

# THE GLEN OF P.G. HOMEOWNERS' ASSOCIATION PACIFIC GROVE, CALIFORNIA

Dear Homeowner:

July 20, 2012

The Board of Directors is required by our CC&Rs and the California Civil Code to distribute various documents to homeowners during the year and also notify the membership of their rights to other documents and information upon request.

You will find the following documents enclosed:

- The budget for 2012-13,
- The Association's insurance disclosure,
- The Assessment Late Charges and Lien Policy and Notice of Collection Rights and Obligations,
- The Internal Dispute Resolution (IDR) and Alternative Dispute Resolution (ADR),
- The Rules and Regulations,
- The Rules Enforcement and Fine Policy,
- Architectural Change Application,
- The Reserve Disclosure and Summary.

These documents are also available on the website or upon request:

- The complete reserve study,
- Annual Financial Review prepared by a CPA is available after January 1, 2013.

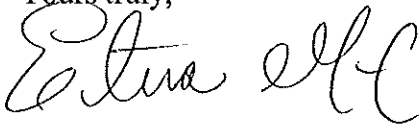
Please note, effective September 1, 2012 the monthly assessment shall remain \$310.

As you know, the budget contains two basic elements: the operating budget and the reserve budget. The operating budget is a plan to set aside the funds necessary for the day-to-day expenses of maintaining the Association and is based upon a realistic estimate of the expenses likely to be incurred.

The Budget Committee and Treasurer carefully reviewed the current and previous year expenses and while increases in insurance, maintenance and water were significant, your Treasurer and Budget Committee made every effort to trim other budget line items to avoid an assessment increase this year.

The reserve budget is that portion of the dues accumulated over a period of years for replacement or repair of the physical facilities such as replacement of roofs, painting of buildings, replacement of fencing—all on a timetable which is based on the expected useful life of each component. A summary of the reserve study is also enclosed. The reserve analyst evaluated the adequacy of our reserve funds and, using standards in the industry, determined that additional amounts should be deposited in reserves to plan for the replacement of roofs, painting of buildings, and similar responsibilities of the Association.

Yours truly,



Etna Monsalve, On behalf of the Board of Directors of The Glen of P.G.

THE GLEN OF PG Homeowners Association  
September 1, 2012-August 31, 2013 Budget

Income	2011-2012 BUDGET TOTAL	2011-2012 ACTUALS-Sep YTD	2011-2012 ACTUALS-July YTD	2012-2013 BUDGET TOTAL	Per month	Per unit / Per month
Monthly Assessments	223200.00	223200.00	223200.00			
<b>OP FUND BAL</b>						
<b>3 Mon Expenses</b>				<b>37134.00</b>	<b>3094.50</b>	<b>51.58</b>
<b>UTILITIES</b>						
6001.01 Electric	3960.00	3227.00	4046.00	4164.00	347.00	5.78
6005.01 Water	11088.00	9534.00	10270.00	12500.00	1041.67	17.36
<b>LANDSCAPE</b>						
6011.01 Maintenance	41304.00	30636.00	37520.00	41304.00	3442.00	57.37
6012.01 Irrigation	2160.00	279.00	344.00	360.00	30.00	0.50
6013.01 Landscape Other	1452.00	2602.00	2921.00	4800.00	400.00	6.67
6014.01 Trees	7200.00	3807.00	3807.00	3800.00	316.67	5.28
<b>BUILDING &amp; GROUNDS</b>						
6030.01 Tennis Court Maintena	120.00		0.00	120.00	10.00	0.17
6040.01 Gate	420.00	350.00	830.00	800.00	66.67	1.11
6041.01 Gate Telephone	396.00	466.00	548.00	480.00	40.00	0.67
6070.01 Lakes and waterways	720.00		0.00	120.00	10.00	0.17
6080.01 Repair Maintenance	16800.00	18660.00	19590.00	17975.00	1497.92	24.97
<b>ADMIN</b>						
6090.01 Management	18720.00	15600.00	18320.00	18720.00	1560.00	26.00
Education and Seminars				1012.00	84.33	1.41
6100.01 Resident Services	240.00	157.00	136.00	240.00	20.00	0.33
6110.01 Legal Services-5hrs@	1200.00	1305.00	1305.00	2000.00	166.67	2.78
6130.01 Tax Return Prep & An	2160.00	1600.00	1600.00	1650.00	137.50	2.29
6131.01 Taxes - Fed	0.00	0.00	393.00	300.00	25.00	0.42
6132.01 Taxes - State	0.00	293.00	456.00	300.00	25.00	0.42
6140.01 Reserve Study	840.00	360.00	720.00	720.00	60.00	1.00
6141.01 General Office	1380.00	1176.00	1209.00	1500.00	125.00	2.08
6150.01 Social Committee	1020.00	44.00	169.00	1000.00	83.33	1.39
6170.01 Bank Charges	576.00	239.00	333.00	0.00	0.00	0.00
6180.01 Insurance	27960.00	27753.00	26800.00	32400.00	2700.00	45.00
6190.01 Website	264.00	214.00	235.00	250.00	20.83	0.35
8180 Contingency	0.00		0.00	300.00	25.00	0.42
Reserve - Repairs		103184.00				
Reserve - Gate						
Total Operating Expenses		118302.00	131552.00	146815.00	12234.58	203.91
Resrve Contribution	74160.00			76385.00	6365.42	106.09
Total Assessment Required						310.00



