

Bayside Management

# Pointe Marin Association

## Annual Budget Report 2025



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

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Dear Pointe Marin Homeowner:

On November 13, 2024, the Board of Directors adopted the 2025 Budget with an increase of our dues primarily due to an estimated increase in our insurance since we had not received a final cost for the insurance. Unfortunately, we received a quote for renewal of our insurance on November 25, 2024 which reflects a larger increase in our insurance premium than estimated in our adopted budget (see Attachment 1). The renewal notice reflects a "\$35,000 retention for the Directors and Officers insurance in the event there is a claim filed in 2025." This increase is not reflected in our adopted budget. The Board of Directors will need to amend the adopted budget in 2025. This increase in our insurance premium is due to the costs associated with two lawsuits filed by a member of our Association. The Board also reduced the printing, postage and miscellaneous estimates based on actual expenditures in 2023 and 2024.

**Effective January 1, 2025, your semi-annual HOA dues will be: \$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 of \$18.00 is charged to all accounts 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 2025 Budget;
- 2) Annual Policy Statement 2025;
- 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 Homeowners 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)

Thank you!!

**Board of Directors for Pointe Marin Association**  
Pat Eklund, President  
Mike Christian, Vice President  
Eric Vermillion, Secretary and Board Member  
Attachments as stated

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**PRO-FORMA BUDGET 2025**

	<b>Semi- Ann. Per Unit</b>	<b>Per Month</b>	<b>Annual 2025</b>
<b><u>REVENUES</u></b>			
HOA Dues	\$ 240.00	\$ 13,680.00	\$ 164,160.00
Late Fees	\$ 4.39	\$ 250.00	\$ 3,000.00
<b>Total</b>	<b>\$ 244.39</b>	<b>\$ 13,930.00</b>	<b>\$ 167,160.00</b>
<b><u>Maintenance Expense</u></b>			
Landscape-Contract	\$ 17.54	\$ 1,000.00	\$ 12,000.00
Landscape-Irrigation Repairs	\$ 1.46	\$ 83.33	\$ 999.96
Landscape-Time & Materials	\$ -	\$ -	\$ -
Conservation Easement Maintenance	\$ 5.00	\$ 285.00	\$ 3,420.00
Fuel Management	\$ 7.19	\$ 410.00	\$ 4,920.00
<b>Totals</b>	<b>\$ 31.20</b>	<b>\$ 1,778.33</b>	<b>\$ 21,339.96</b>
<b><u>Utilities</u></b>			
PG&E	\$ 0.93	\$ 52.92	\$ 635.00
Water	\$ 7.02	\$ 333.33	\$ 4,800.00
<b>Totals</b>	<b>\$ 6.69</b>	<b>\$ 381.25</b>	<b>\$ 5,435.00</b>
<b><u>Insurance &amp; Taxes</u></b>			
Insurance	\$ 51.17	\$ 2,916.67	\$ 35,000.04
Insurance Deductible	\$ 26.84	\$ 1,529.83	\$ 18,358.00
Workers Comp Insurance	\$ 0.54	\$ 30.92	\$ 371.00
Federal and State Taxes	\$ 0.01	\$ 0.83	\$ 10.00
County Property Tax	\$ 0.26	\$ 15.00	\$ 180.00
Secretary of State Filing Fees	\$ 0.05	\$ 2.92	\$ 35.00
<b>Totals</b>	<b>\$ 78.88</b>	<b>\$ 854.83</b>	<b>\$ 53,954.04</b>
<b><u>Administrative</u></b>			
Management Fee	\$ 55.26	\$ 3,150.00	\$ 37,800.00
Extra Management Admin/Support	\$ 0.88	\$ 58.92	\$ 707.04
Printing/Postage	\$ 14.96	\$ 262.42	\$ 3,149.00
Statements	\$ 4.39	\$ -	\$ -
Bad Debt	\$ 1.46	\$ 83.33	\$ 999.96
Storage	\$ 0.79	\$ 45.00	\$ 540.00
Legal	\$ 35.82	\$ 2,041.67	\$ 24,500.04
Audit & Accounting	\$ 2.19	\$ 125.00	\$ 1,500.00
Reserve Study	\$ 0.62	\$ 35.42	\$ 425.04
Miscellaneous	\$ 3.29	\$ 31.67	\$ 380.00
<b>Totals</b>	<b>\$ 125.29</b>	<b>\$ 7,141.42</b>	<b>\$ 70,000.00</b>
<b><u>Reserves</u></b>			
Monthly Reserve Contribution	\$ 24.02	\$ 1,369.17	\$ 16,430.00
<b>TOTAL EXPENSES:</b>	<b>\$ 244.39</b>	<b>\$ 13,930.00</b>	<b>\$ 167,160.00</b>

