

RESERVE STUDY DRAFT

for

The Glen of Pacific Grove

HOMEOWNERS ASSOCIATION

Date Prepared: 06/13/00 *for Fiscal Year 2000-2001*

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Reserve Study

This report documents the results of a reserve study performed by John D. Beatty & Company for The Glen of Pacific Grove Homeowners Association in Pacific Grove. It provides an analysis of the repair and replacement requirements for the association's major components and recommends a funding plan to meet those obligations. This study was performed in compliance with California Civil Code sections 1365 and 1365.5. The intent of this legislation is to insure that associations maintain a plan to meet all future obligations for major component maintenance. The essential elements of this legislation are:

1. Identification of the major components which the association is obligated to maintain
2. Current estimate of the useful life of each component
3. Current estimate of the remaining life of each component
4. Current estimate of the replacement cost of each component
5. Current estimate of the total annual contribution necessary to maintain the major components
6. Current estimate of the amount of cash reserves necessary to maintain the major components
7. Disclosure of the current amount of accumulated cash reserves actually funded
8. Disclosure of the percentage of reserves actually funded
9. Disclosure of any determined or anticipated special assessments
10. A general statement of methodology

SCOPE

This study is aligned with the association's fiscal year and establishes July 1, 2000 through June 30, 2030 as the period of time for which reserve expenditures and reserve fund balances are projected.

METHODOLOGY

A cash flow methodology was used to determine the annual reserve contribution. The underlying premise of this reserve funding approach is to establish a contribution level that will allow the association to maintain a positive balance in the reserve fund while meeting all anticipated maintenance obligations. The cash flow method allows the association to achieve this goal without the unnecessary overfunding of reserves. Also, as the interest earned on the reserve fund will not totally offset inflation, projections were made using the current inflation factor and an average interest rate on fully insured certificates of deposit.

In preparing this study, a comprehensive list of major components was developed and information was compiled on the type, number, age and cost of each of these components. In gathering this data, certain assumptions were 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. All life expectancies were based on reasonable industry experience for equipment and material and, unless specifically noted, all components were in a reasonable and ordinary condition.

This study was limited to a visual inspection of the property and as such did not disturb the major components. Therefore, all common areas for which there is no access without defacement are specifically omitted. However, if sufficient historical data were available that would allow a reasonable projection of future expenditures for any unobservable components e.g., plumbing or electrical wiring, those components could be included in this report.

Since no destructive testing was undertaken, this study does not purport to address any latent and/or patent defects, nor does it address any life expectancies that are abnormally short due to either improper design or installation, or to subsequent improper maintenance. It is assumed that all components are to be reasonably maintained for the remainder of their life expectancy.

For a component to be included in this study, the following criteria must be met:

1. The maintenance of the component is the responsibility of the association;
2. The maintenance of the component is not included in the annual operating budget;
3. The estimated useful life of the component is greater than one year; and
4. The estimated remaining life of the component is less than 30 years.

This study is intended to reflect the estimated replacement cost of the components and is not intended to project the actual cost of the work when performed. This limitation is necessary, as it is virtually impossible to predict with any degree of certainty the myriad factors that will impact costs at a future date. Because of this qualification, it is necessary for the results of this study to be reviewed annually to reflect any meaningful changes in use or significant increases in labor and/or materials costs.

The funding for this study has a threshold margin of 10%. This means that the projected ending balance for each fiscal year is at least 10% of the projected expenditures for the same year. This margin provides for any unforeseen or out of the ordinary repair or replacement expense. Additionally, it can be used in subsequent years as a source of funds for reallocation of the life cycles should the aging of any components be abnormally accelerated.

FINDINGS

The findings of this study indicate the adjustments necessary, if any, to the annual reserve contribution as shown on pages 9, 10 and 11 of this report in order to meet projected expenditures and keep pace with inflation. For fiscal year 2000-2001 an increase of 16.4% is necessary in the reserve contribution. This results in an increase of 4.6% in the overall assessment for that year. These findings are based upon the following:

1. Projected reserve fund balance as of July 1, 2000 \$75,709
2. Reserve contribution for fiscal year 1999-2000..... \$44,179
3. Reserve contribution for fiscal year 2000-2001 \$51,425
4. Assumed annual inflation rate 3%
5. All "after tax" interest earned on reserve fund investments will be retained in the reserve fund.

