

RESERVE EXPENDITURES

for
Lake McQueeney Las Brisas
Homeowners Association
 Seguin, Texas

Explanatory Notes:

- 1) **2.8%** is the estimated future Inflation Rate for estimating Future Replacement Costs.
- 2) FY 2010 is Fiscal Year beginning January 1 and ending December 31.

Line Item	Quantities:		Units	Reserve Component Inventory	Estimated 1st Year of Replacement	Life Analysis, Years		Unit Cost, \$	Percentage Ownership	2010 Cost of Replacement per Phase, \$	Total Future Costs of Replacement, \$	(See Notes 1 & 2)																				
	30-Year Total	Per Phase				Useful	Remaining					RUL = 0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Property Site Elements																																
4.020	148,635	24,773	Square Yards	Asphalt Pavement, Crack Repair, Patch and Flexseal, Phased	2014	6 to 10	4	4.50	100%	111,476	1,084,486					124,496				142,929				164,091			188,387					
4.021	43,395	14,465	Square Yards	Asphalt Pavement, Crack Repair, Patch and Flexseal (Shared)	2018	6 to 10	8	4.50	80%	52,074	263,384									64,948							85,605					
4.040	60,555	5,505	Square Yards	Asphalt Pavement, Mill and Overlay, Phased	2012	20 to 25	2	12.50	100%	68,813	1,113,575			72,720	74,756					88,228	90,698	93,238	95,848	98,532	101,291	104,127						
4.041	14,465	14,465	Square Yards	Asphalt Pavement, Mill and Overlay (Shared)	2027	20 to 25	17	12.50	80%	144,650	231,314															231,314						
4.245	365	365	Linear Feet	Fences, Metal	2022	to 35	12	57.00	100%	20,805	28,979												28,979									
4.319	6	3	Each	Gates, Card Reader and Keypad	2013	10 to 15	3	1,700.00	100%	5,100	13,925				5,541												8,384					
4.320	6	2	Each	Gate Operators	2014	to 10	4	3,500.00	100%	7,000	31,703					7,818							10,304									
4.330	2	1	Each	Gate, Slider, Entrance	2014	to 20	4	4,000.00	100%	4,000	12,228					4,467																
4.331	2	1	Each	Gate, Slider, Exit	2010	to 20	0	4,000.00	100%	4,000	10,949	4,000															6,949					
4.420	6	1	Allowance	Irrigation System, Partial Replacements	2015	35 to 40	5	2,600.00	100%	2,600	26,002					2,985					3,427				3,934		4,517					
4.560	39	4	Each	Light Poles and Fixtures, Steel, Phased	2030	to 25	20	1,725.00	100%	6,038	132,965																10,489					
4.561	11	2	Each	Light Poles and Fixtures, Wood, Phased (Replace with Steel)	2011	15 to 20	1	1,725.00	100%	3,795	20,629		3,901	4,010	4,123	4,238	4,357															
4.703	3,510	270	Linear Feet	Lake, Bulkhead, Phased	2011	25 to 30	1	158.00	100%	42,660	872,335		43,854	45,082	46,345	47,642	48,976	50,348	51,757													
4.710	9,400	4,700	Square Yards	Lake, Dredging, Partial	2015	to 25	5	21.00	100%	98,700	339,315					113,314																
4.810	2	1	Allowance	Signage, Entrance Monuments and Columns, Capital Repairs	2018	to 20	8	6,400.00	100%	6,400	21,849									7,982												
Marina Elements																																
7.367	29	29	Squares	Awning, Metal	2024	to 25	14	600.00	100%	17,400	25,613													25,613								
7.381	4,200	1,400	Square Feet	Boat Slips, Wood	2011	10 to 15	1	30.00	100%	42,000	187,083	43,176											60,139									
7.392	1,050	350	Square Feet	Concrete Flatwork, Partial Replacements	2011	to 65	1	9.00	100%	3,150	13,132		3,238								4,268											
7.401	5	1	Allowance	Foot Bridge, Metal, Capital Repairs	2011	to 6	1	5,300.00	100%	5,300	38,995		5,448										6,430		7,589		8,957					
7.461	2	1	Each	Gate, Swing (Includes Fence)	2018	to 20	8	4,500.00	100%	4,500	15,363									5,613												
7.501	10	10	Each	Storage Facility Doors, Metal	2029	to 30	19	800.00	100%	8,000	13,519																13,519					
		1	Allowance	Reserve Study Update with Site Visit	2012	2	2	3,000.00		3,000	3,000			3,000																		
Anticipated Expenditures, By Year											\$4,500,343	4,000	99,617	124,812	130,765	188,661	169,632	50,348	58,187	78,543	231,157	94,125	97,506	124,827	166,260	301,299	108,061	0	231,314	93,989	210,863	21,955

