

## RESERVE STUDIES AND RESERVE ACCOUNTS FOR DUMMIES - VOLUME TWO

*“Take care of the pennies and the pounds will take care of themselves”  
William Lowndes, the British Secretary of the Treasury, 1696–1724.*

### **Abstract**

- All the Capital Reserve Consultants’ (“**CRC**”) Reserve Studies (**RS**’s) since 2015 were verbose and unreadable.
- The foundation of a reserve study is a detailed and accurate inventory of all the items in the Common Area.
- The statutory requirements for a reserve study do not require the gratuitous complexity of all of CRC’s RS’s.
- Because CRC’s RS’s are persistently replete with gross errors, they cannot be used to accurately assess reserve funding, nor can they be used to justify an increase, or a decrease, to the monthly HOA dues.
- Compiling an accurate and comprehensive inventory should be a collective effort, not an individual task.
- Only after an agreed-upon inventory has been compiled can the funding of the reserve account be estimated.
- BVH homeowners now have internet access to a spreadsheet they can use to construct an agreed-on inventory.

### **Background**

On 7/7/2021, [contact@bvhaccess.com](mailto:contact@bvhaccess.com) (The “**Contact**”) emailed the “Dummies Guide to the 2021 Reserve Study” to Bella Vista Heights (“**BVH**”) homeowners.

The Dummies Guide is at [www.bvhaccess.com](http://www.bvhaccess.com), or here:

[https://4e86f9a9-4202-474f-9f8e-fee200db978.filesusr.com/ugd/4ea95c\\_fc8af24ccef5445dae38fdc8e116c18d.pdf](https://4e86f9a9-4202-474f-9f8e-fee200db978.filesusr.com/ugd/4ea95c_fc8af24ccef5445dae38fdc8e116c18d.pdf)

If there was no Common Area to maintain, there wouldn’t be a need for a Reserve Account, and there would hardly be a need for a Homeowners’ Association (the “**HOA**”), and even much less of a need for all the attendant costs of management, maintenance, and a Board of Directors.

The HOA is the property owner of the Common Area. The Jackson County online property records show this at <https://jcgis.maps.arcgis.com/apps/MapSeries/index.html?appid=fa99a30541d94b86aef4a39bc68d0580> . Click on the “Property” tab, and “drill down” to a Common Area property lot on the map.

The full name of the Association, as shown in the CC&Rs and also shown on the county property records, is the: “**BELLA VISTA HOMES HOMEOWNER’S ASSOCIATION**”; it is an Oregon corporation. See here:

[http://egov.sos.state.or.us/br/pkg\\_web\\_name\\_srch\\_inq.show\\_det?p\\_be\\_rsn=1178742&p\\_srce=BR\\_INQ&p\\_print=FALSE](http://egov.sos.state.or.us/br/pkg_web_name_srch_inq.show_det?p_be_rsn=1178742&p_srce=BR_INQ&p_print=FALSE)

The Common Area, and several other entities including the annual Reserve Study, are costly, and the HOA should not spend more on them than is absolutely necessary.

If you disagree with this, feel free to email The Contact at [contact@bvhaccess.com](mailto:contact@bvhaccess.com). Your dissent is welcomed, and every homeowner can always publish their opinions using their own email, or website or host a **free Zoom** meeting.

Today’s internet facilities are easy to use; even so, some people persistently refuse to use them, and instead prefer unstructured in-person meetings, even during a pandemic, although in-person meetings are now a relic of the past.

To continue: Roughly speaking, to comply with the statutory annual Reserve Study requirements that are mandated by Oregon law, the HOA has, at least, the following three choices:

1. Continue like the last five years, and pay CRC \$1350 a year for fifty pages of mainly irrelevant verbiage.
2. Produce an RS that meets the minimum needs of Oregon Statutes *and no more*. Even one page might suffice.
3. Do the job properly, starting with a proper inventory of all the Common Area items that the HOA must maintain.

### **Inventory**

Page one of the first Dummies Guide asserted that there has **never** been an accurate and detailed inventory of the Common Area items.

