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Update “With-Site-Visit” Reserve Study



The Glen of Pacific Grove HOA Pacific Grove, CA

Report #: 7492-3
For Period Beginning: January 1, 2016
Ending: December 31, 2016

Date Prepared: September 8, 2015



Hello, and welcome to your Reserve Study!

This Report is a valuable budget planning tool, for with it you control the future of your association. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your association will face.

With respect to Reserves, this Report will tell you “where you are”, and “where to go from here”.

In this Report, you will find...

- 1) A List of What you’re Reserving For**
- 2) An Evaluation of your Reserve Fund Size and Strength**
- 3) A Recommended Multi-Year Reserve Funding Plan**

More Questions?

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

877/618-1955



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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.

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 process of research and analysis along well defined methodologies.

In this Report you will find the Reserve Component List (what you are reserving for). It contains our estimates for Useful Life, Remaining Useful Life, and the current repair or replacement cost for each major component the association is obligated to maintain. Based on that List and your starting balance we computed the association's Reserve Fund Strength (measured as "Percent Funded"), and created a recommended multi-year Reserve Funding Plan to offset future Reserve expenses.

Reserve Study

- Component List
- Reserve Fund Strength
- Recommended Contribs

As the physical assets age and deteriorate, it is important to accumulate financial assets to keep the two "in balance". A stable Reserve Funding Plan that offsets the irregular Reserve expenses will ensure that each owner pays their own "fair share" of ongoing common area deterioration.

Methodology

First we establish what the projected expenses are, then we determine the association's financial status and create a Funding Plan. For this "Update With-Site-Visit" Reserve Study, we started with a review of your prior Reserve Study, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We performed an on-site inspection to evaluate your common areas, updating and adjusting your Reserve Component List as appropriate.

Reserve Study Types

- Full
- ➡ • Update With-Site-Visit
- Update No-Site-Visit

Which Physical Assets are Covered by Reserves?

There is a national-standard four-part test to determine which expenses should be funded through Reserves. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the limited 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. This limits Reserve

Reserve Components

- Common Area
- Limited Useful Life
- Predictable Life Limit
- Cost must be Significant

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.

How are Useful Life and Remaining Useful Life established?

- 1) Visual Inspection (observed wear and age since last report)
- 2) Association Reserves database of experience
- 3) Client Component History
- 4) Vendor Evaluation and Recommendation

How are Cost Estimates Established?

Financial projections are based on the average of our Best Case and Worst Case estimates, which are established in this order...

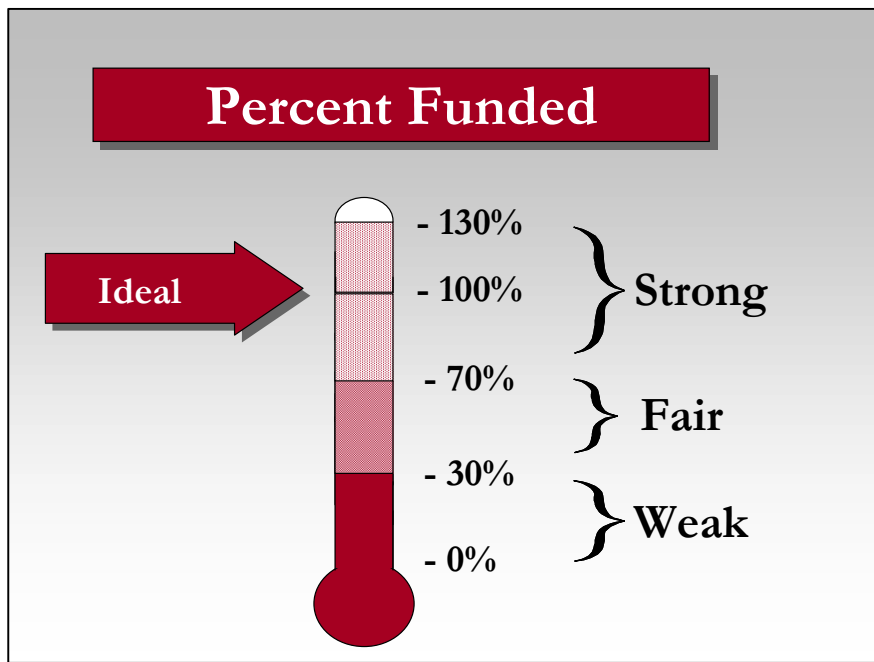
- 1) Client Cost History
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Your Reserve cash Balance can measure reserves, but the true measure is whether the funds are adequate. Adequacy is measured in a two-step process:

- 1) Calculate the association's Fully Funded Balance (FFB).
- 2) Compare to the Reserve Fund Balance, and express as a percentage.

The FFB grows as assets age and the Reserve needs of the association increase, but shrinks when projects are accomplished and the Reserve needs of the association decrease. The Fully Funded Balance changes each year, and is a moving but predictable target.



Special assessments and deferred maintenance are common when the Percent Funded is below 30%. While the 100% point is Ideal, a Reserve Fund in the 70% -130% range is considered "strong" because in this range cash flow problems are rare.

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?

There are four Funding Principles that we 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. A stable contribution rate is desirable because it is a hallmark of a proactive plan.

Reserve contributions that are evenly distributed over the owners, over the years, enable each owner to pay their “fair share” of the association’s Reserve expenses (this means we recommend special assessments only when all other options have been exhausted). And finally, we develop a plan that is fiscally responsible and “safe” for Board Members to recommend to their association.

Funding Principles

- Sufficient Cash
- Stable Contribution Rate
- Evenly Distributed
- Fiscally Responsible

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the physical deterioration that has occurred is called “Full Funding” the Reserves (100% Funded). As each asset ages and becomes “used up”, the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** As stated previously, associations in the 100% range rarely experience special assessments or deferred maintenance.

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. In these associations, deterioration occurs without matching Reserve contributions. With a low Percent Funded, special assessments and deferred maintenance are common.

Threshold Funding is the title of all other objectives randomly selected between Baseline Funding and Full Funding.

Funding Goals

- 
- Full Funding
 - Threshold Funding
 - Baseline Funding

Site Inspection Notes

During our site visit on August 14, 2016, we started with a meeting with Board Members, Terry Field and Al Munoz, and then started the site inspection beginning with the lake. We visually inspected all the buildings, and were able to see most areas.

During our site inspection we were informed that the Board would like to establish a maintenance plan for the lake and the tennis court.



Projected Expenses

The figure below shows the array of the projected future expenses at your association. This figure clearly shows the near term and future expenses that your association will face.

