

High Sierra Property Owners Association

ASPHALT SEALING ONLY ON THE GOOD ROADS

RESERVE UPDATE

FOR FISCAL YEAR ENDING DECEMBER 31, 2010

FOR FISCAL YEAR BEGINNING JANUARY 1, 2011 THRU DECEMBER 31, 2011

Reserve Study Type:	Update Only
Fiscal Year	January 1st thru December 31st
Association Active Date	1972
Number of Lots	169
Last Reserve Study Performed	FYE 2009
Estimated Reserve Account Balance as of FYE December 31, 2010	\$22,696
Estimated Accrual Reserve Balance <i>(based on straight line)</i> as of FYE December 31, 2010	\$41,616
Estimated Reserve Balance DEFICIT <i>(Reserve Balance minus Accrual Balance)</i>	-\$18,920
Estimated Reserve Balance DEFICIT on a per lot basis	-\$112
Percent Funded based on straight line <i>(Reserve Balance divided by Accrual Balance)</i>	54.54%
Reserve Funding Status	Adequate Funding
Inflation Factor	2.50%
2010 Reserve Contribution	\$5,070
2011 Straight Line Annual Reserves <i>(total of each components replacement cost divided by useful life)</i>	\$6,816
2011 Reserve Contribution	\$5,070
Annual Reserve Contribution Per Lot	\$30

30-YEAR RESERVE FUNDING PLAN

Fiscal Year	Annual Reserve Contribution	Difference (+/-) Percentage	Estimated Reserve Expenses + 2.5% Contingency	Estimated Interest Reserve Fund @ .50%	Estimated Reserve Fund Balance	Estimated Accrual Reserve Balance	Reserve Percent Funded
2011	\$5,070	0.00%	\$2,385	\$127	\$25,509	\$42,657	60%
2012	\$5,324	5.00%	\$2,311	\$143	\$28,664	\$46,800	61%
2013	\$5,590	5.00%	\$11,609	\$113	\$22,758	\$53,787	42%
2014	\$5,869	5.00%	\$13,020	\$78	\$15,685	\$57,151	27%
2015	\$6,163	5.00%	\$2,489	\$97	\$19,455	\$49,888	39%
2016	\$6,471	5.00%	\$6,015	\$100	\$20,011	\$45,584	44%
2017	\$6,794	5.00%	\$0	\$134	\$26,939	\$52,571	51%
2018	\$7,134	5.00%	\$15,815	\$91	\$18,349	\$50,564	36%
2019	\$7,491	5.00%	\$3,309	\$113	\$22,644	\$57,551	39%
2020	\$7,865	5.00%	\$148	\$152	\$30,512	\$63,922	48%
2021	\$8,258	5.00%	\$5,642	\$166	\$33,294	\$55,189	60%
2022	\$8,671	5.00%	\$0	\$210	\$42,176	\$59,038	71%
2023	\$9,105	5.00%	\$14,860	\$182	\$36,602	\$66,024	55%
2024	\$9,560	5.00%	\$20,213	\$130	\$26,079	\$70,321	37%
2025	\$10,038	5.00%	\$203	\$180	\$36,094	\$77,308	47%
2026	\$10,540	5.00%	\$3,246	\$217	\$43,605	\$69,262	63%
2027	\$11,067	5.00%	\$3,348	\$257	\$51,582	\$61,844	83%
2028	\$11,621	5.00%	\$34,634	\$143	\$28,711	\$68,831	42%
2029	\$11,969	3.00%	\$19,473	\$106	\$21,314	\$75,817	28%
2030	\$12,328	3.00%	\$3,795	\$149	\$29,996	\$65,887	46%
2031	\$12,698	3.00%	\$7,031	\$178	\$35,841	\$60,329	59%
2032	\$13,079	3.00%	\$0	\$245	\$49,165	\$66,700	74%
2033	\$13,471	3.00%	\$22,905	\$199	\$39,930	\$59,306	67%
2034	\$13,876	3.00%	\$23,766	\$150	\$30,190	\$61,099	49%
2035	\$14,292	3.00%	\$0	\$222	\$44,704	\$68,085	66%
2036	\$14,721	3.00%	\$8,335	\$255	\$51,345	\$72,382	71%
2037	\$15,162	3.00%	\$29,992	\$183	\$36,697	\$66,609	55%
2038	\$15,617	3.00%	\$21,522	\$154	\$30,946	\$69,974	44%
2039	\$16,086	3.00%	\$7,460	\$198	\$39,769	\$46,401	86%
2040	\$16,568	3.00%	\$2,341	\$270	\$54,266	\$53,388	102%

Based upon this current reserve study and other information available it is estimated that the reserve account balance WILL BE sufficient at the end of each year to meet the Association's obligation for repair and/or replacement of major components during the next 30 years. By using our 30 Year Reserve Funding Plan, a Special Assessment WOULD NOT BE necessary to fund the reserves if this funding plan is followed.

High Sierra Property Owners Association

MAJOR COMPONENTS LIFE ANALYSIS

COMPONENT	LIFE REMAINING	NEXT DISBURSEMENT DATE	CONDITION	NOTES
PAINTING AND/OR SEALING				
Metal Gates (Front & Back)	0	2011	Poor	Last known painting or sealing date is unknown
Wrought Iron Stair Railings	0	2011	Poor	Last known painting or sealing date is unknown
Sealing of Wood Signs & Benches	0	2011	Poor	Last known painting or sealing date is unknown
Painting Wood of A-Frame Entry Sign	2	2013	Good	Last known painting or sealing date is unknown
Upper & Lower Pump House	3	2014	Good	Last known painting or sealing date is unknown
Storage Shed	3	2014	Good	Last known painting or sealing date is unknown
Sealing of Propane Fence	0	2011	Poor	Last known painting or sealing date is unknown

The board has chosen to defer maintenance or not to fund specified components as noted in this updated funding worksheet. The board is also aware of the maintenance obligations of the association and will maintain, repair, and/or replace these components when the component itself fails. Maintaining and repair of these components may prolong the useful life of the component.

