



# Management Cost Controls, Inc.

1057 First Street, Gilroy, CA 95020-4817 Tel: (408) 848-5953 Fax: (408) 848-4043 Email: mgmtcst@cs.com

July 12, 2002

Re: The Glen of Pacific Grove Homeowners Association

Dear Homeowner:

The Board of Directors of The Glen of Pacific Grove Homeowners Association has approved the 2002/2003 Annual Budget of \$245.00 per unit per month.

The Board has spent a great deal of time to work out the new budget. Please note the following adjustments to the 2002/2003 budget.

Account Item 7045 - The history of costs in Minor Repairs has been increased due to work that will be needed in 2002/2003.

Item 7550 - The roofing repairs is up due to the raccoon problems.

Item 7600 - The Board feels the costs for preventive maintenance will be down in 2002/2003.

Item 8170 - The Misc. G & A had to be increased due to the history of costs.

Item 9001 - This increase is necessary as per the reserve study.

The Board of Directors also has had the Association Delinquency Policy and Section 1354 of the California Civil Code included in this notice as required by law.

The Board of Directors has asked that a summary of Insurance be sent to all members of the Association.

Again, if you should have any questions regarding the 2002/2003 budget, please do not hesitate to contact me at any time.

Sincerely,

A handwritten signature in cursive script that reads "Joseph N. Chaffers".

Joseph N. Chaffers  
Association Manager

cc: Accounting

# ***The Glen of Pacific Grove Homeowners Association***

# 1 Glen Lake Dr.  
Pacific Grove, CA 93950

July 11, 2002

Re: Dues Increase for year 2002/2003

Dear Member;

Our monthly dues are currently set at \$220.00 per month and will be increasing to \$245.00 starting in September.

The reason for the increase is primarily based upon the result of a recent in-depth review of our Reserve Account requirements. The review was conducted by a committee made up of two members of the Board and two members of the Association. Upon completion, the committee recommended increasing the portion of the dues devoted to the Reserve Account by \$20.00 effective 9/1/02. The Board reviewed the committees' conclusions at the June Board meeting and voted to accept their recommendations.

The review consisted of obtaining bids from multiple roofing and painting contractors, averaging the results, rescheduling the major activities over a broader timeframe, evaluating the other components included in the Reserve Fund category and producing cash flow requirements over a period of 10 years.

In addition to the need to increase the dues by \$20.00 to bolster the Reserve Account, the Board reviewed the current years operational expenditures and determined that an increase of \$5.00 was required to meet a rise in the projected operational expenses. The sum of the two resulted in the decision by the Board to increase the dues by \$25.00 per unit per month for the year 2002/2003.

Without an increase of monthly dues, the Association would be unable to meet its legal requirements of proper and prudent maintenance of the 'Glen'.

The 'Glen' is in excellent financial shape, and needs to maintain that condition so that we are able to adequately protect our property value with timely and efficient maintenance.

If any member would like to review our data, please contact the Board.

Sincerely;

Board of Directors 'The Glen of Pacific Grove Homeowners Association'  
Candace Pollock; President

