,891 105.8%	2036	\$3,143,304	\$3,305,658 105.2%	\$2,085,452 66.3%
2022	\$2,377,727	\$2,767,092 116.4%	\$2,451,702 103.1%	2037	\$3,203,989	\$3,347,674 104.5%	\$2,044,154 63.8%
2023	\$1,718,231	\$2,100,192 122.2%	\$1,734,172 100.9%	2038	\$3,586,575	\$3,711,755 103.5%	\$2,321,997 64.7%
2024	\$1,721,818	\$2,088,560 121.3%	\$1,670,020 97.0%	2039	\$3,819,015	\$3,929,631 102.9%	\$2,450,622 64.2%
2025	\$1,799,509	\$2,148,415 119.4%	\$1,675,401 93.1%	2040	\$4,014,060	\$4,112,664 102.5%	\$2,541,295 63.3%
2026	\$2,057,394	\$2,387,392 116.0%	\$1,857,891 90.3%	2041	\$4,258,578	\$4,348,224 102.1%	\$2,681,290 62.96
2027	\$2,377,841	\$2,690,403 113.1%	\$2,102,337 88.4%	2042	\$4,583,136	\$4,668,147 101.9%	\$2,902,341 63.3%
2028	\$2,411,300	\$2,708,000 112.3%	\$2,059,224 85.4%	2043	\$2,105,780	\$2,179,900 103.5%	\$311,815 14.8%
2029	\$2,500,907	\$2,780,799 111.2%	\$2,069,103 82.7%	2044	\$2,163,247	\$2,203,867 101.9%	\$229,986 10.6%
2030	\$2,875,375	\$3,138,789 109.2%	\$2,361,891 82.1%	2045	\$2,544,669	\$2,547,574 100.1%	\$464,273 18.2%

What is a Major Component?

There are often questions concerning which components should be included in a Reserve Study. This is in part because the law does not define a major component, and Boards of Directors are allowed wide latitude in determining what items are to be included in their reserve fund, which items can be planned for in the operating budget, and which items can wait for future years before collecting monies for future repair or replacement. Basically, in order for a component to be included in a Reserve Study it should:

1. be a common area component (i.e., the governing documents for the association indicate that the association is responsible for the maintenance, repair, or restoration of the component.);
2. have a limited life; and
3. have a reasonably defined life.

If the component does not meet all three of these qualifications, it does not qualify. For example, we do not normally reserve for total concrete replacement because it is considered to have an unlimited life (although we may reserve for partial replacement if the circumstances so indicate.) We also do not reserve for light bulbs or sprinkler heads because most replacement is due to random failure, breakage, or vandalism, and although a limited life may be assumed, timing and the extent of breakage problems are difficult to quantify.

Additionally, there is often concern over how we establish the useful life and useful life remaining for a given component, as well as questions pertaining to the accuracy of our predictions. In fact, these questions are related. Basically, components can be placed into one of five categories:

1. Cyclic Regular - Items like asphalt sealcoating or wood painting fall into this category. Such components have a very predictable life cycle. That life cycle may vary based upon local climate, usage, exposure to weather, or similar issues, but will generally stabilize for the components of a given property and have a reasonably high degree of predictability concerning both useful and remaining life.

2. Cyclic Irregular - Items like deck surfaces and roofing fall into this category. These items have a normal life span great enough that climate, level of preventive maintenance, owner care, and other issues can materially affect the actual life.

3. Predictable but Irregular Non-Catastrophic Failure - This category includes pool pumps, spa heaters, and other items which can be expected to wear out with some predictability (regular or irregular), but do not need to be replaced until failure. With these items the association may well have accumulated the money for repair or replacement and then actually wait for failure to spend this money. This does not affect the reserve contribution prior to the expected replacement date, but once that date is reached assessments can be reduced until failure because adequate reserves are on hand.

4. Catastrophic Failure - With these items waiting until failure is not appropriate. A hydraulic elevator falls into this category. In these cases, a fund is built for a general replacement time frame, then a decision is made to repair or replace before failure.

5. Outdated Design/Aesthetics - This category refers to items where aesthetics are a major concern. Examples include light fixtures, window coverings, and other items which may be quite functional past the time they are desirable. They should be recognized and reserved for in order to keep the common area from appearing dated and unappealing.

These categories are not rigid, and in fact some components may fit into several categories. Rather, these categories are used as general guidelines in order to help us reach a reasonable conclusion concerning life estimates and funding strategies. We typically include those items which meet the above criteria and have useful remaining lives of 30 years or less, unless the association has indicated that in their best business judgement they wish to exclude an item.

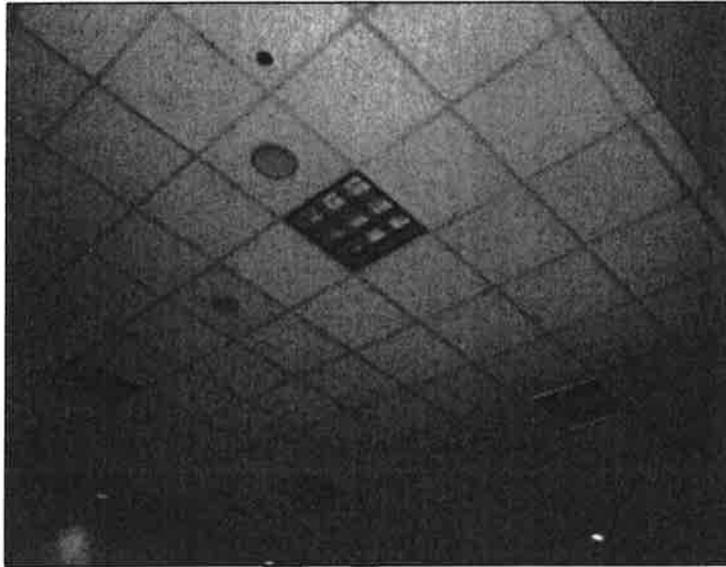
Acoustic Ceiling

Current Cost: 10,021.00

Future Cost: \$12,694.30

Notes and Observations:

None



Maintenance Suggestions:

Sub-Identifier	Remaining Life	Quantity	Current Cost	Condition
Aerobics Room	8 Yrs	1,560 S.F.	\$4,290.00	Fair - Appears To Be Wearing Normally
Child Care Room	8 Yrs	726 S.F.	\$1,996.50	Fair - Appears To Be Wearing Normally
Conference Room	8 Yrs	504 S.F.	\$1,386.00	Fair - Appears To Be Wearing Normally
Control Room	8 Yrs	90 S.F.	\$247.50	Fair - Appears To Be Wearing Normally
Manager's Office	8 Yrs	120 S.F.	\$330.00	Fair - Appears To Be Wearing Normally
Party Room	8 Yrs	524 S.F.	\$1,441.00	Fair - Appears To Be Wearing Normally
Staff Office	8 Yrs	120 S.F.	\$330.00	Fair - Appears To Be Wearing Normally

Asphalt, Repair Fund

Current Cost: 148,811.20

Future Cost: \$188,509.58

Notes and Observations:

Asphalt needs additional work a side from seal coating as it ages. This Asphalt Fund allows monies to be used along the twenty (20) years to make repairs on an as needed basis and not as an expenditure to be used at the end of its twenty (20) year cycle.



Maintenance Suggestions:

Asphalt is a mixture of rock and sand held together by a liquid, petroleum-based cement. Asphalt surface by its intended purpose is used to bear heavy loads, and in effect begins natural deterioration soon after installation. Small cracks left uncorrected will grow into bigger cracks or potholes. These surface defects can permit water intrusion which can weaken large areas of asphalt surface and cause sinking. This deterioration becomes self-fueled because of the resultant water ponding. While the extent of deterioration depends on many factors such as usage, weather, and natural/artificial phenomenon; routine preventive maintenance and timely corrective action are the best defense against unnecessary serious problems.

INSPECTION AND MAINTENANCE:

1. Frequent inspection is the most important aspect of asphalt maintenance. Inspections should be performed at least twice a year, preferably after a rainfall. Inspections should be done on foot and in light adequate enough to permit close, thorough examination.
2. Proper inspection requires that deterioration and defects be noted and then assessed for cause before repairs are attempted. Cracking is probably the most common problem found. There are many kinds of cracks and asphalt surface defects. Some may be simply be filled, while other defects require extensive removal and patching. While most asphalt deterioration is plain to see and relatively easy for anyone to detect, an expert should determine the cause and the fix. The key is for a knowledgeable person to assess what is causing the deterioration, especially if the damage is wide-spread.
3. Depending on the extent of damage, repairs should be made to defects as soon as practical. As stated above, small problems quickly turn into bigger problems if left uncorrected.
4. If vegetation begins to grow through the asphalt at concrete or different material joints, it should periodically be treated with some Round-Up or other defoliant, and the organic matter removed as best as possible. Because of different expansion rates it is unlikely these joints can be totally sealed.

ADDITIONAL COMMENTS:

1. A key thing to remember is that temporary repairs, by definition, are not supposed to be permanent. Most of the time they are to treat the effect, not the cause.
2. Permanent repairs to damage early in the lifecycle of an asphalt surface will help sustain it until a new overlayment is performed.
3. Scheduled seal coats are just that, they aid in sealing the surface and ensuring expected component life is achieved between new surfaces, but are not a substitute for effective repairs.

Sub-Identifier	Remaining Life	Quantity	Current Cost	Condition
Parking/Maintenance Area	8 Yrs	87,536 S.F.	\$148,811.20	Fair - Appears To Be Wearing Normally

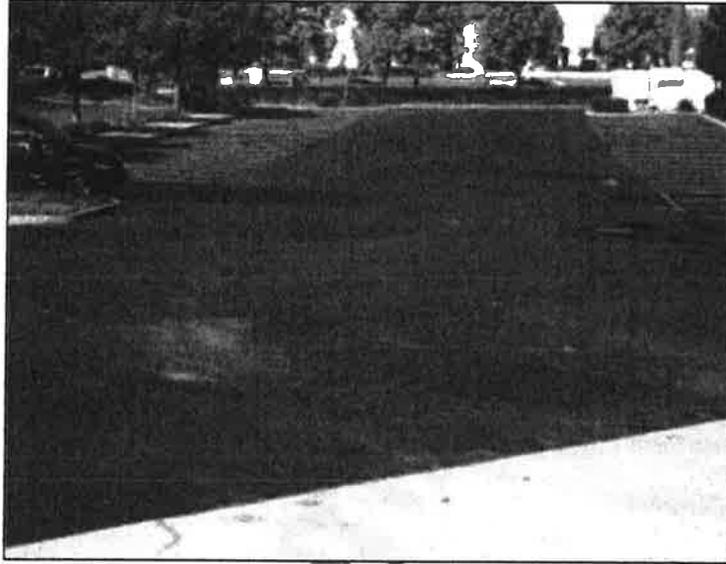
Asphalt, Sealcoat

Current Cost: 10,504.32

Future Cost: \$11,822.70

Notes and Observations:

It is recommended the Association Sealcoat all Asphalt surfaces every five (5) years to delay the premature wear of said component.



Maintenance Suggestions:

Asphalt paving requires a periodic seal coat to the surface to protect the asphalt component from water and ultraviolet sun damage. Without an adequate seal coat, the asphalt wear course and aggregate adhesion will deteriorate prematurely requiring expensive repairs. An adequate seal coat will normally protect the asphalt for 3-5 years. Asphalt repairs should be made in conjunction with seal coating. Seal coating is not designed or intended to fix alligatored asphalt, cover over oil saturated spots, or repair large cracks. These all require a repair before the seal coat is applied. The best seal coats have fillers added to enhance the wear characteristics of the coating.

INSPECTION AND MAINTENANCE:

Refer to other "Asphalt" components for inspection and maintenance suggestions.

Sub-Identifier	Remaining Life	Quantity	Current Cost	Condition
Parking/Maintenance Area	4 Yrs	87,536 S.F.	\$10,504.32	Fair - Appears To Be Wearing Normally

Computer Hardware, Replace

Current Cost: 19,730.76

Future Cost: \$24,623.39

Notes and Observations:

None



Maintenance Suggestions:

Sub-Identifier	Remaining Life	Quantity	Current Cost	Condition
17U/4-Post Enclosed Secure Rackmount	8 Yrs	1 Each	\$894.76	Expected to be installed in upcoming FY
24 Port Gigabit Switch	8 Yrs	2 Each	\$479.96	Expected to be installed in upcoming FY
Computer Services	8 Yrs	1 Lot	\$750.00	Expected to be installed in upcoming FY
Cyber Power, 1320 watt, 8 outlet	8 Yrs	1 Each	\$527.85	Expected to be installed in upcoming FY
ioSafe 3TB w/ 5-year Data Recovery	8 Yrs	1 Each	\$659.95	Expected to be installed in upcoming FY
Monitor, 23", LCD	4 Yrs	7 Each	\$1,364.86	Expected to be installed in upcoming FY
Monitor, Disposal Fee	8 Yrs	15 Each	\$120.00	Expected to be installed in upcoming FY
Scanner, Honeywell, w/Asset Management Program	8 Yrs	1 Each	\$3,500.00	Expected to be installed in upcoming FY
Thick Client, w/ Keyboard \$ Mouse	6 Yrs	7 Each	\$2,449.86	Expected to be installed in upcoming FY
Veeam Essentials	8 Yrs	1 Each	\$2,299.63	Expected to be installed in upcoming FY
VMware Virtual Server	8 Yrs	1 Each	\$6,683.89	Expected to be installed in upcoming FY

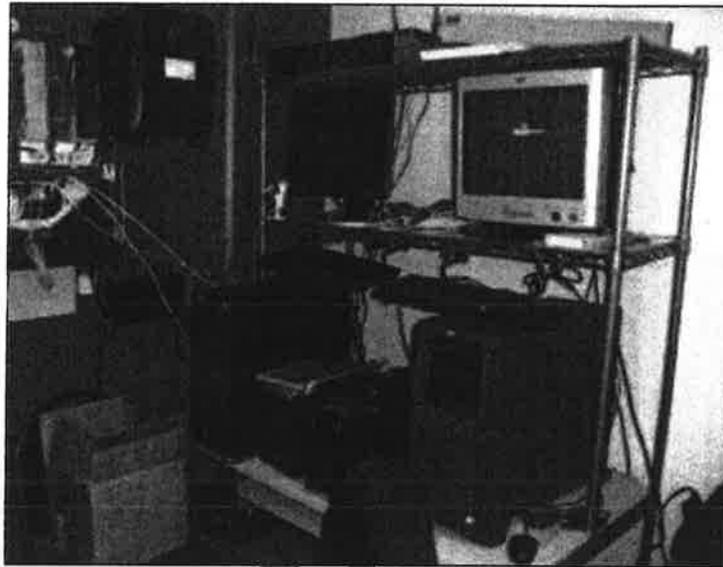
Computer Software, Replace

Current Cost: 11,158.02

Future Cost: \$12,558.45

Notes and Observations:

None



Maintenance Suggestions:

Sub-Identifier	Remaining Life	Quantity	Current Cost	Condition
Gigtrak, Asset Manager	4 Yrs	1 Each	\$3,700.00	Expected to be installed in upcoming FY
Office 2010, Pro	4 Yrs	4 Each	\$1,281.00	Expected to be installed in upcoming FY
Office, 2010, Home / Buisness	4 Yrs	11 Each	\$1,815.00	Expected to be installed in upcoming FY
SBS 2011	4 Yrs	1 Each	\$782.25	Expected to be installed in upcoming FY
SBS User CAL	4 Yrs	2 Each	\$519.96	Expected to be installed in upcoming FY
VMware vSphere 5 Essentials	4 Yrs	1 Each	\$629.06	Expected to be installed in upcoming FY
Windows 7 Professional for Veeam Backup	4 Yrs	1 Each	\$147.00	Expected to be installed in upcoming FY
Windows 7, Pro	4 Yrs	15 Each	\$2,283.75	Expected to be installed in upcoming FY

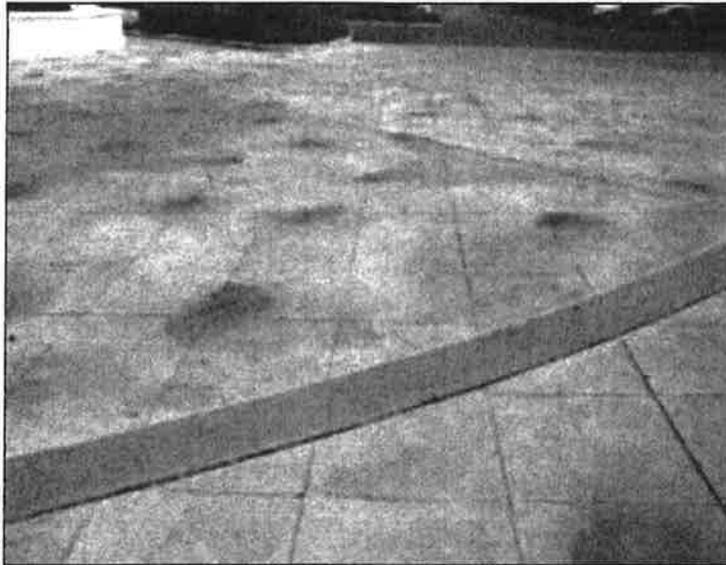
Concrete, Repair Fund

Current Cost: 416,906.15

Future Cost: \$914,591.66

Notes and Observations:

Although Concrete has an expected life of greater than 30 years, we have established a Concrete Repair Fund for the periodical grinding, leveling or repairing of cracking, heaving or sinking concrete. As the Association matures, this component should be monitored and the component cost adjusted accordingly.



