

Level 2 Reserve Study

Bella Vista Homes
Homeowner's Association

Medford, OR

Subtitle: None

Budget Year: 1/1/2018 – 12/31/2018

Reserve Specialist®: Carson M. Horton, RS®



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9/12/2017

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Bella Vista Homes Homeowner's Association Disclosures

This reserve study should be reviewed carefully. It may not include all common and limited common element components which will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay, on demand, as a special assessment, your share of common expenses for the cost of major maintenance, repair, or replacement of a reserve component.

Period of Inquiry: This repair and replacement funding and cost analysis (reserve study) encompasses a period of thirty (30) years beginning on January 1, 2018 and ending on December 31, 2047.

Restrictions on Use: This reserve study document has been provided pursuant to an agreement containing restrictions on its use. No part of the document may be copied or distributed in any form, or disclosed to third parties, without the written permission of Capital Reserve Consultants, LLC (CRC) or the Association. The Association shall have the right to reproduce and distribute copies of this report, in whole or in part, as may be necessary in the conduct of the Association's business.

Current & Final Version: If the reader has obtained this document from anyone other than CRC or the owner of the subject property they should verify that the reserve study represents the current, final version of the report. Alterations made to this reserve study by any individual other than a representative of CRC are not authorized and do not represent the opinion of the Reserve Specialist® who prepared this Reserve study.

Statement of Qualifications: Carson M. Horton, RS®, the person supervising the preparation of this reserve study, is a Community Associations Institute Certified Reserve Specialist® (RS®); recognized for expertise in the preparation and analysis of reserve funding plans. Mr. Horton has supervised the preparation of more than one thousand reserve studies for homeowner's associations; investment property owners and institutional Associations in fourteen states.

Objective Analysis: CRC and Carson M. Horton, RS®, are independent, third party consultants with no actual or apparent conflict of interest which would prevent them from rendering an objective and impartial opinion regarding the appropriate level of reserve funding for the property which is the subject of this reserve study. The authors of this reserve study have no other involvement with the Association other than to prepare or update the reserve study.

Statement of Purpose: The purpose of this reserve study is to provide a planning and budgeting tool to assist in the development of a long range financial to pay for the maintenance and renewal of the property which is the subject of the funding analysis. Because this reserve study relies on assumptions regarding future events over which CRC has no control, the accuracy of replacement costs and scheduling cannot be guaranteed.

Assumptions: This analysis assumes that all components and equipment will be installed correctly, in a workmanlike manner, using generally accepted construction practices. It is expected routine preventive maintenance will be performed throughout the entire lifecycle of all components whether or not such maintenance expenses are provided for in this reserve funding plan. The component replacement schedules and corresponding funding projections presented in the reserve study assume all components will achieve their normal life expectancy before requiring replacement, unless otherwise noted.

Limitations of the Analysis: Information regarding the reserve fund balance was provided by the Association and has not been confirmed by an independent audit of the Association's financial records.

The authors of this Reserve study have no control over whether the funds allocated for maintenance and renewal of the subject property will be consistent with the recommendations made by this Reserve study.

Reliance on Third-Party Information: The reserve study is a reflection of information provided to CRC by third parties and cannot be used for the purpose of performing an audit, forensic analysis or verification of historical

**Bella Vista Homes Homeowner's Association
Disclosures**

records. The information is deemed reliable, but is not based on an audit of the Association's financial records, and should not be used for purposes other than those intended in this study. An on-site inspection conducted in conjunction with a reserve study should not be deemed to be a project audit or quality inspection.

Information which has been provided to CRC by third parties is deemed reliable for the purpose of this reserve study. Third party information which is incorrect may have a material impact on the Association's reserve funding requirements. CRC takes no responsibility for the accuracy of any such information or the impact inaccurate information may have on the findings and conclusions presented in the reserve study.

Standards of Analysis: This reserve study was prepared in accordance with the National Reserve Study Standards established by the Community Associations Institute for the preparation of reserve studies for common interest developments; the laws of various states and the rules set forth in the Audit & Accounting Guide Common Interest Realty Associations (American Institute of Certified Public Accountants-May 1, 2008).

No invasive or destructive testing has been employed in the investigative phase of this study and no environmental assessment of any kind was performed. This reserve study is not intended to address or discover construction defects and no representation is made herein that is meant to imply any such warranty.



Carson M. Horton, RS®



Bella Vista Homes Homeowner's Association

Introduction

1. Level of Inquiry: This reserve study is a Level 2 reserve study update of a previous reserve study that was prepared by Capital Reserve Consultants, LLC in 2014. A Level 2 reserve study is an update of a previous study that includes a site visit by the reserve study provider.

Information regarding the component inventory, current condition and remaining useful life of the common area components pertaining to the Bella Vista Homes Homeowner's Association (hereafter referred to as the "Association") was obtained during a site visit to the subject property by representatives of Capital Reserve Consultants, LLC in 2017.

This Reserve Study is an analysis of the General and Limited Common Elements which are the responsibility of the Association to maintain and replace, according to the governing documents; or as may be required by state law.

Opinions regarding the current condition and remaining life expectancy of the common area components are based on visual observations made during the inspection process. Component quantities may be based on field measurements, a physical inventory and/or association records. This information is intended to be used for developing long term reserve funding projections, but should not be considered adequate for the purpose of ordering materials or formulating repair and replacement project costs.

2. Limitations of the Analysis: The physical condition assessment performed in conjunction with this reserve study is not intended to identify construction defects or other sub-standard conditions which may require immediate corrective action. The reserve study utilizes information obtained from the following sources to arrive at component replacement costs and useful life estimates for the common area components identified in the component inventory:

- National Construction Estimator (2017)
- Life Cycle Costing for Facilities – (Reed Construction Publishers)
- Study of Life Expectancy of Home Components – 2007 (NAHB)
- Preventive Maintenance and Building Operations Efficiency – (BOMA)
- Facility Manager's Maintenance Handbook – (McGraw-Hill)
- RS Means Facilities Maintenance & Repair Cost Data - 16th Edition

3. Funding Timeframe: The funding time frame covered in this reserve study is 30 years. However, the study must be updated annually to remain current. Failure to maintain a current reserve study may affect the ability of owners and prospective buyers to obtain certain types of mortgage financing. The efficacy of any reserve study will be compromised if annual updates are not completed in a timely manner. Reserve studies which are not updated on an annual basis are not considered current by most mortgage lenders and mortgage insurance underwriters, including the Federal Housing Administration.

4. Distribution of Accumulated Reserves: This report provides a summarized listing of how the accumulated reserves have been allocated as of the beginning date of the Association's upcoming fiscal year. Accumulated reserves are those reserve which have already been collected and are available for spending as of the beginning date of the reserve study.

Unless regular assessments, including reserve contributions, are collected annually and are due at the beginning of the Association's fiscal year, reserve contributions scheduled for the current fiscal year will not be included in the allocation of accumulated reserves.

The allocation of reserves is based on the chronological schedule of reserve expenditures. Hence, reserve expenditures which are scheduled to occur in the near term will be allocated a portion of the accumulated reserves at a sufficient rate so that 100% of the projected replacement cost will be available as of the first day of the budget year in which the expenditure is scheduled to occur. Expenditures scheduled to occur many years

Bella Vista Homes Homeowner's Association
Introduction

into the future may, or may not be allocated a portion of the accumulated reserves, depending on factors unique to each situation.

Unless the Association's reserve account is 100% funded in each of the 30 years covered by the reserve study, there will always be reserve expenditures which receive no allocation of accumulated reserves. Funding for these expenses will begin at a future date, in advance of the year when the expenditure is scheduled to occur.

SECTION I

PHYSICAL ANALYSIS

**Bella Vista Homes Homeowner's Association
Property Summary**

The following details pertain to Bella Vista Homes Homeowner's Association:

1. Legal Name of Association: Bella Vista Homes Homeowner's Association

2. Physical Address: 3601 Camina Drive, Medford, OR 97504

3. Mailing Address: Crystal Lake Community Management, Inc.
P.O. Box 8550
Bend, OR 97708

4. Property Type: Planned development

5. Number of Residential Lots: 107

6. Year Constructed: 2006

7. Incorporation May 25, 2006

8. Association Responsibilities: The Association is responsible for repair and replacement of General and Limited Common Elements as described in the Declaration for the Bella Vista Homeowner's Association.

9. Owner Responsibilities: Owners are responsible for the maintenance, repair and replacement costs relating to their homes up to the boundary of their respective lot.

10. General Description: The subject property is a planned development consisting of 107 detached single-family homes in a suburban setting in Medford, OR. The Association is responsible for the maintenance repair and replacement of General and Limited Common Elements which include, but may not be limited to, the following common area improvements:

- Water features
- Perimeter fencing
- Common area landscaping & irrigation
- Common area pathways
- Asphalt paved roads
- Cluster mailboxes
- Monuments & signage

SECTION II

FINANCIAL ANALYSIS

Bella Vista Homes Homeowner's Association
Current & Projected Funding Analysis

1. Current Financial Condition: The budget year for the Bella Vista Homes Homeowner's Association begins January 1st and ends on December 31st of each year.

This reserve study covers the 30 year period between: **January 1, 2018** and **December 31, 2047**.

The beginning reserve fund balance assumed in this reserve study is: **\$57,592.00**.

Based on the funding schedule set forth in this reserve study, and the beginning reserve fund balance indicated above, the percent funded level as of **January 1, 2018** will be: **65%**

2. Percent Funded Level: The percent funded level resulting from this reserve study analysis is calculated using the following formula, which is mandated by the Community Associations Institute's Reserve Study Guidelines:

Fully Funded = PV x CA / EUL.

Where PV = present value; CA = current age; and EUL = expected useful life.

Hence the Fully Funded calculation for a component with a current age of 3 years, a present value of \$10,000 and an expected useful life of 10 years would be:

$\$10,000 \times 3 / 10 = \$3,000.00$.

Therefore, the total amount of money required to be Fully Funded as of the first day of the current funding cycle would be \$3,000.00.

3. Funding Parameters & Projections: Reserve funds will be accumulated in the replacement fund based on the estimated current replacement cost, adjusted for inflation, of the common area components listed in the Component Inventory. If additional funds are required at the time replacement occurs, the Association reserves the right, subject to member approval, to increase regular assessments or levy special assessments, or it may delay repair or replacement of components until funds are available.

Actual costs may vary from the amounts established in this reserve study. Investment income and income tax levels may affect reserve funding levels and the variances may be material. Amounts accumulated in the replacement reserve fund may not be adequate to meet future funding requirements; particularly if updates are not performed in a timely manner, or if reserve contributions are not consistent with the amounts set forth in this reserve study.

The reserve funding projections which result from this reserve study utilize the following financial parameters:

- A minimum reserve fund balance of **\$57,592.00** as of **January 1, 2018**.
- A minimum reserve fund contribution for **2018** in the amount of: **\$16,084.00**.
- A maximum annual increase in the reserve contribution of: **4%**.
- Earnings on reserve deposits: **0.15%**
- Annual inflation rate: **3.0%**
- Effective income tax rate: **30%**
- Reserve fund contingency: **3%***

Bella Vista Homes Homeowner's Association
Current & Projected Funding Analysis

* Assuming a beginning reserve fund balance of **\$57,592.00** and reserve fund contingency of **3%**, the available contingency funds available as of **January 1, 2018** will be: **\$1,728.00**.

