

EXHIBIT B

Project No.
4412.2.050.01

March 8, 2000

Mr. Bill Gray, General Manager
Wiedemann Ranch Geologic Hazard Abatement District
1820 Bonanza Street, Suite 204
Walnut Creek, CA 94596

Subject: Henry Ranch Annexation
Projected Budget

ENGINEER'S REPORT

- References:
1. ENGEO Inc., Geotechnical Exploration, Henry Property, San Ramon Valley Boulevard, San Ramon, California, Project No. 4412-W1, January 12, 1998.
 2. ENGEO Inc., Additional Fault Exploration, Henry Property, San Ramon Valley Boulevard, San Ramon, California, Project No. 4412.2.050.01, January 14, 2000.
 3. ENGEO Inc., Revision 1 to the Wiedemann Ranch Plan of Control, Presley Henry Ranch Project Annexation in the Wiedemann Ranch Geologic Hazard Abatement District (GHAD), Project No. 4412-W3, February 1, 2000.
 4. ENGEO Inc., Supplemental Geotechnical Exploration of Landslide, Henry Ranch – Subdivision 8188, San Ramon, California, Project No. 4412.2.050.01, February 15, 2000.

Dear Mr. Gray:

PROJECT DESCRIPTION

The Henry Ranch is located on the southwest side of San Ramon Valley Blvd. in San Ramon, California. It consists of a rectangular parcel oriented in an east-west direction. The topography consists of generally easterly-facing ridge noses and valleys. Several drainages are located in the southern portion of the property and drain to the southeast.

The highest elevation proposed for development is approximately elevation 685 feet, located in the central portion of the site. The lowest elevations are in the eastern portion of the site where a strip of nearly-level land fronts San Ramon Valley Blvd. at an elevation of approximately 410 feet. The hillsides have slope gradients generally ranging between 2.5 and 4.0 horizontal to 1.0 vertical. Site vegetation includes oak trees and wild grasses. Site geology is described in References 1 and 2.

The site presently contains two residences that are to remain, along with several corrals, sheds, barns and dirt roads, some of which are to remain. Water lines for the existing residences traverse the site in an east-west direction from San Ramon Valley Blvd. An old well is located on the level portion of the property near the northeastern corner. Septic tanks/leach fields presently service both existing homes. Access to the property is from one of two gates located along the eastern boundary adjacent to San Ramon Valley Blvd.

PROPOSED DEVELOPMENT

Residential development is proposed for the eastern portion of the site. Development will include excavated cuts on some of the ridges and fills in most of the valleys and drainages. The remaining western portion of the property will remain undeveloped.

According to the Grading and Development Plans prepared by P/A Design Resources, Inc., the proposed development consists of 100 new single-family residential units. Higher-density residential development is planned within the flatter area adjacent to San Ramon Valley Blvd. Approximately fifty single-family residential lots are planned on the ridges and valleys to the west of the level area. This will require some cutting on the ridges and filling over the drainages and valleys. Access to the single-family residences will be from two gently curving, 60-foot-wide roadways entering the site from the south (Figure 4).

As a condition of approval, this project will be required to be within a Geologic Hazard Abatement District (GHAD) which will be funded through property tax assessments on the parcels within the project. Given the size of the Henry Ranch project, its proximity to Wiedemann Ranch and the geologic similarities between the two developments, it has been proposed to annex the Henry Ranch into the existing Wiedemann Ranch GHAD.

FINANCIAL ANALYSIS

A financial analysis was performed to provide a framework for an operating budget for the on-going abatement, mitigation, prevention and control of geologic hazards within the Henry Ranch. In preparation of the budget, several factors were considered including:

- Site Geology
- Proposed Remedial Grading
- Proximity of Geologic Hazards to Proposed Residences
- Site Access Considerations
- Elements Requiring Routine Maintenance Including:
 - Surface Drainage Facilities
 - Graded Slopes
 - Detention Basin
 - Mitigation Ponds

In addition, the General Manager for the existing Wiedemann Ranch GHAD, William R. Gray and Company, was consulted for the development of the operating budget and reserve analysis. Annual expenses were estimated (in 2001 dollars) both for a stand-alone Henry Ranch GHAD

In addition, the General Manager for the existing Wiedemann Ranch GHAD, William R. Gray and Company, was consulted for the development of the operating budget and reserve analysis. Annual expenses were estimated (in 2001 dollars) both for a stand-alone Henry Ranch GHAD and for a combined Wiedemann-Henry GHAD. These expenses correspond to operational needs following completion of the project and full occupancy of the units based on the requirements of the Wiedemann Ranch Plan of Control and historic operating expenses for similar GHADs.

