

BARRERA AND COMPANY, INC. • RESERVE ANALYSIS

**THE GLEN OF PACIFIC GROVE
HOMEOWNERS ASSOCIATION
PACIFIC GROVE, CALIFORNIA**

OCTOBER - 2005

(Report Start Date: 09/01/05)

Reserve Study Analysis
Account #: 949

Prepared by

Barrera and Company, Inc.

2207 Garnet Avenue, Suite H, San Diego, CA 92109
1230 Market Street, Suite 238, San Francisco, CA 94102
(800) 543-8670 • Fax (800) 543-8672

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PROJECT DESCRIPTION

The Glen of Pacific Grove Homeowners Association, located in Pacific Grove, California is a community association comprised of 15 buildings housing 60 units. This project was completed in 1982 and the common area components consist of roofing, painted exterior surfaces, asphalt and concrete surfaces, water features, fencing, walls, gates, tennis courts (2), mailboxes, exterior light fixtures, and common area landscaping.



INTRODUCTION

This report is an evaluation of various major reserve components of The Glen of Pacific Grove Homeowners Association. The purpose of this report is to provide information about the existing condition, life expectancy and estimated cost for maintenance and replacement of the physical elements that the Association is responsible for maintaining. This evaluation is designed to comply with California Civil Code §1365 and §1365.5. The study consists of visual inspection, measurement inventory, and estimate of condition of the identified reserve components that wear out predictably.

The on-site visual inspection was completed in May 2005. The report is based on a brief visual inspection of reserve components and relies on information supplied by the Association's property manager, Board of Directors, contractors and published replacement guides modified for local conditions related to reconstruction. The cost figures include inflationary factors which should be updated and reincorporated into the reserve budget whenever the annual inspection indicates that the rate of deterioration has changed or when there have been significant changes in the cost of materials and/or labor. The cost figures are then tabulated; the estimated useful and remaining lives are then established, and replacement costs are developed. This information is then incorporated into a projected future new replacement cost for each component at the end of its life cycle.

Some assumptions have been made about costs, conditions, and future events and circumstances that may occur. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this report. Therefore, the actual replacement costs and remaining lives may vary from this report and the variations could be material.

If we were to assume liability for failure to anticipate the irregular, i.e., non-standard replacement cycles or costs, we would be inclined to unreasonably reduce the life expectancy and increase the replacement costs. This would not be in the interest of the owners or even the future owners if the reserve estimating were based on a standard of accuracy, which is unattainable.

It is imperative that these assets be reviewed annually to consider the impact of changing conditions. Subsequent annual studies by Barrera and Company, Inc. will be in the form of a cost component sheet update and financial report, with visual inspection needed every third year. The findings in the following report are applicable as of the study's completion date, and those items, which are not expected to undergo major repair or replacement within a thirty (30) year time frame have been defined as "life of the project" and are not included.

Our report is to be used only for the purpose stated herein; any use or reliance for any other purpose, by you or third parties, is invalid. You may show our report in its entirety to those third parties that need to review the information contained herein. No reference to our name or our report, in whole or part, in any document you prepare and/or distribute to third parties may be made without our written consent.

NOTE A

All replacement costs given in report are future costs, calculated on a 3.00% compounded yearly inflation factor. They are designed to dramatize the future costs of items. When funding reserves, the present replacement cost (see component spreadsheets) should always be used. Costs should then be updated annually to reflect actual rises in materials and labor.

NOTE B

Barrera and Company, Inc. has generally included only those components which (in aggregate) contributed \$1,000.00 or more to the total estimated new replacement cost. However, we did include certain components that totaled less than \$1,000.00 inasmuch as they were considered to be part of a larger group of components.

NOTE C

Per the Board of Directors the following components are to be maintained (repaired/replaced) on an "as needed" basis and funded from the operating budget: Wood Bridge, W.I. Fencing, Tennis Deck – Paint, Lattice Fencing Repairs, Control Valves, Deck - Replacement, Tennis Nets, and Mailboxes Enclosures.

CONTINGENCY

It is recommend that a yearly general reserve contingency fund be included for, but not limited to the following: (1) Unexpected contingencies which, in the reasonable judgement of the Board, may occur; (2) The payment of insurance deductibles or other expenses relating to insurance; (3) Legal expenses and lease renegotiations or fee purchase expenses; (4) Exempt association property or additions and improvements to the association property, such as new construction; or (5) Late payment or non-payment of an assessment by any owner. This should be based on 3% to 5% of the total annual budget, including operating and reserve allocations.

GENERAL MAINTENANCE SUGGESTIONS

ROOFING: These procedures should be done semi-annually, preferably before and after the winter rains: A) Routine inspection and cleaning to keep the roofs free from debris (leaves, etc). B) Check all venting at pipe jack collars and other penetrations for leaks, patching with roof mastic to prevent water penetration. C) Mineral cap sheet lap separations at horizontal/end joints should be resealed where necessary with a recommended sealing compound. D) Check all metal roof flashing for twists and corrosion, and repair using suggested sealant. E) Ridge-caps and damaged shingles should be repaired and checked for water tightness as needed. Any localized intermittent failures and leaks should be treated as emergency repairs until the complete re-roofing of the building is necessitated according to the evaluated timetable.

As well as this, adopting an "on-going" annual preventive maintenance program with a qualified roofing contractor will help keep the system water-tight and insure maximum life expectancy of the roofing materials/applications

PAINTING: Curtailing surface deterioration by "touching up" will reduce the frequency and cost of a major repaint. Sand all doors lightly, scrape all deteriorated paint from wood trim, and prime raw areas where needed is the primary preparatory maintenance required. Painting should also be carried out in accordance with the manufacturer's recommendations, with all minor openings filled with a recommended sealant.

Wrought iron painting method (if applicable): Thoroughly wire-brush all scaled and surface rusted areas, apply vinegar to all bare metal (pickling), properly rust-proof susceptible bottom rail welded joints, and repaint using a rust inhibitive primer for the undercoat.

ASPHALT SURFACES: The anticipated life expectancy of the asphalt is provided that regular sealing and a prudent preventive program is maintained in the interim period. The asphalt paving should have semi-annual inspections to verify surface conditions, possible deterioration of curbs and pavement edges, base material failure, and tearing due to root growth under the pavement. All surfaces should be kept free of debris and rock so that vehicles do not force these objects through the thin sealed layers of the pavement. The frequency of seal-coating may vary due to traffic conditions.

FENCING: Special attention should be given to the upright supports of all the fencing, and they should be replaced or repaired immediately on signs of weakening. In addition, maintaining proper base clearances, minimizing vegetation fence growth, adjusting sprinkler heads, and painting on a regular 3-5 year cycle, will help prolong the life of the fencing.

LIGHTING: All lighting fixtures should be inspected annually for signs of deterioration, especially at the fixture bases where they meet the ground level and point of fixture attachment to the post or mounting base. Any needed replacements for bulbs or covers will occur on such a sporadic schedule that they more than likely will be cleaned and replaced on an "as-needed" basis

WOOD DECKING: Approximately once a year, the deck should be checked for loose boards and protruding nails, thoroughly cleaned, and resealed. Cleaning involves the removal of dirt, algae, moss, and other organic matter. Resealing is accomplished by applying a clear or semi-clear liquid sealant (as recommended) to all exposed surfaces.

POOL/SPA: The joints in the concrete decks surrounding the pool area and especially the joints between the concrete deck and coping tiles require semi-annual inspections to insure that they are watertight and are preventing water from reaching the underlying soil. The joints, as well as any cracks that may develop in the concrete surface, should be cleaned out and sealed promptly. It is extremely important to maintain a watertight barrier between the pool deck and the underlying soil. Failure to do so greatly reduces the normal life expectancy of the pool deck as the soil swells and shrinks from varying moisture content.

An acid wash is solely for cosmetic and maintenance purposes, and its necessity relies on the quality of your maintenance. An acid washing removes the somewhat glazed finish on the "original" plaster, leaving it more susceptible to staining from any chemicals being added subsequently. Each time this is done, it reduces the remaining life of the plaster finish. Acid washing could be needed as often as every 3 years, and is totally at the discretion of the Association. The cost for a periodic acid wash has not been included.

LANDSCAPING: Replacement of the valves is done periodically on an "as needed" basis and may be handled through the operating budget. The sub-surface drainage systems should be kept free of debris at all times. The irrigation system and watering cycles should be periodically evaluated to prevent over-watering. Careful monitoring of any potential tree problems should be maintained, so as to be addressed in future reserve or operating budgets. Due to the unpredictable nature of this category, the landscaping and irrigation systems should be constantly reviewed and amounts revised to properly reflect its history.

TENNIS COURTS: The court surfaces should be kept clean and free of debris at all times. Monthly cleaning to include light sweeping and rinsing is recommended.

WATER SYSTEMS: Due to safety reasons and code requirements, it is recommended that all, maintenance inspections and repairs be completed by a licensed professional. Use all recommended safety precautions and manufacturers instructions when servicing any mechanical equipment. **Boiler** - Annual evaluations of the boiler components are recommended. Inspect the boiler pressure relief valve to verify size and code requirements. Make sure alkalinity and pH are properly controlled. Review the electrical systems to the boiler and pumps. Check for loose pipe-fittings or possible gas leaks. Inspect flue for rust, leaks or any other type of damage (look for water marks at joints and seams). All vents are to be sized per the boilers manufacturers recommendations. Check combustion air paths and clean all screens, grills or filters. Replace damaged burners, gaskets or seals as needed. **Electric Water Heater** – Generally it is recommended to drain the water heater once or twice a year to remove sediment. Periodically check the thermostat setting, gaskets or seals for leaks, power system, safety valve, and evidence rust or sediment in the tank or pipes. **Gas Water Heater** – Partially drain water heater every 6 months to prevent sediment build-up. Annually clean flue and test the temperature pressure relief valve. Other possible maintenance requirements: cleaning of burner ports; replace the anticorrosion anode rod.