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## 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 2025.
- **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** - The association is responsible for removing 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/TAXES

- **Insurance** - This line item covers the cost of premiums for maintaining insurance coverage that is required for the association.
- **Insurance Deductible**- This line item allows for available funds to cover D & O deductible should there be any claims filed against the HOA.
- **Worker's Comp Insurance** - This line item covers the cost for the association's worker's compensation policy.
- **Federal & State Taxes** - This line item covers the cost of corporate taxes paid on non-exempt income and net profits.
- **County Property Tax** - This line item covers the cost for taxes paid on the common area parcels.

- **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 Steward Property Services, Inc.
- **Extra 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.
- **Printing & Postage** - This line item covers the cost of associations mailings, such as newsletters, budget, financial statement and other communications.
- **Statements** - This line item is not expected to have any expenses as statements are now available online.
- **Bad Debt** - This line item covers the loss the association expects from uncollectable accounts.
- **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.
- **Audit & Accounting** - This line item covers the cost for annual tax preparation and for yearend reporting to be done by a CPA.
- **Reserve Study** - This line item covers the cost to update the reserve study each year.
- **Miscellaneous** - This line item covers the cost for miscellaneous administrative expenses.

#### **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.

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## **FHA/VA CERTIFICATION**

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.

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## CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525

You can order disclosure documents, by going to [www.stewardprop.com](http://www.stewardprop.com) and click on the "Order Escrow Docs" button.

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 <u>4525(a)(1)</u>	\$35.00	
CC&Rs	Section <u>4525(a)(1)</u>	\$40.00	
Bylaws	Section <u>4525(a)(1)</u>	\$35.00	
Operating Rules	Section <u>4525(a)(1)</u>	\$30.00	
Age restrictions, if any	Section <u>4525(a)(2)</u>	\$0.00	Refer to CC&Rs
Rental restrictions, if any	Section <u>4525(a)(9)</u>	\$0.00	Refer to CC&Rs
Annual budget report or summary, including reserve study	Sections <u>5300</u> and <u>4525(a)(3)</u>	\$40.00	
Assessment and reserve funding disclosure summary	Sections <u>5300</u> and <u>4525(a)(4)</u>	\$0.00	Refer to Budget
Financial statement review	Sections <u>5305</u> and <u>4525(a)(3)</u>	\$35.00	
Assessment enforcement policy	Sections <u>5310</u> and <u>4525(a)(4)</u>	\$0.00	Refer to Budget
Insurance summary	Sections <u>5300</u> and <u>4525(a)(3)</u>	\$25.00	
Regular assessment	Section <u>4525(a)(4)</u>	\$0.00	Refer to Budget
Special assessment	Section <u>4525(a)(4)</u>	\$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	<u>Section 4525(a)(4)</u>	\$0.00	Refer to Demand
Approved changes to assessments	Sections <u>5300</u> and <u>4525(a)(4), (8)</u>	\$0.00	Refer to Demand
Settlement notice regarding common area defects	<u>Sections 4525(a)(6), (7), and 6100</u>	\$0.00	
Preliminary list of defects	Sections <u>4525(a)(6), 6000, and 6100</u>	\$0.00	
Notice(s) of violation	Sections <u>5855</u> and <u>4525(a)(5)</u>	\$0.00	
Required statement of fees	<u>Section 4525</u>	\$187.00	
Minutes of regular board meetings conducted over the previous 12 months, if requested	<u>Section 4525(a)(10)</u>	\$60.00	
<b>Total fees for these documents:</b>		<b>\$487.00</b>	

\* 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 Section 4525 may be charged separately.

