

SPANISH WALK COMMUNITY ASSOCIATION

April 14, 2016

Bureau of Real Estate Budget Annexation Phase 29

Dear Homeowner:

The budget for Spanish Walk Community Association has been approved by the Bureau of Real Estate for Annexation Phase 29.

The budget for Annexation Phase 29 reflects an assessment amount of \$165.00 per unit, per month effective April 1, 2016. A copy of the budget and reserves worksheet is enclosed with this letter for your review.

Please note the assessments may change as each phase is annexed into the Association. This budget is a good faith estimate from plans prior to construction and/or completion and was prepared for the purpose of obtaining a public report. Once the community is completely built out, the Association may increase or decrease its budget in accordance with California Civil Code. Assessments are due and payable on the first day of the month.

It is suggested that you keep these reports with all other important documents pertaining to the residence, since you may be required to provide this information to any prospective buyer of the property.

Sincerely,

Board of Directors
Spanish Walk Community Association

Enclosure (BRE Budget)

c/o Prime Association Services
635 Camino de los Mares, Suite 100
San Clemente, CA 92673
Phone 800-706-7838

200 OPERATING COSTS (Continued)	Per Unit Per Month	Total Monthly	Total Annual
217. Miscellaneous			
Minor Repairs (i.e. graffiti removal, storm drain maintenance)	1.00	325.00	3,900
Pest Control	0.85	275.47	3,306
Storm Drain Filter Maintenance			
Light Maintenance Service & Supplies	1.17	381.25	4,575
Lake Maintenance Contract			
Lake Maintenance - Extras/Supplies			
Other Miscellaneous Expenses			
Private Sewer Line Maintenance and Inspections	0.42	137.87	1,654
Fire Alarm, Fire Extinguishers and Sprinkler Systems	0.22	70.00	840
Common Area Inspections & Maintenance Manual Updates	0.26	83.33	1,000
200 - SUB TOTAL	100.36	32,616.97	391,404
300 RESERVES			
301-313 (attach reserve worksheet)	38.28	12,439.39	149,273
300 - SUB TOTAL	38.28	12,439.39	149,273
400 ADMINISTRATION			
401. Management (1)	11.00	3,575.00	42,900
402. Legal Services	4.17	1,354.17	16,250
403. Accounting	0.23	75.00	900
404. Education	Included in Line Item 401.		
405. Miscellaneous Office Expense	5.00	1,625.00	19,500
406. Social Events			
407. Staffing			
408. Website			
400 - SUB TOTAL	20.40	6,629.17	79,550
TOTAL (100-400)	162.28	52,742.24	632,907
500 CONTINGENCY			
501. New Construction	2.72	882.76	10,593
502. Conversions 5%			
503. Retained Operating Surplus			
500 - SUB TOTAL	2.72	882.76	10,593
TOTAL BUDGET	165.00	53,625.00	643,500

❖ BRE regulations allow the use of variable assessments against units only if one unit will derive as much as 10 percent more than another unit in the value of common goods and services supplied by the association.

After determining the percent of benefit derived from services provided (page 14) by the association, an easy chart to follow would be :

Less than 10% equal assessments
 from 10% to 20% variable or equal
 Over 20% variable assessments

The budget and management documents indicate (check appropriate box):

equal assessments
 variable assessments

❖ The inventory and quantities used in the preparation of this budget are normally derived from plans completed prior to construction and may vary slightly from actual field conditions. The calculated budget is a good faith estimate of the projected costs and should be deemed reliable for no more than one year. The Board of Directors should conduct an annual review of the Association's actual costs and revise the budget accordingly.

① Depending upon the level of service selected by the Association, the amount shown may be insufficient to cover the cost and may be higher.