The Annual Reserve Fund Expenditure Detail indicates the next reserve expenditures scheduled to occur will be in the year **2018**.

The total amount of these expenditures is estimated to be: **\$7,450.00**.

4. Current Assessment Funding: The funding projection contained in this reserve study utilizes a cash flow funding method known as Current Assessment Funding. Current Assessment Funding is a reserve funding model in which the first year, or current, reserve fund contribution is established by the Board of Directors or the Reserve Specialist®. The Current Assessment Funding Projection begins with a **2018** reserve fund contribution of **\$16,084.00** which equals **\$150.32** per lot based on **107** lots.

5. Percent Funded Analysis: The percent funded level under the Current Assessment Funding Projection will be **67%** at the end of **2018** assuming the reserve fund activity is consistent with the schedule set forth in this reserve study.

The highest percent funded level after **2018** is **72%** in **2020**.

The lowest percent funded level after **2018** is **12%** in **2042**.

The Current Assessment Funding Projection included in this reserve study represents the contribution schedule required to meet the reserve obligations set forth in this reserve study for the next thirty years, assuming a beginning reserve fund balance of **\$57,592.00**; a **2018** year contribution of **\$16,084.00** and a maximum annual increase in the reserve contribution of **4%** in any year after **2018**.

6. Total Reserve Spending: Assuming the reserve fund expenditures and contributions do not deviate from the schedule set forth in this reserve study the reserve funding and spending obligations for the thirty year period ending on **December 31, 2047** are as follows:

- Total Reserve Spending **\$765,662.00**
- Average Annual Reserve Expenditures: **\$25,522.00**
- Total Reserve Fund Contributions: **\$770,582.00**
- Interest Earnings on Reserve Fund Deposits: **\$3,756.00**
- **December 31, 2047** Reserve Fund Balance: **\$66,270.00**

7. Minimum Reserve Fund Balance: Assuming the reserve fund contributions and expenditures do not deviate from the schedule set forth in this reserve study, the minimum year-end reserve fund balance resulting from the Current Assessment Funding Projection will be **\$22,225.00** in **2042**.

8. Funding Summary: The Current Assessment Funding Projection results in year-end percent funded levels which range from a low of **12%** to a high of **72%**. The Current Assessment Funding Projection will meet the obligations of the Association's reserve fund assuming the reserve fund activity does not deviate from the schedule set forth on this reserve study.

Bella Vista Homes Homeowner's Association
Distribution of Accumulated Reserves

Report Date September 12, 2017
Beginning Fiscal Year January 01, 2018
Account Number OR-1408-0002-U18

Version Number LEVEL 3

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Landscape Lighting	0	2018	3,500	3,500
Water Feature Pumps (2)	0	2018	3,950	3,950
Common Area Irrigation Controllers	3	2021	4,760	4,760
Water Feature Lighting	3	2021	740	740
Water Feature Pumps (1)	3	2021	1,580	1,580
Asphalt Sealcoat-Camina Drive (Tract G)	4	2022	252	252
Asphalt Sealcoat-Carino Lane (Tract F)	4	2022	712	712
Asphalt Sealcoat-Lastrada Circle	4	2022	1,940	1,940
Asphalt Sealcoat-Parking Area	4	2022	288	288
Asphalt Sealcoat-Pathway-Tract B	4	2022	80	80
Asphalt Sealcoat-Pathway-Tract C	4	2022	92	92
Asphalt Sealcoat-Sorrento Lane (Tract K)	4	2022	364	364
Irrigation System Upgrade-Park Area	6	2024	2,000	2,000
Landscape Renovation-Park Area	6	2024	5,000	5,000
Irrigation System Upgrade-Entrances	8	2026	4,500	4,500
Landscape Renovation-East Entrance	8	2026	3,000	3,000
Landscape Renovation-North Entrance	8	2026	3,000	3,000
Landscape Renovation-West Entrance	8	2026	3,000	3,000
Common Area Sidewalks-Safety Repair	12	2030	337	337
Cluster Mailboxes	14	2032	6,092	6,092
Signs-Replacement Allowance	14	2032	240	240
Asphalt Overlay-Camina Drive (Tract G)	19	2037	2,041	2,041
Asphalt Overlay-Carino Lane (Tract F)	19	2037	5,767	5,767
Asphalt Overlay-Lastrada Circle	19	2037	* 2,628	15,714
Asphalt Overlay-Parking Area	19	2037		2,592
Asphalt Overlay-Pathway-Tract B	19	2037		720
Asphalt Overlay-Pathway-Tract C	19	2037		828
Asphalt Overlay-Sorrento Lane (Tract K)	19	2037		3,276
Chain Link Fencing-Tract B & C	24	2042		9,440

**Bella Vista Homes Homeowner's Association
Distribution of Accumulated Reserves**

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
			<u>\$55,864</u>	<u>\$85,806</u>
Total Asset Summary			<u>\$55,864</u>	<u>\$85,806</u>
Contingency at 3.00%			<u>\$1,728</u>	<u>\$2,654</u>
Summary Total			<u>\$57,592</u>	<u>\$88,460</u>

'' Indicates Partially Funded*

SECTION III

RESERVE FUNDING PROJECTIONS

Bella Vista Homes Homeowner's Association

Explanation of Reserve Funding Projections

This section provides an explanation of the funding models used to develop the annual reserve funding schedules found in this reserve study. Each of the funding projections which follow will generate sufficient reserve contributions to pay for the projected expenditures scheduled in this reserve study, based on the same frequency of expenditure and replacement cost estimates. The differences in the annual contribution levels are impacted by the degree of safety, or margin of error, built into each funding schedule.

This margin of error is illustrated by a concept known as the percent funded level. The percent funded level measures the degree to which the Association's funding program is keeping pace with the economic loss in value of the common area components which are the subject of the reserve study.

In simple terms, if the cumulative loss in value of all common area components is \$100,000 at a particular point in time and the Association's accumulated reserve fund balance totals \$50,000 at that same point in time; then the percent funded level is said to be 50%. The percent funded level is always measured as of the first day of the Association's fiscal year.

For purposes of comparison, a percent funded level of 50% to 60% is generally considered the minimum acceptable level required to maintain a reasonable margin of error in the event any reserve expenditures exceed the amount or frequency set forth in the reserve study. As long as the amount and frequency of the scheduled expenditures do not deviate from those set forth in the reserve study, the Association will always have enough money in its reserve account to pay for scheduled expenditures regardless of what the percent funded level is at any particular point in time.

When the association's reserves are less than 100% funded there is always a risk that a deviation in the funding cycle, or the amount of a scheduled expenditure, could result in the lack of adequate funds to pay for the expense depending on the degree to which the reserves are not fully funded.

For this reason it is generally viewed as a good reserve funding policy to maintain a percent funded level as high as possible. Fully funded reserves, also known as 100% funding, are generally considered to be an "ideal" level of funding, although in most cases a fully funded reserve account is not necessary to maintain an adequate margin of error in the Association's funding plan.

1. Reserve Funding Models: This reserve study contains a reserve funding projection that utilizes a Cash Flow Funding Model known as Current Assessment Funding. The funding schedule begins with a reserve fund contribution of **\$16,084.00** for the **2018** budget year.

Cash Flow Funding Model: Cash Flow Funding is a reserve funding approach which is designed to generate sufficient incoming cash flow into the Association's reserve account to meet the funding obligations established in the reserve study. Assuming the cost and frequency of reserve expenditures does not deviate from the schedule set forth in the reserve study; the Association's reserve fund will always contain enough money to meet its funding obligations, regardless of the percent funded level at any point in time.

All cash flow funding methods result in the pooling of reserves. Pooled reserves occur when all reserve funds are accumulated in one reserve account and the current reserves are allocated to pay for reserve expenditures based on chronological urgency or discretionary action taken by the Board of Directors. Reserves accumulated in a pooled reserve fund may only be used to pay for current or future reserve obligations and will automatically be reallocated to pay for other scheduled expenditures if 100% of the amount allocated to pay for a specific expenditure is not used to pay for the expense at the time it is scheduled to occur.

Funds collected for the purpose of providing replacement reserves to pay for repair and replacement of common

Bella Vista Homes Homeowner's Association
Explanation of Reserve Funding Projections

elements may not be used to pay for operating expenses or any expenses which are not specifically identified as reserve expenditures in the current reserve study.

2. Reserve Funding & Disclosure Requirements: The reserve funding projections presented in this reserve study are intended to serve as a guide to help frame the minimum and maximum funding levels which should be considered by the Association's board of directors.

The Association is not obligated under to adopt any particular method of reserve funding or to maintain any minimum percent funded level. The Association is required to fund the reserve account in an amount which is determined to be adequate to meet the reserve funding requirements of the Association, in the opinion of the board of directors.

**Bella Vista Homes Homeowner's Association
Current Assessment Funding Summary**

Report Parameters

Report Date	September 12, 2017	Inflation	3.00%
Account Number	OR-1408-0002-U18	Interest Rate on Reserve Deposit	0.15%
Version	LEVEL 3	Tax Rate on Interest	30.00%
Budget Year Beginning	January 01, 2018	Contingency	3.00%
Budget Year Ending	December 31, 2018		
Total Units	107	2018 Beginning Balance	\$57,592
Phase Development	1 of 1		

Current Assessment Funding Model Summary of Calculations

Required Annual Contribution	\$16,084.00
<i>\$150.32 per unit annually</i>	
Average Net Annual Interest Earned	<u> \$69.54</u>
Total Annual Allocation to Reserves	\$16,153.54
<i>\$150.97 per unit annually</i>	

**Bella Vista Homes Homeowner's Association
Current Assessment Funding Projection**

Report Date September 12, 2017
Beginning Fiscal Year January 01, 2018
Account Number OR-1408-0002-U18

Version Number LEVEL 3

Beginning Balance: \$57,592

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2018	261,407	16,084	70	7,450	66,296	99,430	67%
2019	269,250	16,567	87		82,949	119,127	70%
2020	277,327	17,064	105		100,118	139,916	72%
2021	285,647	17,575	111	12,233	105,571	148,891	71%
2022	294,216	18,103	108	20,979	102,802	149,381	69%
2023	303,043	18,646	123	4,579	116,991	167,849	70%
2024	312,134	19,205	130	12,538	123,788	178,912	69%
2025	321,498	19,781	151		143,721	204,201	70%
2026	331,143	20,375	137	33,506	130,726	195,267	67%
2027	341,077	20,986	132	26,011	125,834	194,640	65%
2028	351,310	21,616	144	10,012	137,581	211,616	65%
2029	361,849	22,264	168		160,013	240,386	67%
2030	372,705	22,932	191	1,444	181,692	269,176	67%
2031	383,886	23,620	209	5,801	199,721	294,896	68%
2032	395,402	24,328	183	49,371	174,862	275,869	63%
2033	407,264	25,058	201	8,172	191,950	300,756	64%
2034	419,482	25,810	229		217,989	335,825	65%
2035	432,067	26,584	257		244,830	372,728	66%
2036	445,029	27,382	268	16,854	255,626	393,646	65%
2037	458,380	28,203	26	258,730	25,126	159,183	16%
2038	472,131	29,049	43	13,456	40,762	178,986	23%
2039	486,295	29,921	72	2,409	68,346	211,992	32%
2040	500,884	30,819	104		99,269	249,453	40%
2041	515,910	31,743	129	7,796	123,346	280,692	44%
2042	531,388	32,695	23	133,839	22,225	179,990	12%
2043	547,329	34,003	50	8,270	48,008	210,592	23%
2044	563,749	35,363	64	22,644	60,791	227,869	27%
2045	580,662	36,778	97	5,126	92,541	265,317	35%
2046	598,081	38,249	74	60,516	70,348	246,153	29%
2047	616,024	39,779	70	43,926	66,270	245,144	27%

SECTION IV

COMPONENT INVENTORY REPORTS

Bella Vista Homes Homeowner's Association Explanation of Component Inventory Reports

This section of the reserve study provides a narrative summary and tabular compilations of the common area components which are the subject of this reserve funding analysis. A brief explanation of each report contained in this section is included here for those readers who may be unfamiliar with the information provided in a reserve study.