DISCLOSURES

This plan provides adequate funds to meet projected expenditures without relying on special assessments or increases in regular assessments that require a vote of the membership. Based on the assumption that the association will fund reserves in accordance with this plan, which includes those adjustments indicated above, the percent funded was calculated in the following manner:

Accumulated Cash Reserves (Numerator)

Projected reserve fund balance as of July 1, 2000 \$75,709

Accrued Liability (Denominator)

(Refer to page 15 of this report)

Estimate of the amount of cash necessary to repair, replace, restore
or maintain the association's major components as of July 1, 2000 \$437,498

Percent Funded.....

17%

Projected Expenditures

RESERVE COMPONENTS	Current Repair/Replace Cost	Estimated Usfl Life	Estimated Rmng Life	Fiscal Year		(1) 2001	(2) 2002	(3) 2003	(4) 2004	(5) 2005	(6) 2006	(7) 2007	(8) 2008	(9) 2009	(10) 2010
				Jul 1	Jun 30										
RESERVE COMPONENTS															
Assumed Annual Inflation Rate.....	3.0%														
BUILDING EXTERIORS:															
1 - Garage Doors Replace	54,000	20	9											68,406	
2 - Hardboard Siding Paint	65,842	5	4						71,947					83,406	
3 - Hardboard Siding Repair/Replac	24,581	20	4						26,860						
4 - Wood Trim Repair/Replace	23,007	20	1			23,007									
FENCING/WALLS:															
5 - Maail Box Kiosk Paint/Repair	400	5	3					424							
6 - Metal Picket Paint	1,168	5	3					1,239				492			
7 - Metal Picket Repair	876	15	3					929				1,436			
8 - Wood Deck Paint	319	20	5						359						
9 - Wood Deck Repair	4,200	20	5						4,727						
10 - Wood Fence Paint	2,604	5	4												
11 - Wood Fence Replace	15,624	20	5						17,585					3,299	
GATES:															
12 - Entry Intercom	3,200	20	5						3,602						
13 - Gate Operators	5,000	20	5						5,628						
14 - Gate Repair	1,400	10	8									1,722			
LANDSCAPING:															
15 - Drainage Renovation	3,000	15	1												
16 - Irrigation Timers	2,000	15	6			3,000									
17 - Irrigation Valves	4,800	15	6						2,319						
18 - Plant Stock	2,500	5	5						5,565						
19 - Tree Stock	5,000	5	5						2,814					3,262	
20 - Wood Bridge Repair	500	20	5						5,628					6,524	
LANDSCAPING/WATER:															
21 - Pumps	4,500	6	5						5,065						
22 - Pumps	4,500	6	2									4,635			
LIGHT FIXTURES:															
23 - Ground Lights	6,000	20	5												
24 - Pole Lights	6,000	20	5												
PAVED SURFACES:															
25 - Asphalt Repair	16,443	10	1												
26 - Asphalt Seal/Stripe	4,698	5	1			16,443									
27 - Concrete Walkway Repairs	4,940	7	7			4,698									
28 - Tennis Court Overlay	8,400	21	8										5,899		
29 - Tennis Court Colorcoat	4,200	7	2										10,331		
RECREATIONAL FACILITIES:															
30 - Chain Link Repair	885	18	9											5,320	
31 - Fence Screen	600	7	7											1,121	
32 - Tennis Net	250	7	7											716	299

Projected Expenditures

RESERVE COMPONENTS Assumed Annual Inflation Rate..... 3.0%	Current Repair/Replace Cost	Estimated Usfl Life	Estimated Rmng Life	Fiscal Year		(1) 2000 2001	(2) 2001 2002	(3) 2002 2003	(4) 2003 2004	(5) 2004 2005	(6) 2005 2006	(7) 2006 2007	(8) 2007 2008	(9) 2008 2009	(10) 2009 2010
				Jul 1	Jun 30										
ROOFING SYSTEM:															
33 - Composition Shingles	390,807	25	9												
34 - Gutters and Downspouts	45,045	25	9											495,062	
35 - Roof Inspection & Repair	4,466	5	1	4,466							5,178			57,062	
TOTAL EXPENDITURES	721,754			51,614	8,961	2,593	101,653	59,475	18,507	6,914	19,516	713,676	9,786		