COMPONENT PHOTOGRAPHS



Exhibit 1: Comp Shingle Roofing

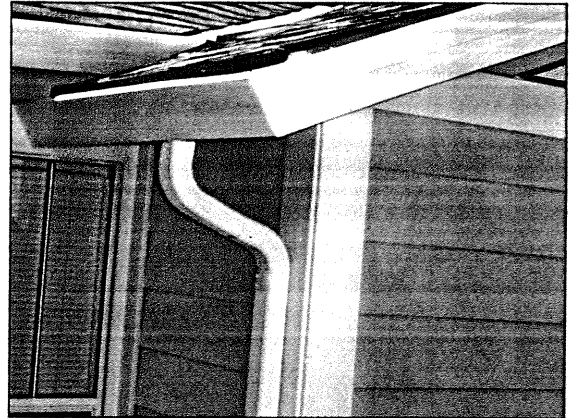


Exhibit 2: Gutter & Downspouts



Exhibit 3: Hardboard Siding/Window Trim

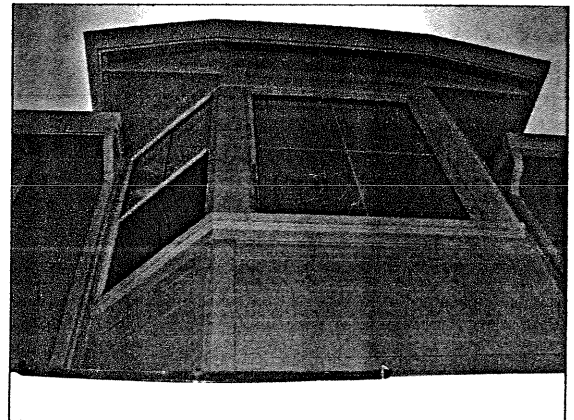


Exhibit 4: Hardboard Siding/Window Trim

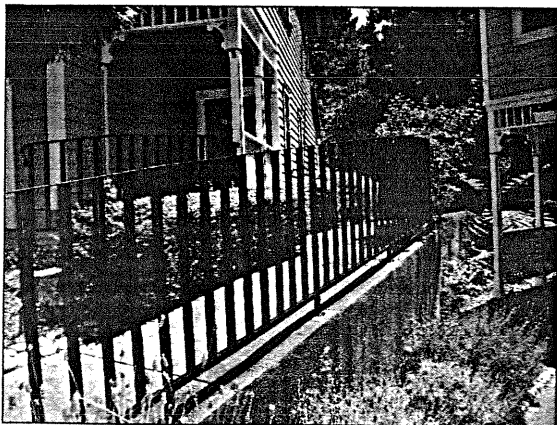


Exhibit 5: W.I. Fencing

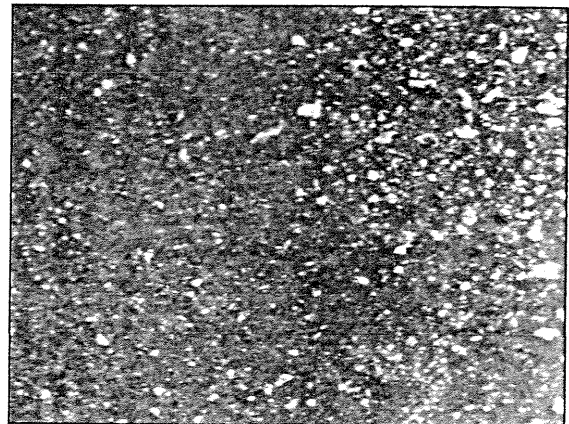


Exhibit 6: Asphalt Overlay

COMPONENT PHOTOGRAPHS

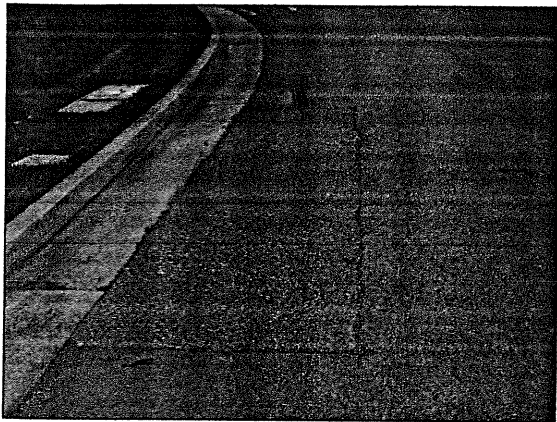


Exhibit 7: Asphalt Reseal/ Stripe/ Repair

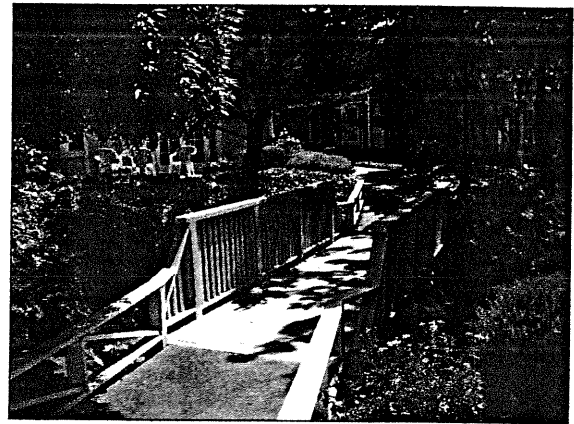


Exhibit 8: Wood Bridge

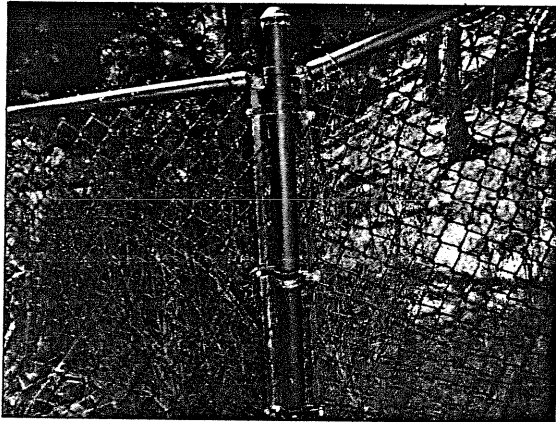


Exhibit 9: Chain Link Fencing

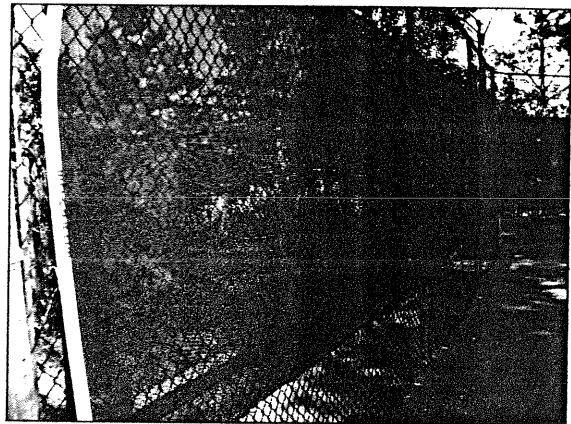


Exhibit 10: Chain Link Fencing

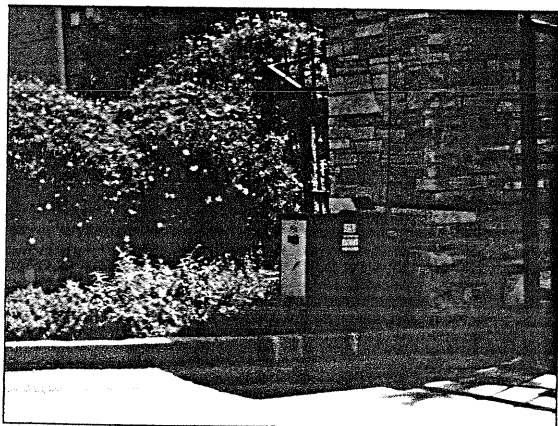


Exhibit 11: Gate Operator

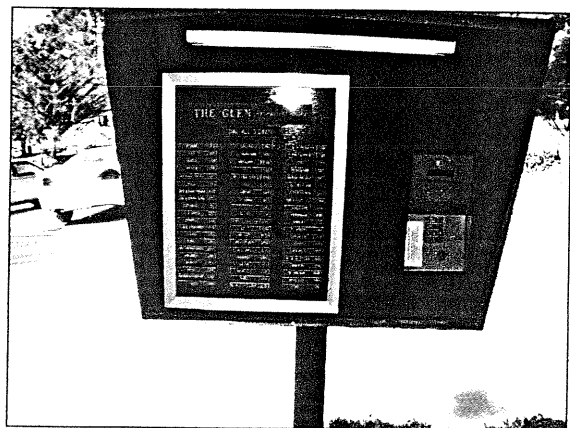


Exhibit 12: Gate Entry System

COMPONENT PHOTOGRAPHS



Exhibit 13: Timer Clocks

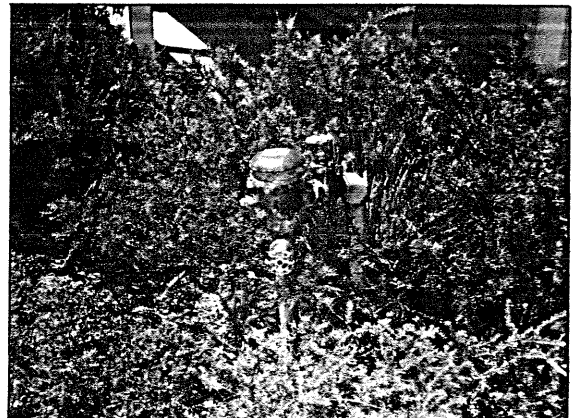


Exhibit 14: Back Flow Valves



Exhibit 15: Entry Way Fixture

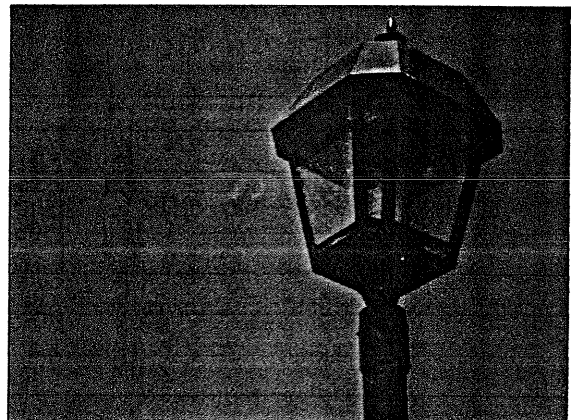


Exhibit 16: Post Mounted Fixture

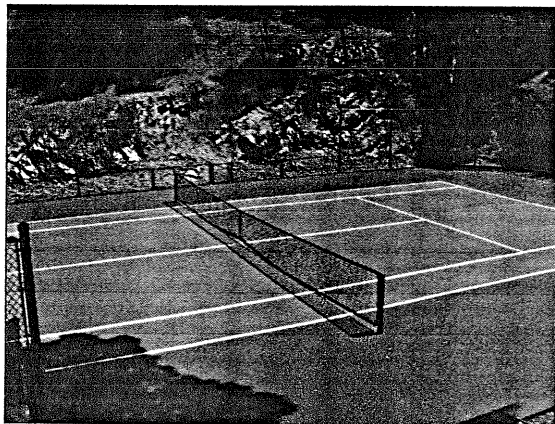


Exhibit 17: Tennis Court Resurface



Exhibit 18: Mailboxes

ANALYSIS OF INSPECTION

The replacement cost estimates and life expectancies are based on visual inspection, apparent condition, and current costs. It is imperative that these parameters are reviewed annually and the reserves adjusted to meet changing conditions. Expected life figures assume reasonably sound maintenance programs. With better than average maintenance, useful life may be extended beyond that which is given. Conversely, below average or no maintenance will reduce useful life. Replacement costs given are arrived at by considering terms such as adequate, average and normal. Some Associations will wish to expand their reserves beyond those boundaries. This preference should also be taken into consideration when setting reserves.

The service provided by Barrera and Company, Inc. was performed in accordance with our professional practices and standards. Our compensation was not contingent in any way upon our conclusions. We have assumed without independent verification, the accuracy of all data provided to us. We acted as an independent contractor. All files, work papers or documents developed by us during the course of the engagement will be our property and we will retain this data for three (3) years.

There are three factors that have the greatest effect upon the estimated lives of depreciable assets: physical deterioration, management intentions, and technical obsolescence.

1. Physical deterioration limits the life of an asset to what is normally known as its physical life. An asset's physical life often varies according to maintenance policies and location. An asset's location directly affects its usage, and therefore, its life.

2. Management intentions can significantly alter an assets life. For example, only a small utility building may be required at this time; however, a larger one may be planned which would require the removal of the existing building before its service life expires. Still yet another example would be the removal of components in a time period shorter than suggested in order to avoid high maintenance costs in later years (often called "cost effectiveness").

3. Technical obsolescence involves the replacement of an asset before the expiration of its physical life. Economic life is determined by the development of new materials, equipment, and improvements in existing technologies. An example might be the partial replacement of a current water heating system with a solar system, or the replacement of an existing security system with a more sophisticated system.

Although certain components will be kept in service for a longer or shorter period than the estimated useful lives indicated here, the estimates are believed to be industry averages that will permit an equitable allocation of the costs of the assets over their lifetimes. Remaining lives should be reviewed annually and, if actual experience or new circumstances dictate, should be adjusted.

We will be indemnified and held harmless against all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which we have relied upon as supplied by you or others under your direction, or which may result from any improper use or reliance on the report by you or third parties under your control or direction.

The terms of our report did not provide for reporting on events and analyses subsequent to the date of this report. Therefore, the final decisions for implementation, updating or revising the information obtained in this report, for any changes in assumptions, is the sole right and responsibility of the Board of Directors. The report was finalized based on approval from the Board of Directors. This report and the numbers generated herein are for use only for the year it was developed. Barrera and Company, Inc. is not responsible for the use of this report in any subsequent year, or in updating this report in any subsequent year, or in updating this report for events and circumstances occurring after the date of this report.

We appreciate the opportunity to be of service to The Glen of Pacific Grove Homeowners Association.

Respectfully Submitted,

Barrera and Company, Inc.

BARRERA AND COMPANY, INC. • RESERVE ANALYSIS

**RESERVE STUDY
FINANCIAL REPORT FOR THE
THE GLEN OF PACIFIC GROVE
HOMEOWNERS ASSOCIATION
OCTOBER - 2005**

(Report Start Date: September 1st, 2005)

Introduction

Reserve study reports are required as part of the annual Association budget by California law CC §1365.5. Specifically, this law requires that reserve studies are updated and distributed to each owner-member within 60 days (and not less than 45 days) prior to the beginning of each fiscal year along with the operating budget and a statement regarding assessment collection policies. California law CC §1365.5 also requires reserve studies so distributed include the following:

- Current estimated replacement cost, estimated remaining life, and estimated useful life of each major component.
- The current estimate of cash reserves necessary to repair, replace, or maintain the major components.
- The current amount of cash reserves actually set aside to repair, replace or maintain the major components.
- The percentage to which the association is fully funded.

The following Reserve Study financial Report begins with a summary of the financial projection tables and a data summary sheet, which presents the required data, listed above in a concise, easy to read format. The summary describes the procedures and methods used for calculating and establishing the reserve projections, presents a brief discussion of the results and implications of the three different funding methods which have been calculated, and is followed by definitions of calculated values. Tables presenting the detailed numerical analyses, a thirty-year projection of reserve disbursements, and three funding plans projected in thirty-year cash flow tables are included as supporting detail for the summary and for the information of the Association.

