



Kentwood Home Guardians

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**RESERVE ACCOUNT & RESERVE FUNDING PLAN
FOR FISCAL YEAR ENDING MAY 31, 2025
(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”).

Based on the reserve study prepared by Sean Kargari, CAI-Reserve Specialist (Association Reserves) as of April 24, 2023:

TOTAL RECOMMENDED RESERVE ACCOUNT FUNDING FOR THE NEXT 5 YEARS:

= \$2,022 (CURRENT FISCAL YR) + \$2,123 + \$2,229 + \$2,341 + \$2,458

The above gets to the recommended five-year funding balance as follows:

\$13,086 (per prior year funding plan) + \$11,173 (per above) + \$121 assumed interest less \$0 assumed expense = \$24,380 reserve at the end of the next 5 budget years.

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.