





**Hiller Highlands II Association**  
Oakland, California

Date: 11/14/2018  
Units: 42  
Fiscal Year End: 12/31/2019

---

## Assessment and Reserve Funding Disclosure Summary for the fiscal year ending 2019

(7) For the purposes of preparing this summary pursuant to Section 5570 of the Davis-Stirling Act, the following are assumed to be true.

1. "Estimated remaining Useful life" means the time reasonably calculated to remain before a major component will require replacement.
2. "Major component" is defined in Section 5500 of the Davis-Stirling Act. Components with an estimated remaining life of more than thirty (30) years may be included in a study as a capital asset or disregarded from the reserve calculations, so long as the decision is revealed in the reserve fund study report and is reported in this Assessment and Reserve Fund Disclosure Summary.
3. This form shall accompany each Pro Forma Operating Budget or Summary thereof that is delivered pursuant to the requirements of the Davis-Stirling Act. This form may be supplemented or modified to clarify the information delivered, so long as the minimum requirements are met.
4. For the purpose of this report and summary, the amount of reserve needed to be accumulated for any component at any 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 of the component. This shall not be construed as to require the Board of Directors to fund their reserve fund in accordance with this calculation.

### ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY DISCLAIMERS

#### DISCLAIMER 1

The association as part of its reserve study and funding analysis has prepared a cash flow statement to meet the needs of the association's reserve components over the course of the next 30 years. The currently elected board is not empowered to approve future years assessments but it is assumed that future Board of Directors will update and follow the assumptions contained within the cash flow summary.

#### DISCLAIMER 2

The associations board of directors has relied on information, opinions, reports and statements presented to it by vendors, contractors, reserve analysts, CPAs and/or other professionals ("Professionals") in preparing the reserve study and is relying upon this information, financial data and reports pursuant to the California Corporations Code in providing the association membership and/or prospective purchasers the information contained in this Assessment and Reserve Funding Disclosure Summary. The information contained within the reserve study includes estimates of replacement value and life expectancies of the components and includes assumptions regarding future events based on information supplied to the association board of directors from said Professionals. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this disclosure summary. Since the information provided has been based on assumptions over a thirty (30) year period the accuracy of the information may be less than reliable. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods or other acts of God can not be accounted for and are excluded when assessing life expectancy of each component. The reserve study includes only items that the association has a clear and express responsibility to maintain, pursuant to the association's CC&R's.

The answer to this question was based on the attached cash flow analysis using the data in the reserve study and is only accurate to the extent the assumptions over the next thirty (30) years hold true.



**Hiller Highlands II Association**  
Oakland, California

Date: 11/14/2018  
Units: 42  
Fiscal Year End: 12/31/2019

---

## Assessment and Reserve Funding Disclosure Summary for the fiscal year ending 2019

### **DISCLAIMER 3**

The association intends to review its reserve fund on an annual basis, consistent with California Civil Code section 5500, as well as causing a new reserve study to be conducted every three (3) years, the association could increase regular assessments to facilitate additional reserve funding and/or levy special assessments to fund reserve over the course of the next thirty (30) years. Please see the attached cash flow analysis for any potential future special assessments and/or regular assessment increases.

### **DISCLAIMER 4**

The information contained within the disclosure statement, cash flow projections and percent funded calculation is based on a reserve study prepared by Associa Reserve Studies during the 2018 fiscal year. The Davis-Stirling act requires that every association to "at least once every three years, the board of directors shall cause to be conducted a reasonably competent and diligent visual inspection of the accessible areas of the major components which the association is obligated to repair, replace, or maintain as part of a study of the reserve account requirements of the common interest development". The association is required to conduct their next reserve study inspection in the 2021 fiscal year.

### **DISCLAIMER 5**

The following assumptions were made in this study.

Inflation Rate is computed at	2.50%
Net Rate of return on Investments	1.50%
Unscheduled Maintenance Allowance.	5.00%

### **DISCLAIMER 6**

The complete reserve study is available to you through your management company. Please contact your community manager at the address below for a copy of the complete study. Please note there may be a fee for this service.

