

BALBOA TERRACE HOMES ASSOCIATION
P.O. BOX 27642
SAN FRANCISCO CA 94127

NOTICE

IMPORTANT ANNUAL MEETING

Dear Balboa Terrace Homes Association Member,

Notice is hereby given that the annual meeting of the Balboa Terrace Homes Association will be held on:

Tuesday, March 10, 2020 at 7:30 pm

Ninth Church of Christ, Scientist, 175 Junipero Serra Blvd.
Entrance located at San Rafael Way near Darien Way

A detailed agenda will be provided at the meeting and posted on the Association website at bthaboard@balboaterrace.org. Enclosed in this mailing are the following items:

- ENCLOSED: Annual Meeting Notice to the membership
- ENCLOSED: The FY 2020 Annual Budget Report with the Board approved Operating Budget, financial notes and additional information as required by Civil Code Section 5300
- ENCLOSED: The BTHA Annual Policy Statement as required by Civil Code Section 5310

These reports are submitted to you in partial fulfillment of our State-mandated reporting requirements. The final Agenda for the Annual Meeting will be posted on Association's home page website at: www.balboaterrace.org. The Annual Meeting will also include a vote count for the 2020-2021 Board of Directors. **If a homeowner wishes to stand as a candidate for the Board, a nomination statement of 100 words or less for inclusion on the ballot, should be sent to the Board at bthaboard@balboaterrace.org by January 10, 2020.**

The Board wishes to welcome Melissa Hajostek, of the firm, Bay Area Property (BAPS) for assistance in the preparation and distribution of the enclosed documents. BAPS is a professional financial management firm serving over 200 of California's 27,000 homeowner associations and was

BALBOA TERRACE HOMES ASSOCIATION

P.O. BOX 27642
SAN FRANCISCO CA 94127

selected to provide independent and professional support to ensure compliance with California's Davis Sterling Act and other mandatory reporting and record keeping. BAPS worked closely with Directors to prepare the 2020 budget based on our needs and legal requirements. The Annual Budget has increased 20% to meet increasing maintenance and meet legal mandates for reserves. The Board has also approved a special assessment in the amount of 5% of the Annual budget. This is wholly within the Board's power and in accordance with Civil Code. The Special Assessment is allocated per lot square footage just like the Annual Assessment.

Your Board's directors have volunteered an impressive amount of time each month in order to bring their skills to focus on the issues before us. I hope the membership will attend the Annual Meeting and continue to support these volunteers who are working to give our residents an improved neighborhood environment and quality of life.

All members are urged to attend the annual meeting.

Thank you for your attention,

Richard Hill, President
And Members of the BTHA Board of Directors

BALBOA TERRACE HOMES ASSOCIATION

P.O. BOX 27642
SAN FRANCISCO CA 94127

BALBOA TERRACE HOMES ASSOCIATION: 2019 ANNUAL BUDGET REPORT

1. The Board of Directors of Balboa Terrace Homes Association is responsible to adopt a budget sufficient to meet the Association's operating needs. The annual operating budget for Balboa Terrace Homes Association will increase by 20% to \$107,399.80. To minimize the increase to homeowners, the Association will use funds in the operating account as a cash carry forward/Excess Income Rollover in the amount of \$14,442.04 to supplement the assessments collected for 2020 and to balance the operating budget. \$92,957.76 will be billed to owners per lot square footage. An additional Special Assessment in the amount of 5% of the annual budget has also been approved and will also be allocated per lot square footage. Enclosed find a detailed budget itemizing proposed Association expenses. This increase allows Common Area maintenance and provides additional reserve contributions for future Common Area maintenance. The annual reserve contribution increased from \$30,733 to \$36,880 for the year. The Special Assessment funds will be deposited to reserves. You will see it itemized on the enclosed budget as "Additional Reserve Contribution." The reserve funds will continue to be used toward maintenance of the entry monuments, concrete, asphalt, trees, portals, HOA maintained medians, landscape and irrigation.

Assessments are due March 1, 2020 and will be billed proportionately per lot size in accordance with the Balboa Terrace Governing Documents. Bay Area Property Services will be providing accounting services for your Association and will be mailing your billing statement, remittance address, your individual account number, and instructions to initiate autopay (free to all owners) in January 2020. If you have any questions about making HOA payments or your account balance, please contact your accounting team at www.bayservice.net or 800-610-0757. All other HOA questions for the Board of Directors and HOA can be asked through the official BTHA website at bthaboard@balboaterrace.org.

2. Reserve Summary: This report accounts for current reserve account balances and estimates for the total cost for all reserve components. When compared to each other the reserve analyst projects what percent funded the HOA is. Also enclosed find the methodology the reserve analyst uses to calculate their study, a projection of the reserve expenditure and contributions over a thirty-year span. Finally find the and Reserve Funding Disclosure detailing the analyst's findings regarding the sufficiency of the projected reserve account balances over the following thirty years.
3. Reserve Study: The Reserve Study is a plan developed by professionals to replace the major components (i.e. irrigation, landscape, lighting, monuments, portals, medians, asphalt, etc.) maintained by the Association. This plan includes the life span and number of years of life remaining for each component, along with a cash flow study indicating how much money it will take to replace these components when the

Published November 15, 2019

BALBOA TERRACE HOMES ASSOCIATION

P.O. BOX 27642
SAN FRANCISCO CA 94127

time comes. In accordance with State Law, the Reserve Study must be updated every year and a physical inspection every three (3) years. The Association has enclosed the Reserve Study as prepared by Reserve Analysis Consulting Reserve Company (RACRC) as of November 2019. **This report is in draft form and is not currently approved by the Board. It is being sent in draft form to meet publication regulations. The Board is currently working with RACRC to fine tune the 2020 study and will make it available upon approval. There is reasonable chance that the reserve contribution could change upon finalization of this study.**

4. Reserve funding plan (Civil Code §5300): This plan is derived from the Reserve Summary listed above.
5. Statement of deferral or non-repair major components (Civil Code §5300): This is included in the Reserve Summary
6. Statement as to whether special assessment anticipated (Civil Code §5300): Included in Reserve Summary
7. Procedures used to calculate reserves (Civil Code §5300): Included in Reserve Summary
8. Outstanding loans longer than one year (Civil Code §5300): None
9. FHA Approved (Civil Code §5300): No
10. VA Approved (Civil Code §5300): No
11. Summary of Insurance (Civil Code §5300): Prepared by Association's Insurance Professional and included in this packet. The Association urges every homeowner to have individual insurance coverage for their home and contents. Please have your agent contact the Association agent for more information regarding insurance coverage.

Please keep this packet with your important Association Documents. Should you decide to sell or refinance your home you may be required to provide these documents.

Thank you!

BALBOA TERRACE HOMES ASSOCIATION
P.O. BOX 27642
SAN FRANCISCO CA 94127

BALBOA TERRACE HOMES ASSOCIATION: 2020 ANNUAL POLICY STATEMENT

NAME AND ADDRESS OF PERSON DESIGNATED TO RECEIVE OFFICIAL
COMMUNICATIONS TO THE ASSOCIATION:

In accordance with Civil Code Section 4035, the name and address of the person designated to receive official communications to the association is as follows: Balboa Terrace Homes Association, Post Office Box 27642, San Francisco, CA 94127, c/o BTHA President.

MEMBERS' RIGHT TO RECEIVE GENERAL NOTICES AT UP TO
TWO DIFFERENT SPECIFIED ADDRESSES:

A member may submit a request to have notices sent to up to two different specified addresses, pursuant to Civil Code Section 4040 (b).

LOCATION DESIGNATED FOR POSTING OF GENERAL NOTICES

In accordance with the provisions of Civil Code Sections 4045 (a) (3) and 5310, any and all notices that are required to be provided to the members of the Balboa Terrace Homes Association either by "general delivery" or "general notice" may be posted on the website that is maintained by the Association at <http://balboaterrace.org/>. Such posting will constitute either "general delivery" or "general notice" within the meaning of Civil Code Section 4045 (a) (3).