The contents of this financial report are based on estimates of the most probable reserve component replacement costs and remaining useful lives as described in the Reserve Component Worksheet and accompanying narrative. Accordingly, the funding plans reflect consultant judgments based on circumstances at the time of inspection of the most likely costs, maintenance, conditions, and remaining lives. The Association may elect to implement any of the three funding plans presented, or may implement some variation developed from this information. A 3% annual increase has been assumed in the three funding plans provided (for future projections).

Because the compilation of the reserve funding plans and related projections is limited as described above, no conclusion or any other form of assurance on the funding options or projections is provided. No responsibility to update this report for events and circumstances occurring after the date of this report is assumed.

Percentage Funded

Based on the estimated current replacement costs of **\$803,033** and estimated useful lives and remaining useful lives for the individual reserve components, the annual (day 1) reserve funding for The Glen of Pacific Grove Homeowners Association is **\$58,958** and the Fully Funded reserve as of August 31, 2005 is **\$464,332**. As of this date the Association has reported **\$208,901** to be in savings available for reserves. This is a **deficit** of **\$255,427** under the Fully Funded reserve. Based on these numbers, The Glen of Pacific Grove is currently **45% funded** as of 08/31/05.

This percent funded value presented in the data summary sheet is calculated by dividing the current (or projected) cash reserve savings by the Fully Funded reserve amount. The maximum reported percentage is 100%, and indicates an association is currently fully funded.

Funding and disbursement projections presented have been computed with a Time Value of Money approach. An annual 3.00% inflation rate and 3.00% average interest rate were assumed. Inflation was applied to the projected disbursements, and interest to the ending cash balance values. A straight-line method of calculation was employed for both time value rates.

Respectfully Submitted,

Barrera and Company, Inc.

Description of Funding Plans The Glen of Pacific Grove Homeowners Association

Funding Plan #1: Current Funding

This option projects the **Reserve Fund** over the next 30 years based on a funding level equal to the Association's current assessments for reserve assets. The Association has reported a current annual funding level of **\$82,080** or **\$114.00** per unit per month. Based on the reported cash reserves of **\$208,901** available as of 08/31/05, it appears that this method will meet all projected reserve disbursement requirements as they occur, and will reach the fully funded (100%) level (note year 9). If continued, this option should be reviewed annually and adjusted accordingly to ensure all future funding requirements will be met.

Funding Plan #2: 100% Funding

This plan projects the Annual Funding for the Fully Funded Reserve, and is a method for funding the current annual requirement (Day 1) while allocating any existing deficit over the remaining lives of each of the individual components. Full funding would require an allocation of **\$141,478** or **\$196.50** dollars per unit per month, over the first year. This amount will decrease as the deficit is funded (i.e. the association reaches full funding - note year 4). This funding plan is considered the ideal, compensating for any past funding deficiencies, and providing the full replacement cost of each component at the end of its projected useful life.

Funding Plan #3: Threshold Funding

This plan projects the lowest annual funding feasible over the next 30 years which will meet all reserve requirements as they occur. The allocation of **\$72,204** (**\$100.28** monthly per unit) is required for the first year of implementation. This funding requirement is calculated in which a minimum annual contribution is sought with the constraint that the ending reserve balance for each year (1 through 30) must be greater than or equal to five percent (5%) of the current replacement cost (approximate), \$45,000 (note years 6 & 30). The calculation takes into consideration only the immediate total annual requirements, as opposed to projected requirements by component computed in Plan #2. Due to this fact, annual allocations may fluctuate widely from year to year (note year 9). This plan provides a **minimal** contingency for unanticipated emergency expenditures. If implemented, funding and required disbursements should be reviewed on an annual basis and adjusted as required to ensure current and future-funding requirements will be met.

Note: A 3% annual increase in funding has been assumed for each of the three funding plans shown.

See Definitions, Page A-4.

Definition of Terms

(For page A-5)

Column A - Useful Life: Normal time period the association reserve component can be expected to remain in functional or useful condition.

Column B - Remaining Life (B): An estimate of years remaining before repair, replacement or refurbishment will be necessary.

Column C - Calculated Years in Service (C): A calculation derived by subtracting Remaining Life from Useful Life. (Note: Years in service is a calculated value, not necessarily the actual age of the component.) Calculation: $(A) - (B) = (C)$.

Column D - Current Replacement Cost (D): The current cost of repairing, replacing or refurbishing a component.

Column E - Current Actual Reserve Funds (E): Current amount of reserve funds available for each component. This is calculated by: (individual component Fully Funded Reserve) / (the total Fully Funded Reserve for all components) x (the Total Current Actual Reserve Balance for all reserve components) Calculation $G / G \text{ (Total)} \times E \text{ (Total)} = (E)$ Individual Component Current Actual Reserve Balance.

Column F - Day 1 Reserve Funding (Annual) (F): The annual amount of reserve funding required as of the Fiscal Year End which, when Fully Funded from the first year of service for all components will achieve full funding. This annualized value is calculated by dividing Current Replacement Cost by the Useful Life. This funding level makes no adjustment to eliminate any current reserve deficits. Calculation: $(D) / (A) = (F)$.