Associa Northern California  
8000 Jarvis Avenue, Entry 2  
Newark, CA 94560  
(510) 780-8587



**Hiller Highlands II Association**  
Oakland, California

Date: 11/14/2018  
Units: 42  
Fiscal Year End: 12/31/2019

### Community Information

Fiscal Year Start	January 1, 2019
Fiscal Year End	December 31, 2019
Year Built	1968/1995
Number of Units	42
Last Inspected	5/18/2018

### Computation Parameters

Inflation Rate	2.50 %
Interest Rate	1.50 %
Threshold Factor	5.00 %
2018 Fund Contribution	\$ 36,200

### Status of the Reserve Fund at December 31, 2018

Reserve Fund Cash Balance as of October 31, 2018	127,567.62
Anticipated Interest Revenue prior to December 31, 2018	319.79
Reserve Fund Contribution (from regular assessments) prior to December 31, 2018	6,049.86
Reserve Fund Contribution (from Special Assessments) prior to December 31, 2018	0.00
Reserve Fund Contribution (from other sources) prior to December 31, 2018	0.00
Anticipated Reserve Fund Expenditures prior to December 31, 2018	5,050.00 **
<b>Projected Reserve Fund Cash Balance at December 31, 2018</b>	<b>128,887.28</b>
Projected Fully Funded Balance	593,969.61
<b>Percent Funded</b>	<b>22 %</b>
<b>Avg. Reserve Fund Surplus / (Deficit) per Member</b>	<b>(11,073.39)</b>

### Cashflow Funding Plan - Five Year Funding Plan Summary

Fiscal Year Ending	Per Unit Monthly Contribution	Per Unit Special Assess.	Percent Funded
2019	70.22	0.00	25%
2020	98.31	0.00	28%
2021	137.64	0.00	34%
2022	137.64	7,500.00	36%
2023	137.64	0.00	34%

\* Summary Notice: This five year funding plan summary is provided in accordance with California Civil Code Section 5300(b)(3). The full reserve study plan is available and will be provided, by the Association, to any member upon request.

\*\*Cost to install irrigation master valves and submeters, 3 each.

