

OAK HILLS HOA - SHADOW OAK PRIVATE DRIVE

RESERVE STUDY

and/or

RESERVE SUMMARY/UPDATE ANNUAL DISCLOSURE

For Fiscal Year Beginning January 1, 2022

Based On Fiscal Year Ending December 31, 2021

30 Year Maintenance Funding Plan For Fiscal Year 2022 - 2051

Prepared and/or Reviewed By
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11/4/2021

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OAK HILLS HOMEOWNERS ASSOCIATION - SHADOW OAK PRIVATE DRIVE

General Association Information

This Reserve Study and Cash Flow Analysis have been prepared for the board and their members. Oak Hills Homeowners Association- Shadow Oak Private Drive located in Monterey County in the city of Salinas, CA. Each owner receives title to his unit, a membership in the Oak Hills Homeowners Association- Shadow Oak Private Drive, and an undivided percentage interest as tenant in common in the common area on which their unit is located. The Board of Directors is accountable to the membership for the management and operation of the association. The reserve study and/or update summary and its recommended funding plan provides financial guidance which is often indispensable and shows due diligence from the board and its members.

Name of Association	OAK HILLS HOA - SHADOW OAK PRIVATE DRIVE
Address of Association	14460 Charter Oak Blvd
City of Association	Salinas
County of Association	Monterey
Number of Units	14
Built / Renovation	1973
Fiscal Year	January 1 - December 31
Last Reserve Study	2020
General Budget/Reserves	Shared Operating and Reserve Expenses
Reserve Study Type	Reserve Update Only
Reserve Percent Funded	91%
Overall Condition	Well Maintained
Management Company	Self-Managed

The board is hereby requested to review and notify Golden Consulting Group within 30 days after the receipt of the study or update with any requested changes, errors or discrepancies within the report. Golden Consulting Group will act within 48 hours to address any requested changes, errors or discrepancies within the study or update. The reserve study or update should be reviewed and approved by the board within 30 days of the receipt of the report.

The board is cautioned to understand that the funding plan has projected the current funds on hand and has increased the contributions in accordance to the thirty (30) year cash flow analysis as required by Davis-Stirling Act. It is impossible to project thirty (30) years into the future to ascertain the cost of repair or replacement of any of the components, let alone the value of money, changing building code requirements and other unknowns. Golden Consulting Group has estimated and projected future cost of repairs and replacement of those components for the Board of Directors of the above Homeowners Association.

For more information: See Davis-Stirling.com Reference & Reprinted by Adams Kessler, PLC

Board Alterations to Study and/or Updates

Question: I'm on our board and we just completed reviewing our reserve study. There are items on the list with a life that equals or exceeds the estimated life of the buildings. We wanted them removed, but the analyst refused. Doesn't our board have the authority to remove components?

Answer: Not really. That's like asking an attorney to change his legal opinion because the board disagrees with it. Or telling a CPA to change his audit report because directors don't like what he found. A reserve specialist is a professional who prepares a report based on his own observations and calculations--it's his report to the board.

Adjustments. Accordingly, boards have no "right" to dictate changes to an independent professional's report. However, adjustments can be made to draft opinions/reports by attorneys, CPAs and reserve specialists if the adjustments are reasonable and the professional agrees. For example if something is unclear or is missing and needs to be addressed by the professional, it can be included in the final report.

Funding. Although reserve specialists establish the list of major components, the board can choose not to fund particular items if it complies with Davis-Stirling disclosure requirements, i.e., the report must disclose:

Whether the board of directors of the association has determined to defer or not undertake repairs or replacement of any major component with a remaining life of 30 years or less, including a justification for the deferral or decision not to undertake the repairs or replacement. (Civ. Code §5300(b)(4))

Accordingly, a reserve study could list components in the inventory and then eliminate them from funding calculations with a note that funding was removed at the board's request.

30-Year+ Life. Including components in the Study with useful life of over 30 years with no funding creates a "marker" for future inclusion in the funding plan when the life expectancy falls below 30 years. This is especially important when it comes to plumbing systems since they are hidden in walls and frequently overlooked by boards--until they fail and large special assessments are needed.

OAK HILLS HOMEOWNERS ASSOCIATION - SHADOW OAK PRIVATE DRIVE

Percent Funding of Reserves

The Oak Hills Homeowners Association- Shadow Oak Private Drive was originally built in and/or renovated in 1973 became an active Homeowner Association in 1973. An on-site visual inspection of the common reserve components was performed on September 24, 2020 by Golden Consulting Group.