Column G - Fully Funded Reserve (G): This value is calculated by multiplying the Calculated Years in Service by the Day 1 Reserve Funding Amount. If an association is 100% funded, this number will be equal or less than the Current Allocated Reserve Fund Balance for each component. Calculation: $(C) \times (F) = (G)$.

Column H - Deficit Below Fully Funded Reserve (H): The shortage of reserve funding with respect to the Fully Funded Reserve as of the reported Current Actual Reserve Balance (E). The deficit is calculated by subtracting the Current Actual Reserve Balance from the Fully Funded Reserve: $(G) - (E) = (H)$.

Column I - 100% Funding Annual (I): The annual allocation of reserve funding needed to eliminate the deficit by spreading it over the remaining years of service of the individual component. Dividing the Deficit by the Remaining Life and adding the Annual Day 1 Funding amount. Calculation: $(H) / (B) + (F) = (I)$.

The Glen of Pacific Grove HOA

Financial Projections

60 Units

Percent Funded: → 45%

(Column)	Usfl Life	Rmng Life	Calc. Yrs in Svc	Current Rplcmt Cost	Reserve Balance 08/31/05	Day 1 Reserve Funding (Annual)	Fully Funded Reserve 08/31/05	Deficit below Fully Funded Reserve	100% Funding (Annual)
(Column)	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
ROOFING									
Comp Shingle Roofing - Units/Gar	30	3	27	345,000	139,696	11,500	310,500	170,804	68,435
Gutters & Downspouts - I	30	24	6	52,000	4,679	1,733	10,400	5,721	1,972
Gutters & Downspouts - II	30	29	1	26,000	390	867	867	477	883
Chimney Repairs	28	0	28	18,000	8,098	643	18,000	9,902	10,545
PAINTING									
Hardboard Siding & Window Trims	5	5	0	160,000	0	32,000	0	0	32,000
ASPHALT & CONCRETE SURFACES									
Asphalt Overlay	35	7	28	57,006	20,518	1,629	45,605	25,087	5,213
Asphalt Reseal, Stripe & Repairs	4	0	4	6,658	2,995	1,664	6,658	3,662	5,327
FENCING, GATES & BRIDGE									
Wood Bridge	20	17	3	6,000	405	300	900	495	329
W. I. Fencing	25	3	22	16,150	6,394	646	14,212	7,818	3,252
Chain Link Fencing	20	17	3	4,320	292	216	648	356	237
Vehicle Gates	30	10	20	10,000	2,999	333	6,667	3,667	700
Gate Operators	10	5	5	6,000	1,350	600	3,000	1,650	930
Gate Entry System	20	11	9	5,000	1,012	250	2,250	1,238	363
WATER FEATURES									
Lake - Dredge	15	5	10	39,000	11,698	2,600	26,000	14,302	5,460
Lake - Pump Motor	4	4	0	1,000	0	250	0	0	250
LANDSCAPING									
Timer Clocks	15	14	1	1,500	45	100	100	55	104
Backflow Valves	15	14	1	3,400	102	227	227	125	236
Drain Channels	20	3	17	5,000	1,912	250	4,250	2,338	1,029
LIGHTING									
Entry Way Fixtures	10	9	1	17,500	787	1,750	1,750	963	1,857
Underground Electrical (Maint)	20	15	5	4,000	450	200	1,000	550	237
Post Mount Fixtures (Maint)	20	10	10	10,000	2,250	500	5,000	2,750	775
TENNIS COURTS									
Courts - Resurface	7	4	3	3,500	675	500	1,500	825	706
MISCELLANEOUS									
Mailboxes	30	6	24	6,000	2,160	200	4,800	2,640	640
Totals				803,033	208,901	58,958	464,332	255,427	141,478

The Glen of Pacific Grove HOA

Financial Projections

Projected Annual Reserve Disbursements - Years 1-5

(Column)	Usfl Life	Rmng Life	Calc.	Current Rplcmnt Cost	2005	2006	2007	2008	2009
			Yrs in Srvc		2006	2007	2008	2009	2010
	(A)	(B)	(C)	(D)	1	2	3	4	5
ROOFING									
Comp Shingle Roofing - Units/Gar	30	3	27	345,000	0	0	0	376,991	0
Gutters & Downspouts - I	30	24	6	52,000	0	0	0	0	0
Gutters & Downspouts - II	30	29	1	26,000	0	0	0	0	0
Chimney Repairs	28	0	28	18,000	18,000	0	0	0	0
PAINTING									
Hardboard Siding & Window Trims	5	5	0	160,000	0	0	0	0	0
ASPHALT & CONCRETE SURFACES									
Asphalt Overlay	35	7	28	57,006	0	0	0	0	0
Asphalt Reseal, Stripe & Repairs	4	0	4	6,658	6,658	0	0	0	0
FENCING, GATES & BRIDGE									
Wood Bridge	20	17	3	6,000	0	0	0	0	0
W. I. Fencing	25	3	22	16,150	0	0	0	17,648	0
Chain Link Fencing	20	17	3	4,320	0	0	0	0	0
Vehicle Gates	30	10	20	10,000	0	0	0	0	0
Gate Operators	10	5	5	6,000	0	0	0	0	0
Gate Entry System	20	11	9	5,000	0	0	0	0	0
WATER FEATURES									
Lake - Dredge	15	5	10	39,000	0	0	0	0	0
Lake - Pump Motor	4	4	0	1,000	0	0	0	0	1,126
LANDSCAPING									
Timer Clocks	15	14	1	1,500	0	0	0	0	0
Backflow Valves	15	14	1	3,400	0	0	0	0	0
Drain Channels	20	3	17	5,000	0	0	0	5,464	0
LIGHTING									
Entry Way Fixtures	10	9	1	17,500	0	0	0	0	0
Underground Electrical (Maint)	20	15	5	4,000	0	0	0	0	0
Post Mount Fixtures (Maint)	20	10	10	10,000	0	0	0	0	0
TENNIS COURTS									
Courts - Resurface	7	4	3	3,500	0	0	0	0	3,939
MISCELLANEOUS									
Mailboxes	30	6	24	6,000	0	0	0	0	0
Totals				803,033	24,658	0	0	400,102	5,065

The Glen of Pacific Grove HOA

Financial Projections

Projected Annual Reserve Disbursements - Years 6-10

(Column)	Usfl Life	Rmng Life	Calc.	Current Rplcmnt Cost	2010	2011	2012	2013	2014	2015
			Yrs in Srvc		2011	2012	2013	2014	2015	
	(A)	(B)	(C)	(D)	6	7	8	9	10	
ROOFING										
Comp Shingle Roofing - Units/Gar	30	3	27	345,000	0	0	0	0	0	0
Gutters & Downspouts - I	30	24	6	52,000	0	0	0	0	0	0
Gutters & Downspouts - II	30	29	1	26,000	0	0	0	0	0	0
Chimney Repairs	28	0	28	18,000	0	0	0	0	0	0
PAINTING										
Hardboard Siding & Window Trims	5	5	0	160,000	185,484	0	0	0	0	0
ASPHALT & CONCRETE SURFACES										
Asphalt Overlay	35	7	28	57,006	0	0	70,110	0	0	0
Asphalt Reseal, Stripe & Repairs	4	0	4	6,658	7,718	0	0	0	0	0
FENCING, GATES & BRIDGE										
Wood Bridge	20	17	3	6,000	0	0	0	0	0	0
W. I. Fencing	25	3	22	16,150	0	0	0	0	0	0
Chain Link Fencing	20	17	3	4,320	0	0	0	0	0	0
Vehicle Gates	30	10	20	10,000	0	0	0	0	0	0
Gate Operators	10	5	5	6,000	6,956	0	0	0	0	0
Gate Entry System	20	11	9	5,000	0	0	0	0	0	0
WATER FEATURES										
Lake - Dredge	15	5	10	39,000	45,212	0	0	0	0	0
Lake - Pump Motor	4	4	0	1,000	0	0	0	0	0	1,305
LANDSCAPING										
Timer Clocks	15	14	1	1,500	0	0	0	0	0	0
Backflow Valves	15	14	1	3,400	0	0	0	0	0	0
Drain Channels	20	3	17	5,000	0	0	0	0	0	0
LIGHTING										
Entry Way Fixtures	10	9	1	17,500	0	0	0	0	0	22,834
Underground Electrical (Maint)	20	15	5	4,000	0	0	0	0	0	0
Post Mount Fixtures (Maint)	20	10	10	10,000	0	0	0	0	0	0
TENNIS COURTS										
Courts - Resurface	7	4	3	3,500	0	0	0	0	0	0
MISCELLANEOUS										
Mailboxes	30	6	24	6,000	0	7,164	0	0	0	0
Totals				803,033	245,369	7,164	70,110	0	24,138	

The Glen of Pacific Grove HOA

Financial Projections

Projected Annual Reserve Disbursements - Years 11-15

(Column)	Usfl Life	Rmng Life	Calc.	Current Rplcmnt Cost	2015	2016	2017	2018	2019
			Yrs in Svc		2016	2017	2018	2019	2020
(A)	(B)	(C)	(D)	11	12	13	14	15	
ROOFING									
Comp Shingle Roofing - Units/Gar	30	3	27	345,000	0	0	0	0	0
Gutters & Downspouts - I	30	24	6	52,000	0	0	0	0	0
Gutters & Downspouts - II	30	29	1	26,000	0	0	0	0	0
Chimney Repairs	28	0	28	18,000	0	0	0	0	0
PAINTING									
Hardboard Siding & Window Trims	5	5	0	160,000	0	221,477	0	0	0
ASPHALT & CONCRETE SURFACES									
Asphalt Overlay	35	7	28	57,006	0	0	0	0	0
Asphalt Reseal, Stripe & Repairs	4	0	4	6,658	8,947	0	0	0	0
FENCING, GATES & BRIDGE									
Wood Bridge	20	17	3	6,000	0	0	0	0	0
W. I. Fencing	25	3	22	16,150	0	0	0	0	0
Chain Link Fencing	20	17	3	4,320	0	0	0	0	0
Vehicle Gates	30	10	20	10,000	13,439	0	0	0	0
Gate Operators	10	5	5	6,000	0	0	0	0	0
Gate Entry System	20	11	9	5,000	0	6,921	0	0	0
WATER FEATURES									
Lake - Dredge	15	5	10	39,000	0	0	0	0	0
Lake - Pump Motor	4	4	0	1,000	0	0	0	0	1,513
LANDSCAPING									
Timer Clocks	15	14	1	1,500	0	0	0	0	2,269
Backflow Valves	15	14	1	3,400	0	0	0	0	5,143
Drain Channels	20	3	17	5,000	0	0	0	0	0
LIGHTING									
Entry Way Fixtures	10	9	1	17,500	0	0	0	0	0
Underground Electrical (Maint)	20	15	5	4,000	0	0	0	0	0
Post Mount Fixtures (Maint)	20	10	10	10,000	13,439	0	0	0	0
TENNIS COURTS									
Courts - Resurface	7	4	3	3,500	0	0	4,990	0	0
MISCELLANEOUS									
Mailboxes	30	6	24	6,000	0	0	0	0	0
Totals				803,033	35,826	228,399	4,990	0	8,924

