

RANCHO VENTANA HOME OWNER'S ASSOCIATION

December 2010

RESERVE FUND STATEMENT

1. The Reserve Fund is based on a fully funded system. For example: Funding for all accounts is based on the estimated replacement cost divided by the number of expected useful years of life. This gives a yearly funding amount so that at the end of the expected useful life the items will be fully funded for repair or replacement.
2. The 2011 total estimated repair and replacement costs are \$596,715.97. The Reserve Account balance as of 12/31/2010 was \$282,489.31. This leaves \$314,226.66 to be funded, which is approximately 52.6% of the total.
3. As of this date, the Reserve Fund does not have any outstanding loans.
4. In the event a repair or replacement was needed before the item was fully funded, and there were not enough funds available, the Board could borrow from the Reserve Fund until a Special Assessment is approved, or the Board may re-allocate funds from another line item.
5. At this time the Board identifies two possible Special Assessments in the future:
 - a. This season- Southern California Edison's mandatory meter replacement which may cause the Park to replace some of the electric pedestals.
 - b. In the future- Connection to the City of Blythe sewer system.
6. Use of Emergency or Special Assessments is covered in our CC&Rs

THE BOARD OF DIRECTORS.