

Assessment and Reserve Funding Disclosure



BARRERA AND COMPANY
RESERVE SPECIALISTS

The Glen of Pacific Grove
Pacific Grove, CA
Compliance CC1365.2.5

Date: 29-Jun-2010
Units: 60
Fiscal Year End: 31-Aug-2010
Report Start Date: 01-Sep-2010

1. The current average regular assessment per ownership interest is: Per

Note: if Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages to be provided by Board or Management.

2. Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

| Date Assessment is Due | Average Amount Per Unit Per Month | Purpose Of Assessment |
|------------------------|-----------------------------------|-----------------------|
|------------------------|-----------------------------------|-----------------------|

Note: if Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.

3. Based on the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes: * No:

** The current reserve analysis does indicate that the current funding level will meet all projected disbursements over the projected 30 years but this question cannot at this time be answered as a definitive "yes". The reserve study is prepared by utilizing estimates of replacement value and the life expectancy of the common area components which the association is obligated to maintain, however, some items may last longer or shorter than estimated, or unanticipated events may occur which affect the reserve funds. Thus, the replacement costs and life expectancy will vary from the reserve study being performed, and other factors such as inflation or other events, economic or non-economic, or acts of third parties, or events beyond the control of the Association such as weather, will affect the financial status of the reserves over the projected 30 year time period.*

4. If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years?

| Approximate date assessment will be due: | Amount of Assessment | Amount Per Unit Per Month |
|--|----------------------|---------------------------|
| | | |

Question #4 Note: Indicates the first year of a deficit based on the Current Reserve Funding Plan. The additional assessment amount indicates what will be required in that year to assure the reserve balance for the remaining years of the report will be above zero. Actual assessments may vary from year to year.

5. All major components are included in the reserve study and are included in its calculations (Note below the status of components with a 30+ yr. remaining life).

| Component Name | Status |
|----------------|--------|
|----------------|--------|

6. Based on the method of calculation in paragraph (4) of subdivision (b) of section 1365.2.5, the estimated amount required in the reserve fund at the end of the current fiscal year is \$441,115, based in whole or in part on the last reserve study or update prepared by Barrera & Company, Inc. as of August 31, 2010. The projected reserve fund cash Balance at the end of the current fiscal year is \$351,751, resulting in reserves being 80 % at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$ N/A.

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7. Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next 5 budget years is \$ (column E), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is \$ (column D), leaving the reserve at (column F) percent funding. Please see the projected five year funding plan below that has been implemented and approved by the association.

| | Allocation | Per Unit Per Month | Disbursements | Year-End Balance | Fully Funded \$ | Percentage Funded |
|--------|------------|--------------------|---------------|------------------|-----------------|-------------------|
| | A | B | C | D | E | F |
| Year 1 | \$74,664 | \$103.70 | \$35,343 | \$398,501 | \$482,533 | 83% |
| Year 2 | \$76,904 | \$106.81 | \$3,554 | \$480,555 | \$559,873 | 86% |
| Year 3 | \$79,211 | \$110.02 | \$234,210 | \$333,617 | \$403,954 | 83% |
| Year 4 | \$81,587 | \$113.32 | \$0 | \$422,693 | \$486,649 | 87% |
| Year 5 | \$84,035 | \$116.72 | \$178,098 | \$336,143 | \$390,501 | 86% |

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 2% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3% per year

The preparer of this form will be indemnified and held harmless against all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which has been relied upon by others, or which may result from any improper use or reliance on the disclosure by you or a third party.

The reserve study report completed and reviewed for the purposes of completing the enclosed summary was finalized based on approval from the Board of Directors. Therefore, the final decisions for implementation, updating or revising the information obtained in this report, for any changes in assumptions, is the sole right and responsibility of the Board of Directors. This report and the numbers generated herein are for use only for the year it was developed. The preparer of this form is not responsible for the use of the Assessment and Reserve Disclosure Summary in any subsequent year, or in updating the summary in any subsequent year, or in updating the summary for events and circumstances occurring after the date of this report.