LOCATION DESIGNATED FOR POSTING OF GENERAL NOTICES;
MEMBERS' RIGHT TO RECEIVE GENERAL NOTICES BY INDIVIDUAL DELIVERY

Notwithstanding the above, a member of the Association has the option to receive general notices by individual delivery pursuant to Civil Code Sections 4045 (b).

MEMBERS' RIGHT TO HAVE COPIES OF MINUTES OF MEETINGS

All members of the Association are entitled to receive copies of minutes of board meetings. Minutes, proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the Board of Directors of an Association, other than an Executive Session, shall be available to members within 30 days of the meeting. The minutes are posted on the website that is maintained by the Association at <http://balboaterrace.org/>.

BALBOA TERRACE HOMES ASSOCIATION

P.O. BOX 27642
SAN FRANCISCO CA 94127

POLICY ON ASSESSMENT COLLECTION

(adopted 11/4/2019 & enclosed)

ASSOCIATION DISCIPLINE POLICY AND SCHEDULE OF PENALTIES

Fine for violation of Deed Restriction 1 (“said premises in front of the frontline occupied by the building thereon shall be kept free from rubbish, litter and weeds and properly cultivated to grow and maintain plants, flowers, shrubs or a lawn”) shall be \$100.00 per month effective 10 days after written notification of board’s decision.

Fine for violation of Deed Restriction 5 (“no flats, double houses or apartment house or houses”) shall be \$2,000.00 per month effective 10 days after written notification of the board’s decision.

The levying of fines shall be subject to statutory interest and if unpaid will result in the loss of voting rights.

ALTERNATIVE DISPUTE RESOLUTION SUMMARY

Civil Code Section 5695 requires that a summary of the Davis-Stirling Act Alternative Dispute Resolution provisions be provided to members annually. The provisions state that the association or members may not file a suit to enforce the Covenants, Conditions and Restrictions (CC&Rs) without first serving on the other parties a Request for Resolution by mediation, arbitration, conciliation or other non-judicial process.

At the time of filing suit, the party doing so must file a certificate stating that the above process has been completed, that one party has not accepted the result or that a temporary injunction is necessary.

The above process is described in detail in Civil Code Sections 5925 through 5965. The law also requires annual notice of the association's dispute resolution process, if one has been adopted. Since this association has not done so the Statutory Dispute Resolution process of Civil Code Section 5915 applies. It provides:

Either party to a dispute between the association and a member about rights, duties or liabilities under the Davis-Stirling Act or the CC&Rs may invoke the following procedure:

1. Request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
2. A member of an association may refuse to meet and confer; the association may not refuse.
3. The association’s board of directors shall designate a member of the board to meet and confer.
4. The parties shall meet promptly at a mutually convenient time and place, explain their positions and confer in good faith to resolve the problem.
5. A resolution of the dispute agreed to by the parties shall be put in writing and signed by the parties including the board representative.
6. An agreement so reached shall bind the parties and be judicially enforceable if it is not in conflict with the law or the CC&Rs and is either within the authority granted to the board representative or is approved by the board.

Published November 15, 2019

BALBOA TERRACE HOMES ASSOCIATION

P.O. BOX 27642
SAN FRANCISCO CA 94127

7. A member may not be charged a fee to participate.

Failure of a member of an association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of your right to sue the association or another member regarding enforcement of the governing documents or the applicable law.

Note: The Davis-Stirling Common Interest Development Act (Part 5) (commencing with Section 4000 of the Civil Code) to Division 4 of the Civil Code) governs the operation of associations such as the Balboa Terrace Homes Association. The California Civil Code may be found in any law library or on the Internet. (www.leginfo.ca.gov; click on California Law; check Civil Code and type in the section number you want).

RESIDENTIAL DESIGN GUIDELINES AND REVIEW PROCESS

The Association's review process for homeowners making physical changes to their property is described on the website that is maintained by the Association at <http://balboaterrace.org/>. Go to the tab marked "Information for Homeowners" and use the drop-down menu to view the "Architectural Guidelines." Specific questions concerning physical changes to property, **and required applications for proposed physical changes to the property's exterior**, should be directed to the Association's Architectural Design Review Committee at board@balboaterrace.org.

MAILING ADDRESS FOR OVERNIGHT PAYMENT OF ASSESSMENTS

The mailing address for overnight payment of assessments is as follows: Balboa Terrace Homes Association, c/o Alliance Association Bank, 3033 W Way Road, Chandler, AZ 85226.

OTHER INFORMATION: BOARD MEETINGS

The Association's board of directors meets on the first Monday of each month at 7:30 p.m., except September when it is held on the second Monday because of Labor Day. The meetings are held at Ninth Church of Christ, Scientist, 175 Junipero Serra Blvd., using the entrance along San Rafael Way.

Additional Enclosures:
Civil Code 4041
Govt. Code 12956.1

Balboa Terrace Homes Association
1/1/2020 - 12/31/2020

<u>Accounts</u>	<u>Annual Budget</u>
Income	
<u>Membership Income</u>	
4010 - Income from Member Assessments	\$92,957.76
<u>Total Membership Income</u>	<u>\$92,957.76</u>
<u>Other Income</u>	
4420 - Excess Income/Rollover	\$14,442.04
<u>Total Other Income</u>	<u>\$14,442.04</u>
<u>5% Special Assessment</u>	
4045 - Special Assessment	\$5,369.99
<u>Total Special Assessment Income</u>	<u>\$5,369.99</u>
Total Annual Income	\$112,769.79
Expense	
<u>Administration Expense</u>	
5010 - Accounting & Tax Preparation	\$395.00
5031 - Board Education	\$360.00
5055 - Insurance	\$11,025.00
5105 - Legal	\$5,000.00
5120 - Legal - Governing Docs	\$10,000.00
5125 - License & Permits	\$100.00
5130 - Management Contract	\$7,140.00
5135 - Management Extras	\$6,500.00
5140 - Meeting Expense/Room	\$800.00
5155 - Office Expense	\$5,123.80
5165 - Reserve Study	\$1,000.00
5170 - Social Events	\$1,100.00
5185 - Taxes - State	\$30.00
5190 - Property Taxes	\$5,600.00
5195 - Website	\$840.00
<u>Total Administration Expense</u>	<u>\$55,013.80</u>
<u>Landscape Expense</u>	
6110 - Landscape - Contract	\$10,800.00
6120 - Landscape - Rodent Prevention	\$1,000.00
6135 - Landscape - Irrigation	\$1,000.00
6145 - Landscape - Trees	\$1,000.00
<u>Total Landscape Expense</u>	<u>\$13,800.00</u>