The percent funded for Oak Hills Homeowners Association- Shadow Oak Private Drive at Fiscal Year Ending, December 31, 2021 is estimated at 91%. Golden Consulting Group has based this method of calculation by dividing the actual reserve account balance as of fiscal year end by the estimated amount required in the reserve fund at the end of the current fiscal year. Based on the enclosed current 30 Year Reserve Study Funding Plan it is estimated that the reserve account balance SHOULD 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.

However in order to ensure the association's projected reserve expenditures the association should approve annual increases starting in fiscal year **2022** and continuing thru fiscal year **2051**. By using the enclosed 30 Year Reserve Study Funding Plan, a Special Assessment **WILL NOT** likely be necessary to fund the reserves.

In general, the Oak Hills Homeowners Association- Shadow Oak Private Drive is overall in GOOD CONDITION. The baseline funding strategy sets a funding goal of keeping enough cash to maintain the association's reserve components always. The approximate replacement/repair costs for Association reserve components is estimated at approximately \$116,543.

Golden Consulting Group has estimated the projected average future cost of repairs and replacement of those components for the Association. The annual reserves are based on a straight- line approach: Replacement Costs divided by Life Expectancy per each component. Based upon the Golden Consulting Group's calculations the annual reserve contribution would be approximately \$6,683 a year. The estimated fully funded accrued amount or the aged components is approximately \$54,695. This is calculated Life Expectancy minus Remaining Life times (x) annual reserve contribution. The recommended annual reserve contribution for fiscal year beginning, January 1, 2022 should be increased from \$3,696 to \$4,200 or \$25 per unit per month a 14% increase from previous year with annual increases each year starting in fiscal year 2023 to ensure the capital improvements/maintenance obligations of the Association.

Golden Consulting Group uses a 2.5% annual cpi inflation rate to calculate the 30 year funding maintenance plan. However, based on the inflation rates listed below the average inflation rate over the last 18 years is 2.2%.

PERCENT FUNDED	91%
Current US Inflation Rates: 2000-2020	2.50%
Estimated Interest Rate Reserve Account(s)	0.00%
Annual Reserves Required (Based on Straight Line Funding Method)	\$6,683
Reserve Account Balance as of August 26, 2021	\$48,320
2021 Reserve Contribution (Sept-Dec)	\$1,232
2021 Average Interest Rate on Reserve Account @ .00%	\$0
2021 Reserve Expenditures (Sept-Dec)	\$0
Estimated Reserve Balance as of FYE, December 31, 2021	\$49,552
Fully Funded Accrued Reserve Amount as of FYE, December 31, 2021	\$54,695
Reserve Balance - Fully Funded Balance Deficit:	-\$5,143
Reserve Balance - Fully Funded Balance Deficit Per Unit	-\$367

The estimated reserve account balance does not take into consideration any monies owed to the reserve fund and/or any delinquent accounts. The estimated reserve balance only includes actual cash on hand located in the reserve account as of August 26, 2021 and any future reserve contributions minus any anticipated reserve expenditures.

OAK HILLS HOA - SHADOW OAK PRIVATE DRIVE

FINANCIAL ANALYSIS

30-YEAR MAINTENANCE & PERCENT FUNDING WORKSHEET

RESERVE COMPONENTS AND FINANCIAL ANALYSIS CHART

VISUAL ANALYSIS COMMENTARY REPORT

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COMPONENT CATEGORY SUMMARY CHART

RESERVE CONTRIBUTION/FUNDING ANALYSIS CHART

ANTICIPATED RESERVE EXPENDITURES BY YEAR REPORT

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OAK HILLS HOA - SHADOW OAK PRIVATE DRIVE

30-YEAR MAINTENANCE & PERCENT FUNDING WORKSHEET

For Fiscal Year Beginning January 1, 2022

Based on Fiscal Year Ending December 31, 2021

Reserve Study Type:	Reserve Update Only	PERCENT FUNDED	91%
Fiscal Year	January 1 - December 31	Annual Reserves Required (Based on Straight Line Funding Method)	\$6,683
Built Date:	1973	Estimated Reserve Balance as of FYE, December 31, 2021	\$49,552
Number Of Units	14	Fully Funded Accrued Reserve Amount for Aged Components	\$54,695
Current US Inflation Rates: 2000-2020	2.5%	Reserve Balance - Fully Funded Balance Deficit:	-\$5,143
2021 Annual Reserve Contribution	\$3,696	Reserve Balance - Fully Funded Balance Deficit Per Unit	-\$367
Reserve Account Balance as of August 26, 2021	\$48,320	<input checked="" type="checkbox"/> RECOMMENDED <input type="checkbox"/> APPROVED	
2021 Reserve Contribution (Sept-Dec)	\$1,232	2022 Annual Reserve Contribution	\$4,200
2021 Average Interest Rate on Reserve Account @ .00%	\$0.00	2022 Monthly Reserve Contribution	\$350
2021 Reserve Expenditures (Sept-Dec)	\$0.00	2022 Monthly Reserve Contribution Per Unit	25.00
Estimated Reserve Balance as of FYE, December 31, 2021	\$49,552	2022 Annual Reserve Contribution (Increase/Decrease)	14%

