

Assessment and Reserve Funding Disclosure Summary

- (1) The current assessment per unit is \$ _____ per _____.
 Note: If assessments vary by the size or type of unit, the assessment applicable to this unit may be found on page _____ of the attached report.
- (2) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date assessment is due:	Amount per unit per (If assessments are variable, see note immediately below):	Purpose of the assessment:
	Total:	

Note: If assessments vary by the size or type of unit, the assessment applicable to this unit may be found on page _____ of the attached 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 _____ No _____ **Possibly, conditional upon the following: Maybe _____**

This question cannot at this time be answered as a definitive “yes” or “no.” Reserve studies are prepared by persons utilizing estimates of replacement value and the life expectancy of the components that the Association is obligated to maintain, however, some items may last a longer or shorter time than estimated, or unanticipated events or disasters may occur, which affect the reserve funds. Thus, the replacement costs and life expectancy will vary from the reserve study being performed, and other factors, such as inflation, or other events, economic or non-economic, or acts of third parties or beyond the control of the Association, such as weather, earthquake, or other events, will affect the financial status of the reserves over the thirty (30) year time period referred to above. Also, please note that California law currently does not require reserve funds to be funded 100% to cover a period of thirty (30) years.

(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? Yes _____ No _____ **See below**

Approximate date assessment will be due"	Amount per unit per month:
See answer below	See answer below
	Total:

Answer: Please see the response to number 3. Please note that based on *California Civil Code §1365.5*, the Association is required to review the reserve fund annually, in addition to having a new reserve study performed every three years. The Association has the right to adjust contributions to the reserve funds as needed. Such funding could, by may not necessarily be, funded by increasing regular assessments, increasing the contributions to regular assessments to the reserves, levying special assessments, or otherwise. However, at present, the Association does not **(modify if yes)** have an intent to levy any such special assessment in connection with the reserve funds to be funded 100% to cover a period of thirty (30) years.

(5) The following major components, which are included in the reserve study, are NOT included in the existing reserve funding:

Major component:	Useful remaining life in years:	Reason this major component was not included:

(6) As of the last reserve study or update, the current balance in the reserve fund is \$ _____. Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5, the required amount in the reserve fund is \$ _____, and if an alternate, but generally accepted, method of calculation is also used, the required amount is \$ _____. (See attached explanation)

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. All current reserve assessments projected, future assessments and current reserve balances have been supplied by the Board of Directors or Property Management Company. The estimates are subject to change.

(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 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 subdivision (a) shall accompany each pro forma operating budget or summary thereof that is delivered pursuant to this article. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (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.