

Level 3 Reserve Study

Bella Vista Homes
Homeowner's Association

Medford, OR

Budget Year: 1/1/2021 – 12/31/2021

Reserve Specialist®: Carson M. Horton, RS®

Report Date: 5/7/2021



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Bella Vista Homes Homeowner's Association

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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.

Period of Inquiry: This reserve study encompasses a period of thirty (30) years beginning on 1/1/2021 and ending on 12/31/2050.

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 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 plan 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.

Legacy Systems: Unless otherwise noted, this reserve study does not include funding for replacement, renewal or modernization of legacy systems. The authors of this study recognize the need for funding legacy systems in certain circumstances but due to the uncertainty over the life expectancy and/or the degree of replacement that

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Disclosures**

may be required, funding for legacy system, when they exist, is not included in the reserve spending analysis. (See Glossary for an explanation of the term “legacy systems.”)

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 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. 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).

Board Acknowledgement: The Board of Directors (BOARD) of the Bella Vista Homes Homeowner's Association (ASSOCIATION) hereby acknowledges the limitations regarding this reserve study and the reserve planning efforts of the Capital Reserve Consultants, LLC (CRC), the managing agent and any vendors that may have been engaged to assist in the development of this reserve study, either in the past, at the current time or that may be enlisted at any point in the future.

The BOARD acknowledges that this reserve study may have been revised at the request of the BOARD or the ASSOCIATION’S managing agent and as such CRC cannot and does not guarantee the adequacy of the reserve funding strategy set forth in this reserve study.

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 3 reserve study update of a previous reserve study that was prepared by Capital Reserve Consultants, LLC. A Level 3 reserve study update is an update of a previous study that does not include a site visit by the reserve study provider.

The 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. Information regarding the quantity, current condition and remaining useful life of the assets and improvements which are the subject of this reserve study was obtained during a visit to the property by representatives of CRC.

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 (2021)
- Life Cycle Costing for Facilities – (Reed Construction Publishers)
- Preventive Maintenance and Building Operations Efficiency – (BOMA)
- Facility Manager’s Maintenance Handbook – (McGraw-Hill)
- RS Means Facilities Maintenance & Repair Cost Data - 16th Edition
- Condition assessment conducted by CRC

3. National Reserve Study Standards: The funding time frame covered in this reserve study is thirty (30) years. To be considered a current reserve study the study must include specific financial data which is current as of the first day of the current budget cycle. Reserve study and reserve study update requirements are set forth in National Reserve Study Standards (NRSS) established by the Community Associations Institute (CAI).

State law may or may not require a site visit by the reserve study provider, either at the time the initial reserve study is conducted or during the update process. The NRSS may be downloaded from the CAI website at the following link:

<https://www.caionline.org/LearningCenter/credentials/Pages/RS.aspx>

Bella Vista Homes Homeowner's Association Reserve Planning Tutorial

Introduction: The following summary of the basic principles of reserve planning for common interest developments.

1. Replacement Reserve Fund: The purpose of this reserve study is to identify predictable and determinant expenditures that will be required to modernize, renew or replace common area improvements within the community. Certain maintenance expenditures may also be included in the reserve spending analysis if the maintenance activity is generally acknowledged to extend the useful life of an asset; if the maintenance is required to prevent premature deterioration of the asset; or if state law requires that the expenditure be included in the replacement reserve budget.

2. Predictable & Determinant Expenses: The terms predictable and determinant are qualifiers that are used to establish whether an expense will be included in the replacement reserve budget. Expenses that cannot be reasonably and reliably predicted in advance are not appropriate for inclusion in the replacement reserve budget. This includes expenditures that may or may not ever occur, such as insurance deductibles. To qualify as a determinant expenditure the current cost must be able to be determined with a reasonable degree of certainty by a qualified expert or by mutual agreement of the parties who have a vested interest in funding of the reserves.

