

San Francisco Office
268 Bush Street #3434
San Francisco, CA 94104

Tel (415) 694-8931
Fax (415) 762-3662
www.reservestudy.com



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Update “No Site-Visit” Reserve Study



The Glen of Pacific Grove HOA Pacific Grove, CA

Report #: 7492-2
For Period Beginning: January 1, 2015
Expires: December 31, 2015
Date Prepared: August 28, 2014



Hello, and welcome to your Reserve Study!

We don't want you to be surprised. This Report is designed to help you anticipate, and prepare for, the major common area expenses your association will face. Inside you will find:

- 1) **The Reserve Component List** (the “Scope and Schedule” of your Reserve projects) – telling you what your association is Reserving for, what condition they are in now, and what they'll cost to replace.
- 2) **An Evaluation of your current Reserve Fund Size and Strength** (Percent Funded). This tells you your financial starting point, revealing your risk of deferred maintenance and special assessments.
- 3) **A Recommended Multi-Year Reserve Funding Plan**, answering the question... “What do we do now?”

More Questions?

Visit our website at www.ReserveStudy.com or call us at:

415/694-8931

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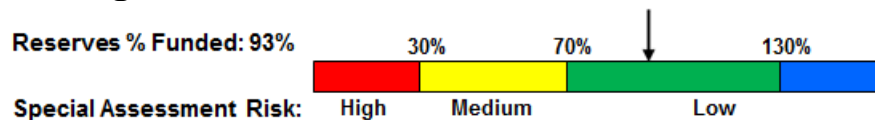
3- Minute Executive Summary

Association: The Glen of Pacific Grove HOA **#:** 7492-2
Location: Pacific Grove, CA **# of Units:** 60
Report Period: January 1, 2015 through December 31, 2015

Findings/Recommendations as-of 1/1/2015:

Projected Starting Reserve Balance:	\$425,094
Current Fully Funded Reserve Balance:	\$455,973
Average Reserve Deficit (Surplus) Per Unit:	\$515
Board’s Requested Monthly Reserve Contribution:	\$5,820
Recommended 2015 Monthly “Full Funding” Contributions:	\$6,429
Recommended Error! Reference source not found. Special Assessment for Reserves:	\$0

Most Recent Budgeted Reserve Contribution Rate:**\$6,429**



Economic Assumptions:

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

- This is an “Update No-Site-Visit” Reserve Study, based on a prior Report prepared by Association Reserves for your 2013 Fiscal Year. No site inspection was performed as part of this Reserve Study, which was prepared by a credentialed Reserve Specialist (RS).
- Because your Reserve Fund is (above 70%) at 93% 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 maintain your Reserve contributions.
- No assets appropriate for Reserve designation were excluded.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Cost Estimate
103	Concrete Surfaces - Repair	10	8	\$37,450
201	Asphalt - Resurface	30	28	\$113,000
202	Asphalt - Seal/Repair	5	3	\$9,840
320	Pole Lights - Replace	30	11	\$45,800
324	Wall Lights - Replace	25	7	\$12,000
403	Mailboxes - Replace	25	5	\$15,050
502	Chain Link Fence - Replace	30	8	\$13,500
503	Metal Fence - Replace	30	27	\$20,850
505	Wood Fence - Partial Replace	10	3	\$6,605
702	Vehicle Gates - Replace	30	11	\$15,050
704	Intercom - Replace	15	0	\$4,825
706	Gate Operators - Replace	10	8	\$9,745
1001	Backflow Device - Replace	25	5	\$7,500
1008	Trees - Remove (2015)	N/A	0	\$5,000
1009	Landscaping\Dredging	N/A	0	\$20,000
1107	Metal Fence - Repaint	5	2	\$3,750
1116	Exterior Surfaces - Repaint	10	1	\$177,500
1121	Exterior Surfaces - Repair	10	1	\$22,450
1303	Comp Shingle Roof - Replace	30	24	\$477,000
1310	Gutters/Downspouts - Replace (ph.1)	30	15	\$62,700
1311	Gutters/Downspouts - Replace (ph.2)	30	20	\$31,350
1701	Creek Bridge - Replace	25	19	\$16,700
22	Total Funded Components			

Note 1: a Useful Life of "N/A" means a one-time expense, not expected to repeat.

Note 2: Yellow highlighted line items are expected to require attention in the initial year.

Introduction



A Reserve Study is the art and science of anticipating, and preparing for, an association’s major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association’s Reserve Fund Strength (reported in terms of “Percent Funded”). Then we compute a Reserve Funding Plan to provide for the Reserve needs of the association. These form the three results of your Reserve Study.



Reserve contributions are not “for the future”. Reserve contributions are designed to offset the ongoing, daily deterioration of your Reserve assets. Done well, a stable, budgeted Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the association is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

Methodology



For this [Update No-Site-Visit](#) Reserve Study, we started with a review of your prior Reserve Study, then looked into recent Reserve expenditures, evaluated how expenditures are handled (ongoing maintenance vs Reserves), and

researched any well-established association precedents. We *updated and adjusted* your Reserve Component List on the basis of time elapsed since the last Reserve Study and interviews with association representatives.

Which Physical Assets are Funded by Reserves?

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.



RESERVE COMPONENT "FOUR-PART TEST"

How do we establish Useful Life and Remaining Useful Life estimates?

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client History (install dates & previous life cycle information)
- 4) Vendor Evaluation and Recommendation

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

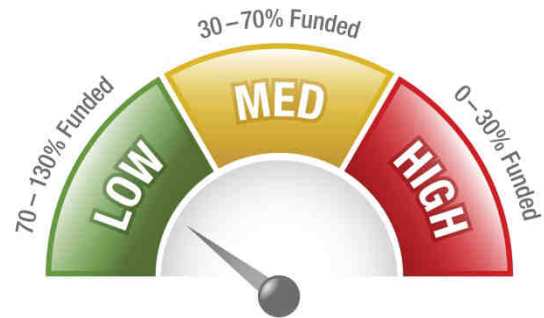
- 1) Actual client cost history, or current proposals
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

- 1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
- 2) Compare that to the Reserve Fund Balance, and express as a percentage.



SPECIAL ASSESSMENT RISK

Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% -130% range is considered strong (low risk of special assessment).

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

How much should we contribute?



RESERVE FUNDING PRINCIPLES

According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable contribution is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve contributions that are evenly distributed over current and future owners enable each owner to pay their fair share of the association’s Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Boardmembers to recommend to their association. Remember, it is the Board’s job to provide for the ongoing care of the common areas. Boardmembers invite liability exposure when Reserve contributions are inadequate to offset ongoing common area deterioration.