Maintenance Suggestions:

Concrete is a mixture of rock, sand, water, and cement mixed together to form a hard structure. Concrete surfaces are intended to bear from light to heavy loads. Periodic pressure cleaning and sealing of the concrete will substantially restore the surface condition to the original appearance. Cracks large enough to allow water penetration should be sealed on a routine basis.

INSPECTION AND MAINTENANCE:

1. Timely inspection is the most important aspect of decorative concrete maintenance. Inspections should be performed on an annual basis with particular attention given to staining and structural failure.
2. Pressure wash with a maximum 1200 PSI pressure washer periodically to remove accumulated dirt and grime.
3. If there are stains or discolorations that water alone will not remove, scrub the surface with a Neutral PH detergent such as QC Neutral PH Floor cleaner or for oily stains use QC concrete degreaser with a rotary scrub brush.
4. A protective coating such as QC water seal should be used to protect the surface of the concrete and provide a semi-gloss finish. This procedure should be done every 2 to 3 years after pressure washing.
5. Follow manufacturer's recommendations for all cleaners, solvents, and sealers.

Sub-Identifier	Remaining Life	Quantity	Current Cost	Condition
Cove Cafe, Patio	8 Yrs	6,000 S.F.	\$1,500.00	Fair - Appears To Be Wearing Normally
Decking, Pools/Spas, Repair	2 Yrs	29,486 S.F.	\$7,371.50	Fair - Appears To Be Wearing Faster Than Normal
Decking, Pools/Spas, Replace	28 Yrs	29,486 S.F.	\$380,369.40	Fair - Appears To Be Wearing Faster Than Normal
Decorative, Paint/Seal, Interior	7 Yrs	2,475 S.F.	\$6,187.50	Fair - Appears To Be Wearing Normally
Decorative, Repair, Interior	2 Yrs	2,475 S.F.	\$990.00	Fair - Appears To Be Wearing Normally
Pilaster Caps, Walls, Grounds	8 Yrs	1,348 S.F.	\$337.00	Fair - Appears To Be Wearing Normally
Scored, Entry/Pathways	8 Yrs	11,350 S.F.	\$5,675.00	Fair - Appears To Be Wearing Normally
Sidewalks & Slabs	8 Yrs	13,715 S.F.	\$3,428.75	Fair - Appears To Be Wearing Normally
Stamped/Colored, Entry/Pathways	8 Yrs	22,094 S.F.	\$11,047.00	Fair - Appears To Be Wearing Normally

Sample Association

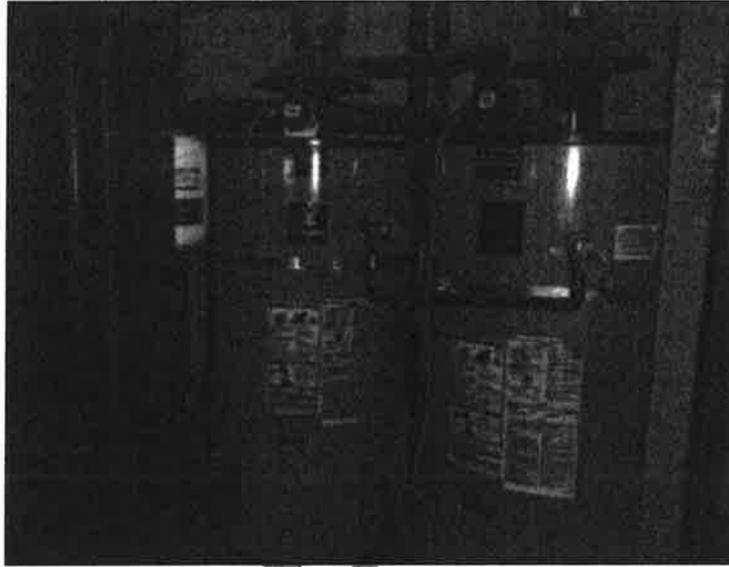
Domestic Water

Current Cost: 24,925.00

Future Cost: \$28,530.14

Notes and Observations:

None



Maintenance Suggestions:

Water heaters are designed to furnish hot water on demand. These water heaters are long-lasting if properly maintained. Fundamental to maintenance of hot water heaters is periodic removal of accumulated sediment, and visible inspection of the vents, piping, and burners. An essential safety issue is the periodic testing of the temperature-pressure relief valve.

INSPECTION AND MAINTENANCE:

1. At least once a year a visual inspection should be made of the chimney/venting system. Check to see that:
 - the flues are clear, unobstructed, and venting properly.
 - the flues are not deteriorated.
 - the flues are not suited, which would indicate improper combustion is occurring.
2. At least once a year both the pilot and main burners should be visually inspected for unusual soot formations. Small amounts of soot deposit can carefully be brushed or vacuumed away after turning off the gas. If very heavy deposits of soot are discovered, either in the flue or on the burners, it indicates improper combustion is occurring and the hot water heater should be turned off until repairs or corrections can be made.

Sub-Identifier	Remaining Life	Quantity	Current Cost	Condition
Expansion Tank, Locker Rooms	3 Yrs	1 Each	\$375.00	Fair - Appears To Be Wearing Normally

Pump, Re-Circulating, Locker Rooms	1 Yrs	1 Each	\$550.00	Fair - Appears To Be Wearing Normally
Water Heater, Locker Rooms, 100 Gallon	1 Yrs	2 Each	\$16,000.00	Fair - Appears To Be Wearing Normally
Water Heater, Pool Mechanical, 110 Gallon	11 Yrs	1 Each	\$8,000.00	New

Sample

Door, Replace

Current Cost: 93,850.00

Future Cost: \$166,412.79

Notes and Observations:

None



Maintenance Suggestions:

Sub-Identifier	Remaining Life	Quantity	Current Cost	Condition
Double, Aerobics Storage Room	18 Yrs	1 Each	\$1,100.00	Fair - Appears To Be Wearing Normally
Double, Arched, Cove Cafe	29 Yrs	2 Each	\$4,000.00	New
Double, Child Care Room	18 Yrs	1 Each	\$1,100.00	Fair - Appears To Be Wearing Normally
Double, Fire Panel Room	18 Yrs	1 Each	\$1,100.00	Fair - Appears To Be Wearing Normally
Double, Party Room	18 Yrs	1 Each	\$1,100.00	Fair - Appears To Be Wearing Normally
Double, Swinging, Cafe	18 Yrs	1 Each	\$850.00	Fair - Appears To Be Wearing Normally
Garage, 16', Maintenance Garage	18 Yrs	1 Each	\$1,600.00	Fair - Appears To Be Wearing Normally
Roll-Up, Cabana Cafe	18 Yrs	1 Each	\$1,500.00	Fair - Appears To Be Wearing Normally
Roll-Up, Cove Cafe	29 Yrs	3 Each	\$4,500.00	New
Single, Aerobics Room	18 Yrs	2 Each	\$1,100.00	Fair - Appears To Be Wearing Normally
Single, Cabana Cafe	18 Yrs	1 Each	\$550.00	Fair - Appears To Be Wearing Normally
Single, Catering Kitchen	18 Yrs	3 Each	\$1,650.00	Fair - Appears To Be Wearing Normally
Single, Child Care Room	18 Yrs	2 Each	\$1,100.00	Fair - Appears To Be Wearing Normally
Single, Child Care Room, 1/2 Size	18 Yrs	1 Each	\$350.00	Fair - Appears To Be Wearing Normally
Single, Cove Cafe	29 Yrs	3 Each	\$1,650.00	New

Single, HOA Office	18 Yrs	1 Each	\$550.00	Fair - Appears To Be Wearing Normally
Single, Janitor, Locker Hall	18 Yrs	2 Each	\$1,100.00	Fair - Appears To Be Wearing Normally
Single, Lounge	18 Yrs	2 Each	\$1,100.00	Fair - Appears To Be Wearing Normally
Single, Maintenance Office	18 Yrs	1 Each	\$550.00	Fair - Appears To Be Wearing Normally
Single, Manager's Office	18 Yrs	1 Each	\$550.00	Fair - Appears To Be Wearing Normally
Single, Membership Office	18 Yrs	1 Each	\$550.00	Fair - Appears To Be Wearing Normally
Single, Men's Locker Room	18 Yrs	2 Each	\$1,100.00	Fair - Appears To Be Wearing Normally
Single, Men's Room #1	18 Yrs	1 Each	\$550.00	Fair - Appears To Be Wearing Normally
Single, Men's Room #2	18 Yrs	1 Each	\$550.00	Fair - Appears To Be Wearing Normally
Single, Men's Room #3	18 Yrs	1 Each	\$550.00	Fair - Appears To Be Wearing Normally
Single, Outside Women's Room #1	18 Yrs	1 Each	\$550.00	Fair - Appears To Be Wearing Normally
Single, Outside Women's Room #2	18 Yrs	1 Each	\$550.00	Fair - Appears To Be Wearing Normally
Single, Outside Women's Room #3	18 Yrs	1 Each	\$550.00	Fair - Appears To Be Wearing Normally
Single, Party Room	18 Yrs	1 Each	\$550.00	Fair - Appears To Be Wearing Normally
Single, Women's Locker Room	18 Yrs	2 Each	\$1,100.00	Fair - Appears To Be Wearing Normally
Storefront, Double, Entry Room	18 Yrs	6 Each	\$19,500.00	Fair - Appears To Be Wearing Normally
Storefront, Double, Exteriors	18 Yrs	5 Each	\$16,250.00	Fair - Appears To Be Wearing Normally
Storefront, Double, Gym	18 Yrs	2 Each	\$6,500.00	Fair - Appears To Be Wearing Normally
Storefront, Double, Lounge Rm	18 Yrs	3 Each	\$9,750.00	Fair - Appears To Be Wearing Normally
Storefront, Double, Party Rm	18 Yrs	2 Each	\$6,500.00	Fair - Appears To Be Wearing Normally
Storefront, Single, Exteriors	18 Yrs	1 Each	\$1,650.00	Fair - Appears To Be Wearing Normally

Fence, Wrought iron

Current Cost: 70,950.00

Future Cost: \$123,593.85

Notes and Observations:

None



Maintenance Suggestions:

On a periodic basis exterior metal needs to be inspected, rusted areas de-rusted, the areas primed and painted.

Sub-Identifier	Remaining Life	Quantity	Current Cost	Condition
Perimeter, 6'	18 Yrs	770 L.F.	\$42,350.00	Fair - Appears To Be Wearing Normally
Pool Equipment, 8'	29 Yrs	66 L.F.	\$4,290.00	New
Toddler Pool, 6'	18 Yrs	244 L.F.	\$13,420.00	Fair - Appears To Be Wearing Normally
Tot Lot, 6'	18 Yrs	198 L.F.	\$10,890.00	Fair - Appears To Be Wearing Normally

Fire/Safety

Current Cost: 9,560.00

Future Cost: \$11,428.94

Notes and Observations:

None



Maintenance Suggestions:

A fire safety system is an integrated package of components that is capable of smoke or fire detection, providing notifications to appropriate residents or fire service, showing location of the fire, and equipment to fight fires on a limited basis. Components consist smoke detectors, fire alarm control panels (some telephonic) to notify of the danger, annunciators to show locations to firefighters, and hose bibs, hand held extinguishers, and sprinkler systems to fight fires in a limited degree. In some properties there are wet or dry standpipes and pressure boosting pumps available to assist firefighters' efforts.

INSPECTION AND MAINTENANCE:

1. No normal user maintenance is associated with hard-wired smoke detectors, fire alarm panels, annunciators, standpipes, or sprinklers.
2. Smoke detectors (hardwired or battery) should be function-tested annually, and batteries as necessary, replaced annually.
3. Certain high-rise complexes are required to undergo a 5-year Fire Safety Certification by local authorities.
4. Hand-held fire extinguishers should be inspected and initialed off monthly, and inspected/recharged as required on the safety inspection tag.

Sub-Identifier	Remaining Life	Quantity	Current Cost	Condition
Alarm Bell	8 Yrs	1 Each	\$150.00	Fair - Appears To Be Wearing Normally
Annunciator Panel	8 Yrs	2 Each	\$3,600.00	Fair - Appears To Be Wearing Normally
Extinguisher	3 Yrs	5 Each	\$750.00	Fair - Appears To Be Wearing Normally

Extinguisher w/ Case	3 Yrs	9 Each	\$1,665.00	Fair - Appears To Be Wearing Normally
Heart Defibrillator Machine	3 Yrs	1 Each	\$1,500.00	Fair - Appears To Be Wearing Normally
Pull Station	8 Yrs	2 Each	\$300.00	Fair - Appears To Be Wearing Normally
Smoke Detector	8 Yrs	11 Each	\$1,595.00	Fair - Appears To Be Wearing Normally

Sample

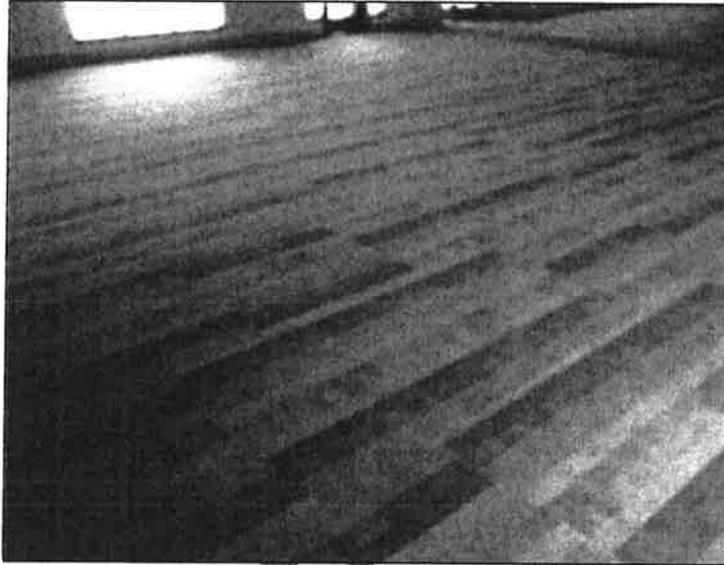
Flooring, Carpet

Current Cost: 60,157.50

Future Cost: \$73,584.46

Notes and Observations:

None



Maintenance Suggestions:

Some of the property's common areas are covered with carpeting. Carpet is a high maintenance item because it requires frequent vacuuming and spot cleaning in heavily traveled areas

INSPECTION AND MAINTENANCE:

1. Frequent inspection is the most important aspect of carpet maintenance. Inspect for spotting or wear and tear at entries, turns, elevation changes (stairs, etc). Proper inspection requires that deterioration and defects be noted and then assessed for cause before repairs are attempted. Some small holes or tears can be repaired with repair kits that are commercially produced. Spots and stains are aesthetic items, which can detract from the visual appreciation of the component if not removed.
2. Depending on the extent of damage, repairs should be made to defects as soon as practical. As stated above, small problems quickly turn into bigger problems if left uncorrected.