The Glen of Pacific Grove HOA

Financial Projections

Projected Annual Reserve Disbursements - Years 16-20

	Usfl Life	Rmng Life	Calc.	Current Rplcmnt Cost	2020	2021	2022	2023	2024
			Yrs in Srv		2021	2022	2023	2024	2025
(Column)	(A)	(B)	(C)	(D)	16	17	18	19	20
ROOFING									
Comp Shingle Roofing - Units/Gar	30	3	27	345,000	0	0	0	0	0
Gutters & Downspouts - I	30	24	6	52,000	0	0	0	0	0
Gutters & Downspouts - II	30	29	1	26,000	0	0	0	0	0
Chimney Repairs	28	0	28	18,000	0	0	0	0	0
PAINTING									
Hardboard Siding & Window Trims	5	5	0	160,000	0	0	264,456	0	0
ASPHALT & CONCRETE SURFACES									
Asphalt Overlay	35	7	28	57,006	0	0	0	0	0
Asphalt Reseal, Stripe & Repairs	4	0	4	6,658	10,372	0	0	0	0
FENCING, GATES & BRIDGE									
Wood Bridge	20	17	3	6,000	0	0	9,917	0	0
W. I. Fencing	25	3	22	16,150	0	0	0	0	0
Chain Link Fencing	20	17	3	4,320	0	0	7,140	0	0
Vehicle Gates	30	10	20	10,000	0	0	0	0	0
Gate Operators	10	5	5	6,000	0	9,628	0	0	0
Gate Entry System	20	11	9	5,000	0	0	0	0	0
WATER FEATURES									
Lake - Dredge	15	5	10	39,000	0	0	0	0	0
Lake - Pump Motor	4	4	0	1,000	0	0	0	0	1,754
LANDSCAPING									
Timer Clocks	15	14	1	1,500	0	0	0	0	0
Backflow Valves	15	14	1	3,400	0	0	0	0	0
Drain Channels	20	3	17	5,000	0	0	0	0	0
LIGHTING									
Entry Way Fixtures	10	9	1	17,500	0	0	0	0	0
Underground Electrical (Maint)	20	15	5	4,000	6,232	0	0	0	0
Post Mount Fixtures (Maint)	20	10	10	10,000	0	0	0	0	0
TENNIS COURTS									
Courts - Resurface	7	4	3	3,500	0	0	0	0	0
MISCELLANEOUS									
Mailboxes	30	6	24	6,000	0	0	0	0	0
Totals				803,033	16,604	9,628	281,513	0	1,754

The Glen of Pacific Grove HOA

Financial Projections

Projected Annual Reserve Disbursements - Years 21-25

	Usfl	Rmng	Calc. Yrs in	Current Rplcmnt Cost	2025 2026	2026 2027	2027 2028	2028 2029	2029 2030
(Column)	(A)	(B)	(C)	(D)	21	22	23	24	25
ROOFING									
Comp Shingle Roofing - Units/Gar	30	3	27	345,000	0	0	0	0	0
Gutters & Downspouts - I	30	24	6	52,000	0	0	0	0	105,705
Gutters & Downspouts - II	30	29	1	26,000	0	0	0	0	0
Chimney Repairs	28	0	28	18,000	0	0	0	0	0
PAINTING									
Hardboard Siding & Window Trims	5	5	0	160,000	0	0	0	315,774	0
ASPHALT & CONCRETE SURFACES									
Asphalt Overlay	35	7	28	57,006	0	0	0	0	0
Asphalt Reseal, Stripe & Repairs	4	0	4	6,658	12,024	0	0	0	0
FENCING, GATES & BRIDGE									
Wood Bridge	20	17	3	6,000	0	0	0	0	0
W. I. Fencing	25	3	22	16,150	0	0	0	0	0
Chain Link Fencing	20	17	3	4,320	0	0	0	0	0
Vechicle Gates	30	10	20	10,000	0	0	0	0	0
Gate Operators	10	5	5	6,000	0	0	0	0	0
Gate Entry System	20	11	9	5,000	0	0	0	0	0
WATER FEATURES									
Lake - Dredge	15	5	10	39,000	0	72,551	0	0	0
Lake - Pump Motor	4	4	0	1,000	0	0	0	0	2,033
LANDSCAPING									
Timer Clocks	15	14	1	1,500	0	0	0	0	0
Backflow Valves	15	14	1	3,400	0	0	0	0	0
Drain Channels	20	3	17	5,000	0	0	0	0	10,164
LIGHTING									
Entry Way Fixtures	10	9	1	17,500	31,607	0	0	0	0
Underground Electrical (Maint)	20	15	5	4,000	0	0	0	0	0
Post Mount Fixtures (Maint)	20	10	10	10,000	0	0	0	0	0
TENNIS COURTS									
Courts - Resurface	7	4	3	3,500	6,321	0	0	0	0
MISCELLANEOUS									
Mailboxes	30	6	24	6,000	0	0	0	0	0
Totals				803,033	49,953	72,551	0	315,774	117,902

The Glen of Pacific Grove HOA

Financial Projections

Projected Annual Reserve Disbursements - Years 26-30

(Column)	Usfl Life	Rmng Life	Calc.	Current Rplcmnt Cost	2030	2031	2032	2033	2034	2035
			Yrs in Svc		2031	2032	2033	2034	2035	
(A)	(B)	(C)	(D)	26	27	28	29	30		
ROOFING										
Comp Shingle Roofing - Units/Gar	30	3	27	345,000	0	0	0	0	0	0
Gutters & Downspouts - I	30	24	6	52,000	0	0	0	0	0	0
Gutters & Downspouts - II	30	29	1	26,000	0	0	0	0	0	61,271
Chimney Repairs	28	0	28	18,000	0	0	0	0	0	42,418
PAINTING										
Hardboard Siding & Window Trims	5	5	0	160,000	0	0	0	0	0	377,050
ASPHALT & CONCRETE SURFACES										
Asphalt Overlay	35	7	28	57,006	0	0	0	0	0	0
Asphalt Reseal, Stripe & Repairs	4	0	4	6,658	13,940	0	0	0	0	0
FENCING, GATES & BRIDGE										
Wood Bridge	20	17	3	6,000	0	0	0	0	0	0
W. I. Fencing	25	3	22	16,150	0	0	0	0	0	38,059
Chain Link Fencing	20	17	3	4,320	0	0	0	0	0	0
Vehicle Gates	30	10	20	10,000	0	0	0	0	0	0
Gate Operators	10	5	5	6,000	0	0	13,328	0	0	0
Gate Entry System	20	11	9	5,000	0	0	0	0	0	0
WATER FEATURES										
Lake - Dredge	15	5	10	39,000	0	0	0	0	0	0
Lake - Pump Motor	4	4	0	1,000	0	0	0	0	0	2,357
LANDSCAPING										
Timer Clocks	15	14	1	1,500	0	0	0	0	0	0
Backflow Valves	15	14	1	3,400	0	0	0	0	0	0
Drain Channels	20	3	17	5,000	0	0	0	0	0	0
LIGHTING										
Entry Way Fixtures	10	9	1	17,500	0	0	0	0	0	0
Underground Electrical (Maint)	20	15	5	4,000	0	0	0	0	0	0
Post Mount Fixtures (Maint)	20	10	10	10,000	0	0	0	0	0	0
TENNIS COURTS										
Courts - Resurface	7	4	3	3,500	0	0	0	8,008	0	0
MISCELLANEOUS										
Mailboxes	30	6	24	6,000	0	0	0	0	0	0
<hr/>										
Totals				803,033	13,940	0	13,328	8,008	521,154	

The Glen of Pacific Grove HOA

Cash Flow Funding Plan Tables

Report Beginning September →	2005	2006	2007	2008	2009
	2006	2007	2008	2009	2010
Year Number	1	2	3	4	5
Cash Flow-Funding Plan #1					
Average Monthly Fee per Unit	114.00	117.42	120.94	124.57	128.31
Current Funding	82,080	84,542	87,079	89,691	92,382
Beginning Cash	208,901	273,452	367,466	466,875	165,814
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	7,128	9,472	12,330	9,350	6,284
Reserve Funds	298,109	367,466	466,875	565,916	264,480
Disbursements	24,658	0	0	400,102	5,065
End Balance	273,452	367,466	466,875	165,814	259,415
Projected % Funded (Y/E)	53%	62%	70%	50%	64%
Cash Flow-Funding Plan #2					
Average Monthly Fee per Unit	196.50	202.39	208.46	81.25	90.28
100% Funding	141,478	145,723	150,095	58,500	65,000
Beginning Cash	208,901	333,741	491,662	658,758	331,795
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	8,019	12,198	17,001	14,639	10,853
Reserve Funds	358,399	491,662	658,758	731,897	407,648
Disbursements	24,658	0	0	400,102	5,065
End Balance	333,741	491,662	658,758	331,795	402,583
Projected % Funded (Y/E)	65%	83%	98%	100%	100%
Cash Flow-Funding Plan #3					
Average Monthly Fee per Unit	100.28	103.29	106.39	109.58	112.87
"Threshold" Funding	72,204	74,370	76,601	78,899	81,266
Beginning Cash	208,901	263,428	346,816	434,971	121,999
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	6,980	9,018	11,554	8,231	4,803
Reserve Funds	288,085	346,816	434,971	522,101	208,068
Disbursements	24,658	0	0	400,102	5,065
End Balance (Minimum \$45,000)	263,428	346,816	434,971	121,999	203,004
Projected % Funded (Y/E)	52%	59%	65%	37%	50%