1. Component Inventory Summary: This report provides a summary of the component inventory which is a condensed version of the information found in the Component Detail Reports which appears at the end of Section II. The components are grouped by the component category to which they have been assigned, and are listed within each category according to the remaining life expectancy of the component. Other information found in this report includes the in-service date, current cost, useful life, remaining life, future cost and current cost of each component.

2. Component Inventory by Remaining Life Expectancy: This report displays the component inventory sorted by the remaining life expectancy of each component which is included in the reserve funding schedule. Expenditures which are scheduled to recur more than one time over the 30 year period covered by the study will only appear one time in this list based on the next scheduled year of occurrence. Other information provided in this report includes the next scheduled year of replacement, useful life, current cost, assigned reserves and the amount required for each component to be fully funded as of the beginning date of the reserve study. If the assigned reserves are equal to the fully funded amount shown in the far right-hand column then the component in question is said to be fully funded.

3. Component Inventory with Current Costs: This report again displays the component inventory by category and remaining life expectancy. It also includes the component quantity based on the unit of measure (SF, SY, LF, etc.), the unit cost which has been used to arrive at the total replacement cost, and the current replacement cost as of the beginning date of the reserve study.

4. Component Detail Reports: This report, which is found in the Appendix, reflects all of the component data which has been input into the modeling database to develop the reserve funding projections contained in the reserve study. If a photographic inventory has been included in the reserve study a picture of each component will also appear in this report. Most of the information contained in this report is also displayed in one or more of the Component Inventory reports found in Section II.

**Bella Vista Homes Homeowner's Association
Component Inventory Summary**

Report Date September 12, 2017
 Beginning Fiscal Year January 01, 2018
 Account Number OR-1408-0002-U18

Version Number LEVEL 3

Description	Asset ID	Date In Service	Current Cost	Useful Life	Adjustment	Remaining	Future Cost	Quantity	Unit Cost
Concrete Pavement									
Common Area Sidewalks-Safety Repair		2030	1,012	15	3	12	1,444	675 @	15.00
This component provides funding for repair of the common area sidewalks that extends around the front of the retention pond. Funding is scheduled to occur every 15 years beginning in 2030.									
Fencing & Site Walls									
Chain Link Fencing-Tract B & C		2042	47,200	30	0	24	95,948	2950 @	16.00
This component provides funding for replacement of the vinyl-coated chain link fencing that surrounds the retention pond. Funding is scheduled to occur every 30 years beginning in 2042.									
Landscaping & Irrigation									
Landscape Lighting		2018	3,500	10	2	0	3,500	1 @	3,500.00
This component provides funding for replacement of the in-ground landscape lighting. Funding is scheduled to occur every 10 years beginning in 2018.									
Common Area Irrigation Controllers		2021	5,950	15	0	3	6,502	17 @	350.00
This component provides funding for replacement of the irrigation controllers that serve the common area landscaping. Funding is every 15 years beginning in 2021.									
Irrigation System Upgrade-Park Area		2024	3,000	20	-2	6	3,582	1 @	3,000.00
This component provides funding for renovation of the landscape irrigation system that waters the landscaping in the park area adjacent to Lastrada Circle. Funding is every 20 years beginning in 2024 and includes replacement valves, boxes and sprinkler heads. Replacement of buried water supply piping is not included in this reserve study.									
Landscape Renovation-Park Area		2024	7,500	20	-2	6	8,955	1 @	7,500.00
This component provides funding for renovation of common area landscaping in the park area adjacent to Lastrada Circle. Funding is scheduled to occur every 20 years beginning in 2024. Routine maintenance expenses should be included in the annual operating budget.									
Irrigation System Upgrade-Entrances		2026	7,500	20	0	8	9,501	1 @	7,500.00
This component provides funding for renovation of the landscape irrigation system that waters the landscaping at the entrance and along McAndrews Road. Funding is every 20 years beginning in 2026 and includes replacement valves, boxes and sprinkler heads. Replacement of buried water supply piping is not included in this reserve study.									
Landscape Renovation-East Entrance		2026	5,000	20	0	8	6,334	1 @	5,000.00
This component provides funding for renovation of common area landscaping at the east entrance located at McAndrews Road and Veneto Circle. Funding is scheduled to occur every 20 years beginning in 2026. Routine maintenance expenses should be included in the annual operating budget.									

**Bella Vista Homes Homeowner's Association
Component Inventory Summary**

Description	Asset ID	Date In Service	Current Cost	Useful Life	Adjustment	Remaining	Future Cost	Quantity	Unit Cost
Landscaping & Irrigation continued...									
Landscape Renovation-North Entrance		2026	5,000	20	0	8	6,334	1 @	5,000.00
This component provides funding for renovation of common area landscaping at the north entrance located at McAndrews Road and Sorrento Lane. Funding is scheduled to occur every 20 years beginning in 2026. Routine maintenance expenses should be included in the annual operating budget.									
Landscape Renovation-West Entrance		2026	5,000	20	0	8	6,334	1 @	5,000.00
This component provides funding for renovation of common area landscaping at the west entrance located at McAndrews Road and Lastrada Circle. Funding is scheduled to occur every 20 years beginning in 2026. Routine maintenance expenses should be included in the annual operating budget.									
Mailboxes & Signage									
Cluster Mailboxes		2032	13,200	25	1	14	19,966	8 @	1,650.00
This component provides funding for replacement of the pedestal-mounted cluster mailbox. Funding is scheduled to occur every 25 years beginning in 2032.									
Signs-Replacement Allowance		2032	800	20	0	14	1,210	1 @	800.00
This component provides funding for replacement of common area signage. The sign inventory includes one Stop sign; one No parking sign and one informational sign that is mounted to the fence surrounding the retention pond. Funding is scheduled to occur every 20 years beginning in 2032.									
Private Roads & Alleys									
Asphalt Sealcoat-Camina Drive (Tract G)		2022	1,260	5	0	4	1,418	6300 @	0.20
This component provides funding for the application of an asphalt sealcoat on Camina Drive. Funding is scheduled to occur every 5 years beginning in 2022.									
Asphalt Sealcoat-Carino Lane (Tract F)		2022	3,560	5	0	4	4,007	17800 @	0.20
This component provides funding for the application of an asphalt sealcoat on Carino Lane. Funding is scheduled to occur every 5 years beginning in 2022.									
Asphalt Sealcoat-Lastrada Circle		2022	9,700	5	0	4	10,917	48500 @	0.20
This component provides funding for the application of an asphalt sealcoat on Lastrada Circle. Funding is scheduled to occur every 5 years beginning in 2022.									
Asphalt Sealcoat-Parking Area		2022	1,440	5	0	4	1,621	7200 @	0.20
This component provides funding for the application of an asphalt sealcoat on the parking area adjacent to West Lastrada Circle. Funding is scheduled to occur every 5 years beginning in 2022.									
Asphalt Sealcoat-Pathway-Tract B		2022	400	5	0	4	450	2000 @	0.20
This component provides funding for the application of an asphalt sealcoat on the walking paths in Tract B. Funding is scheduled to occur every 5 years beginning in 2022.									
Asphalt Sealcoat-Pathway-Tract C		2022	460	5	0	4	518	2300 @	0.20
This component provides funding for the application of an asphalt sealcoat on the walking paths in Tract C. Funding is scheduled to occur every 5 years beginning in 2022.									

**Bella Vista Homes Homeowner's Association
Component Inventory Summary**

Description	Asset ID	Date In Service	Current Cost	Useful Life	Adjustment	Remaining	Future Cost	Quantity	Unit Cost
Private Roads & Alleys continued...									
Asphalt Sealcoat-Sorrento Lane (Tract K)		2022	1,820	5	0	4	2,048	9100 @	0.20
This component provides funding for the application of an asphalt sealcoat on Sorrento Lane. Funding is scheduled to occur every 5 years beginning in 2022.									
Asphalt Overlay-Camina Drive (Tract G)		2037	8,505	25	0	19	14,914	6300 @	1.35
This component provides funding for the application of an asphalt overlay on Camina Drive. Funding is scheduled to occur every 25 years beginning in 2037.									
Asphalt Overlay-Carino Lane (Tract F)		2037	24,030	25	0	19	42,137	17800 @	1.35
This component provides funding for the application of an asphalt overlay on Carino Lane. Funding is scheduled to occur every 25 years beginning in 2037.									
Asphalt Overlay-Lastrada Circle		2037	65,475	25	0	19	114,811	48500 @	1.35
This component provides funding for the application of an asphalt overlay on Lastrada Circle. Funding is scheduled to occur every 25 years beginning in 2037.									
Asphalt Overlay-Parking Area		2037	10,800	25	0	19	18,938	7200 @	1.50
This component provides funding for the application of an asphalt overlay on the parking area adjacent to West Lastrada Circle. Funding is scheduled to occur every 25 years beginning in 2037.									
Asphalt Overlay-Pathway-Tract B		2037	3,000	25	0	19	5,261	2000 @	1.50
This component provides funding for the application of an asphalt overlay on the walking path in Tract B. Funding is scheduled to occur every 25 years beginning in 2037.									
Asphalt Overlay-Pathway-Tract C		2037	3,450	25	0	19	6,050	2300 @	1.50
This component provides funding for the application of an asphalt overlay on the walking path in Tract C. Funding is scheduled to occur every 25 years beginning in 2037.									
Asphalt Overlay-Sorrento Lane (Tract K)		2037	13,650	25	0	19	23,935	9100 @	1.50
This component provides funding for the application of an asphalt overlay on Sorrento Lane. Funding is scheduled to occur every 25 years beginning in 2037.									
Water Features									
Water Feature Pumps (2)		2018	3,950	5	7	0	3,950	1 @	3,950.00
This component provides funding for replacement of one of two water feature pumps. Funding is scheduled to occur every 5 years beginning in 2017. Routine maintenance expenses should be included in the annual operating budget.									
Water Feature Lighting		2021	1,295	6	1	3	1,415	7 @	185.00
This component provides funding for replacement of the water feature lighting. This replacement schedule assumes the lights were replaced in 2014 or 2015.									

**Bella Vista Homes Homeowner's Association
Component Inventory Summary**

Description	Asset ID	Date In Service	Current Cost	Useful Life	Adjustment	Remaining	Future Cost	Quantity	Unit Cost
<i>Water Features continued...</i>									
Water Feature Pumps (1)		2021	3,950	5	0	3	4,316	1 @	3,950.00

This component provides funding for replacement of one of two water feature pumps. Funding is scheduled to occur every 5 years beginning in 2021. Routine maintenance expenses should be included in the annual operating budget.