Option 1 - Form Standalone GHAD

	Henry Ranch GHAD	
Units	100	
Anticipated Annual Costs		
Administration	\$16,000.00	20.8%
Preventive Maintenance	\$17,500.00	22.8%
Mitigation Pond Maint.	\$5,400.00	7.0%
Major Repair (annual set aside)	\$38,000.00	49.4%
Estimated Annual Budget	\$76,900.00	
Estimated per unit assessment	\$769.00	

Option 2 - Annex to Wiedemann Ranch GHAD

	Wiedemann Ranch Portion		Henry Ranch Portion		Combined GHAD	
Units	365		100		465	
Anticipated Annual Costs						
Administration	\$33,000.00	16.4%	\$9,000.00	16.2%	\$42,000.00	16.4%
Preventive Maintenance	\$67,750.00	33.7%	\$13,500.00	24.3%	\$81,250.00	31.7%
Mitigation Pond Maint.	\$0.00	0.0%	\$5,400.00	9.7%	\$5,400.00	2.1%
Major Repair (annual set aside)	\$100,000.00	49.8%	\$27,600.00	49.7%	\$127,600.00	49.8%
Estimated Annual Budget	\$200,750.00		\$55,500.00		\$256,250.00	
Estimated per unit assessment	\$550.00		\$555.00			

This budget was proposed for the purpose of establishing assessment levels based on the above-estimated expenses for on-going operations, and allowing for larger (approximately \$250,000) geologic events at 10-year intervals (See Exhibit I). In order to establish a reasonable reserve in the early years following formation of the GHAD, an initial seed fund would be required of the developer and there would be an initial deferral of GHAD expenses. To compute the amount of initial seed fund, the GHAD's total reserve needs during the 3-year projected buildout period (based on \$276/unit/year and 100 units as shown above) were compared to the actual revenues expected during this period. The difference or "shortfall" during this initial period was then used to establish the initial funding. Based on this analysis, a seed fund of \$50,000 is recommended.

Although financial exposures due to geotechnical risk within the Henry Ranch are likely substantially lower on a per-unit basis than in the adjacent Wiedemann Ranch, the small number of units within the Henry Ranch would necessitate an assessment level of over \$750 per unit per year if a stand-alone GHAD were established for the Henry Ranch (see table above).

As shown above, when combining the two projects into a single GHAD, economies can be realized from more efficient operations and, more significantly, from the establishment of only a single reserve fund. Consequently, the incremental increase in costs to the Wiedemann Ranch GHAD from annexing the Henry Ranch can be funded by assessing the Henry Ranch parcels at roughly the same level of assessment as the Wiedemann Ranch parcels, which is approximately \$555 per unit per year (see Exhibit II). This assessment level may increase annually in accordance with the Consumer Price Index (CPI).

This approach would benefit the Henry Ranch by allowing a lower overall assessment level and access to a larger reserve. It will also benefit the Wiedemann Ranch by generating additional revenue from parcels which, on the average, face lower geotechnical risk (because of flatter overall slope gradients, the general absence of creeks, greater clustering of residential units, lower property values, greater site access, etc.).