SINCE 1908

## INSURANCE

1006 Freedom Blvd • P.O. Box 310  
Watsonville, CA 95077

PHONE (831) 724-1085

FAX (831) 724-1089

June 28, 2012

**Please be advised that The Glen Of Pacific Grove Homeowners Assoc, Inc. currently complies with the Liability Insurance requirements as set forth by California Civil Code section 1365.9 for California Common Interest Developments.**

The following is a brief summary of the amounts and type of insurance provided for your Association.

<u>TYPE</u>	<u>AMOUNT</u>	<u>DEDUCTIBLE</u>	<u>INSURANCE CARRIER</u>
Blanket Buildings	\$18,204,464	5,000	Travelers
Liability	\$2,000,000 AGGREGATE \$1,000,000 OCCURRENCE	N/A	Travelers
Directors & Officers Liability	\$5,000,000	1,000	Great American Ins. Co
Excess / Umbrella	\$5,000,000	N/A	Travelers
Employee Dishonesty	\$25,000	5,000	Travelers

The Association carries the levels of insurance specified by Civil Code Section 1365.9, and pursuant to that section, owners may be individually liable only for their proportional share of assessment levied to pay the amount of any judgment which may be rendered in favor of a plaintiff bringing an action in tort arising solely by reason of an ownership interest in the common area which exceeds the limits of the Association's insurance.

This summary of the association's policies of insurance provides only certain information, as required by subdivision (f) of Section 1365 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or, real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.

Sondra Carter  
Broker

6/28/12  
Date



## The Glen of Pacific Grove Homeowners Association

### Insurance Summary

created 05/29/2012

#### Travelers Insurance

**Policy #I68084D0623TIL12 effective 05/05/2012 - 05/05/2013**

Policy Type	Subject of Insurance	Limits of Insurance	Deductible	Premium
Package	Blanket Buildings	18,204,464	5,000	19,977
	Employee Dishonesty	25,000	5,000	
	General Liability	1,000,000occurrence 2,000,000aggregate	n/a	

#### Travelers Insurance

**Policy #ISFCUP831Y0482TIL12 effective 05/05/2012-05/05/2013**

Policy Type	Subject of Insurance	Limits of Insurance	Deductible	Premium
Umbrella	Excess Liability	5,000,000	n/a	3,128

#### Great American Insurance Co.

**Policy# EPP259627006 effective 05/05/2012 - 05/05/2013**

Policy Type	Subject of Insurance	Limits of Insurance	Deductible	Premium
Directors & Officers	Liability	5,000,000	1,000	2,795