The term replacement reserves refer to funds that are being accumulated for the purpose of renewing or replacing commonly owned assets within the community. It is a common practice throughout the industry to use the generic term “reserves” when referring to the replacement reserve funds. It is recommended that Boards and managers make a point of using the term replacement reserves to avoid confusion since the term reserves can have more than one meaning in the context of accounting and financial planning.

State laws in Oregon and some other states require that the replacement reserves be sequestered in one or more bank accounts that are clearly identified as the replacement reserve fund. All Association funds, including the replacement reserves, should be warehoused in bank accounts that are FDIC-insured or in investments that are backed by the full faith and credit of the U.S. Government.

Many communities that were developed prior to 1990 are only now being confronted with the impact of underfunded reserves as they reach the 30-year tipping point in the lifecycle of the community. It is not uncommon for older communities to levy special assessments to pay for renewal or replacement of long-lived common-area improvements. These special assessments may be used to secure financing from a bank, with the proceeds from the bank loan being used to pay for renewal and replacement expenses while the revenue generated by the special assessment is used to service the loan.

3. Legacy Systems: Legacy systems or legacy components refers to common area improvements and building systems placed in service at the time of the initial construction of the property with an expected useful life in excess of 30 years. Due to the long-lived nature of many legacy systems, it is not uncommon to find that the reserve study may not include funding for replacement of these systems, either because the life expectancy is not predictable or because the remaining useful life of the component is greater than the 30-year projected that is captured in the typical reserve study.

Legacy systems that are typical of many homeowner associations include building components such as siding, windows and doors or mechanical, plumbing, electrical systems. Legacy systems may also include water mains, irrigation supply pipes pavement, roads, utility metering equipment and other infrastructure-related components.

When the subject property is more than 20 years old the issue of legacy systems and the Association’s reserve

Bella Vista Homes Homeowner's Association Reserve Planning Tutorial

funding responsibilities with respect to renewal and replacement of the legacy systems should be addressed at least to the extent that the reserve study recognizes the need to either fund the reserves that will provide sufficient money to pay for replacement and renewal. In the alternative, the study may include a disclosure that acknowledges the Association's plans with respect to replacement of legacy systems.

4. Baseline Property Condition Assessment: CRC recommends all communities that are more than 20 years of age engage an independent technical consultant to conduct a Baseline Property Condition Assessment, the subject of which should be the common area improvements that are at least 20 years old as of the date of the assessment.

To learn more about the ASTM E2018-01 Standard Guide for Property Condition Assessments and the condition assessment process, or to purchase a copy of the standard, please visit the ASTM International website at: <https://www.astm.org/Standards/E2018.htm>

The site visit/physical assessment performed by CRC in conjunction with this reserve study is not intended to be a substitute for a property condition assessment.

5. Reserve Funding & Legacy Systems: Many reserve studies will address the need for funding to pay for renewal and replacement of legacy systems and long-lived components in a superficial manner that is often inadequate. To determine whether an expenditure is included in the replacement reserve budget it must first pass the predictable and determinant test. If the need for funding cannot be reasonably predictable, or if the amount of the expenditure cannot be reasonably determined, then it is not appropriate for inclusion in the reserve study.

In those instances where the need for funding is clearly established the Board of Directors or the Reserve Specialist® must develop an estimate of the future cost of renewal or replacement of the component/s in question. When the Board of Directors chooses to override the recommendations of experts by including funding in the reserve budget that is not supported by solid analysis; the Board must be prepared to take responsibility for its decision and continue to monitor the situation in the interest of the integrity of the reserve funding analysis. Once a clear and convincing need for reserves has been established by a comprehensive condition assessment the reserve study may be revised to reflect the need for funding.

6. Reserve Funding for Assessment Expenses: The cost of a comprehensive property condition assessment can be significant. In particular when the subject of the analysis are long-lived systems or components that are hidden from view such as plumbing and electrical installations. If the common elements of the Association include legacy systems or major improvements that are 20 years of age or older the reserve study may include funding for a condition assessment. The cost of a condition assessment may be included in the reserve fund budget or at the discretion the Board of Discretion.

