

PROPERTY INFORMATION

PROPERTY NAME	Fountaingrove II Open Space Association		
STREET ADDRESS	Faountaingrove Parkway		
CITY, STATE, ZIP	Santa Rosa, California		
GOVERNING ENTITY	Board of Directors		
YEAR CONSTRUCTED	1998	NUMBER OF CONSTRUCTION PHASES	18
NUMBER OF UNITS	591	NUMBER OF RESIDENTIAL BUILDINGS	NA

CONTACT INFORMATION

CURRENT PROPERTY CONTACT	Ms. Leslie Cohen Focus Real Estate & Investment 3936 Mayette Avenue Santa Rosa, CA 95405 Phone: (707) 544-9443 Email: leslie@focus-re.com
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RESERVE STUDY INFORMATION

TYPE OF STUDY	Site Inspection Update Study 2017
BEGINNING YEAR OF STUDY	2017
YEAR OF LAST PHYSICAL INSPECTION	2016
YEAR OF NEXT PHYSICAL INSPECTION	2019 (as required by the Davis-Stirling Act)
RESERVE STUDY PREPARER	Reserve Analysis Consulting, L.L.C. 1750 Bridgeway, Suite B106 • Sausalito, CA 94965 Sausalito, California 94965 Office Phone: (415) 332-7800 FAX: (415) 332-7801
PERFORMED BY	Jim Kelly Direct Phone: (415) 289-7445 Email: jimk@reserveanalysis.com

RESERVE FUND FINANCIAL INFORMATION

BUDGET YEAR ENDING DATE	12/31	2016	2017
ANNUAL RESERVE CONTRIBUTION		\$20,000	\$20,800
MONTHLY RESERVE CONTRIBUTION		\$1,667	\$1,733
PER UNIT MONTHLY (AVG) CONTRIBUTION		\$2.82	\$2.93
TOTAL SPECIAL ASSESSMENT		N/A	N/A
PER UNIT (AVG) SPECIAL ASSESSMENT		N/A	N/A
PROPOSED RESERVE FUND EXPENDITURES			(\$20,370)
ESTIMATED YEAR ENDING BALANCE		\$142,632	\$144,813
REQUESTED MINIMUM "THRESHOLD" FUTURE BALANCE			N/A

RESERVE PERCENT FUNDED CALCULATION

AMOUNT NEEDED TO BE 100% FUNDED	\$77,804	\$82,922
THEORETICAL PER UNIT UNDERFUNDED	\$0	\$0
CALCULATED PERCENT FUNDED	183.32%	174.64%