Very truly yours,

Henry Ranch Geologic Hazard

Estimate

YEAR	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Cumulative No. of Units	25	70	100	100	100	100	100	100	100	100	100
A. INCOME											
Assessment	18,750	54,075	79,568	81,955	84,413	86,946	89,554	92,241	95,008	97,858	100,794
B. PROJECTED EXPENSES											
1. Administration and Accounting	3,000	6,180	6,365	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063
County Fees	269	312	346	356	367	378	389	401	413	425	438
2. Outside Consultants				13,506	13,506	13,911	14,329	14,758	15,201	15,657	16,127
3. Maintenance & Operation				13,506	13,506	13,911	14,329	14,758	15,201	15,657	16,127
4. Slope Stabilization				16,883	16,883	17,389	17,911	18,448	19,002	19,572	20,159
5. Erosion Protection				11,255	11,255	11,593	11,941	12,299	12,668	13,048	13,439
6. Repair											335,979
7. Misc Expenses*		5,562	5,729	5,901	6,078	6,260	6,448	6,641	6,841	7,046	7,257
8. Debt Service											
SUBTOTAL - EXPENSES	3,269	12,054	12,440	12,813	68,348	70,398	72,510	74,685	76,926	79,234	417,590
RESERVE	65,481	42,021	67,127	68,141	16,066	16,547	17,044	17,555	18,082	18,624	(316,796)
EARNINGS	3,929	4,165	6,936	11,379	16,211	18,147	20,229	22,465	24,867	27,444	30,208
CUMULATIVE RESERVE	69,410	115,595	189,658	270,179	302,455	337,150	374,423	414,443	457,392	503,460	216,871

ASSUMPTIONS

Total No. of Units	100
Annual Assessment per Unit	\$750
Total Non-Residential Building Area (sq.ft.)	0
Annual Assessment per non-res sq. foot	\$0.00
Annual Increase in Assessment	3.0%
Inflation	3.0%
Investment Earnings	6.0%
Initial Seed Fund	\$50,000
Amount Financed	\$0
Borrowing Rate	8.0%
Term of Loan (yrs)	10
Frequency of Large-Scale Repair (yrs)	10
Cost of Large-Scale Repair (current \$)	\$250,000

ESTIMATED ANNUAL EXPENSES IN 2001 DOLLARS

1. Administration and Accounting	6,000
2. Outside Consultants	12,000
3. Maintenance & Operation	12,000
4. Slope Stabilization	15,000
5. Erosion Control	10,000 (incl. 1 detention basin)
TOTAL	55,000

* Incl. mitigation pond maintenance per Sycamore Associates memo dated 2/2/00: \$5,400 (assuming Item 1, 50% of Item 3, and Item 4)

T I
Abatement District
ed Budget

YEAR	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cumulative No. of Units	100	100	100	100	100	100	100	100	100	100	100
A. INCOME											
Assessment	103,818	106,932	110,140	113,444	116,848	120,353	123,964	127,682	131,513	135,458	139,522
B. PROJECTED EXPENSES											
1. Administration and Accounting	8,305	8,555	8,811	9,076	9,348	9,628	9,917	10,215	10,521	10,837	11,162
County Fees	451	465	479	493	508	523	539	555	572	589	606
2. Outside Consultants	16,611	17,109	17,622	18,151	18,696	19,256	19,834	20,429	21,042	21,673	22,324
3. Maintenance & Operation	16,611	17,109	17,622	18,151	18,696	19,256	19,834	20,429	21,042	21,673	22,324
4. Slope Stabilization	20,784	21,388	22,028	22,689	23,370	24,071	24,793	25,536	26,303	27,082	27,904
5. Erosion Protection	13,842	14,258	14,685	15,126	15,580	16,047	16,528	17,024	17,535	18,061	18,603
6. Repair										451,528	
7. Misc Expenses*	7,475	7,699	7,930	8,168	8,413	8,665	8,925	9,193	9,469	9,753	10,046
8. Debt Service											
SUBTOTAL - EXPENSES	84,059	86,581	89,178	91,854	94,609	97,447	100,371	103,382	106,483	109,606	112,908
RESERVE	19,759	20,351	20,962	21,591	22,238	22,906	23,593	24,301	25,030	(425,747)	26,554
EARNINGS	13,012	14,979	17,098	19,382	21,840	24,485	27,328	30,384	33,665	37,186	40,873
CUMULATIVE RESERVE	249,642	284,972	323,032	364,005	408,084	455,474	506,395	561,080	619,774	681,213	741,840

