

3- Minute Executive Summary

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

Results as-of 1/1/2016:

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

Economic Assumptions:

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

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

Table 1: Executive Summary

7492-3

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

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

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