

Bayside Management

## Pointe Marin Association

Annual Budget Report 2026



By: Bayside Management  
180 Harbor Drive, Suite  
100  
Sausalito CA 94965

# 2026 Annual Budget Report

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## 1) Annual Board Memo

November 2025

Dear Pointe Marin Homeowner:

On November 21, 2025, the Board of Directors formally adopted the Association's 2026 Budget. Please retain these materials with your important personal records. Should you sell your home or transfer title, the Davis-Stirling Act requires that you provide a budget package to any prospective purchaser or financial institution.

The Board remains committed to controlling expenses wherever possible, while also planning for necessary property improvements and accounting for anticipated increases in water, utilities, and other budgetary items. To meet the recommended reserve funding levels and support projected improvements, the Board has approved a monthly Reserve contribution of \$2,670. After careful analysis and consideration, the Board was able to balance the budget; as a result, the Monthly Assessment per home for 2026 **will not** increase and will remain the same.

Effective January 1, 2026, your **semi-annual HOA dues** will remain: **\$240.00**

Please remember, your association is a corporation and if assessments are not paid in a timely manner, there may not be enough funds available to pay for the monthly budgeted expenses. Assessments which are not RECEIVED by the close of business on the fifteenth (15) of January and July are deemed delinquent (see policy for collection of delinquent assessments for complete information on collection).

While it is not the intent of the Association to create a hardship for anyone, in fairness to all members, if late payments are made, a late charge shall be charged; the greater of \$10.00 or 10% of the past due assessment; whose payments have not been received by the bank on the close of business on the fifteenth (15<sup>th</sup>) day of the month. Your full cooperation will allow the day-to-day operation of your association to proceed in a smooth and efficient manner.

Lastly, in accordance with California Civil Code §5305, attached is your copy of the:

- 1) HOA 2026 Budget;
- 2) Annual Policy Statement 2026;
- 3) Draft Reserve Study Summary and Disclosure (not completed yet); and,
- 4) Insurance Summary.

Please review these documents carefully and be sure to retain it with your Association documents. Should you decide to sell or refinance your home, you will be required to supply this document to the potential buyer or lending institution.

In addition, Civil Code §4041 requires each homeowner to notify us of mailing address changes, or if you wish to designate a legal representative to respond to association business during extended owner absences from the property. If your mailing address has not changed, there is nothing you need to do. If your mailing address has not changed, there is nothing you need to do. If your mailing address has changed, please contact the property manager below to update our system:

Pointe Marin Association  
c/o Bayside Management Justin Barton  
180 Harbor Drive, Suite 100  
Sausalito CA 94965  
415-383-8400 ex 1512  
[jbarton@baysidemgmt.com](mailto:jbarton@baysidemgmt.com)

The Board would like to express our appreciation for the continued participation and support from all the HOA members and for your commitment in keeping our Association well maintained and preserving the value of our properties.

**Board of Directors for Pointe Marin Association**

Cristina Olcomendy – President, Secretary  
Charles Moore – Vice President & Treasurer  
Pat Eklund, Board Member  
Amy Blakney Board Member  
Mike Christian, Board Member  
Attachments as stated

## 2) Pro-forma 2026 Operating Budget

<u>Account</u>	<u>Semi-Annual p/unit</u>	<u>Per Month</u>	<u>FY 2026 Budget</u>	<u>FY 2025 Budget</u>
<b>Income</b>				
Association Fee Income	\$ 240	\$ 13,680	\$ 164,160	\$ 215,802
Late Fee Income	\$ 2	\$ 50	\$ 600	\$ 3,000
<b>Total for Income</b>		\$ 13,730	\$ 164,760	\$ 218,802
<b>Expenses</b>				
1099 Filing	\$ 0.11	\$ 6	\$ 75	-
Admin Fee	\$ 1.32	\$ 75	\$ 900	\$ 900
Conservation Easement Maint.	\$ 5.18	\$ 295	\$ 3,540	\$ 3,420
Fuel Management	\$ 5.18	\$ 295	\$ 3,540	\$ 4,920
Gas/Electric	\$ 0.92	\$ 53	\$ 632	\$ 635
Insurance General	\$ 43.67	\$ 2,489	\$ 29,870	\$ 35,000
Internet	\$ 0.56	\$ 32	\$ 380	-
Landscaping Contract	\$ 17.54	\$ 1,000	\$ 12,000	\$ 12,000
Legal	\$ 41.67	\$ 2,375	\$ 28,500	\$ 24,500
Management Fees	\$ 60.53	\$ 3,450	\$ 41,400	\$ 37,800
Professional Fees	\$ 6.96	\$ 397	\$ 4,758	-
Project Management	\$ 0.37	\$ 21	\$ 250	\$ 707
Reserve Contribution	\$ 46.84	\$ 2,670	\$ 32,040	\$ 16,430
State Filing	\$ 0.05	\$ 3	\$ 35	\$ 35
Storage	\$ 0.79	\$ 45	\$ 540	\$ 540
Tax Preparation	\$ 2.19	\$ 125	\$ 1,500	\$ 1,500
Water	\$ 7.02	\$ 400	\$ 4,800	\$ 4,800
Admin Support	-	-	-	\$ 2,249
Bad Debt	-	-	-	\$ 1,000
Insur. Deductible D&O	-	-	-	\$ 70,000
Insurance WC	-	-	-	\$ 371
Irrigation	-	-	-	\$ 1,000
Misc Expense	-	-	-	\$ 380
Reserve Study	-	-	-	\$ 425
Taxes	-	-	-	\$ 10
County Taxes	-	-	-	\$ 180
<b>Total Budgeted Expenses</b>	<b>\$ 240.88</b>	<b>\$ 13,730</b>	<b>\$ 164,760</b>	<b>\$ 218,802</b>