ASSUMPTIONS

Total No. of Units
 Annual Assessment per Unit
 Total Non-Residential Building Area (sq.ft.)
 Annual Assessment per non-res sq. foot
 Annual Increase in Assessment
 Inflation
 Investment Earnings
 Initial Seed Fund
 Amount Financed
 Borrowing Rate
 Term of Loan (yrs)
 Frequency of Large-Scale Repair (yrs)
 Cost of Large-Scale Repair (current \$)

ESTIMATED ANNUAL EXPENSES IN 2001 DOL

1. Administration and Accounting
2. Outside Consultants
3. Maintenance & Operation
4. Slope Stabilization
5. Erosion Control

TOTAL

* Incl. mitigation pond maintenance per Sycan

4412-W3
 03/28/2000

YEAR	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Cumulative No. of Units	100	100	100	100	100	100	100	100	100	100	100
A. INCOME											
Assessment	143,708	148,019	152,460	157,033	161,744	166,597	171,595	176,742	182,045	187,506	193,131
B. PROJECTED EXPENSES											
1. Administration and Accounting	11,497	11,842	12,197	12,563	12,940	13,328	13,728	14,139	14,564	15,000	15,450
County Fees	625	643	663	683	703	724	746	768	791	815	839
2. Outside Consultants	22,993	23,683	24,394	25,125	25,879	26,655	27,455	28,279	28,127	30,001	30,901
3. Maintenance & Operation	22,993	23,683	24,394	25,125	25,879	26,655	27,455	28,279	29,127	30,001	30,901
4. Slope Stabilization	28,742	29,604	30,492	31,407	32,349	33,319	34,319	35,348	36,409	37,501	38,626
5. Erosion Protection	19,161	19,736	20,328	20,938	21,566	22,213	22,879	23,566	24,273	25,001	25,751
6. Repair	-	-	-	-	-	-	-	-	606,816	-	-
7. Misc Expenses*	10,347	10,657	10,977	11,306	11,646	11,995	12,355	12,725	13,107	13,500	13,905
8. Debt Service	-	-	-	-	-	-	-	-	-	-	-
SUBTOTAL - EXPENSES	116,357	119,848	123,443	127,147	130,961	134,890	138,937	143,105	147,214	151,820	156,374
RESERVE	27,350	28,171	29,016	29,887	30,783	31,707	32,658	33,638	(572,169)	35,686	36,757
EARNINGS	18,298	18,917	21,743	24,788	28,069	31,800	35,398	39,481	43,869	12,171	15,042
CUMULATIVE RESERVE	315,289	382,377	413,135	467,810	526,662	589,968	658,024	731,143	202,843	250,700	302,489

ASSUMPTIONS

- Total No. of Units
- Annual Assessment per Unit
- Total Non-Residential Building Area (sq.ft.)
- Annual Assessment per non-res sq. foot
- Annual Increase in Assessment
- Inflation
- Investment Earnings
- Initial Seed Fund
- Amount Financed
- Borrowing Rate
- Term of Loan (yrs)
- Frequency of Large-Scale Repair (yrs)
- Cost of Large-Scale Repair (current \$)

ESTIMATED ANNUAL EXPENSES IN 2001 DOLLAR

- 1. Administration and Accounting
- 2. Outside Consultants
- 3. Maintenance & Operation
- 4. Slope Stabilization
- 5. Erosion Control
- TOTAL