REPLACEMENT COST

30-YEAR RESERVE FUNDING PLAN

Major Component	Metal Gates (Front & Back)	Wrought Iron Stair Railings	Sealing of Wood Signs & Benches	Painting Wood of A-Frame Entry Sign	Upper & Lower Pump House	Storage Shed	Sealing of Propane Fence
Quantity	2	1	1	1	640	448	72
Unit of Measure	Each	All	All	Each	Each	Sq. Ft.	Sq. Ft.
Unit Cost	150	150	500	500	1.20	1.20	1.20
Replacement Cost	\$300	\$150	\$500	\$500	\$768	\$538	\$86
Useful Life	5	5	5	5	5	5	5
Remaining Life	0	0	0	2	3	3	0
Annual Reserves	\$60	\$30	\$100	\$100	\$154	\$108	\$17
Accrued Reserves	\$300	\$150	\$500	\$300	\$307	\$215	\$86
Next Disbursement	2011	2011	2011	2013	2014	2014	2011
2011	\$300	\$150	\$500	\$0	\$0	\$0	\$86
2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2013	\$0	\$0	\$0	\$525	\$0	\$0	\$0
2014	\$0	\$0	\$0	\$0	\$827	\$579	\$0
2015	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	\$339	\$170	\$566	\$0	\$0	\$0	\$98
2017	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2018	\$0	\$0	\$0	\$594	\$0	\$0	\$0
2019	\$0	\$0	\$0	\$0	\$936	\$655	\$0
2020	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2021	\$384	\$192	\$640	\$0	\$0	\$0	\$0
2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$672	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0	\$1,059	\$741	\$0
2025	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$434	\$217	\$724	\$0	\$0	\$0	\$125
2027	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$761	\$0	\$0	\$0
2029	\$0	\$0	\$0	\$0	\$1,198	\$838	\$0
2030	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2031	\$492	\$246	\$819	\$0	\$0	\$0	\$142
2032	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2033	\$0	\$0	\$0	\$861	\$0	\$0	\$0
2034	\$0	\$0	\$0	\$0	\$1,355	\$949	\$0
2035	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2036	\$556	\$278	\$927	\$0	\$0	\$0	\$160
2037	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2038	\$0	\$0	\$0	\$974	\$0	\$0	\$0
2039	\$0	\$0	\$0	\$0	\$1,533	\$1,073	\$0
2040	\$0	\$0	\$0	\$0	\$0	\$0	\$0

High Sierra Property Owners Association

MAJOR COMPONENTS LIFE ANALYSIS

COMPONENT	LIFE REMAINING	NEXT DISBURSEMENT DATE	CONDITION	NOTES
PAINTING AND/OR SEALING				
Painting Kiosk Center	0	2011	Good	*Last known painting or sealing date: Deferred Painting to 2011
ASPHALT/CONCRETE (Asphalt approx 3 miles by 15')				
Asphalt- Overlay	0	Not Funded	Poor	Last known overlay date - Unknown
Asphalt - Seal	0	Not Funded	Poor	Last known seal date - Unknown
Asphalt - Overlay	10	Not Funded	Good	Last known overlay date - Unknown
Asphalt - Seal	3	2013	Good	Last known seal date was 2008 for \$8,280
Concrete Slabs & Stairs/Landing	27	2037	Good	Last known repair/replacement date of concrete is unknown
Dock Recovering - Carpet	10	2020	New	Last known replacement date of carpet was 2010 for \$116

The board has chosen to defer maintenance or not to fund specified components as noted in this updated funding worksheet. The board is also aware of the maintenance obligations of the association and will maintain, repair, and/or replace these components when the component itself fails. Maintaining and repair of these components may prolong the useful life of the component.

REPLACEMENT COST

30-YEAR RESERVE FUNDING PLAN

Major Component	Painting Kiosk Center	Asphalt- Overlay	Asphalt - Seal	Asphalt - Overlay	Asphalt - Seal	Concrete Slabs & Stairs/Landing	Dock Recovering - Carpet
Quantity	1	188,480	188,480	49,120	49,120	548	225
Unit of Measure	Each	Sq. Ft.	Sq. Ft.	Sq. Ft.	Sq. Ft.	Sq. Ft.	Sq. Ft.
Unit Cost	150	1.51	0.30	1.51	0.17	6.00	0.52
Replacement Cost	\$150	\$285,000	\$56,544	\$74,171	\$8,280	\$3,288	\$116
Useful Life	5	20	5	20	5	30	10
Remaining Life	0	0	0	10	3	27	10
Annual Reserves	\$30	\$0	\$0	\$0	\$1,656	\$110	\$12
Accrued Reserves	\$150	\$0	\$0	\$0	\$3,312	\$329	\$0
Next Disbursement	2011	2011	2011	2020	2013	2037	2020
2011	\$150	\$0	\$0	\$0	\$0	\$0	\$0
2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2013	\$0	\$0	\$0	\$0	\$8,699	\$0	\$0
2014	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	\$170	\$0	\$0	\$0	\$0	\$0	\$0
2017	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2018	\$0	\$0	\$0	\$0	\$9,842	\$0	\$0
2019	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2020	\$0	\$0	\$0	\$0	\$0	\$0	\$145
2021	\$192	\$0	\$0	\$0	\$0	\$0	\$0
2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0	\$11,136	\$0	\$0
2024	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2025	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$217	\$0	\$0	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0	\$12,599	\$0	\$0
2029	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0	\$0	\$0	\$185
2031	\$246	\$0	\$0	\$0	\$0	\$0	\$0
2032	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2033	\$0	\$0	\$0	\$0	\$14,255	\$0	\$0
2034	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2035	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2036	\$278	\$0	\$0	\$0	\$0	\$0	\$0
2037	\$0	\$0	\$0	\$0	\$0	\$6,248	\$0
2038	\$0	\$0	\$0	\$0	\$16,128	\$0	\$0
2039	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2040	\$0	\$0	\$0	\$0	\$0	\$0	\$237

