

The Glen of Pacific Grove



c/o Access Association Services, Inc.

16264 Church Street, Suite 102

Morgan Hill, CA 95037

(408) 782-1222 Office

(408) 782-1226 Fax

Email: access@associationservices.com

MEMORANDUM

Reference No. 78702

Date: November 16, 2015
To: Homeowner
From: Board of Directors
Regarding: 2016 Approved Budget - Revised Reserve Study for 2016
cc:

Enclosed, please find your copy of the 2016 budget packet as approved by the Board of Directors. The board has worked very hard to control costs over the past year and you will be pleased to note that the monthly assessment will not increase for 2016.

Please file your copy of the budget with other important documents pertaining to your unit.

Your 2016 assessment payment coupon book will be mailed to you prior to January 1, 2016. Please be advised that if you are on auto pay through our office, you will not receive a coupon book.

Please note that statements are not available electronically at this time, either by email or online. The budget and coupon book will be the only notification of your assessments due.

**The Glen of Pacific Grove
2016 Board of Directors Approved Budget
For Budget Year Beginning January 1, 2016 ending December 31, 2016**

EXPENDITURES	2015 BUDGET MONTHLY	2014 Budget Full Year	2015 AVERAGE MONTHLY	2016 BUDGET MONTHLY	2016 Budget FULL YEAR	2016 Cost Per Unit
Corporate						
Insurance	2,182.10	26,185.20	2,425.63	2,247.00	26,964.00	37.45
Tax Return Prep & Review	145.83	1,749.96	128.50	145.00	1,740.00	2.42
Taxes & Legal	15.16	181.92	0.00	15.00	180.00	0.25
Reserve Study	60.00	720.00	0.00	60.00	720.00	1.00
General Office	85.00	1,020.00	105.63	105.00	1,260.00	1.75
Social Committee	52.08	624.96	36.50	52.00	624.00	0.87
Education & Seminars	25.00	300.00	0.00	25.00	300.00	0.42
Website	7.50	90.00	23.88	7.50	90.00	0.13
Management	1,500.00	18,000.00	1,528.63	1,600.00	19,200.00	26.67
Resident Services	10.00	120.00	0.00	10.00	120.00	0.17
Sub-Total	4,082.67	48,992.04	4,248.75	4,266.50	51,198.00	71.11
Utilities						
Electric	410.00	4,920.00	314.38	410.00	4,920.00	6.83
Water	1,690.00	20,280.00	1,184.25	1,420.00	17,040.00	23.67
Gate Telephone	58.35	700.20	59.13	60.00	720.00	1.00
Sub-Total	2,158.35	25,900.20	1,557.75	1,890.00	22,680.00	31.50
Maintenance						
Landscape Maintenance	3,442.00	41,304.00	3,011.75	3,442.00	41,304.00	57.37
Other Landscape	300.00	3,600.00	789.00	300.00	3,600.00	5.00
Trees	416.67	5,000.04	140.00	430.00	5,160.00	7.17
Irrigation	100.00	1,200.00	160.63	150.00	1,800.00	2.50
Sub-Total	4,258.67	51,104.04	4,101.38	4,322.00	51,864.00	72.03
Building & Grounds						
Lakes and Waterways	666.67	8,000.04	225.00	700.00	8,400.00	11.67
Gate	48.33	579.96	162.88	50.00	600.00	0.83
Repair Maintenance	1,650.00	19,800.00	1,139.50	1,551.50	18,618.00	25.86
Sub-Total	2,365.00	28,380.00	1,527.38	2,301.50	27,618.00	38.36
TOTAL OPERATING	12,864.69	154,376.28	11,435.25	12,780.00	153,360.00	213.00
Reserves						
Monthly Reserve Contribution	5,820.00	69,840.00	5,820.00	5,820.00	69,840.00	97.00
TOTAL RESERVES	5,820.00	69,840.00	5,820.00	5,820.00	69,840.00	97.00
TOTAL EXPENSES	18,684.69	224,216.28	17,255.25	18,600.00	223,200.00	310.00

STATEMENT OF ESTIMATED REVENUE

INCOME	2015	2015	2016	2016	Percentage Change Per Unit
	Total Per Month	Per Unit Per Month	Total Per Month	Per Unit Per Month	
Monthly Assessments	\$ 18,684.69	\$ 310	\$ 18,600.00	\$ 310	0%
Late Fees & Other Income	\$ -	\$ -	\$ -	\$ -	
Total Revenue	\$ 18,684.69		\$ 18,600.00		
2016 Total Annual Revenue			\$ 223,200.00		

The Glen of Pacific Grove Association

ANNUAL DISCLOSURES

DELINQUENT ASSESSMENT COLLECTION POLICY STATEMENT

Regular assessments are due, in advance, on the first (**1st**) day of each assessment period and delinquent if not received, in full, by the Association within thirty (**30**) days after the due date thereof. Special and Special Individual Assessments are due on the date(s) specified upon imposition and each installment thereof shall be delinquent if not received by the Association within thirty (**30**) days after it is due. A late charge of ten dollars (**\$10.00**) or ten percent (**10%**) of the delinquent assessment, whichever is greater, shall be due on any such delinquent assessment.

