



RESERVE STUDY • FINANCIAL REPORT

The Glen of Pacific Grove

June - 2007

Report Start Date: September 1, 2007



The Glen of Pacific Grove
Pacific Grove, CA

Date: 26-Jun-2007
Units: 60
Fiscal Year End: 31-Aug-2007
Report Start Date: 1-Sep-2007

PROJECT INFORMATION

Name of Association: The Glen of Pacific Grove
City and State: Pacific Grove, CA
Type of Project: Condo
Number of Units: 60
Age of Project: 25 years
Fiscal Year End: 08/31/2007
Level of Reserve Study: Level 3: Update (without site visit)
Date of Inspection: (if applicable)

Descriptions of Levels

Level 1: (Full, On-site Review) Includes: a) Component Inventory, b) Condition assessment (based on on-site visual observations, c) Life and valuation estimates, d) Fund status, e) Funding plan(s).

Level 2: (Update, With-Site-Visit/On-site Review) Includes: a) Component Inventory (verification only, not quantification), b) Condition assessment (based on on-site visual observations, c) Life and valuation estimates, d) Fund status, e) Funding plan(s).

Level 3: (Update, No-Site-Visit/Off-site Review) Includes: a) Life and valuation estimates, b) Fund status, c) Funding plan(s).

MANAGEMENT COMPANY

RESERVE STUDY PROVIDER

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RESERVE STUDY INFORMATION

Reserve Study (Definition): A budget planning tool which identifies the current status of the reserve fund and a stable and equitable Funding Plan to offset the anticipated future major capital expenditures. The Reserve Study consists of two parts: the Physical Analysis and the Financial Analysis.

Included in the Reserve Study:

- **Component Worksheet Report:** Includes the quantity, estimated current replacement cost, projected future cost, service life and the projected remaining life of each major component.
- **Percentage Funded Report:** Includes the total replacement cost, current reserve balance, fully funded reserve balance (to be 100%) and the percentage to which the association is fully funded
- **Funding Plans:** One or more of the following plans may be included in the Reserve Analysis:
 - **Current Funding:** The funding level equal to the Association's current assessments for reserve assets.
 - **100% Funding (Reserve Analysis-Year Plan):** Funding level designed to reduce the current deficit and reach the fully funded (100%) within a five-year period.
 - **Threshold Funding:** Funding Plan designed to meet all projected disbursement requirements as they occur while always maintaining threshold level of funds in the reserve account.
 - **Reserve Analysis 50% - Compliance Funding (Hawaii Only):** Funding Plan designed to meet all projected disbursement requirements as they occur over the projected 20 years while also maintaining a minimum percentage funded rate of 50%.
- **Executive Summary**
- **Reserve Funding Disclosure Summary** -California State Statute 1365.2.5 – Assessment and Reserve Funding Disclosure. 2. Reserve Analysis (California Only)

The purpose of this report is to provide information about the existing condition, life expectancy and estimated cost for maintenance and replacement of the physical elements that the Association is responsible for maintaining. This evaluation is designed to comply with all current state requirements.

A level-1 or 2 report is based on a diligent visual inspection of the reserve components and may rely on information supplied by the management company, Board of Directors, associated vendors, contractors and published replacement guides modified for local conditions related to reconstruction. A level-3 reserve study report does not include an on-site visual evaluation but is updated accordingly based on a previous years on-site evaluation.

Future-cost figures include an annual inflationary factor (see inflation rate), which should be updated and reincorporated into the reserve budget when deemed appropriate. Funding and disbursement projections presented have been computed with a Time Value of Money approach. An annual inflation rate and average interest rate were assumed. Inflation was applied to the projected disbursements, and interest to the ending cash balance values. A straight-line method of calculation was employed for both time value rates.

Adjustments to the component service lives and listed costs should be made whenever the rate of deterioration has changed or when there have been significant changes in the cost of materials and/or labor. Some assumptions have been made about costs, conditions, and future events and circumstances that may occur. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this report. Therefore, the actual replacement costs and remaining lives may vary from this report and the variations could be material.

It is imperative that these assets be reviewed annually to consider the impact of changing conditions. The findings in the following report are applicable as of the study's completion date, and those items, which are not expected to undergo major repair or replacement within a thirty-year time frame, have been defined as "life of the project" and may not be included. The report is to be used only for the purpose stated herein, any use or reliance for any other purpose is invalid.

The contents of the Reserve Study Report are based on estimates of the most probable reserve component replacement costs and remaining useful lives. Accordingly, the funding plans reflect consultant judgments based on circumstances at the time of inspection of the most likely costs, regular maintenance, service and remaining lives. The Association may elect to implement any of the funding plans presented, or may implement some variation developed from this information. An annual increase (based on listed inflation %) has been assumed in the funding plans provided (for future projections).

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



TERMS AND DEFINITIONS

Cash Flow Method: A method of developing a Reserve Funding Plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Component: The individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) association or cooperative responsibility, 2) with limited useful life expectancies, 3) predictable remaining useful life expectancies, 4) above a minimum threshold cost, and Reserve Analysis) as required by local codes.

Component Method: A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components. See "cash flow method."

Current Replacement Cost: The cost of replacing, repairing, or restoring a reserve component to its original functional condition. The current replacement cost would be the cost to replace, repair, or restore the component during that particular year.

Deficit: An actual (or projected) reserve balance less than the fully funded balance. The opposite would be a surplus.

Effective Age: The difference between useful life and remaining useful life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

Financial Analysis: The portion of a Reserve Study where current status of the reserves (measured as cash or percent funded) and a recommended reserve contribution rate (Reserve Funding Plan) are derived, and the projected reserve income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.