#### Zenith Insurance

**Policy #C045854614 effective 01/13/2012 - 01/13/2013**

Policy Type	Subject of Insurance	Limits of Insurance	Deductible	Premium
Workers Compensation	Employers Liability	1,000,000	n/a	859

*\*premium for workers compensation is an estimated figure and may vary depending upon payroll exposure*

**Total 26,759**



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One Glen Lake Drive, Pacific Grove, CA 93950  
831.642.2441 ✱ <http://theglenofpg.com>

## **ASSESSMENT & FORECLOSURE POLICY**

This policy outlines some of the rights and responsibilities of owners of property in The Glen. Please refer to the sections of the Civil Code or governing documents for further information. You may wish to consult a lawyer if you dispute an assessment. In this policy, "we" and "our" refer to the association acting through its board of directors and "you" refers to you as the owner of record of a unit.

### **ASSESSMENTS and LATE FEES**

Interest accrues on unpaid assessments 30 days after they are due. Interest on delinquent payments run at the rate of 12% per annum (not compounded). A late charge will be assessed of 10% of the delinquent amount.

### **FORECLOSURE**

The failure to pay association dues or assessments may result in the loss of your property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, we may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues (exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection) is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or for assessments more than 12 months delinquent, we may use judicial or nonjudicial foreclosure subject to the conditions set forth in Section 1367.4 of the Civil Code.

When using judicial or nonjudicial foreclosure, we record a lien on your property. Your property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 1366, 1367.1, and 1367.4 of the Civil Code) In a judicial or nonjudicial foreclosure, we may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. We may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 1366 and 1367.1 of the Civil Code) We must comply with the requirements of Section 1367.1 of the Civil Code when collecting delinquent assessments. If we fail to follow these requirements, we may not record a lien on your property until we have satisfied those

requirements. Any additional costs that result from satisfying the requirements are our responsibility. (Section 1367.1 of the Civil Code)

At least 30 days prior to recording a lien on your property, we must provide you with certain documents by certified mail including a description of our collection and lien enforcement procedures and the method of calculating the amount. We must also provide an itemized statement of the charges owed by you. You have a right to review our records to verify the debt. (Section 1367.1 of the Civil Code) If a lien is recorded against your property in error, the person who recorded the lien is required to record a lien release within 21 days and to provide you certain documents in this regard. (Section 1367.1 of the Civil Code) Our collection practices may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

### **PAYMENTS**

When you make a payment, you may request a receipt and we are required to provide it. On the receipt, we must indicate the date of payment and the person who received it. We must inform you of a mailing address for overnight payments. (Section 1367.1 of the Civil Code) You may dispute an assessment debt by submitting a written request for dispute resolution to us as set forth in Article 5 (commencing with Section 1368.810) of Chapter 4 of Title 6 of Division 2 of the Civil Code. In addition, we may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 2 (commencing with Section 1369.510) of Chapter 7 of Title 6 of Division 2 of the Civil Code, if so requested by you. Binding arbitration is not available if we intend to initiate a judicial foreclosure. You are not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 1367.1 of the Civil Code)

### **MEETINGS & PAYMENT PLANS**

You may request us to consider a payment plan to satisfy a delinquent assessment. We must inform you of the standards for payment plans, if any exist. (Section 1367.1 of the Civil Code) We must meet with you if you make a proper written request for a meeting to discuss a payment plan when you have received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 1367.1 of the Civil Code) You may provide written notice by facsimile transmission or United States mail to us of a secondary address. If a secondary address is provided, we shall send any and all correspondence and legal notices required pursuant to this article to both the primary and the secondary address.

Adopted this 16<sup>th</sup> day of March, 2010

A handwritten signature in cursive script, reading "Glen J. Grossman", written over a horizontal line.

Glen Grossman  
Secretary, The Glen of Pacific Grove Homeowners Association, Inc.