Bella Vista Homes Homeowner's Association
Component Inventory by Remaining Life Expectancy

Report Date September 12, 2017
 Beginning Fiscal Year January 01, 2018
 Account Number OR-1408-0002-U18

Version Number LEVEL 3

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Landscape Lighting	2018	10	2	0	3,500	3,500	3,500
Water Feature Pumps (2)	2018	5	7	0	3,950	3,950	3,950
Common Area Irrigation Controllers	2021	15	0	3	5,950	4,760	4,760
Water Feature Lighting	2021	6	1	3	1,295	740	740
Water Feature Pumps (1)	2021	5	0	3	3,950	1,580	1,580
Asphalt Sealcoat-Camina Drive (Tract G)	2022	5	0	4	1,260	252	252
Asphalt Sealcoat-Carino Lane (Tract F)	2022	5	0	4	3,560	712	712
Asphalt Sealcoat-Lastrada Circle	2022	5	0	4	9,700	1,940	1,940
Asphalt Sealcoat-Parking Area	2022	5	0	4	1,440	288	288
Asphalt Sealcoat-Pathway-Tract B	2022	5	0	4	400	80	80
Asphalt Sealcoat-Pathway-Tract C	2022	5	0	4	460	92	92
Asphalt Sealcoat-Sorrento Lane (Tract K)	2022	5	0	4	1,820	364	364
Irrigation System Upgrade-Park Area	2024	20	-2	6	3,000	2,000	2,000
Landscape Renovation-Park Area	2024	20	-2	6	7,500	5,000	5,000
Irrigation System Upgrade-Entrances	2026	20	0	8	7,500	4,500	4,500
Landscape Renovation-East Entrance	2026	20	0	8	5,000	3,000	3,000
Landscape Renovation-North Entrance	2026	20	0	8	5,000	3,000	3,000
Landscape Renovation-West Entrance	2026	20	0	8	5,000	3,000	3,000
Common Area Sidewalks-Safety Repair	2030	15	3	12	1,012	337	337
Cluster Mailboxes	2032	25	1	14	13,200	6,092	6,092
Signs-Replacement Allowance	2032	20	0	14	800	240	240
Asphalt Overlay-Camina Drive (Tract G)	2037	25	0	19	8,505	2,041	2,041
Asphalt Overlay-Carino Lane (Tract F)	2037	25	0	19	24,030	5,767	5,767
Asphalt Overlay-Lastrada Circle	2037	25	0	19	65,475	2,628	15,714
Asphalt Overlay-Parking Area	2037	25	0	19	10,800	0	2,592
Asphalt Overlay-Pathway-Tract B	2037	25	0	19	3,000	0	720
Asphalt Overlay-Pathway-Tract C	2037	25	0	19	3,450	0	828
Asphalt Overlay-Sorrento Lane (Tract K)	2037	25	0	19	13,650	0	3,276
Chain Link Fencing-Tract B & C	2042	30	0	24	47,200	0	9,440
Total Asset Summary					<u>\$261,407</u>	<u>\$55,864</u>	<u>\$85,806</u>
Contingency at 3.00%						<u>\$1,728</u>	<u>\$2,654</u>
Summary Total						<u>\$57,592</u>	<u>\$88,460</u>

**Bella Vista Homes Homeowner's Association
Component Inventory with Current Costs**

Report Date September 12, 2017
 Beginning Fiscal Year January 01, 2018
 Account Number OR-1408-0002-U18

Version Number LEVEL 3

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Concrete Pavement								
Common Area Sidewalks-Safety Repair	2012	2030	15	3	12	67 SF	15.00	<u>1,012</u>
Concrete Pavement - Total								\$1,012
Fencing & Site Walls								
Chain Link Fencing-Tract B & C	2012	2042	30	0	24	2,950 LF	16.00	<u>47,200</u>
Fencing & Site Walls - Total								\$47,200
Landscaping & Irrigation								
Landscape Lighting	2006	2018	10	2	0	1 Total	3,500.00	3,500
Common Area Irrigation Controllers	2006	2021	15	0	3	17 EA	350.00	5,950
Irrigation System Upgrade-Park Area	2006	2024	20	-2	6	1 Total	3,000.00	3,000
Landscape Renovation-Park Area	2006	2024	20	-2	6	1 Total	7,500.00	7,500
Irrigation System Upgrade-Entrances	2006	2026	20	0	8	1 Total	7,500.00	7,500
Landscape Renovation-East Entrance	2006	2026	20	0	8	1 Total	5,000.00	5,000
Landscape Renovation-North Entrance	2006	2026	20	0	8	1 Total	5,000.00	5,000
Landscape Renovation-West Entrance	2006	2026	20	0	8	1 Total	5,000.00	<u>5,000</u>
Landscaping & Irrigation - Total								\$42,450
Mailboxes & Signage								
Cluster Mailboxes	2006	2032	25	1	14	8 EA	1,650.00	13,200
Signs-Replacement Allowance	2012	2032	20	0	14	1 Total	800.00	<u>800</u>
Mailboxes & Signage - Total								\$14,000
Private Roads & Alleys								
Asphalt Sealcoat-Camina Drive (Tract G)	2017	2022	5	0	4	6,300 SF	0.20	1,260
Asphalt Sealcoat-Carino Lane (Tract F)	2017	2022	5	0	4	17,800 SF	0.20	3,560
Asphalt Sealcoat-Lastrada Circle	2017	2022	5	0	4	48,500 SF	0.20	9,700
Asphalt Sealcoat-Parking Area	2017	2022	5	0	4	7,200 SF	0.20	1,440
Asphalt Sealcoat-Pathway-Tract B	2017	2022	5	0	4	2,000 SF	0.20	400
Asphalt Sealcoat-Pathway-Tract C	2017	2022	5	0	4	2,300 SF	0.20	460
Asphalt Sealcoat-Sorrento Lane (Tract K)	2017	2022	5	0	4	9,100 SF	0.20	1,820
Asphalt Overlay-Camina Drive (Tract G)	2012	2037	25	0	19	6,300 SF	1.35	8,505
Asphalt Overlay-Carino Lane (Tract F)	2012	2037	25	0	19	17,800 SF	1.35	24,030
Asphalt Overlay-Lastrada Circle	2012	2037	25	0	19	48,500 SF	1.35	65,475
Asphalt Overlay-Parking Area	2012	2037	25	0	19	7,200 SF	1.50	10,800
Asphalt Overlay-Pathway-Tract B	2012	2037	25	0	19	2,000 SF	1.50	3,000
Asphalt Overlay-Pathway-Tract C	2012	2037	25	0	19	2,300 SF	1.50	3,450
Asphalt Overlay-Sorrento Lane (Tract K)	2012	2037	25	0	19	9,100 SF	1.50	13,650

**Bella Vista Homes Homeowner's Association
Component Inventory with Current Costs**

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
<i>Private Roads & Alleys continued...</i>								
Private Roads & Alleys - Total								<u>\$147,550</u>
Water Features								
Water Feature Pumps (2)	2006	2018	5	7	0	1 Total	3,950.00	3,950
Water Feature Lighting	2014	2021	6	1	3	7 Ea	185.00	1,295
Water Feature Pumps (1)	2016	2021	5	0	3	1 Total	3,950.00	<u>3,950</u>
Water Features - Total								<u>\$9,195</u>
Total Asset Summary								<u>\$261,407</u>

SECTION V

RESERVE EXPENDITURE REPORTS

Bella Vista Homes Homeowner's Association

Explanation of Expenditure Reports

This section of the reserve study includes a series of reports which detail how the Association's reserve funds will be spent over the next 30 years. A brief explanation of each report contained in this section is included here for those readers who may be unfamiliar with the information provided in a reserve study.

1. Annual Reserve Expenditure Detail: This report provides a year by year summary of the reserve fund expenditures scheduled for each year covered in the reserve study. Expenditures are listed alphabetically in each year when they are scheduled to occur. Hence, an expenditure which is scheduled to occur every 5 years beginning in 2015 will appear for the first time under the 2015 heading and again in years 2020, 2025, 2030 and so on. The projected costs listed for each year take into account the effect of inflation on future replacement costs. Therefore, the replacement cost for a recurring expenditure will be higher each time it appears in this schedule.

3. Capital & Non-Capital Expenditures: This report groups the scheduled reserve expenditures under one of two categories; Capital Expenditures or Non-Capital Expenditures. In the context of a reserve study capital expenditures are generally defined as expenditures which are for the purpose of replacing, improving or prolonging the life expectancy of a common area asset. Non-capital expenditures are expenses incurred to maintain or repair common area assets, but which are not necessarily expected to improve or extend the life expectancy of the asset.

**Bella Vista Homes Homeowner's Association
Annual Reserve Expenditure Detail**

Report Date September 12, 2017
Beginning Fiscal Year January 01, 2018
Account Number OR-1408-0002-U18

Version Number LEVEL 3

Description	Expenditures
Replacement Year 2018	
Landscaping & Irrigation	
Landscape Lighting	3,500
Water Features	
Water Feature Pumps (2)	3,950
Total for 2018	\$7,450
 <i>No Replacement in 2019</i>	
<i>No Replacement in 2020</i>	
 Replacement Year 2021	
Landscaping & Irrigation	
Common Area Irrigation Controllers	6,502
Water Features	
Water Feature Pumps (1)	4,316
Water Feature Lighting	1,415
Total for 2021	\$12,233
 Replacement Year 2022	
Private Roads & Alleys	
Asphalt Sealcoat-Camina Drive (Tract G)	1,418
Asphalt Sealcoat-Carino Lane (Tract F)	4,007
Asphalt Sealcoat-Lastrada Circle	10,917
Asphalt Sealcoat-Parking Area	1,621
Asphalt Sealcoat-Pathway-Tract B	450
Asphalt Sealcoat-Pathway-Tract C	518
Asphalt Sealcoat-Sorrento Lane (Tract K)	2,048
Total for 2022	\$20,979
 Replacement Year 2023	
Water Features	
Water Feature Pumps (2)	4,579
Total for 2023	\$4,579

**Bella Vista Homes Homeowner's Association
Annual Reserve Expenditure Detail**

Description	Expenditures
Replacement Year 2024	
Landscaping & Irrigation	
Irrigation System Upgrade-Park Area	3,582
Landscape Renovation-Park Area	8,955
Total for 2024	<u>\$12,538</u>
 <i>No Replacement in 2025</i>	
Replacement Year 2026	
Landscaping & Irrigation	
Irrigation System Upgrade-Entrances	9,501
Landscape Renovation-East Entrance	6,334
Landscape Renovation-North Entrance	6,334
Landscape Renovation-West Entrance	6,334
Water Features	
Water Feature Pumps (1)	5,004
Total for 2026	<u>\$33,506</u>
 Replacement Year 2027	
Private Roads & Alleys	
Asphalt Sealcoat-Camina Drive (Tract G)	1,644
Asphalt Sealcoat-Carino Lane (Tract F)	4,645
Asphalt Sealcoat-Lastrada Circle	12,656
Asphalt Sealcoat-Parking Area	1,879
Asphalt Sealcoat-Pathway-Tract B	522
Asphalt Sealcoat-Pathway-Tract C	600
Asphalt Sealcoat-Sorrento Lane (Tract K)	2,375
Water Features	
Water Feature Lighting	1,690
Total for 2027	<u>\$26,011</u>
 Replacement Year 2028	
Landscaping & Irrigation	
Landscape Lighting	4,704

