

Assessment and Reserve Funding Disclosure Summary

Montage at Mission Hills HOA

Fiscal Year: 01/0/19 - 12/31/19

This disclosure summary is required to be completed and distributed to all members per California Civil Code 5570.

- (1) The monthly regular assessment per ownership interest will be \$240 per member. This is the total amount of assessments plus reserve funding as approved by the Board of Directors for the next fiscal year.

- (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 is due: N/A
Amount of Special Assessment: N/A
Purpose of the assessment: N/A

- (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? Refer to 30 Year Funding Plan & 30 Year Cash Flow of Reserve Study for funding projections
No?
Annual updates are required to reconcile your actual costs with current funding projections.

- (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 of directors or members?
Approximate date assessment is due: N/A
Amount per month (or per year): N/A

- (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 (Civil Code)

Amount required in the reserve fund is: \$754,449 Fully Funded Reserves
 Projected Cash Reserves \$104,130 projected for 01/01/19
 Estimated Percent Funded (%) 14%
 Prepared by AssociationStudies.Com Report Date: 01/01/19

(7 -A) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 (Civil Code), the estimated amount required in the reserve fund at the end of each of the next five budget years is:

Year:	2019	2020	2021	2022	2023
Fully Funded Reserves:	\$754,449	\$778,151	\$835,690	\$906,237	\$978,631

(7-B) The projected reserve fund cash balance (next 5 years), taking into account only reserve assessments already approved by the Association (per approved HOA budget):

Year:	2019	2020	2021	2022	2023
Reserve Funding:	\$86,648	N/A	N/A	N/A	N/A
Reserve Expenditures:	<u>\$56,823</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Cash Balance:	\$136,336	N/A	N/A	N/A	N/A
% Funded:	18%	N/A	N/A	N/A	N/A

(7-C) If the reserve funding plan (per current Reserve Study) approved by the association is implemented, the projected reserve fund cash balance and percent funded will be:

Year:	2019	2020	2021	2022	2023
Reserve Funding:	\$86,648	\$92,972	\$99,572	\$106,952	\$115,232
Reserve Expenditures:	<u>\$56,823</u>	<u>\$63,439</u>	<u>\$51,274</u>	<u>\$44,142</u>	<u>\$63,409</u>
Cash Balance:	\$143,471	\$156,411	\$150,846	\$151,098	\$178,641
% Funded:	19%	20%	18%	17%	18%

(8) This paragraph is added to include the requirements of Civil Code 5565, paragraph (d):

Amount required in the reserve fund is: \$754,449 Fully Funded Reserves
 Less: Accumulated cash reserves: 104,130 projected for 01/01/19
 Estimated current deficiency: \$650,319
 Estimated current deficiency per unit: \$5,081
 Amount of units (or members): 128

Note: The financial representations set forth in this summary are based on the best estimates of the preparer as of the date of this report. The estimates in this summary are subject to change. At the time this summary

was prepared, the assumed long-term before tax interest rate earned on reserve funds was (not applicable) percent per year. The long-term inflation rate to be applied to major component repair and replacement costs was 2 per year.

For the purposes of preparing California Civil Code 5570 (Disclosure Summary):

(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 5570. 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 Assessment and Reserve Funding Disclosure Summary form 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 the Assessment and Reserve Funding Disclosure Summary form 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.

Assumptions:

N/A - Not Applicable at this time

Annual updates of this study are required to reconcile your actual costs with current projections. California Civil Code Information: www.condobook.com, www.davis-sterling.com or www.leginfo.ca.gov.