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called “Full Funding” (100% Funded). As each asset ages and becomes “used up”, the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70-130% range *enjoy a low risk of special assessments or deferred maintenance.*



FUNDING OBJECTIVES

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0-30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the “margin of safety” is different, Baseline Funding contributions average only 10% - 15% less than Full Funding contributions. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Your *first five years* of projected Reserve expenses total \$257,722. Adding the next five years, your *first ten years* of projected Reserve expenses are \$392,586. Please be aware of your near-term expenses, which we are able to project more accurately than the more distant projections.

The figure below summarizes the projected future expenses at your association as defined by your Reserve Component List. A summary of these expenses are shown in Table 5, while details of the projects that make up these expenses are shown in Table 6.

Annual Reserve Expenses

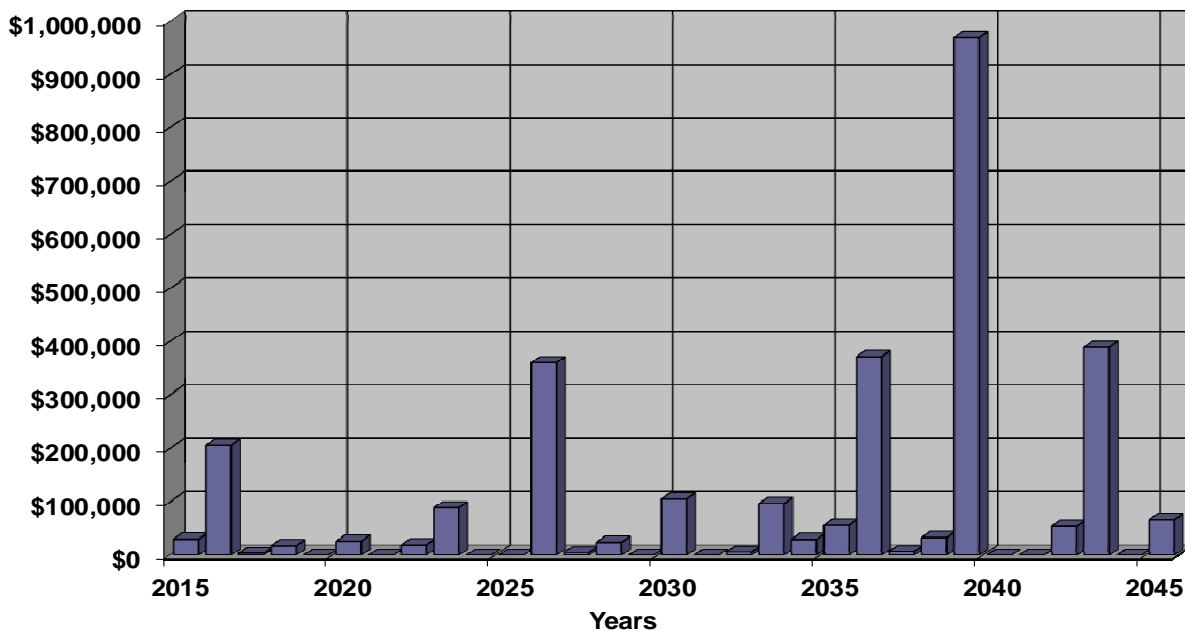


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$425,094 as-of the start of your Fiscal Year on January 1, 2015. This is based on your actual balance on 4/30/14 of \$416,665 and anticipated Reserve contributions totaling \$51,429 and expenses of \$43,000 projected through the end of your Fiscal Year. As of January 1, 2015, your Fully Funded Balance is computed to be \$455,973 (see Table 3). This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 93% Funded. Across the country, under 1% of associations in this range experience special assessments or deferred maintenance.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted contributions of \$5,820/month this Fiscal Year 2015. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both Table 5 and Table 6.

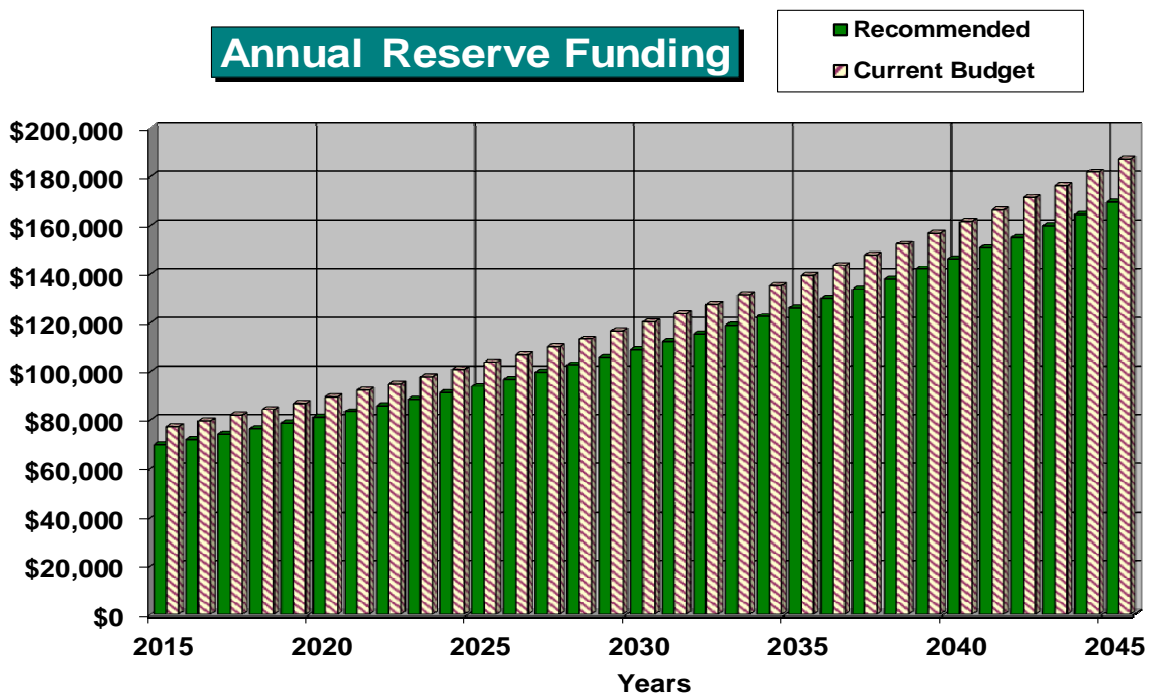


Figure 2

The following chart shows your Reserve balance under our recommended Full Funding Plan, an alternate Baseline Funding Plan, and at your current budgeted contribution rate, compared to your always-changing Fully Funded Balance target.