Repair & Maintenance Expense

8170 - General Repairs \$150.00

Total Repair & Maintenance Expense **\$150.00**

Utilities

9010 - Electric \$1,056.00

9060 - Water \$500.00

Total Utilities **\$1,556.00**

Reserve Funding

9510 - Reserve Contribution \$36,880.00

9515 - Additional Reserve Contribution \$5,369.99

Total Reserve Funding **\$42,249.99**

Total Expense **\$112,769.79**

Balboa Terrace Homes Association

Annual Assessment Allocation Per Lot Size

Property Address		Sq Feet	2019	2020	5% Special
15	APTOS AVENUE	5000	\$298.69	\$358.42	\$21.74
20	APTOS AVENUE	4000	\$238.95	\$286.74	\$17.39
25	APTOS AVENUE	5200	\$310.63	\$372.76	\$22.61
30	APTOS AVENUE	4000	\$238.95	\$286.74	\$17.39
35	APTOS AVENUE	6200	\$370.37	\$444.44	\$26.96
40	APTOS AVENUE	4500	\$268.82	\$322.58	\$19.57
41	APTOS AVENUE	4600	\$274.79	\$329.75	\$20.00
44	APTOS AVENUE	3900	\$232.97	\$279.57	\$16.96
45	APTOS AVENUE	5061	\$302.33	\$362.80	\$22.01
50	APTOS AVENUE	4065	\$242.83	\$291.40	\$17.68
55	APTOS AVENUE	4733	\$282.74	\$339.28	\$20.58
60	APTOS AVENUE	4065	\$242.83	\$291.40	\$17.68
65	APTOS AVENUE	4745	\$283.45	\$340.14	\$20.63
66	APTOS AVENUE	4065	\$242.83	\$291.40	\$17.68
74	APTOS AVENUE	4065	\$242.83	\$291.40	\$17.68
75	APTOS AVENUE	4842	\$289.25	\$347.10	\$21.05
82	APTOS AVENUE	4265	\$254.78	\$305.73	\$18.54
85	APTOS AVENUE	4429	\$264.58	\$317.49	\$19.26
91	APTOS AVENUE	4325	\$258.36	\$310.04	\$18.81
95	APTOS AVENUE	5200	\$310.63	\$372.76	\$22.61
100	SAN RAFAEL WAY	4500	\$268.82	\$322.58	\$19.57
101	DARIEN WAY	3500	\$209.08	\$250.90	\$15.22
101	SAN ALESO AVE	3900	\$232.97	\$279.57	\$16.96
106	APTOS AVENUE	4065	\$242.83	\$291.40	\$17.68
110	APTOS AVENUE	4065	\$242.83	\$291.40	\$17.68
110	SAN ALESO AVE	4529	\$270.55	\$324.66	\$19.69
115	SAN ALESO AVE	3402	\$203.23	\$243.87	\$14.79
115	SAN RAFAEL WAY	5000	\$298.69	\$358.42	\$21.74
116	APTOS AVENUE	3775	\$225.51	\$270.61	\$16.41
116	SAN ALESO AVE	4142	\$247.43	\$296.92	\$18.01
120	APTOS AVENUE	3775	\$225.51	\$270.61	\$16.41
120	SAN RAFAEL WAY	4050	\$241.93	\$290.32	\$17.61
121	JUNIPERO SERRA BLVD.	10800	\$645.16	\$774.19	\$46.96
124	SAN ALESO AVE	3960	\$236.56	\$283.87	\$17.22
125	SAN RAFAEL WAY	5000	\$298.69	\$358.42	\$21.74
126	APTOS AVENUE	3775	\$225.51	\$270.61	\$16.41
130	APTOS AVENUE	3775	\$225.51	\$270.61	\$16.41
130	SAN RAFAEL WAY	4050	\$241.93	\$290.32	\$17.61
130	SAN ALESO AVE	4080	\$243.73	\$292.47	\$17.74
131	SAN ALESO AVE	3417	\$204.12	\$244.95	\$14.86
134	APTOS AVENUE	3775	\$225.51	\$270.61	\$16.41
135	DARIEN WAY	3500	\$209.08	\$250.90	\$15.22
135	SAN ALESO AVE	3617	\$216.07	\$259.28	\$15.73
135	SAN RAFAEL WAY	5000	\$298.69	\$358.42	\$21.74
138	APTOS AVENUE	3775	\$225.51	\$270.61	\$16.41

140	SAN ALESO AVE	4190	\$250.30	\$300.36	\$18.22
140	SAN RAFAEL WAY	4500	\$268.82	\$322.58	\$19.57
141	SAN ALESO AVE	3462	\$206.81	\$248.17	\$15.05
141	JUNIPERO SERRA BLVD.	5300	\$316.61	\$379.93	\$23.05
142	APTOS AVENUE	3775	\$225.51	\$270.61	\$16.41
144	APTOS AVENUE	3775	\$225.51	\$270.61	\$16.41
145	SAN ALESO AVE	3751	\$224.07	\$268.89	\$16.31
146	SAN ALESO AVE	4080	\$243.73	\$292.47	\$17.74
150	APTOS AVENUE	3775	\$225.51	\$270.61	\$16.41
150	SAN ALESO AVE	4080	\$243.73	\$292.47	\$17.74
155	SAN RAFAEL WAY	3500	\$209.08	\$250.90	\$15.22
155	SAN ALESO AVE	3984	\$237.99	\$285.59	\$17.32
156	APTOS AVENUE	3775	\$225.51	\$270.61	\$16.41
160	APTOS AVENUE	3775	\$225.51	\$270.61	\$16.41
160	SAN ALESO AVE	3988	\$238.23	\$285.88	\$17.34
161	SAN ALESO AVE	4000	\$238.95	\$286.74	\$17.39
161	SAN RAFAEL WAY	4000	\$238.95	\$286.74	\$17.39
166	APTOS AVENUE	3775	\$225.51	\$270.61	\$16.41
166	SAN ALESO AVE	4052	\$242.05	\$290.47	\$17.62
169	SAN ALESO AVE	4000	\$238.95	\$286.74	\$17.39
170	APTOS AVENUE	3500	\$209.08	\$250.90	\$15.22
172	SAN ALESO AVE	4010	\$239.55	\$287.46	\$17.44
175	SAN RAFAEL WAY	4000	\$238.95	\$286.74	\$17.39
175	JUNIPERO SERRA BLVD.	33900	\$2,025.08	\$2,430.11	\$147.40
177	SAN ALESO AVE	4000	\$238.95	\$286.74	\$17.39
180	SAN ALESO AVE	4080	\$243.73	\$292.47	\$17.74
184	APTOS AVENUE	3700	\$221.03	\$265.23	\$16.09
185	SAN ALESO AVE	4000	\$238.95	\$286.74	\$17.39
185	SAN RAFAEL WAY	4000	\$238.95	\$286.74	\$17.39
188	SAN ALESO AVE	4080	\$243.73	\$292.47	\$17.74
190	APTOS AVENUE	3700	\$221.03	\$265.23	\$16.09
199	SAN ALESO AVE	4140	\$247.31	\$296.77	\$18.00
200	SAN FERNANDO WAY	3500	\$209.08	\$250.90	\$15.22
200	DARIEN WAY	3585	\$214.16	\$256.99	\$15.59
200	SAN BENITO WAY	3993	\$238.53	\$286.24	\$17.36
201	DARIEN WAY	3500	\$209.08	\$250.90	\$15.22
201	SAN BENITO WAY	5744	\$343.13	\$411.76	\$24.98
201	SAN FERNANDO WAY	7500	\$448.03	\$537.63	\$32.61
210	SANTA ANA AVENUE	3783	\$225.99	\$271.18	\$16.45
210	SAN BENITO WAY	3800	\$227.00	\$272.40	\$16.52
210	SAN FERNANDO WAY	4000	\$238.95	\$286.74	\$17.39
210	SAN LEANDRO WAY	4000	\$238.95	\$286.74	\$17.39
215	SANTA ANA AVENUE	3800	\$227.00	\$272.40	\$16.52
215	SAN LEANDRO WAY	4291	\$256.33	\$307.60	\$18.66
219	SAN FERNANDO WAY	4000	\$238.95	\$286.74	\$17.39
220	SAN BENITO WAY	3850	\$229.99	\$275.99	\$16.74
220	SANTA ANA AVENUE	3860	\$230.58	\$276.70	\$16.78
220	SAN FERNANDO WAY	4000	\$238.95	\$286.74	\$17.39
220	SAN LEANDRO WAY	4000	\$238.95	\$286.74	\$17.39