Fully Funded: 100% funded. When the actual (or projected) reserve balance is equal to the fully funded balance.

Full Funded Balance (FFB): Total accrued depreciation. An indicator against which actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life "used up" of the current repair or replacement cost. This number is calculated for each component, then summed together for an association total. $FFB = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$

Fund Status: The status of the reserve fund as compared to an established benchmark such as percent funding.

Funding Goals: Independent of methodology utilized, the following represent the basic categories of Funding Plan goals:

1. Baseline Funding: Establishing a reserve funding goal of keeping the reserve cash balance above zero.
2. Fully Funding: Setting a reserve funding goal of attaining and maintaining reserves at or near 100% funded.
3. Statutory Funding: Establishing a reserve funding goal of setting aside the specific minimum or regulatory amount of reserves required by local statutes or financing agencies.
4. Threshold Funding: Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold, this may be more or less conservative than "fully funding."

Funding Plan: An association or cooperative's plan to provide income to a reserve fund to offset anticipated expenditures from that fund.

Funding Principles: A) Sufficient funds when required; B) Fiscally responsible; C) Stable contribution rate.

Life and Valuation Estimates: The task of estimating useful life, remaining useful life, and repair or replacement costs for the reserve components.

Percent Funded: The ratio, at a particular point of 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 (RUL): Also referred to as "remaining life" (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Projects anticipated to occur in the initial year have "zero" remaining useful life.

Reserve Balance: Actual or projected funds as of a particular point in time that the association or cooperative has identified for use to defray the future repair or replacement of those major components which the association or cooperative is obligated to maintain. Also known as reserves, reserve accounts and cash reserves. Based upon information provided and not audited.

Reserve Provider: An individual that prepares Reserve Studies.

Special Assessment: An assessment levied on the members of an association or cooperative in addition to regular assessments. Governing documents or local statutes may regulate special assessments.

Surplus: An actual (or projected) reserve balance greater than the fully funded balance. See "Deficit."

Useful Life (UL): Total useful life or depreciable life. The estimated time, in years that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

Percentage Funded Report



The Glen of Pacific Grove
Pacific Grove, CA

Date: 26-Jun-2007
Units: 60
Fiscal Year End: 31-Aug-2007
Report Start Date: 1-Sep-2007

Percent Funded: 79 %

Component	Service Life (a)	Remaing Life (b)	Years in Service (c)	Current Replacement Cost (d)	Projected Reserve Balance (e)	Required Reserve Funding (f)	Projected Fully Funded Reserves (g)	Deficit/Surplus of Fully Funded Reserves (h)	Per Unit Deficit/Surplus of Fully Funded Reserves (i)
<u>Asphalt & Concrete Surfaces</u>									
Asphalt Overlay	35	5	30	\$60,335	\$40,831	\$1,724	\$51,716	\$(10,885)	\$(181.41)
Asphalt Reseal, Stripe & Repairs	4	4	0	\$7,490	\$0	\$1,873	\$0	\$0	\$0.00
<u>Fencing, Gates & Rails</u>									
Chain Link Fencing	20	15	5	\$4,582	\$904	\$229	\$1,146	\$(241)	\$(4.01)
Gate Entry System	20	9	11	\$5,305	\$2,304	\$265	\$2,918	\$(614)	\$(10.23)
Gate Operators	10	3	7	\$6,365	\$3,518	\$637	\$4,456	\$(937)	\$(15.62)
Vehicle Gates	30	8	22	\$10,609	\$6,142	\$354	\$7,780	\$(1,637)	\$(27.29)
W. I. Fencing	25	1	24	\$17,132	\$12,985	\$685	\$16,447	\$(3,461)	\$(57.69)
Wood Bridge	20	15	5	\$6,365	\$1,256	\$318	\$1,591	\$(335)	\$(5.59)
<u>Landscaping</u>									
Backflow Valves	15	12	3	\$3,607	\$570	\$240	\$721	\$(152)	\$(2.54)
Drain Channels	20	1	19	\$5,305	\$3,979	\$265	\$5,040	\$(1,061)	\$(17.68)
Timer Clocks (4)	15	15	0	\$1,833	\$0	\$122	\$0	\$0	\$0.00
<u>Lighting</u>									
Entry Way Fixtures	10	7	3	\$18,565	\$4,397	\$1,857	\$5,570	\$(1,172)	\$(19.53)
Post Mount Fixtures (Maint)	12	8	4	\$9,000	\$2,369	\$750	\$3,000	\$(631)	\$(10.52)
Underground Electrical (Maint) Partial	20	13	7	\$4,244	\$1,173	\$212	\$1,485	\$(313)	\$(5.22)
<u>Miscellaneous</u>									
Mailboxes	30	4	26	\$12,000	\$8,211	\$400	\$10,400	\$(2,189)	\$(36.48)
<u>Painting</u>									
Hardboard Siding & Window	5	3	2	\$169,744	\$53,607	\$33,949	\$67,898	\$(14,290)	\$(238.17)
<u>Roofing</u>									
Chimney Repairs	28	26	2	\$19,096	\$1,077	\$682	\$1,364	\$(287)	\$(4.78)
Comp Shingle Roofing -	30	1	29	\$366,011	\$279,342	\$12,200	\$353,811	\$(74,468)	\$(1,241.14)
Gutters & Downspouts - I	30	22	8	\$55,185	\$11,619	\$1,840	\$14,716	\$(3,097)	\$(51.62)
Gutters & Downspouts - II	30	0	30	\$27,593	\$21,785	\$920	\$27,593	\$(5,808)	\$(96.79)
<u>Tennis Courts</u>									
Courts - Resurface	7	2	5	\$3,713	\$2,094	\$530	\$2,652	\$(558)	\$(9.31)
<u>Water Features</u>									
Lake - Dredge	15	3	12	\$27,584	\$17,423	\$1,839	\$22,067	\$(4,645)	\$(77.41)