At the option of the Association, interest shall be due on all such amounts, once due and unpaid for thirty (**30**) days, at the rate of twelve percent (**12%**) per annum.

If any portion of any such assessment, late charge, interest or cost of collection remains unpaid thirty (**30**) days after the original due date thereof, a "Letter of Intent" to file a Notice of Delinquent Assessment ("Lien") will be prepared and sent to the record owner(s). Please be advised that the Association has the right to collect all reasonable costs of collection.

All such amounts, and all other assessments and related charges thereafter due to the Association until all such amounts are paid, must be paid in full and the Association shall not be required to accept any partial or installment payments from the date of the institution of an action to enforce the payment of delinquent amounts to the time that all such amounts are paid in full.

If all such amounts have not been received sixty (**60**) days after the original due date thereof, a Lien will be prepared and recorded as to the delinquent property and the owner(s) thereof, and all resulting collection fees and costs will be added to the total delinquent amount.

All payments received by the Association, regardless of the amount paid, will be directed to the oldest assessment balances first, until which time all assessment balances are paid, and then to late charges, interest and costs of collection unless otherwise specified by written agreement.

The Association shall charge a "returned check charge" of twenty-five dollars (**\$25**) for all checks returned as "non-negotiable", "insufficient funds", or any other reason.

All above-referenced notices will be mailed to the record owner(s) at the last known mailing address and secondary address provided in writing to the Association by such owner(s).

The mailing address for overnight payment of assessments is the same as that for routine assessment payments unless otherwise noted.

The Board of Directors of the Association may revise this policy, either generally or on a case-by-case basis, if it finds good cause to do so.

Provided by Allied Trustee Services

ASSESSMENTS AND FORECLOSURE - This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND NONJUDICIAL FORECLOSURE – Civil Code 5600(a) The failure to pay association assessments may result in the loss of an owner's property without court action, often referred to as nonjudicial foreclosure. When using nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the lien is not paid. Assessments become delinquent 15 days after they are due, unless the governing documents of the association provide for a longer time.

In a nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this.

The association must comply with the requirements of Section 5650(a) of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association.

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail. Among these documents, the association must send a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt.

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS – Civil Code 5650(a), 5660 - When an owner makes a payment, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. An owner may dispute an assessment debt by giving the board of the association a written explanation, and the board must respond within 15 days if certain conditions are met. An owner may pay assessments that are in dispute in full under protest, and then request alternative dispute resolution. An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time.

MEETINGS AND PAYMENT PLANS – Civil Code §5670

An owner of a separate interest that is not a time-share may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. The board of the directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist.

SMALL CLAIMS

The association may seek to collect delinquent regular or special assessments of an amount less than one thousand eight hundred dollars (\$1,800), not including any accelerated assessments, late charges, fees and costs of collection, attorney's fees, or interest, and may attempt to collect or secure that debt in any of the following ways:

(1) By a civil action in small claims court, pursuant to Chapter 5.5 (commencing with Section 116.110) of Title 1 of the Code of Civil Procedure. An association that chooses to proceed by an action in small claims court, and prevails, may enforce the judgment as permitted under Article 8 (commencing with Section 116.810) of Title 1 of the Code of Civil Procedure. The amount that may be recovered in small claims court to collect upon a debt for delinquent assessments may not exceed the jurisdictional limits of the small claims court and shall be the sum of the following:

(A) The amount owed as of the date of filing the complaint in the small claims court proceeding.

(B) In the discretion of the court, an additional amount to that described in subparagraph (A) equal to the amount owed for the period from the date the complaint is filed until satisfaction of the judgment, which total amount may include accruing unpaid assessments and any reasonable late charges, fees and costs of collection, attorney's fees, and interest, up to the jurisdictional limits of the small claims court.

(2) By recording a lien on the owner's separate interest upon which the association may not foreclose until the amount of the delinquent assessments secured by the lien, exclusive of any accelerated assessments, late charges, fees and costs of collection, attorney's fees, or interest, equals or exceeds one thousand eight hundred dollars (\$1,800) or the assessments are more than 12 months delinquent. An association that chooses to record a lien under these provisions, prior to recording the lien, shall offer the owner and, if so requested by the owner, participate in dispute resolution as set forth in Article 5 (commencing with Section 1368.810) of Chapter 4.