225	SANTA ANA AVENUE	3850	\$229.99	\$275.99	\$16.74
225	SAN FERNANDO WAY	4000	\$238.95	\$286.74	\$17.39
225	SAN BENITO WAY	4200	\$250.90	\$301.08	\$18.26
225	SAN LEANDRO WAY	4381	\$261.71	\$314.05	\$19.05
230	SAN BENITO WAY	3900	\$232.97	\$279.57	\$16.96
230	SANTA ANA AVENUE	3920	\$234.17	\$281.00	\$17.04
230	SAN FERNANDO WAY	4000	\$238.95	\$286.74	\$17.39
230	SAN LEANDRO WAY	4000	\$238.95	\$286.74	\$17.39
235	SAN FERNANDO WAY	3500	\$209.08	\$250.90	\$15.22
235	SANTA ANA AVENUE	3900	\$232.97	\$279.57	\$16.96
235	SAN LEANDRO WAY	4950	\$295.70	\$354.84	\$21.52
240	SANTA ANA AVENUE	3469	\$207.23	\$248.67	\$15.08
240	SAN FERNANDO WAY	3500	\$209.08	\$250.90	\$15.22
240	SAN LEANDRO WAY	3500	\$209.08	\$250.90	\$15.22
240	SAN BENITO WAY	3945	\$235.66	\$282.80	\$17.15
240	DARIEN WAY	4000	\$238.95	\$286.74	\$17.39
241	SAN FERNANDO WAY	3500	\$209.08	\$250.90	\$15.22
245	SANTA ANA AVENUE	3845	\$229.69	\$275.63	\$16.72
245	SAN FERNANDO WAY	4000	\$238.95	\$286.74	\$17.39
245	SAN LEANDRO WAY	5000	\$298.69	\$358.42	\$21.74
245	SAN BENITO WAY	5710	\$341.10	\$409.32	\$24.83
246	SANTA ANA AVENUE	3500	\$209.08	\$250.90	\$15.22
250	SAN FERNANDO WAY	3500	\$209.08	\$250.90	\$15.22
250	SAN LEANDRO WAY	3500	\$209.08	\$250.90	\$15.22
250	SAN BENITO WAY	3979	\$237.69	\$285.23	\$17.30
251	SAN FERNANDO WAY	4000	\$238.95	\$286.74	\$17.39
255	SANTA ANA AVENUE	3979	\$237.69	\$285.23	\$17.30
255	SAN LEANDRO WAY	4500	\$268.82	\$322.58	\$19.57
255	SAN BENITO WAY	5000	\$298.69	\$358.42	\$21.74
256	SANTA ANA AVENUE	4000	\$238.95	\$286.74	\$17.39
260	SAN BENITO WAY	4000	\$238.95	\$286.74	\$17.39
260	SAN FERNANDO WAY	4000	\$238.95	\$286.74	\$17.39
260	SAN LEANDRO WAY	4000	\$238.95	\$286.74	\$17.39
261	SAN FERNANDO WAY	4000	\$238.95	\$286.74	\$17.39
265	SANTA ANA AVENUE	4000	\$238.95	\$286.74	\$17.39
265	SAN LEANDRO WAY	4500	\$268.82	\$322.58	\$19.57
266	SANTA ANA AVENUE	4000	\$238.95	\$286.74	\$17.39
270	SAN BENITO WAY	4000	\$238.95	\$286.74	\$17.39
270	SAN FERNANDO WAY	4000	\$238.95	\$286.74	\$17.39
270	SAN LEANDRO WAY	4000	\$238.95	\$286.74	\$17.39
275	SANTA ANA AVENUE	4000	\$238.95	\$286.74	\$17.39
275	SAN BENITO WAY	5000	\$298.69	\$358.42	\$21.74
276	SANTA ANA AVENUE	4000	\$238.95	\$286.74	\$17.39
280	SAN BENITO WAY	4000	\$238.95	\$286.74	\$17.39
280	SAN FERNANDO WAY	4000	\$238.95	\$286.74	\$17.39
280	SAN LEANDRO WAY	4000	\$238.95	\$286.74	\$17.39
285	SANTA ANA AVENUE	4000	\$238.95	\$286.74	\$17.39
290	SAN LEANDRO WAY	3500	\$209.08	\$250.90	\$15.22
300	DARIEN WAY	4000	\$238.95	\$286.74	\$17.39

300	SAN BENITO WAY	4000	\$238.95	\$286.74	\$17.39
300	SANTA ANA AVENUE	4000	\$238.95	\$286.74	\$17.39
301	SANTA ANA AVENUE	4000	\$238.95	\$286.74	\$17.39
301	DARIEN WAY	5000	\$298.69	\$358.42	\$21.74
301	SAN BENITO WAY	6320	\$377.54	\$453.05	\$27.48
306	SAN LEANDRO WAY	4000	\$238.95	\$286.74	\$17.39
306	SAN BENITO WAY	4500	\$268.82	\$322.58	\$19.57
306	SANTA ANA AVENUE	4500	\$268.82	\$322.58	\$19.57
307	SAN LEANDRO WAY	4400	\$262.84	\$315.41	\$19.13
307	SANTA ANA AVENUE	4500	\$268.82	\$322.58	\$19.57
309	SAN FERNANDO WAY	3800	\$227.00	\$272.40	\$16.52
310	SAN BENITO WAY	4000	\$238.95	\$286.74	\$17.39
310	SANTA ANA AVENUE	4000	\$238.95	\$286.74	\$17.39
311	SAN BENITO WAY	4500	\$268.82	\$322.58	\$19.57
314	SAN LEANDRO WAY	4000	\$238.95	\$286.74	\$17.39
315	SAN BENITO WAY	4500	\$268.82	\$322.58	\$19.57
315	SAN LEANDRO WAY	4500	\$268.82	\$322.58	\$19.57
315	SANTA ANA AVENUE	5500	\$328.55	\$394.27	\$23.91
316	SAN BENITO WAY	4000	\$238.95	\$286.74	\$17.39
316	SANTA ANA AVENUE	4000	\$238.95	\$286.74	\$17.39
317	SAN FERNANDO WAY	3800	\$227.00	\$272.40	\$16.52
319	SAN BENITO WAY	4510	\$269.41	\$323.30	\$19.61
320	SAN LEANDRO WAY	4000	\$238.95	\$286.74	\$17.39
320	SAN BENITO WAY	4040	\$241.34	\$289.61	\$17.57
320	SANTA ANA AVENUE	4125	\$246.42	\$295.70	\$17.94
321	SAN BENITO WAY	5180	\$309.44	\$371.33	\$22.52
325	SAN FERNANDO WAY	3800	\$227.00	\$272.40	\$16.52
325	SAN LEANDRO WAY	4000	\$238.95	\$286.74	\$17.39
325	SAN BENITO WAY	5180	\$309.44	\$371.33	\$22.52
325	SANTA ANA AVENUE	5510	\$329.15	\$394.98	\$23.96
326	SAN BENITO WAY	4135	\$247.01	\$296.42	\$17.98
326	SANTA ANA AVENUE	4190	\$250.30	\$300.36	\$18.22
329	SANTA ANA AVENUE	4716	\$281.72	\$338.06	\$20.51
329	SAN LEANDRO WAY	5165	\$308.54	\$370.25	\$22.46
329	SAN BENITO WAY	5400	\$322.58	\$387.10	\$23.48
330	SAN LEANDRO WAY	3940	\$235.36	\$282.44	\$17.13
330	SAN BENITO WAY	4135	\$247.01	\$296.42	\$17.98
331	SAN FERNANDO WAY	3500	\$209.08	\$250.90	\$15.22
332	SANTA ANA AVENUE	4190	\$250.30	\$300.36	\$18.22
333	SAN BENITO WAY	5400	\$322.58	\$387.10	\$23.48
333	SANTA ANA AVENUE	5640	\$336.92	\$404.30	\$24.52
334	SAN LEANDRO WAY	4015	\$239.84	\$287.81	\$17.46
335	SAN FERNANDO WAY	4030	\$240.74	\$288.89	\$17.52
335	SAN LEANDRO WAY	4765	\$284.65	\$341.58	\$20.72
336	SAN BENITO WAY	4905	\$293.01	\$351.61	\$21.33
340	SAN LEANDRO WAY	4015	\$239.84	\$287.81	\$17.46
340	SANTA ANA AVENUE	4190	\$250.30	\$300.36	\$18.22
340	SAN BENITO WAY	4905	\$293.01	\$351.61	\$21.33
341	SAN FERNANDO WAY	4030	\$240.74	\$288.89	\$17.52