Percentage Funded Report



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Component	Service Life (a)	Remaing Life (b)	Years in Service (c)	Current Replacement Cost (d)	Projected Reserve Balance (e)	Required Reserve Funding (f)	Projected Fully Funded Reserves (g)	Deficit/Surplus of Fully Funded Reserves (h)	Per Unit Deficit/Surplus of Fully Funded Reserves (i)
Lake - Pump Motor	4	2	2	\$2,700	\$1,066	\$675	\$1,350	\$(284)	\$(4.74)
Lake - Valve	12	12	0	\$3,136	\$0	\$261	\$0	\$0	\$0.00

Percentage Funded Report



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Pacific Grove, CA

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Percent Funded: 79 %

	Current Replacement Cost (d)	Projected Reserve Balance (e)	Required Reserve Funding (f)	Projected Fully Funded Reserves (g)	Surplus/Deficit of Fully Funded Reserves (h)	Per Unit Deficit/Surplus of Fully Funded Reserves (i)
Totals	\$847,497	\$476,651	\$62,827	\$603,719	\$(127,066)	\$(2,117.77)

PERCENTAGE FUNDED & DEFINITIONS

Based on the estimated total current replacement cost of \$847,497 and estimated service lives and remaining useful lives for the individual reserve components, the annual (day 1) reserve funding for the The Glen of Pacific Grove is \$62,827 and the Fully Funded Reserve as of fiscal year-end 31-Aug-2007 is \$603,719. As of this date, the Association has projected \$476,651 to be in savings available for reserves. This will be a deficit of \$127,066 under the Fully Funded Reserve. Based on these numbers, the The Glen of Pacific Grove will be 79% funded as of 31-Aug-2007.

This percent funded value presented in the data summary sheet is calculated by dividing the current (or projected) cash reserve savings by the Fully Funded reserve amount.

DEFINITION OF TERMS

(For Percentage Funded Page Calculations)

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

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

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

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

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

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

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

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

Column i - Per Unit Deficit/Surplus of Fully Funded Reserves (I): The per unit breakdown of the shortage or surplus of reserve funding with respect to the Fully Funded Reserve. Calculated by dividing the current Deficit/Surplus of the Fully Funded Reserve by the number of units.

Disbursement Report



The Glen of Pacific Grove
Pacific Grove, CA

Date: 26-Jun-2007
Units: 60
Fiscal Year End: 31-Aug-2007
Report Start Date: 1-Sep-2007

Category	Component	Service Life	Replacement Cost	Projected Cost
2007				
Roofing	Gutters & Downspouts - II	30	\$27,593	\$27,593
			Total for 2007:	\$27,593
2008				
Fencing, Gates & Rails	W. I. Fencing	25	\$17,132	\$17,646
Landscaping	Drain Channels	20	\$5,305	\$5,464
Roofing	Comp Shingle Roofing - Units/Gar	30	\$366,011	\$376,991
			Total for 2008:	\$400,100
2009				
Tennis Courts	Courts - Resurface	7	\$3,713	\$3,939
Water Features	Lake - Pump Motor	4	\$2,700	\$2,864
			Total for 2009:	\$6,804
2010				
Fencing, Gates & Rails	Gate Operators	10	\$6,365	\$6,956
Painting	Hardboard Siding & Window Trims	5	\$169,744	\$185,484
Water Features	Lake - Dredge	15	\$27,584	\$30,142
			Total for 2010:	\$222,581
2011				
Asphalt & Concrete Surfaces	Asphalt Reseal, Stripe & Repairs	4	\$7,490	\$8,430
Miscellaneous	Mailboxes	30	\$12,000	\$13,506
			Total for 2011:	\$21,936
2012				
Asphalt & Concrete Surfaces	Asphalt Overlay	35	\$60,335	\$69,944
			Total for 2012:	\$69,944
2013				
Water Features	Lake - Pump Motor	4	\$2,700	\$3,224
			Total for 2013:	\$3,224
2014				
Lighting	Entry Way Fixtures	10	\$18,565	\$22,833
			Total for 2014:	\$22,833
2015				
Asphalt & Concrete Surfaces	Asphalt Reseal, Stripe & Repairs	4	\$7,490	\$9,488
Fencing, Gates & Rails	Vehicle Gates	30	\$10,609	\$13,439
Lighting	Post Mount Fixtures (Maint) Partial	12	\$9,000	\$11,401
Painting	Hardboard Siding & Window Trims	5	\$169,744	\$215,027
			Total for 2015:	\$249,355
2016				
Fencing, Gates & Rails	Gate Entry System	20	\$5,305	\$6,921
Tennis Courts	Courts - Resurface	7	\$3,713	\$4,845
			Total for 2016:	\$11,766
2017				