High Sierra Property Owners Association

MAJOR COMPONENTS LIFE ANALYSIS

COMPONENT	LIFE REMAINING	NEXT DISBURSEMENT DATE	CONDITION	NOTES
ROOFS				
Lower Pump House - Shingle	9	2019	Good	Last known roof replacement date is unknown
Upper Pump House - Metal	18	2028	Good	Last known roof replacement date is 2008
Storage Shed - Shingle	9	2019	Good	Last known roof replacement date is unknown
Kiosk - Shingle	0	2011	Poor	Last known roof replacement: 2010 Deferred roof replacement
PUMP HOUSE/SHED REPLACEMENT				
Lower Pump House - Replace	19	2029	Good	Last known house/shed replacement date is unknown
Upper Pump House - Replace	33	2043	Good	Last known house/shed replacement date is 2008
Storage Shed - Replace	14	2024	Good	Last known house/shed replacement date is unknown

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REPLACEMENT COST

30-YEAR RESERVE FUNDING PLAN

Major Component	Lower Pump House - Shingle	Upper Pump House - Metal	Storage Shed - Shingle	Kiosk - Shingle	Lower Pump House - Replace	Upper Pump House - Replace	Storage Shed - Replace
Quantity	136	136	248	40	96	96	192
Unit of Measure	Sq. Ft.	Sq. Ft.	Sq. Ft.	Sq. Ft.	Sq. Ft.	Sq. Ft.	Sq. Ft.
Unit Cost	3.50	3.50	3.50	3.50	25.00	25.00	25.00
Replacement Cost	\$476	\$476	\$868	\$140	\$2,400	\$2,400	\$4,800
Useful Life	15	20	15	14	35	35	35
Remaining Life	9	18	9	0	19	33	14
Annual Reserves	\$32	\$24	\$58	\$10	\$69	\$69	\$137
Accrued Reserves	\$190	\$48	\$347	\$140	\$1,097	\$137	\$2,880
Next Disbursement	2019	2028	2019	2011	2029	2043	2024
2011	\$0	\$0	\$0	\$140	\$0	\$0	\$0
2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2013	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2014	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2018	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2019	\$580	\$0	\$1,058	\$0	\$0	\$0	\$0
2020	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2021	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0	\$0	\$0	\$6,617
2025	\$0	\$0	\$0	\$198	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2028	\$0	\$724	\$0	\$0	\$0	\$0	\$0
2029	\$0	\$0	\$0	\$0	\$3,743	\$0	\$0
2030	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2031	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2032	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2033	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2034	\$840	\$0	\$1,532	\$0	\$0	\$0	\$0
2035	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2036	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2037	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2038	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2039	\$0	\$0	\$0	\$280	\$0	\$0	\$0
2040	\$0	\$0	\$0	\$0	\$0	\$0	\$0

High Sierra Property Owners Association

MAJOR COMPONENTS LIFE ANALYSIS

COMPONENT	LIFE REMAINING	NEXT DISBURSEMENT DATE	CONDITION	NOTES
PUMP HOUSE/SHED REPLACEMENT				
Kiosk Center	14	2024	Fair	Last known replacement date is
FENCES/GATES/RAILINGS				
Wood & Barb Wire Fence (Perimeter)	19	2029	Fair	Last known replacement date is
Wood Propane Fence	4	2014	Fair/Poor	Last known replacement date is
Front & Back Swing Gates	14	2024	Good	Last known replacement date is
Wrought Iron Stair Railings	14	2024	Good	Last known replacement date is
MECHANICAL				
Water Tank	37	2047	Good	Last known replacement date is
Lower Generator	18	2028	Good	Last known replacement date is 2008

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REPLACEMENT COST

30-YEAR RESERVE FUNDING PLAN

Major Component	Kiosk Center	Wood & Barb Wire Fence (Perimeter)	Wood Propane Fence	Front & Back Swing Gates	Wrought Iron Stair Railings	Water Tank	Lower Generator
Quantity	1	8,475	36	2	60	1	1
Unit of Measure	Each	Ln. Ft.	Each	Each	Ln. Ft.	Each	Each
Unit Cost	1,000	1	15	1,000	50	33,000	9,950
Replacement Cost	\$1,000	\$8,475	\$540	\$2,000	\$3,000	\$33,000	\$9,950
Useful Life	35	40	20	30	30	50	20
Remaining Life	14	19	4	14	14	37	18
Annual Reserves	\$29	\$212	\$27	\$67	\$100	\$660	\$498
Accrued Reserves	\$600	\$4,449	\$432	\$1,067	\$1,600	\$8,580	\$995
Next Disbursement	2024	2029	2014	2024	2024	2047	2028
2011	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2012	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2013	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2014	\$0	\$0	\$582	\$0	\$0	\$0	\$0
2015	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2018	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2019	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2020	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2021	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2024	\$1,379	\$0	\$0	\$2,757	\$4,136	\$0	\$0
2025	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2028	\$0	\$0	\$0	\$0	\$0	\$0	\$15,140
2029	\$0	\$13,218	\$0	\$0	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2031	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2032	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2033	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2034	\$0	\$0	\$953	\$0	\$0	\$0	\$0
2035	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2036	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2037	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2038	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2039	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2040	\$0	\$0	\$0	\$0	\$0	\$0	\$0