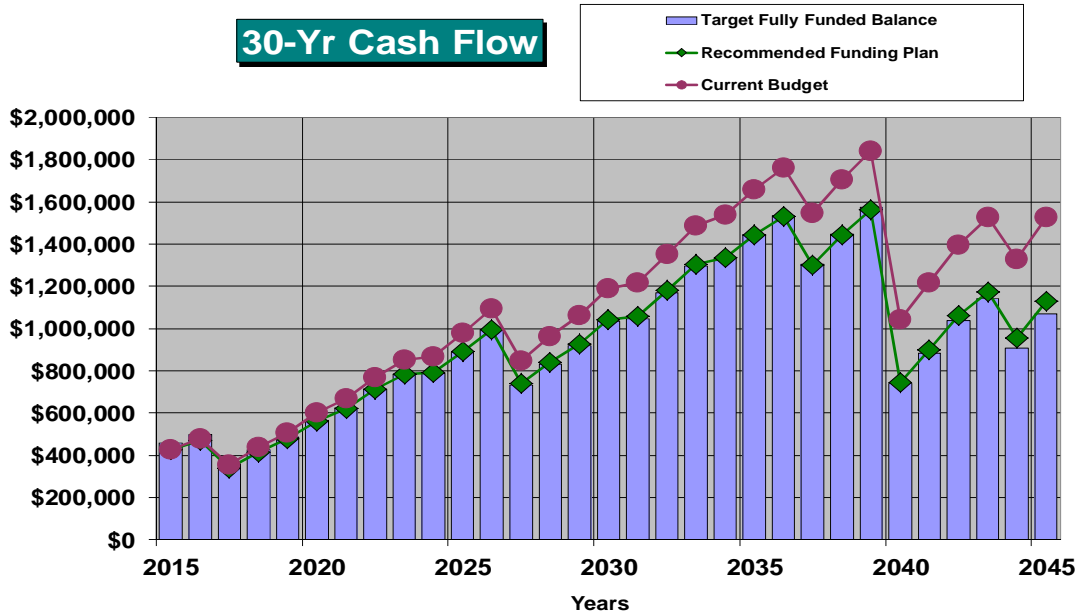


Figure 3

This figure shows this same information, plotted on a [Percent Funded](#) scale.

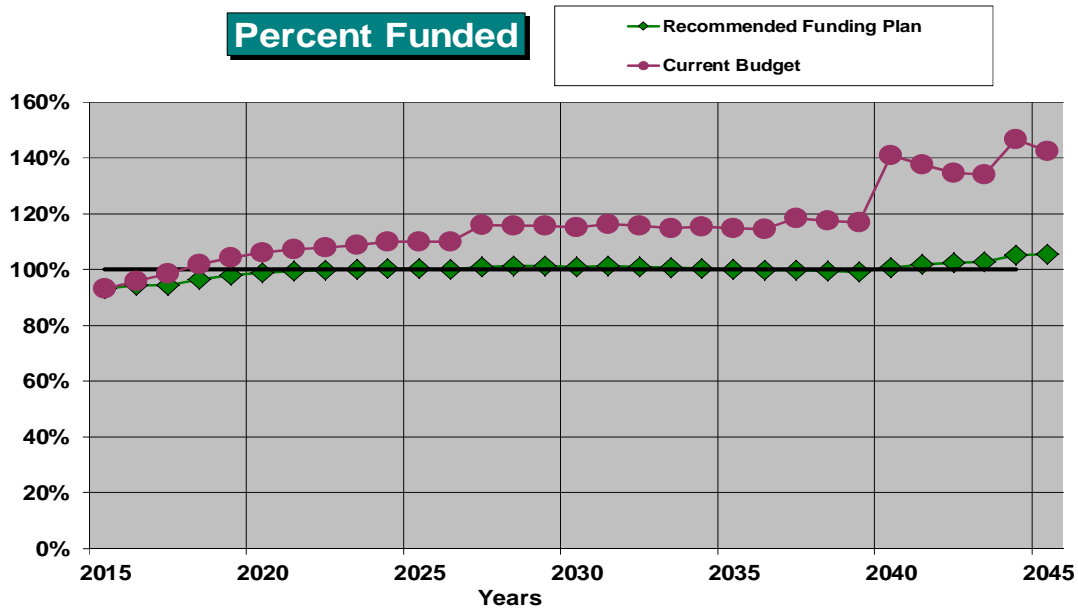


Figure 4

Table Descriptions

The tabular information in this Report is broken down into six tables.

Table 1 is a summary of your Reserve Components (your Reserve Component List), the information found in Table 2.

Table 2 is your Reserve Component List, which forms the foundation of this Reserve Study. This table represents the information from which all other tables are derived.

Table 3 shows the calculation of your Fully Funded Balance, the measure of your current Reserve component deterioration. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Table 4 shows the significance of each component to Reserve needs of the association, helping you see which components have more (or less) influence than others on your total Reserve contribution rate. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by Useful Life, then that component's percentage of the total is displayed.

Table 5: This table provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk for each year.

Table 6: This table shows the cash flow detail for the next 30 years. This table makes it possible to see which components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail**7492-2**

#	Component	Quantity	Useful	Rem.	[--- Current Cost Estimate ---]	
			Life	Useful Life	Best Case	Worst Case
103	Concrete Surfaces - Repair	Extensive LF	10	8	\$32,100	\$42,800
201	Asphalt - Resurface	Approx 40,960 GSF	30	28	\$103,000	\$123,000
202	Asphalt - Seal/Repair	Approx 40,960 GSF	5	3	\$8,780	\$10,900
320	Pole Lights - Replace	(19) Fixtures	30	11	\$40,700	\$50,900
324	Wall Lights - Replace	(64) Fixtures	25	7	\$10,300	\$13,700
403	Mailboxes - Replace	(4) Kiosks	25	5	\$12,900	\$17,200
502	Chain Link Fence - Replace	Approx 560 LF	30	8	\$12,000	\$15,000
503	Metal Fence - Replace	Approx 355 LF	30	27	\$18,900	\$22,800
505	Wood Fence - Partial Replace	Approx 370 LF x 33%	10	3	\$5,950	\$7,260
702	Vehicle Gates - Replace	(2) Gates	30	11	\$12,900	\$17,200
704	Intercom - Replace	(1) Intercom	15	0	\$4,290	\$5,360
706	Gate Operators - Replace	(2) Operators	10	8	\$8,690	\$10,800
1001	Backflow Device - Replace	(4) Backflows	25	5	\$6,430	\$8,570
1008	Trees - Remove (2015)	Trees	N/A	0	\$4,500	\$5,500
1009	Landscaping\Dredging	Extensive GSF	N/A	0	\$18,000	\$22,000
1107	Metal Fence - Repaint	Approx 355 LF	5	2	\$3,200	\$4,300
1116	Exterior Surfaces - Repaint	Approx 110,880 GSF	10	1	\$166,000	\$189,000
1121	Exterior Surfaces - Repair	(60) Units	10	1	\$19,200	\$25,700
1303	Comp Shingle Roof - Replace	Approx 99,000 GSF	30	24	\$424,000	\$530,000
1310	Gutters/Downspouts - Replace (ph.1)	Approx 6,500 LF	30	15	\$55,700	\$69,700
1311	Gutters/Downspouts - Replace (ph.2)	Approx 3,250 LF	30	20	\$27,900	\$34,800
1701	Creek Bridge - Replace	Approx 120 GSF	25	19	\$15,400	\$18,000
22	Total Funded Components					