Disbursement Report



The Glen of Pacific Grove
Pacific Grove, CA

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Category	Component	Service Life	Replacement Cost	Projected Cost
Water Features	Lake - Pump Motor	4	\$2,700	\$3,629
			Total for 2017:	\$3,629
2018				
			Total for 2018:	\$0
2019				
Asphalt & Concrete Surfaces	Asphalt Reseal, Stripe & Repairs	4	\$7,490	\$10,679
Landscaping	Backflow Valves	15	\$3,607	\$5,143
Water Features	Lake - Valve	12	\$3,136	\$4,471
			Total for 2019:	\$20,293
2020				
Fencing, Gates & Rails	Gate Operators	10	\$6,365	\$9,348
Lighting	Underground Electrical (Maint) Partial	20	\$4,244	\$6,232
Painting	Hardboard Siding & Window Trims	5	\$169,744	\$249,275
			Total for 2020:	\$264,854
2021				
Water Features	Lake - Pump Motor	4	\$2,700	\$4,084
			Total for 2021:	\$4,084
2022				
Fencing, Gates & Rails	Chain Link Fencing	20	\$4,582	\$7,138
Fencing, Gates & Rails	Wood Bridge	20	\$6,365	\$9,917
Landscaping	Timer Clocks (4)	15	\$1,833	\$2,856
			Total for 2022:	\$19,911
2023				
Asphalt & Concrete Surfaces	Asphalt Reseal, Stripe & Repairs	4	\$7,490	\$12,019
Tennis Courts	Courts - Resurface	7	\$3,713	\$5,959
			Total for 2023:	\$17,977
2024				
Lighting	Entry Way Fixtures	10	\$18,565	\$30,686
			Total for 2024:	\$30,686
2025				
Painting	Hardboard Siding & Window Trims	5	\$169,744	\$288,978
Water Features	Lake - Dredge	15	\$27,584	\$46,960
Water Features	Lake - Pump Motor	4	\$2,700	\$4,597
			Total for 2025:	\$340,534
2026				
			Total for 2026:	\$0
2027				
Asphalt & Concrete Surfaces	Asphalt Reseal, Stripe & Repairs	4	\$7,490	\$13,527
Lighting	Post Mount Fixtures (Maint) Partial	12	\$9,000	\$16,255
			Total for 2027:	\$29,782
2028				

Disbursement Report



The Glen of Pacific Grove
Pacific Grove, CA

Date: 26-Jun-2007
Units: 60
Fiscal Year End: 31-Aug-2007
Report Start Date: 1-Sep-2007

Category	Component	Service Life	Replacement Cost	Projected Cost
Landscaping	Drain Channels	20	\$5,305	\$9,868
			Total for 2028:	\$9,868
2029				
Roofing	Gutters & Downspouts - I	30	\$55,185	\$105,740
Water Features	Lake - Pump Motor	4	\$2,700	\$5,173
			Total for 2029:	\$110,914
2030				
Fencing, Gates & Rails	Gate Operators	10	\$6,365	\$12,563
Painting	Hardboard Siding & Window Trims	5	\$169,744	\$335,004
Tennis Courts	Courts - Resurface	7	\$3,713	\$7,328
			Total for 2030:	\$354,895
2031				
Asphalt & Concrete Surfaces	Asphalt Reseal, Stripe & Repairs	4	\$7,490	\$15,225
Water Features	Lake - Valve	12	\$3,136	\$6,375
			Total for 2031:	\$21,600
2032				
			Total for 2032:	\$0
2033				
Fencing, Gates & Rails	W. I. Fencing	25	\$17,132	\$36,946
Roofing	Chimney Repairs	28	\$19,096	\$41,183
Water Features	Lake - Pump Motor	4	\$2,700	\$5,823
			Total for 2033:	\$83,952
2034				
Landscaping	Backflow Valves	15	\$3,607	\$8,012
Lighting	Entry Way Fixtures	10	\$18,565	\$41,239
			Total for 2034:	\$49,251
2035				
Asphalt & Concrete Surfaces	Asphalt Reseal, Stripe & Repairs	4	\$7,490	\$17,136
Painting	Hardboard Siding & Window Trims	5	\$169,744	\$388,362
			Total for 2035:	\$405,498
2036				
Fencing, Gates & Rails	Gate Entry System	20	\$5,305	\$12,500
			Total for 2036:	\$12,500

Current Funding Report



The Glen of Pacific Grove
Pacific Grove, CA

Date: 26-Jun-2007
Units: 60
Fiscal Year End: 31-Aug-2007
Report Start Date: 1-Sep-2007

Current Funding: This option projects the Reserve Fund over the next 30 years based on a funding level equal to the Association's current assessments for reserve assets. If continued, this option should be reviewed annually and adjusted accordingly to ensure all future funding requirements will be met.

