

J.D. BROOKS

RESERVE STUDIES

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PERSIMMON HILL HOA

OJAI, CA

RESERVE STUDY REPORT: MARCH 21, 2016

RECOMMENDATIONS FOR THE BUDGET YEAR PERIOD

FROM: JANUARY 1, 2017

THROUGH: DECEMBER 31, 2017

COVER

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INTRODUCTION

This Reserve Study is an evaluation of the association's Common Area Components and their Reserve Funds. It was prepared after a thorough on-site inspection performed on: January 27, 2016

The goal is to keep the Reserve Funds at a sufficient level for future repair and/or replacement of these components and to disclose this information formally to the Association.

Persimmon Hill HOA

a residential development consisting of forty three: single family home lots,
is located in: Ojai, CA

The community is comprised of 43 units built in 1983.

The Association's Fiscal Year End is December 31.

This study's Reserve Component Inventory lists the components that require reserve funding.

The Projected Reserve Fund Balance at Fiscal Year End 2016 is \$198,000.

The Ideal Reserve Fund Balance at Fiscal Year End 2016 is \$280,892.

Therefore, the Reserve Fund is theoretically 70% Funded.

The Current (2016) Annual Reserve Contribution is set at approximately \$33,997.

J.D. Brooks recommends increasing the Annual Reserve Contribution to \$35,509

(The Straight-Line Contribution) for 2017, plus a contribution increase of 3% annually.

This Funding Plan *should* keep the association's Reserve Fund above \$79,947
over a thirty-year period.

NOTE: This Funding Plan includes the assumption that all Interest earned on the Reserve Funds will be re-invested back into the Reserve Accounts (Net after Tax obligations)

The Repair / Replace Estimates and other parameters used in this study were estimated with the assistance of information obtained from one or more of the following:

- 1 The Association's Board of Directors.
- 2 The Association's Property Manager.
- 3 Vendor (Subcontractor) Proposal / Contract for work.
- 4 Vendor (Subcontractor) experience with the Association.
- 5 Construction estimating reference books & databases.
- 6 J.D. Brooks database of area construction costs and similar reserve studies.

This reserve study does not imply a warranty or guarantee of any form.

The named Association, by receiving this study, agrees to release J.D. Brooks from any claims and/or lawsuits.

RESERVE STUDY SUMMARY

ASSOCIATION INFORMATION:

Name of Association: **PERSIMMON HILL HOA**
Location: **OJAI, CA**
Number of Units: **43**
Approximate Age of Complex: **33**

This report recommends contributions for Budget Year:

Beginning: **JANUARY 1, 2017**
Ending: **DECEMBER 31, 2017**

Reserve Study Report Date: **MARCH 21, 2016**
Current Fiscal Year End: **DECEMBER 31, 2016**

CURRENT FUNDS SUMMARY:

Projected Reserve Balance at Current Fiscal Year End: **\$198,000**
Ideal Reserve Balance at Current Fiscal Year End: **\$280,892**

PERCENT FUNDED: 70%

CURRENT RESERVE CONTRIBUTIONS:

	<u>Annual</u>	<u>Monthly</u>	<u>Monthly Per Unit</u>
2016 Budgeted Reserve Contribution:	\$33,997	\$2,833	\$65.89

RECOMMENDATIONS FOR BUDGET YEAR 2017

RESERVE CONTRIBUTION MODELS:

2017 J.D. Brooks Recommendation in Box

	<u>Annual</u>	<u>Monthly</u>	<u>Monthly Per Unit</u>
2017 Straight-Line Contribution:	\$35,509	\$2,959	\$68.82
2017 Deficit Reduction Contribution:	\$42,137	\$3,511	\$81.66
2017 Cash-Flow (Minimum) Contribution:	\$32,161	\$2,680	\$62.33

RESERVE STUDY DEFINITIONS

CASH-FLOW (MINIMUM) CONTRIBUTION:

Calculated by not allowing the Reserve Balance to ever fall below (5% of the Total Replacement Cost of all the components) over a thirty-year period.
This Funding Plan should keep the Reserve Fund Balance just above \$0.