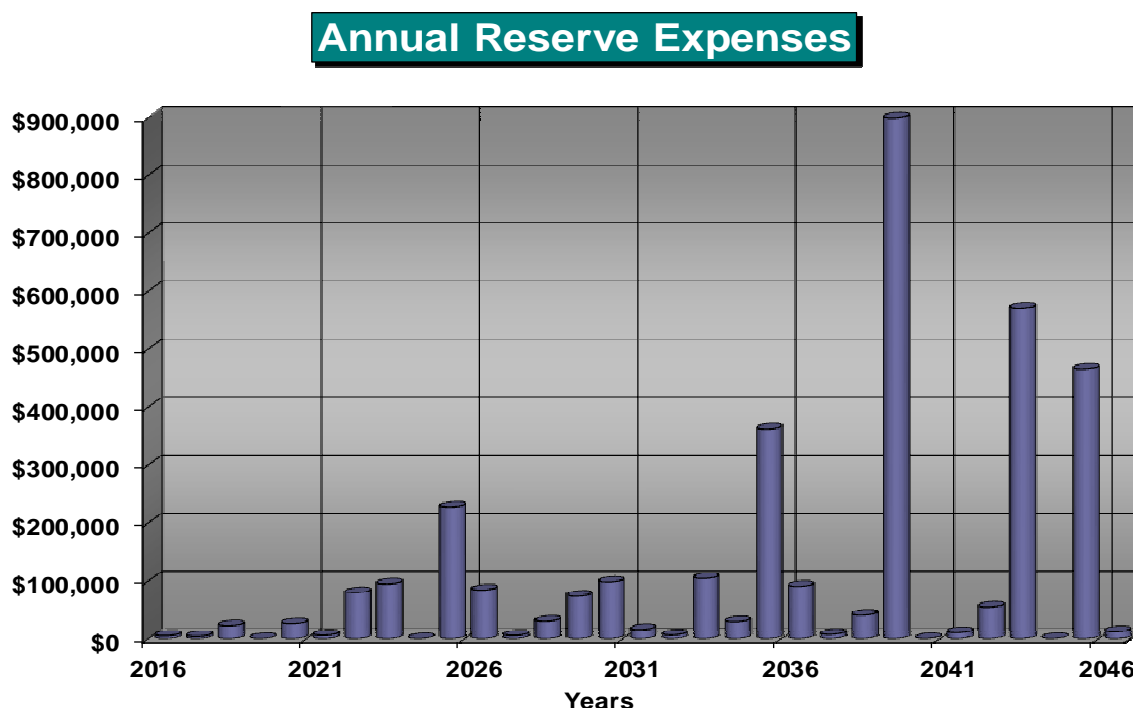


Figure 1

A summary of this information is shown in Table 4, while details of the projects that make up this information are shown in Table 5. Since this is a projection about future events that may or may not take place as anticipated, we feel more certain about “near-term” projects than those many years away. While this Reserve Study is a one-year document, it is based on 30 years’ worth of looking forward into the future.

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$334,191 as-of the start of your Fiscal Year on January 1, 2016. This is based on your actual balance on 5/31/2015 of \$462,390 and anticipated Reserve contributions totaling \$40,740 and expenses of \$168,939 projected through the end of your Fiscal Year. As of January 1, 2016, your Fully Funded Balance is computed to be \$319,568 (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 105% Funded. As indicated earlier in the Executive Summary, this represents a strong Funding status.

Recommended Funding Plan

Based on your current Percent Funded and your projected cash flow requirements, we are recommending Reserve contributions of \$6,126/month this Fiscal Year. This represents the first year of the 30-year Funding Plan shown below. This same information is shown numerically in both Table 4 and Table 5.

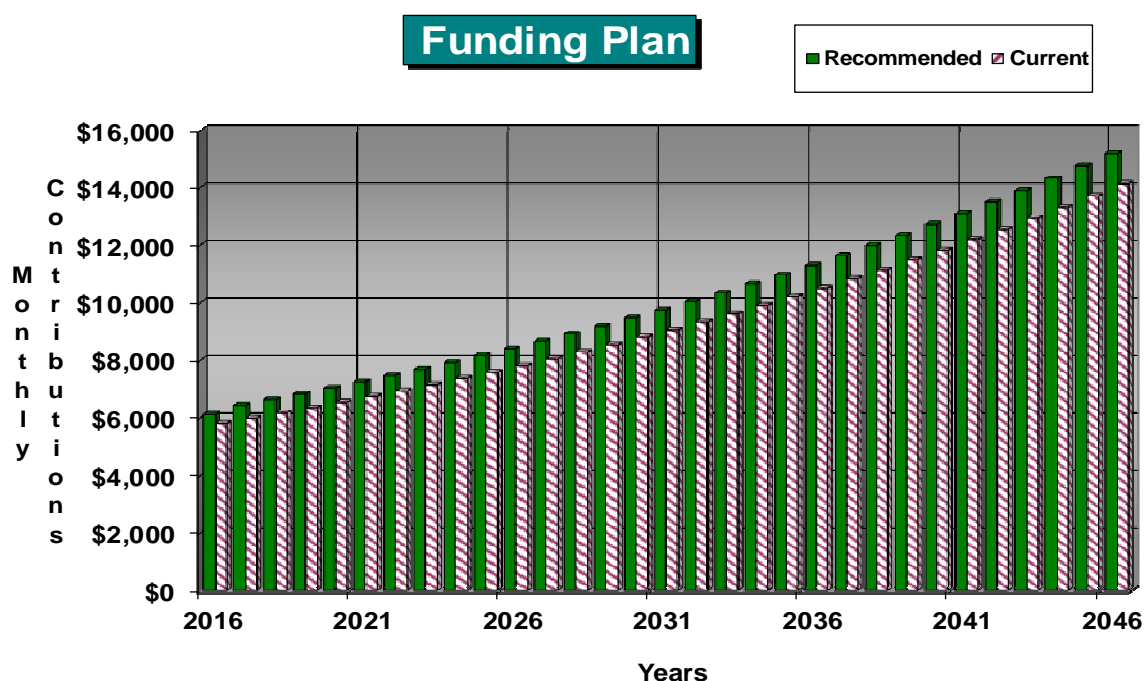


Figure 2

The following chart shows your Reserve balance under our recommended Funding Plan and your current Funding Plan, and your always-changing Fully Funded Balance target.