### 3) Budget Explanations

The budget for Pointe Marin Association was developed through a process that involved a management review of actual cost expenditures, expected and anticipated increases in rates and other costs, and any known projects the association will be working on in the coming twelve (12) months. A preliminary budget is prepared, using the above information, and provided to the Board of Directors in draft form, for their final review, revisions, and approval.

#### OPERATING EXPENSES

- **Landscape Contract** - This line item covers the cost for the monthly landscape maintenance contract.
- **Landscape Irrigation Repairs** - This line item is an allowance for irrigation repairs.
- **Landscape Time & Materials** - This line item covers the cost of projects outside of the maintenance contract; no expenses anticipated for fiscal year 2026.
- **Arroyo San Jose Creek Maintenance** - The association is responsible for periodic removal of any landscape cuttings or other debris within that portion of the Arroyo San Jose Creek for Lots 195-198; 225-232; 234-237; 238; 239; 263-270; 274; 333-338; and, other lots subject to the flood control easement.
- **Fuel Management** – Budgeted for the removal landscape cuttings and other debris on any portion that extends beyond the rear or side boundary of the Owners Lot for Lots 78-81; 165-169; 178-186; 188-193; 199; 203-206; 220-224; 248-249; 253-257; 279-296; 304-308; 323-325; 329-336; 341-345.

#### UTILITIES

- **PG&E** - This line item covers the cost of electricity used in the common areas.
- **Water** - This line item covers the cost of irrigation water for the common area.

#### INSURANCE

- **Insurance** - This line item covers the cost of premiums for maintaining insurance coverage that is required for the association.
- **Worker's Comp Insurance** - This line item covers the cost for the association's worker's compensation policy.
- **Secretary of State Filing Fees** - This line item covers the cost for bi-annual non-profit and corporate filing fees. Due October on even years.

#### ADMINISTRATION EXPENSES

- **Management** - This line item covers the cost of a professional management contract with Bayside Management.
- **Project Management** - This line item covers the cost for professional management services that are outside of, or over and above from, the terms of the current agreement.
- **Storage** - This item covers the legally required storage of the historical records for the association.

- **Legal** - This line item is an allowance advice from counsel or other legal expenses, as needed.
- **Tax Prep** - This line item covers the cost for annual tax preparation and for yearend reporting to be done by a CPA.

#### **RESERVE FUNDING**

- **Monthly Reserve Contribution** - This line item covers the funding of the reserves as recommended by the reserve study preparer.

#### **ADDITIONAL FINANCIAL INFORMATION**

##### **OUTSTANDING LOANS**

At this time, the association has no outstanding loans.

##### **REVENUES**

For purposes of operating expense budgeting, revenues are estimated to equal monthly dues income. Interest on reserves, which is difficult to project and subject to change, is used to increase available contingency funds, and/or reduce the unfunded reserve liability, and there is a small amount of revenue generated from late fees.

##### **SPECIAL ASSESSMENTS**

The attached reserve study describes in detail the estimated useful life, remaining life, replacement costs, reserve balances, and percentage of funding. If there is a chance of a special assessment in the future this will be indicated on the assessment and reserve funding disclosure page.

##### **RESERVE STUDY**

The Board of Directors for the Pointe Marin Association regularly has a professional reserve study done, which is reviewed annually.

#### **4) FHA/VA Certifications**

On August 12, 2015, Governor Brown signed AB 596, which adds the following two new required disclosures to the annual budget report for California Condominium Associations, Section 5300(b) of the California Civil Code:

1. Certification by the Federal Housing Administration may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is not a condominium project. The association of this common interest development is not certified by the Federal Housing Administration.

2. Certification by the Federal Department of Veterans Affairs may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is not a condominium project. The association of this common interest development is not certified by the Federal Department of Veterans Affairs.

#### **5) Charges For Documents Provided As Required by Section 4525**

This is the minimum document offering required to meet CA Statute 4525. You may opt to acquire additional documents including, but not limited to, Meeting Minutes, Reserve Studies, Insurance Declaration Pages, and/or property inspections not mandated by law but helpful to the prospective buyer(s) and/or their agent to make a more informed decision regarding the subject property.

Please note: Other fees including, but not limited to, Escrow Processing Fees, Capital Contributions, Collection fees, etc. may be assessed to each property and will be disclosed on the Statement of Fees (Demand) and are not included within estimated charges outlined within this form.