Sub-Identifier	Remaining		Current Cost	Condition
	Life	Quantity		
Aerobics Room	6 Yrs	1,560 S.F.	\$11,700.00	Fair - Appears To Be Wearing Normally
Child Care Room	7 Yrs	536 S.F.	\$4,020.00	Fair - Appears To Be Wearing Normally
Conference Room	7 Yrs	504 S.F.	\$3,780.00	Fair - Appears To Be Wearing Normally
Control Room	7 Yrs	90 S.F.	\$675.00	Fair - Appears To Be Wearing Normally
Gym	7 Yrs	2,940 S.F.	\$22,050.00	Fair - Appears To Be Wearing Normally

Gym Entry Hall	7 Yrs	336 S.F.	\$2,520.00	Fair - Appears To Be Wearing Normally
Gym Office	7 Yrs	180 S.F.	\$1,350.00	Fair - Appears To Be Wearing Normally
Lounge	7 Yrs	1,572 S.F.	\$11,790.00	Fair - Appears To Be Wearing Normally
Maintenance Office	8 Yrs	63 S.F.	\$472.50	Fair - Appears To Be Wearing Normally
Manager's Office	7 Yrs	120 S.F.	\$900.00	Fair - Appears To Be Wearing Normally
Membership Office	7 Yrs	120 S.F.	\$900.00	Fair - Appears To Be Wearing Normally

Sample

Flooring, Linoleum

Current Cost: 1,984.50

Future Cost: \$2,513.91

Notes and Observations:

None



Maintenance Suggestions:

1. Operational maintenance consists primarily of frequent sweeping and damp mopping of vinyl linoleum surfaces. While wax-free linoleum finish is now the most common vinyl flooring installation, it still requires regular cleaning and grit removal to protect the clear coat finish.
2. While relatively maintenance-free, an annual inspection should be made of all vinyl linoleum used on the property. Specifically, the examination should be to detect vinyl bubbling, lifting caused by water intrusion, cutting or penetrating damage in health and exercise facilities, heat or chemical damage, and adhesive failure. Timely repair of any damage found will normally enhance this component's appearance

ADDITIONAL COMMENTS:

1. Since linoleum is primarily used in areas around water sources it is especially important to periodically check the adequacy of the caulking that prevents water intrusion behind or under the floor covering.
2. Vinyl linoleum is susceptible to dents, penetration, or cutting by unpadded chair legs, stepstools, and other heavy equipment or furniture. Keep this in mind when selecting these items for use in the sauna area, kitchens, health clubs, and other tiled areas. Choose items with thicker legs, built-in casters, or cushioned ends.

Sub-Identifier	Remaining Life	Quantity	Current Cost	Condition
Aerobics Room	8 Yrs	117 S.F.	\$526.50	Good - Showing Some Wear

Child Rest Room	8 Yrs	64 S.F.	\$288.00	Good - Showing Some Wear
Janitor Closet, Locker Room	8 Yrs	130 S.F.	\$585.00	Good - Showing Some Wear
Liquor Storage Closet	8 Yrs	130 S.F.	\$585.00	Good - Showing Some Wear

Sample

Flooring, Tile

Current Cost: 29,351.38

Future Cost: \$53,566.70

Notes and Observations:

None



Maintenance Suggestions:

Ceramic or clay tile has a long useful life if properly maintained. Chipped, broken, missing, or cracked tiles should be replaced as soon as possible. Use of a commercial silicone grout seal can preserve the grout and keep it looking fresh. Grout seal should be applied AFTER mildew/mold treatment, and in accordance with the manufacturer's recommendations.

Sub-Identifier	Remaining Life	Quantity	Current Cost	Condition
Cabana Cafe	18 Yrs	468 S.F.	\$5,616.00	Fair - Appears To Be Wearing Normally
Catering Kitchen	18 Yrs	192 S.F.	\$2,304.00	Fair - Appears To Be Wearing Normally
Locker Rooms	18 Yrs	938 S.F.	\$15,355.06	Fair - Appears To Be Wearing Normally
Locker Rooms (new)	29 Yrs	336 S.F.	\$5,500.32	New
Pathways Inlay, Grounds	18 Yrs	48 S.F.	\$576.00	Fair - Appears To Be Wearing Normally

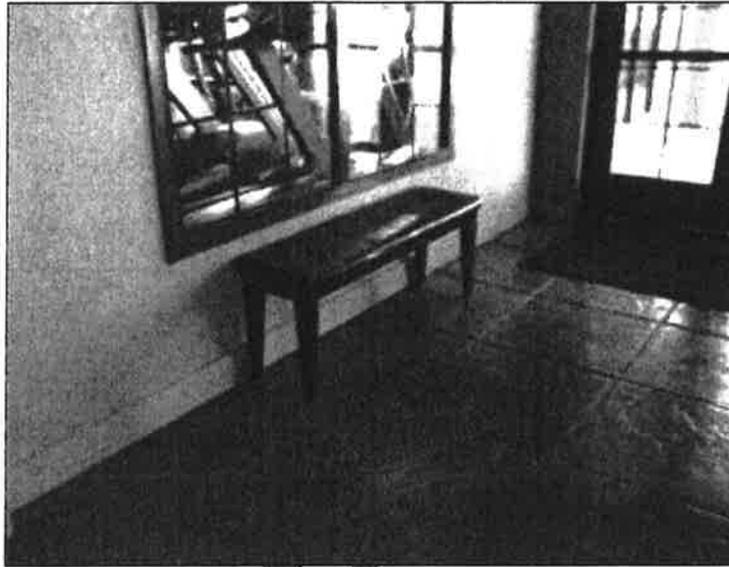
Furnishings, Aerobics Hall

Current Cost: 4,875.00

Future Cost: \$7,601.16

Notes and Observations:

None



Maintenance Suggestions:

Sub-Identifier	Remaining Life	Quantity	Current Cost	Condition
Bench, 5', Wood	8 Yrs	2 Each	\$900.00	Fair - Appears To Be Wearing Normally
Speaker, Recessed, Aerobics Hall	1 Yrs	1 Each	\$175.00	Fair - Appears To Be Wearing Normally
Vending Machine	17 Yrs	1 Each	\$3,800.00	Fair - Appears To Be Wearing Normally



**Association Questionnaire
 and
 Association's Representation of Project**

General Information:

HOA / Complex Name: _____

Management Firm: _____

Agent: _____ Phone: (____) _____

Fax: (____) _____

Board Member/On-Site Contact: _____

Unit Address:

When was the complex built? _____

Was the complex built? YES _____ NO _____

If so, over what period of time? _____

Was it a conversion? YES _____ NO _____

If yes, when? _____

Number of Buildings _____ Number of units _____

Number of different building types (2 plex, 4 plex, etc.) _____

Type: Condominium _____ Town Home _____ P.U.D. _____ Other _____

Recreational Facilities _____

Directions to property _____

4000 Executive Parkway, Ste 100
 San Ramon, CA 94583
www.helsing.com

Since 1991 – Leading from the Front
 Association Management – Reserve Studies
 BRE Budgets – Maintenance Manuals – Board Training

1-800-4Helsing
 925-355-2100
 925-355-9600 – Fax

777 Campus Commons Road, Ste 200
 Sacramento, CA 95825
 916-341-9754

PO Box 358
 Little River, CA 95456
 707-937-2399

111 N. Market St., Ste 300
 San Jose, CA 95113
 408-512-3267

Access Requirements:

Manager _____ On-Site Contact _____ Other _____

Set of Plans:

Available from whom? _____ Phone _____

Major Repairs: (Please check the appropriate boxes for each component and provide dates when appropriate.)

Asphalt No Repairs _____ Seal Coated _____ Year _____

Painting Original _____ Repaired _____ Year _____

Roofing Original _____ Repaired _____ Year _____
(If there has been roof repairs, please provide dates and locations.)

Decks Original _____ Repaired _____ Year _____

Fencing Original _____ Repaired _____ Year _____

Other Repair/Replacement _____

Service Contractors: (Please provide contacts where applicable)

Pool / Spa Facilities: Company _____

Contact _____

Phone _____

Landscaping: Company _____

Contact _____

Phone _____

Painting: Company _____

Contact _____

Phone _____

Roofs: Company _____
Contact _____
Phone _____

Rain Gutters: Company _____
Contact _____
Phone _____

Boilers/Water Heaters: Company _____
Contact _____
Phone _____

Solar System: Company _____
Contact _____
Phone _____

HVAC Units: Company _____
Contact _____
Phone _____

Elevators: Company _____
Contact _____
Phone _____

Gate Systems: Company _____
Contact _____
Phone _____

Funding Analysis Assumptions:

Fiscal Year Jan-Dec _____ Other _____

Reserve Balance _____ As of _____

Monthly Contribution to the Reserves _____

Number of Months to End of Current Fiscal Year _____

Amount of Anticipated Expenditures _____

Projected Reserve Balance _____

Request for documentation:

Estimates, Invoices & Other Association Records:

1. Signed Consulting Services Agreement.
2. A complete copy of the Scope of Work agreement initialed.
3. Completed Homeowner's Questionnaire & Association Representation of Project.
4. Retainer Check.
5. Copy of CC&Rs (Or any governing document, as applicable)
- ~~6. Copy of Property Map/ Site Map/ Plot Map.~~
7. Copy of prior Reserve Studies (If applicable)
8. Copy of Department of Real Estate (DRE) Budget. (If available)
9. Copy of last Annual Review.
10. Copies of all estimates and invoices for repair/replacement of major reserve components.
11. Most recent Income Statement and Balance Sheet.
12. Copy of YTD Financial Report.
13. Current Years Budget.

Note: Often, some of the above documents may not be available. If they are not, please call us to determine if the missing documents may cause a material change in the scope of work.

Board of Directors Representative Signature:

_____ Date: _____

Property Management Representative Signature:

_____ Date: _____



FEE SCHEDULE

All time, including travel hours, spent on the project by professional, technical and clerical personnel will be billed unless specifically excluded or limited under the terms of a more specific contract with the client. The following hourly rates for various categories of personnel are currently in effect:

<u>CATEGORY</u>	<u>HOURLY RATE</u>
Expert Consultant	\$370.00
Senior Consultant	\$265.00
Specialty Consultant	\$225.00
Project Manager	\$225.00
Engineer	\$210.00
Architect	\$210.00
Real Estate/Construction Budget Analyst*	\$205.00
Staff Consultant	\$185.00
Construction Engineer	\$185.00
Senior Reserve Analyst	\$165.00
Staff Analyst	\$135.00
Building Inspector	\$135.00
Estimator	\$100.00
Technician	\$100.00
Technical Typist	\$55.00

Time spent providing expert testimony will be billed at 1.5 times our normal billing rate.

* Existing construction projects, including conversions, shall be charged an hourly rate of \$325.00.

Subcontracted services, equipment, facilities or any other necessary expenses not included in the labor rates shall be compensated at cost plus 10%. Customarily incurred expenses shall be compensated at cost; such expenses are subsistence, fares of public carriers, rental vehicles, long distance communications, etc. The Client shall be responsible for and shall pay any taxes, licenses, permits, or levies due to any governmental agency arising out of services performed under this Agreement except for taxes upon the income or personal property of The Helsing Group, Inc. and appropriate individual professional licenses.

Hourly Rates may be adjusted annually to reflect changes in the cost of living index as published by the United States Department of Labor. If overtime for nonprofessional personnel is required, the premium differential is charged at direct cost to the project. Unless otherwise stated, any cost estimate presented in our proposal is for budgetary purposes only and is not a fixed lump-sum bid.

4000 Executive Parkway, Ste 100
San Ramon, CA 94583
www.helsing.com

Since 1991 – Leading from the Front
Association Management – Reserve Studies
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1-800-4Helsing
925-355-2100
925-355-9600 – Fax

777 Campus Commons Road, Ste 200
Sacramento, CA 95825
916-341-9754

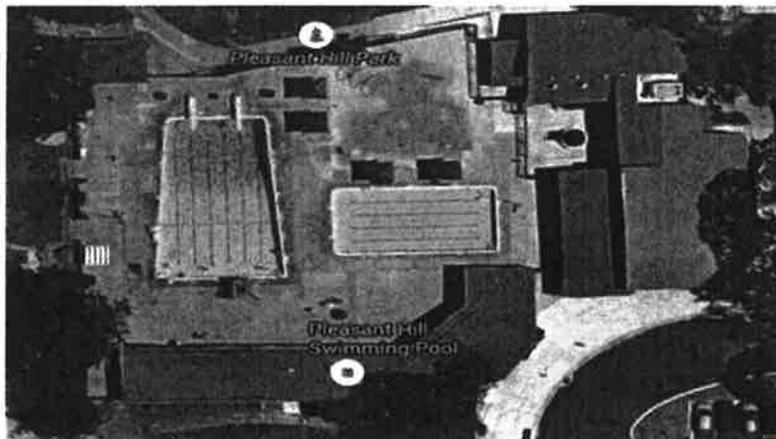
PO Box 358
Little River, CA 95456
707-937-2399

111 N. Market St., Ste 300
San Jose, CA 95113
408-512-3267

Reserve Study Proposal

Prepared for the

PLEASANT HILL RECREATION AND PARK DISTRICT



May 21, 2015

P.O. Box 60125 / Sacramento, CA 95860
tel 916.393.0600 / fax 916.393.0610
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Transmittal Letter

May 21, 2015

Pleasant Hill Recreation & park District
Robert B. Berggren, General Manager
147 Gregory Lane
Pleasant Hill, CA 94523

RE: Reserve Study Proposal for Pleasant Hill Recreation & Park District

Dear Mr. Berggren,

We are pleased to present this package regarding our ability to prepare a reserve study for the above referenced project.

We have over 2,200 clients made up of a variety of project types including, but not limited to: park districts, utility and community services districts, commercial buildings, churches, and homeowner associations.

Reserve studies are essential to the strategic planning of any community. These studies often provide information about facilities that are increasingly complex. Understanding this information—from the physical inspection through the financial analysis—is critical to informed decision making. But too many reserve studies are difficult to understand. That's why we've created sophisticated systems that produce clear, easy-to-understand reports that community leaders use to achieve alignment on long term plans for maintaining, enhancing, and protecting their communities.

We believe to truly develop a final product that meets the goals and objectives of our clients; there must be a collaborative approach. Listening to the needs of our clients is a critical step in this process.

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Transmittal Letter
Page 2

Please feel free to contact us should you have any questions and thank you very much for providing us this opportunity to assist you with your long range planning needs.

Sincerely,

Robert W. Browning

Robert W. Browning, PCAM, RS, NV RSS #005
President
Browning Reserve Group

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tel 916.393.0600 / fax 916.393.0610
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CA Contractor's Lic. #768851.

Pleasant Hill Recreation & Park District
Robert B. Berggren, General Manager
147 Gregory Lane
Pleasant Hill, CA 94523

RFP Received VIA EMAIL April 2015

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Section 1

Background and Experience with Similar Communities & Projects

The Browning Reserve Group has performed thousands of reserve studies for various communities, districts, golf associations, churches and homeowner associations since 1999. Reserve studies are the only service BRG provides year round in the western United States and Mexico.

Here are examples of a few similar projects BRG has recently worked with to perform reserve studies.

Desert Recreation District Large Park District With Several Sites Indio, CA	Craig DeWitt (760) 347-3484
Hesperia Recreation and Park District Large park District; Several Sites in Hesperia, CA	Lindsay Woods (760) 244-5488
Rio Linda Elverta Recreation and Park District 10 Sites in Sacramento County	Wayne Lowery, General Manager (916) 991-8110 Office
El Dorado Hills CSD 25 Sites in El Dorado County, CA	Kent Oakley (916) 643-4384
Fulton El Camino Rec and Park Park District in Sacramento, CA	Mike Grace (916) 927-3802
Walnut Creek Presbyterian Church Walnut Creek, CA, Large scale facility	Marjorie McWee (925) 935-1574
Contra Costa Country Club Golfing Country Club in Pleasant Hill, CA	Len Dumas (925) 798-7135
Summerlin Council 29 Sites in Summerlin, NV	Randy Ecklund (702) 791-4612
Sun City Lincoln Hills Planned Community, Lincoln, CA 6,783 Homes with major amenities BRG Studies in 2007 & 2010	Robert Cook, Manager (916) 625-4000
Tahoe Keys Community Association Planned Development, CA, 17 Cost Centers (Allocations) Including Water Company & Water Quality Studies BRG Full Study in 2010	Al Frei, Manager (530) 542-6444

Biographies of Key Personnel

Robert W. Browning, PCAM, RS President

Robert Browning formed the Browning Reserve Group in April 1999. The Browning Reserve Group (BRG) performs reserve studies for common interest communities, special districts, park and community services districts and other entities that can benefit from long range financial planning. BRG currently has over 1,800 clients in multiple states. Reserve studies form the core business for BRG.

Mr. Browning is a two time past President of the California North Chapter of the Community Associations Institute (CAI). Robert served on the California Legislative Action Committee (CLAC) of CAI from 1989 to 2012 in various capacities as a liaison, delegate, treasurer, vice-chair and chair. In 2003 and 2004 he served as Chair of CLAC. He served on the Board of Trustees of the Community Associations Institute during 2000 – 2006 and served as President in 2008 for the Foundation for Community Association Research. CAI's 501(c)3 foundation is the driving force for community association research, development, and scholarship. It is the only organization both recording the history of, and identifying trends in, residential community association living. Recently Mr. Browning has been appointed to the CAI National Designation Ethics Committee.

Mr. Browning is the inaugural recipient of the CAI-California North Chapter "Robert Browning Lifetime Achievement Award" which was presented to him December 2, 2010 at the CAI-California North Chapter annual awards gala. The award recognizes his extensive continuing service to the Chapter and to the missions of CAI including serving on the Board of Directors, serving as a national trustee, as President of the Research Foundation, and assisting CLAC as liaison and delegate and now holding the distinguished emeritus status with CLAC.