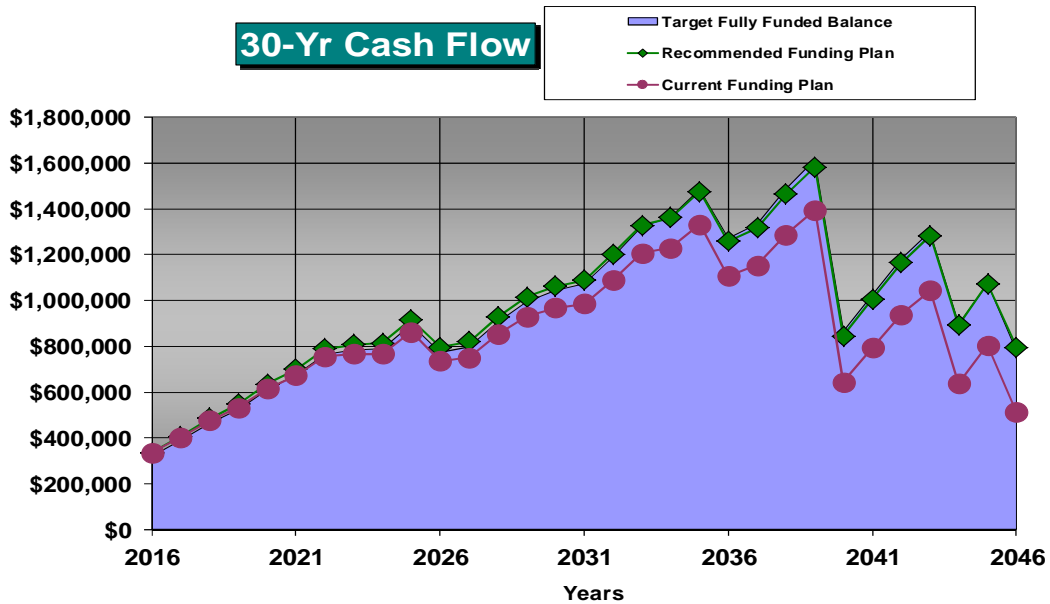


Figure 3

In this figure it is easy to see how your Reserve Fund gradually draws closer to the Fully Funded (100%) level.

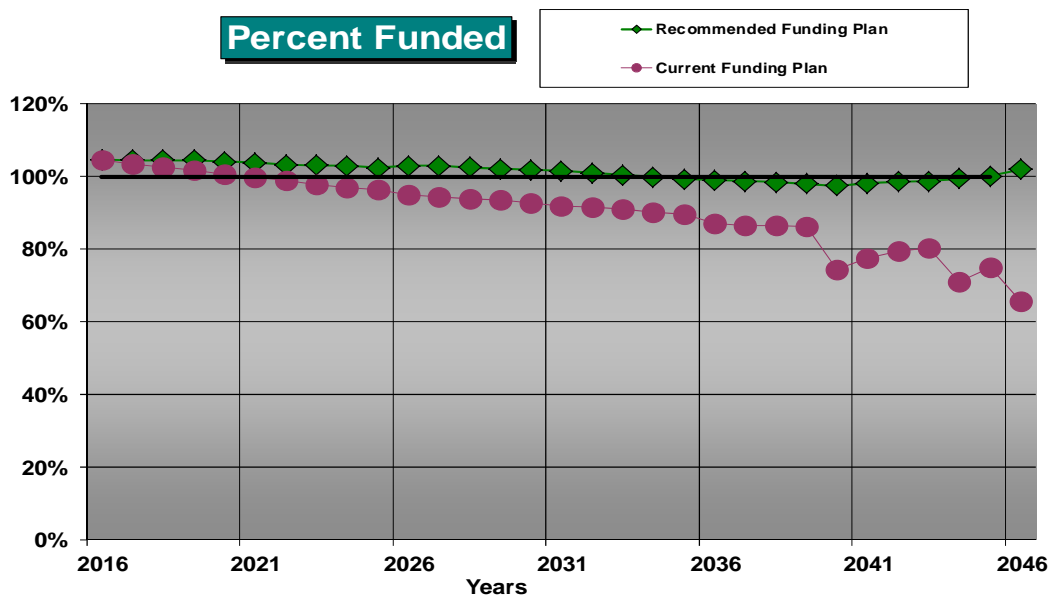


Figure 4

Table Descriptions

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

Table 1 summarizes your funded Reserve Components, and is part of the Executive Report summary that appeared earlier in this Report.

Table 2 provides the main component description, life, and cost factors for all components determined to be appropriate for Reserve designation. This table represents the core information from which all other tables are derived.

Table 3 is presented primarily as an accounting summary page. The results of the individual line item Fully Funded Balance computations are shown. These individual quantities are summed to arrive at the Fully Funded Balance for the association as of the start date of the Report. The figures in the Current Fund Balance column and the Monthly Reserve Contribution column show our distribution throughout the line items. If the association is underfunded, Reserve Funds are distributed first to components with a short Remaining Useful Life. If the association's Reserve Balance is above 100% Funded, funds are distributed evenly for all components. Contribution rates for each component are a proportionate distribution of the total contribution on the basis of the component's significance to the association (current cost divided by useful life). This presentation is not meant to cause clients to redistribute association funds, it simply presents one way to evenly distribute the total among all the different line items.

Table 4: This table provides a one-page 30-year summary of the cash flowing into and out of the association, compared to the Fully Funded Balance for each year.

Table 5: This table shows the cash flow detail for the next 30 years. This table makes it possible to see what components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail**7492-3**