The seller may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller.

A seller may request to purchase some or all of these documents, but shall not be required to purchase ALL of the documents listed on this form.

Property Address:

Owner of Property:

Owner's Mailing Address (If known or different from property address.):

Provider of the [Section 4525](#) Items:

Print Name \_\_\_\_\_ Position or Title \_\_\_\_\_ Association or Agent

Date Form Completed:

Check or Complete Applicable Column or Columns Below:

Document	Civil Code Section Included	Fee for Document	Not Available (N/A) or Not Applicable (N/App), or Directly Provided by Seller and confirmed in writing by Seller as a current document (DP)
Articles of Incorporation or statement that not incorporated	Section <a href="#">4525(a)(1)</a>	\$35.00	
CC&Rs	Section <a href="#">4525(a)(1)</a>	\$40.00	
Bylaws	Section <a href="#">4525(a)(1)</a>	\$35.00	
Operating Rules	Section <a href="#">4525(a)(1)</a>	\$30.00	
Age restrictions, if any	Section <a href="#">4525(a)(2)</a>	\$0.00	Refer to CC&Rs
Rental restrictions, if any	Section <a href="#">4525(a)(9)</a>	\$0.00	Refer to CC&Rs
Annual budget report or summary, including reserve study	Sections <a href="#">5300</a> and <a href="#">4525(a)(3)</a>	\$40.00	
Assessment and reserve funding disclosure summary	Sections <a href="#">5300</a> and <a href="#">4525(a)(4)</a>	\$0.00	Refer to Budget
Financial statement review	Sections <a href="#">5305</a> and <a href="#">4525(a)(3)</a>	\$35.00	
Assessment enforcement policy	Sections <a href="#">5310</a> and <a href="#">4525(a)(4)</a>	\$0.00	Refer to Budget
Insurance summary	Sections <a href="#">5300</a> and <a href="#">4525(a)(3)</a>	\$25.00	
Regular assessment	<a href="#">Section 4525(a)(4)</a>	\$0.00	Refer to Budget
Special assessment	<a href="#">Section 4525(a)(4)</a>	\$0.00	Refer to Demand

Document	Civil Code Section Included	Fee for Document	Not Available (N/A) or Not Applicable (N/App), or Directly Provided by Seller and confirmed in writing by Seller as a current document (DP)
Emergency assessment	<a href="#">Section 4525(a)(4)</a>	\$0.00	Refer to Demand
Approved changes to assessments	Sections <a href="#">5300</a> and <a href="#">4525(a)(4), (8)</a>	\$0.00	Refer to Demand
Settlement notice regarding common area defects	<a href="#">Sections 4525(a)(6), (7), and 6100</a>	\$0.00	
Preliminary list of defects	Sections <a href="#">4525(a)(6)</a> , <a href="#">6000</a> , and <a href="#">6100</a>	\$0.00	
Notice(s) of violation	Sections <a href="#">5855</a> and <a href="#">4525(a)(5)</a>	\$0.00	
Required statement of fees	<a href="#">Section 4525</a>	\$187.00	
Minutes of regular board meetings conducted over the previous 12 months, if requested	Section <a href="#">4525(a)(10)</a>	\$60.00	
Total fees for these documents:		\$487.00	
* The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of <a href="#">Section 4525</a> may be charged separately.			

## **6) Insurance Summary and Disclosure**

This summary of the association's policies of insurance provides only certain information, as required by subdivision (b)(9) of Section §5300 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, real property improvements to or around your dwelling, 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.

*Insurance Brokers*  
**O'KANE & TEGAY**

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LIC. # 0M93299

November 10, 2025

Justin Barton  
Bayside Management  
180 Harbor Drive, Suite 100  
Sausalito, CA 94965

Via Email: [jbarton@baysidemgmt.com](mailto:jbarton@baysidemgmt.com)

**RE: Pointe Marin Association**  
**Insurance Renewal: 12/01/2025– 12/01/2026**  
**Page 1 of 4**

We are pleased to offer you the following Insurance renewal quotation:

**Package Policy**

Blanket Outdoor Common Area Property Limit	\$ 420,000
Deductible \$1,000	
Special Form	
Replacement Cost	
Trees & Shrubs - Maximum Limit	\$ 25,000
Deductible \$1,000	
Special Form, excluding Wind	
Replacement Cost	
Commercial General Liability	
Per Occurrence	\$2,000,000
Annual Aggregate	\$4,000,000
Hired & Non-owned Auto Liability Limit	\$1,000,000
Deductible n/a	

**Annual Premium: \$2,831.00.** Quoted with LIO Insurance Company, admitted carrier (A.M. BEST Rating: A- VIII).

*Insurance Brokers*  
**O'KANE & TEGAY**

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LIC. # 0M93299

**Pointe Marin Association**

**Insurance Renewal: 12/01/2025– 12/01/2026**

**Page 2 of 4**

**Excess General Liability Policy**

Per Occurrence Limit	\$1,000,000
General Aggregate Limit	\$1,000,000
Retention \$n/a	

**Term Premium: \$1,000.00.** Quoted with United States Liability Insurance Company, admitted carrier (A.M. BEST Rating: A+ XIV).