Projected Expenditures

RESERVE COMPONENTS Assumed Annual Inflation Rate..... 3.0%	Current Repair/Replace Cost	Estimated Usfl Life	Estimated Rmng Life	Fiscal Year		(11) 2010	(12) 2011	(13) 2012	(14) 2013	(15) 2014	(16) 2015	(17) 2016	(18) 2017	(19) 2018	(20) 2019	(20) 2020
				Jul 1	Jun 30											
BUILDING EXTERIORS:																
1 - Garage Doors Replace	54,000	20	9													
2 - Hardboard Siding Paint	65,842	5	4						96,691							
3 - Hardboard Siding Repair/Replace	24,581	20	4													
4 - Wood Trim Repair/Replace	23,007	20	1													
FENCING/WALLS:																
5 - Maail Box Kiosk Paint/Repair	400	5	3					570								
6 - Metal Picket Paint	1,168	5	3					1,665					661			
7 - Metal Picket Repair	876	15	3										1,931			
8 - Wood Deck Paint	319	20	5										1,448			
9 - Wood Deck Repair	4,200	20	5													
10 - Wood Fence Paint	2,604	5	4						3,824							
11 - Wood Fence Replace	15,624	20	5												4,433	
GATES:																
12 - Entry Intercom	3,200	20	5													
13 - Gate Operators	5,000	20	5													
14 - Gate Repair	1,400	10	8										2,314			
LANDSCAPING:																
15 - Drainage Renovation	3,000	15	1													
16 - Irrigation Timers	2,000	15	6								4,674					
17 - Irrigation Valves	4,800	15	6													
18 - Plant Stock	2,500	5	5							3,781						4,384
19 - Tree Stock	5,000	5	5							7,563						8,768
20 - Wood Bridge Repair	500	20	5													
LANDSCAPING/WATER:																
21 - Pumps	4,500	6	5													
22 - Pumps	4,500	6	2													
LIGHT FIXTURES:																
23 - Ground Lights	6,000	20	5													
24 - Pole Lights	6,000	20	5													
PAVED SURFACES:																
25 - Asphalt Repair	16,443	10	1													
26 - Asphalt Seal/Stripe	4,698	5	1													
27 - Concrete Walkway Repairs	4,940	7	7													
28 - Tennis Court Overlay	8,400	21	8													
29 - Tennis Court Colorcoat	4,200	7	2													
RECREATIONAL FACILITIES:																
30 - Chain Link Repair	885	18	9													
31 - Fence Screen	600	7	7													881
32 - Tennis Net	250	7	7													367

Projected Expenditures

RESERVE COMPONENTS Assumed Annual Inflation Rate..... 3.0%	Current Repair/Replace Cost	Estimated Usfl Life	Estimated Rmng Life	Fiscal Year		(11) 2010 2011	(12) 2011 2012	(13) 2012 2013	(14) 2013 2014	(15) 2014 2015	(16) 2015 2016	(17) 2016 2017	(18) 2017 2018	(19) 2018 2019	(20) 2019 2020
				Jul 1	Jun 30										
ROOFING SYSTEM:															
33 - Composition Shingles	390,807	25	9												
34 - Gutters and Downspouts	45,045	25	9												
35 - Roof Inspection & Repair	4,466	5	1	6,002							6,958				
TOTAL EXPENDITURES	721,754			40,462	0	2,236	115,626	11,344	25,495	7,221	6,354	116,524	21,042		

