



Kentwood Home Guardians

Community building community...
www.kentwoodhomeguardians.com

Kentwood Home Guardians

**RESERVE ACCOUNT & RESERVE FUNDING PLAN
FOR FISCAL YEAR ENDING MAY 31, 2022
(per Civil Code §5300(b))**

Kentwood Home Guardians (KHG) is governed by California’s Davis-Stirling Common Interest Development Act which requires KHG to manage all Association “Common Areas.” KHG is legally obligated to:

- Create and maintain a separate ‘Reserve Account’ containing money from member assessments in a sufficient amount to provide for such Common Area management,
- Prepare a ‘Reserve Funding Plan’ and annually review the Reserve Account, and
- Make annual disclosures to members regarding the Reserve Account and the Reserve Account Funding Plan.

At present, the only KHG Common Areas triggering Reserve Account requirements are three vacant and unimproved strip lots located at the northeast corner of Kentwood/Manchester, to which KHG holds fee title (the “Strip Lots”). Annual costs to manage these Strip Lots are as follows:

- 1. Property Taxes: \$42**
- 2. Maintenance: \$200**
- 3. Property and liability insurance: \$1505**

TOTAL: \$1747

TOTAL RESERVE ACCOUNT AMOUNT (ASSUME ANNUAL INCREASE OF 5% FOR 5 YEARS)

= \$1747 + \$1834 + 1926 + \$2022 + \$2123 = \$9652

At the start of each fiscal year, the KHG Board of Directors will pass a motion to renew the Reserve Account by directing that the funds be deposited to the Reserve Account to maintain amounts consistent with the Reserve Funding study.