In his volunteer efforts with CAI, Mr. Browning has spoken at numerous seminars dealing with association operations and reserve study requirements and written several articles on reserves for industry trade magazines.

Other unique tasks Mr. Browning has completed include an appointment as Receiver in 1998 by the Superior Court of California to manage a homeowners association and ensure fair and accurate elections. In addition Mr. Browning has served as an expert witness in several cases involving adequate reserves and proper reserve studies.

Mr. Browning is a graduate of California State University, Sacramento with a Bachelor of Arts degree in Geography and has earned the Professional Community Association Manager (PCAM) and Reserve Specialist (RS) designations from CAI. Mr. Browning holds Nevada RSS Permit #005.

The Browning Reserve Group is a California licensed general contractor. Contractor's License # 768851.

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Michael C. McDermott, RS, PRA®
Operations Manager

Mike joined the Browning Reserve Group (BRG) as Operations Manager in 2005. Prior to joining BRG full-time, he consulted as an independent contractor beginning with BRG's 1999 inception. Previously, Mike was a Sprint-Nextel Software Engineer following a US Navy enlistment as an Electronics Technician.

Mike is a current board member of the Association of Professional Reserve Analysts (APRA). He supports the Community Associations Institute (CAI) and volunteers in support of CAI's activities. He has co-taught reserve study fundamentals to professional association managers.

Mike is a graduate of California State University, Sacramento with a Bachelor of Science degree in Electrical and Electronic Engineering and has earned the Reserve Specialist (RS) designation from CAI and the Professional Reserve Analyst (PRA) designation from the Association of Professional Reserve Analysts (APRA). Mike holds Nevada RSS Permit #47.

In his spare time, Mike volunteers for the Sacramento County Sheriff's Amateur Radio Program (SHARP), Sacramento Blood Source and Sacramento Ronald McDonald House. Mike is a Ronald McDonald House committee member and sits on the boards of the Sacramento Amateur Radio Club (SARC) and SHARP. The Browning Reserve Group is a California licensed general contractor. Contractor's License # 768851.

Terry Ott
Project Manager

Terry has been with the Browning Reserve Group since 2003 as a full time inspector. He has performed hundreds of physical inspections of community associations, municipal districts, park and CSD projects, apartments, high-rises and other projects as needed. Terry holds the Reserve Specialist (RS) designation from CAI.

He comes to BRG with many years of experience as a general building contractor. Terry has worked as a carpenter, foreman, regional supervisor of a construction firm and owned a construction company.

In his spare time he volunteers with his two search and rescue dogs for the Sacramento County Sheriff's Search and Rescue Unit.

Jeff Folta
Project Manager

Jeff joined the Browning Reserve Group (BRG) as a Project Manager during 2010 and has performed several physical inspections of community associations.

Jeff comes to BRG with many years as a construction surveyor following a US Navy enlistment as a Sonar Technician. His survey services and experience included many BRG client associations. Jeff holds the Reserve Specialist (RS) designation from CAI.

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Section 2

Time Period & Component Costing

Time Period

The Browning Reserve Group in its standard form contract promises delivery of the first draft of the study within 60 days after receipt of the signed proposal and returned documents.

The time period to perform the study is proposed as follows:

Day 1	BRG receives signed contract, documents, retainer fee
by Day 7	BRG contacts client to schedule physical inspection
by Day 60*	BRG delivers first draft of the reserve study to management via email
by Day 90**	BRG delivers second draft or final study

*This time can be shortened if needed at no extra charge to client.

**This time frame is dependent on how fast the client returns feedback to BRG.

BRG will work with the client to deliver a reasonable number of drafts to the client so the end result is a collaboration that results in the best possible product for use by the client/project. BRG never charges add-on fees for email and telephone inquiries or questions.

Component Costing

BRG uses its own cost estimators, but from time to time BRG may obtain contractor pricing (at BRG expense, if any) for some trades. For example, BRG may obtain actual roofing or painting estimates. BRG NEVER uses construction cost estimating manuals, guides or web sites like other reserve study analysts. We find by using real time costing for the various communities we work in, this provides better evaluation of the costs the project may pay in the future. Reserve studies are useless if they do not have accurate costing for the reserve components.

For accurate costing, BRG may also talk with staff, management and vendors to determine the desired scope of work for many of the components and to learn the history of the components.

Section 3

Costs and Fees

The pricing contained in this proposal, **\$16,000.00¹** is based on a flat fee structure whereby the Browning Reserve Group will perform all services as outlined in the contract with no add-on or extra fees. This fee schedule is all inclusive and absent a change in the scope of work, is the total fee proposed for all of the work in the request for proposal.

Oftentimes when a community/project is in the process of being developed, management needs to see alternative scenarios for developmental purposes and schedules. Within this flat fee proposal, BRG will perform scenarios and "what-if" options for one year after contract signing to give decision makers the information needed for long term budgeting.

All work will be delivered by way of email and pdf documents. Upon request, BRG will provide one hard copy by way of the US mail, of the study in final form.

Upon contract acceptance, BRG will provide copies of insurance certificates. BRG maintains the following insurance coverage:

- General Liability
- Errors & Omissions
- Workers Compensation

¹ The RFP indicated that in addition to the six facilities listed on page 2, there are also 14 parks. This proposal includes the 14 parks. If the intention of the RFP was to NOT include the 14 parks, the cost of this proposal is reduced by \$3,600 down to \$12,400.00.

Section 4

**Standard Form Contract &
Checklist of Items Needed to Begin the Study**

The BRG standard form proposed contract is in this section along with the checklist of items needed by BRG to start the reserve study process.



May 21, 2015

Project Manager
Pleasant Hill Recreation and Park District
c/o Robert Berggren
147 Gregory Lane
Pleasant Hill, CA 94523

RE: Pleasant Hill Recreation and Park District
Full Study
Proposed Contract

Dear Project Manager:

Browning Reserve Group ("BRG") is pleased to provide this proposed contract to prepare a 30 year full reserve study (the "Reserve Study") for Pleasant Hill Recreation and Park District (the "Project").

Physical Inspection

BRG will conduct a physical inspection of those major components the Project is required to maintain. For the purposes of this study, the following components will be determined to be major components to be included in the study:

1. Those components which, as of the date of the study, have a remaining useful life of less than 30 years, and a value greater than \$1,000; and
2. Those additional components, if any, which are designated as major components by the Project's Project Manager.

During the physical inspection, BRG will utilize the services of our own construction cost estimator. In addition, independent contractors may be retained, at BRG's expense, to render opinions on selected components. It is important to note for component categories having multiple items (e.g., separate roofs, roads, parking lots, etc.) BRG will be looking at each separate item individually. We will not make suppositions on all such items based on the inspection of selected items which may, or may not, be typical of the condition and remaining useful life of all such items.

Selected photographs to illustrate typical situations, and physical inspection field notes in narrative form, will be provided to the Project Manager as part of the final report. Supplemental information to the physical inspection will be obtained from the following sources:

1. Project plans, if available;
2. Maintenance records of the reserve components, if available; and
3. Project Board Members, management and staff.

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Bob@BrowningRG.com / www.BrowningRG.com

Reserve Fund Balance Computation

The study will be prepared as of the last day of the Project's prior fiscal year and include the following:

1. Identification of each major component.
2. An estimate, as of the date of the study, for each identified major component, of that component's total useful life, and its probable remaining useful life.
3. An estimate of the replacement cost of each major component, both at current cost levels and at projected cost levels when the projected repair and/or replacement costs are projected to occur.
4. Information provided by the Project as to:
 - (i) the amount of cash reserves actually available as of the end of its prior fiscal year to repair, replace, restore, or maintain the reserve components; and
 - (ii) the current fiscal year reserve contribution amount per its currently adopted budget.
5. An estimate of the total annual contribution needed, after deducting total reserve funds reported by the Project as being on hand as of the date of the study, to meet the projected reserve expenditures for the major components at the end of their projected useful lives.
6. Calculation of the percentage of funds actually set aside as of the end of the Project's prior fiscal year for reserve requirements to the total funds estimated to be required for reserve expenditures, and estimated to be on hand at the end of the current fiscal year, in relation to the amount determined by allocating reserve contributions on a pro-rata annualized basis over their total estimated useful lives.

The intention of the reserve study is to forecast the Project's ability to repair or replace major components as they wear out in future years, and to provide the Project's, Project Manager with the information necessary to make the reserve projections. The reserve study is not an engineering report.

The costs to be outlined in the study are for budgetary and planning purposes only. Actual bid costs will depend upon the defined scope of work at the time repairs are made, and on actual price levels prevailing at the time that the future repairs must be done. The estimates of future repair costs in the report will be good faith estimates and projections, based upon estimated future inflation rates which may or may not prove accurate. BRG submits the probability it can project in its report, or the Project Manager could project in its disclosures, future costs or actual future remaining useful lives of components having useful lives extending beyond one year with precision is the functional equivalent of winning a lottery (while it may happen in rare instances by chance, one may not reasonably expect it to happen). As a result, BRG cannot, and does not, guaranty its projections. Assumptions on future costs should be reviewed and adjusted on an annualized basis, as future cost projections become less uncertain.

Any latent defects will be excluded from the report. Should BRG find signs of possible latent defects or problems not within the scope of the study, the Project will be notified immediately so the proper experts can be retained by the Project. However, the study will not be designed to uncover all possible latent defects, and the absence of any indications to such effect will not be, and should not be construed to be, an indication there are no defects not so noted, or that BRG warrants the absence of any such defects.

Indemnification

Pleasant Hill Recreation and Park District shall defend, indemnify and hold harmless Browning Reserve Group, its principals, partners, employees, agents, contractors and vendors (individually and collectively, the "Indemnities") from and against all liability, claims, suits, damages, judgments, costs and expenses of whatever nature, including but not limited to construction defect, mold or other claims, attorneys' fees and disbursements to which the Indemnities may become subject by reason of or arising out of any injury to or death of any person(s), damage to the Property, loss of use of any property, or otherwise in connection with the performance or nonperformance of BRG's obligations under this Agreement as related to claims by third parties. The Project shall promptly reimburse the Indemnities for all amounts, including attorneys' fees and disbursements, which the Indemnities are required to pay in connection with or in defense of any of the matters in which the Indemnities are entitled to indemnification as set forth in this Paragraph.

Compensation

BRG will provide the services outlined in this proposed contract for a fee of \$16,000.00. (1) Fifty Percent (50%) of this fee is due upon acceptance of this proposed contract. The balance is due upon acceptance of the final draft or 30 days after delivery of the first draft, whichever occurs first.

It is anticipated it will take 60 days from acceptance of this proposed contract to deliver the first draft to the Project Manager.

This proposed contract will remain binding on BRG for 365 days, after which date it will lapse. Should the Project Manager desire BRG to perform a reserve study for the Project on the foregoing terms, please execute and return one of the duplicate originals of this contract to BRG on or before such date.

Attorneys' Fees and Costs

In the event a dispute arises under, or is related to, this contract and whether or not a lawsuit is filed or commenced, the prevailing party shall be entitled to all fees and costs, including attorneys' fees, incurred to enforce the terms of this contract.

Insurance

BRG shall procure and maintain, at its cost and expense, the following insurance policies: Commercial General Liability Insurance; Workman's Compensation Insurance; Automobile Liability Insurance; and Errors and Omission Insurance. Proof of the preceding insurance coverage will be provided to the Project's Project Manager upon request by the Project to BRG.

Miscellaneous

Modification. No modification of this contract shall be made or effective unless, and until, such modification is executed in writing by BRG and the Project.

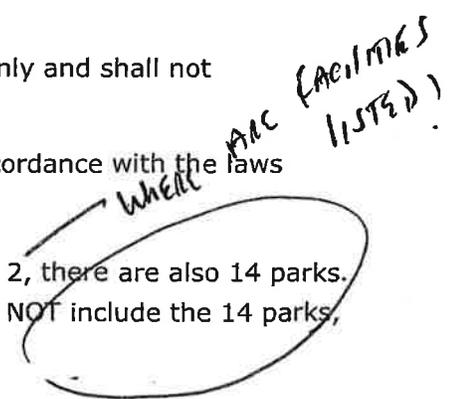
Complete Agreement. This contract, including all exhibits referenced and attached hereto, represents the complete understanding of BRG and the Project with respect to its subject matter.

Headings. The headings in this contract are for reference purposes only and shall not affect, in any way, the meaning or interpretation of this contract.

Choice of Law. This contract shall be interpreted and enforced in accordance with the laws of California.

1. The RFP indicated that in addition to the six facilities listed on page 2, there are also 14 parks. This proposal includes the 14 parks. If the intention of the RFP was to NOT include the 14 parks, the cost of this proposal is reduced by \$3,600 down to \$12,400.00.

where ARE FACILITIES LISTED

A handwritten note in black ink says "where ARE FACILITIES LISTED". An arrow points from this note to a circle drawn around the word "NOT" in the first paragraph of the numbered list item.

Should you have any questions, please feel free to contact this office anytime and thank you for giving BRG an opportunity to bid on this project.

Sincerely,

Robert W. Browning

California General Contractor's License 768851

I have reviewed the proposal as outlined above and approve the terms set forth.

BY:

BY: *Robert W. Browning*

TITLE:

Pleasant Hill Recreation and Park District

TITLE: Owner

Browning Reserve Group

DATE:

DATE: May 21, 2015

Please answer the following: (Only highlighted items please)

- Directions to Project (or provide one address within the project.)
[_____]
- Fiscal Year-End Month: [_____] Project ZIP Code: [_____]
- Development Type: Condo[___] Planned Development/Community[___]
Apartment[___] Cooperative[___] Other[_____]
- Development Type: _____
- Number of Units: [_____] Number of Buildings: [_____]
- Year Amenities Completed: [_____] Number of Phases: [_____]
- Year Phases Completed:
Phase 1 [_____] Phase 2 [_____] Phase 3 [_____] Phase 4 [_____]
- Name of qualified individual from the Project who may contact BRG for direction:
[_____]

Please provide the following:

- Signed Proposal
- Previous Reserve Study (if available)
- Blueprints (if available - as-builts preferred)
- Site Map (8½" x 11" preferred)
- CC&R's
- Current Budget (Which clearly indicates the **RESERVE CONTRIBUTION**.)
- Current Financial Statement (including Balance Sheet & Income Statement)
- Last Year-End Audit or Review (Or year-end balance sheet if no audit.)
We **MUST** have a starting balance for the reserve fund for this year!
- Common Area Keys: (Pool, Pool Equipment Area, Etc.)
- Security Code for Access to the Project: [_____]
- Retainer Fee Per Proposal in Amount of: **\$8,000.00 or (\$6,200 if 14 Parks not included.)**

Please list contractors:

	<i>Name</i>	<i>Phone Number</i>
Pool:	_____	_____
Landscaping:	_____	_____
Roofing:	_____	_____
Painting:	_____	_____
Paving:	_____	_____
Elevator:	_____	_____
HVAC:	_____	_____
Ponds:	_____	_____
Vehicle Gates:	_____	_____
Other:	_____	_____

Please list any reserve component work planned this year:

\$1K Yr.
for future
updates

Section 5

Reserve Study Update Costs

BRG will update the study (Update Without Site Visit) for as many years as the client desires for a fee not to exceed **\$1,000.00** in any given year.

These updates include receiving updated costing information from the project and BRG updating the study including, but not limited to, fund balances, contributions, funding plans, etc. BRG will deliver a study that in form and content is nearly identical to the full study that is provided for within this proposal. The only difference is BRG will not visually inspect the facility for this update fee. This level of service is termed "Update without Site Visit" reserve study. BRG has a form on its web site to make it convenient for the client to transmit update data back to BRG. See below.

This fee does not include a site visit inspection or in-person meetings. Those can be arranged as needed and we can bid those individually based on the scope of work.

BRG is proud of the forms we have available for use by our clients for the off year updates. Please see a sample below of our Planning Worksheet. This worksheet serves two purposes:

1. The manager can use it to easily transmit back to BRG costing information for the study update at budget time, and
2. The general manager can use this format to keep the project's leaders informed on the status of reserve expenditures.