High Sierra Property Owners Association

MAJOR COMPONENTS LIFE ANALYSIS

COMPONENT	LIFE REMAINING	NEXT DISBURSEMENT DATE	CONDITION	NOTES
MECHANICAL				
Upper Generator	4	2014	Fair/Poor	Last known replacement date is
Solar System & Panels	27	2037	Good	Last known replacement date is 2007
Lower Well Pump	0	2011	Fair/Poor	Last known replacement date is
Upper Well Pump	3	2013	Good	Last known replacement date is 2008
REPLACEMENT OTHER				
Signage (all metal & wood)	6	2016	Good	Last known replacement date is
Furnishings (recreational & benches)	6	2016	Good	Last known replacement date is
Reserve Study	2	2012	Good	On-site inspection was completed in June 2009

The board has chosen to defer maintenance or not to fund specified components as noted in this updated funding worksheet. The board is also aware of the maintenance obligations of the association and will maintain, repair, and/or replace these components when the component itself fails. Maintaining and repair of these components may prolong the useful life of the component.

REPLACEMENT COST

30-YEAR RESERVE FUNDING PLAN

Major Component	Upper Generator	Solar System & Panels	Lower Well Pump	Upper Well Pump	Signage (all metal & wood)	Furnishings (recreational & benches)	Reserve Study
Quantity	1	1	1	2	1	1	1
Unit of Measure	Each	All	Each	Each	All	All	Each
Unit Cost	9950	12110	1000	1000	2000	1000	2200
Replacement Cost	\$9,950	\$12,110	\$1,000	\$2,000	\$2,000	\$1,000	\$2,200
Useful Life	20	30	5	5	15	12	3
Remaining Life	4	27	0	3	6	6	2
Annual Reserves	\$498	\$404	\$200	\$400	\$133	\$83	\$733
Accrued Reserves	\$7,960	\$1,211	\$1,000	\$800	\$1,200	\$500	\$733
Next Disbursement	2014	2037	2011	2013	2016	2016	2012
2011	\$0	\$0	\$1,000	\$0	\$0	\$0	\$0
2012	\$0	\$0	\$0	\$0	\$0	\$0	\$2,255
2013	\$0	\$0	\$0	\$2,101	\$0	\$0	\$0
2014	\$10,715	\$0	\$0	\$0	\$0	\$0	\$0
2015	\$0	\$0	\$0	\$0	\$0	\$0	\$2,428
2016	\$0	\$0	\$1,131	\$0	\$2,263	\$1,131	\$0
2017	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2018	\$0	\$0	\$0	\$2,377	\$0	\$0	\$2,615
2019	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2020	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2021	\$0	\$0	\$1,280	\$0	\$0	\$0	\$2,816
2022	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2023	\$0	\$0	\$0	\$2,690	\$0	\$0	\$0
2024	\$0	\$0	\$0	\$0	\$0	\$0	\$3,033
2025	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$1,448	\$0	\$0	\$0	\$0
2027	\$0	\$0	\$0	\$0	\$0	\$0	\$3,266
2028	\$0	\$0	\$0	\$3,043	\$0	\$1,522	\$0
2029	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0	\$0	\$0	\$3,517
2031	\$0	\$0	\$1,639	\$0	\$3,277	\$0	\$0
2032	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2033	\$0	\$0	\$0	\$3,443	\$0	\$0	\$3,787
2034	\$17,558	\$0	\$0	\$0	\$0	\$0	\$0
2035	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2036	\$0	\$0	\$1,854	\$0	\$0	\$0	\$4,079
2037	\$0	\$23,013	\$0	\$0	\$0	\$0	\$0
2038	\$0	\$0	\$0	\$3,896	\$0	\$0	\$0
2039	\$0	\$0	\$0	\$0	\$0	\$0	\$4,392
2040	\$0	\$0	\$0	\$0	\$0	\$2,046	\$0