DEFICIT REDUCTION ANNUAL CONTRIBUTION:

Equals (the Straight-Line Annual Contribution) plus {(the Underfunded Balance if any) divided by (the Remaining Life)}.

F.Y.E. (FISCAL YEAR END):

End of the accounting budget year.

IDEAL BALANCE AT F.Y.E.:

Equals (the Straight-Line Annual Contribution) multiplied by (the age) of the component.

INCREASE TO ANNUAL RESERVE CONTRIBUTION:

Average Rate of Increase to the Reserve Contribution amount over the next thirty years.

INFLATION RATE:

Average Inflation Rate for the region and year.

NET INTEREST ON RESERVE SAVINGS:

Average amount (after tax) of interest re-invested back into the Reserve Account over the next thirty years. (forecast estimate)

PERCENT FUNDED:

Equals (the Projected Reserve Balance at Fiscal Year End) divided by (the Ideal Reserve Balance at Fiscal Year End).

PROJECTED BALANCE AT F.Y.E.:

Projected Reserve Balances for each Reserve Component. Calculated according to priority (need) of replacement.

RESERVE COMPONENT:

Common Area item that requires replacement within thirty-years.

RMNG. LIFE (REMAINING LIFE):

Life-span remaining for the Reserve Component.

STRAIGHT-LINE ANNUAL CONTRIBUTION:

Equals (the Repair/Replace Cost) divided by (the Useful Life).

SURPLUS / DEFICIT:

Equals (the Ideal Balance at F.Y.E.) minus (the Projected Balance at F.Y.E.).

UNIT COST:

Cost per unit of measure.

UNIT TYPE:

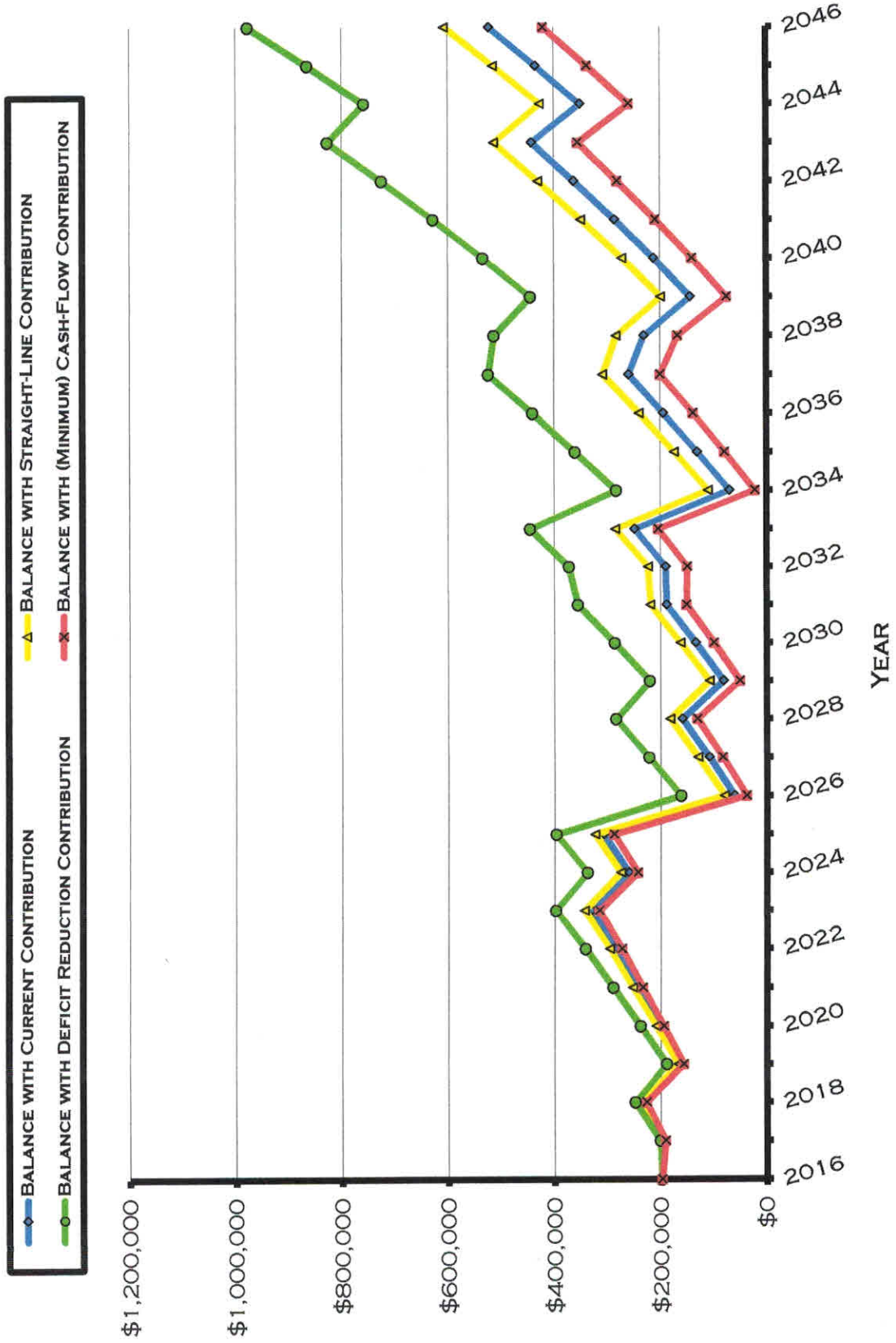
Unit of measure.