341	SAN LEANDRO WAY	4445	\$265.53	\$318.64	\$19.33
341	SANTA ANA AVENUE	5280	\$315.41	\$378.49	\$22.96
344	SANTA ANA AVENUE	4415	\$263.74	\$316.49	\$19.20
344	SAN LEANDRO WAY	4585	\$273.89	\$328.67	\$19.94
345	DARIEN WAY	3500	\$209.08	\$250.90	\$15.22
345	SAN FERNANDO WAY	4030	\$240.74	\$288.89	\$17.52
345	SAN LEANDRO WAY	4350	\$259.86	\$311.83	\$18.91
346	SAN BENITO WAY	4230	\$252.69	\$303.23	\$18.39
347	SAN BENITO WAY	4040	\$241.34	\$289.61	\$17.57
347	SANTA ANA AVENUE	5800	\$346.47	\$415.77	\$25.22
350	SAN LEANDRO WAY	3620	\$216.25	\$259.50	\$15.74
350	SAN BENITO WAY	3845	\$229.69	\$275.63	\$16.72
350	SANTA ANA AVENUE	4578	\$273.48	\$328.17	\$19.91
351	SAN LEANDRO WAY	3620	\$216.25	\$259.50	\$15.74
351	SANTA ANA AVENUE	3975	\$237.45	\$284.95	\$17.28
351	SAN BENITO WAY	4050	\$241.93	\$290.32	\$17.61
354	SAN BENITO WAY	4040	\$241.34	\$289.61	\$17.57
355	SAN BENITO WAY	4035	\$241.04	\$289.25	\$17.54
355	SANTA ANA AVENUE	5225	\$312.13	\$374.55	\$22.72
356	SANTA ANA AVENUE	4604	\$275.03	\$330.04	\$20.02
357	SAN LEANDRO WAY	4399	\$262.78	\$315.34	\$19.13
358	SAN BENITO WAY	4040	\$241.34	\$289.61	\$17.57
359	SAN BENITO WAY	4040	\$241.34	\$289.61	\$17.57
360	SAN LEANDRO WAY	4030	\$240.74	\$288.89	\$17.52
363	SAN BENITO WAY	4040	\$241.34	\$289.61	\$17.57
364	SAN BENITO WAY	4040	\$241.34	\$289.61	\$17.57
364	SANTA ANA AVENUE	4650	\$277.78	\$333.33	\$20.22
365	SANTA ANA AVENUE	4700	\$280.76	\$336.92	\$20.44
365	SAN LEANDRO WAY	5281	\$315.47	\$378.57	\$22.96
367	SAN BENITO WAY	4040	\$241.34	\$289.61	\$17.57
368	SAN BENITO WAY	4040	\$241.34	\$289.61	\$17.57
369	SANTA ANA AVENUE	6295	\$376.04	\$451.25	\$27.37
370	SAN LEANDRO WAY	4030	\$240.74	\$288.89	\$17.52
370	SAN BENITO WAY	4040	\$241.34	\$289.61	\$17.57
370	SANTA ANA AVENUE	4650	\$277.78	\$333.33	\$20.22
374	SAN BENITO WAY	4040	\$241.34	\$289.61	\$17.57
375	SAN BENITO WAY	4716	\$281.72	\$338.06	\$20.51
375	SAN LEANDRO WAY	5300	\$316.61	\$379.93	\$23.05
376	SAN LEANDRO WAY	4030	\$240.74	\$288.89	\$17.52
377	SAN BENITO WAY	4716	\$281.72	\$338.06	\$20.51
377	SANTA ANA AVENUE	5180	\$309.44	\$371.33	\$22.52
380	SAN LEANDRO WAY	3930	\$234.77	\$281.72	\$17.09
380	SAN BENITO WAY	4040	\$241.34	\$289.61	\$17.57
380	SANTA ANA AVENUE	4650	\$277.78	\$333.33	\$20.22
381	SAN LEANDRO WAY	4555	\$272.10	\$326.52	\$19.81
381	SAN BENITO WAY	4716	\$281.72	\$338.06	\$20.51
383	SANTA ANA AVENUE	5180	\$309.44	\$371.33	\$22.52
384	SANTA ANA AVENUE	3715	\$221.92	\$266.31	\$16.15
384	SAN BENITO WAY	4040	\$241.34	\$289.61	\$17.57

385	SAN BENITO WAY	4716	\$281.72	\$338.06	\$20.51
388	SAN BENITO WAY	4040	\$241.34	\$289.61	\$17.57
389	SAN LEANDRO WAY	4156	\$248.27	\$297.92	\$18.07
389	SAN BENITO WAY	5716	\$341.46	\$409.75	\$24.85
390	SANTA ANA AVENUE	3566	\$213.02	\$255.63	\$15.51
390	SAN LEANDRO WAY	4000	\$238.95	\$286.74	\$17.39
390	SAN BENITO WAY	4040	\$241.34	\$289.61	\$17.57
391	SANTA ANA AVENUE	5225	\$312.13	\$374.55	\$22.72
393	SAN BENITO WAY	5600	\$334.53	\$401.43	\$24.35
395	SAN LEANDRO WAY	3767	\$225.03	\$270.04	\$16.38
395	SANTA ANA AVENUE	6300	\$376.34	\$451.61	\$27.39
396	SAN BENITO WAY	4900	\$292.71	\$351.25	\$21.31
398	SAN LEANDRO WAY	3600	\$215.05	\$258.06	\$15.65
398	SANTA ANA AVENUE	3864	\$230.82	\$276.99	\$16.80
399	SAN BENITO WAY	5790	\$345.88	\$415.05	\$25.18
399	SAN FERNANDO WAY	24800	\$1,481.48	\$1,777.78	\$107.83
401	DARIEN WAY	4250	\$253.88	\$304.66	\$18.48
445	DARIEN WAY	4250	\$253.88	\$304.66	\$18.48
500	UPLAND DRIVE	3809	\$227.54	\$273.05	\$16.56
501	DARIEN WAY	4630	\$276.58	\$331.90	\$20.13
519	DARIEN WAY	7270	\$434.29	\$521.15	\$31.61
533	DARIEN WAY	5080	\$303.46	\$364.16	\$22.09
540	DARIEN WAY	9970	\$595.58	\$714.70	\$43.35
541	DARIEN WAY	4360	\$260.45	\$312.54	\$18.96
545	DARIEN WAY	4540	\$271.21	\$325.45	\$19.74
550	DARIEN WAY	5867	\$350.48	\$420.57	\$25.51
555	DARIEN WAY	4500	\$268.82	\$322.58	\$19.57
561	DARIEN WAY	4990	\$298.09	\$357.71	\$21.70
569	DARIEN WAY	5150	\$307.65	\$369.18	\$22.39
571	DARIEN WAY	5433	\$324.55	\$389.46	\$23.62
581	DARIEN WAY	4860	\$290.32	\$348.39	\$21.13
587	DARIEN WAY	4030	\$240.74	\$288.89	\$17.52
590	DARIEN WAY	4215	\$251.79	\$302.15	\$18.33
595	DARIEN WAY	3715	\$221.92	\$266.31	\$16.15
598	DARIEN WAY	5015	\$299.58	\$359.50	\$21.81
600	UPLAND DRIVE	4085	\$244.03	\$292.83	\$17.76
601	UPLAND DRIVE	3880	\$231.78	\$278.14	\$16.87
601	DARIEN WAY	4400	\$262.84	\$315.41	\$19.13
615	DARIEN WAY	5000	\$298.69	\$358.42	\$21.74
650	UPLAND DRIVE	4000	\$238.95	\$286.74	\$17.39
651	UPLAND DRIVE	4220	\$252.09	\$302.51	\$18.35
1725	MONTEREY BLVD	3993	\$238.53	\$286.24	\$17.36
1801	MONTEREY BLVD	3235	\$193.25	\$231.90	\$14.07
1845	MONTEREY BLVD	4645	\$277.48	\$332.97	\$20.20
1901	MONTEREY BLVD	3500	\$209.08	\$250.90	\$15.22
2045	MONTEREY BLVD	4000	\$238.95	\$286.74	\$17.39
2230	OCEAN AVE	4600	\$274.79	\$329.75	\$20.00
		1296761	\$77,464.61	\$92,957.76	\$5,638.49

PROPERTY INFORMATION

<i>PROPERTY NAME:</i>	Balboa Terrace Homes Association		
<i>STREET ADDRESS:</i>	Santa Ana Ave & Darien Way		
<i>CITY, STATE, ZIP:</i>	San Francisco, CA		
<i>GOVERNING ENTITY:</i>	Board of Directors		
<i>YEAR CONSTRUCTED:</i>	1920	<i>NUMBER OF CONSTRUCTION PHASES:</i>	1
<i>NUMBER OF UNITS:</i>	288	<i>NUMBER OF RESIDENTIAL BUILDINGS:</i>	