Table 3: Fully Funded Balance**7492-2**

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
103	Concrete Surfaces - Repair	\$37,450	X	2	/	10	=	\$7,490
201	Asphalt - Resurface	\$113,000	X	2	/	30	=	\$7,533
202	Asphalt - Seal/Repair	\$9,840	X	2	/	5	=	\$3,936
320	Pole Lights - Replace	\$45,800	X	19	/	30	=	\$29,007
324	Wall Lights - Replace	\$12,000	X	18	/	25	=	\$8,640
403	Mailboxes - Replace	\$15,050	X	20	/	25	=	\$12,040
502	Chain Link Fence - Replace	\$13,500	X	22	/	30	=	\$9,900
503	Metal Fence - Replace	\$20,850	X	3	/	30	=	\$2,085
505	Wood Fence - Partial Replace	\$6,605	X	7	/	10	=	\$4,624
702	Vehicle Gates - Replace	\$15,050	X	19	/	30	=	\$9,532
704	Intercom - Replace	\$4,825	X	15	/	15	=	\$4,825
706	Gate Operators - Replace	\$9,745	X	2	/	10	=	\$1,949
1001	Backflow Device - Replace	\$7,500	X	20	/	25	=	\$6,000
1008	Trees - Remove (2015)	\$5,000	X	0	/	0	=	\$5,000
1009	Landscaping\Dredging	\$20,000	X	0	/	0	=	\$20,000
1107	Metal Fence - Repaint	\$3,750	X	3	/	5	=	\$2,250
1116	Exterior Surfaces - Repaint	\$177,500	X	9	/	10	=	\$159,750
1121	Exterior Surfaces - Repair	\$22,450	X	9	/	10	=	\$20,205
1303	Comp Shingle Roof - Replace	\$477,000	X	6	/	30	=	\$95,400
1310	Gutters/Downspouts - Replace (ph.1)	\$62,700	X	15	/	30	=	\$31,350
1311	Gutters/Downspouts - Replace (ph.2)	\$31,350	X	10	/	30	=	\$10,450
1701	Creek Bridge - Replace	\$16,700	X	6	/	25	=	\$4,008
								\$455,973

Table 4: Component Significance**7492-2**

#	Component	Useful Life	Current	Deterioration Cost/yr	Deterioration Significance
			Cost Estimate		
103	Concrete Surfaces - Repair	10	\$37,450	\$3,745	6.6%
201	Asphalt - Resurface	30	\$113,000	\$3,767	6.7%
202	Asphalt - Seal/Repair	5	\$9,840	\$1,968	3.5%
320	Pole Lights - Replace	30	\$45,800	\$1,527	2.7%
324	Wall Lights - Replace	25	\$12,000	\$480	0.9%
403	Mailboxes - Replace	25	\$15,050	\$602	1.1%
502	Chain Link Fence - Replace	30	\$13,500	\$450	0.8%
503	Metal Fence - Replace	30	\$20,850	\$695	1.2%
505	Wood Fence - Partial Replace	10	\$6,605	\$661	1.2%
702	Vehicle Gates - Replace	30	\$15,050	\$502	0.9%
704	Intercom - Replace	15	\$4,825	\$322	0.6%
706	Gate Operators - Replace	10	\$9,745	\$975	1.7%
1001	Backflow Device - Replace	25	\$7,500	\$300	0.5%
1008	Trees - Remove (2015)	N/A	\$5,000	\$0	0.0%
1009	Landscaping\Dredging	N/A	\$20,000	\$0	0.0%
1107	Metal Fence - Repaint	5	\$3,750	\$750	1.3%
1116	Exterior Surfaces - Repaint	10	\$177,500	\$17,750	31.4%
1121	Exterior Surfaces - Repair	10	\$22,450	\$2,245	4.0%
1303	Comp Shingle Roof - Replace	30	\$477,000	\$15,900	28.2%
1310	Gutters/Downspouts - Replace (ph.1)	30	\$62,700	\$2,090	3.7%
1311	Gutters/Downspouts - Replace (ph.2)	30	\$31,350	\$1,045	1.9%
1701	Creek Bridge - Replace	25	\$16,700	\$668	1.2%
22	Total Funded Components			\$56,440	100.0%