USEFUL LIFE:

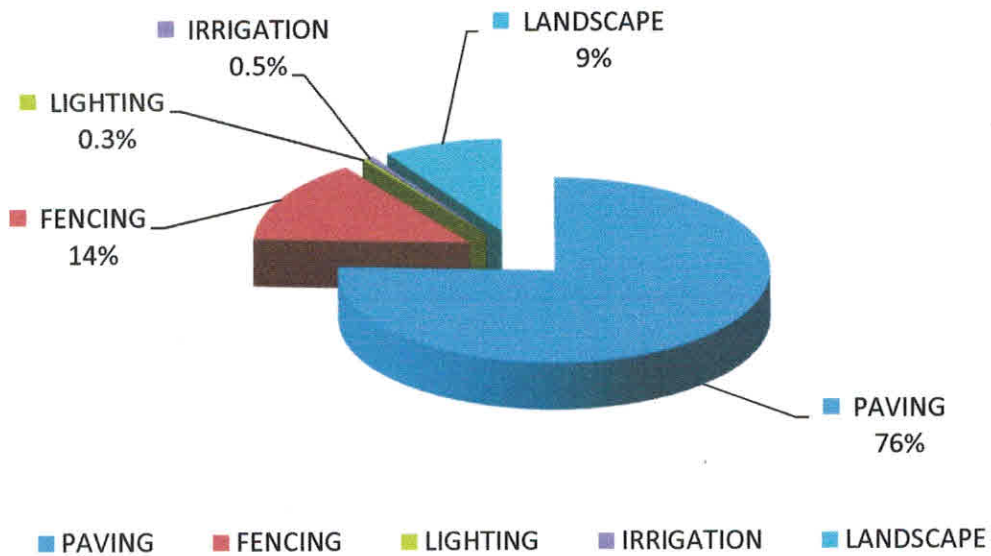
Expected life-span of the Reserve Component.