(3) Any other manner provided by law, except for judicial or non-judicial foreclosure.

MEMBERS RIGHT TO KNOW - Civil Code §5300

Allows members to receive copies of minutes of Board Meetings. Approved minutes will be available to members upon request at their cost within thirty days of the meeting by contacting the management office either by phone, mail or email.

INTERNAL DISPUTE RESOLUTION -- Civil Code §5920

Association must provide a "fair, reasonable and expeditious" procedure for resolving disputes between the association and its members without charging a fee to the member participating in the process.

(X) The Association has established a procedure of Internal Dispute Resolution (IDR), a copy of which is attached herewith.

- () The Association has not established an Internal Dispute Resolution (IDR) policy. Default Procedure:
1. Either the association or the member may request that the other side meet and confer in an effort to resolve the dispute. The association may not refuse such a request, and the member may not be charged a fee to participate in the process.
 2. The association must designate a board member to attend the meet and confer session.
 3. The meeting must occur "promptly" at a mutually convenient time and place. At the meeting, the parties must explain their positions to each other and must confer "in good faith" in an effort to resolve the dispute.
 4. If the parties agree on a resolution of the dispute, the agreement must be put in writing and signed by the parties. The agreement is binding and can be enforced by the courts if: a) it is not in conflict with the law or the governing documents, and b) the association's representative had the authority to enter into the settlement or the settlement is ratified by the board.

ALTERNATIVE DISPUTE RESOLUTION - Civil Code §5975

California Civil Code §5975 addresses your rights to sue the Association or another member of the association regarding the enforcement of the governing documents. The following is a summary of the provisions of Civil Code §5975, as amended effective January 1, 1994:

In general, Civil Code §5975 encourages parties to a dispute involving enforcement of an association's governing documents to submit the dispute to a form of alternative dispute resolution (ADR) such as mediation or arbitration prior to filing a lawsuit. The intent of the statute is to promote speedy and cost-effective resolution of such disputes, to better preserve community cohesiveness and to channel CC&R disputes away from our state's court system.

ANNUAL INSURANCE DISCLOSURE FOR CIDS - Civil Code §5300(a)-(b)

A 1993 California Appellate Court opinion held that association members who share an ownership interest in a community's common area can be held personally responsible for injuries and property damage arising from the use of that common area. The State Legislature then passed a law providing association members a degree of immunity from personal suit as long as their association carries certain types and amounts of liability insurance. The statute does not require associations to obtain insurance in such types and amounts, but it does require them to notify members of the association's coverage. In this way, members can take steps to adequately protect themselves and their assets from large negligence claims. As required by law, the following information tells you about the types and limits of liability insurance our Association currently maintains:

(X) The Association carries the levels of insurance specified by Civil Code §5300. As a result, owners may be individually liable by reason of their ownership interest in the common area only for their proportional share of assessments, regular or special, levied to pay the amount of a court judgment that exceeds the limits of the Association's liability insurance.

() The Association does not carry the levels of insurance specified by Civil Code §5300. As a result, owners may be individually liable by reason of their ownership interest in the common area for the entire amount of a court judgment that exceeds the limits of the owner's and/or the Association's insurance.

For additional information about owner liability and protecting personal assets, members are advised to consult their own insurance or legal advisor.

PERIODIC SITE INSPECTIONS – Civil Code §5500

The Board of Directors performed a site inspection and visual inspection of the association's reserve components on the following date: OCTOBER 14, 2015

SCHEDULE OF FINES – Civil Code §5850

The association has adopted a policy consistent with California Civil Code establishing a schedule of fines as follows:

First Violation	Written Warning Notice/Notice of Board Hearing
Second Violation	Board Hearing with Intent to Fine \$50.00 per Occurrence
Fine Schedule	\$50.00 Per Occurrence

SPECIAL ASSESSMENTS - Civil Code §5620

The Board of Directors has not discussed a special assessment.

The Board of Directors has discussed the submission of a ballot for a special assessment to the membership. A vote of the membership will be required in order to pass this special assessment for the following: _____

SPECIAL PROVISIONS

The homeowners association has adopted one or more of the following:

A move in/move out policy that requires a deposit or fee for owners and or rental units.

Estoppel document that requires a deposit held in escrow and/or inspection of the property.

Parking restrictions that require registration of vehicles and/or parking permits.

Other _____

Civil Code §2079.10a.