#	Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
103	Concrete Surfaces - Repair	Extensive LF	10	7	\$33,000	\$44,000
201	Asphalt - Resurface	Approx 40,960 GSF	30	27	\$123,000	\$164,000
202	Asphalt - Seal/Repair	Approx 40,960 GSF	5	2	\$12,300	\$16,400
320	Pole Lights - Replace	(19) Fixtures	30	10	\$42,000	\$52,300
324	Wall Lights - Replace	(64) Fixtures	25	6	\$10,700	\$14,000
403	Mailboxes - Replace	(4) Kiosks	25	4	\$13,300	\$17,700
502	Chain Link Fence - Replace	Approx 560 LF	30	7	\$12,400	\$15,500
503	Metal Fence - Replace	Approx 355 LF	30	26	\$19,500	\$23,500
505	Wood Fence - Partial Replace	Approx 370 LF x 33%	10	2	\$6,100	\$7,500
702	Vehicle Gates - Replace	(2) Gates	30	10	\$13,300	\$17,700
704	Intercom - Replace	(1) Intercom	15	0	\$4,400	\$5,500
706	Gate Operators - Replace	(2) Operators	10	7	\$9,000	\$11,000
1001	Backflow Device - Replace	(4) Backflows	25	4	\$6,600	\$8,900
1009	Lake - Dredge/Repair	Approx. 12,500 GSF	7	6	\$45,000	\$55,000
1107	Metal Fence - Repaint	Approx 355 LF	5	1	\$3,500	\$4,300
1116	Exterior Surfaces - Repaint	Approx 110,880 GSF	10	9	\$135,000	\$165,000
1121	Exterior Surfaces - Repair	(60) Units	10	9	\$21,000	\$27,000
1303	Comp Shingle Roof - Replace	Approx 99,000 GSF	30	23	\$410,000	\$500,000
1310	Gutters/Downspouts - Replace (ph.1)	Approx 6,500 LF	30	14	\$57,400	\$71,800
1311	Gutters/Downspouts - Replace (ph.2)	Approx 3,250 LF	30	19	\$28,700	\$35,800
1603	Tennis Court - Refurbish	Approx 7,800 GSF	10	5	\$4,000	\$6,000
1701	Creek Bridge - Replace	Approx 120 GSF	25	18	\$15,900	\$18,500
22	Total Funded Components					

Table 3: Contribution and Fund Breakdown**7492-3**

#	Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
103	Concrete Surfaces - Repair	10	7	\$38,500	\$11,550	\$12,078.49	\$373.67
201	Asphalt - Resurface	30	27	\$143,500	\$14,350	\$15,006.61	\$464.25
202	Asphalt - Seal/Repair	5	2	\$14,350	\$8,610	\$9,003.97	\$278.55
320	Pole Lights - Replace	30	10	\$47,150	\$31,433	\$32,871.63	\$152.54
324	Wall Lights - Replace	25	6	\$12,350	\$9,386	\$9,815.48	\$47.95
403	Mailboxes - Replace	25	4	\$15,500	\$13,020	\$13,615.76	\$60.18
502	Chain Link Fence - Replace	30	7	\$13,950	\$10,695	\$11,184.37	\$45.13
503	Metal Fence - Replace	30	26	\$21,500	\$2,867	\$2,997.84	\$69.56
505	Wood Fence - Partial Replace	10	2	\$6,800	\$5,440	\$5,688.92	\$66.00
702	Vehicle Gates - Replace	30	10	\$15,500	\$10,333	\$10,806.16	\$50.15
704	Intercom - Replace	15	0	\$4,950	\$4,950	\$5,176.50	\$32.03
706	Gate Operators - Replace	10	7	\$10,000	\$3,000	\$3,137.27	\$97.06
1001	Backflow Device - Replace	25	4	\$7,750	\$6,510	\$6,807.88	\$30.09
1009	Lake - Dredge/Repair	7	6	\$50,000	\$7,143	\$7,469.69	\$693.26
1107	Metal Fence - Repaint	5	1	\$3,900	\$3,120	\$3,262.76	\$75.70
1116	Exterior Surfaces - Repaint	10	9	\$150,000	\$15,000	\$15,686.36	\$1,455.85
1121	Exterior Surfaces - Repair	10	9	\$24,000	\$2,400	\$2,509.82	\$232.94
1303	Comp Shingle Roof - Replace	30	23	\$455,000	\$106,167	\$111,024.54	\$1,472.02
1310	Gutters/Downspouts - Replace (ph.1)	30	14	\$64,600	\$34,453	\$36,029.82	\$209.00
1311	Gutters/Downspouts - Replace (ph.2)	30	19	\$32,250	\$11,825	\$12,366.08	\$104.34
1603	Tennis Court - Refurbish	10	5	\$5,000	\$2,500	\$2,614.39	\$48.53
1701	Creek Bridge - Replace	25	18	\$17,200	\$4,816	\$5,036.37	\$66.77
22	Total Funded Components				\$319,568	\$334,191	\$6,126

Table 4: 30-Year Reserve Plan Summary Recommended by Association Reserves

7492-3

Fiscal Year Beginning: 01/01/16

Interest: 1.00% Inflation: 3.0%

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	% Increase In Annual Reserve Contribs.	Annual Reserve Contribs.	Loans or Special Assmts	Interest Income	Projected Reserve Expenses
2016	\$334,191	\$319,568	104.6%	Strong	5.25%	\$73,507	\$0	\$3,702	\$4,950
2017	\$406,449	\$389,063	104.5%	Strong	5.25%	\$77,366	\$0	\$4,452	\$4,017
2018	\$484,249	\$463,554	104.5%	Strong	3.00%	\$79,687	\$0	\$5,152	\$22,438
2019	\$546,650	\$523,315	104.5%	Strong	3.00%	\$82,077	\$0	\$5,904	\$0
2020	\$634,631	\$610,049	104.0%	Strong	3.00%	\$84,540	\$0	\$6,669	\$26,168
2021	\$699,672	\$674,563	103.7%	Strong	3.00%	\$87,076	\$0	\$7,437	\$5,796
2022	\$788,388	\$764,190	103.2%	Strong	3.00%	\$89,688	\$0	\$7,973	\$79,106
2023	\$806,943	\$783,258	103.0%	Strong	3.00%	\$92,379	\$0	\$8,096	\$94,454
2024	\$812,964	\$789,418	103.0%	Strong	3.00%	\$95,150	\$0	\$8,645	\$0
2025	\$916,759	\$895,449	102.4%	Strong	3.00%	\$98,005	\$0	\$8,562	\$227,031
2026	\$796,294	\$773,290	103.0%	Strong	3.00%	\$100,945	\$0	\$8,084	\$84,196
2027	\$821,126	\$797,129	103.0%	Strong	3.00%	\$103,973	\$0	\$8,744	\$5,399
2028	\$928,445	\$905,467	102.5%	Strong	3.00%	\$107,092	\$0	\$9,714	\$30,155
2029	\$1,015,096	\$994,256	102.1%	Strong	3.00%	\$110,305	\$0	\$10,383	\$73,427
2030	\$1,062,357	\$1,043,918	101.8%	Strong	3.00%	\$113,614	\$0	\$10,752	\$97,713
2031	\$1,089,010	\$1,072,919	101.5%	Strong	3.00%	\$117,023	\$0	\$11,450	\$15,502
2032	\$1,201,981	\$1,190,418	101.0%	Strong	3.00%	\$120,533	\$0	\$12,649	\$6,258
2033	\$1,328,905	\$1,324,001	100.4%	Strong	3.00%	\$124,149	\$0	\$13,452	\$103,881
2034	\$1,362,625	\$1,364,169	99.9%	Strong	3.00%	\$127,874	\$0	\$14,184	\$29,282
2035	\$1,475,401	\$1,485,603	99.3%	Strong	3.00%	\$131,710	\$0	\$13,667	\$361,661
2036	\$1,259,117	\$1,271,650	99.0%	Strong	3.00%	\$135,661	\$0	\$12,877	\$90,306
2037	\$1,317,349	\$1,334,194	98.7%	Strong	3.00%	\$139,731	\$0	\$13,899	\$7,255
2038	\$1,463,725	\$1,487,679	98.4%	Strong	3.00%	\$143,923	\$0	\$15,224	\$40,526
2039	\$1,582,346	\$1,615,127	98.0%	Strong	3.00%	\$148,241	\$0	\$12,130	\$897,982
2040	\$844,735	\$866,956	97.4%	Strong	3.00%	\$152,688	\$0	\$9,253	\$0
2041	\$1,006,676	\$1,025,109	98.2%	Strong	3.00%	\$157,269	\$0	\$10,850	\$10,469
2042	\$1,164,326	\$1,181,189	98.6%	Strong	3.00%	\$161,987	\$0	\$12,235	\$54,777
2043	\$1,283,771	\$1,300,397	98.7%	Strong	3.00%	\$166,846	\$0	\$10,875	\$569,427
2044	\$892,064	\$897,297	99.4%	Strong	3.00%	\$171,852	\$0	\$9,825	\$0
2045	\$1,073,740	\$1,072,946	100.1%	Strong	3.00%	\$177,007	\$0	\$9,341	\$464,833

Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)**7492-3**

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

Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)
7492-3

Fiscal Year	2021	2022	2023	2024	2025
Starting Reserve Balance	\$699,672	\$788,388	\$806,943	\$812,964	\$916,759
Annual Reserve Contribution	\$87,076	\$89,688	\$92,379	\$95,150	\$98,005
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$7,437	\$7,973	\$8,096	\$8,645	\$8,562
Total Income	\$794,184	\$886,049	\$907,418	\$916,759	\$1,023,325
# Component					
103 Concrete Surfaces - Repair	\$0	\$0	\$47,350	\$0	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$17,649	\$0	\$0
320 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Wall Lights - Replace	\$0	\$14,747	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
502 Chain Link Fence - Replace	\$0	\$0	\$17,157	\$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	\$0	\$0	\$0	\$0	\$0
706 Gate Operators - Replace	\$0	\$0	\$12,299	\$0	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$0
1009 Lake - Dredge/Repair	\$0	\$59,703	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$4,657	\$0	\$0	\$0
1116 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$195,716
1121 Exterior Surfaces - Repair	\$0	\$0	\$0	\$0	\$31,315
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace (ph.1)	\$0	\$0	\$0	\$0	\$0
1311 Gutters/Downspouts - Replace (ph.2)	\$0	\$0	\$0	\$0	\$0
1603 Tennis Court - Refurbish	\$5,796	\$0	\$0	\$0	\$0
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$5,796	\$79,106	\$94,454	\$0	\$227,031
Ending Reserve Balance:	\$788,388	\$806,943	\$812,964	\$916,759	\$796,294

Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)**7492-3**

Fiscal Year		2026	2027	2028	2029	2030
Starting Reserve Balance		\$796,294	\$821,126	\$928,445	\$1,015,096	\$1,062,357
Annual Reserve Contribution		\$100,945	\$103,973	\$107,092	\$110,305	\$113,614
Planned Special Assessments		\$0	\$0	\$0	\$0	\$0
Interest Earnings		\$8,084	\$8,744	\$9,714	\$10,383	\$10,752
Total Income		\$905,323	\$933,844	\$1,045,251	\$1,135,784	\$1,186,724
#	Component					
103	Concrete Surfaces - Repair	\$0	\$0	\$0	\$0	\$0
201	Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202	Asphalt - Seal/Repair	\$0	\$0	\$20,460	\$0	\$0
320	Pole Lights - Replace	\$63,366	\$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	\$9,695	\$0	\$0
702	Vehicle Gates - Replace	\$20,831	\$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
1009	Lake - Dredge/Repair	\$0	\$0	\$0	\$73,427	\$0
1107	Metal Fence - Repaint	\$0	\$5,399	\$0	\$0	\$0
1116	Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1121	Exterior Surfaces - Repair	\$0	\$0	\$0	\$0	\$0
1303	Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310	Gutters/Downspouts - Replace (ph.1)	\$0	\$0	\$0	\$0	\$97,713
1311	Gutters/Downspouts - Replace (ph.2)	\$0	\$0	\$0	\$0	\$0
1603	Tennis Court - Refurbish	\$0	\$0	\$0	\$0	\$0
1701	Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses		\$84,196	\$5,399	\$30,155	\$73,427	\$97,713
Ending Reserve Balance:		\$821,126	\$928,445	\$1,015,096	\$1,062,357	\$1,089,010

Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)**7492-3**

Fiscal Year	2031	2032	2033	2034	2035
Starting Reserve Balance	\$1,089,010	\$1,201,981	\$1,328,905	\$1,362,625	\$1,475,401
Annual Reserve Contribution	\$117,023	\$120,533	\$124,149	\$127,874	\$131,710
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$11,450	\$12,649	\$13,452	\$14,184	\$13,667
Total Income	\$1,217,483	\$1,335,164	\$1,466,506	\$1,504,683	\$1,620,778
# Component					
103 Concrete Surfaces - Repair	\$0	\$0	\$63,635	\$0	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$23,718	\$0	\$0
320 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$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	\$7,712	\$0	\$0	\$0	\$0
706 Gate Operators - Replace	\$0	\$0	\$16,528	\$0	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$0
1009 Lake - Dredge/Repair	\$0	\$0	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$6,258	\$0	\$0	\$0
1116 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$263,026
1121 Exterior Surfaces - Repair	\$0	\$0	\$0	\$0	\$42,084
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	\$56,551
1603 Tennis Court - Refurbish	\$7,790	\$0	\$0	\$0	\$0
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$29,282	\$0
Total Expenses	\$15,502	\$6,258	\$103,881	\$29,282	\$361,661
Ending Reserve Balance:	\$1,201,981	\$1,328,905	\$1,362,625	\$1,475,401	\$1,259,117