Anyone with information to the contrary, and possessing a complete, detailed, itemized inventory, please publish it.

Without a detailed inventory, all the number-crunching, all the CRC's "Reserve Specialist" numbers, tables, reports, totals, percentages, formulas, pseudo-arithmetical conjuring, etc., etc., are of little value, even worthless.

At present, other than the delineation of the Common Area on the CC&R's Plat, the only information about all of the Common Area entities that the HOA must maintain comes from two main sources: (1) all of the CRC's RS's ("RS2015" to "RS2021"), and (2) the knowledge and observations of BVH residents.

The Common Area entities' categories and names used in CRC's RS's will be used here, but additional information and questions are added in an attempt to identify only those Common Area entities that the HOA must maintain.

The Common Area is a valuable source of revenue for the Management Companies (CLCM and QPM @ \$13500/year), the Reserve Study Company (Capital Reserve Consultants @ \$1350 a year for 50 pages of mostly irrelevant verbiage), the Tax Accountant (@ \$2775 a year for filling out an 1120-H and an OR-20 form and simply changing a few numbers on the previous year's financials), the Landscaper (@ \$40,000 a year), the insurance company(@ \$2000 a year), Alliance Bank, and several other vendors and contractors named in the HOA's financial documents.

To all these agencies, the Common Area is a revenue generating asset, but to the HOA it is an expensive liability.

As the Common Area items are liabilities to the BVH homeowners, the fewer of these liabilities the better. This raises some questions:

1. Are all the 31 Common Area items named throughout RS2021 valid?
2. Are there items in RS2021 that should NOT be in RS2021?
3. Are there valid items MISSING from RS2021?
4. Where exactly are RS2021's items located within the Common Area, i.e. which street, and where on the street, and the items' exact positions in a tract or easement?
5. Are the items' dimensions, attributes, replacement costs, and the costs of labor to replace them, correct?
6. Does the HOA keep historical records of the costs of labor and materials involved in replacing an item, and then use this for future estimates?

### **Estimates - This is Not Rocket Science**

The Common Area and the items within it, have been maintained, off and on, by the several Declarants and HOA Boards of Directors since 2006. From 2012 up to now, the current Declarant is ultimately responsible for them.

Do documentary records exist that detail the historical Common Area expenditures over all these years?

For example: How much did the 2017 asphalt sealcoating *actually cost* in terms of materials and labor? Are these the costs that will be used to estimate the 2022 costs? Were the details of the contractor and their material and labor costs kept on record? Did the contractor do a good quality job and complete it on time? Etc., etc...

Where exactly do all the "unit costs" referred to in the RS's come from? Vendor's quotes? Manufacturer's catalogs?

It would be remiss of them if management did not keep maintenance records for use in making future estimates.

### **Taxes and Interest**

Before looking into the Common Area Items, a few words on interest rates and taxes are in order.

**Taxes.** From the HOA's "Financials", that you can find at <https://www.bvhaccess.com/financials>, and all of CRC's RS's since 2015 at: <https://www.bvhaccess.com/reserve-studies>, certain facts are self-evident:

1. The RS's from 2015 to 2019 used an "effective" tax rate of 30% . What does "effective" mean? Is it a combined estimate of federal and state taxes? ***Then, in 2020, the tax rate suddenly became 15%!*** Does anybody know why? Did the tax laws change? Remember that the HOA (i.e. BELLA VISTA HOMES HOMEOWNER'S ASSOCIATION) is a "Domestic Non Profit" Oregon corporation that is classed as "Mutual Benefit with Members" (see the web link on page 1).