30 YEAR FINANCIAL RESERVE FUNDING

Fiscal Year Ending 31-Dec	Reserve Contribution 3.00%	Projected Per Unit Per Month	Anticipated Reserve Expenditures	Estimated Interest 0.00%	Estimated Reserve Account Balance @ FYE	Estimated Fully Funded Balance	Estimated Reserve % Funded
2022	\$4,200	25.00	\$2,614	\$0	\$51,138	\$61,203	84%
2023	\$4,872	29.00	\$16,674	\$0	\$39,336	\$66,904	59%
2024	\$5,544	33.00	\$0	\$0	\$44,880	\$57,081	79%
2025	\$6,216	37.00	\$0	\$0	\$51,096	\$63,931	80%
2026	\$6,888	41.00	\$0	\$0	\$57,984	\$70,781	82%
2027	\$7,560	45.00	\$0	\$0	\$65,544	\$77,631	84%
2028	\$8,232	49.00	\$18,865	\$0	\$54,911	\$84,481	65%
2029	\$8,904	53.00	\$0	\$0	\$63,815	\$74,658	85%
2030	\$9,576	57.00	\$0	\$0	\$73,391	\$81,508	90%
2031	\$10,248	61.00	\$0	\$0	\$83,639	\$88,358	95%
2032	\$10,920	65.00	\$0	\$0	\$94,559	\$95,208	99%
2033	\$11,592	69.00	\$21,344	\$0	\$84,807	\$102,058	83%
2034	\$12,264	73.00	\$0	\$0	\$97,071	\$92,235	105%
2035	\$12,936	77.00	\$0	\$0	\$110,007	\$99,085	111%
2036	\$13,440	80.00	\$0	\$0	\$123,447	\$105,935	117%
2037	\$13,440	80.00	\$3,694	\$0	\$133,194	\$112,785	118%
2038	\$13,440	80.00	\$145,745	\$0	\$889	\$116,956	1%
2039	\$13,440	80.00	\$0	\$0	\$14,329	\$7,029	204%
2040	\$13,440	80.00	\$0	\$0	\$27,769	\$13,879	200%
2041	\$13,440	80.00	\$0	\$0	\$41,209	\$20,729	199%
2042	\$13,440	80.00	\$0	\$0	\$54,649	\$27,579	198%
2043	\$13,440	80.00	\$27,322	\$0	\$40,767	\$34,429	118%
2044	\$13,440	80.00	\$0	\$0	\$54,207	\$24,606	220%
2045	\$13,440	80.00	\$0	\$0	\$67,647	\$31,456	215%
2046	\$13,440	80.00	\$0	\$0	\$81,087	\$38,306	212%
2047	\$13,440	80.00	\$0	\$0	\$94,527	\$45,156	209%
2048	\$13,440	80.00	\$30,912	\$0	\$77,055	\$52,007	148%
2049	\$13,440	80.00	\$0	\$0	\$90,495	\$42,183	215%
2050	\$13,440	80.00	\$0	\$0	\$103,935	\$49,033	212%
2051	\$13,843	80.00	\$0	\$0	\$117,778	\$55,883	211%

OAK HILLS HOA - SHADOW OAK PRIVATE DRIVE

MAJOR COMPONENT LIFE ANALYSIS & MAINTENANCE PLAN

Sub-Category Description	Useful Life	Placed in Service Date	Remaining Life	Next Replace Date	Visual Condition
Asphalt (Replace, Resurface, Overlay)	30	1996	17	2038	Update Only
Asphalt Seal & Repair	5	2018	2	2023	Update Only
Paint STOP (asphalt)	5	2016	2	2023	Update Only
Cleaning of the Grease Traps	15	2005	0	2022	Deferred