2002/03 BUDGET  
 THE GLEN OF PACIFIC GROVE  
 EFFECTIVE September 1, 2002

NUMBER OF UNITS: 60

ACCT	DESCRIPTION	2002/03 PER UNIT PER MONTH	2002/03 MONTHLY	2002/03 ANNUAL	2001/02 ANNUAL BUDGETED	VARIANCE
<b>CASH RECEIPTS</b>						
4010	ASSESSMENTS	\$245.00	\$14,700.00	\$176,400.00	\$158,400.00	\$18,000.00
4130	INTEREST	\$5.83	\$350.00	\$4,200.00	\$3,600.00	\$600.00
<b>TOTAL CASH RECEIPTS</b>		<b>\$250.83</b>	<b>\$15,050.00</b>	<b>\$180,600.00</b>	<b>\$162,000.00</b>	<b>\$18,600.00</b>
<b>EXPENSES</b>						
5000	<b>UTILITIES</b>					
5020	ELECTRICITY	\$4.17	\$250.00	\$3,000.00	\$3,000.00	\$0.00
5070	WATER	\$9.17	\$550.00	\$6,600.00	\$6,600.00	\$0.00
<b>SUBTOTAL UTILITIES</b>		<b>\$13.33</b>	<b>\$800.00</b>	<b>\$9,600.00</b>	<b>\$9,600.00</b>	<b>\$0.00</b>
6000	<b>LANDSCAPE</b>					
6010	LANDSCAPE MAINT.	\$50.83	\$3,050.00	\$36,600.00	\$36,600.00	\$0.00
6020	LANDSCAPE IRRIGATION	\$3.33	\$200.00	\$2,400.00	\$2,400.00	\$0.00
6030	LANDSCAPE OTHER	\$10.00	\$600.00	\$7,200.00	\$7,200.00	\$0.00
6050	LANDSCAPE HAULING	\$0.83	\$50.00	\$600.00	\$600.00	\$0.00
<b>SUBTOTAL LANDSCAPE</b>		<b>\$65.00</b>	<b>\$3,900.00</b>	<b>\$46,800.00</b>	<b>\$46,800.00</b>	<b>\$0.00</b>
7000	<b>BUILDINGS &amp; GROUNDS</b>					
7045	MINOR REPAIRS	\$8.75	\$525.00	\$6,300.00	\$3,300.00	\$3,000.00
7120	PEST	\$0.83	\$50.00	\$600.00	\$600.00	\$0.00
7155	SECURITY-PHONE	\$0.37	\$22.00	\$264.00	\$264.00	\$0.00
7160	GATE REPAIR	\$0.83	\$50.00	\$600.00	\$600.00	\$0.00
7550	ROOFING REPAIRS	\$4.17	\$250.00	\$3,000.00	\$0.00	\$3,000.00
7560	LAKES & WATERWAYS	\$0.83	\$50.00	\$600.00	\$600.00	\$0.00
7600	PREVENTIVE MAINT	\$15.00	\$900.00	\$10,800.00	\$13,800.00	(\$3,000.00)
<b>SUBTOTAL BLDG &amp; GRNDS</b>		<b>\$30.78</b>	<b>\$1,847.00</b>	<b>\$22,164.00</b>	<b>\$19,164.00</b>	<b>\$3,000.00</b>

2002/03 BUDGET  
 THE GLEN OF PACIFIC GROVE  
 EFFECTIVE September 1, 2002

NUMBER OF UNITS: 60

ACCT	DESCRIPTION	2002/03 PER UNIT PER MONTH	2002/03 MONTHLY	2002/03 ANNUAL	2001/02 ANNUAL BUDGETED	VARIANCE
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8000	ADMINISTRATIVE					
8010	MANAGEMENT	\$5.83	\$350.00	\$4,200.00	\$4,200.00	\$0.00
8030	LEGAL SERVICES	\$1.67	\$100.00	\$1,200.00	\$1,200.00	\$0.00
8040	ACCOUNTING	\$5.83	\$350.00	\$4,200.00	\$4,200.00	\$0.00
8060	INCOME TAX PREP	\$2.50	\$150.00	\$1,800.00	\$1,800.00	\$0.00
8070	FEDERAL TAXES	\$0.83	\$50.00	\$600.00	\$600.00	\$0.00
8080	STATE TAXES	\$0.42	\$25.00	\$300.00	\$300.00	\$0.00
8100	POSTAGE	\$0.67	\$40.00	\$480.00	\$480.00	\$0.00
8110	PRINTING/COPIES	\$0.67	\$40.00	\$480.00	\$480.00	\$0.00
8120	SUPPLIES	\$0.40	\$24.00	\$288.00	\$288.00	\$0.00
8150	INSURANCE	\$35.00	\$2,100.00	\$25,200.00	\$25,200.00	\$0.00
8170	MISC G & A	\$2.50	\$150.00	\$1,800.00	\$600.00	\$1,200.00
8180	CONTINGENCY	\$4.05	\$243.00	\$2,916.00	\$2,916.00	\$0.00
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	SUBTOTAL ADMINISTRATIVE	\$60.37	\$3,622.00	\$43,464.00	\$42,264.00	\$1,200.00
	TOTAL OPERATING EXPENSES	\$169.48	\$10,169.00	\$122,028.00	\$117,828.00	\$4,200.00
 R E S E R V E S						
9000	RESERVES					
9001	RESERVES - GENERAL	\$81.35	\$4,881.00	\$58,572.00	\$44,172.00	\$14,400.00
	SUBTOTAL RESERVES	\$81.35	\$4,881.00	\$58,572.00	\$44,172.00	\$14,400.00
	TOTAL EXPENSES	\$250.83	\$15,050.00	\$180,600.00	\$162,000.00	\$18,600.00
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