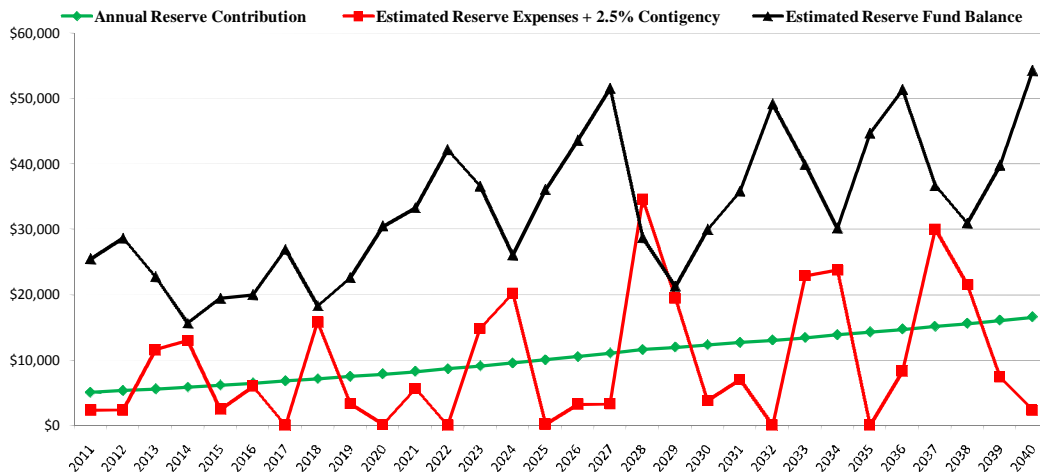
High Sierra Property Owners Association

RESERVE UPDATE

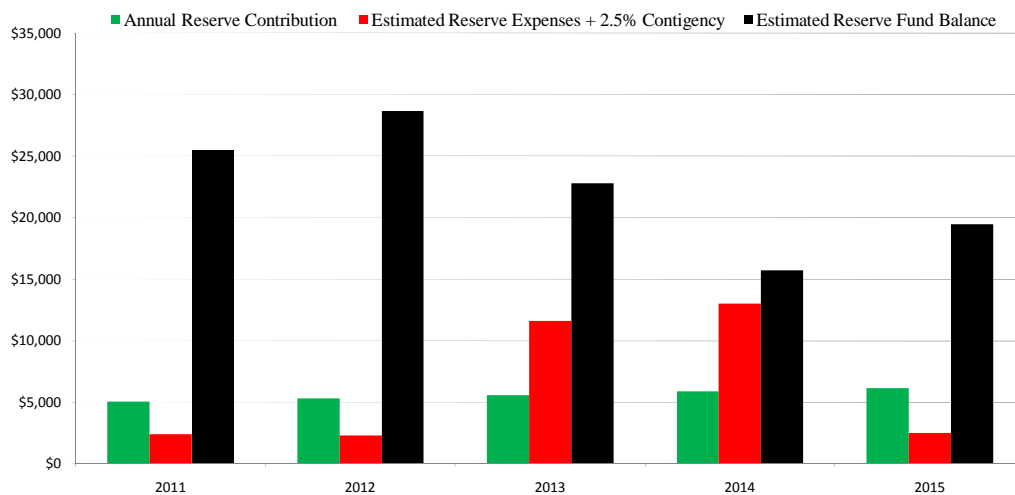
FOR FISCAL YEAR ENDING DECEMBER 31, 2010

Based upon this current reserve study and other information available it is estimated that the reserve account balance WILL NOT BE sufficient at the end of each year to meet the Association's obligation for repair and/or replacement of major components during the next 30 years. By using our 30 Year Reserve Funding Plan, a Special Assessment WOULD BE necessary to fund the reserves if this funding plan is followed.

30 YEAR FUNDING CHART



5 YEAR FUNDING CHART





High Sierra Property Owners Association

RESERVE UPDATE

Based on Fiscal Year Ending December 31, 2011
For Fiscal Year Beginning January 1, 2012

Prepared By
Brenda Ohm, RS, PRA
in
February 2011

Golden Consulting Group
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General Association Information

This Reserve Study and Cash Flow Analysis have been prepared for the board and their members. High Sierra Property Owners Association located in Madera County, Sacramento, CA owner receives title to his unit, a membership in High Sierra Property Owners Association, and an undivided percentage interest as tenant in common in the common area on which their lot is located. The Board of Directors is accountable to the membership for the management and operation of the association. The reserve study and its recommended funding plan provides financial guidance which is often indispensable and shows due diligence from the board and its members.

Name of Association:	High Sierra Property Owners Association
Address of Association:	North Meadow Lane & Forest Road
County of Association:	Madera County
Number of Lots:	169 Lots
Age of Association:	1972
Fiscal Year:	January 1 st thru December 31 st
Last Reserve Study:	FYE 2009
General Budget:	Shared Operating and Reserve Expenses
Reserve Study Type:	Update
Reserve Percent Funded:	54.54% with Asphalt Funding
Reserve Status:	Adequate Funding
Overall Condition:	Association is well maintained
Management Company:	Self Managed

The Reserve Study which is made up into two parts: 1) the information about the physical status and repair/replacement cost of the major common area components the association is obligated to maintain (Physical Analysis), and 2) the evaluation and analysis of the association's Reserve balance, income, and expenses (Financial Analysis).

The **Physical Analysis** lists and estimates replacement costs and timing for replacement of the major components whose repair or replacement is to be funded through association reserves. The component inventory should be relatively "stable" from year to year while the condition assessment and life and valuation estimates will necessarily change from year to year. The study determines when such repairs or replacements will be needed and what they will cost.

Steps in the Physical Analysis Process

- Identify Components
- Specify Quantities
- Inspect components; define scope and methodology for inspection. (This should be performed by reasonably qualified individuals)
- Determine useful life; document maintenance assumptions
- Assess remaining life; determine replacement year
- Determine cost of replacement

The **Financial Analysis** is 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.

Steps in the Funding Analysis Process

- Obtain component information
- Identify reserve account asset (cash balance)
- Estimate annual association reserve fund income (from regular assessments)
- Determine funding goal
- Calculate replacement fund liability
- Project expenditures and reserve fund needs including regular and special assessments
- Determine funding goal
- Prepare statement of limitations and assumptions
- Prepare reserve study portion of *proforma* operating budget

Percent Funding of Reserves

The percent funded for High Sierra Property Owners Association at the end of fiscal year 2010, December 31, 2010 is estimated at 54.54% and based upon the current reserves and the information available it is estimated that the reserve account balance **should be** sufficient at the end of each year to meet the Association's obligation for repair and/or replacement of major components during the next 30 years. By using the current 30 Year Reserve Funding Plan, a Special Assessment **may not be** necessary to fund the reserves.

Showing a reserve deficit/surplus does not necessarily indicate that an association is in good or poor financial condition. The current funding plan will help eliminate the presence of surplus and/or deficit over a period of years. However, funding levels could decrease or increase each year based upon repairs and/or replacements which may be scheduled and for unforeseen replacements, in which annual reserve updates are necessary to account for the changes and/or adjustments.