Notice: The California Department of Justice, sheriff's departments, police departments serving jurisdictions of 200,000 or more and many other local law enforcement authorities maintain for public access a database of the locations of persons required to register pursuant to paragraph (1) of subdivision (a) of Section 290.4 of the Penal Code. The database is updated on a quarterly basis and a source of information about the presence of these individuals in any neighborhood. The Department of Justice also maintains a Sex Offender Identification Line through which inquiries about individuals may be made. This is a "900" telephone service. Callers must have specific information about individuals they are checking. Information regarding neighborhoods is not available through the "900" telephone service.

SECURITY DISCLAIMER. As much as we would like it to be, the Association can never be free of crime. For example, it is possible for someone to enter the property under false pretenses to commit crimes, for residents to commit crimes against their neighbors, for guests of residents to commit crimes, and for employees to commit crimes. As a result, the Association is not and can never be free of crime and cannot guarantee your safety or security. You should NOT rely on the Association to protect you from loss or harm--you should provide for your own security by taking common sense precautions such as carrying insurance against loss; keeping your doors locked; refusing to open your door to strangers; asking workmen for identification; installing a security system; locking your car; etc.

POLICY STATEMENTS

The Glen of Pacific Grove Association and its officers, directors, and management company, Access Association Services, Inc. are committed to running the Association in a legal and neighborly manner. Accordingly, we wish to remind the members of the Association and their residents or tenants of the following:

As provided for under federal and state fair housing laws, it is illegal to discriminate against any person because of his or her race, national origin, religion, sex, physical or mental disability, familial status, marital status, sexual orientation, age, or source of income. The Glen of Pacific Grove Association is operated in accordance with these laws as provided for in 42 U.S.C. Section 3601, et. seq.

Specifically we, at The Glen of Pacific Grove Association do not:

1. Discriminate against any person in the terms or conditions of residing in the complex, or in the provision of services or facilities, because of that person's membership in one or more of the protected classes listed above; nor
2. Condone or tolerate any acts or coercion or intimidation, threats or interference by any of our employees, agents or residents towards any other owner or resident because he or she is a member of one or more of the protected classes listed above.
3. Tolerate either the creation or fostering of a hostile living environment by any homeowner, resident or tenant at The Glen of Pacific Grove Association nor do we tolerate any harassing or otherwise hostile conduct by any homeowner, resident or tenant towards any other homeowner, resident or tenant.

Secondary Address Disclosure, California Civil Code 54040

Owners may submit a secondary address to the Association for purposes of collection notices. Such information must be submitted in writing, signed by the owner, and mailed to the Association in a manner that confirms the Association has received it. After an owner identifies a secondary address, the Association will send copies of any collection notices to the secondary address provided, in addition to the owner's primary address shown in the Association's records.

An owner may identify or change a secondary address at any time. If a secondary address is identified or changed during any collection process, the Association will only be required to send notices to the designated secondary address from the point that the Association receives the request.

Association Official Communications

Access Association Services, Inc. located at 16264 Church Street, Suite 102, Morgan Hill, CA 95037 is designated to receive official communications to the association pursuant to §4035.

General Notices

The location designated for posting of a general notice pursuant to the requirements in Section 4040 will be one of the following:

- (a) If a provision of this act requires "general delivery" or "general notice", the document shall be provided by one or more of the following methods:
- (1) Any method provided for delivery of an individual notice pursuant to Section 4040 of the Civil Code.
 - (2) Inclusion in a billing statement, newsletter, or other document that is delivered by one of the methods provided in this section.
 - (3) Posting the printed document in a prominent location that is accessible to all members, if the location has been designated for the posting of the general notices by the Association in the annual policy statement, prepared pursuant to Section 5310 such as one or more of the following:
 - Association Bulletin Boards
 - Mailbox Kiosk
 - Association Clubhouse
 - Association Office Front Door
 - None of the above
- (b) If the Association broadcasts television programming for the purpose of distributing information on Association business to its members, by inclusion in the programming.
- (c) If a provision of the act requires that Association deliver a document by "individual delivery", or "individual notice," the document shall be delivered by one or more of the following methods:
- (1) First-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier. The document shall be addressed to the recipient at the address last shown on the books of the Association.
 - (2) E-mail, facsimile, or other electronic means, if the recipient has consented, in writing, to that method of delivery. The consent may be revoked, in writing, by the recipient.
 - (3) Upon receipt of a request by a member, pursuant to Section 5260 (*Requests in Writing*), identifying a secondary address for delivery of notices of the following types, the Association shall deliver an additional copy of these notices to the secondary address identified in the request.

If a member requests to receive general notices by individual delivery, all general notices to that member, given under this section shall be delivered pursuant to Section 4040 (*Individual Notice*).