*NOTE: The disclosure(s) provided to a member or potential member pursuant to Sections 4528 and 5300 of the Civil Code, and all documents provided thereunder, are the property of the association and not its managing agent or the agent's managing firm.*

Buyer and Seller may negotiate who pays document and disclosure fees.

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.



## 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.

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

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LIC. # 0534872

November 20, 2024

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: 12/01/2024– 12/01/2025**  
**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: \$2,827.00.** Quoted with LIO Insurance Company, **admitted carrier** (A.M. BEST Rating: A- VIII).

Mailing Address: P.O. Box 27556 San Francisco, CA 94127  
2145- 19<sup>th</sup> Avenue San Francisco, CA 94116 Phone: 415.242.8777 Fax: 415.661.2540

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

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LIC. # 0534872

**Pointe Marin Association**

**Insurance Renewal: 12/01/2024– 12/01/2025**

**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	
<b>Includes Full Prior Acts Coverage</b>	
<b>**No first dollar defense cost**</b>	
Retention \$35,000	

**Annual Premium: \$27,167.00 + \$1,423.45 taxes & fees.** Quoted with the following carriers:

35% Participation - Lloyd's London, **non-admitted carrier** (A.M. BEST Rating: A XV).

20% Participation – Everest Indemnity Insurance Company, **non-admitted carrier** (A.M. BEST Rating: A + XV).

20% Participation – Scottsdale Insurance Company, **non-admitted carrier** (A.M. BEST Rating: A+ XV).

10% Participation – Ascot Specialty Insurance Company, **non-admitted carrier** (A.M. BEST Rating: A XIII).

5% Participation – QBE UK Limited, **non-admitted carrier** (A.M. BEST Rating: A XV).

5% Participation – MS Transverse Specialty Insurance Company, **non-admitted carrier** (A.M. BEST Rating: A VIII).

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

Mailing Address: P.O. Box 27556 San Francisco, CA 94127  
2145- 19<sup>th</sup> Avenue San Francisco, CA 94116 Phone: 415.242.8777 Fax: 415.661.2540

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

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LIC. # 0534872

**Pointe Marin Association**

**Insurance Renewal: 12/01/2024– 12/01/2025**

**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.** 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: \$372.00.** Quoted with Technology Insurance Company (A.M. BEST Rating: A-XI).

<b>Total Premium</b>	<b>\$31,904.00</b>
<b>Total Fees &amp; Taxes</b>	<b><u>\$ 1,445.45</u></b>
<b>Total Due</b>	<b>\$33,349.45</b>

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

Mailing Address: P.O. Box 27556 San Francisco, CA 94127  
2145- 19<sup>th</sup> Avenue San Francisco, CA 94116 Phone: 415.242.8777 Fax: 415.661.2540

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

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LIC. # 0534872

**Pointe Marin Association**

**Insurance Renewal: 12/01/2024– 12/01/2025**

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Natalie O'Kane', with a large, stylized flourish at the end.