Estimated Association Percent Funded	54.54%
Estimated Inflation Factor Rate	2.5%
Estimated "Average" Interest Rate	.50%
Estimated Contingency Rate	2.5%
Estimated Annual Reserve Increase Starting in Fiscal Year 2012 thru 2040 (Varies)	3%-5%
Estimated Cash Reserve Balance as of December 31, 2010 _(cash on hand)	\$22,696
Estimated Accrual Balance as of December 31, 2010 _(cash required)	\$41,616
Estimated Reserve Balance Deficit _(cash need minus cash on hand)	-\$18,920
Estimated Reserve Balance Deficit on a Per Unit Basis	-\$112

The estimated cash reserve balance as of December 31, 2011 with an average interest rate of .50%

Estimated Reserve Balance as of December 31, 2010 \$22,696

For fiscal year 2011 the annual straight line reserve total is **\$6,816**. The association has approved an annual reserve contribution for fiscal year 2011 to remain the same at **\$5,070 or \$30/per lot**. Based on the current reserve funding worksheet in order to ensure the associations projected reserve expenditures we recommend that the association approve minimal annual increases starting in fiscal year 2012 and continuing thru fiscal year 2040.

The anticipated reserve expenditures for fiscal year 2011 is as follows:

- Painting: Metal Gates
- Painting: WI Stair Railings
- Painting: Kiosk Center
- Sealing of Signs & Benches
- Sealing of Propane Fences
- Replace Kiosk Roof Shingles
- Replace Lower Well Pump (if needed)

Certain conditions such as weather, any deferred maintenance, substandard materials used during construction or general workmanship of the component can decrease a component's useful life.

0% - 59% Funded can be considered to be underfunded. Associations that are underfunded may be subject to substantial annual increases, special assessments and deferred maintenance, which may lead to financial hardship on its members and can lower property values.

60%-100% Funded can be considered as adequate to being fully funded. This would indicate that the association has an ideal amount monies saved and the association should be able to perform all the maintenance, repair and/or replacement obligations of the association as indicated in this report.

Annual Reserve Study Updates are necessary to assess the associations Reserve Fund and to disclose the associations percent funded to its members. The annual increases should be reassessed and adjusted at the time of the next reserve study.

If you are not authorized to receive this Annual Budget and Reserve Study Update, you must not use, copy, disclose, or take any action based on this information herein.

High Sierra Property Owners Association

Assessment and Reserve Funding Disclosure Summary

Civil Code §1365.2.5.

California Civil Code section 1365.2.5 requires that this Assessment and Reserve Funding Disclosure Summary be distributed to all owners not less than thirty (30) days nor more than ninety (90) days prior to the beginning of the Association's fiscal year. The Summary is to be provided with, and accompany, the Association's Budget or Summary thereof that is delivered to all owners pursuant to California Civil Code section 1365.

- (1) The approved 2011 Operating and Reserve Assessment is: **\$155.00**
 The approved 2011 Operating Assessment is: **\$125.00**
 The approved 2011 Reserve Assessment is: **\$30.00**

The Monthly Variable Assessment is as follows:

Unit Number	Monthly Assessment	Unit Number	Monthly Assessment	Unit Number	Monthly Assessment

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

Date assessment is due:	Amount per unit per month (If assessments are variable, see note immediately below):	Purpose of the assessment:
	Total:	

- (3) Based upon the most recent reserve study and other information available to the Board of Directors, will currently projected reserve account balances be sufficient at the end of each year to meet the Association's obligation for repair and/or replacement of major components during the next 30 years? Yes X No

- (4) If the answer to (3) is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members.

Approximate date assessment will be due:	Amount per unit:

- (5) All major components are included in the reserve study and are included in its calculations. Yes X No

Major Components:	Useful remaining life in years:	Reason this major component was not included:
Asphalt Roads 188,480 Sq. Ft.	0	The board has chosen not to fund the sealing or overlay portion of this road.

High Sierra Property Owners Association

Assessment and Reserve Funding Disclosure Summary

Civil Code §1365.2.5.

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5, the estimated amount required in the reserve fund at the end of fiscal year 2010 is **\$41,616** based in whole or in part on the last reserve study or update prepared by **Golden Consulting Group** as of **February 2011**. The projected reserve fund cash balance at the end of the fiscal year 2010, December 31, 2010 is **\$22,696**, resulting in reserves being **54.54%** funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$____. (See attached explanation)

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is \$____, leaving the reserve at _____ percent funding. If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be \$____, leaving the reserve at _____ percent funding. **(See Attached Reserve Worksheet)**

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before tax estimated interest rate earned on reserve funds is **.50%** per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was **2.5%** per year.

SUPPLEMENT TO ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY

[Civil Code section 1365.2.5(b)(3)]

Due to factors beyond the control of the Directors, including but not limited to the rate of inflation, the rate at which the major components actually deteriorate, unanticipated damage to the major components, fluctuations in material and labor costs and changes in building codes and regulations, the accuracy of the information set forth in paragraphs 3, 4 and 5 above is not, and cannot be, guaranteed. Depending upon the accuracy of the present and future assumptions used in providing the information in paragraphs 3, 4 and 5, the information and conclusions set forth in said paragraphs may not be correct. Therefore, any person reviewing this Assessment and Reserve Funding Disclosure Summary should not, without conducting their own independent investigation and analysis, rely upon the accuracy of the information set forth in paragraph 3, 4 and 5.

Please note, for purposes of this Assessment and Reserve Funding Disclosure, the words and phrases stated below are given the following meaning:

1. "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.

2. "Major component" has the meaning used in section 1365.5. Components with an estimated remaining useful life of more than thirty (30) years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure.

3. The form set out in subdivision (a) shall accompany each pro forma operating budget or summary thereof that is delivered pursuant to this article. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.