Table 5: 30-Year Reserve Plan Summary

7492-2

Fiscal Year Start: 01/01/15

Interest: 1.0% Inflation: 3.0%

**Reserve Fund Strength Calculations
(All values as of Fiscal Year Start Date)**

**Projected Reserve Balance
Changes**

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Contribs.	Loans or Special Assmts	Interest Income	Reserve Expenses
2015	\$425,094	\$455,973	93.2%	Low	\$69,840	\$0	\$4,471	\$29,825
2016	\$469,580	\$497,065	94.5%	Low	\$71,935	\$0	\$4,044	\$205,949
2017	\$339,611	\$359,727	94.4%	Low	\$74,093	\$0	\$3,764	\$3,978
2018	\$413,490	\$428,095	96.6%	Low	\$76,316	\$0	\$4,447	\$17,970
2019	\$476,283	\$485,952	98.0%	Low	\$78,606	\$0	\$5,180	\$0
2020	\$560,068	\$565,959	99.0%	Low	\$80,964	\$0	\$5,902	\$26,142
2021	\$620,792	\$623,404	99.6%	Low	\$83,393	\$0	\$6,655	\$0
2022	\$710,840	\$711,520	99.9%	Low	\$85,894	\$0	\$7,475	\$19,371
2023	\$784,839	\$784,410	100.1%	Low	\$88,471	\$0	\$7,880	\$89,352
2024	\$791,839	\$789,551	100.3%	Low	\$91,125	\$0	\$8,413	\$0
2025	\$891,377	\$889,088	100.3%	Low	\$93,859	\$0	\$9,426	\$0
2026	\$994,662	\$993,886	100.1%	Low	\$96,675	\$0	\$8,665	\$361,008
2027	\$738,993	\$732,334	100.9%	Low	\$99,575	\$0	\$7,897	\$5,347
2028	\$841,119	\$831,680	101.1%	Low	\$102,562	\$0	\$8,844	\$24,150
2029	\$928,375	\$917,126	101.2%	Low	\$105,639	\$0	\$9,857	\$0
2030	\$1,043,872	\$1,032,571	101.1%	Low	\$108,808	\$0	\$10,505	\$105,202
2031	\$1,057,983	\$1,045,760	101.2%	Low	\$112,073	\$0	\$11,191	\$0
2032	\$1,181,247	\$1,170,419	100.9%	Low	\$115,435	\$0	\$12,415	\$6,198
2033	\$1,302,899	\$1,295,232	100.6%	Low	\$118,898	\$0	\$13,198	\$97,098
2034	\$1,337,897	\$1,333,045	100.4%	Low	\$122,465	\$0	\$13,909	\$29,284
2035	\$1,444,987	\$1,444,810	100.0%	Low	\$126,139	\$0	\$14,865	\$56,622
2036	\$1,529,370	\$1,534,829	99.6%	Low	\$129,923	\$0	\$14,148	\$371,966
2037	\$1,301,475	\$1,305,893	99.7%	Low	\$133,821	\$0	\$13,711	\$7,185
2038	\$1,441,821	\$1,449,058	99.5%	Low	\$137,835	\$0	\$15,014	\$32,456
2039	\$1,562,215	\$1,573,830	99.3%	Low	\$141,970	\$0	\$11,537	\$969,643
2040	\$746,079	\$740,485	100.8%	Low	\$146,229	\$0	\$8,230	\$0
2041	\$900,538	\$884,417	101.8%	Low	\$150,616	\$0	\$9,803	\$0
2042	\$1,060,957	\$1,036,318	102.4%	Low	\$155,135	\$0	\$11,163	\$54,644
2043	\$1,172,612	\$1,140,255	102.8%	Low	\$159,789	\$0	\$10,629	\$389,028
2044	\$954,001	\$906,768	105.2%	Low	\$164,583	\$0	\$10,411	\$0

Table 6: 30-Year Income/Expense Detail (yrs 0 through 4)**7492-2**

Fiscal Year	2015	2016	2017	2018	2019
Starting Reserve Balance	\$425,094	\$469,580	\$339,611	\$413,490	\$476,283
Annual Reserve Contribution	\$69,840	\$71,935	\$74,093	\$76,316	\$78,606
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,471	\$4,044	\$3,764	\$4,447	\$5,180
Total Income	\$499,405	\$545,560	\$417,469	\$494,253	\$560,068
# Component					
103 Concrete Surfaces - Repair	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$10,752	\$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	\$0
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	\$0	\$7,217	\$0
702 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercom - Replace	\$4,825	\$0	\$0	\$0	\$0
706 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$0
1008 Trees - Remove (2015)	\$5,000	\$0	\$0	\$0	\$0
1009 Landscaping/Dredging	\$20,000	\$0	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$0	\$3,978	\$0	\$0
1116 Exterior Surfaces - Repaint	\$0	\$182,825	\$0	\$0	\$0
1121 Exterior Surfaces - Repair	\$0	\$23,124	\$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
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$29,825	\$205,949	\$3,978	\$17,970	\$0
Ending Reserve Balance:	\$469,580	\$339,611	\$413,490	\$476,283	\$560,068

Table 6: 30-Year Income/Expense Detail (yrs 5 through 9)**7492-2**

Fiscal Year	2020	2021	2022	2023	2024
Starting Reserve Balance	\$560,068	\$620,792	\$710,840	\$784,839	\$791,839
Annual Reserve Contribution	\$80,964	\$83,393	\$85,894	\$88,471	\$91,125
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$5,902	\$6,655	\$7,475	\$7,880	\$8,413
Total Income	\$646,934	\$710,840	\$804,210	\$881,191	\$891,377
# Component					
103 Concrete Surfaces - Repair	\$0	\$0	\$0	\$47,441	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$12,465	\$0
320 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Wall Lights - Replace	\$0	\$0	\$14,758	\$0	\$0
403 Mailboxes - Replace	\$17,447	\$0	\$0	\$0	\$0
502 Chain Link Fence - Replace	\$0	\$0	\$0	\$17,101	\$0
503 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Partial Replace	\$0	\$0	\$0	\$0	\$0
702 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercom - Replace	\$0	\$0	\$0	\$0	\$0
706 Gate Operators - Replace	\$0	\$0	\$0	\$12,345	\$0
1001 Backflow Device - Replace	\$8,695	\$0	\$0	\$0	\$0
1008 Trees - Remove (2015)	\$0	\$0	\$0	\$0	\$0
1009 Landscaping/Dredging	\$0	\$0	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$0	\$4,612	\$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
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$26,142	\$0	\$19,371	\$89,352	\$0
Ending Reserve Balance:	\$620,792	\$710,840	\$784,839	\$791,839	\$891,377

Table 6: 30-Year Income/Expense Detail (yrs 10 through 14)**7492-2**

Fiscal Year	2025	2026	2027	2028	2029
Starting Reserve Balance	\$891,377	\$994,662	\$738,993	\$841,119	\$928,375
Annual Reserve Contribution	\$93,859	\$96,675	\$99,575	\$102,562	\$105,639
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$9,426	\$8,665	\$7,897	\$8,844	\$9,857
Total Income	\$994,662	\$1,100,002	\$846,466	\$952,525	\$1,043,872
# Component					
103 Concrete Surfaces - Repair	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$14,450	\$0
320 Pole Lights - Replace	\$0	\$63,398	\$0	\$0	\$0
324 Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
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	\$0	\$9,700	\$0
702 Vehicle Gates - Replace	\$0	\$20,833	\$0	\$0	\$0
704 Intercom - Replace	\$0	\$0	\$0	\$0	\$0
706 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$0
1008 Trees - Remove (2015)	\$0	\$0	\$0	\$0	\$0
1009 Landscaping/Dredging	\$0	\$0	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$0	\$5,347	\$0	\$0
1116 Exterior Surfaces - Repaint	\$0	\$245,702	\$0	\$0	\$0
1121 Exterior Surfaces - Repair	\$0	\$31,076	\$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
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$361,008	\$5,347	\$24,150	\$0
Ending Reserve Balance:	\$994,662	\$738,993	\$841,119	\$928,375	\$1,043,872