**Directors & Officers Liability Policy**

Each Claim & Annual Aggregate	\$1,000,000
Non-monetary Claim Sublimit – Per Claim	\$ 100,000
Non-monetary Claim Sublimit – Aggregate	\$ 200,000
Claims Made Form	
Includes coverage for Bayside Management	
Includes Full Prior Acts Coverage	
**No first dollar defense cost**	
Retention \$35,000	

**Annual Premium: \$23,771.00 + \$1,289.66 taxes & fees.** Quoted with the following

Underwriters at Lloyds' of London:

58.75% Participation – Brit Syndicate No. 2987, non-admitted carrier (A.M. BEST Rating: A+).

11.25% Participation – AEGIS E&O Consortium Syndicate No. 4893, non-admitted carrier (A.M. BEST Rating: A+).

10% Participation – Renaissance Re Syndicate No. 1458, non-admitted carrier (A.M. BEST Rating: A+).

10% Participation – Ascot Syndicate No. 1414, non-admitted carrier (A.M. BEST Rating: A+).

5% Participation – Axis Syndicate No. 1686, non-admitted carrier (A.M. BEST Rating: A+).

5% Participation – QBE Syndicate No. 555, non-admitted carrier (A.M. BEST Rating: A+).

5% Participation – AXIS Surplus Insurance Company, non-admitted carrier (A.M. BEST Rating: A+). \*\*SUBJECT TO 25% MINIMUM EARENEED\*\*

*Insurance Brokers*  
**O'KANE & TEGAY**

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LIC. # 0M93299

Pointe Marin Association

Insurance Renewal: 12/01/2025– 12/01/2026

Page 3 of 4

**Fidelity/Crime Policy**

Employee Theft Limit	\$ 250,000
Computer Fraud Limit	\$ 250,000
Funds Transfer Fraud Limit	\$ 250,000
Deductible \$1,000	

**Annual Premium: \$560.00 + \$50.00 Policy Fee.** Quoted with Philadelphia Indemnity Insurance Company, admitted carrier (A.M. BEST Rating: A++ XV).

**Worker's Compensation Policy:**

Bodily Injury by Accident – Each Accident Limit	\$ 1,000,000
Bodily Injury by Disease – Each Employee Limit	\$ 1,000,000
Bodily Injury by Disease – Policy Limit	\$ 1,000,000
Deductible n/a	

*\*Policy Rating Basis: \$0 – \*Class Code # 9066 – Homeowners Association*

**Policy Premium: \$350.00 + 17.00 Assessment.** Quoted with Technology Insurance Company (A.M. BEST Rating: A- XI).

<b>Total Premium</b>	<b>\$28,512.00</b>
<b>Total Fees &amp; Taxes</b>	<b>\$ 1,356.66</b>
<b>Total Due</b>	<b>\$29,868.66</b>

**\*\*IN ORDER TO BIND COVERAGE, PLEASE CORRECT (IF NEEDED), SIGN AND DATE THE ATTACHED APPLICATION AND FORM AND EMAIL THEM TO ME \***

*Insurance Brokers*  
**O'KANE & TEGAY**

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LIC. # 0M93299

**Pointe Marin Association**

**Insurance Renewal: 12/01/2025– 12/01/2026**

**Page 3 of 4**

**Fidelity/Crime Policy**

Employee Theft Limit	\$ 250,000
Computer Fraud Limit	\$ 250,000
Funds Transfer Fraud Limit	\$ 250,000
Deductible \$1,000	

**Annual Premium: \$560.00 + \$50.00 Policy Fee.** Quoted with Philadelphia Indemnity Insurance Company, admitted carrier (A.M. BEST Rating: A++ XV).

**Worker's Compensation Policy:**

Bodily Injury by Accident – Each Accident Limit	\$ 1,000,000
Bodily Injury by Disease – Each Employee Limit	\$ 1,000,000
Bodily Injury by Disease – Policy Limit	\$ 1,000,000
Deductible n/a	

*\*Policy Rating Basis: \$0 – \*Class Code # 9066 – Homeowners Association*

**Policy Premium: \$350.00 + 17.00 Assessment.** Quoted with Technology Insurance Company (A.M. BEST Rating: A- XI).

<b>Total Premium</b>	<b>\$28,512.00</b>
<b>Total Fees &amp; Taxes</b>	<b>\$ 1,356.66</b>
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*Insurance Brokers*  
**O'KANE & TEGAY**

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LIC. # 0M93299

**Pointe Marin Association**

**Insurance Renewal: 12/01/2025– 12/01/2026**

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Please do not hesitate to contact my office directly at (415) 242-8773 should you have any questions.

Sincerely,



Natalie Swift O'Kane  
Account Executive  
Enclosure



## **7) Reserve Study Summary and Disclosure**

The summary of the association's reserves provides only certain information, as required by paragraph (2) of subdivision (b) of Section 5300 of the Civil Code, and is based on the most recent review or study conducted pursuant to Section 5550. Any association member may, upon written request and provision of reasonable notice, review the association's full draft reserve study and, upon request and payment of reasonable duplication charges, obtain copies of this study.