**INTERNAL DISPUTE RESOLUTION**  
**CIVIL CODE 1363.810-1363.850**  
**AUGUST 20, 2011**

Disputes between owners and the association may be resolved through *Internal Dispute Resolution* ("IDR"). The types of disputes covered by IDR include those involving rights, duties or liabilities under the Davis-Stirling Act, the portion of the Corporations Code relating to Nonprofit Mutual Benefit Corporations, and/or the governing documents of the Association. Please note that IDR supplements and does not replace the ADR process which is required before institution of most litigation to declare or enforce the governing documents.

The following is the Association's procedure:

1. Either party to a dispute within the scope of the law may invoke the procedure.
2. The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
3. A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.
4. The association's Board of Directors shall designate a member of the Board to meet and confer.
5. The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
6. A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the Board designee on behalf of the Association.
7. An agreement reached binds the parties and is judicially enforceable if both the following conditions are satisfied: the agreement is not in conflict with law or the governing document of the common interest development or association, and the agreement is either consistent with the authority granted by the Board of Directors to its designee or the agreement is ratified by the Board of Directors.
8. A member of the Association may not be charged a fee to participate in the process.

The complete text of California Civil Code Sections 1363.810 through 1363.850 are available from management upon request.

## **ALTERNATIVE DISPUTE RESOLUTION CIVIL CODE 1369.510-1369.590**

The California Civil Code pertaining to Common Interest Developments includes a law called *Alternate Dispute Resolution* ("ADR"). This law requires that before an association or an individual owner brings an action for injunctive relief relating to the enforcement of the governing documents (CC&Rs and published rules), the homeowner association or owner shall first try to submit the matter to (ADR) before starting a lawsuit. Disputes over issues such as non-payment of assessments, personal injury claims, or construction defects are not subject to the law's provisions.

Specifically the law contains the following provisions:

1. Failure of a member of the association to comply with the alternative dispute resolution requirements per Section 1369.520 of the Civil Code may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.
2. Any party to a dispute over enforcement of the governing documents of the association is required to try first to resolve the problem through some form of ADR.
3. The ADR process can be any form of binding or non-binding arbitration or mediation, as agreed by both parties.
4. The costs of the ADR will be borne by both parties.
5. Either party to a dispute may initiate the process by mailing to the other party a "Request for Resolution."
6. If the parties agree to the ADR, they have 90 days to complete the ADR; time maybe extended by written stipulation.
7. If either Party rejects the request for ADR, the parties may resort to current legal remedies. However, a court may award attorney's fees against the non-cooperating party. §1354
8. Any "Request for Resolution" sent to a member of an association shall include a copy of the new law.

The complete text of California Civil Code Sections 1369.510-1369.590 are available from management upon request.





## RULES AND REGULATIONS

Adopted 9/16/08, revised 7/11/09, 03/20/12

These rules are intended to maintain and protect our investment in THE GLEN and to help people live in harmony with their neighbors.

### A. CC&R PROVISIONS (ARTICLE X):

1. Each lot shall be used for private residential purposes.
2. No business of any kind whatsoever shall be established, maintained, operated, permitted or conducted on the Properties, or any portion thereof, excepting such professional and administrative professions as may be permitted by ordinance, provided there is no external evidence thereof.
3. No noxious or offensive activity shall be carried on in, or upon, any lot or the common area, nor shall anything be done therein which may be or become an annoyance or nuisance to other owners.
4. No owner of a lot shall park, store or keep any truck, boat, trailer or aircraft or any other vehicle other than a private passenger vehicle or pickup truck not to exceed 1/2 ton within the parking spaces, except such temporary parking as may be permitted by Association Rules.
5. No owner of a lot shall repair or restore any motor vehicle, boat, trailer, aircraft, or other vehicle upon any portion of any lot or upon the common area except for emergency repairs thereto and then only to the extent necessary to enable movement thereof to a proper repair facility.
6. All garages and open parking spaces shall be kept free and clear and available for the parking of vehicles.