Natalie Swift O'Kane  
Account Executive  
Enclosure

## Draft 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.

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## PROPERTY INFORMATION

PROPERTY NAME:	Pointe Marin Association		
STREET ADDRESS:	Ignacio Blvd.		
CITY, STATE, ZIP:	Novato, CA		
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:	Annual Review Study 2025	(no site inspection performed with this review)
BEGINNING YEAR OF STUDY:	2025	
YEAR OF LAST PHYSICAL INSPECTION:	2022	
YEAR OF NEXT PHYSICAL INSPECTION:	2025	(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 Atnip Direct Phone: (415) 272-1716 Email: aaron@reserveanalysis.com	

## RESERVE FUND FINANCIAL INFORMATION

BUDGET YEAR ENDING DATE:	12/31	2024	2025
ANNUAL RESERVE CONTRIBUTION:		\$15,061	\$16,430
MONTHLY RESERVE CONTRIBUTION:		\$1,255	\$1,369
PER UNIT MONTHLY (AVG.) CONTRIBUTION:		\$3.67	\$4.00
TOTAL SPECIAL ASSESSMENT:		N/A	N/A
PER UNIT (AVG.) SPECIAL ASSESSMENT:		N/A	N/A
PROPOSED RESERVE FUND EXPENDITURES:			(\$24,308)
ESTIMATED YEAR ENDING BALANCE:		\$152,767	\$146,663
REQUESTED MINIMUM "THRESHOLD" FUTURE BALANCE:			N/A

## RESERVE PERCENT FUNDED CALCULATION

AMOUNT NEEDED TO BE 100% FUNDED:	\$157,273	\$148,606
THEORETICAL PER UNIT UNDERFUNDED:	\$13	\$6
CALCULATED PERCENT FUNDED:	97.14%	98.69%

## RESERVE PROJECTED INTEREST &amp; INFLATION

"ASSUMED LONG-TERM INTEREST RATE":	2.00%
"ASSUMED LONG-TERM INFLATION RATE":	3.00%

**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 2025 through 2054. 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.