PERSIMMON HILL HOA

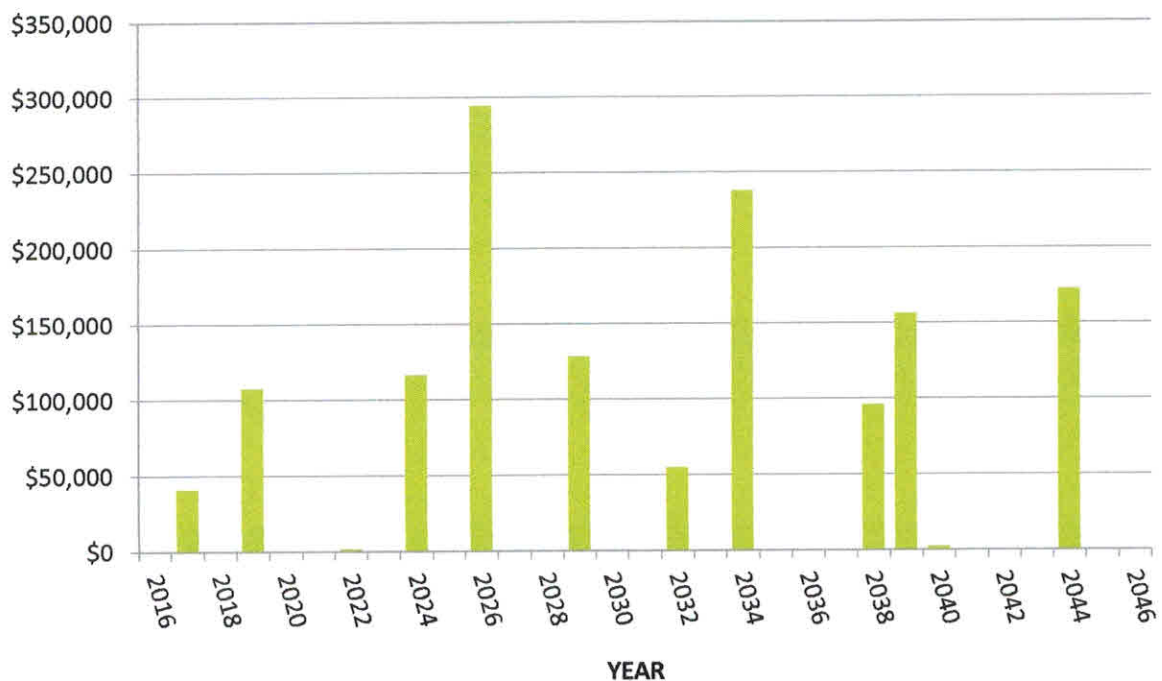
THIRTY-YEAR RESERVE BALANCE PROJECTIONS



Reserve Category Values As Percentage Of All Components



Projected Annual Reserve Expenses



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PERSIMMON HILL HOACURRENT FISCAL YEAR END: DECEMBER 31, 2016
NUMBER OF UNITS: 43**RESERVE COMPONENT
INVENTORY**

CATEGORY RESERVE COMPONENT	QUANTITY	UNIT TYPE	UNIT COST	REPAIR / REPLACE COST	USEFUL LIFE	RMNG. LIFE	STRAIGHT-LINE ANNUAL CONTRIBUTION@F.Y.E.2016	IDEAL BALANCE @F.Y.E.2016	PROJECTED BALANCE @F.Y.E.2016	DEFICIT	DEFICIT REDUCTION ANNUAL CONTRIBUTION
PAVING											
ASPHALT CHIP SEAL/PATCH	211,000	SqFT	0.470	99,170	5	3	19,834	59,502	59,502	-	19,834
ASPHALT OVERLAY: 50%	105,500	SqFT	1.70	179,350	30	10	5,978	125,545	85,041	(40,504)	10,029
CONCRETE SWALES: 10%	52,000	SqFT	11.00	57,200	12	10	4,767	14,300	9,686	(4,614)	5,228
CONCRETE WALKS: 10%	4,500	SqFT	11.00	4,950	12	10	413	1,238	838	(399)	452
FENCING											
3-RAIL VINYL FENCING	5,200	LNFT	12.50	65,000	40	18	1,625	37,375	-	(37,375)	3,701
LIGHTING											
ENTRY COACH LANTERNS	4	UNIT	325	1,300	18	6	72	939	939	-	72
IRRIGATION											
IRRIGATION TIMER CLOCK	2	UNIT	1150	2,300	15	3	153	1,993	1,993	-	153
LANDSCAPE											
LANDSCAPE REFURBISH	2	ALLOW	20000	40,000	15	1	2,667	40,000	40,000	-	2,667
MAILBOXES INDIVIDUAL HOMEOWNER'S EXPENSE											
STONE WALLS & ENTRY MONUMENTS REPAIR OPERATING MAINTENANCE EXPENSE											
PLUMBING & ELECTRICAL OPERATING MAINTENANCE EXPENSE											
CONTINGENCY: 0%											
TOTALS:				449,270			35,509	280,892	198,000	(82,892)	42,137

NET INTEREST ON RESERVE SAVINGS :

1%

INFLATION RATE :

2%

INCREASE TO ANNUAL RESERVE CONTRIBUTION:

3%

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PERSIMMON HILL HOA

RESERVE COMPONENT INVENTORY

THIRTY-YEAR PROJECTED ANNUAL RESERVE EXPENSES

CATEGORY RESERVE COMPONENT	0 2016	1 2017	2 2018	3 2019	4 2020	5 2021	6 2022	7 2023	8 2024	9 2025	10 2026	11 2027	12 2028	13 2029	14 2030	15 2031
PAVING																
ASPHALT CHIP SEAL/PATCH	-	-	-	105,240	-	-	-	-	116,193	-	-	-	-	128,287	-	-
ASPHALT OVERLAY: 50%	-	-	-	-	-	-	-	-	-	-	218,627	-	-	-	-	-
CONCRETE SWALES: 10%	-	-	-	-	-	-	-	-	-	-	69,726	-	-	-	-	-
CONCRETE WALKS: 10%	-	-	-	-	-	-	-	-	-	-	6,034	-	-	-	-	-
FENCING																
3-RAIL VINYL FENCING	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LIGHTING																
ENTRY COACH LANTERNS	-	-	-	-	-	-	1,464	-	-	-	-	-	-	-	-	-
IRRIGATION																
IRRIGATION TIMER CLOCK	-	-	-	2,441	-	-	-	-	-	-	-	-	-	-	-	-
LANDSCAPE																
LANDSCAPE REFURBISH	-	40,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CONTINGENCY: 0%																
TOTALS:	0	40,800	0	107,681	0	0	1,464	0	116,193	0	294,387	0	0	128,287	0	0

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PERSIMMON HILL HOA

RESERVE COMPONENT INVENTORY

THIRTY-YEAR PROJECTED ANNUAL RESERVE EXPENSES

CATEGORY	16 2032	17 2033	18 2034	19 2035	20 2036	21 2037	22 2038	23 2039	24 2040	25 2041	26 2042	27 2043	28 2044	29 2045	30 2046
RESERVE COMPONENT															
PAVING															
ASPHALT CHIP SEAL/PATCH	-	-	141,639	-	-	-	-	156,381	-	-	-	-	172,657	-	-
ASPHALT OVERLAY: 50%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CONCRETE SWALES: 10%	-	-	-	-	-	-	88,430	-	-	-	-	-	-	-	-
CONCRETE WALKS: 10%	-	-	-	-	-	-	7,653	-	-	-	-	-	-	-	-
FENCING															
3-RAIL VINYL FENCING	-	-	92,836	-	-	-	-	-	-	-	-	-	-	-	-
LIGHTING															
ENTRY COACH LANTERNS	-	-	-	-	-	-	-	-	2,091	-	-	-	-	-	-
IRRIGATION															
IRRIGATION TIMER CLOCK	-	-	3,285	-	-	-	-	-	-	-	-	-	-	-	-
LANDSCAPE															
LANDSCAPE REFURBISH	54,911	-	-	-	-	-	-	-	-	-	-	-	-	-	-

CONTINGENCY: 0%

TOTALS:	54,911	0	237,760	0	0	0	96,083	156,381	2,091	0	0	0	172,657	0	0
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PERSIMMON HILL HOA

CURRENT FISCAL YEAR END: DECEMBER 31, 2016
NUMBER OF UNITS: 43

RESERVE COMPONENT
INVENTORY

CATEGORY	QUANTITY	UNIT- TYPE	UNIT COST	REPAIR / REPLACE COST	USEFUL LIFE	RMNG. LIFE	STRAIGHT-LINE ANNUAL CONTRIBUTION@F.Y.E.2016	IDEAL BALANCE @F.Y.E.2016	PROJECTED BALANCE @F.Y.E.2016	DEFICIT	REDUCTION ANNUAL CONTRIBUTION
RESERVE COMPONENT											

BALANCE FORECAST TYPE	ANNUAL CONTRIBUTION
CURRENT ANNUAL CONTRIBUTION	33,997
STRAIGHT-LINE ANNUAL CONTRIBUTION	35,509
DEFICIT REDUCTION ANNUAL CONTRIBUTION	42,137
(CASH-FLOW) MINIMUM ANNUAL CONTRIBUTION	32,161

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PERSIMMON HILL HOA

RESERVE COMPONENT
INVENTORY

THIRTY-YEAR PROJECTED ANNUAL RESERVE EXPENSES

CATEGORY .	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
RESERVE COMPONENT	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031

BALANCE FORECAST TYPE

THIRTY-YEAR PROJECTED ANNUAL RESERVE BALANCES

CURRENT																
ANNUAL CONTRIBUTION	198,000	193,143	231,322	162,751	202,833	244,471	286,241	331,124	260,942	308,132	61,271	109,179	158,985	81,821	134,320	188,894
STRAIGHT-LINE																
ANNUAL CONTRIBUTION	198,000	194,662	234,468	167,589	209,430	252,895	296,564	343,419	275,285	324,600	79,947	130,144	182,326	107,627	162,682	219,907
DEFICIT REDUCTION																
ANNUAL CONTRIBUTION	198,000	201,323	248,263	188,801	238,351	289,827	341,819	397,319	338,163	396,798	161,818	222,055	284,653	220,760	287,022	355,868
(CASH-FLOW) MINIMUM																
ANNUAL CONTRIBUTION	198,000	191,298	227,501	156,875	194,823	234,240	273,705	316,194	243,526	288,133	38,593	83,720	130,640	50,484	99,878	151,233

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RESERVE COMPONENT INVENTORY		THIRTY-YEAR PROJECTED ANNUAL RESERVE EXPENSES														
CATEGORY	RESERVE COMPONENT	16 2032	17 2033	18 2034	19 2035	20 2036	21 2037	22 2038	23 2039	24 2040	25 2041	26 2042	27 2043	28 2044	29 2045	30 2046

BALANCE FORECAST TYPE

THIRTY-YEAR PROJECTED ANNUAL RESERVE BALANCES

CURRENT																
ANNUAL CONTRIBUTION		190,424	248,801	70,507	131,124	194,144	259,646	231,146	143,726	212,516	286,179	362,725	442,246	351,319	435,349	522,634
STRAIGHT-LINE																
ANNUAL CONTRIBUTION		224,186	285,412	110,070	173,747	239,938	308,724	283,627	199,730	272,169	349,610	430,067	513,637	426,900	515,266	607,039
DEFICIT REDUCTION																
ANNUAL CONTRIBUTION		372,196	445,912	283,516	360,608	440,698	523,884	513,702	445,252	533,687	627,690	725,293	826,612	758,245	865,622	977,067
(CASH-FLOW) MINIMUM																
ANNUAL CONTRIBUTION		149,426	204,343	22,463	79,364	138,535	200,048	167,417	75,718	140,077	209,152	280,949	355,554	259,539	338,302	420,138



PAVING: Asphalt Chip Seal / Patch / Overlayment



PAVING: Concrete Swales / Walks



FENCING: 3-Rail Vinyl Fencing



IRRIGATION: Irrigation Timer Clocks

PAVING

Asphalt Chip Seal/Patch

Quantity: 211,000 SqFt
 Estimated Total Cost to Replace: \$ 99,170
 Useful Life: 5
 Remaining Life: 3
 Straight-Line Annual Contribution: \$ 19,834
 Cost Source: Recent Vendor Cost

Asphalt Overlay: 50%

Quantity: 105,500 SqFt
 Estimated Total Cost to Replace: \$ 179,350
 Useful Life: 30
 Remaining Life: 10
 Straight-Line Annual Contribution: \$ 5,978
 Cost Source: JDB Cost Database

Concrete Swales: 10%

Quantity: 52,000 SqFt
 Estimated Total Cost to Replace: \$ 57,200
 Useful Life: 12
 Remaining Life: 10
 Straight-Line Annual Contribution: \$ 4,767
 Cost Source: JDB Cost Database

Concrete Walks: 10%

Quantity: 4,500 SqFt
 Estimated Total Cost to Replace: \$ 4,950
 Useful Life: 12
 Remaining Life: 10
 Straight-Line Annual Contribution: \$ 413
 Cost Source: JDB Cost Database

FENCING

3-Rail Vinyl Fencing

Quantity: 5,200 LnFt
 Estimated Total Cost to Replace: \$ 65,000
 Useful Life: 40
 Remaining Life: 18
 Straight-Line Annual Contribution: \$ 1,625
 Cost Source: JDB Cost Database

LIGHTING

Entry Coach Lanterns

Quantity: 4 Unit
 Estimated Total Cost to Replace: \$ 1,300
 Useful Life: 18
 Remaining Life: 6
 Straight-Line Annual Contribution: \$ 72
 Cost Source: JDB Cost Database

IRRIGATION**Irrigation Timer Clock**

Quantity:	2	Unit
Estimated Total Cost to Replace:	\$	2,300
Useful Life:	15	
Remaining Life:	3	
Straight-Line Annual Contribution:	\$	153
Cost Source:	JDB Cost Database	

LANDSCAPE**Landscape Refurbish**

Quantity:	2	Allow
Estimated Total Cost to Replace:	\$	40,000
Useful Life:	15	
Remaining Life:	1	
Straight-Line Annual Contribution:	\$	2,667
Cost Source:	Allowance	

Civil Code §5300. Annual Budget Report.

(a) Notwithstanding a contrary provision in the governing documents, an association shall distribute an annual budget report 30 to 90 days before the end of its fiscal year. **[Old: Civ. Code §1365(a)(4)]**

(b) Unless the governing documents impose more stringent standards, the annual budget report shall include all of the following information: **[Old: Civ. Code §1365 (intro)]**

(1) A pro forma operating budget, showing the estimated revenue and expenses on an accrual basis. **[Old: Civ. Code §1365(a)(1)]**

(2) A summary of the association's reserves, prepared pursuant to **Section 5565**. **[Old: Civ. Code §1365(a)(2) (intro)]**

(3) A summary of the reserve funding plan adopted by the board, as specified in paragraph (5) of subdivision (b) of **Section 5550**. The summary shall include notice to members that the full reserve study plan is available upon request, and the association shall provide the full reserve plan to any member upon request. **[Old: Civ. Code §1365(b)]**

(4) A statement as to whether the board 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. **[Old: Civ. Code §1365(a)(3)(A)]**

(5) A statement as to whether the board, consistent with the reserve funding plan adopted pursuant to **Section 5560**, has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefor. If so, the statement shall also set out the estimated amount, commencement date, and duration of the assessment. **[Old: Civ. Code §1365(a)(3)(B)]**

(6) A statement as to the mechanism or mechanisms by which the board will fund reserves to repair or replace major components, including assessments, borrowing, use of other assets, deferral of selected replacements or repairs, or alternative mechanisms. **[Old: Civ. Code §1365(a)(3)(C)]**

(7) A general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement, or additions to those major components that the association is obligated to maintain. The statement shall include, but need not be limited to, reserve calculations made using the formula described in paragraph (4) of subdivision (b) of **Section 5570**, and may not assume a rate of return on cash reserves in excess of 2 percent above the discount rate published by the Federal Reserve Bank of San Francisco at the time the calculation was made. **[Old: Civ. Code §1365(a)(4)]**

(8) A statement as to whether the association has any outstanding loans with an original term of more than one year, including the payee, interest rate, amount outstanding, annual payment, and when the loan is scheduled to be retired. **[Old: Civ. Code §1365(a)(3)(D), §1365(f)(1), §1365(f)(3)]**

(9) A summary of the association's property, general liability, earthquake, flood, and fidelity insurance policies. For each policy, the summary shall include the name of the insurer, the type of insurance, the policy limit, and the amount of the deductible, if any. To the extent that any of the required information is specified in the insurance policy declaration page, the association may meet its obligation to disclose that information by making copies of that page and distributing it with the annual budget report. The summary distributed pursuant to this paragraph shall contain, in at least 10-point boldface type, the following statement: This summary of the association's policies of insurance provides only certain information, as required by 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. **[Old: Civ. Code §1365(f)(4)]**

(c) The annual budget report shall be made available to the members pursuant to **Section 5320**.