**Bella Vista Homes Homeowner's Association
Annual Reserve Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2028 continued...</i>	
Water Features	
Water Feature Pumps (2)	5,308
Total for 2028	<u>\$10,012</u>
 <i>No Replacement in 2029</i>	
Replacement Year 2030	
Concrete Pavement	
Common Area Sidewalks-Safety Repair	1,444
Total for 2030	<u>\$1,444</u>
 Replacement Year 2031	
Water Features	
Water Feature Pumps (1)	5,801
Total for 2031	<u>\$5,801</u>
 Replacement Year 2032	
Mailboxes & Signage	
Signs-Replacement Allowance	1,210
Cluster Mailboxes	19,966
Private Roads & Alleys	
Asphalt Sealcoat-Camina Drive (Tract G)	1,906
Asphalt Sealcoat-Carino Lane (Tract F)	5,385
Asphalt Sealcoat-Lastrada Circle	14,672
Asphalt Sealcoat-Parking Area	2,178
Asphalt Sealcoat-Pathway-Tract B	605
Asphalt Sealcoat-Pathway-Tract C	696
Asphalt Sealcoat-Sorrento Lane (Tract K)	2,753
Total for 2032	<u>\$49,371</u>
 Replacement Year 2033	
Water Features	
Water Feature Pumps (2)	6,154

**Bella Vista Homes Homeowner's Association
Annual Reserve Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2033 continued...</i>	
Water Feature Lighting	2,018
Total for 2033	<u>\$8,172</u>
 <i>No Replacement in 2034</i>	
<i>No Replacement in 2035</i>	
 Replacement Year 2036	
Landscaping & Irrigation	
Common Area Irrigation Controllers	10,129
Water Features	
Water Feature Pumps (1)	6,725
Total for 2036	<u>\$16,854</u>
 Replacement Year 2037	
Private Roads & Alleys	
Asphalt Sealcoat-Camina Drive (Tract G)	2,209
Asphalt Sealcoat-Carino Lane (Tract F)	6,242
Asphalt Sealcoat-Lastrada Circle	17,009
Asphalt Sealcoat-Parking Area	2,525
Asphalt Sealcoat-Pathway-Tract B	701
Asphalt Sealcoat-Pathway-Tract C	807
Asphalt Sealcoat-Sorrento Lane (Tract K)	3,191
Asphalt Overlay-Camina Drive (Tract G)	14,914
Asphalt Overlay-Carino Lane (Tract F)	42,137
Asphalt Overlay-Lastrada Circle	114,811
Asphalt Overlay-Parking Area	18,938
Asphalt Overlay-Pathway-Tract B	5,261
Asphalt Overlay-Pathway-Tract C	6,050
Asphalt Overlay-Sorrento Lane (Tract K)	23,935
Total for 2037	<u>\$258,730</u>
 Replacement Year 2038	
Landscaping & Irrigation	
Landscape Lighting	6,321

**Bella Vista Homes Homeowner's Association
Annual Reserve Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2038 continued...</i>	
Water Features	
Water Feature Pumps (2)	7,134
Total for 2038	<u>\$13,456</u>
 Replacement Year 2039	
Water Features	
Water Feature Lighting	2,409
Total for 2039	<u>\$2,409</u>
 <i>No Replacement in 2040</i>	
 Replacement Year 2041	
Water Features	
Water Feature Pumps (1)	7,796
Total for 2041	<u>\$7,796</u>
 Replacement Year 2042	
Fencing & Site Walls	
Chain Link Fencing-Tract B & C	95,948
Private Roads & Alleys	
Asphalt Sealcoat-Camina Drive (Tract G)	2,561
Asphalt Sealcoat-Carino Lane (Tract F)	7,237
Asphalt Sealcoat-Lastrada Circle	19,718
Asphalt Sealcoat-Parking Area	2,927
Asphalt Sealcoat-Pathway-Tract B	813
Asphalt Sealcoat-Pathway-Tract C	935
Asphalt Sealcoat-Sorrento Lane (Tract K)	3,700
Total for 2042	<u>\$133,839</u>
 Replacement Year 2043	
Water Features	
Water Feature Pumps (2)	8,270
Total for 2043	<u>\$8,270</u>

**Bella Vista Homes Homeowner's Association
Annual Reserve Expenditure Detail**

Description	Expenditures
Replacement Year 2044	
Landscaping & Irrigation	
Irrigation System Upgrade-Park Area	6,470
Landscape Renovation-Park Area	16,174
Total for 2044	\$22,644
 Replacement Year 2045	
Concrete Pavement	
Common Area Sidewalks-Safety Repair	2,249
Water Features	
Water Feature Lighting	2,877
Total for 2045	\$5,126
 Replacement Year 2046	
Landscaping & Irrigation	
Irrigation System Upgrade-Entrances	17,159
Landscape Renovation-East Entrance	11,440
Landscape Renovation-North Entrance	11,440
Landscape Renovation-West Entrance	11,440
Water Features	
Water Feature Pumps (1)	9,037
Total for 2046	\$60,516
 Replacement Year 2047	
Private Roads & Alleys	
Asphalt Sealcoat-Camina Drive (Tract G)	2,969
Asphalt Sealcoat-Carino Lane (Tract F)	8,389
Asphalt Sealcoat-Lastrada Circle	22,859
Asphalt Sealcoat-Parking Area	3,393
Asphalt Sealcoat-Pathway-Tract B	943
Asphalt Sealcoat-Pathway-Tract C	1,084
Asphalt Sealcoat-Sorrento Lane (Tract K)	4,289
Total for 2047	\$43,926

**Bella Vista Homes Homeowner's Association
Capital & Non-Capital Reserve Expenditures**

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Capital Expenditures								
Asphalt Overlay-Camina Drive (Tract G)	2012	2037	25	0	19	6,300 SF	1.35	8,505
Asphalt Overlay-Carino Lane (Tract F)	2012	2037	25	0	19	17,800 SF	1.35	24,030
Asphalt Overlay-Lastrada Circle	2012	2037	25	0	19	48,500 SF	1.35	65,475
Asphalt Overlay-Parking Area	2012	2037	25	0	19	7,200 SF	1.50	10,800
Asphalt Overlay-Pathway-Tract B	2012	2037	25	0	19	2,000 SF	1.50	3,000
Asphalt Overlay-Pathway-Tract C	2012	2037	25	0	19	2,300 SF	1.50	3,450
Asphalt Overlay-Sorrento Lane (Tract K)	2012	2037	25	0	19	9,100 SF	1.50	13,650
Chain Link Fencing-Tract B & C	2012	2042	30	0	24	2,950 LF	16.00	47,200
Cluster Mailboxes	2006	2032	25	1	14	8 EA	1,650.00	13,200
Common Area Irrigation Controllers	2006	2021	15	0	3	17 EA	350.00	5,950
Irrigation System Upgrade-Entrances	2006	2026	20	0	8	1 Total	7,500.00	7,500
Irrigation System Upgrade-Park Area	2006	2024	20	-2	6	1 Total	3,000.00	3,000
Landscape Lighting	2006	2018	10	2	0	1 Total	3,500.00	3,500
Landscape Renovation-East Entrance	2006	2026	20	0	8	1 Total	5,000.00	5,000
Landscape Renovation-North Entrance	2006	2026	20	0	8	1 Total	5,000.00	5,000
Landscape Renovation-Park Area	2006	2024	20	-2	6	1 Total	7,500.00	7,500
Landscape Renovation-West Entrance	2006	2026	20	0	8	1 Total	5,000.00	5,000
Signs-Replacement Allowance	2012	2032	20	0	14	1 Total	800.00	800
Water Feature Lighting	2014	2021	6	1	3	7 Ea	185.00	1,295
Water Feature Pumps (1)	2016	2021	5	0	3	1 Total	3,950.00	3,950
Water Feature Pumps (2)	2006	2018	5	7	0	1 Total	3,950.00	<u>3,950</u>
Capital Expenditures - Total								<u>\$241,755</u>
Non-Capital Expenditures								
Asphalt Sealcoat-Camina Drive (Tract G)	2017	2022	5	0	4	6,300 SF	0.20	1,260
Asphalt Sealcoat-Carino Lane (Tract F)	2017	2022	5	0	4	17,800 SF	0.20	3,560
Asphalt Sealcoat-Lastrada Circle	2017	2022	5	0	4	48,500 SF	0.20	9,700
Asphalt Sealcoat-Parking Area	2017	2022	5	0	4	7,200 SF	0.20	1,440
Asphalt Sealcoat-Pathway-Tract B	2017	2022	5	0	4	2,000 SF	0.20	400
Asphalt Sealcoat-Pathway-Tract C	2017	2022	5	0	4	2,300 SF	0.20	460
Asphalt Sealcoat-Sorrento Lane (Tract K)	2017	2022	5	0	4	9,100 SF	0.20	1,820
Common Area Sidewalks-Safety Repair	2012	2030	15	3	12	67 SF	15.00	<u>1,012</u>
Non-Capital Expenditures - Total								<u>\$19,652</u>
Total Asset Summary								<u>\$261,407</u>

APPENDIX

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Report Date September 12, 2017
 Beginning Fiscal Year January 01, 2018
 Account Number OR-1408-0002-U18

Version Number LEVEL 3

Landscape Lighting - 2018

		1 Total	@ \$3,500.00
Asset ID		Asset Cost	\$3,500.00
	Capital Expenditures	Percent Replacement	100%
	Landscaping & Irrigation	Future Cost	\$3,500.00
Placed in Service	January 2006	Assigned Reserves	\$3,500.00
Useful Life	10		
Adjustment	2	Annual Assessment	No Assessment
Replacement Year	2018	Interest Contribution	
Remaining Life	0	Reserve Allocation	

This component provides funding for replacement of the in-ground landscape lighting. Funding is scheduled to occur every 10 years beginning in 2018.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Water Feature Pumps (2) - 2018		1 Total	@ \$3,950.00
Asset ID		Asset Cost	\$3,950.00
	Capital Expenditures	Percent Replacement	100%
	Water Features	Future Cost	\$3,950.00
Placed in Service	January 2006	Assigned Reserves	\$3,950.00
Useful Life	5		
Adjustment	7	Annual Assessment	No Assessment
Replacement Year	2018	Interest Contribution	
Remaining Life	0	Reserve Allocation	

This component provides funding for replacement of one of two water feature pumps. Funding is scheduled to occur every 5 years beginning in 2017. Routine maintenance expenses should be included in the annual operating budget.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Common Area Irrigation Controllers - 2021		17 EA	@ \$350.00
Asset ID		Asset Cost	\$5,950.00
Capital Expenditures		Percent Replacement	100%
Landscaping & Irrigation		Future Cost	\$6,501.73
Placed in Service	July 2006	Assigned Reserves	\$4,760.00
Useful Life	15		
Replacement Year	2021	Annual Assessment	\$357.45
Remaining Life	3	Interest Contribution	<u>\$5.37</u>
		Reserve Allocation	\$362.82