2. As a corporation, the HOA must declare its Federal taxes on a form 1120 or form 1120-H, and its Oregon taxes on a form OR-20. See section 528 of the IRS codes: <https://hoatax.com/hoa-tax-return> for details and: <https://www.law.cornell.edu/uscode/text/26/528>.
3. The HOA's financials claim that the HOA has paid **exactly \$50 in taxes every year since 2015**. It would be interesting to see what the HOA's historical tax returns (the forms 1120-H and OR-20) actually say. We must assume that the Transitional Advisory Committee has *meticulously examined them*, as they are entitled to do under ORS 94.616.(3).(j). But **\$50 a year in taxes for five consecutive years** is quite a coincidence, isn't it?
4. From the financials, all of the HOA's taxable income is interest from the reserve and savings accounts. The total annual interest has never exceeded \$200, and \$100 of it is deductible (IRS section 528).
5. As long as 90% of the HOA's general operating expenses are for maintaining the Common Area, plus HOA management fees, accounting and tax fees, insurance costs, banking charges, ... then all these expenses are deductible on line 10 of 1120-H. So, unless the HOA is earning exceptionally large amounts of interest on its reserve fund, it should pay no taxes! But what do the HOA's 2020 1120-H and OR-20 forms *actually say*?
6. Zero taxes, or minimal taxes, could be achieved by bringing maintenance forwards, or alternatively deferring it, to a year with a lot of taxable interest income, and use deductible maintenance costs to reduce or eliminate taxes.

### **Interest**

1. The HOA is only taxed on the interest that it gets from its deposits in the Alliance Bank money market account(s) that currently earn the HOA only about 0.28% per annum pretax interest. (Very nice for Alliance!)
2. The interest from this account has never been much, as the Reserve Fund balance in the HOA financial documents from 2015 to 2020 rarely exceeded \$50,000. The least amount of interest was \$19 in 2020, and the most was \$52 in 2019. *(Can anyone make sense of some numbers in RS2021 and the 2020 Balance sheet? RS2021 starts with a reserve of \$82,758, but the "HOA Reserve Account Pooled" in the Balance Sheet is \$56,689? Also, if the "Projected Ending Reserves" column on page 3-3 is accurate, then sometimes a balance will exceed \$250,000, and this money is for expenditures that are often 5+ years ahead. It is imprudent to deposit this amount of money, that will only be needed after five years, in a money market account. I asked CRC about the calculations in page 3-3 of RS2021, but **CRC refused to answer** even though their address, email, and phone number are on RS2021's first page, inviting feedback and questions!)*
3. The HOA gets a deductible of \$100 on its Federal taxes. It would be interesting to look at copies of all of the HOA's tax returns - the 1120-H and OR-20 forms - since 2015 to see if these \$50 taxes are correct.

### **So What?**

All of CRC's RS's since 2015 discussed taxes, interest, inflation, etc., and other abstract concepts, *at great length*.

An examination of the HOA's published financial documents from 2015 (for which the HOA pays \$2775 a year), and from the taxation laws that apply to an HOA, shows that, from these documents, as far as a reserve study is concerned, *the HOA's taxes and interest are not significant*.

The CRC's RS's were produced in isolation in an abstract and theoretical environment that ignores the plain reality of the HOA's financial circumstances, the Oregon Statutes, and the actual details of the Common Area.

*Because the HOA's records are **not** reasonably accessible to them, if BVH owners want to establish a foundation for a reserve study, then, considering that owners have **no way** to question the contents of the HOA's financials, nor access the HOA's tax records, the only worthwhile task left for owners to do is to try to produce a detailed and accurate inventory of the Common Area themselves, and gauge the extent of future maintenance by using whatever limited resources that the BVH owners have at hand.*

The **real variables** of a reserve study are the Common Area items themselves, together with each of these items' attributes, like their purchase and replacement costs, life expectancy, etc., and **not the nominal variables** like taxes, interest, inflation, depreciation, formulas, etc., about which CRC's RS's devote endless pages of verbiage.

How could such an accurate and detailed inventory be compiled? What characteristics must it possess?

An inventory should be accessible to owners, and it must be presented so that they can readily understand it, and then submit their feedback, correct errors, ask questions, and, more importantly, get answers to them.