Outstanding Loan Statement

The Glen of Pacific Grove Association does not have any outstanding loans.

Architectural Request Form

Date: _____ Request ID: _____ (Office Use Only) Homeowner Name & Address: _____ _____ _____	The Glen of Pacific Grove Association C/o Access Association Services, Inc. 16264 Church Street, Suite 102 Morgan Hill, CA 95037 Site Address _____ _____
--	---

In order to maintain the architectural standards in our community, it is mandatory that any improvements that change the exterior appearance of the homes receive approval from the Architectural Control Committee and/or Board of Directors. Typically, the Committee and/or Board response to your ACC request will be 30-45 business days from submission to the committee. Reconsideration of a committee decision can be appealed to the board of directors.

Your architectural request must be submitted in writing before the work is started. Some typical examples of items that require prior approval are screen doors, skylights, windows, doors, and landscape improvements in the front yards.

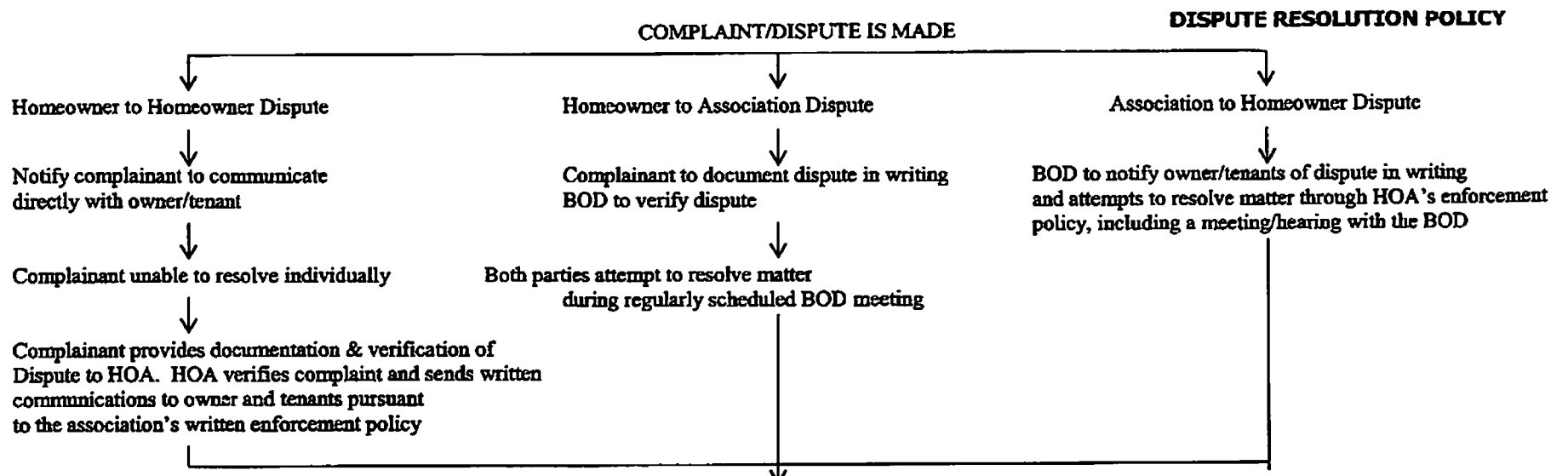
***If you are providing a color copy, paint swatches or a brochure, you must supply (5) originals. (Ex: paint colors, doors, windows.)**

Request (Use additional sheet if necessary):

ACC Committee / Board Response:

Architectural Committee / Board Status

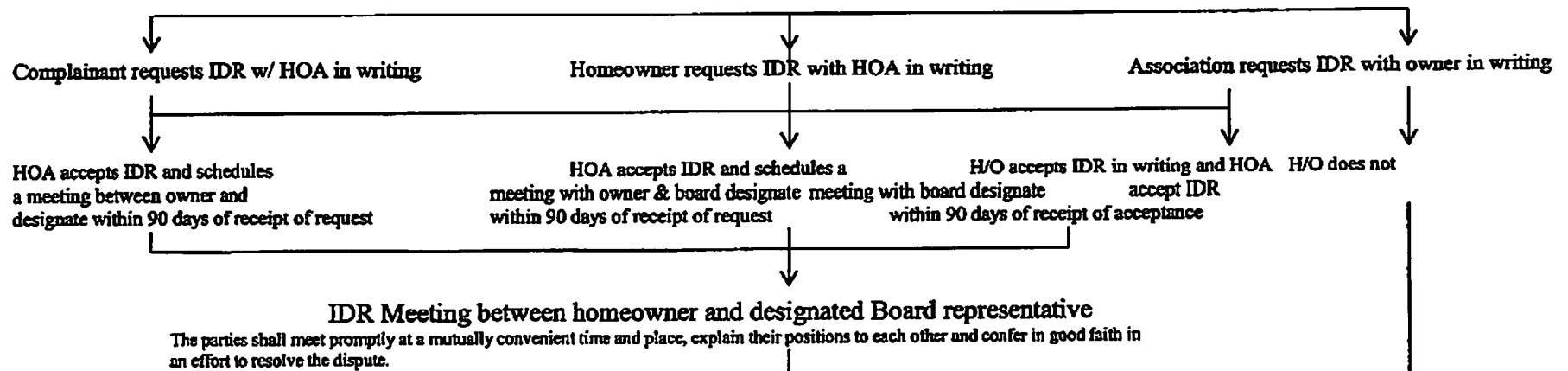
<input type="checkbox"/> Architectural Request	<input type="checkbox"/> Partial Approval as noted above
<input type="checkbox"/> Approved as Submitted	<input type="checkbox"/> Denied
<input type="checkbox"/> Approved with conditions stated above	<input type="checkbox"/> Refer to Board of Directors