Table 5: 30-Year Income/Expense Detail (yrs 20 through 24)**7492-3**

Fiscal Year	2036	2037	2038	2039	2040
Starting Reserve Balance	\$1,259,117	\$1,317,349	\$1,463,725	\$1,582,346	\$844,735
Annual Reserve Contribution	\$135,661	\$139,731	\$143,923	\$148,241	\$152,688
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$12,877	\$13,899	\$15,224	\$12,130	\$9,253
Total Income	\$1,407,655	\$1,470,980	\$1,622,872	\$1,742,717	\$1,006,676
# Component					
103 Concrete Surfaces - Repair	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$27,496	\$0	\$0
320 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$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	\$13,030	\$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	\$0	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$0
1009 Lake - Dredge/Repair	\$90,306	\$0	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$7,255	\$0	\$0	\$0
1116 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1121 Exterior Surfaces - Repair	\$0	\$0	\$0	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$897,982	\$0
1310 Gutters/Downspouts - Replace (ph.1)	\$0	\$0	\$0	\$0	\$0
1311 Gutters/Downspouts - Replace (ph.2)	\$0	\$0	\$0	\$0	\$0
1603 Tennis Court - Refurbish	\$0	\$0	\$0	\$0	\$0
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$90,306	\$7,255	\$40,526	\$897,982	\$0
Ending Reserve Balance:	\$1,317,349	\$1,463,725	\$1,582,346	\$844,735	\$1,006,676

Table 5: 30-Year Income/Expense Detail (yrs 25 through 29)
7492-3

Fiscal Year	2041	2042	2043	2044	2045
Starting Reserve Balance	\$1,006,676	\$1,164,326	\$1,283,771	\$892,064	\$1,073,740
Annual Reserve Contribution	\$157,269	\$161,987	\$166,846	\$171,852	\$177,007
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$10,850	\$12,235	\$10,875	\$9,825	\$9,341
Total Income	\$1,174,795	\$1,338,548	\$1,461,491	\$1,073,740	\$1,260,088
# Component					
103 Concrete Surfaces - Repair	\$0	\$0	\$85,520	\$0	\$0
201 Asphalt - Resurface	\$0	\$0	\$318,755	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$31,875	\$0	\$0
320 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$36,527
502 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Fence - Replace	\$0	\$46,367	\$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	\$22,213	\$0	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$18,263
1009 Lake - Dredge/Repair	\$0	\$0	\$111,064	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$8,411	\$0	\$0	\$0
1116 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$353,485
1121 Exterior Surfaces - Repair	\$0	\$0	\$0	\$0	\$56,558
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace (ph.1)	\$0	\$0	\$0	\$0	\$0
1311 Gutters/Downspouts - Replace (ph.2)	\$0	\$0	\$0	\$0	\$0
1603 Tennis Court - Refurbish	\$10,469	\$0	\$0	\$0	\$0
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$10,469	\$54,777	\$569,427	\$0	\$464,833
Ending Reserve Balance:	\$1,164,326	\$1,283,771	\$892,064	\$1,073,740	\$795,256

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, and ownership expectations. Because many years of financial preparation help prepare 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”. No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budgeting purposes.

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

Where any uncertainties exist, we urge the association to obtain a legal review and written opinion of the legitimacy of the funding policies, as stipulated or permitted under your Declaration and local statutes. As these are legal questions, we highly recommend use of an experienced real property attorney specializing in association law.

Re-use of reserve study, figures or calculations in any other format absolves ARSF of all responsibility.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area)
GSY	Gross Square Yards (area)
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 Reserve Balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This benchmark balance represents the value of the deterioration of the Reserve Components. This number is calculated for each component, then 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 5.

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, page ii.

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

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

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

Photographic Inventory Appendix

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 :

Evaluation : Well maintained and clean. No excessive lifting or cracking observed. Fair condition overall. Monitor for trip hazards and any signs of advanced deterioration. Handle minor repairs as an Operating expense.

Useful Life:
10 years

Remaining Life:
7 years



Best Case: \$33,000

Worst Case: \$44,000

Lower allowance to repair

Higher allowance to repair

Cost Source: ARSF Cost Database

Comp # : 201 Asphalt - Resurface

Quantity: Approx 40,960 GSF

Location : Association streets

Funded? : Yes

History : Last resurfaced in 2012/13.

Evaluation : The road is well sloped to shed water. No Signs of major cracks or abnormal deterioration. Seal every 4-5 years to protect the integrity of the asphalt and maximize its useful life.

Useful Life:
30 years

Remaining Life:
27 years



Best Case: \$123,000

Worst Case: \$164,000

Lower allowance to resurface

Higher allowance to resurface

Cost Source: ARSF Cost Database

Client: 7492A The Glen of Pacific Grove

Comp # : 202 Asphalt - Seal/Repair

Quantity: Approx 40,960 GSF

Location : Association streets

Funded? : Yes

History :

Evaluation : Minor granule exposure and some light cracking observed. Monitor for any tree root impaction. Regular cycles of seal coating, along with any needed repairs, has proven to be the most cost effective program for the long-term care of asphalt. We recommend sealing and repairing the asphalt every 4-5 years.

Useful Life:

5 years

Remaining Life:

2 years



Best Case: \$12,300

Worst Case: \$16,400

Lower allowance to seal/repair

Higher allowance to seal/repair

Cost Source: ARSF Cost Database

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. No Reserve funding allocated.

History :

Evaluation : The asphalt path that connects to the neighboring Association is in poor condition. While major surface wear and loss of seal is apparent, the path does not require the same maintenance as the road. Funding will need to be adjusted when major replacement becomes necessary. Handle repairs as an operating expense when needed. Reserve funding not allocated at this time.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 7492A The Glen of Pacific Grove

Comp # : 320 Pole Lights - Replace

Quantity: (19) Fixtures

Location : Perimeter of streets

Funded? : Yes

History :

Evaluation : Most fixtures are upright and have fair paint coverage. Isolated pole lights are leaning slightly and require some touchup paint. Continue to paint to maintain a positive appearance, we anticipate replacement in the interval outlined below.

Useful Life:

30 years

Remaining Life:

10 years



Best Case: \$42,000

Worst Case: \$52,300

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 324 Wall Lights - Replace

Quantity: (64) Fixtures

Location : Front entry to units

Funded? : Yes

History :

Evaluation : Fixtures not tested during the site inspection; assume functional. Minor corrosion and dirt/dust accumulation noted. We recommend regular paint cycles and adjusting misaligned fixtures to maintain an attractive appearance. We anticipate replacement in the interval outlined below.