The RS's that the HOA has paid CRC \$1350 a year for since 2015, despite being "Quality Checked" by L. Law Broili, all contained gross errors because CRC worked in isolation, even ignoring the BVH Plat map, to produce an abstract, formulaic, document that is more intended to bamboozle the readers than to enlighten them.

## A Starting Point

The Common Area items are named several times, and presented in different formats, throughout CRC's RS's. The following 31 item list comes from the items named on page 4-7 of the RS2021:

<u>Category</u>	<u>Name</u>	<u>Comments</u>
<b>Concrete Pavement</b>	1. Common Area Sidewalks Safety Repair	There is <b>NO concrete pavement</b> around the park's retention pond.
<b>Fencing and Side Walls</b>	2. Chain Link Fencing Tract B & C	There is <b>NO chain link fence</b> around Tract C.
<b>Landscaping and Irrigation</b>	3. Common Area Irrigation Controllers	There are <b>17</b> irrigation controllers in this "combo" item.
	4. Irrigation System Upgrade Park Area	These valves, boxes and sprinkler heads are not counted
	5. Landscape Renovation Park Area	Canova Park (see plat in the CC&R's)
	6. Irrigation System Upgrade Entrances	The 32 valves & boxes along McAndrews and the sprinkler heads are not counted in any RS.
	7. Landscape Renovation East Entrance	Corner Veneto & McAndrews?
	8. Landscape Renovation North Entrance	Corner Sorrento & McAndrews?
	9. Landscape Renovation West Entrance	Corner Camina & McAndrews?????
	10. Landscape Lighting	Where is this located?
<b>Mailboxes and Signage</b>	11. Cluster Mailboxes	A combo item of <b>8</b> mailboxes. A mailbox lasts 30+ years unless it gets damaged.
	12. Sign Replacement Allowance	This does not include the <b>30 "Fire Lane No Parking" signs</b> . A sign lasts 30+ years unless it gets damaged
<b>Private Roads and Alleys</b>	13. Asphalt Sealcoat Camina Drive Tract G	
	14. Asphalt Sealcoat Carino Lane Tract F	
	15. Asphalt Sealcoat Lastrada Circle	
	16. Asphalt Sealcoat Parking Area	
	17. Asphalt Sealcoat Pathway Tract B	
	18. Asphalt Sealcoat Pathway Tract C	This pathway is in the wrong place. <b>It should NOT be included.</b>
	19. Asphalt Sealcoat Sorrento Lane Tract K	
	20. Asphalt Overlay Camina Drive Tract G	
	21. Asphalt Overlay Carino Lane Tract F	
	22. Asphalt Overlay Lastrada Circle	
	23. Asphalt Overlay Parking Area	
	24. Asphalt Overlay Pathway Tract B	
	25. Asphalt Overlay Pathway Tract C	This pathway is in the wrong place. <b>It should NOT be included.</b>
	26. Asphalt Overlay Sorrento Lane Tract K	
<b>Water Features</b>	27. Water Feature Lighting	This is a combo item with <b>7</b> sub-items.
	28. Water Feature Pumps 1	If the BVH homeowners vote to ...
	29. Water Feature Pumps 2	... permanently remove all these "Water Features"...
	30. Water Feature Pump Motor 1	... they will no longer incur their maintenance ...
	31. Water Feature Pump Motor 2	... expenses and so save the HOA a lot of money.

## What is included in the RS2021 inventory that should NOT be included

1. Common Area Sidewalks Safety Repair. RS2021 says that this is a **concrete** path around the Canova Park retention pond. It does **not** exist.

2. Chain Link Fencing Tract B & C. There is **no** chain link fence in Tract C. (Tract B is Canova Park)

18. Asphalt Sealcoat Pathway Tract C. The asphalt path in Tract C is in the **wrong place** and it goes through private Lot 10!

25. Asphalt Overlay Pathway Tract C. The asphalt path in Tract C is in the **wrong place** and it goes through private Lot 10!