7. Distribution of Accumulated Reserves: The Distribution of Accumulated Reserves is a report which illustrates how much of the accumulated reserves, or beginning reserve fund balance, are distributed to each of the reserve fund expenditures itemized in the reserve study. The allocation of the reserves is based on chronological need; i.e. those expenditures which are scheduled to occur the soonest will be allocated a portion of the reserves before those expenses which are not scheduled to occur until well into the future.

When the percent funded level is equal to or greater than 100%, all of the expenditures identified in the reserve study will be allocated 100% of the money needed to offset the value of the assets that has been lost to depreciation. As an example, we will use a single component as an example of how the allocation of accumulated reserves works.

Bella Vista Homes Homeowner's Association Reserve Planning Tutorial

If we assume that a roof replacement expense is going to cost \$20,000 and that the roof in question will last 20 years, we calculate the allocation of reserves that is required each year to generate \$20,000 by the time the roof reaches the end of its useful life. In this example if we divide the \$20,000 roof replacement cost by 20 we can see that annual allocation would be \$1,000 to the reserve fund each year for 20 years.

As the roof ages, the amount of money that would need to be allocated to the roof replacement will increase \$1,000 each year. Hence, after 5 years the reserves allocated to the roof replacement would need to total \$5,000 in order for the roof replacement reserves to be 100%, or fully funded.

It is important to note that in this context a “fully funded” reserve account does not mean that the reserves which have been allocated to one or all of the reserve expenditures will necessarily represent 100% of the cost of replacing the item. Rather a fully funded reserve account means that the current accumulated reserves are equal to or greater than the amount that is required to offset the combined value of all components that has been lost through depreciation as of the beginning date of the reserve study.

When the reserves are less than 100% funded there will always be one or more reserve expenditures which are not allocated any of the available reserves. These components will in turn always be those expenses which are scheduled to occur at the furthest date from the beginning date of the reserve study due to the chronological nature of the way the accumulated reserves are allocated.

The algorithm that generates the Distribution of Accumulated Reserves report is a default function of all commercially distributed reserve study software and cannot be edited or modified by the software user. The only means of controlling the allocation of reserves that is available to the analyst is to alter the replacement date of a component if for some reason it is necessary for a particular expenditure to be allocated a portion of the currently available reserves.

8. Annual Reserve Study Updates: State statutes may or may not require that the reserve study be update annually. In order for the reserve study to be considered current it must include a schedule of reserve fund contributions and expenditures that begin on the first day of the current budget cycle.

9. Fiscal vs. Calendar Year: Reserve study clients, including homeowner associations, may use a *calendar* or *fiscal* year for budgeting and financial reporting. When a reserve study is prepared for a client that uses a *fiscal year* for budgeting purposes, the reserve study should clearly state the beginning and ending date of the fiscal year.

The strict definition of the term “fiscal year” is any 12-month fiscal reporting period that does *not* end on December 31st. The use of the term *fiscal year* when the 12-month reporting period does end on December 31st is technically incorrect and should be avoided to prevent confusion.

When using the 12-month period that begins on January 1st and ends on December 31st, the term *calendar year* should be used.

The fiscal year is determined by the year in which the 12-month period occurs. Hence, if the Association uses a fiscal year than ends on June 30th, the fiscal year ending on June 30, 2022 is referred to as Fiscal year 2022, of FY2022.

10. Reserve Study Planning Horizon: To be an effective planning tool the reserve study should cover a period of thirty (30) years beginning with the first day of the current budget year. The period of analysis captured in the study is often referred as the “planning horizon,” whether the period is 30 years or not. In order for a reserve study to be considered current, the spending *and* future funding projection must begin on the first day of the

Bella Vista Homes Homeowner's Association Reserve Planning Tutorial

current budget year.