Useful Life:

25 years

Remaining Life:

6 years



Best Case: \$10,700

Worst Case: \$14,000

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Client: 7492A The Glen of Pacific Grove

Comp # : 403 Mailboxes - Replace

Quantity: (4) Kiosks

Location : Throughout common area

Funded? : Yes

History :

Evaluation : Mailboxes are intact and upright. Minor surface wear observed, but no major damage. 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:

4 years



Best Case: \$13,300

Worst Case: \$17,700

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 502 Chain Link Fence - Replace

Quantity: Approx 560 LF

Location : Perimeter of property, tennis court

Funded? : Yes

History :

Evaluation : The perimeter fencing conditions vary by location. Minor leaning in areas with uneven terrain and light discoloration in locations with greater solar exposure. This component provides funding to replace all chain link fencing as outlined below.

Useful Life:

30 years

Remaining Life:

7 years



Best Case: \$12,400

Worst Case: \$15,500

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Client: 7492A The Glen of Pacific Grove

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.

Evaluation : No signs of advanced or abnormal deterioration. Upright and intact. We recommend periodic painting to prevent corrosion/oxidation. Complete replacement expected at the interval outlined below or as future conditions dictate.

Useful Life:
30 years

Remaining Life:
26 years



Best Case: \$19,500

Worst Case: \$23,500

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 505 Wood Fence - Partial Replace

Quantity: Approx 370 LF x 33%

Location : Perimeter of property in select locations

Funded? : Yes

History :

Evaluation : The wood fence is in fair condition overall, but minor deterioration noted. Missing boards and leaning observed in isolated locations. 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:
2 years



Best Case: \$6,100

Worst Case: \$7,500

Lower allowance to replace (partial)

Higher allowance to replace (partial)

Cost Source: ARSF Cost Database

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. No Reserve funding necessary at this time.

History :

Evaluation : According to the Board, the Association is handling repairs as an operating expense.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 702 Vehicle Gates - Replace

Quantity: (2) Gates

Location : Entry to the Association

Funded? : Yes

History :

Evaluation : The vehicle gates are functional and smooth operating. No abnormal damage or abuse noted. We recommend regular paint cycles to maintain an attractive appearance and protect metal from corrosion. Contact the servicing vendor if a pattern of deterioration develops. We anticipate replacement in the interval outlined below.

Useful Life:
30 years

Remaining Life:
10 years



Best Case: \$13,300

Worst Case: \$17,700

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Client: 7492A The Glen of Pacific Grove

Comp # : 704 Intercom - Replace**Quantity: (1) Intercom**

Location : At entrance to the association

Funded? : Yes

History :

Evaluation : (1) Doorking model # 1802. No issues reported or observed; assume functional. Although significant damage is not apparent at this time, the unit is nearing the end of its estimated useful life and will likely require replacement in the near future.

Useful Life:

15 years

Remaining Life:

0 years



Best Case: \$4,400

Worst Case: \$5,500

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 706 Gate Operators - Replace**Quantity: (2) Operators**

Location : Entry to the association

Funded? : Yes

History : Last replaced in 2012/13.

Evaluation : Liftmaster, Model: CSW24V. Gate operators observed to be in fair and functional condition. No signs of advanced wear or deterioration. We recommend continued regular service for maximum performance. Plan for replacement at the interval outlined below.

Useful Life:

10 years

Remaining Life:

7 years



Best Case: \$9,000

Worst Case: \$11,000

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Client: 7492A The Glen of Pacific Grove

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. No separate Reserve funding necessary at this time.

History :

Evaluation : Funding to replace the pedestrian gate is included in component #503. No separate Reserve funding necessary at this time.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 1001 Backflow Device - Replace

Quantity: (4) Backflows

Location : Throughout the association

Funded? : Yes

History :

Evaluation : No reported issues or signs of leaking at this time. We recommend periodic inspections by a licensed professional to ensure proper functionality. Continue to handle repairs as an Operating expense. This component provides funding for replacement in the interval outlined below.

Useful Life:

25 years

Remaining Life:

4 years



Best Case: \$6,600

Worst Case: \$8,900

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Client: 7492A The Glen of Pacific Grove

Comp # : 1003 Irrigation Controllers - Replace

Quantity: Controllers

Location : Common area

Funded? : No . Replacement is handled as an Operating expense. Reserve funding not allocated at this time.

History :

Evaluation : According to the BOD, replacement of the irrigation controllers is handled as an Operating expense. Adjust funding plan in future years if the Operating budget is not able to support periodic replacement.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 1005 Irrigation Valves - Replace

Quantity: Irrigation Valves

Location : Common area

Funded? : No . Replacement is handled as an Operating expense. No Reserve funding required at this time.

History :

Evaluation : According to the BOD, replacement of the irrigation valves is handled as an Operating expense.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 7492A The Glen of Pacific Grove

Comp # : 1008 Trees - Remove (2015) Quantity: Trees
Location : Common area
Funded? : No . The Association handles tree trimming as an Operating expense. No separate Reserve funding needed at this time.
History : Removal project completed in 2015 as a one-time expense.
Evaluation :

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Comp # : 1009 Lake - Dredge/Repair Quantity: Approx. 12,500 GSF
Location : Center of the association
Funded? : Yes
History : Major dredging/repairs planned for 2015.

Evaluation : Sediment buildup at the lower part of stream is contributing to reduced water flow to the lake. While low water levels are common throughout the state of California because of the drought, dredging and other maintenance options can improve the condition of the lake. As per the client's request, this component has been set up to help maintain the appearance of the lake and potentially improve the ecology of the area. Plan on major projects being completed at the interval outlined below. This component includes repairs/maintenance to the stream as well.

Useful Life:
7 years

Remaining Life:
6 years



Best Case: \$45,000

Worst Case: \$55,000

Lower allowance to dredge/repair

Higher allowance to dredge/repair

Cost Source: Estimate Provided by Client

Client: 7492A The Glen of Pacific Grove

Comp # : 1010 Landscaping - Replenishment

Quantity: Extensive GSF

Location : Adjacent to Association entrance

Funded? : No . The Association handles landscaping as an Operating expense. No Reserve funding allocated at this time.

History : Replenishment project completed in 2015 as a one-time expense.

Evaluation : The Association recently completed a one-time landscape replenishment project. The project improved the appearance of the area and incorporated drought-tolerant features. Adjust funding options as future conditions dictate. Maintenance to be handled as an Operating expense.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

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.

Evaluation : Due to high levels of solar exposure, minor fading of the paint has occurred. 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:

1 years



Best Case: \$3,500

Worst Case: \$4,300

Lower allowance to repaint

Higher allowance to repaint

Cost Source: ARSF Cost Database

Client: 7492A The Glen of Pacific Grove

Comp # : 1116 Exterior Surfaces - Repaint

Quantity: Approx 110,880 GSF

Location : Exterior building and garage surfaces

Funded? : Yes

History : Repainted in 2015.