Year	Current Funding	Monthly Fee per Unit	Beginning Cash	Annual Interest	Reserve Funds	Disbursements	Year End Balance	Fully Funded Reserves	Projected % Funded (Y/E)
2007	\$101,650	\$141.18	\$476,651	\$20,547	\$598,848	\$27,593	\$571,255	\$658,120	87%
2008	\$104,699	\$145.42	\$571,255	\$16,942	\$692,896	\$400,101	\$292,795	\$332,414	88%
2009	\$107,840	\$149.78	\$292,795	\$13,733	\$414,368	\$6,803	\$407,565	\$404,031	101%
2010	\$111,073	\$154.27	\$407,565	\$14,072	\$532,710	\$222,582	\$310,128	\$257,606	120%
2011	\$114,407	\$158.90	\$310,128	\$14,255	\$438,789	\$21,936	\$416,853	\$315,574	132%
2012	\$117,843	\$163.67	\$416,853	\$17,632	\$552,328	\$69,944	\$482,384	\$328,017	147%
2013	\$121,380	\$168.58	\$482,384	\$21,658	\$625,423	\$3,224	\$622,199	\$411,807	151%
2014	\$125,019	\$173.64	\$622,199	\$26,932	\$774,150	\$22,833	\$751,317	\$480,230	156%
2015	\$128,770	\$178.85	\$751,317	\$27,641	\$907,728	\$249,355	\$658,373	\$319,777	206%
2016	\$132,633	\$184.21	\$658,373	\$28,752	\$819,758	\$11,766	\$807,992	\$401,686	201%
2017	\$136,607	\$189.73	\$807,992	\$34,979	\$979,578	\$3,629	\$975,949	\$496,966	196%
2018	\$140,704	\$195.42	\$975,949	\$41,852	\$1,158,505	\$0	\$1,158,505	\$601,451	193%
2019	\$144,932	\$201.29	\$1,158,505	\$48,833	\$1,352,270	\$20,293	\$1,331,977	\$690,857	193%
2020	\$149,273	\$207.32	\$1,331,977	\$50,967	\$1,532,217	\$264,855	\$1,267,362	\$533,814	237%
2021	\$153,755	\$213.55	\$1,267,362	\$53,688	\$1,474,805	\$4,084	\$1,470,721	\$643,505	229%
2022	\$158,370	\$219.96	\$1,470,721	\$61,598	\$1,690,689	\$19,911	\$1,670,778	\$743,120	225%
2023	\$163,117	\$226.55	\$1,670,778	\$69,734	\$1,903,629	\$17,978	\$1,885,651	\$850,741	222%
2024	\$168,007	\$233.34	\$1,885,651	\$78,172	\$2,131,830	\$30,686	\$2,101,144	\$951,615	221%
2025	\$173,049	\$240.35	\$2,101,144	\$80,696	\$2,354,889	\$340,535	\$2,014,354	\$739,581	272%
2026	\$178,243	\$247.56	\$2,014,354	\$84,139	\$2,276,736	\$0	\$2,276,736	\$875,241	260%
2027	\$183,590	\$254.99	\$2,276,736	\$94,146	\$2,554,471	\$29,782	\$2,524,689	\$987,700	256%
2028	\$189,099	\$262.64	\$2,524,689	\$104,572	\$2,818,360	\$9,868	\$2,808,492	\$1,127,550	249%
2029	\$194,771	\$270.52	\$2,808,492	\$114,017	\$3,117,280	\$110,913	\$3,006,367	\$1,171,130	257%
2030	\$200,616	\$278.63	\$3,006,367	\$117,169	\$3,324,152	\$354,895	\$2,969,257	\$968,436	307%
2031	\$206,634	\$286.99	\$2,969,257	\$122,471	\$3,298,362	\$21,600	\$3,276,762	\$1,106,787	296%
2032	\$212,834	\$295.60	\$3,276,762	\$135,327	\$3,624,924	\$0	\$3,624,924	\$1,275,483	284%
2033	\$219,218	\$304.47	\$3,624,924	\$147,702	\$3,991,844	\$83,952	\$3,907,892	\$1,366,834	286%
2034	\$225,795	\$313.60	\$3,907,892	\$159,847	\$4,293,533	\$49,251	\$4,244,282	\$1,500,854	283%
2035	\$232,565	\$323.01	\$4,244,282	\$166,313	\$4,643,159	\$405,498	\$4,237,661	\$1,276,273	332%
2036	\$239,548	\$332.71	\$4,237,661	\$174,047	\$4,651,256	\$12,500	\$4,638,756	\$1,454,183	319%

100% Funded in 5 years



The Glen of Pacific Grove

Pacific Grove, CA

Date: 26-Jun-2007

Units: 60

Fiscal Year End: 31-Aug-2007

Report Start Date: 1-Sep-2007

100 Funding (5 Year Plan): This plan projects the Annual Funding for the Fully Funded Reserve, and is a method designed to reduce the current deficit and meet the fully funded (100%) level within 5 years. This amount will decrease as the deficit is funded (i.e. the association reaches full funding - note year 6). This funding plan is considered the ideal, compensating for any past funding deficiencies, and providing the full replacement cost of each component at the end of its projected useful life. Following year 6 the percentage funded amounts may exceed the 100% level. It is assumed that adjustments will be made to the funding amount at that time to avoid excessive funding.