Projections for Funding Plans 1-3 (Years 1-5)

The Glen of Pacific Grove HOA

Cash Flow Funding Plan Tables

Report Beginning September →	2010	2011	2012	2013	2014
	2011	2012	2013	2014	2015
Year Number	6	7	8	9	10
Cash Flow-Funding Plan #1					
Average Monthly Fee per Unit	132.16	136.12	140.21	144.41	148.74
Current Funding	95,153	98,008	100,948	103,976	107,096
Beginning Cash	259,415	114,728	210,376	247,988	360,964
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	5,529	4,804	6,774	8,999	12,073
Reserve Funds	360,097	217,541	318,098	360,964	480,133
Disbursements	245,369	7,164	70,110	0	24,138
End Balance	114,728	210,376	247,988	360,964	455,995
Projected % Funded (Y/E)	61%	81%	92%	102%	110%
Year Number	6	7	8	9	10
Cash Flow-Funding Plan #2					
Average Monthly Fee per Unit	92.99	95.78	98.65	101.61	104.66
100% Funding	66,950	68,959	71,027	73,158	75,353
Beginning Cash	402,583	233,565	303,293	313,323	396,978
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	9,401	7,934	9,113	10,497	12,678
Reserve Funds	478,934	310,457	383,433	396,978	485,008
Disbursements	245,369	7,164	70,110	0	24,138
End Balance	233,565	303,293	313,323	396,978	460,870
Projected % Funded (Y/E)	123%	117%	117%	112%	111%
Year Number	6	7	8	9	10
Cash Flow-Funding Plan #3					
Average Monthly Fee per Unit	116.26	119.74	123.34	66.27	68.26
"Threshold" Funding	83,704	86,215	88,802	47,715	49,146
Beginning Cash	203,004	45,004	126,591	149,361	202,272
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	3,665	2,536	4,078	5,197	6,443
Reserve Funds	290,373	133,755	219,471	202,272	257,862
Disbursements	245,369	7,164	70,110	0	24,138
End Balance (Minimum \$45,000)	45,004	126,591	149,361	202,272	233,724
Projected % Funded (Y/E)	24%	49%	56%	57%	56%

Projections for Funding Plans 1-3 (Years 6-10)

The Glen of Pacific Grove HOA

Cash Flow Funding Plan Tables

<i>Report Beginning September</i> →	2015	2016	2017	2018	2019
	2016	2017	2018	2019	2020
Year Number	11	12	13	14	15
Cash Flow-Funding Plan #1					
Average Monthly Fee per Unit	153.21	157.80	162.54	167.41	172.44
Current Funding	110,309	113,618	117,026	120,537	124,153
Beginning Cash	455,995	545,275	445,131	572,202	711,713
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	14,797	14,637	15,034	18,974	23,080
Reserve Funds	581,101	673,529	577,192	711,713	858,946
Disbursements	35,826	228,399	4,990	0	8,924
End Balance	545,275	445,131	572,202	711,713	850,022
Projected % Funded (Y/E)	116%	155%	152%	150%	149%
Cash Flow-Funding Plan #2					
Average Monthly Fee per Unit	107.80	111.03	114.36	117.79	121.33
100% Funding	77,613	79,942	82,340	84,810	87,355
Beginning Cash	460,870	517,111	381,940	471,909	572,148
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	14,453	13,286	12,618	15,429	18,341
Reserve Funds	552,936	610,339	476,899	572,148	677,844
Disbursements	35,826	228,399	4,990	0	8,924
End Balance	517,111	381,940	471,909	572,148	668,920
Projected % Funded (Y/E)	110%	133%	126%	120%	117%
Cash Flow-Funding Plan #3					
Average Monthly Fee per Unit	70.31	72.42	74.59	76.83	79.13
"Threshold" Funding	50,621	52,139	53,704	55,315	56,974
Beginning Cash	233,724	255,753	84,522	136,502	196,742
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	7,234	5,029	3,266	4,925	6,623
Reserve Funds	291,578	312,921	141,492	196,742	260,339
Disbursements	35,826	228,399	4,990	0	8,924
End Balance (Minimum \$45,000)	255,753	84,522	136,502	196,742	251,415
Projected % Funded (Y/E)	54%	30%	36%	41%	44%

Projections for Funding Plans 1-3 (Years 11-15)

The Glen of Pacific Grove HOA

Cash Flow Funding Plan Tables

Report Beginning September →	2020	2021	2022	2023	2024
	2021	2022	2023	2024	2025
Year Number	16	17	18	19	20
Cash Flow-Funding Plan #1					
Average Monthly Fee per Unit	177.61	182.94	188.42	194.08	199.90
Current Funding	127,878	131,714	135,666	139,736	143,928
Beginning Cash	850,022	988,465	1,142,037	1,028,263	1,200,942
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	27,170	31,485	32,073	32,944	38,161
Reserve Funds	1,005,070	1,151,665	1,309,776	1,200,942	1,383,031
Disbursements	16,604	9,628	281,513	0	1,754
End Balance	988,465	1,142,037	1,028,263	1,200,942	1,381,278
Projected % Funded (Y/E)	149%	148%	188%	180%	174%
Cash Flow-Funding Plan #2					
Year Number	16	17	18	19	20
Average Monthly Fee per Unit	124.97	128.71	132.58	136.55	140.65
100% Funding	89,975	92,674	95,455	98,318	101,268
Beginning Cash	668,920	763,459	870,654	707,925	828,956
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	21,168	24,149	23,329	22,713	26,361
Reserve Funds	780,063	880,283	989,438	828,956	956,585
Disbursements	16,604	9,628	281,513	0	1,754
End Balance	763,459	870,654	707,925	828,956	954,832
Projected % Funded (Y/E)	115%	113%	129%	124%	120%
Cash Flow-Funding Plan #3					
Year Number	16	17	18	19	20
Average Monthly Fee per Unit	81.50	83.95	86.47	89.06	91.73
"Threshold" Funding	58,683	60,444	62,257	64,125	66,049
Beginning Cash	251,415	301,668	362,295	150,620	220,225
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	8,174	9,812	7,580	5,480	7,571
Reserve Funds	318,272	371,924	432,133	220,225	293,845
Disbursements	16,604	9,628	281,513	0	1,754
End Balance (Minimum \$45,000)	301,668	362,295	150,620	220,225	292,092
Projected % Funded (Y/E)	45%	47%	27%	33%	37%

Projections for Funding Plans 1-3 (Years 16-20)

The Glen of Pacific Grove HOA

Cash Flow Funding Plan Tables

Report Beginning September →	2025	2026	2027	2028	2029
	2026	2027	2028	2029	2030
Year Number	21	22	23	24	25
Cash Flow-Funding Plan #1					
Average Monthly Fee per Unit	205.90	212.07	218.44	224.99	231.74
Current Funding	148,246	152,693	157,274	161,992	166,852
Beginning Cash	1,381,278	1,522,483	1,649,501	1,858,619	1,758,289
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	42,913	46,877	51,844	53,452	53,483
Reserve Funds	1,572,436	1,722,053	1,858,619	2,074,063	1,978,624
Disbursements	49,953	72,551	0	315,774	117,902
End Balance	1,522,483	1,649,501	1,858,619	1,758,289	1,860,722
Projected % Funded (Y/E)	176%	178%	174%	211%	218%
Year Number	21	22	23	24	25
Cash Flow-Funding Plan #2					
Average Monthly Fee per Unit	144.87	149.22	153.69	158.30	163.05
100% Funding	104,306	107,435	110,658	113,978	117,397
Beginning Cash	954,832	1,038,645	1,105,211	1,250,686	1,083,383
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	29,460	31,683	34,816	34,494	32,494
Reserve Funds	1,088,598	1,177,763	1,250,686	1,399,157	1,233,274
Disbursements	49,953	72,551	0	315,774	117,902
End Balance	1,038,645	1,105,211	1,250,686	1,083,383	1,115,372
Projected % Funded (Y/E)	120%	119%	117%	130%	131%
Year Number	21	22	23	24	25
Cash Flow-Funding Plan #3					
Average Monthly Fee per Unit	94.49	97.32	100.24	103.25	106.35
"Threshold" Funding	68,030	70,071	72,173	74,338	76,569
Beginning Cash	292,092	319,203	326,261	409,305	176,527
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	9,034	9,539	10,870	8,658	4,676
Reserve Funds	369,156	398,813	409,305	492,301	257,772
Disbursements	49,953	72,551	0	315,774	117,902
End Balance (Minimum \$45,000)	319,203	326,261	409,305	176,527	139,870
Projected % Funded (Y/E)	37%	35%	38%	21%	16%

Projections for Funding Plans 1-3 (Years 21-25)

