

STONEBRIDGE II MAINTENANCE CORPORATION

RESERVE STUDY SUMMARY

Accounting Only Update

M & M Business Enterprises

825 College Blvd., Suite 102-115

Oceanside, CA 92057

760-806-1007

Projected Reserve Balance at 2016 FYE \$36,021

(Based on August 2016 financials)

COMPONENT/ DESCRIPTION	CURRENT REPLACEMENT COST	EST LIFE	EST REM LIFE	ANNUAL RESERVE REQRMNT	ESTIMATED YEAR END REQUIRED BALANCE	PROJECTED YEAR END CASH BALANCE	ESTIMATED YEAR END EXCESS/ (DEFICIT)
AWNINGS	\$11,880	10	0	\$1,188	\$11,880	\$1,294	(\$10,586)
FENCES/RAILINGS							
Patio Fences	\$15,224	20	6	\$761	\$10,654	\$1,160	(\$9,494)
Patio Fences	\$6,912	20	20	\$346	\$0	\$0	\$0
Ornamental Iron Railings/Fences	\$3,584	25	7	\$143	\$2,574	\$280	(\$2,294)
Ornamental Iron Gate	\$1,485	25	14	\$59	\$649	\$71	(\$578)
Wood Fence - Perimeter	\$36,300	20	6	\$1,815	\$25,410	\$2,767	(\$22,643)
Total Fences/Railings	\$63,505			\$3,124	\$39,287	\$4,278	(\$35,009)
IRRIGATION							
Controllers	\$1,500	10	8	\$150	\$300	\$33	(\$267)
Backflow	\$3,000	20	6	\$150	\$2,100	\$229	(\$1,871)
Total Irrigation	\$4,500			\$300	\$2,400	\$261	(\$2,139)
LIGHT FIXTURES	\$6,494	20	6	\$325	\$4,550	\$495	(\$4,055)
MAILBOXES	\$4,700	30	16	\$157	\$2,198	\$239	(\$1,959)
PAINTING							
Exterior (Wood Trim/Wood Railings)	\$16,225	5	0	\$3,245	\$16,225	\$1,767	(\$14,458)
Wood Fences	\$2,920	5	0	\$584	\$2,920	\$318	(\$2,602)
Wood Replacement	\$15,000	5	0	\$3,000	\$15,000	\$1,633	(\$13,367)
Ornamental Iron Railings/Fences	\$687	5	0	\$137	\$687	\$75	(\$612)
Stucco	\$33,970	12	4	\$2,831	\$22,648	\$2,466	(\$20,182)
Total Painting	\$68,803			\$9,797	\$57,481	\$6,259	(\$51,221)
PLUMBING/SLAB LEAKS (Allowance)	\$6,000	5	3	\$1,200	\$2,400	\$261	(\$2,139)
RECREATION FACILITY							
Flooring				Repair/replace from Contingency			
Pool Furniture	\$1,000	10	9	\$100	\$100	\$11	(\$89)
Laundry Rooms				Maintained by Web Services			
Total Recreation Facility	\$1,000			\$100	\$100	\$11	(\$89)
ROOFS							
Flat	\$143,460	15	1	\$9,564	\$133,896	\$14,581	(\$119,315)
Flat (#34 & #35)	\$3,500	15	10	\$233	\$1,165	\$127	(\$1,038)
Metal - Carport (Limited)	\$7,524	25	11	\$301	\$4,214	\$459	(\$3,755)
Total Roofs	\$154,484			\$10,098	\$139,275	\$15,167	(\$124,108)
STREETS/SIDEWALKS							
Asphalt Surfaces							
Reseal/Repair	\$3,030	4	0	\$758	\$3,030	\$330	(\$2,700)
Resurface	\$23,810	25	0	\$952	\$23,810	\$2,593	(\$21,217)
Concrete Surfaces	\$10,000	10	1	\$1,000	\$9,000	\$980	(\$8,020)
Total Streets/Sidewalks	\$36,840			\$2,710	\$35,840	\$3,903	(\$31,937)
SWIMMING POOL							
Filter	\$1,200	15	1	\$80	\$1,120	\$122	(\$998)
Pump	\$925	8	2	\$116	\$696	\$76	(\$620)
Replaster/Tile/Coping	\$10,000	12	0	\$833	\$10,000	\$1,089	(\$8,911)
Total Swimming Pool	\$12,125			\$1,029	\$11,816	\$1,287	(\$10,529)
WATER HEATERS							
Heater	\$5,700	15	10	\$380	\$1,900	\$207	(\$1,693)
Heater	\$11,400	15	12	\$760	\$2,280	\$248	(\$2,032)
Total Water Heaters	\$17,100			\$1,140	\$4,180	\$455	(\$3,725)
SUBTOTALS	\$387,431			\$31,168	\$311,407	\$33,911	(\$277,496)
Contingency (5%)	\$19,372			\$1,558	\$19,372	\$2,110	(\$17,262)
TOTAL	\$406,802			\$32,726	\$330,779	\$36,021	(\$294,758)