This component provides funding for replacement of the irrigation controllers that serve the common area landscaping. Funding is every 15 years beginning in 2021.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Water Feature Lighting - 2021		7 Ea	@ \$185.00
Asset ID		Asset Cost	\$1,295.00
	Capital Expenditures	Percent Replacement	100%
	Water Features	Future Cost	\$1,415.08
Placed in Service	January 2014	Assigned Reserves	\$740.00
Useful Life	6		
Adjustment	1	Annual Assessment	\$139.27
Replacement Year	2021	Interest Contribution	<u>\$0.92</u>
Remaining Life	3	Reserve Allocation	\$140.19

This component provides funding for replacement of the water feature lighting. This replacement schedule assumes the lights were replaced in 2014 or 2015.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Water Feature Pumps (1) - 2021		1 Total	@ \$3,950.00
Asset ID		Asset Cost	\$3,950.00
	Capital Expenditures	Percent Replacement	100%
	Water Features	Future Cost	\$4,316.27
Placed in Service	January 2016	Assigned Reserves	\$1,580.00
Useful Life	5		
Replacement Year	2021	Annual Assessment	\$565.41
Remaining Life	3	Interest Contribution	<u>\$2.25</u>
		Reserve Allocation	\$567.66

This component provides funding for replacement of one of two water feature pumps. Funding is scheduled to occur every 5 years beginning in 2021. Routine maintenance expenses should be included in the annual operating budget.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Asphalt Sealcoat-Camina Drive (Tract G) - 2022

		6,300 SF	@ \$0.20
Asset ID		Asset Cost	\$1,260.00
Non-Capital Expenditures		Percent Replacement	100%
Private Roads & Alleys		Future Cost	\$1,418.14
Placed in Service	January 2017	Assigned Reserves	\$252.00
Useful Life	5		
Replacement Year	2022	Annual Assessment	\$180.79
Remaining Life	4	Interest Contribution	<u>\$0.45</u>
		Reserve Allocation	\$181.25

This component provides funding for the application of an asphalt sealcoat on Camina Drive. Funding is scheduled to occur every 5 years beginning in 2022.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Asphalt Sealcoat-Carino Lane (Tract F) - 2022

		17,800 SF	@ \$0.20
Asset ID		Asset Cost	\$3,560.00
Non-Capital Expenditures		Percent Replacement	100%
Private Roads & Alleys		Future Cost	\$4,006.81
Placed in Service	January 2017	Assigned Reserves	\$712.00
Useful Life	5		
Replacement Year	2022	Annual Assessment	\$510.81
Remaining Life	4	Interest Contribution	<u>\$1.28</u>
		Reserve Allocation	\$512.10

This component provides funding for the application of an asphalt sealcoat on Carino Lane. Funding is scheduled to occur every 5 years beginning in 2022.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Asphalt Sealcoat-Lastrada Circle - 2022		48,500 SF	@ \$0.20
Asset ID		Asset Cost	\$9,700.00
Non-Capital Expenditures		Percent Replacement	100%
Private Roads & Alleys		Future Cost	\$10,917.44
Placed in Service	January 2017	Assigned Reserves	\$1,940.00
Useful Life	5		
Replacement Year	2022	Annual Assessment	\$1,391.82
Remaining Life	4	Interest Contribution	<u>\$3.50</u>
		Reserve Allocation	\$1,395.32

This component provides funding for the application of an asphalt sealcoat on Lastrada Circle. Funding is scheduled to occur every 5 years beginning in 2022.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Asphalt Sealcoat-Parking Area - 2022		7,200 SF	@ \$0.20
Asset ID		Asset Cost	\$1,440.00
Non-Capital Expenditures		Percent Replacement	100%
Private Roads & Alleys		Future Cost	\$1,620.73
Placed in Service	January 2017	Assigned Reserves	\$288.00
Useful Life	5		
Replacement Year	2022	Annual Assessment	\$206.62
Remaining Life	4	Interest Contribution	<u>\$0.52</u>
		Reserve Allocation	\$207.14

This component provides funding for the application of an asphalt sealcoat on the parking area adjacent to West Lastrada Circle. Funding is scheduled to occur every 5 years beginning in 2022.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Asphalt Sealcoat-Pathway-Tract B - 2022	2,000 SF	@ \$0.20
Asset ID	Asset Cost	\$400.00
Non-Capital Expenditures	Percent Replacement	100%
Private Roads & Alleys	Future Cost	\$450.20
Placed in Service	January 2017	Assigned Reserves
Useful Life	5	\$80.00
Replacement Year	2022	Annual Assessment
Remaining Life	4	Interest Contribution
		<u>\$0.14</u>
		Reserve Allocation
		\$57.54

This component provides funding for the application of an asphalt sealcoat on the walking paths in Tract B. Funding is scheduled to occur every 5 years beginning in 2022.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Asphalt Sealcoat-Pathway-Tract C - 2022		2,300 SF	@ \$0.20
Asset ID		Asset Cost	\$460.00
Non-Capital Expenditures		Percent Replacement	100%
Private Roads & Alleys		Future Cost	\$517.73
Placed in Service	January 2017	Assigned Reserves	\$92.00
Useful Life	5		
Replacement Year	2022	Annual Assessment	\$66.00
Remaining Life	4	Interest Contribution	<u>\$0.17</u>
		Reserve Allocation	\$66.17

This component provides funding for the application of an asphalt sealcoat on the walking paths in Tract C. Funding is scheduled to occur every 5 years beginning in 2022.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Asphalt Sealcoat-Sorrento Lane (Tract K) - 2022

		9,100 SF	@ \$0.20
Asset ID		Asset Cost	\$1,820.00
Non-Capital Expenditures		Percent Replacement	100%
Private Roads & Alleys		Future Cost	\$2,048.43
Placed in Service	January 2017	Assigned Reserves	\$364.00
Useful Life	5		
Replacement Year	2022	Annual Assessment	\$261.15
Remaining Life	4	Interest Contribution	<u>\$0.66</u>
		Reserve Allocation	\$261.80

This component provides funding for the application of an asphalt sealcoat on Sorrento Lane. Funding is scheduled to occur every 5 years beginning in 2022.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Irrigation System Upgrade-Park Area - 2024

		1 Total	@ \$3,000.00
Asset ID		Asset Cost	\$3,000.00
	Capital Expenditures	Percent Replacement	100%
	Landscaping & Irrigation	Future Cost	\$3,582.16
Placed in Service	July 2006	Assigned Reserves	\$2,000.00
Useful Life	20		
Adjustment	-2	Annual Assessment	\$162.20
Replacement Year	2024	Interest Contribution	<u>\$2.27</u>
Remaining Life	6	Reserve Allocation	\$164.47

This component provides funding for renovation of the landscape irrigation system that waters the landscaping in the park area adjacent to Lastrada Circle. Funding is every 20 years beginning in 2024 and includes replacement valves, boxes and sprinkler heads. Replacement of buried water supply piping is not included in this reserve study.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Landscape Renovation-Park Area - 2024		1 Total	@ \$7,500.00
Asset ID		Asset Cost	\$7,500.00
Capital Expenditures		Percent Replacement	100%
Landscaping & Irrigation		Future Cost	\$8,955.39
Placed in Service	January 2006	Assigned Reserves	\$5,000.00
Useful Life	20		
Adjustment	-2	Annual Assessment	\$405.50
Replacement Year	2024	Interest Contribution	<u>\$5.68</u>
Remaining Life	6	Reserve Allocation	\$411.17

This component provides funding for renovation of common area landscaping in th park area adjacent to Lastrada Circle. Funding is scheduled to occur every 20 years beginning in 2024. Routine maintenance expenses should be included in the annual operating budget.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Irrigation System Upgrade-Entrances - 2026

		1 Total	@ \$7,500.00
Asset ID		Asset Cost	\$7,500.00
Capital Expenditures		Percent Replacement	100%
Landscaping & Irrigation		Future Cost	\$9,500.78
Placed in Service	July 2006	Assigned Reserves	\$4,500.00
Useful Life	20		
Replacement Year	2026	Annual Assessment	\$384.25
Remaining Life	8	Interest Contribution	<u>\$5.13</u>
		Reserve Allocation	\$389.38

This component provides funding for renovation of the landscape irrigation system that waters the landscaping at the entrance and along McAndrews Road. Funding is every 20 years beginning in 2026 and includes replacement valves, boxes and sprinkler heads. Replacement of buried water supply piping is not included in this reserve study.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Landscape Renovation-East Entrance - 2026

		1 Total	@ \$5,000.00
Asset ID		Asset Cost	\$5,000.00
Capital Expenditures		Percent Replacement	100%
Landscaping & Irrigation		Future Cost	\$6,333.85
Placed in Service	January 2006	Assigned Reserves	\$3,000.00
Useful Life	20		
Replacement Year	2026	Annual Assessment	\$256.17
Remaining Life	8	Interest Contribution	<u>\$3.42</u>
		Reserve Allocation	\$259.59

This component provides funding for renovation of common area landscaping at the east entrance located at McAndrews Road and Veneto Circle. Funding is scheduled to occur every 20 years beginning in 2026. Routine maintenance expenses should be included in the annual operating budget.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Landscape Renovation-North Entrance - 2026

		1 Total	@ \$5,000.00
Asset ID		Asset Cost	\$5,000.00
	Capital Expenditures	Percent Replacement	100%
	Landscaping & Irrigation	Future Cost	\$6,333.85
Placed in Service	January 2006	Assigned Reserves	\$3,000.00
Useful Life	20		
Replacement Year	2026	Annual Assessment	\$256.17
Remaining Life	8	Interest Contribution	<u>\$3.42</u>
		Reserve Allocation	\$259.59

This component provides funding for renovation of common area landscaping at the north entrance located at McAndrews Road and Sorrento Lane. Funding is scheduled to occur every 20 years beginning in 2026. Routine maintenance expenses should be included in the annual operating budget.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Landscape Renovation-West Entrance - 2026

		1 Total	@ \$5,000.00
Asset ID		Asset Cost	\$5,000.00
Capital Expenditures		Percent Replacement	100%
Landscaping & Irrigation		Future Cost	\$6,333.85
Placed in Service	January 2006	Assigned Reserves	\$3,000.00
Useful Life	20		
Replacement Year	2026	Annual Assessment	\$256.17
Remaining Life	8	Interest Contribution	<u>\$3.42</u>
		Reserve Allocation	\$259.59

This component provides funding for renovation of common area landscaping at the west entrance located at McAndrews Road and Lastrada Circle. Funding is scheduled to occur every 20 years beginning in 2026. Routine maintenance expenses should be included in the annual operating budget.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Common Area Sidewalks-Safety Repair - 2030

		675 SF	@ \$15.00
Asset ID		Asset Cost	\$1,012.50
Non-Capital Expenditures		Percent Replacement	10%
Concrete Pavement		Future Cost	\$1,443.58
Placed in Service	January 2012	Assigned Reserves	\$337.50
Useful Life	15		
Adjustment	3	Annual Assessment	\$56.75
Replacement Year	2030	Interest Contribution	<u>\$0.41</u>
Remaining Life	12	Reserve Allocation	\$57.17