CONTACT INFORMATION

<i>CURRENT PROPERTY CONTACT:</i>	Ms. Melissa Hajostek Bay Area Property Services 1661 Tice Valley Blvd., Suite 200 Walnut Creek, CA 94595 Phone: (925) 746-0542 Email: melissah@bayservice.net
----------------------------------	--

RESERVE STUDY INFORMATION

<i>TYPE OF STUDY:</i>	Annual Review Study 2020 (no site inspection performed with this review)
<i>BEGINNING YEAR OF STUDY:</i>	2020
<i>YEAR OF LAST PHYSICAL INSPECTION:</i>	2018
<i>YEAR OF NEXT PHYSICAL INSPECTION:</i>	2021 (as required by the Davis-Stirling Act)
<i>RESERVE STUDY PREPARER:</i>	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
<i>PERFORMED BY:</i>	Casey O'Neill Direct Phone: (415) 289-7443 Email: caseyo@reserveanalysis.com

RESERVE FUND FINANCIAL INFORMATION

<i>BUDGET YEAR ENDING DATE:</i>	12/31	2019	2020
<i>ANNUAL RESERVE CONTRIBUTION:</i>		\$30,733	\$36,880
<i>MONTHLY RESERVE CONTRIBUTION:</i>		\$2,561	\$3,073
<i>PER UNIT MONTHLY (AVG.) CONTRIBUTION:</i>		\$8.89	\$10.67
<i>TOTAL SPECIAL ASSESSMENT:</i>		N/A	N/A
<i>PER UNIT (AVG.) SPECIAL ASSESSMENT:</i>		N/A	N/A
<i>PROPOSED RESERVE FUND EXPENDITURES:</i>			(\$76,906)
<i>ESTIMATED YEAR ENDING BALANCE:</i>		\$97,283	\$63,393
<i>ADDITIONAL RESERVE CONTRIBUTION:</i>			\$5,370

RESERVE PERCENT FUNDED CALCULATION

<i>AMOUNT NEEDED TO BE 100% FUNDED:</i>	\$231,371	\$206,397
<i>THEORETICAL PER UNIT UNDERFUNDED:</i>	\$466	\$497
<i>CALCULATED PERCENT FUNDED:</i>	42.05%	30.71%

RESERVE PROJECTED INTEREST & INFLATION

<i>"ASSUMED LONG-TERM INTEREST RATE":</i>	2.00%
<i>"ASSUMED LONG-TERM INFLATION RATE":</i>	3.00%

2.00 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 2020 through 2049. 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.

3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED CALCULATION

Code #	Component Description	2019 End Req'd in Bank	Year New	Usefl Life	Rmng. (2020)	Current Cost	Annual Allocation	2020 End Req'd in Bank
1.00	ALLEY COMPONENTS							
1.01	Asphalt Sealing	\$14,998	2020	7	7	\$17,498	\$2,500	\$0
1.02	Striping & Designations	\$1,053	2020	7	7	\$1,228	\$175	\$0
1.03	Asphalt Repairs - Minor ~ 5%	\$11,717	2020	7	7	\$13,670	\$1,953	\$0
1.04	Asphalt Repairs/Replacement/Overlay - Major	\$66,397	2011	28	19	\$232,390	\$8,300	\$74,697
1.05	Drainage Issue	\$0	2019	30	29	\$68,000	\$2,267	\$2,267
	Category Sub-Total	\$94,165				\$332,786	\$15,194	\$76,963
2.00	CONCRETE							
2.01	Sidewalks - Repair/Replace Allowance (Inventory in Note)	\$7,500	2019	1	0	\$7,500	\$7,500	\$7,500
	Category Sub-Total	\$7,500				\$7,500	\$7,500	\$7,500
3.00	IRRIGATION/LANDSCAPING/TREES							
3.01	Irrigation Replacement Allowance	\$5,000	2019	1	0	\$5,000	\$5,000	\$5,000
3.02	Landscape Replacement Allowance	\$10,000	2019	1	0	\$10,000	\$10,000	\$10,000
3.03	Tree Maintenance/Removal/Replanting	\$7,500	2019	1	0	\$7,500	\$7,500	\$7,500
	Category Sub-Total	\$22,500				\$22,500	\$22,500	\$22,500
4.00	SITE COMPONENTS							
4.01	Entry Portal Column Top Lights Repair/Refurb Allowance	\$2,667	2024	15	4	\$4,000	\$267	\$2,933
4.02	Entry Portal - Paint & Concrete Repair Allowance	\$6,540	2014	6	0	\$7,848	\$1,308	\$0
4.03	Entry Portal - Area Rehab - Start of Project	\$48,000	1923	100	3	\$50,000	\$500	\$48,500
4.04	Entry Portal - Area Rehab - Completion of Project	\$47,500	1924	100	4	\$50,000	\$500	\$48,000
4.05	Bus Stop - Paint & Minor Repair Allowance	\$2,500	2014	6	0	\$3,000	\$500	\$0
	Category Sub-Total	\$107,207				\$114,848	\$3,075	\$99,433
						Total Value of Components:	\$477,634	
						Annual Straight-Line Allocation:	\$48,269	
		2019 End						2020 End
	Total Dollars Necessary to be 100% Funded:	\$231,371						\$206,397
	Actual Dollars In Reserve Fund:	\$97,283						\$63,393
	Current Fund Deficiency:	\$134,089						\$143,004
	Current Per Unit Deficiency:	\$466						\$497
	Percent Funded:	42.05%						30.71%
	(Actual dollars/Total Dollars Necessary)							

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.

PROPERTY DESCRIPTION & COMPONENT INCLUSION:

Balboa Terrace Homes Association is a 288-member association located in San Francisco, CA. The Association is responsible for common areas only that were originally built in 1 phase in 1920. The Association is responsible for all components as the Board of Directors has interpreted the CC&Rs. For specific component inclusion based on that interpretation please refer to the Component Data or Schedule Sections.

5300(b)(4) - COMPONENT CONDITION:

The property is composed of a variety of components that are in a range of conditions due to their various ages and expected lives. The projections in this Reserve Study intend to maintain these components at an appropriate condition in the future; however, it is the Board's responsibility to investigate and cause the actual maintenance, repair and replacement projects at the appropriate time(s).

Per Davis-Stirling Section 5500 ((old 1365.5)), on a quarterly basis the Board will review actual reserve expenses compared to the year's proposed reserve expenses. Depending on each component's condition and available information at that time, the Board will determine to undertake repair and replacement projects as appropriate. Please refer to the Sections of Component Data and/or Component Schedule for specific details on component ages, expected lives, and remaining lives. A component with a negative remaining life does not necessarily mean the component is being deferred, but rather signifies that the component is past its statistically average life and will be reviewed annually until it is appropriate for replacement. If the Board has specifically determined to defer or not undertake a component's repair or replacement, that decision and its justification is required to be in meeting minutes and disclosed separately in the Annual Budget Report.

5300(b)(3,5,6,7,8) - FUNDING PLAN ANALYSIS & CALCULATIONS:

5300(b)(3) - "the association shall provide the full reserve study plan upon request."

Specific Details regarding the following statements can be viewed in the "30 YEAR FUNDING PLAN" (included with this Reserve Summary).

5300(b)(5) - If applicable, the amount and commencement date of Board determined or anticipated special assessments will be shown and if a vote of the membership is required.

5300(b)(6) - The mechanism(s) by which the board will fund the reserves, including assessments, borrowing, and/or use of other assets. Refer to 5300(b)(4) above for deferral/selected repair/replacements.

5300(b)(7) - Procedures & methodology used for these calculations can be found in section "Procedures & Methodologies" (included with this Reserve Summary).

5300(b)(8) - If applicable, details regarding outstanding loans can be found in the 5570 "Reserve Summary and Disclosure" (included with this summary) and/or separately in the Annual Budget Report.