**Hiller Highlands II Association**  
Oakland, California

Date: 11/14/2018  
Units: 42  
Fiscal Year End: 12/31/2019

Fiscal Year Ending	Annual Reserve Contribution	Monthly Reserve Assmnt.	Percent Increase	Anticipated Beginning Cash Bal.	Estimated Interest	Anticipated Reserve Expense	Anticipated Special Assmnt.	Anticipated FYE Reserve Balance	Fully Funded Balance	Surplus/ (Deficit) of FFB	Projected FYE Percent Funded
2019	35,392	70.22	-2.23%	128,887	1,933	12,495		153,718	619,768	-466,051	25%
2020	49,549	98.31	40.00%	153,718	2,306	27,351		178,221	647,163	-468,941	28%
2021	69,368	137.64	40.00%	178,221	2,673	12,797		237,466	690,777	-453,311	34%
2022	69,368	137.64	0.00%	237,466	3,562	555,875	315,000	69,522	193,410	-123,888	36%
2023	69,368	137.64	0.00%	69,522	1,043	88,670		51,263	151,844	-100,581	34%
2024	71,449	141.76	3.00%	51,263	769	26,745		96,736	172,221	-75,484	56%
2025	73,593	146.02	3.00%	96,736	1,451	29,194		142,586	191,741	-49,155	74%
2026	75,801	150.40	3.00%	142,586	2,139	29,846		190,680	212,207	-21,528	90%
2027	78,075	154.91	3.00%	190,680	2,860	8,444		263,171	255,726	7,445	103%
2028	80,417	159.56	3.00%	263,171	3,948	51,515		296,020	258,427	37,593	115%
2029	82,829	164.34	3.00%	296,020	4,440	8,871		374,419	305,036	69,383	123%
2030	85,314	169.27	3.00%	374,419	5,616	32,945		432,405	329,961	102,443	131%
2031	87,874	174.35	3.00%	432,405	6,486	9,744		517,021	379,967	137,053	136%
2032	90,510	179.58	3.00%	517,021	7,755	27,375		587,911	414,879	173,031	142%
2033	93,225	184.97	3.00%	587,911	8,819	45,303		644,651	434,056	210,595	149%
2034	96,022	190.52	3.00%	644,651	9,670	45,641		704,702	454,727	249,975	155%
2035	98,903	196.24	3.00%	704,702	10,571	18,081		796,094	504,860	291,233	158%
2036	101,870	202.12	3.00%	796,094	11,941	38,206		871,699	537,544	334,155	162%
2037	104,926	208.19	3.00%	871,699	13,075	11,300		978,401	599,408	378,993	163%
2038	108,074	214.43	3.00%	978,401	14,676	72,490		1,028,660	603,121	425,539	171%
2039	111,316	220.86	3.00%	1,028,660	15,430	17,550		1,137,856	663,398	474,458	172%
2040	114,655	227.49	3.00%	1,137,856	17,068	35,294		1,234,285	709,006	525,279	174%
2041	118,095	234.32	3.00%	1,234,285	18,514	11,930		1,358,964	780,725	578,238	174%
2042	121,638	241.34	3.00%	1,358,964	20,384	89,831		1,411,155	777,985	633,169	181%
2043	125,287	248.59	3.00%	1,411,155	21,167	46,002		1,511,606	820,695	690,911	184%
2044	129,046	256.04	3.00%	1,511,606	22,674	36,817		1,626,509	875,390	751,119	186%
2045	132,917	263.72	3.00%	1,626,509	24,398	150,361		1,633,462	819,682	813,780	199%
2046	136,904	271.64	3.00%	1,633,462	24,502	51,156		1,743,712	863,606	880,106	202%
2047	141,012	279.78	3.00%	1,743,712	26,156	13,836		1,897,044	947,814	949,230	200%
2048	145,242	288.18	3.00%	1,897,044	28,456	104,532		1,966,209	945,341	1,020,868	208%



**Hiller Highlands II Association**  
Oakland, California

Date: 11/14/2018  
Units: 42  
Fiscal Year End: 12/31/2019

	Remain. Life	Useful Life	Component Total Cost	Accrued Reserve
<b>ROADS - YANKEE HILL</b>				
1 Asphalt Sealing	4	5	1,803	361
2 Asphalt Repair Allowance	4	5	7,350	1,470
3 Asphalt Replacement	26	50	53,328	25,598
4 Asphalt Curbs	26	50	1,542	740
<b>ROADS - TREASURE HILL</b>				
5 Asphalt Sealing	4	5	1,948	390
6 Asphalt Repair Allowance	9	10	7,875	788
7 Asphalt Replacement	4	40	57,598	51,838
8 Asphalt Curbs	4	40	1,657	1,491
<b>CONCRETE</b>				
9 Concrete Retaining Wall Repair Allowance	1	25	1,575	1,512
10 Concrete V Ditch/Drain Repair Allowance	4	10	2,100	1,260
<b>RETAINING WALLS</b>				
11 Major Wood Retaining Walls	6	30	7,166	5,733
12 Minor Wood Wall Repair Allowance	0	2	525	525
<b>IRRIGATION AND LANDSCAPING</b>				
13 Irrigation Controller (Install Smart Controller)	5	15	3,780	2,520
14 Backflow Preventer - Existing	6	30	10,238	8,190
15 Backflow Preventer - Ongoing Repair/Inspectio	0	1	788	788
16 Irrigation Master Valve Installation	9	10	1,260	126
17 Irrigation Submeter Installation	24	25	4,043	162
18 Irrigation System Repair Allowance	0	2	1,418	1,418
19 Submit Irrigation Plan for "WELO" Permit - Allc	0	1	3,675	3,675
20 Irrig. Renovation per "WELO" Permit (Not Fund	0	30	0	0
21 Tree Care Allowance	1	2	14,871	7,436
22 Planting Replacement on Yankee Hill - Major	14	15	10,986	732
23 Planting Replacement Allowance - Major - Pha:	0	15	5,250	5,250
24 Planting Replacement Allowance - Major - Pha:	1	15	5,250	4,900
25 Planting Replacement Allowance - Major - Pha:	2	15	5,250	4,550
26 Planting Replacement Allowance - Ongoing	3	4	5,250	1,313
<b>MISCELLANEOUS COMPONENTS</b>				
27 Meter Enclosure - Paint - Lower	0	6	105	105
28 Meter Enclosure - Repairs - Lower	0	6	210	210
29 Meter Enclosure - Paint - Upper	3	6	105	53
30 Meter Enclosure - Replace - Upper	3	6	1,050	525
31 Signage Replacement	6	30	525	420
32 Street Light Replacement Allowances	0	1	525	525
33 Street Light Poles	26	50	15,750	7,560
34 Paint Street Light Poles	4	10	945	567
<b>LATERAL SEWER LINES - INVESTIGATION ONLY</b>				
35 Camera Investigation	3	20	3,749	3,186