RESERVE PROJECTED INTEREST & INFLATION

"ASSUMED LONG-TERM INTEREST RATE"	2.00%
"ASSUMED LONG-TERM INFLATION RATE"	3.00%

3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED CALCULATION

Code #	Component Description	2016 End Req'd in Bank	Year New	Usefl Life	Rmng. (2017)	Current Cost	Annual Allocation	2017 End Req'd in Bank
1.00	MONUMENTS							
1.01	Maintenance Allowance (annual)	\$1,500	2017	1	1	\$1,500	\$1,500	\$1,500
	Category Sub-Total	\$1,500				\$1,500	\$1,500	\$1,500
2.00	LANDSCAPING & IRRIGATION							
2.01	Irrigation Controller (MC 12) FGP @ Sedgemore (west)	\$488	1998	30	11	\$814	\$27	\$516
2.02	Irrigation Controller (MC 18) FGP @ Daybreak	\$688	1998	30	11	\$1,146	\$38	\$726
2.03	Irrigation Controller (MC 8) FGP North of Rincon (east)	\$435	1998	30	11	\$725	\$24	\$459
2.04	Irrigation Controller (MC 4) Heathfield	\$142	2009	30	22	\$609	\$20	\$162
2.05	Irrigation Controller (MC 6) Sedgemore @ Rincon	\$376	1998	30	11	\$627	\$21	\$397
2.06	Irrigation Controller (MC 4) Rincon	\$365	1998	30	11	\$609	\$20	\$386
2.07	Irrigation Controller (MC 12) Beuford & Hadley	\$488	1998	30	11	\$814	\$27	\$516
2.08	Irrigation Controller (Iboc 4) Rocky Knoll & Rincon	\$720	2010	10	3	\$1,200	\$120	\$840
2.09	Irrigation Controller (Iboc 4) FGP Summit & Hunter	\$134	2011	30	24	\$805	\$27	\$161
2.10	Irrigation Controller (Iboc 4) Sage Hill	\$280	2009	30	22	\$1,200	\$40	\$320
2.11	Irrigation Controller (Weathermatic) Darlington	\$375	2011	10	4	\$750	\$75	\$450
2.12	Irrigation Controller (Weathermatic) Incantare	\$375	2011	10	4	\$750	\$75	\$450
2.13	Irrigation Controller (Rain Dial) Bellagio	\$525	2009	10	2	\$750	\$75	\$600
2.14	Irrigation Controller (Rain Dial) Palazzo	\$525	2009	10	2	\$750	\$75	\$600
2.15	Irrigation Controller (Rain Dial) Giorno	\$525	2009	10	2	\$750	\$75	\$600
2.16	Irrigation Controller (Rain Dial) Parker Hill @ Wedgewood	\$525	2009	10	2	\$750	\$75	\$600
2.17	Irrigation Controller (Rain Dial) Parker Hill @ Crown Hill	\$525	2009	10	2	\$750	\$75	\$600
2.18	Irrigation Controller (Rain Dial) Orbetello @ Crown Hill	\$750	1998	10	-9	\$750	\$75	\$0
2.19	Irrigation Controller (MC 8) Lower Crown Hill	\$900	1998	30	11	\$1,500	\$50	\$950
2.20	Irrigation Controller (MC 4) FGP @ Parker Hill	\$450	1998	30	11	\$750	\$25	\$475
2.21	Control Valves	\$8,820	1998	25	6	\$12,250	\$490	\$9,310
2.22	Control Valves	\$420	2009	25	17	\$1,500	\$60	\$480
2.23	Backflow Prevention Valves	\$13,191	1998	35	16	\$25,650	\$733	\$13,924
2.24	Backflow Prevention Valves	\$116	2012	35	30	\$1,016	\$29	\$145
2.25	Backflow Prevention Valve Enclosures	\$3,420	1998	35	16	\$6,650	\$190	\$3,610
2.26	Paint Backflow Prevention Valve Enclosures	\$977	1998	35	16	\$1,900	\$54	\$1,031
2.27	Backflow Covers (annual)	\$150	2017	1	1	\$150	\$150	\$150
2.28	Piping Replacement Allowance (annual)	\$1,500	2017	1	1	\$1,500	\$1,500	\$1,500
2.29	Booster Pumps	\$2,667	2012	15	10	\$10,000	\$667	\$3,333
2.30	Retaining Walls	\$457	2012	35	30	\$4,000	\$114	\$571
	Category Sub-Total	\$41,311				\$81,415	\$5,027	\$43,863
3.00	CONCRETE							
3.01	Concrete Repair Allowance (annual)	\$1,500	2017	1	1	\$1,500	\$1,500	\$1,500
	Category Sub-Total	\$1,500				\$1,500	\$1,500	\$1,500
4.00	FIRE ROADS							
4.01	Fire Road Erosion Control (major)	\$2,000	2014	30	27	\$30,000	\$1,000	\$3,000
4.02	Fire Road Erosion Control (annual)	\$4,000	2017	1	1	\$4,000	\$4,000	\$4,000
4.03	Fire Gates	\$6,240	1998	75	56	\$26,000	\$347	\$6,587
4.04	Fire Gates	\$6,240	1998	75	56	\$26,000	\$347	\$6,587
4.05	Fire Gates	\$347	2012	75	70	\$6,500	\$87	\$433
4.06	Paint Fire Gates	\$1,000	2012	8	3	\$2,000	\$250	\$1,250
	Category Sub-Total	\$19,827				\$94,500	\$6,030	\$21,857
5.00	DRAINAGE							
5.01	Swale Rebuild (FB9 - behind Shillingford)	\$158	2015	100	98	\$15,810	\$158	\$316
5.02	Swale Repair	\$8	2015	100	98	\$798	\$8	\$16
5.03	Catch Basin Repair (behind Rocky Point)	\$0	2016	100	99	\$12,000	\$120	\$120
5.04	Well & Inclinometer Repairs	\$3,500	2002	20	5	\$5,000	\$250	\$3,750
5.05	Drainage Repair Allowance (annual)	\$10,000	2017	1	1	\$10,000	\$10,000	\$10,000
	Category Sub-Total	\$13,666				\$43,608	\$10,536	\$14,202
	Total Value of Components:					\$222,523		
	Annual Straight-Line Allocation:						\$24,593	
		2016 End						2017 End