Table 6: 30-Year Income/Expense Detail (yrs 15 through 19)**7492-2**

Fiscal Year	2030	2031	2032	2033	2034
Starting Reserve Balance	\$1,043,872	\$1,057,983	\$1,181,247	\$1,302,899	\$1,337,897
Annual Reserve Contribution	\$108,808	\$112,073	\$115,435	\$118,898	\$122,465
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$10,505	\$11,191	\$12,415	\$13,198	\$13,909
Total Income	\$1,163,185	\$1,181,247	\$1,309,098	\$1,434,996	\$1,474,271
# Component					
103 Concrete Surfaces - Repair	\$0	\$0	\$0	\$63,756	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$16,752	\$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	\$0
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	\$0	\$0	\$0
702 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercom - Replace	\$7,517	\$0	\$0	\$0	\$0
706 Gate Operators - Replace	\$0	\$0	\$0	\$16,590	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$0
1008 Trees - Remove (2015)	\$0	\$0	\$0	\$0	\$0
1009 Landscaping/Dredging	\$0	\$0	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$0	\$6,198	\$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)	\$97,685	\$0	\$0	\$0	\$0
1311 Gutters/Downspouts - Replace (ph.2)	\$0	\$0	\$0	\$0	\$0
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$29,284
Total Expenses	\$105,202	\$0	\$6,198	\$97,098	\$29,284
Ending Reserve Balance:	\$1,057,983	\$1,181,247	\$1,302,899	\$1,337,897	\$1,444,987

Table 6: 30-Year Income/Expense Detail (yrs 20 through 24)**7492-2**

Fiscal Year	2035	2036	2037	2038	2039
Starting Reserve Balance	\$1,444,987	\$1,529,370	\$1,301,475	\$1,441,821	\$1,562,215
Annual Reserve Contribution	\$126,139	\$129,923	\$133,821	\$137,835	\$141,970
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$14,865	\$14,148	\$13,711	\$15,014	\$11,537
Total Income	\$1,585,991	\$1,673,441	\$1,449,006	\$1,594,670	\$1,715,721
# Component					
103 Concrete Surfaces - Repair	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$19,420	\$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	\$0
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	\$0	\$13,036	\$0
702 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercom - Replace	\$0	\$0	\$0	\$0	\$0
706 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$0
1008 Trees - Remove (2015)	\$0	\$0	\$0	\$0	\$0
1009 Landscaping/Dredging	\$0	\$0	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$0	\$7,185	\$0	\$0
1116 Exterior Surfaces - Repaint	\$0	\$330,202	\$0	\$0	\$0
1121 Exterior Surfaces - Repair	\$0	\$41,764	\$0	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$969,643
1310 Gutters/Downspouts - Replace (ph.1)	\$0	\$0	\$0	\$0	\$0
1311 Gutters/Downspouts - Replace (ph.2)	\$56,622	\$0	\$0	\$0	\$0
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$56,622	\$371,966	\$7,185	\$32,456	\$969,643
Ending Reserve Balance:	\$1,529,370	\$1,301,475	\$1,441,821	\$1,562,215	\$746,079

Table 6: 30-Year Income/Expense Detail (yrs 25 through 29)**7492-2**

Fiscal Year	2040	2041	2042	2043	2044
Starting Reserve Balance	\$746,079	\$900,538	\$1,060,957	\$1,172,612	\$954,001
Annual Reserve Contribution	\$146,229	\$150,616	\$155,135	\$159,789	\$164,583
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$8,230	\$9,803	\$11,163	\$10,629	\$10,411
Total Income	\$900,538	\$1,060,957	\$1,227,255	\$1,343,029	\$1,128,994
# Component					
103 Concrete Surfaces - Repair	\$0	\$0	\$0	\$85,683	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$258,536	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$22,513	\$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	\$0
502 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Fence - Replace	\$0	\$0	\$46,314	\$0	\$0
505 Wood Fence - Partial Replace	\$0	\$0	\$0	\$0	\$0
702 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercom - Replace	\$0	\$0	\$0	\$0	\$0
706 Gate Operators - Replace	\$0	\$0	\$0	\$22,296	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$0
1008 Trees - Remove (2015)	\$0	\$0	\$0	\$0	\$0
1009 Landscaping/Dredging	\$0	\$0	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$0	\$8,330	\$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
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$54,644	\$389,028	\$0
Ending Reserve Balance:	\$900,538	\$1,060,957	\$1,172,612	\$954,001	\$1,128,994

Accuracy, Limitations, and Disclosures

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue, and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the association change each year, this Reserve Study is by nature a “one-year” document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, physical factors, or ownership expectations. Because many years of financial preparation help the preparation for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Association Reserves – SF, LLC, and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Derek Eckert, R.S., company president, is a credentialed Reserve Specialist (#114). All work done by Association Reserves is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the association’s situation.

We have relied upon the client to provide the current (or projected) Reserve Balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the Reserve Fund. In addition, we have considered the association’s representation of current and historical Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Component quantities indicated in this Report were derived from the prior Reserve Study, unless otherwise noted in our “Site Inspection Notes” comments. No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budget purposes.

Association Reserves’ liability in any matter involving this Reserve Study is limited to our Fee for services rendered.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area). Equivalent to Square Feet
GSY	Gross Square Yards (area). Equivalent to Square Yards
HP	Horsepower
LF	Linear Feet (length)

Effective Age: The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

Fully Funded Balance (FFB): The value of the deterioration of the Reserve Components. This is the fraction of life “used up” of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total.

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age}) / \text{Useful Life}$$

Inflation: Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 6.

Interest: Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary.

Percent Funded: The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life (RUL): The estimated time, in years, that a common area component can be expected to continue to serve its intended function.

Useful Life (UL): The estimated time, in years, that a common area component can be expected to serve its intended function.

Component Details

Client: 7492A The Glen of Pacific Grove

Comp # : 103 Concrete Surfaces - Repair

Quantity : Extensive LF
Location : Walkways and driveways throughout the association
Funded? : Yes
History :

Comments : According to the BOD, trip hazards are handled as an operating expense. This component provides funding to repair the concrete driveways.