NO RESPONSE OR RESOLUTION

INTERNAL DISPUTE RESOLUTION (IDR) IS INITIATED

The purpose of IDR is to provide a fair, reasonable and expeditious dispute resolution for disputes between the association and a member involving their rights, duties or liabilities under the governing documents of the association.



RESOLUTION

A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association. An agreement reached binds the parties and is judicially enforceable provided the agreement is not in conflict with the law or the governing documents of the association and provided the agreement is either consistent with the authority granted by the board of directors to its designee or the Agreement is ratified by the board of directors.

NO RESOLUTION

Alternative Dispute Resolution (ADR)
Civil Code 5975

RESERVE FUNDING POLICIES AND PRACTICES - Civil Code §5300 (b)(4) 5300 (b)(7)

(X) Reserve Study Company: ASSOCIATION RESERVES

The reserve funding practices of the association are reviewed and approved annually by the Board of Directors. An independent study of the reserve components and funding methods has been performed by the company stated above

In the preparation of this budget for the association, the Board of Directors has not determined and does not anticipate that the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefore, based upon all information available to the Board of Directors as of the date of adoption of this budget.

The Board of Directors has relied on the independent reserve study cited above and prudent business judgment to calculate and establish those reserves necessary to defray the future repair, replacement, or additions to those major components that the association is obligated to maintain per the governing documents of the association.

NOTE: The financial representations set forth in the summary are based on the best estimates of the preparer at that time. The estimates are subject to change.

Because the reserve study is a PROJECTION, the estimated lives and costs of components will likely CHANGE OVER TIME depending on a variety of factors such as (i) future inflation rates, (ii) levels of maintenance applied by future boards, (iii) unknown defects in materials that may lead to premature failures, etc. As a result, some components may experience longer lives while others will experience premature failures. Some components may cost less at the time of replacement due to changes in manufacturing methods while others may cost more due to material shortages or high demand.

Assessment and Reserve Funding Disclosure Summary

The Glen of Pacific Grove HOA

For Fiscal Year Beginning: 1/1/2016

of Units: 60

1) Budgeted Amounts:	Total	Average Per unit*	
Reserve Contributions:	\$5,820.00	\$97.00	
Total Assessment Income:	\$18,600.00	\$310.00	per: Month

- 2) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date Due	Total Amount Per Unit*	Purpose
N/A		
N/A		
Total:		\$0.00

- 3) Based on the most recent Reserve Study and other information available to the Board of Directors, at this point in time does it appear that currently projected Reserve account balances will be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **Yes**

- 4) If the answer to #3 is no, what additional assessments or other contributions/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment Will Be Due	Average Total Amount Per Unit*	
N/A		
N/A		
N/A		
N/A		
Total:		\$0

- 5) All major components appropriate for Reserve Funding (components that are a common area maintenance responsibility with a limited life expectancy and predictable remaining useful life, above a minimum threshold cost of significance) are included in this Reserve Funding Plan: **Yes**

6) All computations/disclosures are based on the fiscal year start date of:	1/1/2016
Fully Funded Balance (based on formula defined in 5570(b)4):	\$319,568.00
Projected Reserve Fund Balance:	\$334,191.00
Percent Funded:	104.6%
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	(\$243.72)
From the 9/8/2015 Reserve Study by Association Reserves and any minor changes since that date.	

* If assessments vary by the size or type of unit, allocate per unit per the attached.

- 7) See attached 30-yr Summary Table, showing the projected Reserve Funding Plan, Reserve Balance, Percent Funded, and assumptions for interest and inflation.