## PROPERTY INFORMATION

PROPERTY NAME:	Pointe Marin Association		
STREET ADDRESS:	Ignacio Blvd.		
CITY, STATE, ZIP:	Novato, CA 94949		
GOVERNING ENTITY:	Board of Directors		
YEAR CONSTRUCTED:	2003	NUMBER OF CONSTRUCTION PHASES:	1
NUMBER OF UNITS:	342	NUMBER OF RESIDENTIAL BUILDINGS:	

## CONTACT INFORMATION

CURRENT PROPERTY CONTACT:	Mr. Justin Barton Bayside Management, Inc. 180 Harbor Dr. # 100 Sausalito, CA 94966 Phone: (415) 383-8400      Email: jbarton@baysidemgmt.com		
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## RESERVE STUDY INFORMATION

TYPE OF STUDY:	Site Inspection Update Study 2026		
BEGINNING YEAR OF STUDY:	2026		
YEAR OF LAST PHYSICAL INSPECTION:	2025		
YEAR OF NEXT PHYSICAL INSPECTION:	2028 (as required by the Davis-Stirling Act)		
RESERVE STUDY PREPARER:	Reserve Analysis Consulting, L.L.C. 1750 Bridgeway, Suite B106 • Sausalito, CA 94965 Sausalito, California 94965 Office Phone: (415) 332-7800      FAX: (415) 332-7801		
PERFORMED BY:	Aaron Atmip Direct Phone: (415) 272-1716 Email: aaron@reserveanalysis.com		

## RESERVE FUND FINANCIAL INFORMATION

BUDGET YEAR ENDING DATE:	12/31	2025	2026
ANNUAL RESERVE CONTRIBUTION:		\$16,430	\$17,169
MONTHLY RESERVE CONTRIBUTION:		\$1,369	\$1,431
PER UNIT MONTHLY (AVG.) CONTRIBUTION:		\$4.00	\$4.18
TOTAL SPECIAL ASSESSMENT:		N/A	N/A
PER UNIT (AVG.) SPECIAL ASSESSMENT:		N/A	N/A
PROPOSED RESERVE FUND EXPENDITURES:			(\$16,905)
ESTIMATED YEAR ENDING BALANCE:		\$147,148	\$150,119
REQUESTED MINIMUM "THRESHOLD" FUTURE BALANCE:			N/A

## RESERVE PERCENT FUNDED CALCULATION

AMOUNT NEEDED TO BE 100% FUNDED:	\$173,602	\$175,253
THEORETICAL PER UNIT UNDERFUNDED:	\$77	\$73
CALCULATED PERCENT FUNDED:	84.76%	85.66%

## RESERVE PROJECTED INTEREST &amp; INFLATION

	Yr's 1-3	Yr's 4-30
"ASSUMED LONG-TERM INTEREST RATE":	3.00%	3.00%
"ASSUMED LONG-TERM INFLATION RATE":	3.00%	3.00%

## 4.00

## 30 YEAR RESERVE FUNDING PLAN

2025 Average unit per month reserve contribution \*1 = \$4.

2025 Total annual reserve contribution \*1 = \$16,430

\* All future numbers are PROPOSED and/or PROJECTED.

DESCRIPTION - 1ST 10 YEARS																
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035						
Projected Beginning Fund Balance *1	\$147,148	\$150,119	\$162,996	\$96,968	\$36,327	\$56,039	\$66,461	\$79,918	\$94,426	\$103,077						
Contribution % increase over previous yr.	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%						
Contribution avg. unit/month \$ increase	\$0.18	\$0.19	\$0.20	\$0.21	\$0.21	\$0.22	\$0.23	\$0.25	\$0.26	\$0.27						
Contribution avg. per unit/month	\$4.18	\$4.37	\$4.57	\$4.77	\$4.99	\$5.21	\$5.45	\$5.69	\$5.95	\$6.22						
Reserve Contribution - Annual	\$17,169	\$17,942	\$18,749	\$19,593	\$20,475	\$21,396	\$22,359	\$23,365	\$24,417	\$25,515						
Does increase require membership vote?																
Proposed avg. special assess per unit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						
Special Assessment - Total Proposed																
Does special assessment require vote?																
Income from other sources																
Total Reserve Fund Available	\$164,317	\$168,061	\$181,745	\$116,561	\$56,802	\$77,436	\$88,820	\$103,283	\$118,842	\$128,592						
Projected Expenditures - inflated	-\$16,905	-\$8,003	-\$86,526	-\$80,889	-\$1,773	-\$12,172	-\$10,343	-\$10,560	-\$17,624	-\$14,385						
Balance after expenditures	\$147,412	\$160,057	\$95,220	\$35,672	\$55,029	\$65,263	\$78,477	\$92,723	\$101,218	\$114,207						
Interest on balance after tax	\$2,706	\$2,939	\$1,748	\$655	\$1,010	\$1,198	\$1,441	\$1,702	\$1,858	\$2,097						
Minimum requested balance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A						
Percent funded (if implemented) *2	85.66%	85.26%	72.73%	45.58%	55.83%	59.14%	62.88%	66.18%	67.52%	69.77%						
Projected Year Ending Balance *3	\$150,119	\$162,996	\$96,968	\$36,327	\$56,039	\$66,461	\$79,918	\$94,426	\$103,077	\$116,304						

\* All future numbers are PROPOSED and/or PROJECTED.