* Incl. mitigation pond maintenance per Sycan

YEAR	2034	2035	2036	2037	2038	2039	2040	2041
Cumulative No. of Units	100	100	100	100	100	100	100	100
A. INCOME								
Assessment	198,925	204,893	211,040	217,371	223,892	230,609	237,527	244,653
B. PROJECTED EXPENSES								
1. Administration and Accounting	15,914	16,391	16,883	17,390	17,911	18,448	19,002	19,572
County Fees	865	891	917	945	973	1,002	1,032	1,063
2. Outside Consultants	31,828	32,783	33,766	34,779	35,823	36,897	38,004	39,144
3. Maintenance & Operation	31,828	32,783	33,766	34,779	35,823	36,897	38,004	39,144
4. Slope Stabilization	39,785	40,879	42,208	43,474	44,778	46,122	47,505	48,931
5. Erosion Protection	26,523	27,319	28,139	28,983	29,852	30,748	31,670	32,620
6. Repair	-	-	-	-	-	-	-	815,509
7. Misc Expenses*	14,323	14,752	15,195	15,651	16,120	16,604	17,102	17,615
8. Debt Service	-	-	-	-	-	-	-	-
SUBTOTAL - EXPENSES	161,066	165,898	170,875	176,001	181,281	186,719	192,321	1,013,600
RESERVE	37,859	38,995	40,165	41,370	42,611	43,889	45,206	(768,947)
EARNINGS	18,150	21,510	25,141	29,059	33,285	37,839	42,742	48,019
CUMULATIVE RESERVE	358,508	419,014	484,320	554,749	630,645	712,373	800,322	79,394

ASSUMPTIONS
 Total No. of Units
 Annual Assessment per Unit
 Total Non-Residential Building Area (sq.ft.)
 Annual Assessment per non-res sq. foot
 Annual Increase in Assessment
 Inflation
 Investment Earnings
 Initial Seed Fund
 Amount Financed
 Borrowing Rate
 Term of Loan (yrs)
 Frequency of Large-Scale Repair (yrs)
 Cost of Large-Scale Repair (current \$)

Reserve In
 2,001
 Dollars:
 24,339

ESTIMATED ANNUAL EXPENSES IN 2001 DOL

1. Administration and Accounting
 2. Outside Consultants
 3. Maintenance & Operation
 4. Slope Stabilization
 5. Erosion Control
- TOTAL

* Incl. mitigation pond maintenance per Sycan

EXHIBIT

**Wiedemann Ranch Geologic Hazards Mitigation Project
Estimated Budget (following)**

YEAR	2001	2002	2003	2004	2005	2006	2007	2008	2008	2010	2011
Cumulative No. of Units	25	70	150	220	300	400	465	465	465	465	465
A. INCOME											
Assessment	13,750	39,655	87,524	132,220	185,709	255,040	305,379	314,540	323,976	333,696	343,707
B. PROJECTED EXPENSES											
1. Administration and Accounting	7,500	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159
County Fees	269	312	386	456	538	642	720	742	764	787	811
2. Outside Consultants					33,765	34,778	35,822	36,896	38,003	39,143	40,317
3. Maintenance & Operation					21,784	29,917	35,822	36,896	38,003	39,143	40,317
4. Slope Stabilization					21,784	29,917	35,822	36,896	38,003	39,143	40,317
5. Erosion Protection					39,937	54,847	65,673	67,643	69,672	71,783	73,915
6. Repair											1,343,916
7. Misc Expenses*		5,562	5,729	5,901	6,078	6,260	6,448	6,641	6,841	7,046	7,257
8. Debt Service											
SUBTOTAL - EXPENSES	7,769	21,324	22,029	22,748	140,769	173,751	198,217	204,163	210,288	216,597	1,587,011
RESERVE	260,776	18,331	65,496	109,472	44,940	81,290	107,162	110,377	113,688	117,099	(1,223,304)
EARNINGS	15,647	18,585	18,680	23,731	31,723	36,323	43,380	52,412	62,179	72,731	84,121
CUMULATIVE RESERVE	276,422	311,338	395,514	528,717	605,380	722,993	873,535	1,036,324	1,212,191	1,402,022	262,839

ASSUMPTIONS

Total No. of Units	465
Annual Assessment per Unit	\$550
Total Non-Residential Building Area (sq.ft.)	0
Annual Assessment per non-res sq. foot	\$0.00
Annual Increase in Assessment	3.0%
Inflation	3.0%
Investment Earnings	6.0%
Initial Seed Fund	\$254,795
Amount Financed	\$0
Borrowing Rate	8.0%
Term of Loan (yrs)	10
Frequency of Large-Scale Repair (yrs)	10
Cost of Large-Scale Repair (current \$)	\$1,000,000

ESTIMATED ANNUAL EXPENSES IN 2001 DOLLARS

1. Administration and Accounting	15,000
2. Outside Consultants	30,000
3. Maintenance & Operation	30,000
4. Slope Stabilization	30,000
5. Erosion Control	55,000 (incl. 3 detention basins and general creek bank maintenance)
TOTAL	160,000