Projected Expenditures

RESERVE COMPONENTS	Current Repair/Replace Cost	Estimated Usfl Life	Estimated Rmng Life	Fiscal Year		(21) 2020 2021	(22) 2021 2022	(23) 2022 2023	(24) 2023 2024	(25) 2024 2025	(26) 2025 2026	(27) 2026 2027	(28) 2027 2028	(29) 2028 2029	(30) 2029 2030
				Jul 1	Jun 30										
Assumed Annual Inflation: Rate..... 3.0%															
BUILDING EXTERIORS:															
1 - Garage Doors Replace	54,000	20	9												
2 - Hardboard Siding Paint	65,842	5	4					129,944						123,548	
3 - Hardboard Siding Repair/Replac	24,581	20	4					48,513						150,641	
4 - Wood Trim Repair/Replace	23,007	20	1			41,552									
FENCING/WALLS:															
5 - Maail Box Kiosk Faint/Repair	400	5	3				766						889		
6 - Metal Picket Paint	1,168	5	3				2,238						2,594		
7 - Metal Picket Repair	876	15	3												
8 - Wood Deck Paint	319	20	5						649						
9 - Wood Deck Repair	4,200	20	5						8,538						
10 - Wood Fence Paint	2,604	5	4					5,139							5,958
11 - Wood Fence Replace	15,624	20	5						31,760						
GATES:															
12 - Entry Intercom	3,200	20	5						6,505						
13 - Gate Operators	5,000	20	5						10,164						
14 - Gate Repair	1,400	10	8									3,110			
LANDSCAPING:															
15 - Drainage Renovation	3,000	15	1												
16 - Irrigation Timers	2,000	15	6			3,612									
17 - Irrigation Valves	4,800	15	6			8,669									
18 - Plant Stock	2,500	5	5						5,082					5,891	
19 - Tree Stock	5,000	5	5						10,164					11,783	
20 - Wood Bridge Repair	500	20	5						1,016						
LANDSCAPING/WATER:															
21 - Pumps	4,500	6	5												
22 - Pumps	4,500	6	2							9,422					
LIGHT FIXTURES:															
23 - Ground Lights	6,000	20	5												
24 - Pole Lights	6,000	20	5												
PAVED SURFACES:															
25 - Asphalt Repair	16,443	10	1			29,698									
26 - Asphalt Seal/Stripe	4,698	5	1			8,485									
27 - Concrete Walkway Repairs	4,940	7	7			8,922				9,837					
28 - Tennis Court Overlay	8,400	21	8									10,973			
29 - Tennis Court Colorcoat	4,200	7	2											19,219	9,898
RECREATIONAL FACILITIES:															
30 - Chain Link Repair	885	18	9									1,909			
31 - Fence Screen	600	7	7			1,084							1,333		
32 - Tennis Net	250	7	7			452							555		

Projected Expenditures

RESERVE COMPONENTS Assumed Annual Inflation Rate.....	3.0%	Current Repair/Replace Cost	Estimated Usfl Rmng Life	Fiscal Year		(21) 2020 2021	(22) 2021 2022	(23) 2022 2023	(24) 2023 2024	(25) 2024 2025	(26) 2025 2026	(27) 2026 2027	(28) 2027 2028	(29) 2028 2029	(30) 2029 2030
				Jul 1	Jun 30										
ROOFING SYSTEM:															
33 - Composition Shingles		390,807	25	9											
34 - Gutters and Downspouts		45,045	25	9											
35 - Roof Inspection & Repair		4,466	5	1	8,067					9,352					
TOTAL EXPENDITURES		721,754			110,541	0	19,675	183,596	98,272	28,610	1,909	19,454	309,661	27,572	

Funding Plan

Projected Cash Balance

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	77,788	131,782	203,824	189,080	230,203	329,857	462,559	607,743	77,492	157,833
Fiscal Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Jul 1	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Jun 30	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
BEGINNING BALANCE	75,709	77,788	131,782	203,824	189,080	230,203	329,857	462,559	607,743	77,492
EXPENDITURES (inflated \$)	3.0%	51,614	8,961	2,593	101,653	18,507	6,914	19,516	713,676	9,786
RESERVE CONTRIBUTION	51,425	59,858	69,675	81,102	94,402	109,884	127,905	148,882	173,298	86,649
Per Unit Per Month (60 units)	71.42	83.14	96.77	112.64	131.11	152.62	177.65	206.78	240.69	120.35
Percentage Increase to Reserves	16.4	16.4	16.4	16.4	16.4	16.4	16.4	16.4	16.4	(50.0)
Percentage Increase to Total Assessment	4.6	5.0	5.4	5.9	6.3	6.8	7.3	7.8	8.3	(26.9)
SPECIAL ASSESSMENTS	0	0	0	0	0	0	0	0	0	0
INTEREST	2,268	3,097	4,960	5,806	6,196	8,277	11,711	15,817	10,127	3,478
ENDING BALANCE	77,788	131,782	203,824	189,080	230,203	329,857	462,559	607,743	77,492	157,833