Based on the information provided as of the date of this report:

Estimated amount required in reserves as of the fiscal year end:	\$330,779	
Projected cash balance in reserves as of the fiscal year end:	\$36,021	
Percent funded as of the fiscal year end:	11%	
Estimated deficit as of the fiscal year end:	\$294,758	Average per unit deficit: \$7,558

Reserve Funding Plans: (reserve allocations are average per unit per month)

- Fully funded:** A special assessment of \$7,558 and a new reserve allocation of \$69.93
- Fully funded in five years:** a reserve allocation of \$195.89 for five years, then \$69.93
- Baseline funded** (to keep the reserve cash balance above zero): a reserve allocation of \$184.00 for three years, then \$75.00

Current Average Reserve Allocation per unit per month is: \$55.05

STONEBRIDGE II MAINTENANCE CORPORATION

30-Year Cash Flow Projection

(Based on the current year reserve allocation)

Fiscal Year	Beginning Balance	Annual Reserve Contribution*	Estimated Annual Disbursement	Projected Year End Cash Balance	Estimated Required Balance	Percent Funded
2017	\$36,021	\$25,764	\$250,124	-\$188,339	\$113,381	-166%
2018	-\$188,339	\$25,764	\$971	-\$163,546	\$145,136	-113%
2019	-\$163,546	\$25,764	\$6,300	-\$144,082	\$171,563	-84%
2020	-\$144,082	\$25,764	\$35,669	-\$153,987	\$168,621	-91%
2021	-\$153,987	\$25,764	\$3,182	-\$131,405	\$198,165	-66%
2022	-\$131,405	\$25,764	\$100,643	-\$206,284	\$130,248	-158%
2023	-\$206,284	\$25,764	\$3,763	-\$184,282	\$159,212	-116%
2024	-\$184,282	\$25,764	\$7,875	-\$166,393	\$184,063	-90%
2025	-\$166,393	\$25,764	\$4,232	-\$144,861	\$212,558	-68%
2026	-\$144,861	\$25,764	\$10,631	-\$129,729	\$234,653	-55%
2027	-\$129,729	\$25,764	\$67,448	-\$171,413	\$199,931	-86%
2028	-\$171,413	\$25,764	\$11,970	-\$157,619	\$220,687	-71%
2029	-\$157,619	\$25,764	\$16,307	-\$148,162	\$237,107	-62%
2030	-\$148,162	\$25,764	\$1,559	-\$123,957	\$268,274	-46%
2031	-\$123,957	\$25,764	\$0	-\$98,193	\$301,001	-33%
2032	-\$98,193	\$25,764	\$229,071	-\$301,500	\$104,656	-288%
2033	-\$301,500	\$25,764	\$3,182	-\$278,918	\$134,200	-208%
2034	-\$278,918	\$25,764	\$8,846	-\$262,000	\$158,081	-166%
2035	-\$262,000	\$25,764	\$1,050	-\$237,286	\$189,757	-125%
2036	-\$237,286	\$25,764	\$7,258	-\$218,780	\$215,226	-102%
2037	-\$218,780	\$25,764	\$62,730	-\$255,746	\$185,222	-138%
2038	-\$255,746	\$25,764	\$0	-\$229,982	\$217,948	-106%
2039	-\$229,982	\$25,764	\$6,300	-\$210,518	\$244,375	-86%
2040	-\$210,518	\$25,764	\$0	-\$184,754	\$277,101	-67%
2041	-\$184,754	\$25,764	\$19,667	-\$178,657	\$290,161	-62%
2042	-\$178,657	\$25,764	\$126,615	-\$279,508	\$196,272	-142%
2043	-\$279,508	\$25,764	\$11,970	-\$265,714	\$217,029	-122%
2044	-\$265,714	\$25,764	\$43,544	-\$283,494	\$206,211	-137%
2045	-\$283,494	\$25,764	\$4,954	-\$262,683	\$233,984	-112%
2046	-\$262,683	\$25,764	\$0	-\$236,919	\$266,711	-89%

