

3- Minute Executive Summary

Association: Bartlett Lofts **Assoc. #:** 13217-0
Location: Los Angeles, CA
of Units: 140
Report Period: May 1, 2006 through December 31, 2006

Results

Projected Starting Reserve Balance:	\$46,164
Fully Funded Reserve Balance:	\$228,304
Percent Funded:	20.2%
Recommended 2006 monthly Reserve Contribution:	\$8,000
Recommended Special Assessment this year:	\$0
Most Recent Reserve Contribution Rate:	\$3,531

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves..... 1.00%
Annual Inflation Rate..... 3.00%

- The information in this Reserve Study is based on our site inspection on April 27, 2006.
- Because your Reserve Fund is 20.2% Funded, this represents a weak position. In perspective, associations below 30% funded usually experience deferred maintenance and/or special assessments while those above 70% enjoy less risks of cash flow crisis.
- Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions with annual increases of 3% for 15 years and 2% thereafter, to help offset inflation.
- Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or "Fully Funded".
- As a newer association, no Reserve projects are expected this year.