Component Quantification

RESERVE COMPONENTS	Assumed Annual Inflation Rate.....	3.0%	Current		Estimated		Quantity	Unit of Measurement	Unit Cost	Year Done	Notes
			Repair/Replace Cost	Usfl Life	Rmng Life						
BUILDING EXTERIORS:											
1 - Garage Doors Replace			54,000	20	9	60	doors	900.00		1984	Wood frame overhead door
2 - Hardboard Siding Paint			65,842	5	4	87,789	square feet	0.75		1997	Hardboard lap siding and wood trim
3 - Hardboard Siding Repair/Replace	10%		24,581	20	4	87,789	square feet	2.80		1984	Repair program
4 - Wood Trim Repair/Replace	20%		23,007	20	1	20,915	linear feet	5.50		1984	Repair program
FENCING/WALLS:											
5 - Maail Box Kiosk Paint/Repair			400	5	3	4	units	100.00		1997	Paint and repair program for wood kiosk
6 - Metal Picket Paint			1,168	5	3	292	linear feet	4.00		1997	Repaint metal fencing
7 - Metal Picket Repair	15%		876	15	3	292	linear feet	20.00		1984	Repair metal fencing
8 - Wood Deck Paint			319	20	5	336	square feet	0.95		1984	Repair wood deck at tennis court
9 - Wood Deck Repair	50%		4,200	20	5	336	square feet	25.00		1984	Repair wood deck at tennis court
10 - Wood Fence Paint			2,604	5	4	744	linear feet	3.50		1997	Repair wood fences at patios
11 - Wood Fence Replace			15,624	20	5	744	linear feet	21.00		1984	Rreplace wood fences
GATES:											
12 - Entry Intercom			3,200	20	5	1	unit	3,200.00		1984	Entry gate phone system
13 - Gate Operators			5,000	20	5	2	operators	2,500.00		1984	Entry gate mechanical operators
14 - Gate Repair			1,400	10	8	2	gates	700.00		1997	Repair to metal gates
LANDSCAPING:											
15 - Drainage Renovation			3,000	15	1	1	fund	3,000.00		1984	Program for improving and repairing drainage
16 - Irrigation Timers			2,000	15	6	2	timers	1,000.00		1984	Replace electronic irrigation controllers
17 - Irrigation Valves			4,800	15	6	24	valves	200.00		1984	Replace remote control valves
18 - Plant Stock			2,500	5	5	1	fund	2,500.00		1999	Program for replacement of plant material
19 - Tree Stock			5,000	5	5	1	fund	5,000.00		1999	Program for major tree trimming and removal
20 - Wood Bridge Repair			500	20	5	1	bridge	500.00		1984	Repairs to bridge
LANDSCAPING/WATER:											
21 - Pumps			4,500	6	5	1	pumps	4,500.00		1998	Replace and/or repair pump motors for water feature
22 - Pumps			4,500	6	2	1	pumps	4,500.00		1995	Replace and/or repair pump motors for water feature
LIGHT FIXTURES:											
23 - Ground Lights			6,000	20	5	60	fixtures	100.00		1984	Replacement light fixtures
24 - Pole Lights			6,000	20	5	24	fixtures	250.00		1984	Replacement light fixtures (not poles)
PAVED SURFACES:											
25 - Asphalt Repair	12%		16,443	10	1	39,150	square feet	3.50		1984	Major repair to private drive and parking
26 - Asphalt Seal/Stripe			4,698	5	1	39,150	square feet	0.12		1984	Rescal and striping program
27 - Concrete Walkway Repairs	8%		4,940	7	7	12,350	square feet	5.00		1999	Program for repairs to concrete improvements
28 - Tennis Court Overlay			8,400	21	8	8,400	square feet	1.00		1984	New asphalt over court
29 - Tennis Court Colorcoat			4,200	7	2	8,400	square feet	0.50		1995	Application of colorcoat and striping
RECREATIONAL FACILITIES:											
30 - Chain Link Repair	15%		885	18	9	295	linear feet	20.00		1984	Repair to fence around tennis court
31 - Fence Screen			600	7	7	120	linear feet	5.00		1999	Replace wind screen
32 - Tennis Net			250	7	7	1	net	250.00		1999	Replace net

Component Quantification

RESERVE COMPONENTS	Current Repair/Replace Cost	Estimated		Quantity	Unit of Measurement	Unit Cost	Year Done	Notes
		Usfl Life	Rmng Life					
Assumed Annual Inflation Rate.....	3.0%							
ROOFING SYSTEM:								
33 - Composition Shingles	390,807	25	9	111,659	square feet	3.50	1984	Replace with 40 yr composition shingle
34 - Gutters and Downspouts	45,045	25	9	6,930	linear feet	6.50	1984	Replace raingutter and downspouts
35 - Roof Inspection & Repair	4,466	5	1	111,659	square feet	0.04	1984	Routine inspection and repair program