*This projection reflects the current year (2016) annual reserve contribution. This projection shows where the funding is projected to be in 30 years if the Association continues with the current reserve allocation. The projection does not reflect changes in reserve contributions, inflation or interest received on reserve accounts.

STONEBRIDGE II MAINTENANCE CORPORATION

30-Year Cash Flow Projection

(Based on the fully funded in five years funding plan)

Fiscal Year	Beginning Balance	Annual Reserve Contribution*	Estimated Annual Disbursement	Projected Year End Cash Balance	Estimated Required Balance	Percent Funded
2017	\$36,021	\$91,678	\$250,124	-\$122,425	\$113,381	-108%
2018	-\$122,425	\$91,678	\$971	-\$31,718	\$145,136	-22%
2019	-\$31,718	\$91,678	\$6,300	\$53,660	\$171,563	31%
2020	\$53,660	\$91,678	\$35,669	\$109,669	\$168,621	65%
2021	\$109,669	\$91,678	\$3,182	\$198,165	\$198,165	100%
2022	\$198,165	\$32,726	\$100,643	\$130,248	\$130,248	100%
2023	\$130,248	\$32,726	\$3,763	\$159,212	\$159,212	100%
2024	\$159,212	\$32,726	\$7,875	\$184,063	\$184,063	100%
2025	\$184,063	\$32,726	\$4,232	\$212,558	\$212,558	100%
2026	\$212,558	\$32,726	\$10,631	\$234,653	\$234,653	100%
2027	\$234,653	\$32,726	\$67,448	\$199,931	\$199,931	100%
2028	\$199,931	\$32,726	\$11,970	\$220,687	\$220,687	100%
2029	\$220,687	\$32,726	\$16,307	\$237,107	\$237,107	100%
2030	\$237,107	\$32,726	\$1,559	\$268,274	\$268,274	100%
2031	\$268,274	\$32,726	\$0	\$301,001	\$301,001	100%
2032	\$301,001	\$32,726	\$229,071	\$104,656	\$104,656	100%
2033	\$104,656	\$32,726	\$3,182	\$134,200	\$134,200	100%
2034	\$134,200	\$32,726	\$8,846	\$158,081	\$158,081	100%
2035	\$158,081	\$32,726	\$1,050	\$189,757	\$189,757	100%
2036	\$189,757	\$32,726	\$7,258	\$215,226	\$215,226	100%
2037	\$215,226	\$32,726	\$62,730	\$185,222	\$185,222	100%
2038	\$185,222	\$32,726	\$0	\$217,948	\$217,948	100%
2039	\$217,948	\$32,726	\$6,300	\$244,375	\$244,375	100%
2040	\$244,375	\$32,726	\$0	\$277,101	\$277,101	100%
2041	\$277,101	\$32,726	\$19,667	\$290,161	\$290,161	100%
2042	\$290,161	\$32,726	\$126,615	\$196,272	\$196,272	100%
2043	\$196,272	\$32,726	\$11,970	\$217,029	\$217,029	100%
2044	\$217,029	\$32,726	\$43,544	\$206,211	\$206,211	100%
2045	\$206,211	\$32,726	\$4,954	\$233,984	\$233,984	100%
2046	\$233,984	\$32,726	\$0	\$266,711	\$266,711	100%

*This reserve allocation reflects the option of becoming fully funded in five years. Please refer to Funding Plan 2 on the Reserve Study Summary. The projection does not reflect changes in reserve contributions (other than what is indicated in the funding plan), inflation or interest received on reserve accounts.