Year	Annual Funding Amount	Average Monthly Fee Per Unit	Beginning Cash	Annual Interest	Reserve Funds	Annual Disbursements	End Balance	Fully Funded Reserves	Projected % Funded Year End
2007	\$84,080	\$116.78	\$476,651	\$20,196	\$580,927	\$27,593	\$553,334	\$658,120	84%
2008	\$86,602	\$120.28	\$553,334	\$15,863	\$655,800	\$400,101	\$255,699	\$332,414	77%
2009	\$89,200	\$123.89	\$255,699	\$11,876	\$356,775	\$6,803	\$349,972	\$404,031	87%
2010	\$91,876	\$127.61	\$349,972	\$11,385	\$453,233	\$222,582	\$230,651	\$257,606	90%
2011	\$94,633	\$131.43	\$230,651	\$10,680	\$335,964	\$21,936	\$314,028	\$315,574	100%
2012	\$75,019	\$104.19	\$314,028	\$12,663	\$401,709	\$69,944	\$331,765	\$328,017	101%
2013	\$77,269	\$107.32	\$331,765	\$14,752	\$423,786	\$3,224	\$420,562	\$411,807	102%
2014	\$79,587	\$110.54	\$420,562	\$17,958	\$518,107	\$22,833	\$495,274	\$480,230	103%
2015	\$81,975	\$113.85	\$495,274	\$16,463	\$593,712	\$249,355	\$344,357	\$319,777	108%
2016	\$84,434	\$117.27	\$344,357	\$15,228	\$444,019	\$11,766	\$432,253	\$401,686	108%
2017	\$86,967	\$120.79	\$432,253	\$18,957	\$538,177	\$3,629	\$534,548	\$496,966	108%
2018	\$89,576	\$124.41	\$534,548	\$23,173	\$647,298	\$0	\$647,298	\$601,451	108%
2019	\$92,264	\$128.14	\$647,298	\$27,331	\$766,893	\$20,293	\$746,600	\$690,857	108%
2020	\$95,032	\$131.99	\$746,600	\$26,468	\$868,099	\$264,855	\$603,244	\$533,814	113%
2021	\$97,883	\$135.95	\$603,244	\$26,006	\$727,132	\$4,084	\$723,048	\$643,505	112%
2022	\$100,819	\$140.03	\$723,048	\$30,540	\$854,407	\$19,911	\$834,496	\$743,120	112%
2023	\$103,844	\$144.23	\$834,496	\$35,097	\$973,437	\$17,978	\$955,459	\$850,741	112%
2024	\$106,959	\$148.55	\$955,459	\$39,744	\$1,102,162	\$30,686	\$1,071,476	\$951,615	113%
2025	\$110,168	\$153.01	\$1,071,476	\$38,252	\$1,219,895	\$340,535	\$879,360	\$739,581	119%
2026	\$113,473	\$157.60	\$879,360	\$37,444	\$1,030,277	\$0	\$1,030,277	\$875,241	118%
2027	\$116,877	\$162.33	\$1,030,277	\$42,953	\$1,190,107	\$29,782	\$1,160,325	\$987,700	117%
2028	\$120,383	\$167.20	\$1,160,325	\$48,623	\$1,329,331	\$9,868	\$1,319,463	\$1,127,550	117%
2029	\$123,995	\$172.21	\$1,319,463	\$53,040	\$1,496,498	\$110,913	\$1,385,585	\$1,171,130	118%
2030	\$127,714	\$177.38	\$1,385,585	\$50,880	\$1,564,179	\$354,895	\$1,209,284	\$968,436	125%
2031	\$131,546	\$182.70	\$1,209,284	\$50,570	\$1,391,400	\$21,600	\$1,369,800	\$1,106,787	124%
2032	\$135,492	\$188.18	\$1,369,800	\$57,502	\$1,562,794	\$0	\$1,562,794	\$1,275,483	123%
2033	\$139,557	\$193.83	\$1,562,794	\$63,624	\$1,765,975	\$83,952	\$1,682,023	\$1,366,834	123%
2034	\$143,744	\$199.64	\$1,682,023	\$69,171	\$1,894,938	\$49,251	\$1,845,687	\$1,500,854	123%
2035	\$148,056	\$205.63	\$1,845,687	\$68,679	\$2,062,422	\$405,498	\$1,656,924	\$1,276,273	130%
2036	\$152,498	\$211.80	\$1,656,924	\$69,077	\$1,878,499	\$12,500	\$1,865,999	\$1,454,183	128%

Threshold Funding



The Glen of Pacific Grove
Pacific Grove, CA

Date: 26-Jun-2007
Units: 60
Fiscal Year End: 31-Aug-2007
Report Start Date: 1-Sep-2007

Threshold Funding: This plan projects the lowest annual funding feasible over the next 30 years which will meet all reserve requirements as they occur. This funding requirement is calculated in which a minimum annual contribution is sought with the constraint that the ending reserve balance for each year (1 through 30) must be greater than or equal to five percent (5%) of the current replacement cost. The threshold amount is calculated and rounded up in increments of \$5,000. The calculation takes into consideration only the immediate total annual requirements, as opposed to projected percentage funded requirements. Due to this fact, annual allocations may fluctuate widely from year to year. This plan provides a minimal contingency for unanticipated emergency expenditures. If implemented, funding and required disbursements should be reviewed on an annual basis and adjusted as required to ensure current and future funding requirements will be met.