RESERVES WORKSHEET

Item	(1) * Sq. Ft. or number	(2) * Unit Cost HOA Manual	TRACT NUMBER		Yearly Reserve Columns 1x2 or 3 + 4	Cost Per Unit Per Month
			Spanish Walk - Tract 33837-1			
			(3) * Replacement Cost	(4) * Remaining Life		
Paint Community Buildings - Exterior	7,680	\$0.16			1,228.80	0.32
Paint - Interior Drywall	19,384	\$0.16			3,101.44	0.80
Roof - Type: Concrete Tile	8,510	\$0.09			765.89	0.20
Water Heaters	3	\$90.00			270.00	0.07
Exterior Lights	305	\$9.00			2,745.00	0.70
Street Lights						
Flooring: Tile	3,479	\$0.15			521.91	0.13
Flooring: Carpet	3,305	\$0.43			1,420.98	0.36
Decomposed Granite Trail						
Streets & Drives - Asphalt/Concrete	406,617	\$0.10			40,661.70	10.43
Decorative Paving	24,715	\$0.10			2,471.50	0.63
Concrete Walkways - 10%	10,910	\$5.00	54,550	30	1,818.33	0.47
Heating & Cooling	3	\$200.00			600.00	0.15
Pool Re-plaster	3	\$750.00			2,250.00	0.58
Pool Heater	3	\$300.00			900.00	0.23
Pool Filter	3	\$200.00			600.00	0.15
Spa Re-plaster	3	\$200.00			600.00	0.15
Spa Heater	3	\$200.00			600.00	0.15
Spa Filter	3	\$125.00			375.00	0.10
Pool/Spa/Play Area Pumps	12	\$120.00			1,440.00	0.37
Lake Aerator Pumps						
Water Well - General Reserve						
Well Pumps						
Water Feature Pumps						
Drain Pumps						
Fountain: Refurbishment	1	\$2,000.00	2,000	25	80.00	0.02
Slide: Repair/Refurbish Allowance 10%				30		
Fireplace: Refurbishment	2	\$5,000.00	20,000	25	800.00	0.21
Lake - Cleaning/Repairs						
Furnishings/Equipment - Restrooms			11,000	20	550.00	0.14
Furn./Equip.: Clubhouse			45,000	5	9,000.00	2.31
Furn./Equip.: Clubhouse Appl. & Equip.			45,000	14	3,214.29	0.82
Furn./Equip.: Pool Furniture			40,000	5	8,000.00	2.05
Furn./Equip.: Parks			29,800	7	4,257.14	1.09
Furn./Equip.: Landscape Amenities			15,000	15	1,000.00	0.26
Furn./Equip.: Tot Lots			80,000	20	4,000.00	1.03
Gazebos/Overlook Decks: Paint						
Gazebos: Repair/Refurbish Allowance						
Trellis Structures: Paint	19,460	\$0.20			3,892.00	1.00
Trellis Structures: Repair/Replace	4,865	\$15.00	72,975	25	2,919.00	0.75
Walls Block: Paint	11,160	\$0.16			1,785.60	0.46
Walls Block/Retaining: Repair	4,276	\$0.20			855.20	0.22
Metal Fences: Paint	38,125	\$0.30			11,437.50	2.93
Metal Fences: Repair	3,430	\$2.00			6,860.00	1.76
Wood Fences: Paint	8,190	\$0.20			1,638.00	0.42
Wood Fences: Repair/Replace *	683	\$1.50			1,023.75	0.26
Mailboxes	5	\$10,000.00	50,000	25	2,000.00	0.51
Common Area Doors	22	\$250.00	5,500	20	275.00	0.07
Private Sewer Lines	4,727	\$0.50			2,363.50	0.61
Motorized Gates	4	\$405.00			1,620.00	0.42
Access Control System	1	\$3,500.00	3,500	10	350.00	0.09
Entry Monuments - Refurbish Allowance			20,000	30	666.67	0.17
Irrigation Controllers	14	\$2,500.00	35,000	12	2,916.67	0.75
Irrigation Booster Pumps						
Irrigation Audit	14	\$500.00	7,000	5	1,400.00	0.36
Tree Trimming	377	\$35.00	13,195	3	4,398.33	1.13
Landscape Refurbishment	479,972	\$0.02			9,599.44	2.46
TOTAL RESERVES					149,272.64	38.28

* Fence is a "party wall" with adjacent property owner and the Spanish Walk Master HOA is only responsible for 50% of fence replacement costs.