* Incl. mitigation pond maintenance per Sycamore Associates memo dated 2/2/00: \$5,400 (assuming Item 1, 50% of Item 3, and Item 4)

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g annexation of Henry Ranch)

YEAR	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Cumulative No. of Units	465	465	465	465	465	465	465	465	465	465	465
A. INCOME											
Assessment	354,018	364,638	375,577	386,845	398,450	410,404	422,716	435,397	448,459	461,913	475,770
B. PROJECTED EXPENSES											
1. Administration and Accounting	20,764	21,386	22,028	22,699	23,370	24,071	24,793	25,536	26,303	27,092	27,904
County Fees	835	860	886	913	940	968	997	1,027	1,058	1,090	1,123
2. Outside Consultants	41,527	42,773	44,056	45,378	46,739	48,141	49,585	51,073	52,605	54,183	55,809
3. Maintenance & Operation	41,527	42,773	44,056	45,378	46,739	48,141	49,585	51,073	52,605	54,183	55,809
4. Slope Stabilization	41,527	42,773	44,056	45,378	46,739	48,141	49,585	51,073	52,605	54,183	55,809
5. Erosion Protection	76,133	78,417	80,769	83,192	85,688	88,259	90,907	93,634	96,443	99,336	102,316
6. Repair	-	-	-	-	-	-	-	-	-	1,806,111	-
7. Misc Expenses*	7,475	7,699	7,930	8,168	8,413	8,665	8,925	9,193	9,469	9,753	10,046
8. Debt Service	-	-	-	-	-	-	-	-	-	-	-
SUBTOTAL - EXPENSES	229,788	236,681	243,782	251,095	258,628	266,387	274,378	282,610	291,088	2,105,932	308,815
RESERVE	124,230	127,957	131,796	135,750	139,822	144,017	148,337	152,788	157,371	(1,644,019)	166,955
EARNINGS	15,770	24,170	33,298	43,204	53,941	65,567	78,142	91,730	106,401	122,228	30,920
CUMULATIVE RESERVE	402,839	554,967	720,061	899,014	1,092,777	1,302,361	1,528,840	1,773,358	2,037,131	515,340	713,215

ASSUMPTIONS

- Total No. of Units
- Annual Assessment per Unit
- Total Non-Residential Building Area (sq.ft.)
- Annual Assessment per non-res sq. foot
- Annual Increase in Assessment
- Inflation
- Investment Earnings
- Initial Seed Fund
- Amount Financed
- Borrowing Rate
- Term of Loan (yrs)
- Frequency of Large-Scale Repair (yrs)
- Cost of Large-Scale Repair (current \$)

ESTIMATED ANNUAL EXPENSES IN 2001.D01

- 1. Administration and Accounting
- 2. Outside Consultants
- 3. Maintenance & Operation
- 4. Slope Stabilization
- 5. Erosion Control
- TOTAL

* Incl. mitigation pond maintenance per Sycan

YEAR	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Cumulative No. of Units	465	465	465	465	465	465	465	465	465	465	465
A. INCOME											
Assessment	490,043	504,745	519,887	535,484	551,548	568,095	585,138	602,692	620,772	639,396	658,577
B. PROJECTED EXPENSES											
1. Administration and Accounting	28,742	29,604	30,492	31,407	32,349	33,319	34,319	35,348	36,409	37,501	38,626
County Fees	1,156	1,191	1,227	1,263	1,301	1,340	1,381	1,422	1,465	1,509	1,554
2. Outside Consultants	57,483	59,208	60,984	62,813	64,698	66,639	68,638	70,697	72,818	75,002	77,252
3. Maintenance & Operation	57,483	59,208	60,984	62,813	64,698	66,639	68,638	70,697	72,818	75,002	77,252
4. Slope Stabilization	57,483	59,208	60,984	62,813	64,698	66,639	68,638	70,697	72,818	75,002	77,252
5. Erosion Protection	105,386	108,547	111,804	115,158	118,613	122,171	125,836	129,611	133,499	137,504	141,630
6. Repair	-	-	-	-	-	-	-	-	2,427,262	-	-
7. Misc Expenses*	10,347	10,657	10,977	11,306	11,646	11,995	12,355	12,725	13,107	13,500	13,905
8. Debt Service	-	-	-	-	-	-	-	-	-	-	-
SUBTOTAL - EXPENSES	318,080	327,622	337,451	347,574	358,001	368,742	379,804	391,198	402,916	415,022	427,472
RESERVE	171,964	177,123	182,436	187,909	193,547	199,353	205,334	211,494	(2,209,424)	224,374	231,105
EARNINGS	42,793	55,678	69,646	84,771	101,132	118,813	137,803	158,497	180,697	58,973	75,974
CUMULATIVE RESERVE	927,972	1,160,773	1,412,855	1,685,536	1,980,215	2,298,381	2,641,618	3,011,608	3,422,315	3,881,288	4,376,762