4. For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

The information in this disclosure summary is deemed reliable as of the date of the disclosure, but is not guaranteed. Golden Consulting Group has obtained information, documentation, and materials from the Association and/or agent and this disclosure summary is based upon the accuracy of such information. The Association, by accepting this disclosure summary, agrees to release Golden Consulting Group from any claims, demands or damages and further agrees to indemnify, defend and hold harmless Golden Consulting Group from and against any and all liability, damages, losses, claims, demands, or lawsuits arising out of or relating to this disclosure.

High Sierra Property Owners Association Reserve Summary

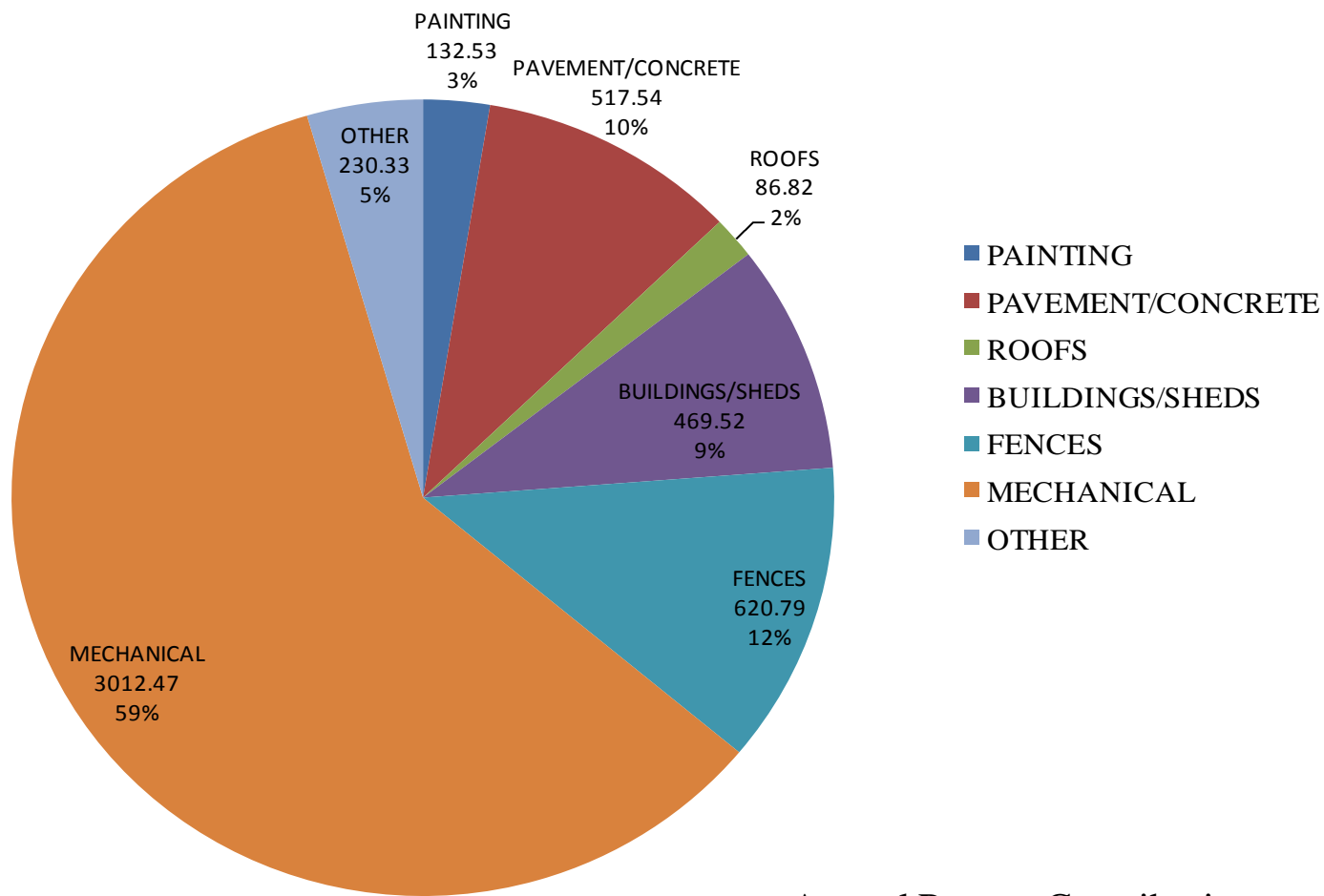
Component/Maintenance	Quantity	Unit of Measure	Unit Cost	Replace Cost	Useful Life	Remaining Life	Visual Condition	Next Disbursement Date
Metal Gates (Front & Back)	2	Each	150	300	5	0	Poor	2011
Wrought Iron Stair Railings	1	Each	150	150	5	0	Poor	2011
Sealing of Wood Signs & Benches	1	Each	500	500	5	0	Poor	2011
Painting Wood of A-Frame Entry Sign	1	Each	500	500	5	2	Good	2013
Upper & Lower Pump House	640	Sq. Ft.	1.20	768	5	3	Good	2014
Storage Shed	448	Sq. Ft.	1.20	537.6	5	3	Good	2014
Sealing of Propane Fence	72	Sq. Ft.	1.20	86.4	5	0	Poor	2011
Painting Kiosk Center	1	Each	150	150	5	0	Poor	2011
Asphalt - Seal	49,120	Sq. Ft.	0.17	8280	5	3	Good	2013
Concrete Slabs & Stairs/Landing	548	Sq. Ft.	6	3288	30	27	Good	2037
Dock Recovering - Carpet	225	Sq. Ft.	0.52	116	10	10	New	2020
Lower Pump House - Shingle	136	Sq. Ft.	3.5	476	15	9	Good	2019
Upper Pump House - Metal	136	Sq. Ft.	3.5	476	20	18	Good	2020
Storage Shed - Shingle	248	Sq. Ft.	3.5	868	15	9	Good	2019
Kiosk - Shingle	40	Sq. Ft.	3.5	140	14	0	Poor	2011
Lower Pump House - Replace	96	Sq. Ft.	25	2400	35	19	Good	2029
Upper Pump House - Replace	96	Sq. Ft.	25	2400	35	33	Good	2043
Storage Shed - Replace	192	Sq. Ft.	25	4800	35	14	Good	2024
Kiosk Center	1	Each	1000	1000	35	14	Fair	2024
Wood & Barb Wire Fence (Perimeter)	8,475	Ln. Ft.	1	8475	40	19	Fair	2029
Wood Propane Fence	36	Each	15	540	20	4	Fair	2014
Front & Back Swing Gates	2	Each	1000	2000	30	14	Good	2024
Wrought Iron Stair Railings	60	Ln. Ft.	50	3000	30	14	Good	2024
Water Tank	1	Each	33000	33000	50	37	Good	2047
Lower Generator	1	Each	9950	9950	20	18	Good	2028
Upper Generator	1	Each	9950	9950	20	4	Fair	2014
Solar System & Panels	1	Each	12110	12110	30	27	Good	2037
Lower Well Pump	1	Each	1000	1000	5	0	Poor	2011
Upper Well Pump	2	Each	1000	2000	5	3	Good	2013
Signage (all metal & wood)	1	Each	2000	2000	15	6	Good	2016
Furnishings (recreational & benches)	1	Each	1000	1000	12	6	Good	2016
Reserve Study	1	Each	2200	2200	3	2	Good	2015