### B. GENERAL

1. Homeowners are liable for damage or vandalism caused by their residents/guests.
2. Homeowners must ensure that their residents/guests do not cause any hazard or nuisance.
3. No unit noise should be heard outdoors or inside neighboring units.
4. The speed limit within The Glen is 15 miles per hour.
5. Garage doors must be closed when you are not in or around your garage.
6. Garbage containers must be stored in garages when not out for collection. They should not be placed on the street earlier than the day before garbage collection, and should be removed the day of collection.

### C. RENTING

1. No lease or rental agreement shall be for a period of less than one month.
2. All lease or rental agreements for units within The Glen of Pacific Grove are subject to the CC&R's, to the Bylaws, and to these Rules and Regulations. Owners are responsible for providing the rules and regulations to residents. Contact name, email, telephone number, and vehicle license plate numbers of residents must be provided to the board.

#### D. PARKING

1. Guest parking is for visitors. Residents are not to use guest parking on a regular basis, and not for more than ½ a day.
2. Residents are to park in their garage, outside the gate, or in their driveway. If a vehicle is parked in a driveway, it cannot extend into Glen Lake Drive and must be parked perpendicular to the garage door.
3. Residents can provide overnight guests with a GUEST PARKING PERMIT to place on the vehicle dashboard. (Available online at [www.theglenofpg.com](http://www.theglenofpg.com)).
4. Guests may use guest parking space 6 times in a month. For an extension or any other special need, send a request to the board. ([board@theglenofpg.com](mailto:board@theglenofpg.com)).
5. On the third parking violation, the Association may initiate The Glen towing policy.
6. Glen Lake Drive is a designated fire lane. There is no parking allowed on Glen Lake Drive.

#### E. PETS

1. No more than a total of three dogs and/or cats are allowed per unit.
2. Dogs must be on leashes at all times while on common areas.
3. Pet waste must be picked up immediately or be subject to fines.
4. Pet food may not be left outside.
5. Owners of pets that demonstrate behaviors of annoyance, harm, or create fear to others will be reported to The City of Pacific Grove Police Department's Animal Control Officer.

#### F. COMMON AREAS & UNIT EXTERIORS

1. Personal items are not to be left on Glen Lake Drive or on any common area.
2. Roller-blading and skateboarding are not allowed on Glen Lake Drive.
3. Bike riders on Glen Lake Drive must obey the rules of the road as prescribed by the California Motor Vehicle Code.
4. The bridge is for foot traffic only.
5. Residents/Guests are not to play in or on the banks of the lake or stream.
6. Use of the tennis court is for residents and their guests only, is used at your own risk, and is for tennis only. Tennis court times are from 8 AM to dusk.
7. Trees are not to be climbed.
8. Patio areas are to be kept neat and free of clutter.
9. Gardeners should not be contacted directly.
10. Only approved unit house numbers and one flag bracket may be attached to the outside of a unit.
11. No forcing open the gates or climbing over gates and fences.
12. The automatic gate code is not to be shared with non-residents.
13. Firewood must be stacked on patios, away from wooden structures.

#### G. ARCHITECTURAL CONTROL

1. The Glen's governing documents require association approval before an owner of a separate interest may make an exterior addition, change, or alteration to the owner's separate interest. All requests FORMS must be in writing to the Architectural Control Committee (ACC). (Available online at [www.theglenofpg.com](http://www.theglenofpg.com)).
2. Satellite dishes may not be installed without prior approval of the ACC. The equipment shall not be visible from Glen Lake Drive.
3. Existing wooden garage doors will be painted by the Association as necessary. An ACC request must be submitted to update to the new metal garage door. All new metal garage doors will be almond color.

#### H. FINES

Fines may be levied at \$50.00 per occurrence in accordance with requirements of the Davis-Stirling Statutes.



One Glen Lake Drive, Pacific Grove, CA 93950  
✖ <http://theglenofpg.com>

## RULES ENFORCEMENT & FINES

**Authority:** The following Rules Enforcement and Fines Policy is adopted pursuant to Article XII, Section 1 of the First Amended and Restated Declaration of Covenants, Conditions, and Restrictions recorded 09/12/2006.