ASSUMPTIONS

- Total No. of Units
- Annual Assessment per Unit
- Total Non-Residential Building Area (sq.ft.)
- Annual Assessment per non-res sq. foot
- Annual Increase in Assessment
- Inflation
- Investment Earnings
- Initial Seed Fund
- Amount Financed
- Borrowing Rate
- Term of Loan (yrs)
- Frequency of Large-Scale Repair (yrs)
- Cost of Large-Scale Repair (current \$)

ESTIMATED ANNUAL EXPENSES IN 2001 DOL

- 1. Administration and Accounting
- 2. Outside Consultants
- 3. Maintenance & Operation
- 4. Slope Stabilization
- 5. Erosion Control
- TOTAL

* Incl. mitigation pond maintenance per Sycan

YEAR	2034	2035	2036	2037	2038	2039	2040	2041
Cumulative No. of Units	465	465	465	465	465	465	465	465
A. INCOME								
Assessment	678,335	698,685	719,645	741,235	763,472	786,376	809,967	834,266
B. PROJECTED EXPENSES								
1. Administration and Accounting	39,785	40,979	42,208	43,474	44,778	46,122	47,505	48,931
County Fees	1,600	1,648	1,698	1,749	1,801	1,855	1,911	1,968
2. Outside Consultants	79,570	81,957	84,416	86,948	89,557	92,244	95,011	97,861
3. Maintenance & Operation	79,570	81,957	84,416	86,948	89,557	92,244	95,011	97,861
4. Slope Stabilization	79,570	81,957	84,416	86,948	89,557	92,244	95,011	97,861
5. Erosion Protection	145,878	150,255	154,762	159,405	164,187	169,113	174,186	179,412
6. Repair	-	-	-	-	-	-	-	3,262,038
7. Misc Expenses*	14,323	14,752	15,195	15,651	16,120	16,604	17,102	17,615
8. Debt Service	-	-	-	-	-	-	-	-
SUBTOTAL - EXPENSES	440,297	453,506	487,111	481,124	495,558	510,425	525,737	3,803,547
RESERVE	238,038	245,179	252,535	260,111	267,914	275,951	284,230	(2,969,281)
EARNINGS	94,398	114,345	135,916	159,223	184,383	211,521	240,769	272,269
CUMULATIVE RESERVE	1,905,743	2,265,266	2,653,717	3,073,051	3,525,348	4,012,820	4,537,819	1,840,807

ASSUMPTIONS

Total No. of Units	2,001
Annual Assessment per Unit	Dollars:
Total Non-Residential Building Area (sq.ft.)	
Annual Assessment per non-res sq. foot	
Annual Increase in Assessment	
Inflation	
Investment Earnings	
Initial Seed Fund	
Amount Financed	
Borrowing Rate	
Term of Loan (yrs)	
Frequency of Large-Scale Repair (yrs)	
Cost of Large-Scale Repair (current \$)	

ESTIMATED ANNUAL EXPENSES IN 2001 DOL

1. Administration and Accounting
 2. Outside Consultants
 3. Maintenance & Operation
 4. Slope Stabilization
 5. Erosion Control
- TOTAL

* Incl. mitigation pond maintenance per Sycan