This component provides funding for repair of the common area sidewalks that extends around the front of the retention pond. Funding is scheduled to occur every 15 years beginning in 2030.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Cluster Mailboxes - 2032		8 EA	@ \$1,650.00
Asset ID		Asset Cost	\$13,200.00
	Capital Expenditures	Percent Replacement	100%
	Mailboxes & Signage	Future Cost	\$19,966.18
Placed in Service	January 2006	Assigned Reserves	\$6,092.31
Useful Life	25		
Adjustment	1	Annual Assessment	\$607.91
Replacement Year	2032	Interest Contribution	<u>\$7.04</u>
Remaining Life	14	Reserve Allocation	\$614.95

This component provides funding for replacement of the pedestal-mounted cluster mailbox. Funding is scheduled to occur every 25 years beginning in 2032.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Signs-Replacement Allowance - 2032		1 Total	@ \$800.00
Asset ID		Asset Cost	\$800.00
	Capital Expenditures	Percent Replacement	100%
	Mailboxes & Signage	Future Cost	\$1,210.07
Placed in Service	January 2012	Assigned Reserves	\$240.00
Useful Life	20		
Replacement Year	2032	Annual Assessment	\$42.63
Remaining Life	14	Interest Contribution	<u>\$0.30</u>
		Reserve Allocation	\$42.92

This component provides funding for replacement of common area signage. The sign inventory includes one Stop sign; one No parking sign and one informational sign that is mounted to the fence surrounding the retention pond. Funding is scheduled to occur every 20 years beginning in 2032.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Asphalt Overlay-Camina Drive (Tract G) - 2037

		6,300 SF	@ \$1.35
Asset ID		Asset Cost	\$8,505.00
	Capital Expenditures	Percent Replacement	100%
	Private Roads & Alleys	Future Cost	\$14,913.57
Placed in Service	January 2012	Assigned Reserves	\$2,041.20
Useful Life	25		
Replacement Year	2037	Annual Assessment	\$415.89
Remaining Life	19	Interest Contribution	<u>\$2.58</u>
		Reserve Allocation	\$418.47

This component provides funding for the application of an asphalt overlay on Camina Drive. Funding is scheduled to occur every 25 years beginning in 2037.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Asphalt Overlay-Carino Lane (Tract F) - 2037

		17,800 SF	@ \$1.35
Asset ID		Asset Cost	\$24,030.00
	Capital Expenditures	Percent Replacement	100%
	Private Roads & Alleys	Future Cost	\$42,136.75
Placed in Service	January 2012	Assigned Reserves	\$5,767.20
Useful Life	25		
Replacement Year	2037	Annual Assessment	\$1,175.05
Remaining Life	19	Interest Contribution	<u>\$7.29</u>
		Reserve Allocation	\$1,182.34

This component provides funding for the application of an asphalt overlay on Carino Lane. Funding is scheduled to occur every 25 years beginning in 2037.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Asphalt Overlay-Lastrada Circle - 2037		48,500 SF	@ \$1.35
Asset ID		Asset Cost	\$65,475.00
Capital Expenditures		Percent Replacement	100%
Private Roads & Alleys		Future Cost	\$114,810.81
Placed in Service	January 2012	Assigned Reserves	\$2,628.03
Useful Life	25		
Replacement Year	2037	Annual Assessment	\$3,634.37
Remaining Life	19	Interest Contribution	<u>\$6.58</u>
		Reserve Allocation	\$3,640.95

This component provides funding for the application of an asphalt overlay on Lastrada Circle. Funding is scheduled to occur every 25 years beginning in 2037.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Asphalt Overlay-Parking Area - 2037		7,200 SF	@ \$1.50
Asset ID		Asset Cost	\$10,800.00
Capital Expenditures		Percent Replacement	100%
Private Roads & Alleys		Future Cost	\$18,937.86
Placed in Service	January 2012	Assigned Reserves	<i>none</i>
Useful Life	25		
Replacement Year	2037	Annual Assessment	\$613.82
Remaining Life	19	Interest Contribution	<u>\$0.64</u>
		Reserve Allocation	\$614.46

This component provides funding for the application of an asphalt overlay on the parking area adjacent to West Lastrada Circle. Funding is scheduled to occur every 25 years beginning in 2037.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Asphalt Overlay-Pathway-Tract B - 2037		2,000 SF	@ \$1.50
Asset ID		Asset Cost	\$3,000.00
Capital Expenditures		Percent Replacement	100%
Private Roads & Alleys		Future Cost	\$5,260.52
Placed in Service	January 2012	Assigned Reserves	<i>none</i>
Useful Life	25		
Replacement Year	2037	Annual Assessment	\$170.50
Remaining Life	19	Interest Contribution	<u>\$0.18</u>
		Reserve Allocation	\$170.68

This component provides funding for the application of an asphalt overlay on the walking path in Tract B. Funding is scheduled to occur every 25 years beginning in 2037.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Asphalt Overlay-Pathway-Tract C - 2037	2,300 SF	@ \$1.50
Asset ID	Asset Cost	\$3,450.00
Capital Expenditures	Percent Replacement	100%
Private Roads & Alleys	Future Cost	\$6,049.59
Placed in Service	January 2012	Assigned Reserves
Useful Life	25	<i>none</i>
Replacement Year	2037	Annual Assessment
Remaining Life	19	Interest Contribution
		Reserve Allocation
		\$196.08
		<u>\$0.21</u>
		\$196.29

This component provides funding for the application of an asphalt overlay on the walking path in Tract C. Funding is scheduled to occur every 25 years beginning in 2037.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Asphalt Overlay-Sorrento Lane (Tract K) - 2037

		9,100 SF	@ \$1.50
Asset ID		Asset Cost	\$13,650.00
	Capital Expenditures	Percent Replacement	100%
	Private Roads & Alleys	Future Cost	\$23,935.36
Placed in Service	January 2012	Assigned Reserves	<i>none</i>
Useful Life	25		
Replacement Year	2037	Annual Assessment	\$775.80
Remaining Life	19	Interest Contribution	<u>\$0.81</u>
		Reserve Allocation	\$776.61

This component provides funding for the application of an asphalt overlay on Sorrento Lane. Funding is scheduled to occur every 25 years beginning in 2037.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Chain Link Fencing-Tract B & C - 2042	2,950 LF	@ \$16.00
Asset ID	Asset Cost	\$47,200.00
Capital Expenditures	Percent Replacement	100%
Fencing & Site Walls	Future Cost	\$95,947.88
Placed in Service	January 2012	Assigned Reserves
Useful Life	30	<i>none</i>
Replacement Year	2042	Annual Assessment
Remaining Life	24	Interest Contribution
	Reserve Allocation	\$2,455.51
		<u>\$2.58</u>
		\$2,458.09

This component provides funding for replacement of the vinyl-coated chain link fencing that surrounds the retention pond. Funding is scheduled to occur every 30 years beginning in 2042.

**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Detail Report Summary

Total of All Assets

Assigned Reserves	\$55,864.24
Annual Contribution	\$15,601.48
Annual Interest	\$67.21
Annual Allocation	\$15,668.69

Contingency at 3.00%

Assigned Reserves	\$1,727.76
Annual Contribution	\$482.52
Annual Interest	\$2.08
Annual Allocation	\$484.60

Grand Total

Assigned Reserves	\$57,592.00
Annual Contribution	\$16,084.00
Annual Interest	\$69.29
Annual Allocation	\$16,153.29

Bella Vista Homes Homeowner's Association
Glossary

Abbreviations

Btu – British thermal unit

CFM – Cubic feet per minute

CY – Cubic yard

EA – Each

FYE – Fiscal year end or fiscal year ending

GPM – Gallons per minute

LBS – Pounds

LF – Lineal foot

MBH – Thousand Btu per hour

NCE – National Construction Estimator CostBooks® construction cost estimating database

RSM – RS Means CostWorks® construction cost estimating database

SF – Square foot

SQ – 100 square feet (commonly used unit of measure for shingle roofing)

SY – Square yard

TSF – Total square feet

YR – Year

Definition of Reserve Study Terms

Accumulated Reserves -The accumulated reserves are the funds available to pay for reserve expenditures as of the first day of the current budget cycle. The accumulated reserve balance may or may not include the reserve contribution for the current year depending on whether the reserve contribution is made at the beginning of the budget year or throughout the course of the year. The terms beginning balance and starting balance are also used in some reserve studies.

Capital Expense – For the purposes of this reserve funding analysis The AICPA definition of capital expense shall apply, as follows: Funds expended for improvements, or major repairs or replacements or improvements of property components that extend their useful lives or service periods.

Cash Flow Funding – Cash flow funding is a reserve funding model which is designed to generate sufficient cash flow to pay for the reserve expenditures set forth in the reserve study. All cash flow funding models generate reserve income based on chronological need for the funds rather than amortizing the expense over the service life of the component and allocating the accumulated reserves based on the remaining life expectancy of each component.

Cash Flow Funding makes use of two primary funding models; Current Assessment Funding and Threshold

Bella Vista Homes Homeowner's Association Glossary

Funding, both of which are described below. Reserves accumulated under all Cash Flow Funding Models are said to be “pooled.” Pooling of reserves refers to the fact that all funds are maintained in one fund and are allocated based on the annual expenditures required to meet the reserve spending obligations of the Association.

Common Elements - Common Elements are the assets and improvements that are commonly owned by the members of the Association and which are maintained, repaired and replaced at the Association’s expense. Common elements may be *limited common elements* meaning they are used by some but not all association members or they may be a *general common element*, which means they are intended for the use and benefit of all association members.

Component – In the context of reserve planning a component is an expense identified in the reserve study that will be paid for with funds from the reserve account.

Component Funding – Component Funding is a funding method which allocates reserves to each component based on the projected replacement cost and remaining life expectancy as of the beginning date of the current fiscal reporting period. The projected replacement cost is then amortized over the remaining life expectancy of the component and the accumulated reserves are allocated by dividing the future replacement cost by the number of years remaining until replacement is scheduled to occur.

Component Funding utilizes a different math model from that which is used to calculate Cash Flow Funding Projections and is therefore considered an alternative reserve funding methodology to Cash Flow Funding. Component Funding is typically utilized when the goal is to generate annual reserve contributions which offset the loss in value associated with the depreciation of the components which are the subject of the funding analysis.

Component Inventory – A list of all components included in the replacement reserve funding schedule.

Current Assessment Funding Model - Current Assessment Funding is a cash flow funding method which begins with a first year reserve contribution equal to the current annual reserve contribution which has been scheduled by the Association or an amount specified by the Board of Directors or the Reserve Specialist®.

Current Assessment Funding is often used when an Association has already approved the annual reserve contribution for the upcoming budget year; or when it is necessary to specify the reserve fund contribution rather than allowing the reserve study software to calculate the contribution.

Effective Age – The effective age is the difference between *useful life expectancy* and the *remaining useful life* of a component. The effective age is not always equivalent to the chronological age of the component due to the tendency for similar components to age at differing rates because of unique characteristics of the individual components.

Expected Useful Life (EUL) - The generally accepted life expectancy of a component from the time it is placed into service as a new component until the time when major renovation, renewal or replacement of the component is required in order to maintain the quality, performance and usefulness of the component.

Financial Analysis – The section of the reserve study which analyzes the current and future financial implications of the reserve funding obligations set forth in the study. The current analysis provides information regarding the current reserve fund status as of the first day of the current reporting period. The future analysis addresses the financial obligations established by the reserve study based on the future component expenditures and replacement schedules set forth in the study.