Reserve Study Planning Worksheet

Sample Association for California				***** 403 01W3(2013)1254470-475.rvb			1/9/2013 2:04 PM		Final		
Browning 2 Year Expense Plan Update-Worksheet Prepared for the 2014 Fiscal Year				Inflation Rate: 2.5%			[A] Baseline	[B] Most Recent Study Projected	[C] Revised Actual		
Assoc. GL No	Major	Component	Sub w/Description	Cost	U/L	R/L	2013	2014	2014	Comments	
3 9400	01000 - Paving	100 - Asphalt: Sealing	82,940 Sq. Ft. Streets & Parking	9,953	5	2	-	-	-		
0 9400	01000 - Paving	200 - Asphalt: Ongoing Repairs	82,940 Sq. Ft. Streets	4,043	5	2	-	-	-		
1 9400	01000 - Paving	300 - Asphalt: Petromat Overlay	82,940 Sq. Ft. Streets	120,263	25	11	-	-	-		
2 9400	01000 - Paving	800 - Striping	Streets & Parking	895	5	2	-	-	-		
3 9500	02000 - Concrete	200 - Walkways	22,030 Sq. Ft. Walkways (5%)	17,624	5	2	-	-	-		
4 9501	02000 - Concrete	200 - Sidewalks, Curbs & Gutters	20,000 Sq. Ft. On-	6,400	3	1	-	6,560	-		
5 9105	03000 - Painting:	100 - Surface Restoration	100 Units	156,500	8	3	-	-	-		
6 910	03000 - Painting:	350 - Touch-Up	100 Units- Ongoing	26,000	6	0	26,000	-	-		
7 9200	05000 - Roofing	440 - Pitched: Dimensional Composition	750 Squares-	461,250	20	10	-	-	-		
8 9230	05000 - Roofing	450 - Pitched: Dimensional Composition	750 Squares-	461,250	20	11	-	-	-		
9 9240	05000 - Roofing	460 - Pitched: Dimensional Composition	750 Squares-	461,250	20	12	-	-	-		
10 9290	05000 - Roofing	470 - Pitched: Dimensional Composition	750 Squares-	461,250	20	13	-	-	-		
				2,186,678			26,000	6,560	-		

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Section 6

Study Format

BRG will provide pdf's of the reserve study. The expense forecast and the funding plan, as well as some planning worksheets can be provided by BRG to the client at no additional cost in an Excel worksheet. These worksheets are not a reserve study tool that will allow the client to run reserve study updates without BRG. They are designed for the client to be able to sort the reports and do other tasks that may be needed.

BRG is more than happy for a year after this process begins to run as many updates or scenarios and even "what-if" options at no extra charge. The off year updates are only a nominal fee as referenced in the "Reserve Study Update Costs" in Section 5, so this incentivizes the client to use professionals for the reserve study update process.

BRG is of the opinion that the client owns the right to its data and BRG owns the format of the reserve study. BRG provides in every reserve study, a tabular listing of all of the metrics of the major reserve components. By providing this tabular listing, the client can easily have access to their data and/or provide it to another reserve study firm to make their job easier, should they get the next reserve study contract. See Section VII of the BRG sample. Not all reserve study firms provide this tabular listing, even though its inclusion is required in the CAI National Standards.

BRG can even insert the general ledger (GL) account numbers in the study for each component, or inventory numbers, if provided to BRG during the process. This can be done at no extra cost to make it easy to reference the reserve study to the financial statements. See below.

Sample Component Tabular Listing

Component	Current Replacement Cost	Useful Life	Remaining Life	Quantity	Cost/ U of M	Treatment	Location	Assoc. GL Number
01000 - Paving								
100 - Asphalt: Sealing	\$9,953	5	2	82,940	\$.12/SqFt		Streets & Parking	5400
200 - Asphalt: Ongoing Repairs	\$4,043	5	2	82,940	\$3.25/SqFt (2%)		Streets & Parking	5400
300 - Asphalt: Petromat Overlay	\$120,263	25	11	82,940	\$1.45/SqFt		Streets & Parking	5400
800 - Striping	\$895	5	2	1	\$895/LS		Streets & Parking	5400
02000 - Concrete								
200 - Sidewalks, Curbs & Gutters	\$6,400	3	1	20,000	\$16.00/SqFt (2%)		Ongoing	5501
200 - Walkways	\$17,624	5	2	22,030	\$16.00/SqFt (5%)		Walkways	5500
03000 - Painting: Exterior								
100 - Surface Restoration	\$156,500	6	3	100	\$1,565/Ut		Units	5105
350 - Touch-Up	\$26,000	6	0	100	\$260/Ut		Units- Ongoing	5110
05000 - Roofing								
440 - Pitched: Dimensional Composition	\$461,250	20	10	750	\$615/Sqrs		Style A Homes; Incl Gutters & DS	5200
450 - Pitched: Dimensional Composition	\$461,250	20	11	750	\$615/Sqrs		Style B Homes; Incl Gutters & DS	5230
460 - Pitched: Wood Shake: Medium	\$461,250	20	12	750	\$615/Sqrs		Style C Homes; Incl Gutters & DS	5240
470 - Pitched: Wood Shake: Medium	\$461,250	20	13	750	\$615/Sqrs		Style D Homes; Incl Gutters & DS	5250

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Section 7

Credentials & Affiliations

The Browning Reserve Group is one of the nation's premier Reserve Study providers, and we are proud of our professional affiliations and to have earned the following prestigious designations:

- Association of Professional Reserve Analyst, Professional Reserve Analyst (PRA).
- Community Associations Institute, Reserve Specialist (RS).
- Nevada Real Estate Department, Reserve Study Specialist (RSS). *RSS 005 & RSS 047 RSS 105*
- California licensed general contractor. #768851
- Community Associations Institute, Professional Community Association Manager (PCAM).
- Published in community organization newsletters.
- Leadership positions in national community and Reserve Study organizations.
- Expert speaker at national community organization seminars.
- Produced over 10,000 reserve studies.
- 1,800 HOA, condo, special district (parks), commercial, school, church and other clients.

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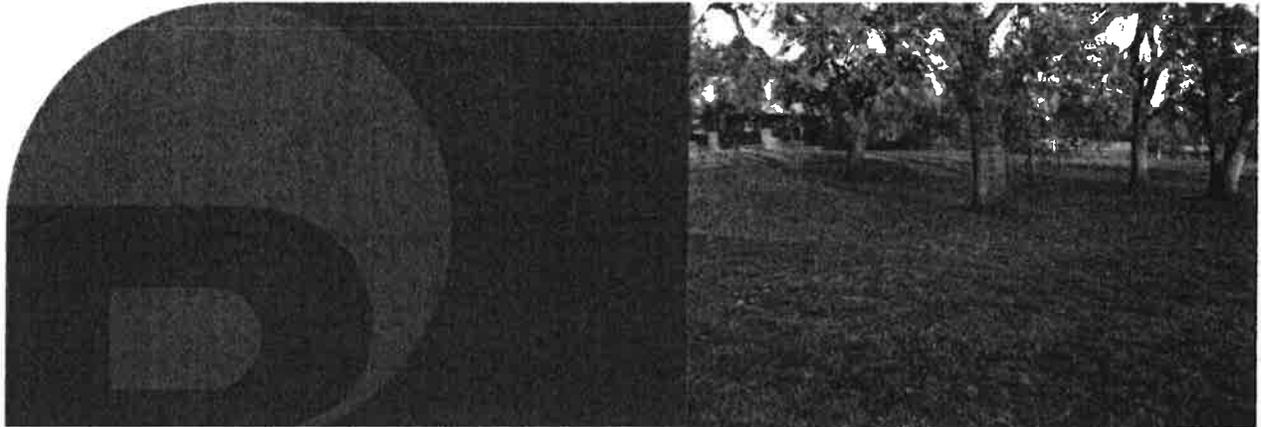
BRG Sample Study

In this section, please find a full size sample BRG reserve study.

Notes about Sample Reserve Study

The BRG Sample study is an example of our work for homeowner associations. The "Member Distribution Materials" are required by law and tailored for each state as indicated above. For projects that are not community associations, the member distribution materials may not be included unless requested by the client. BRG can discuss options that are available for transmitting the results of the reserve study to members, owners, shareholders and/or other stakeholders with an interest in the project.

For our community association clients, please also note that the member distribution materials are contained in a standalone, pull out section at the back of the study. No need to remove sections of the study for mailings to the members. BRG even provides a cover with a picture and a table of contents of the member materials. Finally, the cover can be branded with the management company's logo where appropriate to show the members that BRG, the project and management are a team working together, in the best interests of the community. Please see our member disclosures in the sample study below and a preview in Section 6 above.



RESERVE STUDY

Full Study

Sample Park District

Final

Published - April 26, 2012

Prepared for the 2013 Fiscal Year

Browning Reserve Group

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Sample Park District

Final

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Sample Park District

Final

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Reserve Study Summary

A Reserve Study was conducted of Sample Park District (the "**District**"). A **Full Study** includes an on-site review upon where the following tasks are performed:

- development of a reserve component inventory;
- condition assessment based upon on-site visual observation;
- life and valuation estimates;
- fund status;
- and a funding plan.

Physical Inspection

Browning Reserve Group ("**BRG**") conducted a physical inspection of the District. The inspection encompassed those major components that the District is required to maintain. For this study components are determined to be major components if:

1. As of the date of the study, they have a remaining useful life of less than 30 years, and a value greater than \$1,000.
2. Such additional components, if any, determined by the Project Manager.

During the inspection, BRG utilized the services of our own construction cost estimator. In addition, independent contractors were retained to render opinions on selected components as indicated in Section VI, Included Component Listing.

Supplemental information to the physical inspection may have been obtained from the following sources:

1. Project plans where available.
2. Maintenance records of the reserve components where available.
3. District board members, management and staff.

Summary of Reserves

For the first year of the Reserve Study, the reserve contribution is based upon the existing budget unless otherwise noted in "Section III, Reserve Funding Plan." In addition BRG relied on the District to provide an accurate Beginning Reserve Balance.

The status of the District's reserves, as reflected in the following Reserve Study, is as follows:

1. The Expenditure Forecast of the following Reserve Study identifies the major components which the District is obligated to repair, replace, restore or maintain, as determined in accordance with the criteria specified above, and specifies for each such component:
 - a. Its current estimated replacement cost;
 - b. Its estimated useful life; and
 - c. Its estimated remaining useful life.
2. It is estimated that the total cash reserves necessary to repair, replace, restore or maintain such major components (in the aggregate) during and at the end of their first remaining useful life is \$379,432.
 - [For purposes of this calculation, "necessary" is defined as the Fully Funded Balance (FFB) (Component Current Cost X Effective Age / Useful Life, including a provision for interest and inflation in future years.)]
3. The current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain such major components as of the fiscal year ending December 31, 2013 is estimated to be \$208,720, constituting 55.0% of the total expenditures anticipated for all such major components through their first end of useful life replacement.
4. Based upon the schedule of annual reserve contributions necessary to defray the cost of repairing, replacing, restoring or maintaining such major components in the years such expenditures are estimated to be required, it is estimated that annual reserve contributions in the initial amount of \$45,810 [*\$3,817.50 per Lot per month (average)*] for the fiscal year ending December 31, 2013 (the first full fiscal year following first distribution of this report) will be necessary in order to meet all such reserve expenditures when they are projected to come due.

Funding Assessment

Based on the 30 year cash flow projection, the District's reserves appear adequately funded as the reserve fund ending balances remain positive throughout the replacement of all major components during the next 30 years.

California statute imposes no reserve funding level requirements nor does it address funding level adequacy, and although one or more of the reserve fund percentages expressed in this report may be less than one hundred percent, those percentages do not necessarily indicate that the District's reserves are inadequately funded.

Percent Funded Status

Based on paragraphs 1 - 3 above, the District is 55.0% funded. The following scale can be used as a measure to determine the association's financial picture whereas the lower the percentage, the higher the likelihood of the District requiring a special assessment, or other large increases to the reserve contribution in the future.



Methodology

The above recommended reserve contribution for the next fiscal year (and future fiscal years as outlined in *Section III, Reserve Fund Balance Forecast*) was developed using the cash flow method. This is a method of developing a reserve funding plan where the contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Funding Goals

The funding goal employed for Sample Park District is

Threshold Funding: Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than "Fully Funding."

Limitations

The intention of the Reserve Study is to forecast the District's ability to repair or replace major components as they wear out in future years. The Reserve Study is not an engineering report, and no destructive testing was performed. The costs outlined in the study are for budgetary and planning purposes only, and actual bid costs would depend upon the defined scope of work at the time repairs are made. Also, any latent defects are excluded from this report.

Compliance

The Reserve Study was conducted pursuant with standards set forth by the Community Associations Institute (CAI) and the Association of Professional Reserve Analysts (APRA).

Supplemental Disclosures

General:

BRG has no other involvement(s) with the District which could result in actual or perceived conflicts of interest.

Personnel Credentials:

BRG is a licensed general building contractor in California, #768851, and the owner, Robert W. Browning, holds the Reserve Specialist designation, #46 from the Community Associations Institute.

Completeness:

BRG has found no material issues which, if not disclosed, would cause a distortion of the District's situation.

Reliance on Client Data:

Information provided by the official representative of the District regarding financial, physical, quantity, or historical issues will be deemed reliable by BRG.

Scope:

This Reserve Study is a reflection of information provided to BRG and assembled for the District's use, not for the purpose of performing an audit, quality/forensic analysis, health and safety inspection, or background checks of historical records.

Reserve Balance:

The actual beginning reserve fund balance in this Reserve Study is based upon information provided and was not audited.

Reserve Projects:

Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project audit, quality inspection, or health and safety review.



Browning Reserve Group



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Section II
Sample Park District

30 Year Expense Forecast - Detailed
Final

Prepared for the 2013 Fiscal Year

Reserve Component	Current Life		Replacement Useful /														
	Cost	Remaining	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
01000 - Paving																	
100 - Asphalt: Sealing 18,030 Sq. Ft. Trail System A	2,705	5 0	2,705					3,060					3,462				
110 - Asphalt: Sealing 19,956 Sq. Ft. Trail System B	2,993	5 1	3,068						3,471					3,928			
400 - Asphalt: Major Repairs 18,030 Sq. Ft. Trail System A	270,450	25 10											346,199				
460 - Asphalt: Major Repairs 19,950 Sq. Ft. Trail System B	299,250	25 15															
Total 01000 - Paving	575,398		2,705	3,068			3,060		3,471				349,661	3,928			
03000 - Painting: Exterior																	
120 - Surface Restoration 5 Shade Structures at Parkways	4,361	5 1	4,470						5,058					5,723			
124 - Surface Restoration 24 Street Lights	38,400	10 6							44,532								
410 - Wrought Iron 180 Lin. Ft. Parkway Bordering Main Street	538	4 2			566				624				689				761
Total 03000 - Painting: Exterior	43,300		4,470		566				50,215				689	5,723			761
19000 - Fencing																	
240 - Wrought Iron 180 Lin. Ft. Parkway Bordering Main Street	7,200	30 23															
Total 19000 - Fencing	7,200																
30000 - Miscellaneous																	
880 - Vehicle 2 - 2008 Security Vehicles	48,000	8 3				51,691								62,980			
Total 30000 - Miscellaneous	48,000					51,691								62,980			
Total Expenditures Inflated @ 2.50%			2,705	7,539	566	51,691	0	3,060	53,686	0	0	0	350,350	72,630	0	0	761
Total Current Replacement Cost	673,898																

Sample Park District
30 Year Expense Forecast - Detailed

Prepared for the 2013 Fiscal Year
Final

Reserve Component	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
01000 - Paving															
100 - Asphalt: Sealing															
18,030 Sq. Ft. Trail System A	3,917					4,432					5,014				
110 - Asphalt: Sealing		4,444					5,028					5,688			
19,956 Sq. Ft. Trail System B															
400 - Asphalt: Major Repairs															
18,030 Sq. Ft. Trail System A	433,403														
460 - Asphalt: Major Repairs															
19,950 Sq. Ft. Trail System B															
Total 01000 - Paving	437,320	4,444				4,432	5,028				5,014	5,688			
03000 - Painting: Exterior															
120 - Surface Restoration		6,475					7,325								
5 Shade Structures at Parkways															
124 - Surface Restoration		57,005													
24 Street Lights								927							
410 - Wrought Iron				840											
180 Lin. Ft. Parkway Bordering Main Street															
Total 03000 - Painting: Exterior	63,480			840			7,325	927							82,282
19000 - Fencing															
240 - Wrought Iron									12,705						
180 Lin. Ft. Parkway Bordering Main Street															
Total 19000 - Fencing									12,705						
30000 - Miscellaneous															
880 - Vehicle					76,735									93,494	
2 - 2008 Security Vehicles														93,494	
Total 30000 - Miscellaneous					76,735									93,494	
Total Expenditures Inflated @ 2.50%	437,320	67,923	0	840	76,735	4,432	12,353	927	12,705	0	5,014	87,971	93,494	0	0



Section III
Sample Park District
30 Year Reserve Funding Plan Cash Flow Method
Final
Prepared for the 2013 Fiscal Year

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Beginning Balance	120,000 ¹	165,824	208,720	260,583	262,828	318,332	373,006	378,685	439,776	503,325
Inflated Expenditures @ 2.5%	2,705	7,539	566	51,691	0	3,060	53,686	0	0	0
Reserve Contribution	45,000	45,810	46,635	47,474	48,329	49,199	50,085	50,987	51,905	52,839
<i>Lot/month @ 1</i>	3,750.00	3,817.50	3,886.25	3,956.17	4,027.42	4,099.92	4,173.75	4,248.92	4,325.42	4,403.25
<i>Percentage Increase</i>		1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	3,529	4,624	5,794	6,462	7,175	8,535	9,280	10,104	11,643	13,244
Ending Balance	165,824	208,720	260,583	262,828	318,332	373,006	378,685	439,776	503,325	569,407

1) Beginning balance is from the District.