Major Component	Asphalt (Replace, Resurface, Overlay)	Asphalt Seal & Repair	Paint STOP (asphalt)	Cleaning of the Grease Traps			
Quantity	15,752	15,752	1	1			
Unit of Measure	Sq. Ft.	Sq. Ft.	Each	Fund			
Unit Cost	\$6.20	\$1.00	\$515	\$2,614			
Replacement Cost	\$97,662	\$15,752	\$515	\$2,614			
Useful Life	30	5	5	15			
Remaining Life	17	2	2	0			
Annual Reserves	\$3,255	\$3,150	\$103	\$174			
Accrued Reserves	\$42,320	\$9,451	\$309	\$2,614			
Next Disbursement	2038	2023	2023	2022			
2022	-	-	-	\$2,614			
2023	-	\$16,146	\$528	-			
2024	-	-	-	-			
2025	-	-	-	-			
2026	-	-	-	-			
2027	-	-	-	-			
2028	-	\$18,267	\$597	-			
2029	-	-	-	-			
2030	-	-	-	-			
2031	-	-	-	-			
2032	-	-	-	-			
2033	-	\$20,668	\$676	-			
2034	-	-	-	-			
2035	-	-	-	-			
2036	-	-	-	-			
2037	-	-	-	\$3,694			
2038	\$144,980	OVERLAY	\$765	-			
2039	-	-	-	-			
2040	-	-	-	-			
2041	-	-	-	-			
2042	-	-	-	-			
2043	-	\$26,457	\$865	-			
2044	-	-	-	-			
2045	-	-	-	-			
2046	-	-	-	-			
2047	-	-	-	-			
2048	-	\$29,933	\$979	-			
2049	-	-	-	-			
2050	-	-	-	-			
2051	-	-	-	-			

OAK HILLS HOMEOWNERS ASSOCIATION - SHADOW OAK PRIVATE DRIVE

RESERVE COMPONENTS AND FINANCIAL ANALYSIS WORKSHEET

Based on Fiscal Year Ending, December 31, 2021 for Fiscal Year Beginning January 1, 2022

Fiscal Year:	January 1 - December 31	Association Address	14460 Charter Oak Blvd	
Study Type:	Reserve Update Only		Salinas	CA
On-Site Inspection Date	September 24, 2020		Monterey	County
Overall Condition	Well Maintained	Contact Name:	Steve Naslund	
Management Company:	Self-Managed	Contact Telephone:	831-633-0103	
Number of Units:	14	Active Date:	1973	Last Study Prepared:
Built or Renovation Date:	1973		2020	Age: 48

Estimated Replacement Cost	\$116,543
Annual Reserves (Based on Straight Line)	\$6,683
Monthly Reserves (Based on Straight Line)	\$557
Monthly Reserves Per Unit (Based on Straight Line)	\$39.78
Fully Funded Accrued Reserve Amount for Aged Components	\$54,695
Reserve Account Balance as of August 26, 2021	\$48,320
2021 Reserve Contribution (Sept-Dec)	\$1,232
2021 Average Interest Rate on Reserve Account @ .00%	\$0
2021 Reserve Expenditures (Sept-Dec)	\$0
Projected Reserve Account Balance	\$49,552
Percent Funded	91%

Estimated Total Replacement Costs of Reserve Components

Annual reserves funds based on straight line full-funding method (replacement cost divided by life expectancy)

Monthly Reserve based on straight line (Annual reserves divided 12 months)

Monthly Reserve Per Unit based on straight line (Monthly reserves divided units)

Fully Funded Accrued Reserve Amount as of FYE, December 31, 2021

Reserve Account Balance as of August 26, 2021

2021 Reserve Contribution	\$3,696	Year	\$308	Month	\$22.00	Per Unit
2021 Average Interest Rate on Reserve Account	0.00%					
2021 Reserve Expenditures (Sept-Dec)						

Estimated Reserve Balance as of FYE, December 31, 2021

Percent Funded as of FYE, December 31, 2021

Based on Straight Line is Calculated by the following:

Based on Straight Line = Replacement Cost divided by Average Life Expectancy = Annual Reserve Contribution Accrued Reserve = Average Life minus Remaining Life x Annual Reserve Contribution

OAK HILLS HOMEOWNERS ASSOCIATION - SHADOW OAK PRIVATE DRIVE

Per National Reserve Study Requirements: The below table will show a list of the reserve components, quantities or identifying descriptions, useful or average life, remaining useful life, and the average current replacement cost.

All annual reserve updates will have a 2.5% annual increase added to the unit or replacement cost which has based on previous study/update replacement cost and any annual adjustments if applicable.

Average or Useful Life Expectancy is based on an average life of a component.

Many components can exceed their life expectancy if maintained regular such as inspecting annually, repairing when needed, regular painting and sealing cycles.

Next Replacement Date may be calculated by the following:

Current Year (2021) + Estimated Remaining Life (depends on adjustments) OR Last Known Placed In Service Date + Average Life Expectancy

No	Category	Sub-Category Description	Estimated Quantity Unit of Measure	Unit Cost	Replace Cost	Annual Reserve Amount	Monthly Reserve Amount	Fully Funded Amount	Useful Life	Placed in Service Date	Remaining Life	Next Replace Date
1	Pavement	Asphalt (Replace, Resurface, Overlay)	15,752 Sq. Ft.	6.20	\$97,662	\$3,255	\$271	\$42,320	30	1996	17	2038
2	Pavement	Asphalt Seal & Repair	15,752 Sq. Ft.	1.00	\$15,752	\$3,150	\$263	\$9,451	5	2018	2	2023
3	Painting	Paint STOP (asphalt)	1 Each	515.00	\$515	\$103	\$9	\$309	5	2016	2	2023
4	Utilities	Cleaning of the Grease Traps	1 Fund	2,614	\$2,614	\$174	\$15	\$2,614	15	2005	0	2022

OAK HILLS HOMEOWNERS ASSOCIATION - SHADOW OAK PRIVATE DRIVE
VISUAL ANALYSIS COMMENTARY WORKSHEET

The visual condition of reserve components are based solely on the opinion of the reserve specialist inspector at the time of the on-site inspection of the property. It is recommended that all common area components should receive reasonable maintenance and care for their remaining life. The average useful life expectancy of components are based normally on industry standards and/or historical data from the association.

There are certain assumptions that have been made during the compilation of this report because of certain conditions such as weather, any deferred maintenance, substandard materials used during the construction or general workmanship of the component can decrease a component's useful life. Therefore, Golden Consulting Group recommends that reserve study update should be reviewed annually to make any necessary adjustments to the component and/or the reserve fund.

Next Replacement Date may be calculated by the following:

Current Year (2021) + Estimated Remaining Life (depends on adjustments) OR Last Known Placed In Service Date + Average Life Expectancy

No.	Sub-Category Description	Estimated Quantity Unit of Measure	Replace Cost	Useful Life	Placed in Service Date	Remaining Life	Next Replace Date	Visual Condition	COMMENTS/NOTES
1	Asphalt (Replace, Resurface, Overlay)	15,752 Sq. Ft.	\$97,662	30	1996	17	2038	Update Only	2020: Asphalt in good / fair condition / seal and repair on completed on a 10 year cycle. Adj UL 30 with 2 more seal / repair cycles. 2019: Board decided to fund. 2017: The board has agreed to not fund for the replacement/overlay of the private drives Shadow Oak consists of several small courts: Mimosa (5 Units) and Madera (5 Units) Court and 4 other units*Cost has been adjusted based on the resurface of Arrowleaf Road which has been completed in 2010. Adjust 1 Year - so that seal and repair /coincide on same schedule.
2	Asphalt Seal & Repair	15,752 Sq. Ft.	\$15,752	5	2018	2	2023	Update Only	2020: Per the board - Changed useful life from 10 to 5 2020: Asphalt in good / fair condition / seal and repair on completed on a 10 year cycle. 2018: Mimosa Court repaired for \$2,933 and Madras was repaired in 2018 for \$2,194. Per Board change the replacement cost to \$5127 2017: The asphalt is in good to fair condition with some cracks observed. Adj UL to 10 with 3 Years Remaining 2016: Deferred 1 Year - Per Board not needed at this time 2015-Deferred one year in working condition. Shadow Oak consists of several small courts: Mimosa (5 Units) and Madera (5 Units) Court and 4 other units. It is recommended that the asphalt be sealed at least once every 5 to 7 years.
3	Paint STOP (asphalt)	1 Each	\$515	5	2016	2	2023	Update Only	2020: The painting on the asphalt court is in fair condition / next paint 2023 2017: The painting of the stop and crosswalks is in good condition with no major fading. It is noted that the STOP on pavement was painted in July 2016 for \$450
4	Cleaning of the Grease Traps	1 Fund	\$2,614	15	2005	0	2022	Deferred	2021: Cleaning of grease traps deferred per board they are in good/working condition. 2020: Per the board - Changed useful life from 7 to 15 2020: Condition of the Grease Traps are unknown- Recommend cleaning of grease traps. 2019: Board decided to fund. 2017: The board has agreed to not fund for the cleaning of the grease traps as they were empty the last time that they were cleaned. 2016-2015 Deferred 1 Year - Per Board not needed at this time-Deferred one year in working condition. There are 2 grease trap areas in the curb drain system. Recommended to clean and pumped every 7 years. Inspected in 2013 and were very clean deferred maintenance.