<b>11.00</b>	<b>PERCENT FUNDED CALCULATION</b>
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Code #	Component Description	2024 End Req'd in Bank	Year New	Usefl Life	Rmng. (2025)	Current Cost	Annual Allocation	2025 End Req'd in Bank
1.00	SITE & PARK REPLACEMENT ALLOWANCES							
1.01	Concrete Repair/Replacement Allowance	\$2,100	2017	10	2	\$3,000	\$300	\$2,400
1.02	Irrigation Piping/Valve Replace Allowance	\$1,667	2022	3	0	\$2,500	\$833	\$0
1.03	Landscaping & Tree Trimming/Replacement Allowance	\$4,000	2022	3	0	\$6,000	\$2,000	\$0
1.04	Tot Lot Area - Inspection/Repair Allowance (annual)	\$1,500	2024	1	0	\$1,500	\$1,500	\$1,500
1.05	Plaques Replacement Allowance	\$640	2016	25	16	\$2,000	\$80	\$720
1.06	Monument Repair / Replace Allowance - Minor	\$800	2020	5	0	\$1,000	\$200	\$0
1.07	Monument Repair / Replace Allowance - Major	\$5,500	2002	30	7	\$7,500	\$250	\$5,750
1.08	Benches @ Laurelwood Parcels H & O (wood replacement)	\$2,011	2002	35	12	\$3,200	\$91	\$2,103
1.09	Irrigation Controller (Laurelwood)	\$1,407	2003	25	3	\$1,675	\$67	\$1,474
1.10	Irrigation Controller (Laurelwood)	\$134	2022	25	22	\$1,675	\$67	\$201
1.11	Controller Enclosures (Laurelwood)	\$3,500	2003	30	8	\$5,000	\$167	\$3,667
1.12	Backflow Valves (Laurelwood)	\$2,100	2003	40	18	\$4,000	\$100	\$2,200
1.13	Backflow Cages (Laurelwood)	\$1,575	2003	40	18	\$3,000	\$75	\$1,650
Category Sub-Total		\$26,934				\$42,050	\$5,730	\$21,665
2.00	TOT LOT - ELMVIEW WAY							
2.01	Play Equipment (Wood / Metal)	\$26,400	2002	25	2	\$30,000	\$1,200	\$27,600
2.02	Rubber Floor	\$3,000	2014	12	1	\$3,600	\$300	\$3,300
2.03	Mulch Replenish	\$1,000	2025	3	3	\$1,500	\$500	\$0
2.04	Steel Frame Bench (wood replacement)	\$587	2002	30	7	\$800	\$27	\$613
2.05	Water fountain	\$3,771	2002	35	12	\$6,000	\$171	\$3,943
2.06	Safety Sign	\$550	2002	30	7	\$750	\$25	\$575
2.07	Irrigation Controller	\$1,760	2002	25	2	\$2,000	\$80	\$1,840
2.08	Controller Enclosure	\$1,375	2002	40	17	\$2,500	\$63	\$1,438
2.09	Backflow Valve	\$1,100	2002	40	17	\$2,000	\$50	\$1,150
2.10	Backflow Cage	\$825	2002	40	17	\$1,500	\$38	\$863
2.11	Paint Tot Lot	\$1,800	2025	10	10	\$2,000	\$200	\$0
Category Sub-Total		\$42,168				\$52,650	\$2,653	\$41,321
3.00	TOT LOT - LAURELWOOD DRIVE							
3.01	Play Equipment (Metal / Plastic)	\$30,400	2004	25	4	\$38,000	\$1,520	\$31,920
3.02	Rubber Floor	\$3,000	2016	12	3	\$4,500	\$375	\$3,375
3.03	Mulch Replenish	\$1,667	2025	3	3	\$2,500	\$833	\$0
3.04	Steel Frame Picnic Table (wood replacement)	\$1,000	2004	30	9	\$1,500	\$50	\$1,050
3.05	Water fountain	\$3,429	2004	35	14	\$6,000	\$171	\$3,600
3.06	Safety Sign	\$500	2004	30	9	\$750	\$25	\$525
3.07	Irrigation Controller	\$2,400	2004	25	4	\$3,000	\$120	\$2,520
3.08	Controller Enclosure	\$1,250	2004	40	19	\$2,500	\$63	\$1,313
3.09	Backflow Valve	\$550	2013	40	28	\$2,000	\$50	\$600
3.10	Backflow Cage	\$750	2004	40	19	\$1,500	\$38	\$788
3.11	Paint Tot Lot	\$0	2024	10	9	\$2,000	\$200	\$200
Category Sub-Total		\$44,945				\$64,250	\$3,445	\$45,890
4.00	TOT LOT - VALLEYVIEW TERRACE							
4.01	Play Equipment (Metal / Plastic)	\$25,200	2003	25	3	\$30,000	\$1,200	\$26,400
4.02	Rubber Floor	\$2,835	2015	10	0	\$3,150	\$315	\$0
4.03	Mulch Replenish	\$667	2025	3	3	\$1,000	\$333	\$0
4.04	Water fountain	\$1,174	2003	30	8	\$1,677	\$56	\$1,230
4.05	Safety Sign	\$656	2003	24	2	\$750	\$31	\$688
4.06	Irrigation Controller	\$2,100	2003	25	3	\$2,500	\$100	\$2,200
4.07	Controller Enclosure	\$1,313	2003	40	18	\$2,500	\$63	\$1,375
4.08	Backflow Valve	\$1,050	2003	40	18	\$2,000	\$50	\$1,100
4.09	Backflow Cage	\$788	2003	40	18	\$1,500	\$38	\$825
4.10	Fencing (Concrete Split Rail)	\$5,644	2003	40	18	\$10,750	\$269	\$5,913
4.11	Paint Tot Lot	\$1,800	2025	10	10	\$2,000	\$200	\$0
Category Sub-Total		\$43,226				\$57,827	\$2,654	\$39,730
Total Value of Components:						\$216,777		
Annual Straight-Line Allocation:							\$14,483	
		2024 End						2025 End