## What is MISSING from the RS2021 inventory

1. A **2000' long chain link fence** is on the southern boundary of Bella Vista Heights, adjacent to, and contiguous with, the northern border of Hillcrest orchard. It is the responsibility of the HOA to maintain the boundary portion of this fence.
2. The irrigation and drainage fixtures in the **uncompleted** Agricultural Buffer. The Ag Buffer is part of the Common Area, see CC&Rs paragraphs, 1.3.32, 6.1, 6.3, 7.1, and 10.2.1.6. **The 2004 Ag Buffer Agreement expired in 2020 after 15 years during which every Declarant resolutely failed to complete it.** Medford City ag buffer rules now apply, and they're costly!

3. The **electric street lights** on the private streets. These electric light poles are either labeled “Private Pole”, or they have no ownership label on them. They are:

La Strada (E & W). 6 poles.  
Carino Lane. Zero. (So far).  
Sorrento Lane. 1 pole.  
Camina Tract G. 1 pole.

Total private electric street lights: 8.

4. **“Fire Lane - No Parking” signs**, as follows:

Street leading to Canova park’s parking lot. 6 signs.  
Sorrento. 4 signs.  
Camina Tract G. 6 signs.  
Carino Lane. 14 signs.

Total “Fire Lane - No Parking” signs: 30.

5. **Tract D**. Tracts C and D are “open spaces” on the plat map in the CC&Rs. These open spaces are of **no value** to the HOA. The pedestrian/bike path through Tract C, was defined in the city’s now-expired PUD-05-25 document. This path was never installed correctly; instead, an asphalt path was laid down in the wrong place! Tract D is of no value to the HOA.

### **Combo Items**

RS2021 combines certain identical inventory items and treats the combination as one item. The items that are combined in this way are:

- 17 Common Area Irrigation Controllers. (Useful life: 15 years)
- 8 Cluster Mailboxes. (Useful life: 25 years)
- 7 Water Feature Lighting Fixtures. (Useful life: 6 years).

A total of 32 individual items

RS2021 does not explain why it created these “combo” items, but we can assume that it was because the individual items in a combo are identical, and also to save space in the RS’s and to simplify the RS’s calculations. However, even though individual items may be identical, the calculations in a reserve study must take into consideration the following two occurrences:

1. An item might need replacing before its useful life expires. (Vandalism, mistreatment, etc.)
2. An item might **not** need replacing after its useful life expires. (It ain’t broke so don’t fix it.)

The arithmetical calculations in a reserve study should then possess an *uncomplicated* way of dealing with these occurrences

Perhaps CRC created combo items to reduce the number of items to simplify CRC *manually processing* all of their RS’s calculations. Modern computer software can process 101 items (31 + 38 + 32 = 101) just as easily as 31 items.

### **Useful Lives & Longevity**

Some Common Area items like street lights, mailboxes and street signs have useful lives that might exceed 30 years.

If a street light pole gets knocked over by a truck backing into it, the cost of its replacement (\$2000+) must be paid for by money from the reserve account, and the new replacement pole then has a future life of at least 30+ years, unless it gets damaged again.

The electric poles on private streets have sodium lights, not LED lights that use less electricity, like the city’s electric light poles.

The expected life of a vinyl chain link fence, that is not subjected to damage, is discussed here:

<https://centralfenceco.com/the-average-lifespan-of-your-fence/> “the average lifespan for a vinyl fence is 35 to 40 years.”

In summary, very durable items with 30+ years useful lives are more likely to get damaged, rather than wear out. However their longevity cannot exclude them from the study, and they must be included in RS’s for decades to come. Remember how the first Dummies Guide described how reserves could be set aside for these long term expenditures, without incurring excessive monthly HOA taxes, by funding a *reduced proportion of an item’s future cost* that steadily increases as the replacement year approaches.