**Submitting complaints:** Violations may come to the Board's attention through resident complaints or through the direct observation of our management agent or Board members. As homeowners and residents of The Glen of PG, you may register complaints regarding violations of the rules and regulations by informing our management agent or any Board member. However, anonymous testimony is not permitted at disciplinary hearings because the accused member has the right to confront and cross-examine adverse witnesses.

**Informal Resolution:** The Board shall attempt to resolve the matter as the Board sees fit. A Board member or Management may discuss the violation informally with the owner.

**Notice of Violation:** If informal measures to seek rules compliance fail, Management sends a cease and desist letter to the owner of the unit in question, describing the alleged violation, action required to end alleged violation, deadline for such action, and penalty imposed after a hearing if violation is not corrected. The owner has 10 working days to seek clarification of the rule infraction and request details of our documentation of the matter.

If the violation is not corrected, a hearing notice is sent to the homeowner notifying him of the date and time (no less than 10 days from hearing notice date to levy fines or 15 days to suspend privileges, per Civil Code) the Board will consider the alleged violation and give the homeowner the opportunity to present his position either in person or in writing. A written decision will issue within 15 days after the hearing.

**Penalties:** The first fine is \$0.00. ~~The second fine is \$10.00.~~ Subsequent fines are \$50 per violation.


*GSB*

### Continuing Violations:

Further failure to comply may result in the association seeking IDR and ADR. Our CC&Rs grant us the authority to recover court costs and reasonable attorney fees. If the Board of Directors approves a fine for the infraction, the fine will appear on the monthly statement. Should the fine not be paid, the Association will proceed with whatever other legal action is necessary.

**Exceptions:** Should the need arise for a temporary exception to the Association's Rules and Regulations, the homeowner may contact the Management Agent who will refer it to the Board of Directors for their consideration and action.

Adopted 12/05/2011 by The Glen of Pacific Grove Homeowners Association Board of Directors.

  
Glen J. Grossman, Secretary

# 1 Glen Lake Dr., Pacific Grove, California 93950 – Phone 831.642.2441

**Originating Date** \_\_\_\_\_

1. OWNER(S) requesting action \_\_\_\_\_

Unit # \_\_\_\_\_ Phone # \_\_\_\_\_

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3. Will a contractor involved *yes*\_\_\_\_\_ *no*\_\_\_\_\_

#### 4. Estimated 'Start Date'

**5. Estimated 'Completion Date'** \_\_\_\_\_

**6. Signed by Owner** \_\_\_\_\_ **Dated** \_\_\_\_\_

**7. Describe proposed project – (Use back of page if necessary)**  
*( Supply sketch(es) or drawing(s) if it would be useful )*  
*( Return completed form to Ken Morley, \*86 Glen Lake Dr. Pacific Grove 93950)*

[illegible]

# Assessment and Reserve Funding Disclosure



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

Date: 11-Jul-2011  
Units: 60  
Fiscal Year End: 31-Aug-2011  
Report Start Date: 01-Sep-2011

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
<input type="text"/>	<input type="text"/>	<input type="text"/>

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
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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 \$509,996, based in whole or in part on the last reserve study or update prepared by Barrera & Company, Inc. as of August 31, 2011. The projected reserve fund cash Balance at the end of the current fiscal year is \$457,757, resulting in reserves being 90 % at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$ N/A.



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

Date: 11-Jul-2011  
 Units: 60  
 Fiscal Year End: 31-Aug-2011  
 Report Start Date: 01-Sep-2011

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	\$74,160	\$103.00	\$39,010	\$502,414	\$555,569	90%
Year 2	\$76,385	\$106.09	\$215,363	\$372,094	\$422,979	88%
Year 3	\$78,676	\$109.27	\$0	\$458,999	\$510,412	90%
Year 4	\$81,037	\$112.55	\$2,513	\$547,488	\$600,122	91%
Year 5	\$83,468	\$115.93	\$45,020	\$597,269	\$651,051	92%

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.