Useful Life : 10 years Remaining Life : 8 years
Best Case : \$32,100 Worst Case : \$42,800

Comp # : 201 Asphalt - Resurface

Quantity : Approx 40,960 GSF
Location : Association streets
Funded? : Yes
History : Last resurfaced in 2012/13

Comments :
Useful Life : 30 years Remaining Life : 28 years
Best Case : \$103,000 Worst Case : \$123,000

Comp # : 202 Asphalt - Seal/Repair

Quantity : Approx 40,960 GSF
Location : Association streets
Funded? : Yes
History :

Comments : We recommend sealing every 4-5 years to maximize the useful life of the surface.
Useful Life : 5 years Remaining Life : 3 years
Best Case : \$8,780 Worst Case : \$10,900

Comp # : 203 Asphalt Path - Resurface/Repair

Quantity : Approx 2,300 GSF
Location : Eastern perimeter of the property
Funded? : No . Handle repairs as an operating expense as needed.
History :

Comments : The HOA is responsible for approximately 50% of the pathway. Funding will need to be adjusted when major replacement becomes necessary. No Reserve funding necessary at this time.
Useful Life : Remaining Life :
Best Case : Worst Case :

Comp # : 320 Pole Lights - Replace

Quantity : (19) Fixtures
Location : Perimeter of streets
Funded? : Yes
History :

Comments : Continue to paint to maintain a positive appearance, we anticipate replacement in the interval outlined below.
Useful Life : 30 years Remaining Life : 11 years
Best Case : \$40,700 Worst Case : \$50,900

Client: 7492A The Glen of Pacific Grove

Comp # : 324 Wall Lights - Replace

Quantity : (64) Fixtures

Location : Front entry to units

Funded? : Yes

History :

Comments :

Useful Life : 25 years

Remaining Life : 7 years

Best Case : \$10,300

Worst Case : \$13,700

Comp # : 403 Mailboxes - Replace

Quantity : (4) Kiosks

Location : Throughout common area

Funded? : Yes

History :

Comments : We recommend periodic cleaning and painting to protect against rust. This component provides funding for replacement in the interval outlined below.

Useful Life : 25 years

Remaining Life : 5 years

Best Case : \$12,900

Worst Case : \$17,200

Comp # : 502 Chain Link Fence - Replace

Quantity : Approx 560 LF

Location : Perimeter of property, tennis court

Funded? : Yes

History :

Comments : This component provides funding to replace all chain link fencing as outlined below.

Useful Life : 30 years

Remaining Life : 8 years

Best Case : \$12,000

Worst Case : \$15,000

Comp # : 503 Metal Fence - Replace

Quantity : Approx 355 LF

Location : Perimeter of the Association near the main entrance

Funded? : Yes

History : Last replaced in the 2011/12 fiscal year

Comments : We recommend periodic painting to maximize the useful life of the metal.

Useful Life : 30 years

Remaining Life : 27 years

Best Case : \$18,900

Worst Case : \$22,800

Comp # : 505 Wood Fence - Partial Replace

Quantity : Approx 370 LF x 33%

Location : Perimeter of property in select locations

Funded? : Yes

History :

Comments : No expectation to replace all areas at one time. This component provides funding for partial replacement in the interval outlined below.

Useful Life : 10 years

Remaining Life : 3 years

Best Case : \$5,950

Worst Case : \$7,260

Client: 7492A The Glen of Pacific Grove

Comp # : 506 Lattice Fence - Repair

Quantity : Approx 150 GSF

Location : Around mailboxes

Funded? : No . According to the Board, the Association is handling repairs as an operating expense.

History :

Comments : No Reserve funding necessary at this time.

Useful Life :

Remaining Life :

Best Case :

Worst Case :

Comp # : 702 Vehicle Gates - Replace

Quantity : (2) Gates

Location : Entry to the Association

Funded? : Yes

History :

Comments :

Useful Life : 30 years

Remaining Life : 11 years

Best Case : \$12,900

Worst Case : \$17,200

Comp # : 704 Intercom - Replace

Quantity : (1) Intercom

Location : At entrance to the association

Funded? : Yes

History :

Comments :

Useful Life : 15 years

Remaining Life : 0 years

Best Case : \$4,290

Worst Case : \$5,360

Comp # : 706 Gate Operators - Replace

Quantity : (2) Operators

Location : Entry to the association

Funded? : Yes

History : Last replaced in 2012/13

Comments :

Useful Life : 10 years

Remaining Life : 8 years

Best Case : \$8,690

Worst Case : \$10,800

Comp # : 708 Pedestrian Gate - Replace

Quantity : (1) Gate

Location : Entry to the association

Funded? : No . Funding to replace the pedestrian gate is included in component #503.

History :

Comments : No separate Reserve funding necessary at this time.

Useful Life :

Remaining Life :

Best Case :

Worst Case :

Client: 7492A The Glen of Pacific Grove

Comp # : 1001 Backflow Device - Replace

Quantity : (4) Backflows
 Location : Throughout the association
 Funded? : Yes
 History :

Comments : We recommend periodic inspections by a licensed professional to ensure the devices continue to function properly. This component provides funding for replacement in the interval outlined below.

Useful Life : 25 years Remaining Life : 5 years
 Best Case : \$6,430 Worst Case : \$8,570

Comp # : 1003 Irrigation Controllers - Replace

Quantity : Controllers
 Location : Common area
 Funded? : No . According to the BOD, replacement of the irrigation controllers is handled as an operating expense.
 History :

Comments : No Reserve funding necessary at this time. Adjust Reserve funding in future years if the operating budget is not able to support periodic replacement.

Useful Life : Remaining Life :
 Best Case : Worst Case :

Comp # : 1005 Irrigation Valves - Replace

Quantity : Irrigation Valves
 Location : Common area
 Funded? : No . According to the BOD, replacement of the irrigation valves is handled as an operating expense.
 History :

Comments : No Reserve funding necessary at this time.

Useful Life : Remaining Life :
 Best Case : Worst Case :

Comp # : 1008 Trees - Remove (2015)

Quantity : Trees
 Location : Common area
 Funded? : Yes
 History :

Comments : The Board has requested a component for tree removal in 2015. This is scheduled as a one time expense. The cost estimate was provided by the client.

Useful Life : 0 years Remaining Life : 0 years
 Best Case : \$4,500 Worst Case : \$5,500

Comp # : 1009 Landscaping\Dredging

Quantity : Extensive GSF
 Location : Adjacent to association entrance
 Funded? : Yes
 History :

Comments :

Useful Life : 0 years Remaining Life : 0 years
 Best Case : \$18,000 Worst Case : \$22,000

Client: 7492A The Glen of Pacific Grove

Comp # : 1107 Metal Fence - Repaint

Quantity : Approx 355 LF

Location : Front perimeter of the association

Funded? : Yes

History : Replacement of the iron fencing was completed in the 2011/12 fiscal year.

Comments : We recommend painting metal fencing every 4-5 years to protect against corrosion and other factors that accelerate deterioration.