<b>11.00</b>	<b>PERCENT FUNDED CALCULATION</b>
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Code #	Component Description	2024 End Req'd in Bank	Year New	Useful Life	Rmng. (2025)	Current Cost	Annual Allocation	2025 End Req'd in Bank
	<b>Total Dollars Necessary to be 100% Funded:</b>	<b>\$157,273</b>						<b>\$148,606</b>
	<b>Actual Dollars In Reserve Fund:</b>	<b>\$152,767</b>						<b>\$146,663</b>
	<b>Current Fund Deficiency:</b>	<b>\$4,506</b>						<b>\$1,942</b>
	<b>Current Per Unit Deficiency:</b>	<b>\$13</b>						<b>\$6</b>
	<b>Percent Funded:</b>	<b>97.14%</b>						<b>98.69%</b>
	<b>(Actual dollars/Total Dollars Necessary)</b>							

**STEPS FOR DETERMINING PERCENT FUNDED:**

Step 1: Calculate for each component a required contribution on a "straight-line" funding methodology.

(total component cost divided by the life expectancy of the component)

Step 2: Calculate the required dollars in Reserves for each component.

(required annual contribution multiplied by the component's life in service)

Step 3: Total the required dollars for each component to arrive at "required dollars in bank".

Step 4: Divide actual dollars in bank by required dollars in bank to arrive at percent funded calculation.

This report includes, but is not limited to\*, reserve calculations made using the formula described in section 5570(b)(4) ((old 1365.2.5(b)(4)) of the Davis-Stirling Act:

*(4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.*

\* The future funding levels developed in the Funding Plan of this Reserve Study are derived through cash flow funding calculations.



2024 Average unit per month reserve contribution \*1 = \$3.67

2024 Total annual reserve contribution \*1 = \$15,061

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

DESCRIPTION - 1ST 10 YEARS	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Projected Beginning Fund Balance *1	\$152,767	\$146,663	\$160,005	\$137,605	\$95,124	\$64,166	\$81,151	\$82,966	\$90,644	\$101,812
Contribution % increase over previous yr.	9.09%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Contribution avg. unit/month \$ increase	\$0.33	\$0.12	\$0.12	\$0.13	\$0.13	\$0.14	\$0.14	\$0.14	\$0.15	\$0.15
Contribution avg. per unit/month	\$4.00	\$4.12	\$4.25	\$4.37	\$4.51	\$4.64	\$4.78	\$4.92	\$5.07	\$5.22
<b>Reserve Contribution - Annual</b>	<b>\$16,430</b>	<b>\$16,923</b>	<b>\$17,430</b>	<b>\$17,953</b>	<b>\$18,492</b>	<b>\$19,047</b>	<b>\$19,618</b>	<b>\$20,207</b>	<b>\$20,813</b>	<b>\$21,437</b>
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
<b>Special Assessment - Total Proposed</b>										
Does special assessment require vote?										
<b>Income from other sources</b>										
Total Reserve Fund Available	\$169,197	\$163,586	\$177,435	\$155,558	\$113,616	\$83,213	\$100,769	\$103,172	\$111,457	\$123,249
Projected Expenditures - inflated	-\$24,308	-\$5,516	-\$41,494	-\$61,585	-\$50,226	-\$3,043	-\$18,806	-\$13,624	-\$10,876	-\$26,373
Balance after expenditures	\$144,890	\$158,070	\$135,941	\$93,974	\$63,390	\$80,169	\$81,962	\$89,548	\$100,581	\$96,877
Interest on balance after tax	\$1,773	\$1,935	\$1,664	\$1,150	\$776	\$981	\$1,003	\$1,096	\$1,231	\$1,186
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	98.69%	98.33%	95.92%	90.65%	83.83%	87.51%	87.43%	88.36%	89.59%	88.48%
Projected Year Ending Balance *3	\$146,663	\$160,005	\$137,605	\$95,124	\$64,166	\$81,151	\$82,966	\$90,644	\$101,812	\$98,062