Evaluation : We recommend consistent paint cycles to the Hardie board siding and wood surfaces to protect from water intrusion and other factors that contribute to deterioration. The useful life of this component was provided by the BOD. Adjust the timing of the next painting project as needed. The surfaces may require painting more frequently in the future.

Useful Life:

10 years

Remaining Life:

9 years



Best Case: \$135,000

Worst Case: \$165,000

Lower allowance to repaint

Higher allowance to repaint

Cost Source: Estimate Provided by Client

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. No Reserve funding allocated.

History :

Evaluation : Cost to repaint the garages is included in component #1116 Exterior Surfaces - Repaint.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 7492A The Glen of Pacific Grove

Comp # : 1121 Exterior Surfaces - Repair

Quantity: (60) Units

Location : Exterior building and garage surfaces

Funded? : Yes

History : Repairs completed in 2015.

Evaluation : Funding recommended for partial replacement of wood and Hardie board siding in the future due to potential for termite damage, wood rot and natural deterioration. Coordinate with 2015 Exterior Surfaces - Repaint component (# 1116).

Useful Life:
10 years

Remaining Life:
9 years



Best Case: \$21,000

Worst Case: \$27,000

Lower allowance to repair

Higher allowance to repair

Cost Source: ARSF Cost Database

Comp # : 1130 Wood Bridge - Repaint

Quantity: (1) Bridge

Location : Central common area

Funded? : No . Painting is handled as an Operating expense when needed. Reserve funding not allocated.

History :

Evaluation : Painting is handled as an operating expense when needed according to the BOD. Some dirt accumulation and fading observed. Fair condition overall.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

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 : Last replaced in 2008.

Evaluation : Shingles are intact and appear to be aging well. Isolated minor curling near the fascia and gutters. No major damage observed. 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:

23 years



Best Case: \$410,000

Worst Case: \$500,000

Lower allowance to replace

Higher allowance to replace

Cost Source: Estimate Provided by Client

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

Quantity: Approx 6,500 LF

Location : Perimeter of roofs

Funded? : Yes

History :

Evaluation : Light corrosion at joints and dirt buildup from exposure to the elements. Minor bending in isolated areas also observed. 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.

Useful Life:

30 years

Remaining Life:

14 years



Best Case: \$57,400

Worst Case: \$71,800

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Client: 7492A The Glen of Pacific Grove

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

Quantity: Approx 3,250 LF

Location : Perimeter of roofs

Funded? : Yes

History :

Evaluation : Light corrosion at joints and dirt buildup from exposure to the elements. Minor bending in isolated areas also observed. 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:

19 years



Best Case: \$28,700

Worst Case: \$35,800

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

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 component. No Reserve funding allocated at this time.

History :

Evaluation : Condition varies through out the Association. Some signs have accumulated dirt or are showing fading/discoloration due to exposure to the elements. Replace as needed as an Operating expense to maintain an attractive and uniform appearance. No expectation to replace all signs at one time. Adjust funding in the future if a large scale replacement becomes necessary.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 7492A The Glen of Pacific Grove

Comp # : 1603 Tennis Court - Refurbish
Location : South western perimeter of the property
Funded? : Yes

Quantity: Approx 7,800 GSF

History :

Evaluation : The tennis court is in poor condition at this time. Transgressive cracking and evidence of water ponding observed. Colorcoat, surface repairs and net/windscreen maintenance required. As per the client's request, this component has been added to address the concerns at the interval outlined below.

Useful Life:
10 years

Remaining Life:
5 years



Best Case: \$4,000

Worst Case: \$6,000

Lower allowance to refurbish

Higher allowance to refurbish

Cost Source: Estimate Provided by Client

Comp # : 1701 Creek Bridge - Replace
Location : Central common area
Funded? : Yes

Quantity: Approx 120 GSF

History :

Evaluation : The wood bridge appears sturdy and intact, with only light surface wear and minor paint fading observed. Fair condition overall. Approximately 120 GSF with 80 LF of wood railing. We anticipate replacement in the interval outlined below.

Useful Life:
25 years

Remaining Life:
18 years



Best Case: \$15,900


Worst Case: \$18,500

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Client: 7492A The Glen of Pacific Grove

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 when needed. Reserve funding not allocated at this time.		
History :		
Evaluation : Continue to monitor the common area drainage and adjust funding if repairs become too much for the Operating budget to absorb. Remove debris to ensure proper water drainage.		
Useful Life:		
Remaining Life:		
Best Case:		
	Worst Case:	
Cost Source:		

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 expense when needed. No Reserve funding allocated.		
History :		
Evaluation : No issues reported or observed. Continue to monitor the conditions of the pumps and valves and adjust funding if the Operating budget is unable to absorb future maintenance costs.		
Useful Life:		Photo Not Available
Remaining Life:		
Best Case:		
		Worst Case:
Cost Source:		

Client: 7492A The Glen of Pacific Grove

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 :

Evaluation : No Reserve funding necessary at this time.

Useful Life:

Remaining Life:

Photo Not Available

Best Case:

Worst Case:

Cost Source:

Comp # : 1925 Reserve Study - Update

Quantity: Flat Fee Annual Update

Location : Association Reserves (415) 694-8931

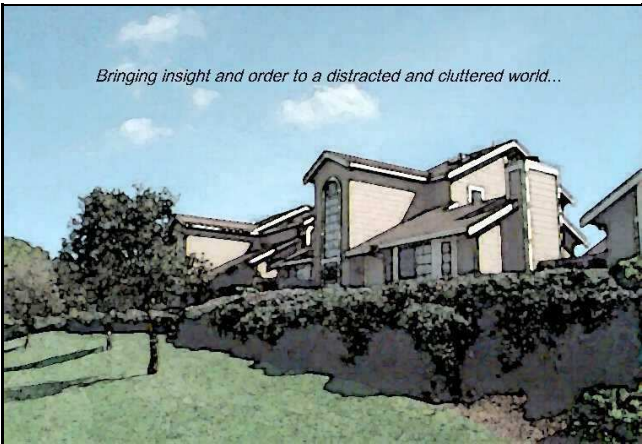
Funded? : No . The Association is on a three year annual Reserve Study update plan. Handle annual cost as an operating expense, no separate Reserve Funding necessary at this time.

History :

Evaluation :

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:
