

Form 1
Notice of Board Meeting (Reserve Borrowing)

The board of directors meeting will be held on _____, 200_, at ___ o'clock at _____ . In addition to its regular business, the Board will consider transferring money from the reserve fund to the operating fund to meet short term cash flow requirements or other expenses reasonably related to the Association's operation because amounts collected from regular assessments for all operations are currently inadequate. The Board will consider reserve fund repayment options including imposition of a special assessment. Other options for repayment, such as the gradual restoration of reserves from operation funds, may also be considered. The transferred funds will be used for the following purposes:

_____.

Form 2
Resolution Adopted at Board Meeting
Authorizing Transfer of Reserve Funds

WHEREAS, operating funds based on the current year's budget are inadequate to pay for certain goods or services reasonably necessary for operation of the Association.

NOW THEREFORE, the Board resolves to transfer from reserves to the operating account the sum of \$ _____ to pay for such goods or services. The transferred funds will be used for _____. The transferred funds will be restored to the reserve account within twelve months. The transferred funds will be repaid by . . . [see *possible* Options below].

Options:

- *reducing the cost of some services currently being funded by existing assessments.*
- *imposing a special assessment in the amount of \$ _____ per month, commencing _____.*
- *imposing an increase of regular assessments of \$ _____ per month, commencing _____.*
- *a member-approved special assessment in the amount of \$ _____.*

These findings and this Resolution were approved by a majority of the Board at a meeting at which a quorum of the Board was present. Notice of the meeting was given at least four days prior to the date thereof and included notice of the Board's intent to consider a transfer of reserve funds for the purposes set forth above.

Dated: _____
Secretary: _____

Form 3
Notice of Board Meeting (Deferring Repayment)

The board of directors meeting will be held on _____, 200_, at ___ o'clock at _____ . In addition to its regular business, the Board will consider delaying repayment of money borrowed within the last twelve months from the reserve account to the operating account to pay for _____. The amount of money borrowed was \$ _____. The reasons the Board will consider deferring repayment is/are: . [see *possible* Options below].

Options:

- *reserve funds are currently adequate based on the most recent reserve study or updated conducted by the Board.*
- *no large expenses are anticipated to occur this fiscal year, and an increase in the reserve fund is not currently necessary.*
- *transferred funds were used to repair common area components whose useful life is now longer than anticipated.*
- *litigation proceeds which may be recovered soon will be deposited into the reserve account.*

Form 4

Resolution of Board Authorizing Delay in Repayment of Reserve Funds

WHEREAS, the Board previously authorized borrowing \$ _____ from reserves to pay for _____ and resolved to repay the funds borrowed within one year.

WHEREAS, the Board has reviewed the Association's financial condition, including reserve needs, and concluded that a delay in repayment of the monies borrowed is in the best interests of the Association. This conclusion is based on the following findings: [see *possible Options* below].

Options:

- *reserve funds are currently adequate based on the most recent reserve study or updated conducted by the Board.*
- *no large expenses are anticipated to occur this fiscal year, and an increase in the reserve fund is not currently necessary.*
- *transferred funds were used to repair common area components whose useful life is now longer than anticipated.*
- *litigation proceeds which may be recovered soon will be deposited into the reserve account.*

NOW THEREFORE, the Board resolves to defer repayment of reserves. Repayment shall now be made.... [see *possible Options* below].

Options:

- *from regular assessments by reducing the cost of some services currently being funded by existing assessments.*
- *imposing a special assessment in the amount of \$ _____ per month, commencing _____.*
- *imposing an increase of regular assessments of \$ _____ per month, commencing _____.*
- *a member-approved special assessment in the amount of \$ _____.*

These findings and this Resolution were approved by a majority of the Board at a meeting at which a quorum of the Board was present. Notice of the meeting was given at least four days prior to the date thereof and included notice of the Board's intent to consider a transfer of reserve funds for the purposes set forth above.

Dated: _____

Secretary: _____

FORM 5

Notice of Annual Assessment Increase
(If not included in budget)

The board of directors has approved an increase in the annual assessment of \$ _____ per [unit/lot]. The basic reason for the increase is:

Effective _____ 1, 200 ____, the annual assessment will increase from \$ _____ per [month, quarter, year], to \$ _____ per [month, quarter, year].

NOTE: These notices must be modified, as appropriate, if the association has pro rated assessments.

FORM 6

Notice of Special Assessment
(If not included in budget)

This is to notify you that the [board of directors / members, as applicable] [has/have] approved a special assessment of \$ _____, or \$ _____ per [unit/lot]. These funds will be used to _____. The special assessment will be due and payable on [or beginning on] _____ 1, 200 _____. [Describe additional terms and conditions, as applicable.]

NOTE: These notices must be modified, as appropriate, if the association has pro rated assessments.

FORM 7
Budget Summary Form

ASSOCIATION
[LOCATION OF PROJECT/DEVELOPMENT], CALIFORNIA

ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY
PREPARED _____, 200__

This Summary contains information about the Association's assessments and the status of the reserve fund, as of the date this Summary was prepared. The Association may periodically update or supplement the information in this Summary. Please contact the Association to determine if a more recently prepared Summary or supplement is available.

As of the date this Summary was prepared:

- (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 month (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 ___

If no, see attached explanation.

- (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?

Approximate date assessment will be due:	Amount per unit per month:
	Total:

If #4 is filled out, see attached explanation.

(OVER)

(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:

If #5 is filled out, see attached explanation.

(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. The estimates are subject to change.

This Summary was authorized by the Association based on information available in the Association's most recent reserve study or annual update as of the date this Summary of first distributed. This Summary supersedes all earlier issued versions. Contact the Association to determine if any Summary has been prepared to subsequent to this document.

REPORT AND/OR ATTACHMENT TO
ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY
PREPARED _____

NOTE TO PREPARER: The remainder of Civil Code section 1365.2.5 shown below is *not* part of the required Assessment and Reserve Funding Disclosure Summary form, but is included here because the information is needed to properly complete the Summary form.

Continuation of Section 1365.2.5:

(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. (underlining added for emphasis.)