Bella Vista Homes Homeowner's Association
Glossary

Fiscal Year – An accounting term used to describe a one year reporting cycle other than a January 1-December 31 cycle (calendar year); although the term “fiscal year” is often used to describe any one year financial reporting cycle, including a calendar year reporting cycle. The fiscal year is identified by the year when the reporting cycle *ends*. Hence, if the fiscal year ends on June 30th then the fiscal year ending on June 30, 2017 is referred to as the 2017 fiscal year or fiscal year 2017.

Fully Funded Balance – The term Fully Funded means that the amount of money allocated to pay for each funded reserve expense is equal to the amount derived from the following formula:

Fully Funded = PV x CA / EUL.

Where PV = present value; CA = current age; and EUL = expected useful life.

The Fully Funded balance is the cumulative amount required to achieve Full Funding for all of the components included in the replacement reserve funding schedule. The present value is always the future replacement cost adjusted for inflation as of the beginning date of the current reserve study. This concept is explained in more detail under the definition of Percent Funded.

It is important to note that full funding does not mean that 100% of the projected replacement cost is available to pay for the expense in question at any particular point in time. Rather it means the current level of funding is equal to the value of the component or components that has been lost to depreciation. If a component is projected to cost \$20,000 to replace and it has a 20 year life expectancy then it will depreciate at the rate of \$1,000 per year. At year 10, the component will have lost \$10,000 of its economic value and hence the allocated reserves at the end of the 10th year would need to be \$10,000 in order for the component to be Fully Funded.

Funding Projection – A schedule which projects the annual reserve funding contributions required to meet the reserve funding requirements set forth in the reserve study. When the reserve funding projection begins with the first day of the current reporting period the reserve study is said to be *current*. The reserve funding projections contained in most studies encompass a period of thirty years but can encompass any number of years.

Financial Analysis – The section of the reserve funding study which analyzes the current and future financial implications of the reserve funding obligations presented in the study. The current analysis provides information regarding the current reserve fund status as of the first day of the current reporting period. The future analysis discusses the financial obligations implied by the reserve funding study based on the future component expenditures and replacement schedules set forth in the study.

Funding Velocity – Funding Velocity is a dynamic value utilized when Component Funding is used to generate the annual reserve funding projection. The Funding Velocity influences the percent funded level and determines how quickly the reserve fund will reach Fully Funded status; with 100% used as a baseline. If a Funding Velocity greater than 100% is required to achieve a Fully Funded reserve fund balance, the current funding levels would be considered low. If a Funding Velocity less than 100% is sufficient to accomplish full funding of the reserve account then the current funding levels are considered strong. The degree to which the Funding Velocity deviates from 100% is considered a relative measurement of the strength of an Association’s reserve funding plan.

Percent Funded Level - The percent funded level measures the relationship between the accumulated reserves and amount of money required to achieve a Fully Funded reserve account at a given point in time. A Fully Funded reserve account occurs when the accumulated reserves are equal to the value of the value of the

Bella Vista Homes Homeowner's Association Glossary

components that has been lost to depreciation.

When the reserve account is Fully Funded the percent funded level is 100%. Therefore, if 100% represents a Fully Funded level of reserves, then a reserve fund which is 60% funded would contain actual cash reserves equal to 60% of the amount necessary to be 100% funded.

To calculate the percent funded level for a reserve fund containing more than one component expenditure this calculation is performed for each component and the sum total is the amount required to achieve Full Funding. Hence, the percent funded level for a typical reserve fund represents an average of the percent funded level for all of the components that are included in the reserve funding analysis.

Physical Analysis – The physical analysis includes four elements: development of the component inventory; conducting the condition assessment; determining the remaining useful life of the components and preparing a replacement cost analysis. The information obtained while conducting the physical analysis is the primary data that determines the reserve funding schedule established in the reserve funding study.

Property Condition Assessment – A property condition assessment (PCA) is a walk-through survey conducted for the purpose of establishing the current physical condition and remaining life expectancy of the assets and improvements which are the subject of the inspection. The written report that results from a PCA is known as a Property Condition Report or PCR.

A Baseline Property Condition Assessment that meets the ASTM E2018-08 standard will also identify physical deficiencies in the subject property and includes an examination of construction documents and interviews with property managers, maintenance personnel and other individuals who possess specific knowledge about the subject property for the purpose of gaining additional insight into the physical condition and maintenance requirements for the property. The document is referred to as a Baseline Property Condition Assessment report.

Remaining Useful Life (RUL) - The remaining life is the number of years that remain until a component reaches the end of its service life or until major renovation or renewal of the component is expected to be required. The remaining useful life analysis is used to develop the schedule of reserve fund expenditures that appears in the reserve study.

Replacement Reserves - Replacement reserves are funds collected from Association members that will be used to pay for repair and replacement of common area components according to the repair and replacement schedules contained in the reserve study. These funds should be held in a separate account and not co-mingled with operating funds.

Statutory Funding – Funding of the reserve account at a level required by local or state statutes. As of 2017 the only state with a statutory funding requirement for homeowners associations is Hawaii.

Threshold Funding Method – Threshold funding is a cash flow funding model that allows the Reserve Specialist to specify a minimum balance for the Association's reserve account and creates a funding projection which results in the fund balance never dropping below the predetermined minimum balance. The minimum fund balance established for the fund is known as the funding *threshold*.

Transition Inspection – The inspection of Association property at or near the time period when control of the Board of Directors passes from the Declarant to a board comprised of unit owners other than the original declarant. The transition inspection is an extremely important process which should be undertaken by a qualified architect or engineer to ensure the interests of the community are protected.

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The statute of limitations concerning construction defects varies from one jurisdiction to another. The Association's right to legal recourse for defective products and installations may be compromised if they fail to document the current condition of their property during this transitional period. In addition, warranties in effect could be impacted by the failure to perform timely inspections of components under warranty.

Bella Vista Homes Homeowner's Association Reserve Study Updates

1. Annual Updates: Oregon law requires all homeowners associations and condominiums created after October 1999 to conduct a reserve study and to update their existing reserve study each year. Failure to update the reserve study will result in an underfunded reserve account if an association relies on information contained in an outdated reserve study as the basis for its reserve funding plan.

The annual update does not necessarily require a physical inspection. The need for a physical inspection of the property will depend on the age, complexity and current condition of the common area components which are the subject of the reserve study. The annual update must include a review of the funding parameters, component replacement costs and verification of the current reserve fund balance as of the beginning date of the updated reserve funding projection.

2. Level 2 Reserve Study Update: A Level 2 reserve study update is an update of an existing reserve study which does include a physical assessment of the common area components. Most industry experts, and the majority of states which do require reserve studies for common interest developments, recommend that a Level 2 update be performed every three (3) years.

3. CRC Update Requirements: CRC requires that all of its clients update their reserve study each year and that Level 2 updates be performed at least once every five (5) years, or as may be required by state law. If an association who has engaged CRC to prepare a reserve study chooses not to update the reserve study in any year after the study is initially published, CRC will not update the reserve study in future years but will instead require that a new reserve study be performed. In states with statutory requirements for reserve study updates CRC requires that all of its clients update their reserve study in accordance with the requirements of the statute in order to be eligible for updates in future years.

Bella Vista Homes Homeowner's Association Reserve Funding Parameters & Assumptions

1. Parameters: This reserve study was prepared using information provided by the Association and its representatives. Any such information is assumed to be true for the purposes of this reserve study. Representations of fact are assumed to be true and made in good faith by all parties associated with the development of this study.

Opinions and conclusions stated herein are based solely on the representations made in the information described in the previous paragraph. Capital Reserve Consultants, LLC (CRC) reserves the right to conduct a field evaluation of the property subsequent to completion of construction to verify as-built conditions. Changes made to this reserve study as a result of such an inspection are at the sole discretion of CRC.

Inflation: Replacement reserve funds will be accumulated by the Association based on the estimated current replacement cost of General and Limited Common Elements; which are the responsibility of the Association to repair and replace. Replacement costs for expenses which are scheduled to occur in all future years are adjusted for inflation based on the average annual inflation rate over the last fifty years, based on information published by inflationdata.com.

The inflation rate established in this reserve study is **3.0%**.

The replacement cost figures presented in this reserve study are intended to be used for long range capital planning and budgeting purposes. The amounts should not be assumed to be correct with respect to actual replacement costs which may be incurred at the time replacement is required. Actual repair and replacement costs may vary from the amounts scheduled in this reserve study due to factors which cannot be predicted in advance.

This reserve study should be updated annually to allow for revisions to the replacement cost estimates, should they be warranted. If additional replacement funds are required, beyond the amounts suggested in this study, the association reserves the right, subject to member approval, to increase regular assessments or levy special assessments, or it may delay repairs or replacement of components until funds are available.

Interest Earnings: Investment income and income tax levels may affect reserve funding levels. The funding parameters established for this reserve study assume all reserve funds will be held in FDIC insured interest-bearing accounts.

Interest earnings of **.15%** are assumed in this reserve study.

Income Taxes: This funding analysis assumes the Association will file IRS Form 1120-H which will result in an income tax rate on interest earnings of **30%**.

Reserve Fund Contingency: A reserve fund contingency of **3%** has been established for this reserve study. The contingency funding is available as of the first day of the budget year and may be used to pay for reserve expenditures which exceed the amount budgeted in the reserve study, or to pay for expenses which are not scheduled to occur until future years. The contingency funds should not be used to pay for expenses other than those identified in the reserve study as reserve fund expenditures.

Assuming a beginning reserve fund balance of **\$57,592.00** and reserve fund contingency of **3%**, the available contingency funds available as of **January 1, 2018** will be: **\$1,728.00**.

2. Methodology: The authors of this reserve study have attempted to maintain an equitable approach to developing the replacement reserve funding schedule for the Association by establishing reasonable expectations for the expected useful life and replacement schedule of common area components.

Bella Vista Homes Homeowner's Association Reserve Funding Parameters & Assumptions

The goal of a fair and equitable funding plan is deemed to be in the interest of current unit owners by not over funding the reserve account while at the same time ensuring, in later years, the owners will have adequate replacement reserves to meet the repair and replacement needs of the association. The result of such an approach will, by necessity, require certain assumptions to be made regarding the lifespan and replacement requirements of certain components.

Replacement funds for certain components may be accumulated based on the theory that partial replacement will be satisfactory to restore the component to an acceptable condition. Partial replacement funding is expressed as a percentage of the total replacement cost. Components which are scheduled for 100% replacement assume complete replacement of the component will be required.

In some instances, replacement funding may be scheduled to occur over a successive period of years, if it is reasonable to assume the work in question may actually be performed over a period of years. Hence, if it is reasonable to assume exterior painting may be scheduled over a four year period, the painting expenditures may be scheduled to occur 25% per year over the four year timeframe.

The Association may wish to review this approach at some point and should it be determined partial replacement reserve funding is not satisfactory, this reserve study should be updated to reflect the additional funding required for complete replacement of all components in the scheduled year of replacement.

This reserve study assumes any product or service warranties for common area components will be maintained through the efforts of the association and all specialty trade work will be performed by qualified, duly licensed personnel.

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	Chain Link Fencing-Tract B & C	2042	A-29
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	Landscape Lighting	2018	A-1
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Total Assets	29	