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Beginning Balance	569,407	283,375	272,364	335,614	401,460	469,217	97,704	91,989	155,996	221,863
Inflated Expenditures @ 2.5%	350,350	72,630	0	0	761	437,320	67,923	0	840	76,735
Reserve Contribution	53,790	54,758	55,744	56,747	57,768	58,808	59,867	60,945	62,042	63,159
<i>Lot/month @ 1</i>	4,482.50	4,563.17	4,645.33	4,728.92	4,814.00	4,900.67	4,988.92	5,078.75	5,170.17	5,263.25
<i>Percentage Increase</i>	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	10,528	6,861	7,506	9,100	10,749	6,999	2,342	3,062	4,665	5,377
Ending Balance	283,375	272,364	335,614	401,460	469,217	97,704	91,989	155,996	221,863	213,664

	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Beginning Balance	213,664	279,618	340,372	415,407	481,606	563,560	643,745	643,222	638,397	729,442
Inflated Expenditures @ 2.5%	4,432	12,353	927	12,705	0	5,014	87,971	93,494	0	0
Reserve Contribution	64,296	65,453	66,631	67,830	69,051	70,294	71,559	72,847	74,158	75,493
<i>Lot/month @ 1</i>	5,358.00	5,454.42	5,552.58	5,652.50	5,754.25	5,857.83	5,963.25	6,070.58	6,179.83	6,291.08
<i>Percentage Increase</i>	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	6,090	7,654	9,331	11,074	12,903	14,905	15,888	15,822	16,887	19,180
Ending Balance	279,618	340,372	415,407	481,606	563,560	643,745	643,222	638,397	729,442	824,114

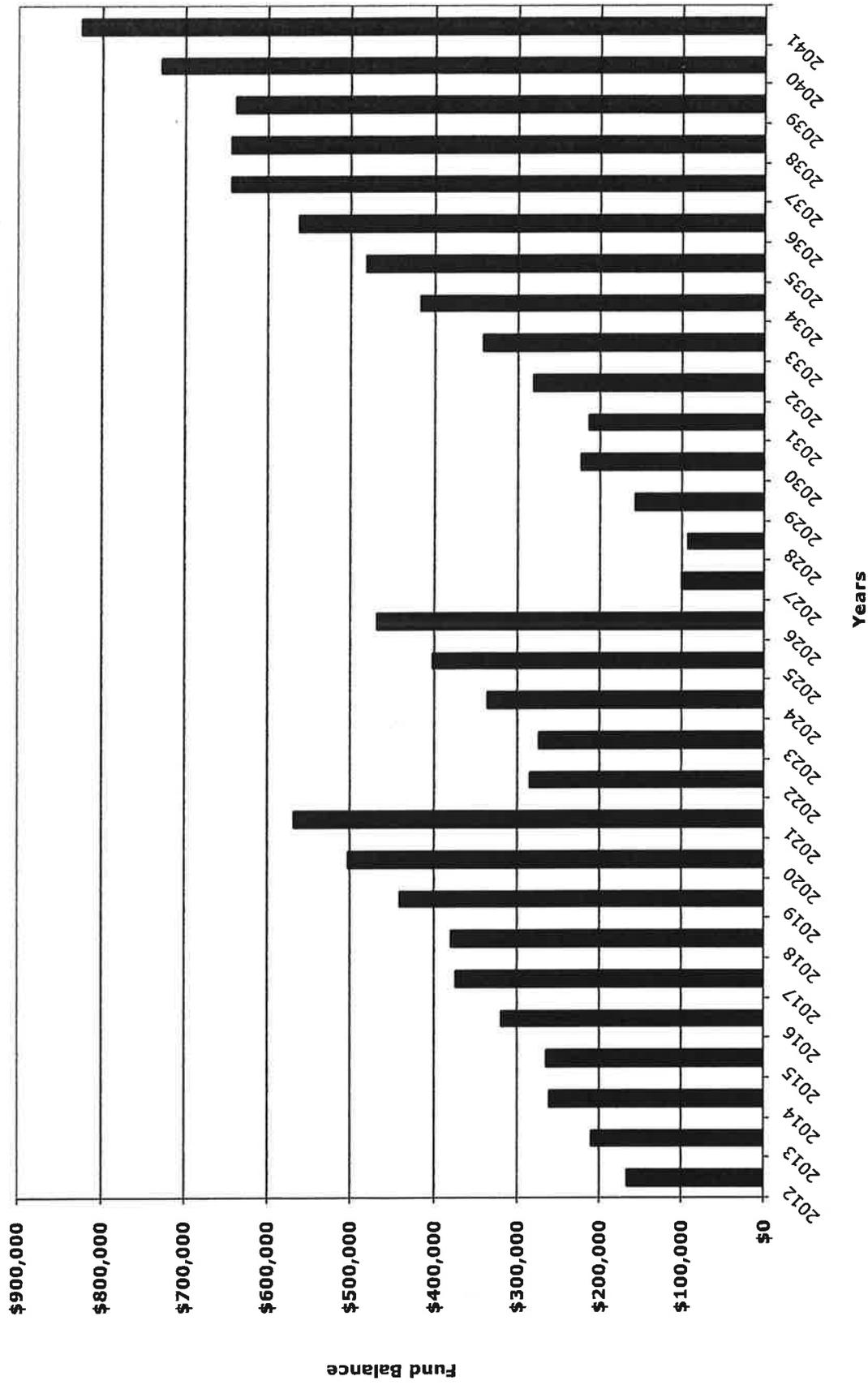


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Section III-a
Sample Park District

30 Year Reserve Funding Plan Cash Flow Method - Ending Balances

Final
Prepared for the 2013 Fiscal Year





Section IV
Sample Park District

30 Year Reserve Funding Plan Including Fully Funded Balance and % Funded

Prepared for the 2013 Fiscal Year
Final

Year	Beginning Balance	Fully Funded Balance	Percent Funded	Inflated Expenditures @ 2.50%	Reserve Contribution	Special Assessments & Other Contributions	Interest	Ending Balance
2012	120,000	337,868	49.1%	2,705	45,000	0	3,529	165,824
2013	165,824	379,432	55.0%	7,539	45,810	0	4,624	208,720
2014	208,720	417,978	62.3%	566	46,635	0	5,794	260,583
2015	260,583	465,554	56.5%	51,691	47,474	0	6,462	262,828
2016	262,828	462,859	68.8%	0	48,329	0	7,175	318,332
2017	318,332	514,046	72.6%	3,060	49,199	0	8,535	373,006
2018	373,006	564,367	67.1%	53,686	50,085	0	9,280	378,685
2019	378,685	565,070	77.8%	0	50,987	0	10,104	439,776
2020	439,776	621,858	80.9%	0	51,905	0	11,643	503,325
2021	503,325	681,133	83.6%	0	52,839	0	13,244	569,407
2022	569,407	742,983	38.1%	350,350	53,790	0	10,528	283,375
2023	283,375	448,390	60.7%	72,630	54,758	0	6,861	272,364
2024	272,364	432,245	77.6%	0	55,744	0	7,506	335,614
2025	335,614	491,319	81.7%	0	56,747	0	9,100	401,460
2026	401,460	553,076	84.8%	761	57,768	0	10,749	469,217
2027	469,217	616,834	15.8%	437,320	58,808	0	6,999	97,704
2028	97,704	235,981	39.0%	67,923	59,867	0	2,342	91,989
2029	91,989	225,538	69.2%	0	60,945	0	3,062	155,996
2030	155,996	285,787	77.6%	840	62,042	0	4,665	221,863
2031	221,863	348,047	61.4%	76,735	63,159	0	5,377	213,664
2032	213,664	335,470	83.4%	4,432	64,296	0	6,090	279,618
2033	279,618	398,124	85.5%	12,353	65,453	0	7,654	340,372
2034	340,372	455,695	91.2%	927	66,631	0	9,331	415,407
2035	415,407	527,924	91.2%	12,705	67,830	0	11,074	481,606
2036	481,606	591,431	95.3%	0	69,051	0	12,903	563,560
2037	563,560	671,132	95.9%	5,014	70,294	0	14,905	643,745
2038	643,745	749,309	85.8%	87,971	71,559	0	15,888	643,222
2039	643,222	746,072	85.6%	93,494	72,847	0	15,822	638,397
2040	638,397	738,799	98.7%	0	74,158	0	16,887	729,442
2041	729,442	828,923	99.4%	0	75,493	0	19,180	824,114



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Section V
Sample Park District

Reserve Fund Balance Forecast Component Method
Final

Prepared for the 2013 Fiscal Year

Reserve Component	Current Repl. Cost	Useful Life	Remaining Life	Estimated Future Replacement Costs	Per Year	2012 Fully Funded Balance	2013 Fully Funded Balance	% Per Year Straight Line	2013 Line Item Contribution Based on Cash Flow Method
01000 - Paving									
100 - Asphalt: Sealing 18,030 Sq. Ft. Trail System A	2,705	5	0	2,705	541	2,705	554	1.21%	554
110 - Asphalt: Sealing 19,956 Sq. Ft. Trail System B	2,993	5	1	3,068	614	2,395	3,068	1.37%	629
400 - Asphalt: Major Repairs 18,030 Sq. Ft. Trail System A	270,450	25	10	346,199	13,848	162,270	177,415	30.97%	14,188
460 - Asphalt: Major Repairs 19,950 Sq. Ft. Trail System B	299,250	25	15	433,403	17,336	119,700	134,962	38.77%	17,762
Sub-total [01000 - Paving]	575,398			785,375	32,339	287,069	316,000	72.33%	33,133
03000 - Painting: Exterior									
120 - Surface Restoration 5 Shade Structures at Parkways	4,361	5	1	4,470	894	3,489	4,470	2.00%	916
124 - Surface Restoration 24 Street Lights	38,400	10	6	44,532	4,453	15,360	19,680	9.96%	4,563
410 - Wrought Iron 180 Lin. Ft. Parkway Bordering Main Street	538	4	2	566	141	269	414	0.32%	145
Sub-total [03000 - Painting: Exterior]	43,300			49,568	5,489	19,118	24,564	12.28%	5,623
19000 - Fencing									
240 - Wrought Iron 180 Lin. Ft. Parkway Bordering Main Street	7,200	30	23	12,705	424	1,680	1,968	0.95%	434
30000 - Miscellaneous									
880 - Vehicle 2 - 2008 Security Vehicles	48,000	8	3	51,691	6,461	30,000	36,900	14.45%	6,620
Totals	673,898			899,339	44,712	337,868	379,432	100.00%	45,810
						[A]	[B]		
						[EndBal]	[EndBal]		
						[A]	[B]		
Percent Funded						49.08%	55.01%		

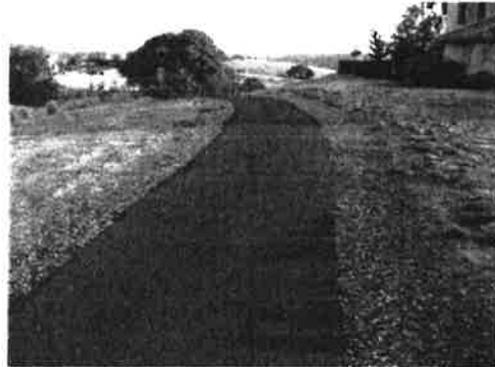
01000 - Paving

100 - Asphalt: Sealing	Useful Life 5	Remaining Life 0
18,030 Sq. Ft. Trail System A	Quantity 18,030	Unit of Measure Square Feet
	Cost /SqFt \$0.150	
	% Included 100.00%	Total Cost/Study \$2,705
Summary	Replacement Year 2012	Future Cost \$2,704

This is to apply a single coat asphalt emulsion product. Includes asphalt surface preparation prior to application. If a second coat is desired the cost is generally 10% to 20% higher.

Trail is 6' wide trail and 3,005 lf.

Typical Trail Condition



Costing provided by Blackrock Paving, Inc.

General Ledger No. 5000

01000 - Paving

110 - Asphalt: Sealing	Useful Life 5	Remaining Life 1
19,956 Sq. Ft. Trail System B	Quantity 19,956	Unit of Measure Square Feet
	Cost /SqFt \$0.150	
	% Included 100.00%	Total Cost/Study \$2,993
Summary	Replacement Year 2013	Future Cost \$3,068

This is to apply a single coat asphalt emulsion product. Includes asphalt surface preparation prior to application. If a second coat is desired the cost is generally 10% to 20% higher.

Trail is 6' wide trail and 3,326 lf.



Costing provided by Breault Asphalt Maintenance, Inc.

General Ledger No. 5000

400 - Asphalt: Major Repairs	Useful Life 25	Remaining Life 10
18,030 Sq. Ft. Trail System A	Quantity 18,030	Unit of Measure Square Feet
	Cost /SqFt \$15.00	
	% Included 100.00%	Total Cost/Study \$270,450
Summary	Replacement Year 2022	Future Cost \$346,199

This is for major excavation, recompaction and installation of new hot asphalt to selected areas.



General Ledger No. 5020

01000 - Paving

460 - Asphalt: Major Repairs	Useful Life 25	Remaining Life 15
19,950 Sq. Ft. Trail System B	Quantity 19,950	Unit of Measure Square Feet
	Cost /SqFt \$15.00	
	% Included 100.00%	Total Cost/Study \$299,250
Summary	Replacement Year 2027	Future Cost \$433,403

This is for major excavation, recompaction and installation of new hot asphalt to selected areas.



General Ledger No. 5020

03000 - Painting: Exterior

120 - Surface Restoration	Useful Life 5	Remaining Life 1
5 Shade Structures at Parkways	Quantity 5	Unit of Measure Items
	Cost /Itm \$872	
	% Included 100.00%	Total Cost/Study \$4,361
Summary	Replacement Year 2013	Future Cost \$4,470

This is to paint with a premium acrylic paint. Includes standard preparation, power washing, sanding, scraping and caulking as needed.



Costing provided by Cal-Pro Painting

General Ledger No. 5030

03000 - Painting: Exterior

124 - Surface Restoration	Useful Life 10	Remaining Life 6
24 Street Lights	Quantity 24	Unit of Measure Items
	Cost /itm \$1,600	
	% Included 100.00%	Total Cost/Study \$38,400
Summary	Replacement Year 2018	Future Cost \$44,532

This is to paint the street lights. Includes standard preparation, power washing, sanding and scraping as needed.

Costing provided by Empire Community Painting

General Ledger No. 5030

410 - Wrought Iron	Useful Life 4	Remaining Life 2
180 Lin. Ft. Parkway Bordering Main Street	Quantity 180	Unit of Measure Linear Feet
	Cost /l.f. \$2.99	
	% Included 100.00%	Total Cost/Study \$538
Summary	Replacement Year 2014	Future Cost \$566

This is to paint the wrought iron. Includes preparation, sanding, scraping and primer as necessary.



Costing provided by Draeger Construction, Inc.

General Ledger No. 5030

19000 - Fencing

240 - Wrought Iron	Useful Life 30	Remaining Life 23
180 Lin. Ft. Parkway Bordering Main Street	Quantity 180	Unit of Measure Linear Feet
	Cost /l.f. \$40.00	
	% Included 100.00%	Total Cost/Study \$7,200

Summary	Replacement Year 2035	Future Cost \$12,705
---------	-----------------------	----------------------

This is to replace the wrought iron fence. With aggressive paint maintenance, this component's life may be extended. Painting is provided for within another component.

Placed in service approximately 2005.



General Ledger No. 5040

30000 - Miscellaneous

880 - Vehicle	Useful Life 8	Remaining Life 3
2 - 2008 Security Vehicles	Quantity 2	Unit of Measure Items
	Cost /itm \$24,000	
	% Included 100.00%	Total Cost/Study \$48,000

Summary	Replacement Year 2015	Future Cost \$51,691
---------	-----------------------	----------------------

This is to replace the two security vehicles per client direction. Cost from Ford Motor Co.