Accrued Liability

RESERVE COMPONENTS		Current Repair/Replace Cost	Estimated Usfl Life	Rmng Life	Annual Liability	Accrued Liability	Proration Percentage
Assumed Annual Inflation Rate.....	3.0%						
BUILDING EXTERIORS:							
1 - Garage Doors Replace		54,000	20	9	2,700	29,700	5.65%
2 - Hardboard Siding Paint		65,842	5	4	13,168	13,168	27.57%
3 - Hardboard Siding Repair/Replac	10%	24,581	20	4	1,229	19,665	2.57%
4 - Wood Trim Repair/Replace	20%	23,007	20	1	1,150	21,856	2.41%
FENCING/WALLS:							
5 - Maail Box Kiosk Paint/Repair		400	5	3	80	160	0.17%
6 - Metal Picket Paint		1,168	5	3	234	467	0.49%
7 - Metal Picket Repair	15%	876	15	3	58	701	0.12%
8 - Wood Deck Paint		319	20	5	16	239	0.03%
9 - Wood Deck Repair	50%	4,200	20	5	210	3,150	0.44%
10 - Wood Fence Paint		2,604	5	4	521	521	1.09%
11 - Wood Fence Replace		15,624	20	5	781	11,718	1.64%
GATES:							
12 - Entry Intercom		3,200	20	5	160	2,400	0.33%
13 - Gate Operators		5,000	20	5	250	3,750	0.52%
14 - Gate Repair		1,400	10	8	140	280	0.29%
LANDSCAPING:							
15 - Drainage Renovation		3,000	15	1	200	2,800	0.42%
16 - Irrigation Timers		2,000	15	6	133	1,200	0.28%
17 - Irrigation Valves		4,800	15	6	320	2,880	0.67%
18 - Plant Stock		2,500	5	5	500	0	1.05%
19 - Tree Stock		5,000	5	5	1,000	0	2.09%
20 - Wood Bridge Repair		500	20	5	25	375	0.05%
LANDSCAPING/WATER:							
21 - Pumps		4,500	6	5	750	750	1.57%
22 - Pumps		4,500	6	2	750	3,000	1.57%
LIGHT FIXTURES:							
23 - Ground Lights		6,000	20	5	300	4,500	0.63%
24 - Pole Lights		6,000	20	5	300	4,500	0.63%
PAVED SURFACES:							
25 - Asphalt Repair	12%	16,443	10	1	1,644	14,799	3.44%
26 - Asphalt Seal/Stripe		4,698	5	1	940	3,758	1.97%
27 - Concrete Walkway Repairs	8%	4,940	7	7	706	0	1.48%
28 - Tennis Court Overlay		8,400	21	8	400	5,200	0.84%
29 - Tennis Court Colorcoat		4,200	7	2	600	3,000	1.26%
RECREATIONAL FACILITIES:							
30 - Chain Link Repair	15%	885	18	9	49	443	0.10%
31 - Fence Screen		600	7	7	86	0	0.18%
32 - Tennis Net		250	7	7	36	0	0.07%

Accrued Liability

RESERVE COMPONENTS	Current Repair/Replace Cost	Estimated Usfl Life	Estimated Rmng Life	Annual Liability	Accrued Liability	Proration Percentage
Assumed Annual Inflation Rate.....						3.0%
ROOFING SYSTEM:						
33 - Composition Shingles	390,807	25	9	15,632	250,116	32.73%
34 - Gutters and Downspouts	45,045	25	9	1,802	28,829	3.77%
35 - Roof Inspection & Repair	4,466	5	1	893	3,573	1.87%
	721,754			47,764	437,498	100.0%



John D. Beatty & Company

315 Diablo Road, Suite 222, Danville, CA 94526

• (925) 831-1803

• (925)-831-2493 (FAX)

(925) 831-2507

FACSIMILE MEMO

DATE: JUNE 13, 2000

TIME: 3:43 PM

TO: Jack Rutherford

FAX #: 831-373-3732

TEL #: 408-812-1268

RE: The Glen of Pacific Grove
Reserve Study

FROM: John D. Beatty & Company

FAX #: 831.661.0492

TEL #: 831.661.0491

SENDER: Bob Cox

**RESPONSE/
REQUEST:** This is the initial reserve study draft—call me if you additional info