Useful Life : 5 years

Remaining Life : 2 years

Best Case : \$3,200

Worst Case : \$4,300

Comp # : 1116 Exterior Surfaces - Repaint

Quantity : Approx 110,880 GSF

Location : Exterior building and garage surfaces

Funded? : Yes

History :

Comments : The useful life estimate was provided by the BOD. We recommend periodic inspections to ensure proper paint coverage. Adjust the timing of the next painting project as needed, the surfaces may require painting more frequently.

Useful Life : 10 years

Remaining Life : 1 years

Best Case : \$166,000

Worst Case : \$189,000

Comp # : 1117 Garages - Repaint

Quantity : (9) Garages

Location : Unit garages

Funded? : No . Cost to repaint the garages is included in component #1116 Exterior Surfaces - Repaint.

History :

Comments : No separate Reserve funding needed at this time.

Useful Life :

Remaining Life :

Best Case :

Worst Case :

Comp # : 1121 Exterior Surfaces - Repair

Quantity : (60) Units

Location : Exterior building and garage surfaces

Funded? : Yes

History :

Comments : Funding recommended for partial replacement of wood and hard board siding in the future due to potential for termite damage, wood rot and natural deterioration. Coordinate with future painting.

Useful Life : 10 years

Remaining Life : 1 years

Best Case : \$19,200

Worst Case : \$25,700

Comp # : 1130 Wood Bridge - Repaint

Quantity : (1) Bridge

Location : Central common area

Funded? : No . Painting is handled as an operating expense when needed according to the BOD.

History :

Comments : No Reserve funding needed at this time.

Useful Life :

Remaining Life :

Best Case :

Worst Case :

Client: 7492A The Glen of Pacific Grove

Comp # : 1303 Comp Shingle Roof - Replace

Quantity : Approx 99,000 GSF

Location : Rooftop of buildings

Funded? : Yes

History :

Comments : We recommend periodic inspections by a licensed professional to ensure the roof continues to age properly. Avoid debris buildup to maximize the useful life of the surface.

Useful Life : 30 years

Remaining Life : 24 years

Best Case : \$424,000

Worst Case : \$530,000

Comp # : 1310 Gutters/Downspouts - Replace (ph.1)

Quantity : Approx 6,500 LF

Location : Perimeter of roofs

Funded? : Yes

History :

Comments : Inspect regularly, keep gutters and downspouts free of debris to ensure water evacuating from rooftops as designed and repair as needed from general operating funds. Best to plan for replacement at the same intervals as roof replacement cost efficiency.

Useful Life : 30 years

Remaining Life : 15 years

Best Case : \$55,700

Worst Case : \$69,700

Comp # : 1311 Gutters/Downspouts - Replace (ph.2)

Quantity : Approx 3,250 LF

Location : Perimeter of roofs

Funded? : Yes

History :

Comments : Inspect regularly, keep gutters and downspouts free of debris to ensure water evacuating from rooftops as designed and repair as needed from general operating funds. Best to plan for replacement at the same intervals as roof replacement cost efficiency.

Useful Life : 30 years

Remaining Life : 20 years

Best Case : \$27,900

Worst Case : \$34,800

Comp # : 1402 Signage - Replace

Quantity : Signage

Location : Common area

Funded? : No . The cost of individual sign replacement does not meet the minimum threshold to qualify as a Reserve

History : component.

Comments : No expectation to replace all signs at one time. Adjust funding in the future is large scale replacement becomes necessary. No Reserve funding necessary at this time.

Useful Life :

Remaining Life :

Best Case :

Worst Case :

Comp # : 1603 Tennis Court - Colorcoat

Quantity : Approx 7,200 GSF

Location : Upper common area

Funded? : No . Funding for future recoating has been excluded at the request of the BOD.

History :

Comments : The tennis court receives minimal use and there are no plans to recoat the surface at this time. No Reserve funding necessary at this time.

Useful Life :

Remaining Life :

Best Case :

Worst Case :

Client: 7492A The Glen of Pacific Grove

Comp # : 1604 Tennis Court - Resurface

Quantity : (1) Court

Location : South western perimeter of the property

Funded? : No . Funding for future resurfacing has been excluded at the request of the BOD.

History :

Comments :

Useful Life :

Remaining Life :

Best Case :

Worst Case :

Comp # : 1605 Tennis Net/Windscreen - Replace

Quantity : (1) Court

Location : Tennis court perimeter

Funded? : No . There are no plans for future replacement at this time. Handle replacement as an operating expense when

History : needed.

Comments : No Reserve funding necessary at this time.

Useful Life :

Remaining Life :

Best Case :

Worst Case :

Comp # : 1701 Creek Bridge - Replace

Quantity : Approx 120 GSF

Location : Central common area

Funded? : Yes

History :

Comments :

Useful Life : 25 years

Remaining Life : 19 years

Best Case : \$15,400

Worst Case : \$18,000

Comp # : 1703 Drainage - Repair

Quantity : Extensive LF

Location : Common area

Funded? : No . According to the BOD drainage has not been an issue and repairs are handled as operating expenses

History : when needed.

Comments : Continue to monitor the common area drainage and adjust funding as repairs are too much for the operating budget to absorb. No Reserve funding necessary at this time.

Useful Life :

Remaining Life :

Best Case :

Worst Case :

Comp # : 1706 Pond/Stream - Maintenance

Quantity : Pond/Stream

Location : Center of the Association

Funded? : No . Repairs to the lake and stream are handled as an operating expense.

History :

Comments : Adjust funding in future years if major maintenance becomes necessary. No Reserve funding necessary at this time.

Useful Life :

Remaining Life :

Best Case :

Worst Case :

Client: 7492A The Glen of Pacific Grove

Comp # : 1710 Gate Valves/Pumps - Replace

Quantity : (2) Valves

Location : Pond area

Funded? : No . According to the BOD, repair/replacement of the gate valves and pumps is handled as an operating

History : expense when needed.

Comments : Continue to monitor the conditions of the pumps and valve and adjust funding if the operating budget is unable to absorb future maintenance costs.

Useful Life : Remaining Life :

Best Case : Worst Case :

Comp # : 1812 Electrical System- Repair

Quantity : Electrical Systems

Location : Common area

Funded? : No . According to the BOD, electrical repairs are handled as an operating expense when needed.

History :

Comments : No Reserve funding necessary at this time.

Useful Life : Remaining Life :

Best Case : Worst Case :

Comp # : 1925 Reserve Study - Update

Quantity : Flat Fee Annual Update

Location : Association Reserves (415) 694-8931

Funded? : No . The Association is on a three year annual Reserve Study update plan. Handle annual cost as an operating

History : expense, no separate Reserve Funding necessary at this time.

Comments :

Useful Life : Remaining Life :

Best Case : Worst Case :