DESCRIPTION - 2ND 10 YEARS																
	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045						
Projected Beginning Fund Balance *1	\$116,304	\$136,251	\$127,904	\$142,982	\$159,870	\$173,351	\$192,879	\$218,912	\$202,002	\$219,750						
Contribution % increase over previous yr.	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%						
Contribution avg. unit/month \$ increase	\$0.28	\$0.29	\$0.31	\$0.32	\$0.33	\$0.35	\$0.36	\$0.38	\$0.40	\$0.42						
Contribution avg. per unit/month	\$6.50	\$6.79	\$7.09	\$7.41	\$7.75	\$8.10	\$8.46	\$8.84	\$9.24	\$9.66						
Reserve Contribution - Annual	\$26,663	\$27,863	\$29,117	\$30,427	\$31,797	\$33,228	\$34,723	\$36,285	\$37,918	\$39,624						
Does increase require membership vote?																
Proposed avg. special assess per unit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00						
Special Assessment - Total Proposed																
Does special assessment require vote?																
Income from other sources																
Total Reserve Fund Available	\$142,967	\$164,115	\$157,021	\$173,409	\$191,667	\$206,579	\$227,602	\$255,197	\$239,920	\$259,374						
Projected Expenditures - inflated	-\$9,172	-\$38,516	-\$16,617	-\$16,422	-\$21,441	-\$17,177	-\$12,637	-\$56,837	-\$24,132	-\$8,285						
Balance after expenditures	\$133,795	\$125,598	\$140,404	\$156,988	\$170,226	\$189,402	\$214,965	\$198,360	\$215,788	\$251,089						
Interest on balance after tax	\$2,456	\$2,306	\$2,578	\$2,882	\$3,125	\$3,477	\$3,947	\$3,642	\$3,962	\$4,610						
Minimum requested balance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A						
Percent funded (if implemented) *2	72.93%	70.93%	73.24%	75.59%	77.29%	79.60%	82.29%	81.06%	83.26%	86.65%						
Projected Year Ending Balance *3	\$136,251	\$127,904	\$142,982	\$159,870	\$173,351	\$192,879	\$218,912	\$202,002	\$219,750	\$255,699						

3YR PROJECTED EXPENDITURE SCHEDULE										
COMPONENT DESCRIPTION		CURRENT COST	YEAR NEW	USEFUL LIFE	RANG LIFE	YR. 1 2026	YR. 2 2027	YR. 3 2028	TOTAL 3 YRS.	
1.00	SITE & PARK REPLACEMENT ALLOWANCES									
1.02	Irrigation Piping/Valve Replace Allowance	\$2,500	2025	3	2			\$2,652	\$2,652	
1.03	Landscaping & Tree Trimming/Replacement Allowance	\$6,000	2023	3	0	\$6,000			\$6,000	
1.04	Tot Lot Area - Inspection/Repair Allowance (annual)	\$1,500	2025	1	0	\$1,500	\$1,545	\$1,591	\$4,636	
1.06	Monument Repair / Replace Allowance - Minor	\$1,000	2021	5	0	\$1,000			\$1,000	
1.09	Irrigation Controller (Laurelwood)	\$1,675	2003	25	2			\$1,777	\$1,777	
2.00	TOT LOT - ELAMVIEW WAY									
2.01	Play Equipment (Wood / Metal)	\$62,024	2025	25	24					
2.02	Rubber Floor	\$3,600	2014	12	0	\$3,600			\$3,600	
2.03	Mulch Replenish	\$1,500	2025	3	2			\$1,591	\$1,591	
2.07	Irrigation Controller	\$2,000	2002	25	1		\$2,060		\$2,060	
2.11	Paint Tot Lot	\$2,000	2026	10	10	\$2,000			\$2,000	
3.00	TOT LOT - LAURELWOOD DRIVE									
3.02	Rubber Floor	\$4,500	2016	12	2			\$4,774	\$4,774	
3.03	Mulch Replenish	\$2,500	2025	3	2			\$2,652	\$2,652	
4.00	TOT LOT - VALLEYVIEW TERRACE									
4.01	Play Equipment (Metal / Plastic)	\$60,000	2003	25	2			\$63,654	\$63,654	
4.02	Rubber Floor	\$3,150	2015	12	1		\$3,245		\$3,245	
4.03	Mulch Replenish	\$1,000	2025	3	2			\$1,061	\$1,061	
4.05	Safety Sign	\$750	2003	24	1		\$773		\$773	
4.06	Irrigation Controller	\$2,500	2003	25	2			\$2,652	\$2,652	
4.11	Paint Tot Lot	\$2,000	2026	10	10	\$2,000			\$2,000	
UNSCHEDULED EXPENSES RELATED TO EACH YEAR'S PROJECTS						5.00%				
INFLATION FACTOR						3% for all years				
TOTAL PROJECTED INFLATED REPAIR/REPLACEMENT EXPENSE						1,000	1,030	1,061	\$106,127	
						\$16,905	\$8,003	\$86,526		