It should be possible to estimate a Common Area item's useful life from its manufacturers' information on the internet. Also an item's costs can also be estimated from either (1) previous replacement cost in parts, (2) vendors' and manufacturers' prices on the internet. The labor costs of replacing or renovating a Common Area item can be estimated from the previous vendors' labor costs, adjusted for inflation, or, at worst, a reasonable guessimate. **This Is Not Rocket Science!**

### **Now What? A Better Approach?**

Each one of CRC's RS's started with several pages of "Disclosures" (Disclaimers?), "Tutorials", followed by discussions about "cash flow", "depreciation", "hyperinflation", etc. The final result was a 50+ page grossly verbose document that the average person could not be reasonably expected to grasp without making a considerable effort, if they even got past page five!

If CRC's RS's were intended to bamboozle BVH's owners, then CRC certainly succeeded.

Every one of CRC's RS's since RS2015 has been replete with unnecessary and superfluous verbiage, typographical errors, arithmetical errors, unexplained numerical values, inconsistent nominal variables (e.g. tax rates), incorrect real variables, unnecessary repetition, obfuscation, and contradictory terminology, etc. It is obvious that CRC has never completed a satisfactory inventory of the Common Area.

Instead of accepting without question the RS figures generated by CRC, the BVH owners could, by working together, produce a more accurate inventory of the Common Area items, and also the funding costs.

### **Excel Spreadsheet**

The first iteration at listing all the Common Area items is available in a spreadsheet here: [www.bvhaccess.com/reserve-studies](http://www.bvhaccess.com/reserve-studies)

When the web page appears, click on the button at the foot of the page to download the spreadsheet ("**allcomponents.xlsx**"), then open it in Excel on a Windows computer, or in Numbers on an Apple computer, and examine it.

**Spreadsheet Headers.** The spreadsheet's columns and their header titles are used as follows:

**Serial.** The spreadsheet's rows are numbered for database purposes only. **Do not change the values in this column.**

**Is Excluded.** If a row contains an item that should **not** be included, set a value of 1 in its "Is\_Excluded" cell. Otherwise set it to 0 for inclusion.

**Category Order.** This is used to display the categories in the same order in which they often appear in the CRC's RS reports. **Do not change the values in this column.**

**Category.** This is the same category name that is used by the CRC RS's. **Do not change the values in this column**

**Name Order.** This is used to display the items in the same order in which they often appear in the CRC's RS reports. **Do not change the values in this column**

**Name.** This is the same item name that is used by the CRC RS's. **Do not change the values in this column**

**Year In Service.** The **year** when an new item was installed or an existing item is renovated to "as new" condition. It must be less than or equal to the Current Year. If an item was first placed in service in, say, 2007, and is replaced in 2012, then the Year in Service is changed to 2012.

**Useful Life.** The item manufacturer's specified expected life, or an estimate of it obtained by experience, or from the internet.

**Remaining Life.** Useful Life minus Current Age. (See next.)

**Current Age.** The Current Year minus the item's Year in Service.

**Current Cost.** The current cost to buy a new item or renovate an existing one, this cost includes the labor cost to re-install the item.

**Next Replacement Year.** The Current Year plus the item's Remaining Life.

**Points to Note:** When dealing with items' dates, the following factors prevail:

**Current Year.** CY, is 2021.

**Year in Service.** YIS. The CRC RS's refer to this as "Date In Service" but it is not an actual date, only a year.  $YIS \leq CY$ .

**Useful Life.** UL.  $UL > 0$ . UL is only adjusted when an item is replaced or renovated to an "as new" condition, and the replacement item's UL is redefined only if it differs from the older item's UL, in which case the item's Next Replacement Year and Replacement Years must be adjusted as described below.

**Current Age.** CA. Normally  $CA = CY - YIS$ . So,  $0 \leq CA \leq UL$  unless an item exceeds its UL so  $CA > UL$  and the RL becomes and remains at zero, and the CA is then incremented each year, and the Next Replacement Year (NRY), and all subsequent Replacement Years, if any, are recalculated yearly, until the item is next replaced or renovated. An item with an RL of zero and a  $CA > UL$  means the item is past it's UL. CA is introduced on page 2-2, para. 2, of RS2021 and **never** appears again. Why?