High Sierra Property Owners Association Component Summary

Component/Maintenance	Quantity	Unit of Measure	Unit Cost	Replace Cost	Useful Life	Remaining Life	Visual Condition	Next Dis-bursement Date	Annual Reserve
PAINTING									
Metal Gates (Front & Back)	2	Each	150	300	5	0	Poor	2011	60
Wrought Iron Stair Railings	1	Each	150	150	5	0	Poor	2011	30
Sealing of Wood Signs & Benches	1	Each	500	500	5	0	Poor	2011	100
Painting Wood of A-Frame Sign	1	Each	500	500	5	2	Good	2013	100
Upper & Lower Pump House	640	Sq. Ft.	1.20	768	5	3	Good	2014	154
Storage Shed	448	Sq. Ft.	1.20	537.6	5	3	Good	2014	108
Sealing of Propane Fence	72	Sq. Ft.	1.20	86.4	5	0	Poor	2011	17
Painting Kiosk Center	1	Each	150	150	5	0	Poor	2011	30
PAVEMENT/CONCRETE									
Asphalt - Seal	49120	Sq. Ft.	0.17	8280	5	3	Good	2013	1656
Concrete Slabs & Stairs/Landing	548	Sq. Ft.	6	3288	30	27	Good	2037	110
Dock Recovering - Carpet	225	Sq. Ft.	0.52	116	10	10	New	2020	12
ROOFS									
Lower Pump House - Shingle	136	Sq. Ft.	3.5	476	15	9	Good	2019	32
Upper Pump House - Metal	136	Sq. Ft.	3.5	476	20	18	Good	2020	24
Storage Shed - Shingle	248	Sq. Ft.	3.5	868	15	9	Good	2019	58
Kiosk - Shingle	40	Sq. Ft.	3.5	140	14	0	Poor	2011	10
BUILDINGS/SHEDS									
Lower Pump House - Replace	96	Sq. Ft.	25	2400	35	19	Good	2029	69
Upper Pump House - Replace	96	Sq. Ft.	25	2400	35	33	Good	2043	69
Storage Shed - Replace	192	Sq. Ft.	25	4800	35	14	Good	2024	137
Kiosk Center	1	Each	1000	1000	35	14	Fair	2024	29
FENCES									
Wood & Barb Wire Fence (Perimeter)	8475	Ln. Ft.	1	8475	40	19	Fair	2029	212
Wood Propane Fence	36	Each	15	540	20	4	Fair	2014	27
Front & Back Swing Gates	2	Each	1000	2000	30	14	Good	2024	67
Wrought Iron Stair Railings	60	Ln. Ft.	50	3000	30	14	Good	2024	100
MECHANICAL									
Water Tank	1	Each	33000	33000	50	37	Good	2047	660
Lower Generator	1	Each	9950	9950	20	18	Good	2028	498
Upper Generator	1	Each	9950	9950	20	4	Fair	2014	498
Solar System & Panels	1	Each	12110	12110	30	27	Good	2037	404
Lower Well Pump	1	Each	1000	1000	5	0	Poor	2011	200
Upper Well Pump	2	Each	1000	2000	5	3	Good	2013	400
OTHER									
Signage (all metal & wood)	1	Each	2000	2000	15	6	Good	2016	133
Furnishings	1	Each	1000	1000	12	6	Good	2016	83
Reserve Study	1	Each	2200	2200	3	2	Good	2012	73

High Sierra Property Owners Association
 Percentage of Reserve Contribution

2011 Annual Reseve Contribution Per Lot



Annual Reseve Contribution
 \$5,070 or \$30 Per Lot

DESCRIPTION	REPLACEMENT COST	ANNUAL RESERVES	PERCENTAGE	RESERVE CONTRIBUTION PER LOT
PAINTING	\$2,992	\$598	2.61%	\$132.53
PAVEMENT/CONCRETE	\$11,684	\$1,777	10.21%	\$517.54
ROOFS	\$1,960	\$123	1.71%	\$86.82
BUILDINGS/SHEDS	\$10,600	\$303	9.26%	\$469.52
FENCES	\$14,015	\$406	12.24%	\$620.79
MECHANICAL	\$68,010	\$2,659	59.42%	\$3,012.47
OTHER	\$5,200	\$50	4.54%	\$230.33