<b>11.00</b>	<b>PERCENT FUNDED CALCULATION</b>
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Code #	Component Description	2025 End Req'd in Bank	Year New	Useful Life	Rmng. (2026)	Current Cost	Annual Allocation	2026 End Req'd in Bank
1.00	SITE & PARK REPLACEMENT ALLOWANCES							
1.01	Concrete Repair/Replacement Allowance	\$0	2025	10	9	\$3,000	\$300	\$300
1.02	Irrigation Piping/Valve Replace Allowance	\$0	2025	3	2	\$2,500	\$833	\$833
1.03	Landscaping & Tree Trimming/Replacement Allowance	\$4,000	2023	3	0	\$6,000	\$2,000	\$0
1.04	Tot Lot Area - Inspection/Repair Allowance (annual)	\$1,500	2025	1	0	\$1,500	\$1,500	\$1,500
1.05	Plaques Replacement Allowance	\$720	2016	25	15	\$2,000	\$80	\$800
1.06	Monument Repair / Replace Allowance - Minor	\$800	2021	5	0	\$1,000	\$200	\$0
1.07	Monument Repair / Replace Allowance - Major	\$4,929	2002	35	11	\$7,500	\$214	\$5,143
1.08	Benches @ Laurelwood Parcels H & O (wood replacement)	\$2,103	2002	35	11	\$3,200	\$91	\$2,194
1.09	Irrigation Controller (Laurelwood)	\$1,474	2003	25	2	\$1,675	\$67	\$1,541
1.10	Irrigation Controller (Laurelwood)	\$201	2022	25	21	\$1,675	\$67	\$268
1.11	Controller Enclosures (Laurelwood)	\$3,667	2003	30	7	\$5,000	\$167	\$3,833
1.12	Backflow Valves (Laurelwood)	\$2,200	2003	40	17	\$4,000	\$100	\$2,300
1.13	Backflow Cages (Laurelwood)	\$1,650	2003	40	17	\$3,000	\$75	\$1,725
Category Sub-Total		\$23,243				\$42,050	\$5,695	\$20,438
2.00	TOT LOT - ELMVIEW WAY							
2.01	Play Equipment (Wood / Metal)	\$0	2025	25	24	\$62,024	\$2,481	\$2,481
2.02	Rubber Floor	\$3,300	2014	12	0	\$3,600	\$300	\$0
2.03	Mulch Replenish	\$0	2025	3	2	\$1,500	\$500	\$500
2.04	Steel Frame Bench (wood replacement)	\$526	2002	35	11	\$800	\$23	\$549
2.05	Water fountain	\$3,943	2002	35	11	\$6,000	\$171	\$4,114
2.06	Safety Sign	\$575	2002	30	6	\$750	\$25	\$600
2.07	Irrigation Controller	\$1,840	2002	25	1	\$2,000	\$80	\$1,920
2.08	Controller Enclosure	\$1,438	2002	40	16	\$2,500	\$63	\$1,500
2.09	Backflow Valve	\$1,150	2002	40	16	\$2,000	\$50	\$1,200
2.10	Backflow Cage	\$863	2002	40	16	\$1,500	\$38	\$900
2.11	Paint Tot Lot	\$1,800	2026	10	10	\$2,000	\$200	\$0
Category Sub-Total		\$15,434				\$84,674	\$3,930	\$13,764
3.00	TOT LOT - LAURELWOOD DRIVE							
3.01	Play Equipment (Metal / Plastic)	\$50,400	2004	25	3	\$60,000	\$2,400	\$52,800
3.02	Rubber Floor	\$3,375	2016	12	2	\$4,500	\$375	\$3,750
3.03	Mulch Replenish	\$0	2025	3	2	\$2,500	\$833	\$833
3.04	Steel Frame Picnic Table (wood replacement)	\$1,050	2004	30	8	\$1,500	\$50	\$1,100
3.05	Water fountain	\$3,600	2004	35	13	\$6,000	\$171	\$3,771
3.06	Safety Sign	\$525	2004	30	8	\$750	\$25	\$550
3.07	Irrigation Controller	\$2,520	2004	25	3	\$3,000	\$120	\$2,640
3.08	Controller Enclosure	\$1,313	2004	40	18	\$2,500	\$63	\$1,375
3.09	Backflow Valve	\$600	2013	40	27	\$2,000	\$50	\$650
3.10	Backflow Cage	\$788	2004	40	18	\$1,500	\$38	\$825
3.11	Paint Tot Lot	\$200	2024	10	8	\$2,000	\$200	\$400
Category Sub-Total		\$64,370				\$86,250	\$4,325	\$68,695
4.00	TOT LOT - VALLEYVIEW TERRACE							
4.01	Play Equipment (Metal / Plastic)	\$52,800	2003	25	2	\$60,000	\$2,400	\$55,200
4.02	Rubber Floor	\$2,625	2015	12	1	\$3,150	\$263	\$2,888
4.03	Mulch Replenish	\$0	2025	3	2	\$1,000	\$333	\$333
4.04	Water fountain	\$1,230	2003	30	7	\$1,677	\$56	\$1,286
4.05	Safety Sign	\$688	2003	24	1	\$750	\$31	\$719
4.06	Irrigation Controller	\$2,200	2003	25	2	\$2,500	\$100	\$2,300
4.07	Controller Enclosure	\$1,375	2003	40	17	\$2,500	\$63	\$1,438
4.08	Backflow Valve	\$1,100	2003	40	17	\$2,000	\$50	\$1,150
4.09	Backflow Cage	\$825	2003	40	17	\$1,500	\$38	\$863
4.10	Fencing (Concrete Split Rail)	\$5,913	2003	40	17	\$10,750	\$269	\$6,181
4.11	Paint Tot Lot	\$1,800	2026	10	10	\$2,000	\$200	\$0
Category Sub-Total		\$70,555				\$87,827	\$3,802	\$72,357
Total Value of Components:						\$300,801		
Annual Straight-Line Allocation:							\$17,751	
			2025 End					
				2026 End				