Threshold: \$45,000

Year	Annual Funding Amount	Average Monthly Fee Per Unit	Beginning Cash	Annual Interest	Reserve Funds	Annual Disbursements	End Balance (Min \$45,000)	Fully Funded Reserves	Projected % Funded (YE)
2007	\$51,000	\$70.83	\$476,651	\$19,534	\$547,185	\$27,593	\$519,592	\$658,120	79%
2008	\$52,530	\$72.96	\$519,592	\$13,832	\$585,954	\$400,101	\$185,853	\$332,414	56%
2009	\$54,106	\$75.15	\$185,853	\$8,380	\$248,339	\$6,803	\$241,536	\$404,031	60%
2010	\$55,729	\$77.40	\$241,536	\$6,324	\$303,589	\$222,582	\$81,007	\$257,606	31%
2011	\$57,401	\$79.72	\$81,007	\$3,950	\$142,358	\$21,936	\$120,422	\$315,574	38%
2012	\$59,123	\$82.12	\$120,422	\$4,600	\$184,145	\$69,944	\$114,201	\$328,017	35%
2013	\$60,897	\$84.58	\$114,201	\$5,721	\$180,819	\$3,224	\$177,595	\$411,807	43%
2014	\$62,724	\$87.12	\$177,595	\$7,902	\$248,220	\$22,833	\$225,387	\$480,230	47%
2015	\$64,605	\$89.73	\$225,387	\$5,320	\$295,313	\$249,355	\$45,958	\$319,777	14%
2016	\$60,100	\$83.47	\$45,958	\$2,805	\$108,863	\$11,766	\$97,097	\$401,686	24%
2017	\$61,903	\$85.98	\$97,097	\$5,049	\$164,049	\$3,629	\$160,420	\$496,966	32%
2018	\$63,760	\$88.56	\$160,420	\$7,692	\$231,872	\$0	\$231,872	\$601,451	39%
2019	\$65,673	\$91.21	\$231,872	\$10,182	\$307,727	\$20,293	\$287,434	\$690,857	42%
2020	\$67,643	\$93.95	\$287,434	\$7,553	\$362,630	\$264,855	\$97,775	\$533,814	18%
2021	\$69,672	\$96.77	\$97,775	\$5,223	\$172,670	\$4,084	\$168,586	\$643,505	26%
2022	\$71,763	\$99.67	\$168,586	\$7,780	\$248,129	\$19,911	\$228,218	\$743,120	31%
2023	\$73,915	\$102.66	\$228,218	\$10,247	\$312,381	\$17,978	\$294,403	\$850,741	35%
2024	\$76,133	\$105.74	\$294,403	\$12,685	\$383,221	\$30,686	\$352,535	\$951,615	37%
2025	\$78,417	\$108.91	\$352,535	\$8,859	\$439,811	\$340,535	\$99,276	\$739,581	13%
2026	\$80,769	\$112.18	\$99,276	\$5,586	\$185,632	\$0	\$185,632	\$875,241	21%
2027	\$83,192	\$115.55	\$185,632	\$8,493	\$277,318	\$29,782	\$247,536	\$987,700	25%
2028	\$85,688	\$119.01	\$247,536	\$11,418	\$344,642	\$9,868	\$334,774	\$1,127,550	30%
2029	\$88,259	\$122.58	\$334,774	\$12,938	\$435,971	\$110,913	\$325,058	\$1,171,130	28%
2030	\$90,907	\$126.26	\$325,058	\$7,723	\$423,687	\$354,895	\$68,792	\$968,436	7%
2031	\$93,634	\$130.05	\$68,792	\$4,192	\$166,618	\$21,600	\$145,018	\$1,106,787	13%
2032	\$96,443	\$133.95	\$145,018	\$7,730	\$249,190	\$0	\$249,190	\$1,275,483	20%
2033	\$99,336	\$137.97	\$249,190	\$10,275	\$358,801	\$83,952	\$274,849	\$1,366,834	20%
2034	\$102,316	\$142.11	\$274,849	\$12,055	\$389,220	\$49,251	\$339,969	\$1,500,854	23%
2035	\$105,386	\$146.37	\$339,969	\$7,597	\$452,951	\$405,498	\$47,453	\$1,276,273	4%
2036	\$108,547	\$150.76	\$47,453	\$3,819	\$159,819	\$12,500	\$147,319	\$1,454,183	10%

Executive Summary



The Glen of Pacific Grove
Pacific Grove, CA

Date: 26-Jun-2007
Units: 60
Fiscal Year End: 31-Aug-2007
Report Start Date: 1-Sep-2007

For Homeowner Distribution

Number of Units: 60
Budget Year Start: September 1, 2007
Budget Year End: August 31, 2008
Location: Pacific Grove, CA

As of August 31, 2007

Projected Reserve Fund Balance: \$476,651
Projected Fully Funded Reserve: \$603,719
Deficit Below Fully Funded Reserve: \$(127,068) or \$(2,117.80) Per unit
Percentage Funded: 79 %
Current Replacement Cost: \$847,497

Current Funding - Five Year Summary

	<u>Allocation</u>	<u>Per Unit Per Month</u>	<u>Disbursements</u>	<u>Fully Funded \$</u>	<u>Percentage</u>
Year 1	\$101,650	\$141.18	\$27,593	\$658,120	87%
Year 2	\$104,699	\$145.42	\$400,101	\$332,414	88%
Year 3	\$107,840	\$149.78	\$6,803	\$404,031	101%
Year 4	\$111,073	\$154.27	\$222,582	\$257,606	120%
Year 5	\$114,407	\$158.90	\$21,936	\$315,574	132%



The Glen of Pacific Grove
Pacific Grove, CA

Date: 26-Jun-2007
Units: 60
Fiscal Year End: 31-Aug-2007
Report Start Date: 1-Sep-2007

RESERVE COMPONENT WORKSHEET DEFINITIONS:

Component: Identifies the item to be included for reserve funding.

Service Life: The estimated total life of a reserve component using published information and professional experience. For components in which the useful life should equal that of the project, no life expectancy has been projected (i.e. plumbing, framing, etc...)

Remaining Life: An estimate of expected remaining longevity of that component based on information provided, maintenance, visual inspection, and assumptions of probability.

Cost Per Unit: Projects anticipated to occur in the initial year have "zero" remaining useful life. The approximate amount of money it will take to replace the reserve component, per the measurement it is defined by (i.e. sf = Square Foot).

Approximate Quantity: The approximate total amount of the reserve component as it has been defined under Cost Per Unit.

Current Replacement Cost: This indicates the approximate cost of replacing the reserve component at the present time.

Future Cost: This indicates the estimated expenditure by the Association when the component is in need of repair or replacement. The future cost has been calculated on a 3.00% yearly inflation factor. It is assumed that any repairs or replacement of any reserve component below \$1,000 in any given year will be replaced from the operating account.

Source Code: The means by which the information for the reserve component has been obtained. Source is as follows:

- 1 - Awaiting Additional Information.
- 2 - Bid.
- 3 - Board Member.
- 4 - Contract.
- 5 - DRE Budget.
- 6 - Inspector.
- 7 - Management.
- 8 - On File.
- 9 - Previous Study.
- 10 - Special Assessment.
- 11 - Vendor.