The Reserve Study is a SERIES OF PROJECTIONS, and consequently the estimated lives and costs of components will likely CHANGE OVER TIME depending on a variety of factors such as future inflation rates, the level of preventative maintenance completed by future boards, unknown material defects, changes in technology, efficiency, and/or government regulations.

The Reserve Study is an evolving document that represents a moment in time covering a 30 year period. As required by The Davis-Stirling Act, we recommend that the Association review and update this Reserve Analysis on an annual basis to make adjustments for component expenditures and fluctuations in annual revenue, interest, and inflation.

5.00

30 YEAR RESERVE FUNDING PLAN

2019 Average unit per month reserve contribution *1 = \$8.89

2019 Total annual reserve contribution *1 = \$30,733

* All future numbers are PROPOSED and/or PROJECTED

DESCRIPTION - 1ST 10 YEARS	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Projected Beginning Fund Balance *1	\$97,283	\$63,393	\$74,258	\$90,709	\$55,683	\$21,172	\$52,371	\$71,791	\$64,553	\$101,334
Contribution % increase over previous yr.	20.00%	15.00%	15.00%	15.00%	15.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Contribution avg. unit/month \$ increase	\$1.78	\$1.60	\$1.84	\$2.12	\$2.43	\$0.75	\$0.78	\$0.81	\$0.84	\$0.87
Contribution avg. per unit/month	\$10.67	\$12.27	\$14.11	\$16.23	\$18.66	\$19.41	\$20.19	\$20.99	\$21.83	\$22.71
Reserve Contribution - Annual	\$36,880	\$42,412	\$48,773	\$56,089	\$64,503	\$67,083	\$69,766	\$72,557	\$75,459	\$78,477
Does increase require membership vote?										
Proposed avg. special assess per unit										
Special Assessment - Total Proposed										
Does special assessment require vote?										
Additional Reserve Contribution	\$5,370									
Total Reserve Fund Available	\$139,532	\$105,805	\$123,031	\$146,799	\$120,186	\$88,255	\$122,137	\$144,348	\$140,012	\$179,811
Projected Expenditures - inflated	-\$76,906	-\$32,445	-\$33,418	-\$91,789	-\$99,270	-\$36,517	-\$51,213	-\$80,576	-\$39,903	-\$41,100
Balance after expenditures	\$62,627	\$73,360	\$89,613	\$55,010	\$20,916	\$51,737	\$70,923	\$63,772	\$100,109	\$138,711
Interest on balance after tax	\$767	\$898	\$1,097	\$673	\$256	\$633	\$868	\$781	\$1,225	\$1,698
Minimum requested balance	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370
Percent funded (if implemented) *2	30.71%	32.09%	35.20%	24.13%	10.72%	23.32%	29.89%	28.06%	38.96%	48.13%
Projected Year Ending Balance *3	\$63,393	\$74,258	\$90,709	\$55,683	\$21,172	\$52,371	\$71,791	\$64,553	\$101,334	\$140,409

* All future numbers are PROPOSED and/or PROJECTED

DESCRIPTION - 2ND 10 YEARS	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Projected Beginning Fund Balance *1	\$140,409	\$181,891	\$225,901	\$256,123	\$305,364	\$305,439	\$360,015	\$417,789	\$478,918	\$523,933
Contribution % increase over previous yr.	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Contribution avg. unit/month \$ increase	\$0.91	\$0.94	\$0.98	\$1.02	\$1.06	\$1.11	\$1.15	\$1.20	\$1.24	\$1.29
Contribution avg. per unit/month	\$23.62	\$24.56	\$25.54	\$26.56	\$27.63	\$28.73	\$29.88	\$31.08	\$32.32	\$33.61
Reserve Contribution - Annual	\$81,616	\$84,881	\$88,276	\$91,807	\$95,480	\$99,299	\$103,271	\$107,402	\$111,698	\$116,166
Does increase require membership vote?										
Proposed avg. special assess per unit										
Special Assessment - Total Proposed										
Does special assessment require vote?										
Additional Reserve Contribution										
Total Reserve Fund Available	\$222,025	\$266,773	\$314,177	\$347,930	\$400,843	\$404,738	\$463,286	\$525,191	\$590,615	\$640,098
Projected Expenditures - inflated	-\$42,333	-\$43,603	-\$61,151	-\$46,259	-\$99,098	-\$49,076	-\$50,548	-\$52,065	-\$73,018	-\$490,472
Balance after expenditures	\$179,692	\$223,169	\$253,026	\$301,671	\$301,745	\$355,662	\$412,738	\$473,126	\$517,597	\$149,626
Interest on balance after tax	\$2,199	\$2,732	\$3,097	\$3,692	\$3,693	\$4,353	\$5,052	\$5,791	\$6,335	\$1,831
Minimum requested balance	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370
Percent funded (if implemented) *2	55.96%	62.74%	67.15%	72.76%	74.33%	79.70%	84.47%	88.75%	92.17%	74.60%
Projected Year Ending Balance *3	\$181,891	\$225,901	\$256,123	\$305,364	\$305,439	\$360,015	\$417,789	\$478,918	\$523,933	\$151,457

* All future numbers are PROPOSED and/or PROJECTED

DESCRIPTION - 3RD 10 YEARS	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Projected Beginning Fund Balance *1	\$151,457	\$213,310	\$210,139	\$269,202	\$327,156	\$360,493	\$415,732	\$469,644	\$522,153	\$494,402
Contribution % increase over previous yr.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contribution avg. unit/month \$ increase	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Contribution avg. per unit/month	\$33.61	\$33.61	\$33.61	\$33.61	\$33.61	\$33.61	\$33.61	\$33.61	\$33.61	\$33.61
Reserve Contribution - Annual	\$116,166	\$116,166	\$116,166	\$116,166	\$116,166	\$116,166	\$116,166	\$116,166	\$116,166	\$116,166
Does increase require membership vote?										
Proposed avg. special assess per unit										
Special Assessment - Total Proposed										
Does special assessment require vote?										
Additional Reserve Contribution										
Total Reserve Fund Available	\$267,623	\$329,475	\$326,304	\$385,368	\$443,321	\$476,659	\$531,897	\$585,809	\$638,318	\$610,568
Projected Expenditures - inflated	-\$56,893	-\$121,878	-\$60,357	-\$62,168	-\$87,187	-\$65,954	-\$67,933	-\$69,971	-\$149,894	-\$242,491
Balance after expenditures	\$210,730	\$207,598	\$265,947	\$323,200	\$356,134	\$410,705	\$463,965	\$515,839	\$488,424	\$368,077
Interest on balance after tax	\$2,579	\$2,541	\$3,255	\$3,956	\$4,359	\$5,027	\$5,679	\$6,314	\$5,978	\$4,505
Minimum requested balance	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370
Percent funded (if implemented) *2	88.10%	94.19%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Projected Year Ending Balance *3	\$213,310	\$210,139	\$269,202	\$327,156	\$360,493	\$415,732	\$469,644	\$522,153	\$494,402	\$372,582

**ASSESSMENT and RESERVE FUNDING DISCLOSURE SUMMARY
For the Budget Year 2020 ending 12/31/20**

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

- (1) The 2019 budgeted regular assessment per ownership interest is avg. \$ 22.41 per month.
The 2020 budgeted assessment per ownership interest can be found in the Annual Budget Report.
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
<u>2020</u>	<u>\$18.65</u>	<u>Reserve Contribution</u>
_____	_____	_____
_____	_____	_____
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 2019 fiscal year is \$ **231,371** based in whole or in part on the last reserve study or update prepared by **Reserve Analysis Consulting, LLC** as of **November, 2019**. The projected reserve fund cash balance at the end of the current fiscal year is \$ **97,283**, resulting in reserves being **42.05%** funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$ N/A.

Balboa Terrace Homes Association

(7.a.) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is \$*1 See Below, and the projected reserve fund cash balance in each of those years, **taking into account only assessments already approved** and other known revenues, is \$*2 See Below, leaving the reserve at *3 See Below percent funding.