Prepared by: Association Reserves (Jeff Machado)

Date: 10/21/2015

The financial representations at the time of preparation are based on the Reserve Study for the fiscal year shown at the top of this page and the best estimates of the preparer. These estimates should be expected to change from year to year. Some information on this form has been provided to Association Reserves, and has not been independently verified.

3- Minute Executive Summary

Association: The Glen of Pacific Grove HOA **Assoc. #:** 7492-3
Location: Pacific Grove, CA
of Units: 60
Report Period: January 1, 2016 through December 31, 2016

Results as-of 1/1/2016:

Projected Starting Reserve Balance:	\$334,191
Fully Funded Reserve Balance:	\$319,568
Average Reserve Deficit (Surplus) Per Unit:	\$(244)
Percent Funded:	104.6%
Recommended 2016 monthly Reserve Contribution:	\$6,126
Recommended 2016 Special Assessment for Reserves:	\$0
Most Recent Reserve Contribution Rate:	\$5,820

Economic Assumptions:

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

- This is an "Update With-Site-Visit" Reserve Study, based on a prior Report prepared by Association Reserves for your 2015 Fiscal Year. The information in this Reserve Study is based on our site inspection on August 14, 2016.
- This Reserve Study was prepared by, or under the supervision of, a credentialed Reserve Specialist (RS).
- Because your Reserve Fund is at 104.6% Funded, this means the association's special assessment & deferred maintenance risk is currently low.
- The objective of your multi-year Funding Plan is to Fully Fund your Reserves, where associations enjoy a low risk of such Reserve cash flow problems.
- Based on this starting point, your anticipated future expenses and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions.
- No assets appropriate for Reserve designation were excluded.

Table 4: 30-Year Reserve Plan Summary Based on BOD Decision

7492-3

Fiscal Year Beginning: 01/01/16

Interest: 1.00%

Inflation: 3.0%

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	% Increase In Annual Reserve Contribs.	Annual Reserve Contribs.	Loans or Special Assmts	Interest Income	Projected Reserve Expenses
2016	\$334,191	\$319,568	104.6%	Strong	0.00%	\$69,840	\$0	\$3,683	\$4,950
2017	\$402,764	\$389,063	103.5%	Strong	5.25%	\$73,507	\$0	\$4,395	\$4,017
2018	\$476,649	\$463,554	102.8%	Strong	3.00%	\$75,712	\$0	\$5,056	\$22,438
2019	\$534,978	\$523,315	102.2%	Strong	3.00%	\$77,983	\$0	\$5,766	\$0
2020	\$618,728	\$610,049	101.4%	Strong	3.00%	\$80,323	\$0	\$6,488	\$26,168
2021	\$679,370	\$674,563	100.7%	Strong	3.00%	\$82,732	\$0	\$7,211	\$5,796
2022	\$763,517	\$764,190	99.9%	Strong	3.00%	\$85,214	\$0	\$7,701	\$79,106
2023	\$777,327	\$783,258	99.2%	Strong	3.00%	\$87,771	\$0	\$7,775	\$94,454
2024	\$778,418	\$789,418	98.6%	Strong	3.00%	\$90,404	\$0	\$8,274	\$0
2025	\$877,096	\$895,449	98.0%	Strong	3.00%	\$93,116	\$0	\$8,139	\$227,031
2026	\$751,320	\$773,290	97.2%	Strong	3.00%	\$95,909	\$0	\$7,607	\$84,196
2027	\$770,640	\$797,129	96.7%	Strong	3.00%	\$98,787	\$0	\$8,211	\$5,399
2028	\$872,239	\$905,467	96.3%	Strong	3.00%	\$101,750	\$0	\$9,122	\$30,155
2029	\$952,957	\$994,256	95.8%	Strong	3.00%	\$104,803	\$0	\$9,731	\$73,427
2030	\$994,064	\$1,043,918	95.2%	Strong	3.00%	\$107,947	\$0	\$10,038	\$97,713
2031	\$1,014,335	\$1,072,919	94.5%	Strong	3.00%	\$111,185	\$0	\$10,671	\$15,502
2032	\$1,120,689	\$1,190,418	94.1%	Strong	3.00%	\$114,521	\$0	\$11,802	\$6,258
2033	\$1,240,754	\$1,324,001	93.7%	Strong	3.00%	\$117,957	\$0	\$12,535	\$103,881
2034	\$1,267,364	\$1,364,169	92.9%	Strong	3.00%	\$121,495	\$0	\$13,195	\$29,282
2035	\$1,372,773	\$1,485,603	92.4%	Strong	3.00%	\$125,140	\$0	\$12,603	\$361,661
2036	\$1,148,855	\$1,271,650	90.3%	Strong	3.00%	\$128,894	\$0	\$11,735	\$90,306
2037	\$1,199,179	\$1,334,194	89.9%	Strong	3.00%	\$132,761	\$0	\$12,677	\$7,255
2038	\$1,337,362	\$1,487,679	89.9%	Strong	3.00%	\$136,744	\$0	\$13,918	\$40,526
2039	\$1,447,499	\$1,615,127	89.6%	Strong	3.00%	\$140,846	\$0	\$10,738	\$897,982
2040	\$701,102	\$866,956	80.9%	Strong	3.00%	\$145,072	\$0	\$7,772	\$0
2041	\$853,945	\$1,025,109	83.3%	Strong	3.00%	\$149,424	\$0	\$9,277	\$10,469
2042	\$1,002,177	\$1,181,189	84.8%	Strong	3.00%	\$153,906	\$0	\$10,566	\$54,777
2043	\$1,111,872	\$1,300,397	85.5%	Strong	3.00%	\$158,524	\$0	\$9,106	\$569,427
2044	\$710,074	\$897,297	79.1%	Strong	3.00%	\$163,279	\$0	\$7,954	\$0
2045	\$881,307	\$1,072,946	82.1%	Strong	3.00%	\$168,178	\$0	\$7,363	\$464,833