**Remaining Life.** RL.  $RL = UL - CA$ .  $0 \leq RL \leq UL$  When RL is zero leave it at zero as described above for CA.

**Next Replacement Year.** NRY = YIS + UL. When an item exceeds its UL, adjust the item's RL, CA and NRY as described above.

## **Epilogue - This Is Not Rocket Science!**

The downloadable spreadsheet at [www.bvhaccess.com/reserve-studies](http://www.bvhaccess.com/reserve-studies) gives an BVH homeowner the opportunity to modify it to ultimately produce cooperatively in an iterative manner, an accurate inventory of all the Common Area items for the HOA to maintain, and must be included in a reserve study according to ORS 94.595.(3)(a).

This spreadsheet is a start, not a final product. It is hoped that it is the first of several stepwise iterations that will be refined from information received from the homeowners to eventually produce an agreed-upon inventory.

Homeowners can review the downloaded spreadsheet and then *submit* their changes, comments, errors, corrections, additions, etc. to [contact@bvhaccess.com](mailto:contact@bvhaccess.com) so that the spreadsheet can be updated and republished.

A team effort that makes use of the internet will achieve a more accurate inventory than CRC ever achieved as CRC preferred to work in isolation and even refused to engage directly with a homeowner to answer simple questions.

Already some questions appear: why were the boxes, valves and sprinkler heads of the RS2021's "Irrigation System Upgrades" not enumerated? How many of each such items are there? Exactly where are they? Does this question even need an answer? What about the "Made in India" manhole covers on the private streets? Whose responsibility are they? Do we care? If not, why not? Etc....

Should the inventory include, for each item, additional columns for item attributes such as: Manufacturer, model number, exact location in the Common Area, materials cost of last Installation/Replacement/Renovation, asphalt specifications, the labor cost of the item's last Installation/Replacement/Renovation, owners' comments, etc?

None of the Reserve Studies and HOA Financial Documents since 2015 contain an explicit explanation how the current monthly HOA tax amount of \$79.50c was ever computed.

The \$79.50 was probably chosen principally to make the lots and homes more marketable, and it is probably not an amount that was carefully calculated with arithmetical precision.

However, we were told in April 2021 that CRC will be on-site again at the end of August to produce another Reserve Study, despite the unsatisfactory quality of every one of CRC's Reserve Studies since 2015.

QPM stated that CLCM signed another three year contract with CRC sometime in 2020. The very few HOA meeting minutes that exist say nothing about this, even though such a contract must get the approval of the majority of the board [Bylaws "Prohibited Acts" para 3.20.(d)]. Clearly this did not happen.

Did loyal collusion amongst CAI members (i.e. CRC, CLCM and QPM) dissuade them from even considering the unsatisfactory quality of their fellow CAI colleague CRC's work, and so CLCM just rubber-stamped the three-year contract in 2020 without getting it signed by the HOA's Board of Directors, even though a board didn't exist then?

Perhaps, collectively, the BVH homeowners will now make a contribution to the proper maintenance of the Common Area by reviewing the spreadsheet and contributing their views about it. Unfortunately, experience proves that it is unlikely that even a meagre few of them will do so, if any.

Unless BVH homeowners are watchful, they may find that the Regular Assessments (i.e. the Monthly Dues) could get increased to \$95.40c by the end of 2021. (CC&Rs, Article V, para 5.2), or, worse still, homeowners might soon be presented with a surprise Special Assessment (CC&Rs, Article V, para 5.3).

[contact@bvhaccess.com](mailto:contact@bvhaccess.com) welcomes questions and constructive comments from the BVH residents who are rank-and-file members of the HOA. Please remember that [contact@bvhaccess.com](mailto:contact@bvhaccess.com) is your neighbor and a volunteer trying its best to protect your interests using outreach, truth, and transparency. These qualities have been, and still are, notably absent in all the material proffered to homeowners for the last five years during which HOA members were subjected to a continuous flood of false narratives, misinformation, hedging fallacies, and implied threats of legal action, and of bearing the costs of it.

*"Trust the Contact"*