Budget Year	2020	2021	2022	2023	2024
*1 Estimated Amount Req'd in Fund to be 100%	\$206,397	\$231,406	\$257,729	\$230,788	\$197,496
*2 Reserve Balance (w/PREV. APPROVED Assessments ONLY)	\$51,736	\$50,636	\$48,538	-\$12,519	-\$81,055
*3 Estimated Percent Funded	25.07%	21.88%	18.83%	-5.42%	-41.04%

(7.b.) **If the Reserve Funding Plan approved by the Association is implemented**, the projected reserve fund cash balance in each of those years will be \$*4 See Below leaving the reserve at *5 See Below percent funding.

Budget Year	2020	2021	2022	2023	2024
*1 Estimated Amount Req'd in Fund to be 100%	\$206,397	\$231,406	\$257,729	\$230,788	\$197,496
*4 Reserve Balance (IF FUND PLAN IMPLEMENTED)	\$63,393	\$74,258	\$90,709	\$55,683	\$21,172
*5 Estimated Percent Funded	30.71%	32.09%	35.20%	24.13%	10.72%

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

(b) For the purposes of preparing a summary pursuant to this section:

(1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.

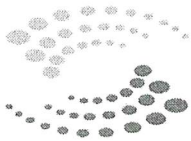
(2) "Major component" has the meaning used in Section 5550 ((old 1365.5)):

Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.

(3) The form set out in 5570 subdivision (a) shall accompany each Annual Budget Report or summary thereof that is delivered pursuant to section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision 5570 (a) is provided.

(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.

Further Notes: Please read the Requirements & Methodology in Section 2.00 and the Narrative Statements in Section 4.00 of this Financial Summary for important details concerning this Reserve Study's development.



SOCHER

The Leader in HOA Insurance Since 1987

3/27/2019

Balboa Terrace Homes Association
Civil Code 5300(b)(9) Disclosure Summary Form

****Property:** Philadelphia Indemnity Ins. Co.: 3/29/2019 - 3/29/2020
\$205,000 Blanketed Common Area Property Limit with a \$1,000 Deductible.

General Liability: Philadelphia Indemnity Ins. Co.: 3/29/2019 - 3/29/2020
\$1,000,000/\$2,000,000 per Occurrence/General Aggregate with a \$0 Deductible. \$1,000,000 Non-Owned and Hire Automobile Liability is included in this policy.

Umbrella Liability: Philadelphia Indemnity Ins. Co.: 3/29/2019 - 3/29/2020
\$2,000,000 each Occurrence/General Aggregate with a \$10,000 Deductible.

Directors' and Officers Liability: Travelers Casualty & Surety Co. of Am.: 3/29/2019 - 3/29/2020
\$1,000,000 per Occurrence and Annual Aggregate with a \$25,000 retention per Occurrence.

Employee Dishonesty: Continental Casualty Company: 3/29/2019 - 3/29/2020
\$150,000 per Occurrence with a \$1,000 Deductible.

Workers' Compensation: No Coverage through our Agency.

Equipment Breakdown Coverage: No Coverage through our Agency.

Earthquake Insurance: No Coverage through our Agency.

Flood: No Coverage through our Agency.

This summary of the Association's policies of insurance provides only certain information, as required by subdivision (b) 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 or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any Deductible that applies. Association Members should consult with their individual Insurance Broker or Agent for appropriate additional coverage.

****Coverage is Common Area Only. Each homeowner is responsible for insuring their own dwelling. For further information please call us at 877-317-9300.**

BALBOA TERRACE HOMES ASSOCIATION
DELINQUENT ASSESSMENT COLLECTION POLICY

1. Regular annual assessments are due, in advance, on the first (1st) day of March and delinquent if not received, in full, by the Association within thirty (30) days after the due date thereof. Special Assessments and Reimbursement Assessments are due on the date(s) specified upon imposition and each installment thereof shall be delinquent if not received by the Association within fifteen (15) days after it is due. A late charge of ten dollars (\$10.00) or ten percent (10%), whichever is greater, of the delinquent assessment shall be due on any such delinquent assessment.
2. The Association may also recover interest on all such amounts due once due and unpaid for thirty (30) days, at the rate of ten percent (10%) per annum.
3. If any portion of any such assessment, late charge, interest or cost of collection remains unpaid sixty (60) days after the original due date, a "Notice of Intent to Lien" will be prepared and sent to the owner(s) by certified mail. The Notice will, among other things, state the current charges owed by the owner(s), and any additional information required by California Civil Code Section 5660 or comparable superseding statute.
4. If all such amounts have not been received ninety (90) days after the original due date thereof, or thirty (30) days after the mailing of a "Notice of Intent to Lien", whichever is later, a Notice of Delinquent Assessment ("Lien") will be prepared and recorded as to the delinquent property and the owner(s) thereof, and all resulting collection fees and costs will be added to the total delinquent amount secured by the lien.
5. If all such amounts have not been received, in full, within thirty (30) days after the recordation of such Lien, the Association may, without further advance notice to the owner(s), proceed to take any and all additional enforcement remedies permitted by law as the Association, in its sole discretion, deems appropriate, including, without limitation, non-judicial foreclosure of such Lien, judicial foreclosure, or suit for money damages, all at the expense of the property owner(s).
6. The Association may recover all reasonable costs incurred in collecting any delinquent assessment, including reasonable attorney's fees.
7. The Board may, for good cause, agree to a payment plan which permits payment of the delinquent assessment(s), late charges, interest and collection costs.
8. Unless the Board agrees to a payment plan as specified in Section 7 above, all amounts due pursuant to this policy, and all other assessments and related charges thereafter due to the Association until all such amounts are paid, must be paid in full and the Association shall not be required to accept any partial or installment payments from the date of the institution of an action to enforce the payment of delinquent amounts to the time that all such amounts are paid in full.
9. All payments received by the Association, regardless of the amount paid, will be directed to the oldest assessment balances first, until such time as all assessment balances are paid, and then to late charges, interest and costs of collection unless otherwise specified by written agreement.
10. The Association shall charge a "returned check charge" of twenty-five dollars (\$25.00) for all checks returned as "non-negotiable", "insufficient funds" or any other reason.
11. All above-referenced notices will be mailed to the owner(s) at the last mailing address provided in writing to the Association by such owner(s).
12. The mailing address for payment of assessments is: Alliance Association Bank, 3033 W Way Road, Chandler, AZ 85226. A different address for delivery of assessment and related payments may be designated by the Board from time-to-time.
13. The Board of Directors of the Association may revise this policy in accordance with the Association Bylaws and Articles of Incorporation.

REQUEST FOR ANNUAL NOTICE OF ADDRESS, REPRESENTATIVE AND RENTAL STATUS
(Civil Code section 4041)

Civil Code, §4041 requires each homeowner to provide the Association with the following information on an annual basis. Please complete this form and return it to the Association within 30 days.

1. Account Number: _____

2. Unit Address: _____

3. The address or addresses to which notices from the Association are to be delivered:

4. An alternate or secondary address to which notices from the Association are to be delivered:

5. The name and address of your legal representative, if any, including any person with power of attorney, or other person who can be contacted in the event of your extended absence:

6. Is the separate interest that you own (check one):

- Owner-occupied?
 Rented?
 Vacant?

NOTE: If an owner fails to provide an alternate/offsite mailing address above, the physical property address of the Owner's Separate Interest within the development shall be deemed to be the address to which notices are to be delivered.

PLEASE RETURN THIS INFORMATION TO THE ASSOCIATION USING ONE OF THE FOLLOWING OPTIONS:

MAIL: Bay Area Property Services
1661 Tice Valley Blvd., Suite 200,
Walnut Creek, CA 94595

EMAIL: customerservice@bayservice.net
FAX: 925-746-0554

Name: _____ **Signature:** _____ **Date:** _____

BALBOA TERRACE HOMES ASSOCIATION

c/o Bay Area Property Services

California Govt. Code §12956.1 Disclosure

“If this document contains any restriction based on race, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of §12955, or ancestry, that restriction violates state or federal fair housing laws and is void, and may be removed pursuant to §12956.1 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.”