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

DESCRIPTION - 2ND 10 YEARS	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Projected Beginning Fund Balance *1	\$98,062	\$107,829	\$129,963	\$114,048	\$131,907	\$146,620	\$140,379	\$162,816	\$179,121	\$139,511
Contribution % increase over previous yr.	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Contribution avg. unit/month \$ increase	\$0.16	\$0.16	\$0.17	\$0.17	\$0.18	\$0.18	\$0.19	\$0.19	\$0.20	\$0.20
Contribution avg. per unit/month	\$5.38	\$5.54	\$5.71	\$5.88	\$6.06	\$6.24	\$6.42	\$6.62	\$6.82	\$7.02
<b>Reserve Contribution - Annual</b>	<b>\$22,080</b>	<b>\$22,743</b>	<b>\$23,425</b>	<b>\$24,128</b>	<b>\$24,852</b>	<b>\$25,597</b>	<b>\$26,365</b>	<b>\$27,156</b>	<b>\$27,971</b>	<b>\$28,810</b>
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
<b>Special Assessment - Total Proposed</b>										
Does special assessment require vote?										
<b>Income from other sources</b>										
Total Reserve Fund Available	\$120,143	\$130,572	\$153,388	\$138,176	\$156,758	\$172,217	\$166,744	\$189,972	\$207,092	\$168,321
Projected Expenditures - inflated	-\$13,617	-\$2,180	-\$40,720	-\$7,864	-\$11,912	-\$33,535	-\$5,897	-\$13,016	-\$69,268	-\$13,809
Balance after expenditures	\$106,525	\$128,392	\$112,669	\$130,312	\$144,847	\$138,681	\$160,847	\$176,955	\$137,824	\$154,512
Interest on balance after tax	\$1,304	\$1,572	\$1,379	\$1,595	\$1,773	\$1,697	\$1,969	\$2,166	\$1,687	\$1,891
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	89.37%	91.37%	88.84%	90.34%	91.09%	89.75%	91.10%	91.56%	87.10%	88.25%
Projected Year Ending Balance *3	\$107,829	\$129,963	\$114,048	\$131,907	\$146,620	\$140,379	\$162,816	\$179,121	\$139,511	\$156,404



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

DESCRIPTION - 3RD 10 YEARS	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Projected Beginning Fund Balance *1	\$156,404	\$169,831	\$173,190	\$194,601	\$226,659	\$230,832	\$254,904	\$288,733	\$207,623	\$156,599
Contribution % increase over previous yr.	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Contribution avg. unit/month \$ increase	\$0.21	\$0.22	\$0.22	\$0.23	\$0.24	\$0.24	\$0.25	\$0.26	\$0.27	\$0.27
Contribution avg. per unit/month	\$7.23	\$7.45	\$7.67	\$7.90	\$8.14	\$8.38	\$8.63	\$8.89	\$9.16	\$9.43
<b>Reserve Contribution - Annual</b>	<b>\$29,674</b>	<b>\$30,564</b>	<b>\$31,481</b>	<b>\$32,426</b>	<b>\$33,399</b>	<b>\$34,400</b>	<b>\$35,432</b>	<b>\$36,495</b>	<b>\$37,590</b>	<b>\$38,718</b>
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
<b>Special Assessment - Total Proposed</b>										
Does special assessment require vote?										
<b>Income from other sources</b>										
Total Reserve Fund Available	\$186,078	\$200,395	\$204,671	\$227,026	\$260,057	\$265,232	\$290,337	\$325,228	\$245,213	\$195,317
Projected Expenditures - inflated	-\$18,300	-\$29,300	-\$12,424	-\$3,108	-\$32,017	-\$13,411	-\$5,095	-\$120,116	-\$90,508	-\$110,111
Balance after expenditures	\$167,777	\$171,096	\$192,248	\$223,918	\$228,041	\$251,822	\$285,242	\$205,112	\$154,706	\$85,207
Interest on balance after tax	\$2,054	\$2,094	\$2,353	\$2,741	\$2,791	\$3,082	\$3,491	\$2,511	\$1,894	\$1,043
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	88.79%	88.34%	89.33%	90.66%	90.01%	90.49%	91.22%	85.16%	79.07%	64.72%
Projected Year Ending Balance *3	\$169,831	\$173,190	\$194,601	\$226,659	\$230,832	\$254,904	\$288,733	\$207,623	\$156,599	\$86,250