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
103	Concrete Surfaces - Repair	10	7	\$38,500	\$47,350
201	Asphalt - Resurface	30	27	\$143,500	\$318,755
202	Asphalt - Seal/Repair	5	2	\$14,350	\$15,224
320	Pole Lights - Replace	30	10	\$47,150	\$63,366
324	Wall Lights - Replace	25	6	\$12,350	\$14,747
403	Mailboxes - Replace	25	4	\$15,500	\$17,445
502	Chain Link Fence - Replace	30	7	\$13,950	\$17,157
503	Metal Fence - Replace	30	26	\$21,500	\$46,367
505	Wood Fence - Partial Replace	10	2	\$6,800	\$7,214
702	Vehicle Gates - Replace	30	10	\$15,500	\$20,831
704	Intercom - Replace	15	0	\$4,950	\$7,712
706	Gate Operators - Replace	10	7	\$10,000	\$12,299
1001	Backflow Device - Replace	25	4	\$7,750	\$8,723
1009	Lake - Dredge/Repair	7	6	\$50,000	\$59,703
1107	Metal Fence - Repaint	5	1	\$3,900	\$4,017
1116	Exterior Surfaces - Repaint	10	9	\$150,000	\$195,716
1121	Exterior Surfaces - Repair	10	9	\$24,000	\$31,315
1303	Comp Shingle Roof - Replace	30	23	\$455,000	\$897,982
1310	Gutters/Downspouts - Replace (ph.1)	30	14	\$64,600	\$97,713
1311	Gutters/Downspouts - Replace (ph.2)	30	19	\$32,250	\$56,551
1603	Tennis Court - Refurbish	10	5	\$5,000	\$5,796
1701	Creek Bridge - Replace	25	18	\$17,200	\$29,282
22	Total Funded Components				

Note 1: Yellow highlighted line items are expected to require attention in initial year.

Note 2: a Useful Life of "N/A" means a one-time expense, not expected to repeat.

Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)

7492-3

Fiscal Year	2016	2017	2018	2019	2020
Starting Reserve Balance	\$334,191	\$406,449	\$484,249	\$546,650	\$634,631
Annual Reserve Contribution	\$73,507	\$77,366	\$79,687	\$82,077	\$84,540
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,702	\$4,452	\$5,152	\$5,904	\$6,669
Total Income	\$411,399	\$488,266	\$569,088	\$634,631	\$725,840
# Component					
103 Concrete Surfaces - Repair	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$15,224	\$0	\$0
320 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$17,445
502 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Partial Replace	\$0	\$0	\$7,214	\$0	\$0
702 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercom - Replace	\$4,950	\$0	\$0	\$0	\$0
706 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$8,723
1009 Lake - Dredge/Repair	\$0	\$0	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$4,017	\$0	\$0	\$0
1116 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1121 Exterior Surfaces - Repair	\$0	\$0	\$0	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace (ph.1)	\$0	\$0	\$0	\$0	\$0
1311 Gutters/Downspouts - Replace (ph.2)	\$0	\$0	\$0	\$0	\$0
1603 Tennis Court - Refurbish	\$0	\$0	\$0	\$0	\$0
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$4,950	\$4,017	\$22,438	\$0	\$26,168
Ending Reserve Balance:	\$406,449	\$484,249	\$546,650	\$634,631	\$699,672