Percentage Funded and Parameters

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

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

Assumed Annual Inflation Rate:

Assumed Average Interest Rate:

Component Report



The Glen of Pacific Grove
Pacific Grove, CA

Date: 26-Jun-2007
Units: 60
Fiscal Year End: 31-Aug-2007
Report Start Date: 1-Sep-2007

Current Replacement Cost Total: \$847,497

Component	Service Life	Remaining Life	Cost Per Unit	Approx Qty	Current Replace Cost	Future Cost	Source
Asphalt & Concrete Surfaces							
Asphalt Overlay	35	5	\$1.45 / Square Feet (SF)	41,610	\$60,335	\$69,944	Previous Study
Asphalt Reseal, Stripe & Repairs	4	4	\$0.18 / Square Feet (SF)	41,610	\$7,490	\$8,430	Management
					\$67,824	\$78,374	
Fencing, Gates & Rails							
Chain Link Fencing	20	15	\$16.97 / Linear Feet (LF)	270	\$4,582	\$7,138	Previous Study
Gate Entry System	20	9	\$5,304.50 / Each (EA)	1	\$5,305	\$6,921	Previous Study
Gate Operators	10	3	\$3,182.70 / Each (EA)	2	\$6,365	\$6,956	Previous Study
Lattice Fencing Repairs	<i>Maintenance / Operating</i>						
Vehicle Gates	30	8	\$5,304.50 / Each (EA)	2	\$10,609	\$13,439	Previous Study
W. I. Fencing	25	1	\$40.31 / Linear Feet (LF)	425	\$17,132	\$17,646	Previous Study
Wood Bridge	20	15	\$6,365.40 / Lump Sum (LS)	1	\$6,365	\$9,917	Previous Study
					\$50,358	\$62,017	
Landscaping							
Backflow Valves	15	12	\$901.76 / Each (EA)	4	\$3,607	\$5,143	Previous Study
Control Valves	<i>Maintenance / Operating</i>						
Drain Channels	20	1	\$5,304.50 / Lump Sum (LS)	1	\$5,305	\$5,464	Previous Study
Timer Clocks (4)	15	15	\$1,833.00 / Lump Sum (LS)	1	\$1,833	\$2,856	Management
					\$10,745	\$13,462	
Lighting							
Entry Way Fixtures	10	7	\$132.61 / Each (EA)	140	\$18,565	\$22,833	Previous Study
Post Mount Fixtures (Maint) Partial	12	8	\$9,000.00 / Lump Sum (LS)	1	\$9,000	\$11,401	Board of Directors
Underground Electrical (Maint) Partial	20	13	\$4,243.60 / Lump Sum (LS)	1	\$4,244	\$6,232	Previous Study
					\$31,809	\$40,466	
Miscellaneous							
Mailboxes	30	4	\$3,000.00 / Each (EA)	4	\$12,000	\$13,506	Board of Directors
Mailboxes Enclosures	<i>Maintenance / Operating</i>						
					\$12,000	\$13,506	
Painting							
Hardboard Siding & Window Trims	5	3	\$169,744.00 / Lump Sum (LS)	1	\$169,744	\$185,484	Previous Study
Tennis Deck - Paint	<i>Maintenance / Operating</i>						
W.I. Fencing	<i>Maintenance / Operating</i>						
Wood Bridge	<i>Maintenance / Operating</i>						
					\$169,744	\$185,484	
Roofing							

Component Report



The Glen of Pacific Grove
Pacific Grove, CA

Date: 26-Jun-2007
Units: 60
Fiscal Year End: 31-Aug-2007
Report Start Date: 1-Sep-2007

Current Replacement Cost Total: \$847,497

Component	Service Life	Remaing Life	Cost Per Unit	Approx Qty	Current Replace Cost	Future Cost	Source
<u>Roofing</u>							
Chimney Repairs	28	26	\$318.27 / Each (EA)	60	\$19,096	\$41,183	Previous Study
Comp Shingle Roofing - Units/Gar	30	1	\$366,010.50 / Lump Sum (LS)	1	\$366,011	\$376,991	Previous Study
Gutters & Downspouts - I	30	22	\$8.49 / Linear Feet (LF)	6,500	\$55,185	\$105,740	Previous Study
Gutters & Downspouts - II	30	0	\$8.49 / Linear Feet (LF)	3,250	\$27,593	\$27,593	Previous Study
					\$467,884	\$551,506	
<u>Tennis Courts</u>							
Courts - Resurface	7	2	\$3,713.15 / Lump Sum (LS)	1	\$3,713	\$3,939	Previous Study
Deck - Replace	<i>Maintenance / Operating</i>						
Tennis Nets	<i>Maintenance / Operating</i>						
					\$3,713	\$3,939	
<u>Water Features</u>							
Lake - Dredge	15	3	\$27,584.00 / Lump Sum (LS)	1	\$27,584	\$30,142	Board of Directors
Lake - Pump Motor	4	2	\$2,700.00 / Lump Sum (LS)	1	\$2,700	\$2,864	Board of Directors
Lake - Valve	12	12	\$3,136.00 / Lump Sum (LS)	1	\$3,136	\$4,471	Management
					\$33,420	\$37,477	



The Glen of Pacific Grove
Pacific Grove, CA

Date: 26-Jun-2007
Units: 60
Fiscal Year End: 31-Aug-2007
Report Start Date: 1-Sep-2007

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