2007 Ford Escape Model.

Security Vehicles as of 2012



General Ledger No. 5060



Section VI
Sample Park District
Component Tabular Listing
Financial
Prepared for the 2013 Fiscal Year
Included Component

Component	Replacement Cost	Useful Life	Remaining Life	Quantity	Cost/ U of M	Treatment	Location	General Ledger No.
01000 - Paving								
100 - Asphalt: Sealing	\$2,705	5	0	18,030	\$.15/SqFt		Trail System A	5000
110 - Asphalt: Sealing	\$2,993	5	1	19,956	\$.15/SqFt		Trail System B	5000
400 - Asphalt: Major Repairs	\$270,450	25	10	18,030	\$15.00/SqFt		Trail System A	5020
460 - Asphalt: Major Repairs	\$299,250	25	15	19,950	\$15.00/SqFt		Trail System B	5020
03000 - Painting: Exterior								
120 - Surface Restoration	\$4,361	5	1	5	\$872/Itm		Shade Structures at Parkways	5030
124 - Surface Restoration	\$38,400	10	6	24	\$1,600/Itm		Street Lights	5030
410 - Wrought Iron	\$538	4	2	180	\$2.99/l.f.		Parkway Bordering Main Street	5030
19000 - Fencing								
240 - Wrought Iron	\$7,200	30	23	180	\$40.00/l.f.		Parkway Bordering Main Street	5040
30000 - Miscellaneous								
880 - Vehicle	\$48,000	8	3	2	\$24,000/Itm		- 2008 Security Vehicles	5060

<i>Reserve Component</i>	<i>Life Useful</i>	<i>Current Replacement Cost</i>	<i>Forecast Inflated Cost @ 2.50%</i>
2012			
01000 - Paving			
100 - Asphalt: Sealing 18,030 Sq. Ft. Trail System A	5	2,704	
Total 2012:		<u>2,704</u>	
2013			
01000 - Paving			
110 - Asphalt: Sealing 19,956 Sq. Ft. Trail System B	5	2,993	3,068
03000 - Painting: Exterior			
120 - Surface Restoration 5 Shade Structures at Parkways	5	4,361	4,470
Total 2013:		<u>7,354</u>	<u>7,538</u>
2014			
03000 - Painting: Exterior			
410 - Wrought Iron 180 Lin. Ft. Parkway Bordering Main Street	4	538	566
Total 2014:		<u>538</u>	<u>566</u>
2015			
30000 - Miscellaneous			
880 - Vehicle 2 - 2008 Security Vehicles	8	48,000	51,691
Total 2015:		<u>48,000</u>	<u>51,691</u>



Section VII-b
 Sample Park District
Component / Asset # Cross Reference
 Final
 Prepared for the 2013 Fiscal Year
Asset # - to - Reserve Components

Level Major Sub-Component	General Ledger No.
00000 - Default No Levels	
01000 - Paving	
100 - Asphalt: Sealing	5000
110 - Asphalt: Sealing	5000
400 - Asphalt: Major Repairs	5020
460 - Asphalt: Major Repairs	5020
03000 - Painting: Exterior	
120 - Surface Restoration	5030
124 - Surface Restoration	5030
410 - Wrought Iron	5030
19000 - Fencing	
240 - Wrought Iron	5040
30000 - Miscellaneous	
880 - Vehicle	5060
18,030 Sq. Ft. Trail System A	
19,956 Sq. Ft. Trail System B	
18,030 Sq. Ft. Trail System A	
19,950 Sq. Ft. Trail System B	
5 Shade Structures at Parkways	
24 Street Lights	
180 Lin. Ft. Parkway Bordering Main Street	
180 Lin. Ft. Parkway Bordering Main Street	
2 - 2008 Security Vehicles	

Asset # - to - Reserve Components

General Ledger No. Reserve Component	Level
5000	
01000 - Paving	00000 - Default No Levels
01000 - Paving	00000 - Default No Levels
5020	
01000 - Paving	00000 - Default No Levels
01000 - Paving	00000 - Default No Levels
5030	
03000 - Painting: Exterior	00000 - Default No Levels
03000 - Painting: Exterior	00000 - Default No Levels
03000 - Painting: Exterior	00000 - Default No Levels
5040	
19000 - Fencing	00000 - Default No Levels
5060	
30000 - Miscellaneous	00000 - Default No Levels

Blackrock Paving, Inc.

P.O. Box 322
Rocklin, CA 95677

Phone: (916) 368-6076

License #: 696040

01000 - Paving

100 - Asphalt: Sealing

Trail System A

Breault Asphalt Maintenance, Inc.

8234 Galena Avenue
Sacramento, CA 95828

Phone: (916) 379-9769

License #: 827350

01000 - Paving

110 - Asphalt: Sealing

Trail System B

Cal-Pro Painting

5325 Elkhorn Blvd., #316
Sacramento, CA 95842

Phone: (916) 439-2973

License #: 722810

03000 - Painting: Exterior

120 - Surface Restoration

Shade Structures at Parkways

Draeger Construction, Inc.

2325 El Camino Avenue
Sacramento, CA 95821

Phone: (916) 646-6400

License #:

03000 - Painting: Exterior

410 - Wrought Iron

Parkway Bordering Main Street

Empire Community Painting

3323 Watt Ave
Ste 297
Sacramento, CA 95816

Phone: (888) 278-8200

License #: 943059

03000 - Painting: Exterior

124 - Surface Restoration

Street Lights

This report is intended to assist the auditor while preparing the audit, review or compilation of Sample Park District's (the "District") financial documents.

Browning Reserve Group ("BRG") prepared a reserve study for the District during the 2012 fiscal year. This was done to help determine the District's reserve contribution for the next fiscal year (2013) and future fiscal years. In addition, BRG prepared reserve fund disclosures for distribution to the District members.

This Reserve Study is a Full Study. A **Full Study** includes an on-site review upon where the following tasks are performed:

- development of a reserve component inventory;
- condition assessment based upon on-site visual observation;
- life and valuation estimates;
- fund status;
- and a funding plan. Please note, in order to complete these study tasks, one or more visits were conducted by BRG to Sample Park District.

For BRG reserve studies, the year in which the study is being conducted, is the first year of the study. For example, this study is being prepared during 2012 and is the District's first year in the study. This enables BRG to use a starting point which ties to the last audited financial statement, December 31, 2011. You will notice in Section III, Reserve Fund Balance Forecast, a Beginning Reserve Balance of \$120,000 is being used which ties to the last completed audit or review of the District's financial statements. BRG then re-builds the first year of the study, in this case 2012, and estimates an ending reserve fund balance. Again, see Section III and the 2012 ending reserve balance estimate of \$165,824.

"Re-building" the first year of the study as mentioned above simply means using the 2012 adopted budget for the 2012 reserve contribution. Finally, the 2012 reserve expenses both actual and projected are estimated.

We find by using the above method a more accurate reserve study is possible because the beginning reserve fund balance ties directly to the District's audited financial statement or, in the absence of an audit or review, the year end balance sheet. There is no need to rely on others for determining mid year reserve balances or estimating current year ending reserve balances. This approach forces all involved, to look at the current year's reserve fund activities so a more accurate ending reserve fund balance can be estimated.

With respect to the reserve component information on the next page/s, here are the calculations:

$$\text{FFB} = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$$
$$\% \text{ Funded} = \text{First Year Estimated Ending Reserve Balance} / \text{FFB}$$

Please see Section V - Reserve Fund Balance Forecast.

Browning Reserve Group

<i>Reserve Component</i>	<i>Current Repl. Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>2012 Fully Funded Balance</i>	<i>2013 Fully Funded Balance</i>	<i>2013 Line Item Contribution based on Cash Flow Method</i>
01000 - Paving						
100 - Asphalt: Sealing 18,030 Sq. Ft. Trail System A	2,705	5	0	2,705	554	554
110 - Asphalt: Sealing 19,956 Sq. Ft. Trail System B	2,993	5	1	2,395	3,068	629
400 - Asphalt: Major Repairs 18,030 Sq. Ft. Trail System A	270,450	25	10	162,270	177,415	14,188
460 - Asphalt: Major Repairs 19,950 Sq. Ft. Trail System B	299,250	25	15	119,700	134,962	17,762
03000 - Painting: Exterior						
120 - Surface Restoration 5 Shade Structures at Parkways	4,361	5	1	3,489	4,470	916
124 - Surface Restoration 24 Street Lights	38,400	10	6	15,360	19,680	4,563
410 - Wrought Iron 180 Lin. Ft. Parkway Bordering Main Street	538	4	2	269	414	145
19000 - Fencing						
240 - Wrought Iron 180 Lin. Ft. Parkway Bordering Main Street	7,200	30	23	1,680	1,968	434
30000 - Miscellaneous						
880 - Vehicle 2 - 2008 Security Vehicles	48,000	8	3	30,000	36,900	6,620
				[A]	[B]	
Totals	673,898			337,868	379,432	45,810
				[EndBal]	[EndBal]	
				[A]	[B]	
Percent Funded				49.08%	55.01%	

Terms & Definitions CAI

CASH FLOW METHOD: A method of developing a Reserve Funding Plan where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.

COMPONENT INVENTORY: The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate representative(s) of the association or cooperative.

COMPONENT METHOD: A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components. See "Cash Flow Method."

COMPONENT: The individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited Useful Life expectancies, 3) predictable Remaining Useful Life expectancies, 4) above a minimum threshold cost, and 5) as required by local codes.

CONDITION ASSESSMENT: The task of evaluating the current condition of the component based on observed or reported characteristics.

CURRENT REPLACEMENT COST: See "Replacement Cost."

DEFICIT: An actual (or projected) Reserve Balance less than the Fully Funded Balance. The opposite would be a Surplus.

EFFECTIVE AGE: The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

FINANCIAL ANALYSIS: The portion of a Reserve Study where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.

FULLY FUNDED BALANCE (FFB): Total Accrued Depreciation. An indicator against which Actual (or projected) Reserve balance can be compared. The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This number is calculated for each component, then summed together for an association total. Two formulae can be utilized, depending on the provider's sensitivity to interest and inflation effects. Note: Both yield identical results when interest and inflation are equivalent.

$$\text{FFB} = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$$

or

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) + \\ [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Interest Rate}) ^ \text{Remaining Life}] - \\ [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Inflation Rate}) ^ \text{Remaining Life}]$$

FULLY FUNDED: 100% Funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

FUND STATUS: The status of the reserve fund as compared to an established benchmark such as percent funding.

FUNDING GOALS: Independent of methodology utilized, the following represent the basic categories of Funding Plan goals:

Baseline Funding: Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.

Full Funding: Setting a Reserve funding goal of attaining and maintaining Reserves at or near 100% funded.

Statutory Funding: Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves required by local statutes.

Threshold Funding: Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than "Fully Funding."

FUNDING PLAN: An association's plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

FUNDING PRINCIPLES:

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

LIFE AND VALUATION ESTIMATES: The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.

PERCENT FUNDED: The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the *actual (or projected)* Reserve Balance to the *Fully Funded Balance*, expressed as a percentage.

PHYSICAL ANALYSIS: The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

REMAINING USEFUL LIFE (RUL): Also referred to as "Remaining Life" (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Projects anticipated to occur in the initial year have "zero" Remaining Useful Life.

REPLACEMENT COST: The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

RESERVE BALANCE: Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts and Cash Reserves. Based upon information provided and not audited.

RESERVE PROVIDER: An individual that prepares Reserve Studies.

RESERVE STUDY: A budget planning tool which identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: the Physical Analysis and the Financial Analysis.

RESPONSIBLE CHARGE: A reserve specialist in responsible charge of a reserve study shall render regular and effective supervision to those individuals performing services which directly and materially affect the quality and competence rendered by the reserve specialist. A reserve specialist shall maintain such records as are reasonably necessary to establish that the reserve specialist exercised regular and effective supervision of a reserve study of which he was in responsible charge. A reserve specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

1. The regular and continuous absence from principal office premises from which professional services are rendered; expect for performance of field work or presence in a field office maintained exclusively for a specific project;
2. The failure to personally inspect or review the work of subordinates where necessary and appropriate;
3. The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review;
4. The failure to personally be available on a reasonable basis or with adequate advance notice for consultation and inspection where circumstances require personal availability.

SPECIAL ASSESSMENT: An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by governing documents or local statutes.

SURPLUS: An actual (or projected) Reserve Balance greater than the Fully Funded Balance. See "Deficit."

USEFUL LIFE (UL): Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

The above terms and definitions are from the Community Associations Institute (CAI) national standards.

Terms & Definitions BRG

Browning Reserve Group reserve studies use several terms that are unique to our reports. Our specialized systems have been developed to offer flexibility in many areas of our reporting. Please see below for definitions of abbreviations and symbols used in many of our reserve studies.

NR-1 (LIMITED RECURRENCE, 1 TIME): This signifies a major reserve component recurs for only a fixed number of cycles. Most often used to display a cost in a specific year only, NR-1 signifies the component only occurs one time. An NR-2 means the component will display for two cycles and so on. This makes it easy to enter one-time costs that pop up from time to time, or to display a cost that may be unique at one replacement date only.

SE-2 (SPREAD EVENLY OVER 2 YEARS): This signifies the major component, when replaced is spread evenly over 2 or more years. For example if a component will be replaced in year 8 of the study, and there is a SE-2, then the component will be replaced over 2 years, year 8 and year 9. Although the component is split over 2 or more years, each subsequent year will increase by the study's inflation factor. An SE-3 signifies the component is split over three years and so on.

NSE-2 (SPREAD NON-EVENLY OVER 2 YEARS): Similar to above, but the spread is not equal in each year. The spread is entered at a different amount for each year in the spread. The total of the spread will always equal 100% of the total replacement cost, excluding inflation.

% (PERCENT TO INCLUDE): This signifies that the component is being replaced at less than 100 percent of its replacement cost or quantity. Perhaps a component is replaced partially at each replacement year. Another example would be to do a small portion of the work at each replacement year. Oftentimes wood fencing is replaced over several cycles, and the study will display a percentage of the fence at each replacement cycle.

DELAYED START (REMAINING LIFE GREATER THAN USEFUL): In many instances a component's replacement cycle may not begin immediately, so the replacement cycle start is delayed. Delay is accomplished by setting the remaining life greater than the useful life.

ZERO REMAINING LIFE: Zero remaining life signifies that the component is replaced in the year which the study is prepared. All replacements are reflected in their replacement year, and the year in which the study is prepared is no different than any other year.



May 21, 2015

Project Manager
Pleasant Hill Recreation and Park District
c/o Robert Berggren
147 Gregory Lane
Pleasant Hill, CA 94523

RE: Pleasant Hill Recreation and Park District
Full Study
Proposed Contract

Dear Project Manager:

Browning Reserve Group ("BRG") is pleased to provide this proposed contract to prepare a 30 year full reserve study (the "Reserve Study") for Pleasant Hill Recreation and Park District (the "Project").

Physical Inspection

BRG will conduct a physical inspection of those major components the Project is required to maintain. For the purposes of this study, the following components will be determined to be major components to be included in the study:

1. Those components which, as of the date of the study, have a remaining useful life of less than 30 years, and a value greater than \$1,000; and
2. Those additional components, if any, which are designated as major components by the Project's Project Manager.

During the physical inspection, BRG will utilize the services of our own construction cost estimator. In addition, independent contractors may be retained, at BRG's expense, to render opinions on selected components. It is important to note for component categories having multiple items (e.g., separate roofs, roads, parking lots, etc.) BRG will be looking at each separate item individually. We will not make suppositions on all such items based on the inspection of selected items which may, or may not, be typical of the condition and remaining useful life of all such items.

Selected photographs to illustrate typical situations, and physical inspection field notes in narrative form, will be provided to the Project Manager as part of the final report. Supplemental information to the physical inspection will be obtained from the following sources:

1. Project plans, if available;
2. Maintenance records of the reserve components, if available; and
3. Project Board Members, management and staff.

P. O. Box 60125 / Sacramento, CA 95860
Office (916) 393-0600 Fax (916) 393-0610
California General Contractor's License 768851
Bob@BrowningRG.com / www.BrowningRG.com

Reserve Fund Balance Computation

The study will be prepared as of the last day of the Project's prior fiscal year and include the following:

1. Identification of each major component.
2. An estimate, as of the date of the study, for each identified major component, of that component's total useful life, and its probable remaining useful life.
3. An estimate of the replacement cost of each major component, both at current cost levels and at projected cost levels when the projected repair and/or replacement costs are projected to occur.
4. Information provided by the Project as to:
 - (i) the amount of cash reserves actually available as of the end of its prior fiscal year to repair, replace, restore, or maintain the reserve components; and
 - (ii) the current fiscal year reserve contribution amount per its currently adopted budget.
5. An estimate of the total annual contribution needed, after deducting total reserve funds reported by the Project as being on hand as of the date of the study, to meet the projected reserve expenditures for the major components at the end of their projected useful lives.
6. Calculation of the percentage of funds actually set aside as of the end of the Project's prior fiscal year for reserve requirements to the total funds estimated to be required for reserve expenditures, and estimated to be on hand at the end of the current fiscal year, in relation to the amount determined by allocating reserve contributions on a pro-rata annualized basis over their total estimated useful lives.