**Hiller Highlands II Association**  
Oakland, California

Date: 11/14/2018  
Units: 42  
Fiscal Year End: 12/31/2019

	Remain. Life	Useful Life	Component Total Cost	Accrued Reserve
36 Pressure Testing	3	20	22,050	18,743
<b>LATERAL SEWER LINES - REPLACEMENT ONLY</b>				
37 1850/1852 Grand View Drive	3	40	16,028	14,826
38 1854/1856 Grand View Drive	3	40	16,028	14,826
39 1858/1860 Grand View Drive	3	40	16,028	14,826
40 1862/1864 Grand View Drive	3	40	16,028	14,826
41 1872/1874 Grand View Drive	3	40	16,028	14,826
42 1876/1878 Grand View Drive	3	40	16,028	14,826
43 1880 Grand View Drive	3	40	10,514	9,726
44 1861/1863 Grand View Drive	3	40	16,541	15,300
45 1865/1867 Grand View Drive	3	40	16,541	15,300
46 1869/1871 Grand View Drive	3	40	16,541	15,300
47 1873/1875 Grand View Drive	3	40	16,541	15,300
48 1877/1879 Grand View Drive	3	40	16,541	15,300
49 1881/1883 Grand View Drive	3	40	16,541	15,300
50 1885 Grand View Drive	3	40	11,027	10,200
51 10/12 Yankee Hill	3	40	25,132	23,247
52 14/16 Yankee Hill	3	40	25,132	23,247
53 20/22 Yankee Hill	3	40	25,132	23,247
54 1 Treasure Hill	3	40	11,027	10,200
55 3 Treasure Hill	3	40	11,027	10,200
56 5 Treasure Hill	3	40	11,027	10,200
57 9 Treasure Hill	3	40	11,027	10,200
58 11 Treasure Hill	3	40	11,027	10,200
59 13 Treasure Hill	3	40	11,027	10,200
60 15 Treasure Hill	3	40	11,027	10,200
61 16 Treasure Hill	3	40	11,027	10,200
62 18 Treasure Hill	3	40	11,027	10,200
63 20 Treasure Hill	3	40	11,027	10,200
<b>LATERAL SEWER LINES - ADDITIONAL FEES</b>				
64 PSL Permits	3	40	7,245	6,702
65 Sewer Permits	3	40	20,528	18,988
66 Excavation Permits	3	40	20,528	18,988
67 Clean Outs	3	40	1,553	1,436
68 Wyes (Connected Unit)	3	40	11,644	10,770
<b>Projected Fully Funded Balance (Total)</b>				<b>593,969.61</b>
<b>Projected Reserve Fund Balance</b>				<b>128,887.28</b>
<b>Percent Funded</b>				<b>22%</b>