3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED CALCULATION

Code #	Component Description	2016 End Req'd in Bank	Year New	Useful Life	Rmng. (2017)	Current Cost	Annual Allocation	2017 End Req'd in Bank
	Total Dollars Necessary to be 100% Funded:	\$77,804						\$82,922
	Actual Dollars In Reserve Fund:	\$142,632						\$144,813
	Current Fund Deficiency:	\$0						\$0
	Current Per Unit Deficiency:	\$0						\$0
	Percent Funded:	183.32%						174.64%
	(Actual dollars/Total Dollars Necessary)							

STEPS FOR DETERMINING PERCENT FUNDED:

- Step 1: Calculate for each component a required contribution on a "straight-line" funding methodology.
(total component cost divided by the life expectancy of the component)
- Step 2: Calculate the required dollars in Reserves for each component.
(required annual contribution multiplied by the component's life in service)
- Step 3: Total the required dollars for each component to arrive at "required dollars in bank".
- Step 4: Divide actual dollars in bank by required dollars in bank to arrive at percent funded calculation.

This report includes, but is not limited to*, reserve calculations made using the formula described in section 5570(b)(4) ((old 1365.2.5(b)(4)) of the Davis-Stirling Act:

(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 future funding levels developed in the Funding Plan of this Reserve Study are derived through cash flow funding calculations.

5.00

30 YEAR RESERVE FUNDING PLAN

2016 Average unit per month reserve contribution *1 = \$2.82

2016 Total annual reserve contribution *1 = \$20,000

* All future numbers are PROPOSED and/or PROJECTED.

DESCRIPTION - 1ST 10 YEARS	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Projected Beginning Fund Balance *1	\$142,632	\$144,813	\$148,066	\$147,393	\$147,504	\$149,835	\$148,146	\$137,384	\$142,394	\$148,118
Contribution % increase over previous yr.	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	5.00%	5.00%
Contribution avg. unit/month \$ increase	\$0.11	\$0.12	\$0.12	\$0.13	\$0.13	\$0.14	\$0.14	\$0.15	\$0.19	\$0.20
Contribution avg. per unit/month	\$2.93	\$3.05	\$3.17	\$3.30	\$3.43	\$3.57	\$3.71	\$3.86	\$4.05	\$4.26
Reserve Contribution - Annual	\$20,800	\$21,632	\$22,497	\$23,397	\$24,333	\$25,306	\$26,319	\$27,371	\$28,740	\$30,177
Does increase require membership vote?										
Proposed avg. special assess per unit										
Special Assessment - Total Proposed										
Does special assessment require vote?										
Income from other sources										
Total Reserve Fund Available	\$163,432	\$166,445	\$170,563	\$170,790	\$171,837	\$175,142	\$174,464	\$164,756	\$171,134	\$178,295
Projected Expenditures - inflated	-\$20,370	-\$20,170	-\$24,952	-\$25,070	-\$23,813	-\$28,788	-\$38,741	-\$24,084	-\$24,807	-\$25,551
Balance after expenditures	\$143,062	\$146,275	\$145,610	\$145,720	\$148,024	\$146,354	\$135,723	\$140,672	\$146,327	\$152,744
Interest on balance after tax	\$1,751	\$1,790	\$1,782	\$1,784	\$1,812	\$1,791	\$1,661	\$1,722	\$1,791	\$1,870
Minimum requested balance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Percent funded (if implemented) *2	174.64%	161.77%	152.57%	143.91%	135.51%	128.84%	123.88%	117.16%	111.61%	107.04%
Projected Year Ending Balance *3	\$144,813	\$148,066	\$147,393	\$147,504	\$149,835	\$148,146	\$137,384	\$142,394	\$148,118	\$154,614

* All future numbers are PROPOSED and/or PROJECTED.