**\*1. Current Year Financial Information**

The Association has provided current financial information including reserve account balance, total annual assessment amount and total annual reserve contribution.

Reserve Analysis Consulting, L.L.C. assumes no responsibility for the accuracy of current or projected budget figures provided by others.

**\*2. Percent Funded**

The percent funded figure is calculated as defined by the Davis-Stirling Act, which states in 5570(b)(4) ((old 1365.2.5)) that the amount projected to be in reserves at a given time be divided by the amount "required to be fully funded" at that time. The amount required is defined in 5570(b)(4) ((old 1365.2.5)) as "the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component." The data required to calculate this amount for the current year is located in Section 11.00, Percent Funded Calculation. The percent funding method of calculation for future years includes estimated interest earned in the projected reserve account balances, as well as an estimated inflation of costs in the amount "required." The final sentence in 5570(b)(4) ((old 1365.2.5)) states **"This shall not be construed to require the board to fund reserves in accordance with this calculation."**

**\* 3. Projected Year Ending Balance.**

The Davis-Stirling Act does not require a minimum funding level other than to say in 5550(b)(5) ((old 1365.5)) that the association "plans...to meet" its 30 year obligations of repair and replacement. Through the Reserve Study preparation process, the Association and its Management have reviewed the preliminary funding plan(s) and have approved the plan as shown here to be sufficient at this time.

**General Notes:**

- 1) The cash flow projections shown are based on current economic conditions. These projections are based upon future variables that cannot be controlled. Therefore, reliance on these projections beyond the first year of this study is not recommended. As required by the Davis-Stirling Act, we recommend the Association review its Reserve Fund accounts quarterly and cause the Reserve Study to be reviewed and adjustments integrated annually.
- 2) Additionally, California Civil Code § 5550 ((old 1365.5)) states in part, "At least once every three years the board of directors shall cause to be conducted a reasonably competent and diligent visual inspection of the accessible areas of the major components which the Association is obligated to repair, replace, restore or maintain as part of a study of the reserve account requirements."

ASSESSMENT and RESERVE FUNDING DISCLOSURE SUMMARY  
For the Budget Year 2025 ending 12/31/25

Per Davis-Stirling Statute 5570 ((old 1365.2.5)) Disclosure Form

- (1) The 2024 budgeted regular assessment per ownership interest is avg. \$ 3.67 per month.  
The 2025 budgeted regular assessment per ownership interest is avg. \$ 4.00 per month.  
Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found in the attached Annual Budget Report.
- (2) Additional regular or special 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 will be due	Amount per ownership interest per year:	Purpose of assessment
N/A	N/A	N/A
TOTAL		

**NOTE:** If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found in the attached Annual Budget Report. These assessments might be for purposes outside the scope of the current Reserve Study and have been included by the party preparing the Association's Annual Budget Report.

- (3) Based upon 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

- (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 that have not yet been approved by the board or the members.

Approximate date assessment will be due: Amount per ownership interest per year:

- (5) All major components are included in the Reserve Study and are included in its calculations.

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 ((old 1365.2.5)), the estimated amount required in the reserve fund at the end of the 2025 fiscal year is \$ 146,663 based in whole or in part on the last reserve study or update prepared by Reserve Analysis Consulting, LLC as of November, 2024. The projected reserve fund cash balance at the end of the current fiscal year is \$ 152,273 , resulting in reserves being 100.00% funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$ N/A .