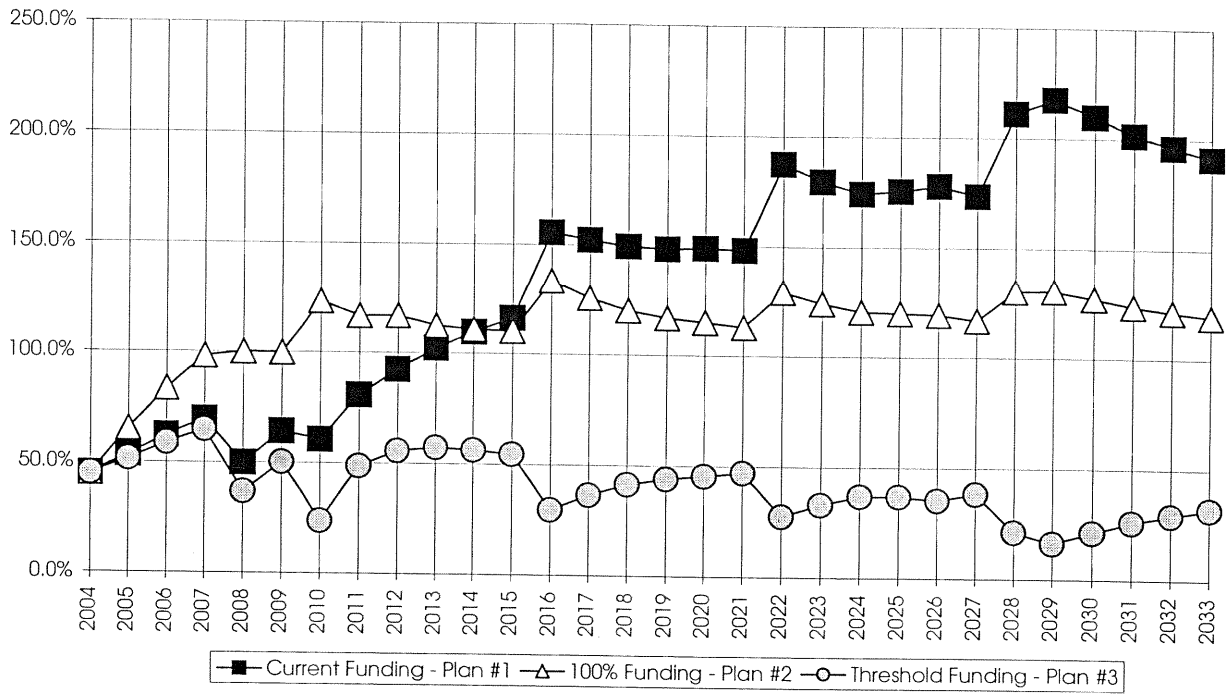
The Glen of Pacific Grove HOA

Cash Flow Funding Plan Tables

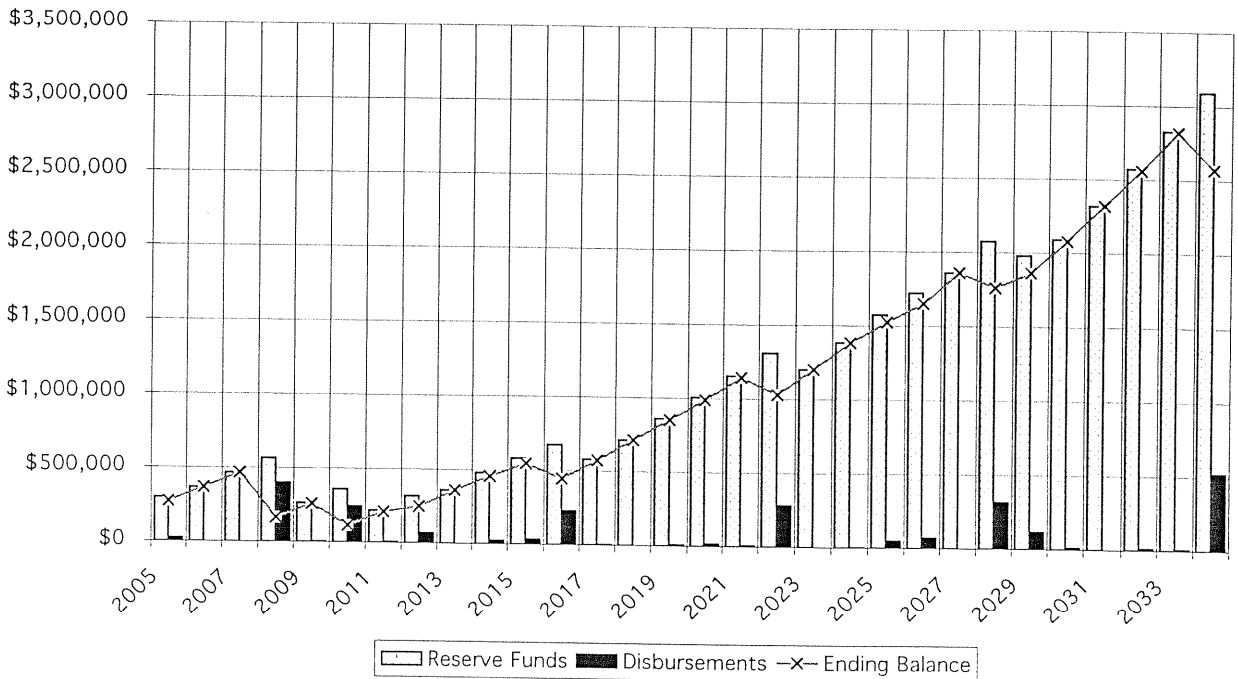
Report Beginning September →	2030	2031	2032	2033	2034
	2031	2032	2033	2034	2035
Year Number	26	27	28	29	30
Cash Flow-Funding Plan #1					
Average Monthly Fee per Unit	238.69	245.85	253.23	260.82	268.65
Current Funding	171,857	177,013	182,323	187,793	193,427
Beginning Cash	1,860,722	2,076,830	2,318,803	2,559,898	2,819,177
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	58,190	64,960	72,099	79,494	79,659
Reserve Funds	2,090,770	2,318,803	2,573,226	2,827,185	3,092,263
Disbursements	13,940	0	13,328	8,008	521,154
End Balance	2,076,830	2,318,803	2,559,898	2,819,177	2,571,109
Projected % Funded (Y/E)	210%	202%	196%	191%	247%
Year Number	26	27	28	29	30
Cash Flow-Funding Plan #2					
Average Monthly Fee per Unit	167.94	172.98	178.17	183.52	189.02
100% Funding	120,919	124,547	128,283	132,132	136,096
Beginning Cash	1,115,372	1,257,418	1,421,555	1,580,882	1,754,294
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	35,066	39,591	44,371	49,288	46,853
Reserve Funds	1,271,357	1,421,555	1,594,209	1,762,302	1,937,242
Disbursements	13,940	0	13,328	8,008	521,154
End Balance	1,257,418	1,421,555	1,580,882	1,754,294	1,416,088
Projected % Funded (Y/E)	127%	124%	121%	119%	136%
Year Number	26	27	28	29	30
Cash Flow-Funding Plan #3					
Average Monthly Fee per Unit	109.54	112.82	116.21	119.69	123.28
"Threshold" Funding	78,866	81,232	83,669	86,179	88,764
Beginning Cash	139,870	209,966	298,715	379,072	469,788
Special Assessment / Loan (BOD)	0	0	0	0	0
Annual Interest	5,170	7,517	10,017	12,545	7,608
Reserve Funds	223,905	298,715	392,400	477,795	566,159
Disbursements	13,940	0	13,328	8,008	521,154
End Balance (Minimum \$45,000)	209,966	298,715	379,072	469,788	45,005
Projected % Funded (Y/E)	21%	26%	29%	32%	4%

Projections for Funding Plans 1-3 (Years 26-30)

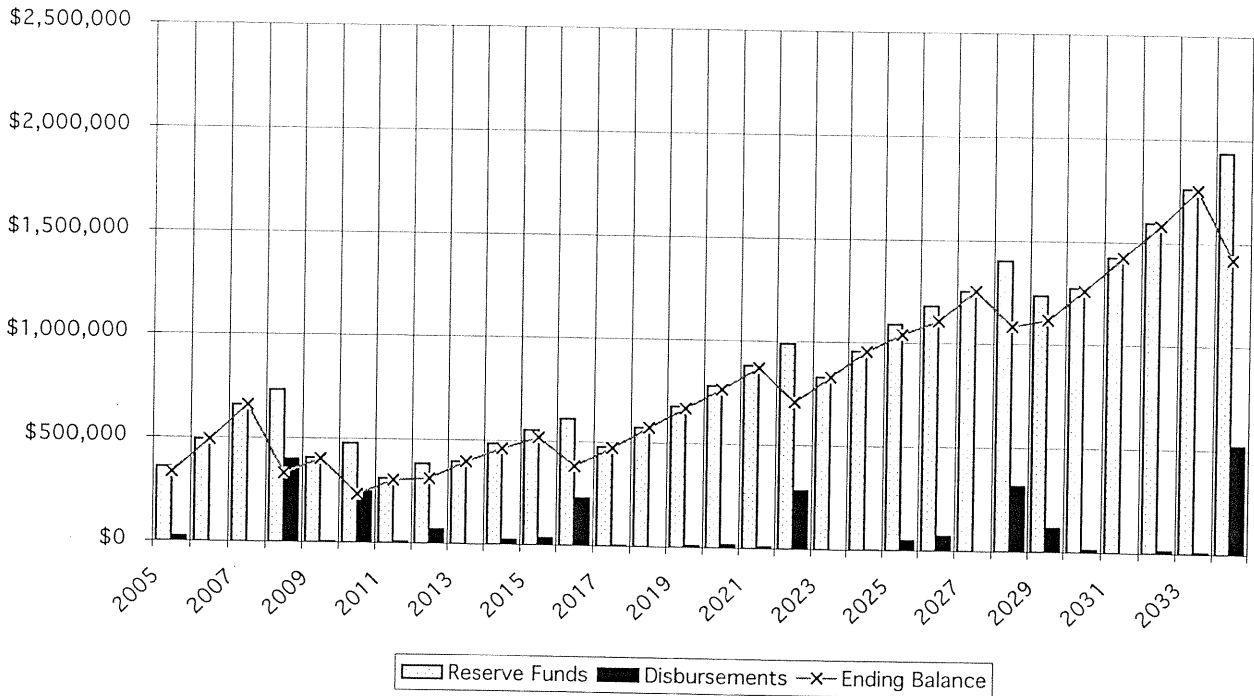
Annual Percentage Funded: Plans 1, 2 & 3