Total Dollars Necessary to be 100% Funded:	\$173,602	\$175,253
Actual Dollars In Reserve Fund:	\$147,148	\$150,119
Current Fund Deficiency:	\$26,454	\$25,134
Current Per Unit Deficiency:	\$77	\$73
Percent Funded:	84.76%	85.66%
(Actual dollars/Total Dollars Necessary)		

## **8.00 PROCEDURES & METHODOLOGIES**

### **DAVIS-STIRLING ACT PROCEDURES & REQUIREMENTS**

Current Davis-Stirling statutes 5300 & 5550 ((old 1365 & 1365.5)) require the Association to Review the Reserve Study on an annual basis and implement any necessary adjustments regarding component performance, replacement and/or deferral; as well as recalculation of financial figures based on that review and current financial data. Additionally, Statute 5550 ((old 1365.5)) continues to require a Site Inspection based Update of the complete Study at a minimum every three years. The Reserve Study is to include:

Identification of the major components.

Establishment of reasonable life expectancies and remaining life of all components.

Projected estimated cost of all repair and replacements.

Development of a 30 year Funding Plan which identifies date and amount of regular and special assessments.

Calculation of Percent Funded and amount of per unit deficiency.

Statement of methodology.

Additionally, calculation of 5570 ((old 1365.2.5)) Reserve Summary and Disclosure Document.

### **SCOPE OF STUDY**

The time frame covered by this analysis is from 2026 through 2055. These are the beginning and ending points for all repairs and replacements included in the 30 Year Funding Plan included in this study.

### **STATEMENT OF RESERVE STUDY METHODOLOGY**

The components included in this analysis were identified by age, quantity, and type. Upon completion of the component list and the Reserve Fund Requirement Analysis, the report was presented to the Homeowners Association's Board for approval. The following sources were used, when applicable, to make our determinations:

Original plans and specifications

Original contractors, current contractors and vendors

Association maintenance staff

Association management

Association Board of Directors

While gathering this information there were some assumptions made regarding existing conditions, future conditions and additional circumstances that may occur that would affect the cost of repairs. Some of these assumptions may come true and others may not; therefore, the cost of repairs and life of certain components could vary substantially. Life expectancies of all components were based on industry standard experiences, and on the components being in reasonable and ordinary condition.

All component conditions were based on visual inspection. There was no disassembly of components or demolition involved. This report does not address any factory or product defects or any damage due to improper maintenance, system design, or installation. It's also assumed all components will receive reasonable maintenance for their remaining life.

Only components that met the following criteria were included in this report:

The component maintenance is the responsibility of the Association.

The component is not covered by the Association's Annual Operating Budget.

The component's useful life is greater than one year, except in the case of variable ongoing repair of a major component

The component has an identifiable expected cost and replacement cost.

Inclusion in the Funding plan requires the component's remaining estimated useful life is less than 30 years.

The Reserve Study includes a 30 year component expenditure projection from which a Funding Plan was developed which proposes a "schedule of the date and amount of any change in regular or special assessments that would be needed to sufficiently fund the Reserve Funding Plan." The premise of this replacement cost projection is to ensure a positive cash balance in the Reserve Fund Account that will enable the Association to fulfill its "obligation for the repair and replacement of all major components with an expected remaining life of 30 years or less." It is equally important that a positive cash fund be maintained without relying on Special Assessments or overfunding of Reserves. The cost projections in this report are inflated based on an "assumed long-term inflation rate" based on a 30 year average and adjusted for local economies. The Funding Plan in this report includes an "assumed long-term interest rate" which is not to exceed "2% above the discount rate published by the Federal Reserve Bank of San Francisco." Both rates were reviewed in the Preliminary Draft and approved by the Board of Directors.