STONEBRIDGE II MAINTENANCE CORPORATION
30-Year Cash Flow Projection
(Based on the baseline funding plan)

Fiscal Year	Beginning Balance	Annual Reserve Contribution*	Estimated Annual Disbursement	Projected Year End Cash Balance	Estimated Required Balance	Percent Funded
2017	\$36,021	\$86,112	\$250,124	-\$127,991	\$113,381	-113%
2018	-\$127,991	\$86,112	\$971	-\$42,850	\$145,136	-30%
2019	-\$42,850	\$86,112	\$6,300	\$36,962	\$171,563	22%
2020	\$36,962	\$35,100	\$35,669	\$36,393	\$168,621	22%
2021	\$36,393	\$35,100	\$3,182	\$68,311	\$198,165	34%
2022	\$68,311	\$35,100	\$100,643	\$2,768	\$130,248	2%
2023	\$2,768	\$35,100	\$3,763	\$34,106	\$159,212	21%
2024	\$34,106	\$35,100	\$7,875	\$61,331	\$184,063	33%
2025	\$61,331	\$35,100	\$4,232	\$92,199	\$212,558	43%
2026	\$92,199	\$35,100	\$10,631	\$116,667	\$234,653	50%
2027	\$116,667	\$35,100	\$67,448	\$84,319	\$199,931	42%
2028	\$84,319	\$35,100	\$11,970	\$107,449	\$220,687	49%
2029	\$107,449	\$35,100	\$16,307	\$126,242	\$237,107	53%
2030	\$126,242	\$35,100	\$1,559	\$159,783	\$268,274	60%
2031	\$159,783	\$35,100	\$0	\$194,883	\$301,001	65%
2032	\$194,883	\$35,100	\$229,071	\$912	\$104,656	1%
2033	\$912	\$35,100	\$3,182	\$32,830	\$134,200	24%
2034	\$32,830	\$35,100	\$8,846	\$59,084	\$158,081	37%
2035	\$59,084	\$35,100	\$1,050	\$93,134	\$189,757	49%
2036	\$93,134	\$35,100	\$7,258	\$120,976	\$215,226	56%
2037	\$120,976	\$35,100	\$62,730	\$93,346	\$185,222	50%
2038	\$93,346	\$35,100	\$0	\$128,446	\$217,948	59%
2039	\$128,446	\$35,100	\$6,300	\$157,246	\$244,375	64%
2040	\$157,246	\$35,100	\$0	\$192,346	\$277,101	69%
2041	\$192,346	\$35,100	\$19,667	\$207,779	\$290,161	72%
2042	\$207,779	\$35,100	\$126,615	\$116,264	\$196,272	59%
2043	\$116,264	\$35,100	\$11,970	\$139,394	\$217,029	64%
2044	\$139,394	\$35,100	\$43,544	\$130,950	\$206,211	64%
2045	\$130,950	\$35,100	\$4,954	\$161,097	\$233,984	69%
2046	\$161,097	\$35,100	\$0	\$196,197	\$266,711	74%

*This reserve allocation reflects the baseline funding plan where the year end balance never falls below zero once a positive cash flow has been achieved. Please refer to Funding Plan 3 on the Reserve Study Summary. The projection does not reflect changes in reserve contributions (other than what is indicated in the funding plan), inflation or interest received on reserve accounts.

STONEBRIDGE II MAINTENANCE CORPORATION

CHART OF SUGGESTED ANNUAL RESERVE ALLOCATIONS