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Line Item	21 2031	22 2032	23 2033	24 2034	25 2035	26 2036	27 2037	28 2038	29 2039	30 2040
Property Site Elements										
4.020 Asphalt Pavement, Crack Repair, Patch and Flexseal, Phased				216,280					248,303	
4.021 Asphalt Pavement, Crack Repair, Patch and Flexseal (Shared)								112,831		
4.040 Asphalt Pavement, Mill and Overlay, Phased							145,038	149,099		
4.041 Asphalt Pavement, Mill and Overlay (Shared)										
4.245 Fences, Metal										
4.319 Gates, Card Reader and Keypad										
4.320 Gate Operators				13,581						
4.330 Gate, Slider, Entrance				7,761						
4.331 Gate, Slider, Exit										
4.420 Irrigation System, Partial Replacements					5,186					5,953
4.560 Light Poles and Fixtures, Steel, Phased	10,782	11,084	11,395	11,714	12,042	12,379	12,725	13,082	13,448	13,825
4.561 Light Poles and Fixtures, Wood, Phased (Replace with Steel)										
4.703 Lake, Bulkhead, Phased			80,512	82,767			89,916	92,433	95,021	97,682
4.710 Lake, Dredging, Partial										226,001
4.810 Signage, Entrance Monuments and Columns, Capital Repairs								13,867		
Marina Elements										
7.367 Awning, Metal										
7.381 Boat Slips, Wood					83,768					
7.392 Concrete Flatwork, Partial Replacements	5,626									
7.401 Foot Bridge, Metal, Capital Repairs					10,571					
7.461 Gate, Swing (Includes Fence)								9,750		
7.501 Storage Facility Doors, Metal										
Reserve Study Update with Site Visit										
Anticipated Expenditures, By Year	16,408	11,084	91,907	332,103	111,567	12,379	247,679	391,062	356,772	343,461

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS
Lake McQueeney Las Brisas
Homeowners Association

Individual Reserve Budgets & Cash Flows for the Next 30 Years

Seguin, Texas	FY2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Reserves at Beginning of Year (Note 1)	0	21,329	57,424	71,679	83,215	39,564	17,448	86,238	151,703	201,252	101,230	141,298	182,419	200,555	181,147	29,150
Plus Recommended Reserve Contributions	25,200	103,000	105,900	108,900	111,900	115,000	118,200	121,500	124,900	128,400	132,000	135,700	139,500	143,400	147,400	130,500
Plus Additional Assessment or Additional Reserve Contributions		32,000	32,000	32,000	32,000	32,000										
Total Recommended Reserve Contributions (Note 2)	25,200	135,000	137,900	140,900	143,900	147,000	118,200	121,500	124,900	128,400	132,000	135,700	139,500	143,400	147,400	130,500
Plus Estimated Interest Earned, During Year (Note 3)	129	712	1,167	1,401	1,110	516	938	2,152	3,192	2,735	2,193	2,927	3,463	3,452	1,902	737
Less Anticipated Expenditures, By Year	(4,000)	(99,617)	(124,812)	(130,765)	(188,661)	(169,632)	(50,348)	(58,187)	(78,543)	(231,157)	(94,125)	(97,506)	(124,827)	(166,260)	(301,299)	(108,061)
Anticipated Reserves at Year End	<u>\$21,329</u>	<u>57,424</u>	<u>71,679</u>	<u>83,215</u>	<u>39,564</u>	<u>17,448</u>	<u>86,238</u>	<u>151,703</u>	<u>201,252</u>	<u>101,230</u>	<u>141,298</u>	<u>182,419</u>	<u>200,555</u>	<u>181,147</u>	<u>29,150</u>	<u>52,326</u>
						(NOTE 4)									(NOTE 4)	
Predicted Reserves based on 2010 funding level of: \$37,800	21,329	(41,000)	(130,000)	(226,000)	(382,000)	(522,000)										

(continued)

Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Reserves at Beginning of Year	52,326	188,706	97,984	148,120	85,267	216,037	359,029	514,342	595,370	440,130	509,349	684,768	630,987	436,679	278,676
Total Recommended Reserve Contributions	134,200	138,000	141,900	145,900	150,000	154,200	158,500	162,900	167,500	172,200	177,000	182,000	187,100	192,300	197,700
Plus Estimated Interest Earned, During Year	2,180	2,592	2,225	2,110	2,725	5,200	7,897	10,035	9,363	8,586	10,798	11,898	9,654	6,469	3,756
Less Anticipated Expenditures, By Year	0	(231,314)	(93,989)	(210,863)	(21,955)	(16,408)	(11,084)	(91,907)	(332,103)	(111,567)	(12,379)	(247,679)	(391,062)	(356,772)	(343,461)
Anticipated Reserves at Year End	<u>188,706</u>	<u>97,984</u>	<u>148,120</u>	<u>85,267</u>	<u>216,037</u>	<u>359,029</u>	<u>514,342</u>	<u>595,370</u>	<u>440,130</u>	<u>509,349</u>	<u>684,768</u>	<u>630,987</u>	<u>436,679</u>	<u>278,676</u>	<u>136,671</u>
															(NOTE 5)

Explanatory Notes:

- 1) Year 2010 starting reserves are as of April 30, 2010; FY 2010 starts January 1 and ends December 31.
- 2) Reserve Contributions for 2010 are the remaining budgeted 8 months; 2011 is the first year of recommended contributions.
- 3) 1.8% is the weighted average annual rate of return on invested reserves; 2010 is a partial year of interest earned.
- 4) Threshold Funding Year (reserve balance at critical point).
- 5) Accumulated year 2040 ending reserves consider the age, size, overall condition and complexity of the property.