The intention of the reserve study is to forecast the Project's ability to repair or replace major components as they wear out in future years, and to provide the Project's, Project Manager with the information necessary to make the reserve projections. The reserve study is not an engineering report.

The costs to be outlined in the study are for budgetary and planning purposes only. Actual bid costs will depend upon the defined scope of work at the time repairs are made, and on actual price levels prevailing at the time that the future repairs must be done. The estimates of future repair costs in the report will be good faith estimates and projections, based upon estimated future inflation rates which may or may not prove accurate. BRG submits the probability it can project in its report, or the Project Manager could project in its disclosures, future costs or actual future remaining useful lives of components having useful lives extending beyond one year with precision is the functional equivalent of winning a lottery (while it may happen in rare instances by chance, one may not reasonably expect it to happen). As a result, BRG cannot, and does not, guaranty its projections. Assumptions on future costs should be reviewed and adjusted on an annualized basis, as future cost projections become less uncertain.

Any latent defects will be excluded from the report. Should BRG find signs of possible latent defects or problems not within the scope of the study, the Project will be notified immediately so the proper experts can be retained by the Project. However, the study will not be designed to uncover all possible latent defects, and the absence of any indications to such effect will not be, and should not be construed to be, an indication there are no defects not so noted, or that BRG warrants the absence of any such defects.

Indemnification

Pleasant Hill Recreation and Park District shall defend, indemnify and hold harmless Browning Reserve Group, its principals, partners, employees, agents, contractors and vendors (individually and collectively, the "Indemnities") from and against all liability, claims, suits, damages, judgments, costs and expenses of whatever nature, including but not limited to construction defect, mold or other claims, attorneys' fees and disbursements to which the Indemnities may become subject by reason of or arising out of any injury to or death of any person(s), damage to the Property, loss of use of any property, or otherwise in connection with the performance or nonperformance of BRG's obligations under this Agreement as related to claims by third parties. The Project shall promptly reimburse the Indemnities for all amounts, including attorneys' fees and disbursements, which the Indemnities are required to pay in connection with or in defense of any of the matters in which the Indemnities are entitled to indemnification as set forth in this Paragraph.

Compensation

BRG will provide the services outlined in this proposed contract for a fee of \$16,000.00. (1) Fifty Percent (50%) of this fee is due upon acceptance of this proposed contract. The balance is due upon acceptance of the final draft or 30 days after delivery of the first draft, whichever occurs first.

It is anticipated it will take 60 days from acceptance of this proposed contract to deliver the first draft to the Project Manager.

This proposed contract will remain binding on BRG for 365 days, after which date it will lapse. Should the Project Manager desire BRG to perform a reserve study for the Project on the foregoing terms, please execute and return one of the duplicate originals of this contract to BRG on or before such date.

Attorneys' Fees and Costs

In the event a dispute arises under, or is related to, this contract and whether or not a lawsuit is filed or commenced, the prevailing party shall be entitled to all fees and costs, including attorneys' fees, incurred to enforce the terms of this contract.

Insurance

BRG shall procure and maintain, at its cost and expense, the following insurance policies: Commercial General Liability Insurance; Workman's Compensation Insurance; Automobile Liability Insurance; and Errors and Omission Insurance. Proof of the preceding insurance coverage will be provided to the Project's Project Manager upon request by the Project to BRG.

Miscellaneous

Modification. No modification of this contract shall be made or effective unless, and until, such modification is executed in writing by BRG and the Project.

Complete Agreement. This contract, including all exhibits referenced and attached hereto, represents the complete understanding of BRG and the Project with respect to its subject matter.

Headings. The headings in this contract are for reference purposes only and shall not affect, in any way, the meaning or interpretation of this contract.

Choice of Law. This contract shall be interpreted and enforced in accordance with the laws of California.

1. The RFP indicated that in addition to the six facilities listed on page 2, there are also 14 parks. This proposal includes the 14 parks. If the intention of the RFP was to NOT include the 14 parks, the cost of this proposal is reduced by \$3,600 down to \$12,400.00.

Should you have any questions, please feel free to contact this office anytime and thank you for giving BRG an opportunity to bid on this project.

Sincerely,

Robert W. Browning

California General Contractor's License 768851

I have reviewed the proposal as outlined above and approve the terms set forth.

BY:

BY:

Robert W. Browning

TITLE:

TITLE: Owner

Pleasant Hill Recreation and Park District

Browning Reserve Group

DATE:

DATE: May 21, 2015

Please answer the following: (Only highlighted items please)

- Directions to Project (or provide one address within the project.)
[_____]
- Fiscal Year-End Month: [_____] Project ZIP Code: [_____]
- Development Type: Condo[___] Planned Development/Community[___]
Apartment[___] Cooperative[___] Other[_____]
- Development Type: _____
- Number of Units: [_____] Number of Buildings: [_____]
- Year Amenities Completed: [_____] Number of Phases: [_____]
- Year Phases Completed:
Phase 1 [_____] Phase 2 [_____] Phase 3 [_____] Phase 4 [_____]
- Name of qualified individual from the Project who may contact BRG for direction:
[_____]

Please provide the following:

- Signed Proposal
- Previous Reserve Study (if available)
- Blueprints (if available - as-builts preferred)
- Site Map (8½" x 11" preferred)
- CC&R's
- Current Budget (Which clearly indicates the **RESERVE CONTRIBUTION.**)
- Current Financial Statement (including Balance Sheet & Income Statement)
- Last Year-End Audit or Review (Or year-end balance sheet if no audit.)
We **MUST** have a starting balance for the reserve fund for this year!
- Common Area Keys: (Pool, Pool Equipment Area, Etc.)
- Security Code for Access to the Project: [_____]
- Retainer Fee Per Proposal in Amount of: **\$8,000.00 or (\$6,200 if 14 Parks not included.)**

Please list contractors:

	Name	Phone Number
Pool:	_____	_____
Landscaping:	_____	_____
Roofing:	_____	_____
Painting:	_____	_____
Paving:	_____	_____
Elevator:	_____	_____
HVAC:	_____	_____
Ponds:	_____	_____
Vehicle Gates:	_____	_____
Other:	_____	_____

Please list any reserve component work planned this year:



MEMORANDUM

TO: Bob Berggren

FROM: Tina Young, Recreation Superintendent; Kendra Luke, SC Supervisor; Sheila Cotruvo, Fundraising Coordinator

DATE: 6/19/15

RE: Wine Women & Shoes 2015 – Final Report and Presentation of Check to Monument Crisis Center

- **Event Details:**
 - Sunday, 5/17/15 from 2pm to 6pm at the Community Center
 - 3rd Party Beneficiary was Monument Crisis Center who receives 20% of the event's net revenue

- **Sponsorship:**
 - 9 paid sponsors (Republic Services, Land Home, Contra Costa Oncology, City of Pleasant Hill, Kathleen Sterks, PH Coin & Jewelry, WAVE, Sunvalley Shopping Center, Union Bank of PH)
 - 2 Grants (Union Bank Foundation and Wells Fargo)
 - 2 media sponsors (Diablo Magazine & The Community Focus)
 - 3 in-kind sponsors (Jack's Restaurant and Bar, Vino Cruising and Digital AVS)

- **Ticket Sales:**
 - \$125 for General Seating / \$1500 for VIP Table (seats 10) / \$400 for Fab Four Package (limited time)
 - SOLD: 16 VIP Tables (Sold Out) – total of 163. 128 General Admission Tickets (18 were sponsorship/comp) Total attendees 291.

- **Marketing:**
 - Social Media Marketing consisted of Facebook where we ran ads to increase exposure and "likes". There was also an Instagram and Twitter account added this year where we promoted the use of #wwscontracosta. The Wine, Women and Shoes Facebook page currently has 934 likes.
 - Media Outlet Marketing included ads that were run in the April and May Diablo Magazine issue as well as in the April and May Focus and the May/June Outlook.
 - Digital Marketing included being on the Diablo Magazine website with banner ads running through the month of April and May. There were also links to the event site on the Districts website.
 - Community Outreach included posters that went out to all event sponsor locations, vendors, committee connections as well as other retail locations in Pleasant Hill, Martinez, Concord, Walnut Creek, Lafayette and Danville.
 - Invitations were sent to a mailing list of approximately 400 people from both PHRPD and MCC.

- 13 Shopping Vendors in attendance (Norf London, Atlas/Athena, Bay Area Raw Soap, Le Jardin, Moda Mi, Nihsima Jewelry, Pelican Rock, PH Coin & Jewelry, Prosper Design Studios, TART Outlet, Unique Urban Rocks, Macy's and Wish)
 - 8 Culinary Partners in attendance (Kobe, Dave's Cuisine, Wences, Leslie Stiles, Yalla Mediterranean, Zachary's Pizza, Perry's Catering and Love.Cook.Nourish)
 - 8 Wineries in attendance (Bijou, Valdez, Thomas George Estates, Boisset Family Estates, Cannonball, Outcast and Flora Springs)
- **Auction:**
 - There were 7 Live Auction Lots presented of which two were supplied by WW&S organization as part of the contract. At the last minute an 8th Live Auction lot was added because of a generous donation from Land Home Financial (2 tickets to Warriors Playoff game)
 - There were 21 Silent Auction Lots up for bid during the marketplace portion. The prizes ranged from golf packages and theme park tickets to a hand crafted wine barrel table.
 - The Key to the Closet had tickets for sale for \$100 a key. A total of 99 tickets out of the 100 available were sold. One winner took home a "closet" totaling over \$12,000.
- **Entertainment:**
 - A "Best in Shoe" contest was held with 3 category winners plus each guest was given a "Fan Favorite" card so they could give it to the person wearing their favorite shoe. All 4 winning names were thrown in a bowl to be drawn for the grand prize which was donated by Pleasant Hill Coin and Jewelry. PHCJ donated a beautiful necklace valued at almost \$500. Category winners received a bottle of wine.
 - PHRPD Board Member, Bobby Glover and Recreation Supervisor, Kendra Luke were the MC's for the program portion of the event.
 - The Wall of Wine sold 77 bottles at \$25 a pull. Guests had the chance to win a bottle of wine valued at \$175 donated by Azari Wines.
- **Volunteers:**
 - The Event Committee was comprised of 4 Event Chairs: Sheila Cotruvo, Tina Young, Sandra Scherer and Kendra Luke and 18 committee members.
 - There were over 40 volunteers who helped the day before as well as the day of the event.
 - There were 40 Shoe Guys who did everything from greeting guests at valet drop off to selling keys to the key to closet. Their participation is a significant part of the event's overall success.

Monument Crisis Center's staff and volunteers were a delight to work with from the beginning planning stages to the wrap up and evaluations. Just a few of the event highlights and positive feedback from guests included: well organized set up and smooth day of execution, shoe guys gave it their all, food was delicious and plentiful, individually crafted centerpieces were clever and heartfelt, selling the last 19 KTC tickets as they sat down for program, program ran on time, Kendra & Bobby did a great job as MC's, very good live auction results, fashion show was fun and appropriate for the audience.

Event budget details attached show the projected and actual for the event. We are happy to report that we are very close to our projections. WWS 2015 net revenue is \$72,593.10 with the proposal to give Monument Crisis Center 20.75% of the proceeds, \$15,000. PHRPD event proceeds are \$57,593.10 which is \$18,166.00 more than last year's event.

WWS Committee is ready to start planning for next year's event and while this year was a great success there is still room for improvement and event chairs have been and will continue to collect feedback from committee members, volunteers, guests and event partners.

The District has already been approached by four non-profit organizations that have asked to be considered as a partner for WWS 2016. Attached are the partner responsibilities and were sent to: HomeAid Northern California, Meals on Wheels/Senior Outreach Services, RSNC - Rehabilitation Service of Northern California and Youth Homes Inc. We ask that Board Members submit any other organizations they would like us to contact for consideration to Tina Young by July 10, 2015.

Final Budget

Revenue	Projected	Actual	In-Kind	Notes
Ticket Sales	\$ 35,000.00	\$ 30,745.00		16 Vip tables/129 General - Total of 292.
Sponsorships	\$ 50,000.00	\$ 31,500.00	\$ 28,616.00	
Wall of Wine (100 pulls @ \$25/each)	\$ 2,000.00	\$ 1,940.00		77 sold
Key to the closet (100x\$100)	\$ 10,000.00	\$ 9,850.00		99 sold
Retailers	\$ 2,000.00	\$ 2,227.55		13 Vendors
Auction (Silent & Live Auction)	\$ 15,000.00	\$ 31,020.00		(Silent: \$7,895/Live: \$23,125)
Heads or Tails	\$ 1,000.00	\$ 1,320.00		Sold 66
Cash Donations		\$ 832.00		
Total Revenue	\$ 115,000.00	\$ 109,434.55	\$ 28,616.00	

Expenses	Projected	Actual	Discount/InKind	
Auction - Supplies	\$ 1,000.00	\$ 1,017.17		Includes KTC
Consulting Services/Contract	\$ 20,000.00	\$ 20,000.00		WW&S license fee
Credit Card Fees	\$ 2,500.00	\$ 2,455.24		Eventbrite and Square Up
Culinary: Food/Hydration Station/Ice	\$ 2,000.00	\$ 2,338.37		Includes wine glasses
Décor: Tables and Event	\$ 1,000.00	\$ 1,189.94		
Fashion Show	\$ 1,500.00	\$ 32.78		
Marketing: Social Media & Print	\$ 2,500.00	\$ 677.71		Social Media, Invites & Posters
Marketplace Supplies/Rentals	\$ 2,500.00	\$ 3,218.93		Marketplace Rentals
Print Material: Day Of Event	\$ 1,500.00	\$ 1,880.65		Program & Signage
Sponsored Items	\$ 3,000.00	\$ 3,215.36		Swag Bag, Step & Repeat, H2O, Cupcakes
Supplies/Misc	\$ 500.00	\$ 294.77		
Volunteer Supplies: Shirts/Food/Drinks	\$ 600.00	\$ 520.53		
Total Expenses	\$ 38,600.00	\$ 36,841.45		

Event Net Revenue	\$ 76,400.00	\$ 72,593.10		
Monument Crisis Center Proceeds	\$ 15,280.00	\$ 15,000.00		(20.75% of Net Revenue)
PHRPD Event Proceeds	\$ 61,120.00	\$ 57,593.10		

Responsibilities of the Non-Profit Partner for Wine, Women and Shoes = (20% of event revenue)
Event Date: Sunday, May 15, 2016

Provide at least one staff member to be Pleasant Hill Recreation & Park District's contact, and to attend WWS meetings at least once a month from August 2015 - May 2016.

Provide a list of at least four Committee Chairs /Members that you feel would enjoy working on an event for Women from August 2015 – May 2016. Preferred but not required, people that enjoy charity work, wine, shoes, marketplace and a lot of FUN!

Assist in the Marketing of Wine, Women and Shoes:

- Provide PHRPD at least five sponsorship prospects that you think would be interested in WWS
- Send out monthly marketing e-blasts, facebook posts and emails to your donor and contact lists that are designed and sent to you by PHRPD
- Mail out invitations provided by PHRPD to board members and donor list approximately 10 weeks prior to event
- At agency represented meetings and events promote WWS by distributing event information and making announcements

Provide a minimum of fifteen volunteers the day of the event.

Provide a 3 minute video using photos and video testimonials of what your agency is all about to PHRPD by May 1, 2016 to be shown at the event.

Have a Board or Staff member designated to present a 2-3 minute speech at WWS on May 15th.



Board of Directors AGENDA

PLEASANT HILL RECREATION & PARK DISTRICT

147 Gregory Lane
Pleasant Hill, CA 94523
(925) 682-0896
(925) 682-1633 fax
pleasanthillrec.com

MISSION STATEMENT

In order to serve the diverse recreational needs of individuals and families and to enrich the quality of life for all residents, the Pleasant Hill Recreation & Park District is committed to providing park facilities, open space, and programs and activities for all ages.

Documents that are disclosable public records required to be made available under California Government Code Section 54957.5 (b) (1) and (2) are available to the public for inspection at no charge during business hours at our administrative office located at 147 Gregory Lane, Pleasant Hill, California.

The Pleasant Hill Recreation & Park District will provide reasonable disability-related modification or accommodation to a person with a disability who requires a modification or accommodation in order to participate in the meeting of the Board of Directors. Please contact Susie Kubota (925) 682-0896 at least 48 hours before the meeting if you require such modification or accommodation.

**Pleasant Hill Recreation & Park District
Board of Directors
Personnel Committee
Thursday, June 18, 2015
4:00 p.m.
Administration Office
147 Gregory Lane, Pleasant Hill**

Co-Chair: Bobby Glover & Dennis Donaghu

1. Public Comment
Five minutes may be allotted to each speaker and a maximum of twenty (20) minutes to each subject matter. The public may speak regarding agenda items at the time the matter is taken up. Non-agenda items can be addressed under Public Comment.
2. To Consider Special Events Coordinator Position