DESCRIPTION - 2ND 10 YEARS	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Projected Beginning Fund Balance *1	\$154,614	\$145,975	\$139,510	\$140,652	\$145,772	\$150,573	\$158,008	\$107,371	\$111,982	\$119,463
Contribution % increase over previous yr.	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Contribution avg. unit/month \$ increase	\$0.13	\$0.13	\$0.14	\$0.14	\$0.14	\$0.15	\$0.15	\$0.16	\$0.16	\$0.17
Contribution avg. per unit/month	\$4.38	\$4.51	\$4.65	\$4.79	\$4.93	\$5.08	\$5.23	\$5.39	\$5.55	\$5.72
Reserve Contribution - Annual	\$31,082	\$32,015	\$32,975	\$33,964	\$34,983	\$36,033	\$37,114	\$38,227	\$39,374	\$40,555
Does increase require membership vote?										
Proposed avg. special assess per unit										
Special Assessment - Total Proposed										
Does special assessment require vote?										
Income from other sources										
Total Reserve Fund Available	\$185,696	\$177,989	\$172,485	\$174,617	\$180,755	\$186,606	\$195,121	\$145,598	\$151,356	\$160,018
Projected Expenditures - inflated	-\$41,487	-\$40,166	-\$33,534	-\$30,608	-\$32,003	-\$30,509	-\$89,049	-\$34,970	-\$33,338	-\$38,020
Balance after expenditures	\$144,209	\$137,823	\$138,952	\$144,009	\$148,752	\$156,097	\$106,072	\$110,628	\$118,018	\$121,997
Interest on balance after tax	\$1,765	\$1,687	\$1,701	\$1,763	\$1,821	\$1,911	\$1,298	\$1,354	\$1,445	\$1,493
Minimum requested balance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Percent funded (if implemented) *2	102.56%	97.98%	93.90%	90.41%	87.14%	84.39%	72.79%	70.30%	68.58%	66.28%
Projected Year Ending Balance *3	\$145,975	\$139,510	\$140,652	\$145,772	\$150,573	\$158,008	\$107,371	\$111,982	\$119,463	\$123,491

* All future numbers are PROPOSED and/or PROJECTED.

DESCRIPTION - 3RD 10 YEARS	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Projected Beginning Fund Balance *1	\$123,491	\$130,045	\$138,313	\$135,562	\$141,787	\$145,838	\$121,757	\$130,988	\$65,014	\$74,021
Contribution % increase over previous yr.	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Contribution avg. unit/month \$ increase	\$0.17	\$0.18	\$0.18	\$0.19	\$0.19	\$0.20	\$0.20	\$0.21	\$0.22	\$0.22
Contribution avg. per unit/month	\$5.89	\$6.07	\$6.25	\$6.44	\$6.63	\$6.83	\$7.03	\$7.24	\$7.46	\$7.69
Reserve Contribution - Annual	\$41,772	\$43,025	\$44,316	\$45,645	\$47,015	\$48,425	\$49,878	\$51,374	\$52,915	\$54,503
Does increase require membership vote?										
Proposed avg. special assess per unit										
Special Assessment - Total Proposed										
Does special assessment require vote?										
Income from other sources										
Total Reserve Fund Available	\$165,263	\$173,070	\$182,629	\$181,207	\$188,802	\$194,263	\$171,635	\$182,362	\$117,930	\$128,524
Projected Expenditures - inflated	-\$36,790	-\$36,429	-\$48,706	-\$41,134	-\$44,727	-\$73,978	-\$42,231	-\$118,134	-\$44,803	-\$46,147
Balance after expenditures	\$128,472	\$136,641	\$133,923	\$140,073	\$144,075	\$120,285	\$129,404	\$64,228	\$73,126	\$82,377
Interest on balance after tax	\$1,572	\$1,672	\$1,639	\$1,714	\$1,763	\$1,472	\$1,584	\$786	\$895	\$1,008
Minimum requested balance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Percent funded (if implemented) *2	64.61%	63.33%	60.07%	58.64%	56.87%	49.66%	49.36%	30.18%	31.43%	32.50%
Projected Year Ending Balance *3	\$130,045	\$138,313	\$135,562	\$141,787	\$145,838	\$121,757	\$130,988	\$65,014	\$74,021	\$83,385