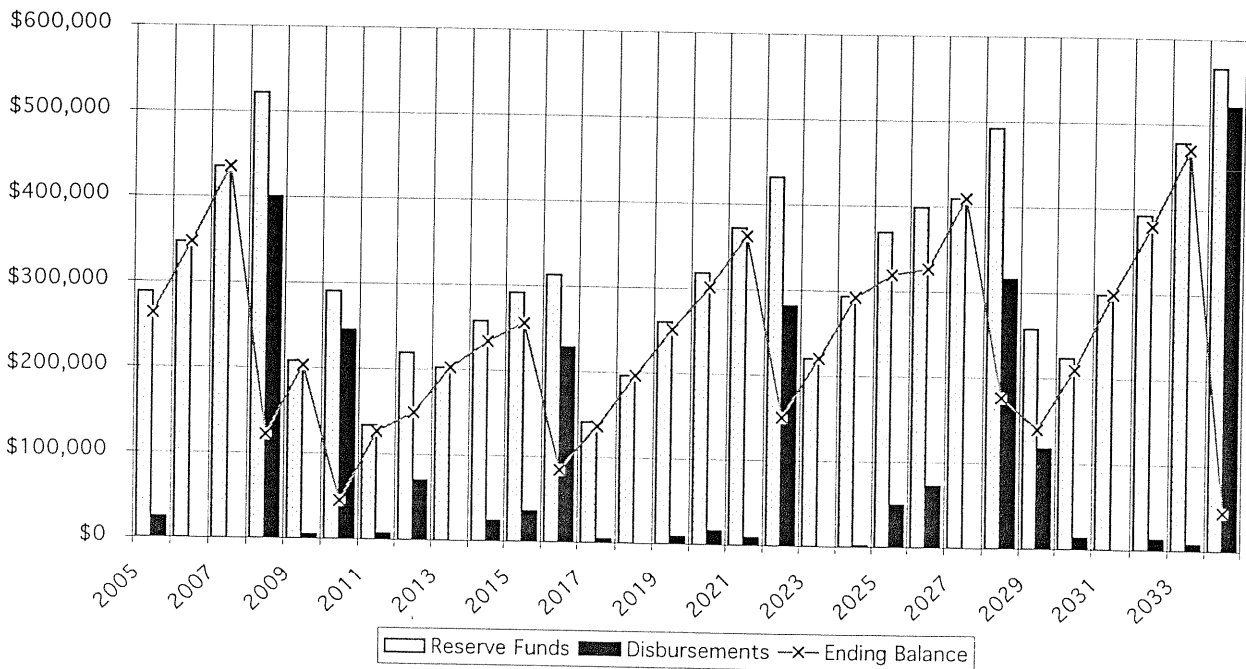
30 Year Cash Flow Diagram: Current Funding - Plan #1



30 Year Cash Flow Diagram: Full (100%) Funding - Plan #2



30 Year Cash Flow Diagram: Threshold Funding - Plan #3



Barrera and Company Reserve Analysis

The Glen of Pacific Grove HOA

Reserve Analysis Summary

October - 2005

(For Homeowner Distribution)

(Comply with state statutes, include component worksheets with Summary Page)

Number of Units:	60
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Budget Yr.	Start:	September 1, 2005
Report	End:	August 31, 2006

Location:	Pacific Grove, CA
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Projected Reserve Fund Balance: As of: 08/31/05	\$208,901
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Projected Fully Funded Reserve: As of: 08/31/05	\$464,332
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Deficit Below Fully Funded Reserve:	\$255,427
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Percentage Funded: As of: 08/31/05	45%
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Current Replacement Cost:	\$803,033
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Funding Plans - Summary

(Report Pages A1-A19)

Year 1

* Recommended Funding

Plan #1: (Current Funding)

Year 1 Funding Amount:	\$82,080
Per Unit Per Month:	\$114.00

Plan #2: (100% Funding)

Year 1 Funding Amount:	\$141,478
Per Unit Per Month:	\$196.50

*

Plan #3: (Threshold Funding)

Year 1 Funding Amount:	\$72,204
Per Unit Per Month:	\$100.28

Note: Each cash flow funding plan provided assumes an annual 3% increase in funding.

Barrera and Company Reserve Analysis

RESERVE COMPONENT WORKSHEET DEFINITIONS:

Component:	Component: Identifies the item to be included for reserve funding.
Normal Life:	The estimated total life of a reserve component using published information and professional experience. For components in which the useful life should equal that of the project, no life expectancy has been projected (i.e. plumbing, framing, etc...)
Estimated Remaining Life:	An estimate of expected remaining longevity of that component based on information provided, maintenance, visual inspection, and assumptions of probability. Projects anticipated to occur in the initial year have "zero" remaining useful life.
Cost Per Unit:	The approximate amount of money it will take to replace the reserve component, per the measurement it is defined by (i.e. sf = Square Foot).
Approximate Quantity:	The approximate total amount of the reserve component as it has been defined under Cost Per Unit.
Current Replacement Cost:	This indicates the approximate cost of replacing the reserve component at the present time.
Future Cost:	This indicates the estimated expenditure by the Association when the component is in need of repair or replacement. The future cost has been calculated on a 3.00% yearly inflation factor. It is assumed that any repairs or replacement of any reserve component below \$1,000 in any given year will be replaced from the operating account
Source Code:	The means by which the information for the reserve component has been obtained. The Source Code is as follows: 1 - National Construction Estimator & On-file Data. 2 - Vendor Data. 3 - Actual Costs & Bids. 4 - Management and/or Board Data. 5 - Previous Reserve Study

Percentage Funded & Parameters

Percentage Funded: This percent funded value presented in the data summary sheet is calculated by dividing the current (or projected) cash reserve savings by the Fully Funded reserve amount. The maximum reported percentage is 100%, and indicates an association is currently fully funded.

Inflation/Interest: Funding and disbursement projections presented have been computed with a Time Value of Money approach. An annual 3.00% inflation rate and 3.00% average interest rate were assumed. Inflation was applied to the projected disbursements, and average interest to the ending cash balance values.

The Glen of Pacific Grove HOA

60 Units

Pacific Grove, CA.

Reserve Component Worksheet

October - 2005

(Report Start Date: 09/01/05)

COMPONENT	Avg Life	Rem Life	Cost Per Unit	Approx Quantity	Current Repl. Cost	Future Cost	Source Code	
ROOFING								
Comp Shingle Roofing - Units/Gar	30	3	Lump Sum	Total	345,000	376,991	1	
Gutters & Downspouts - I	30	24	8.00 /lf	6,500	52,000	105,705	1,4	
Gutters & Downspouts - II	30	29	8.00 /lf	3,250	26,000	61,271	1,4	
Chimney Repairs	28	0	300.00 /ea	60	18,000	18,000	1,4	
TOTAL REPLACEMENT COST					\$441,000	\$561,967		
PAINTING								
Hardboard Siding & Window Trims	5	5	Lump Sum	Total	160,000	185,484	3	
Wood Bridge			"As Needed" Maintenance / Operating Budget					
W.I. Fencing			"As Needed" Maintenance / Operating Budget					4
Tennis Deck - Paint			"As Needed" Maintenance / Operating Budget					
TOTAL REPLACEMENT COST					\$160,000	\$185,484		
ASPHALT & CONCRETE SURFACES								
Asphalt Overlay	35	7	1.37 /sf	41,610	57,006	70,110	1	
Asphalt Reseal, Stripe & Repairs	4	0	0.16 /sf	41,610	6,658	6,658	1	
TOTAL REPLACEMENT COST					\$63,663	\$76,767		
FENCING, GATES & BRIDGE								
Wood Bridge	20	17	Lump Sum	Total	6,000	9,917	4	
W. I. Fencing	25	3	38.00 /lf	425	16,150	17,648	1	
Chain Link Fencing	20	17	16.00 /lf	270	4,320	7,140	4	
Lattice Fencing Repairs			"As Needed" Maintenance / Operating Budget					4
Vehicle Gates	30	10	5,000.00 /ea	2	10,000	13,439	4	
Gate Operators	10	5	3,000.00 /ea	2	6,000	6,956	1	
Gate Entry System	20	11	5,000.00 /ea	1	5,000	6,921	1	
TOTAL REPLACEMENT COST					\$47,470	\$62,021		
WATER FEATURES								
Lake - Dredge	15	5	Lump Sum	Total	39,000	45,212	3,4	
Lake - Pump Motor	4	4	Lump Sum	Total	1,000	1,126	1	
TOTAL REPLACEMENT COST					\$40,000	\$46,337		
LANDSCAPING								
Timer Clocks	15	14	Lump Sum	Total	1,500	2,269	6	
Backflow Valves	15	14	850.00 /unit	4	3,400	5,143	1	
Drain Channels	20	3	Lump Sum	Total	5,000	5,464	6	
Control Valves			Maintenance / Operating Budget					
TOTAL REPLACEMENT COST					\$9,900	\$12,875		

The Glen of Pacific Grove HOA

Pacific Grove, CA.

Reserve Component Worksheet

60 Units

October - 2005

(Report Start Date: 09/01/05)

COMPONENT	Avg Life	Rem Life	Cost Per Unit	Approx Quantity	Current Repl. Cost	Future Cost	Source Code
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LIGHTING

Entry Way Fixtures	10	9	125.00 /ea	140	17,500	22,834	4
Underground Electrical (Maint)	20	15	Lump Sum	Partial	4,000	6,232	4
Post Mount Fixtures (Maint)	20	10	Lump Sum	Partial	10,000	13,439	4
TOTAL REPLACEMENT COST					\$31,500	\$42,505	

TENNIS COURTS

Courts - Resurface	7	4	Lump Sum	1	3,500	3,939	1
Deck - Replace			"As Needed" Maintenance / Operating Budget				4
Deck - Paint			See: PAINTING				6
Tennis Nets			"As Needed" Maintenance / Operating Budget				4
TOTAL REPLACEMENT COST					\$3,500	\$3,939	

MISCELLANEOUS

Mailboxes Enclosures			"As Needed" Maintenance / Operating Budget				4
Mailboxes	30	6	1,500.00 /ea	4	6,000	7,164	1
TOTAL REPLACEMENT COST					\$6,000	\$7,164	

Total Current Replacement Cost: **\$803,033**

CONTINGENCY

10% Total Annual Budget

Source Code: 1-National Construction Estimator and On-File Data
 2-Vendor Data
 3-Actual Costs and Bids
 4-Board Data
 5-Management Data
 6-Previous Reserve Study/DRE
 *-Awaiting Additional Information

PARAMETER:

Future Cost (Inflation) 3.00%

Unit Measurements

lf=Linear Foot sy=Square Yard
 sf=Square Foot ea=Each
 sq=Square (100sf) ls=Lump Sum