(d) The summary of the association's reserves disclosed pursuant to paragraph (2) of subdivision (b) shall not be admissible in evidence to show improper financial management of an association, provided that other relevant and competent evidence of the financial condition of the association is not made inadmissible by this provision. **[Old: Civ. Code §1365(a)(4)]**

(e) The Assessment and Reserve Funding Disclosure Summary form, prepared pursuant to **Section 5570**, shall accompany each annual budget report or summary of the annual budget report that is delivered pursuant to this article. **[Old: Civ. Code §1365.2.5(b)(3)]**

Civil Code §5550. Visual Inspection of Major Components.

[Old: Civ. Code §1365.5(e)(1)-(5)]

(a) At least once every three years, the board shall cause to be conducted a reasonably competent and diligent visual inspection of the accessible areas of the major components that the association is obligated to repair, replace, restore, or maintain as part of a study of the reserve account requirements of the common interest development, if the current replacement value of the major components is equal to or greater than one-half of the gross budget of the association, excluding the association's reserve account for that period. The board shall review this study, or cause it to be reviewed, annually and shall consider and implement necessary adjustments to the board's analysis of the reserve account requirements as a result of that review.

(b) The study required by this section shall at a minimum include:

(1) Identification of the major components that the association is obligated to repair, replace, restore, or maintain that, as of the date of the study, have a remaining useful life of less than 30 years.

(2) Identification of the probable remaining useful life of the components identified in paragraph (1) as of the date of the study.

(3) An estimate of the cost of repair, replacement, restoration, or maintenance of the components identified in paragraph (1).

(4) An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore, or maintain the components identified in paragraph (1) during and at the end of their useful life, after subtracting total reserve funds as of the date of the study.

(5) A reserve funding plan that indicates how the association plans to fund the contribution identified in paragraph (4) to meet the association's obligation for the repair and replacement of all major components with an expected remaining life of 30 years or less, not including those components that the board has determined will not be replaced or repaired.

Civil Code §5560. Reserve Funding Plan.

[Old: Civ. Code §1365.5(e)(5)]

(a) The reserve funding plan required by **Section 5550** shall include 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.

(b) The plan shall be adopted by the board at an open meeting before the membership of the association as described in Article 2 (commencing with **Section 4900**) of Chapter 6.

(c) If the board determines that an assessment increase is necessary to fund the reserve funding plan, any increase shall be approved in a separate action of the board that is consistent with the procedure described in **Section 5605**.

Civil Code §5565. Summary of Association Reserves.

[Old: Civ. Code §1365(a)(2)(A)-(D)]

The summary of the association's reserves required by paragraph (2) of subdivision (b) of **Section 5300** shall be based on the most recent review or study conducted pursuant to

Section 5550, shall be based only on assets held in cash or cash equivalents, shall be printed in boldface type, and shall include all of the following:

(a) The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component.

(b) As of the end of the fiscal year for which the study is prepared:

(1) The current estimate of the amount of cash reserves necessary to repair, replace, restore, or maintain the major components.

(2) The current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain major components.

(3) If applicable, the amount of funds received from either a compensatory damage award or settlement to an association from any person for injuries to property, real or personal, arising out of any construction or design defects, and the expenditure or disposition of funds, including the amounts expended for the direct and indirect costs of repair of construction or design defects. These amounts shall be reported at the end of the fiscal year for which the study is prepared as separate line items under cash reserves pursuant to paragraph (2). Instead of complying with the requirements set forth in this paragraph, an association that is obligated to issue a review of its financial statement pursuant to **Section 5305** may include in the review a statement containing all of the information required by this paragraph.

(c) The percentage that the amount determined for purposes of paragraph (2) of subdivision (b) equals the amount determined for purposes of paragraph (1) of subdivision (b).

(d) The current deficiency in reserve funding expressed on a per unit basis. The figure shall be calculated by subtracting the amount determined for purposes of paragraph (2) of subdivision (b) from the amount determined for purposes of paragraph (1) of subdivision (b) and then dividing the result by the number of separate interests within the association, except that if assessments vary by the size or type of ownership interest, then the association shall calculate the current deficiency in a manner that reflects the variation.