To meet the industry accepted definition of a current reserve study, the study must include the following information which is current as of the first day of the current budget cycle.

- The starting balance of the reserve account for the current budget year;
- The estimated remaining useful life of each item for which reserves are or will be established, as of the date of the study or update;
- The estimated current cost of major maintenance or repairs; replacement and renewal at the end of the useful life of each item for which reserves are established by the study;
- A statement regarding the annual inflation used to calculate the future or projected major maintenance or repairs; replacement and renewal at the end of the useful life of each item for which reserves are established by the study;
- A statement which confirms the current inflation rate as of the date of the reserve study or update;
- Acknowledgement of the annual returns on any invested reserves or investments, expressed as an annual percentage.

11. Capital & Non-Capital Expenditures: Opinions and state laws in some jurisdictions differ whether the future reserve spending analysis should include non-capital expenditures in addition to the traditional capital replacement spending that is required to maintain the common elements. The Board of Directors is advised to consult with a tax professional regarding the inclusion of non-capital expenditures in the replacement reserve budget.

**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

Bella Vista Homes Homeowner's Association Funding Parameters & Assumptions

1. Parameters: This reserve study may include information that was provided by the Association and its representatives. The financial parameters used in this reserve funding analysis are subject to the discretion of the Board of Directors. In the absence of input from the Board CRC will use its discretion determine the financial parameters used in the analysis.

2. Inflation: The inflation rate in the United States changes every month when the inflation rate for the previous 12-month period is published by the Bureau of Labor Statistics. **

- The average annual inflation rate for the 30-year period ending 12/31/2019 was 2.45%.
- The average annual inflation rate for the 40-year period ending 12/31/2019 was 3.23%.
- The average annual inflation rate for the 50-year period ending 12/31/2019 was 4.00%.
- The inflation rate as of the Report Date of this reserve study was 2.62%.
- The inflation rate used in this reserve study is 3%.

The actual inflation rate may vary from the inflation rate used in this analysis. Particularly in urban areas where the demand for goods and services is higher than it may be for the country overall. Areas that are geographically isolated or where labor and materials may not be readily available may also experience above-average inflationary pressure, particularly during periods of high demand when the economy is expanding.

3. Hyperinflation: Hyperinflation of repair and replacement has become commonplace throughout the U.S. The litigious atmosphere that surrounds homeowner associations in general and in particular, the high frequency of construction defect claims by HOAs contribute to inflationary pressure. Added litigation risk combined with the current shortage of manpower throughout the construction industry is have led to price increases for many types of replacement and repair projects that are many multiples of the current inflation rate or the higher, long-term averages used in many reserve studies.

Another factor that serves to increase the cost of renewal and renovation projects for homeowner associations is the use of professional consultants for technical and project management support. Associations should carefully consider the need for administrative and technical experts when planning a project as most reserve study replacement cost estimates do not include the cost of hiring project management or technical consultants.

4. 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 .50% are assumed in this reserve study.

5. Income Taxes: This funding analysis assumes the Association will pay an effective income tax rate on interest earnings of 15%.

6. Reserve Fund Contingency: A reserve fund contingency of 3% has been established for this reserve study.

** Due to the unusually low inflation rate during 2020 COVID-19 pandemic CRC recommends that the annual inflation rate for 2020 not be incorporated into the inflation calculations for the long-term annual inflation average.

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

1. Current Financial Condition: The Association's fiscal year begins on January 1st of each year. The reserve study encompasses a 30-year period that begins on 1/1/2021.

- The 30-year period covered by the study begins on 1/1/2021 and ends on 12/31/2050.
- The reserve fund balance as of 1/1/2021 is **\$82,758.00**.
- 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 1/1/2021 will be: 57%

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:

- Reserve fund balance as 1/1/2021: **\$82,758.00**.
- 2021 reserve fund contribution: **\$17,064.00**.
- Maximum annual increase in the reserve contribution after 2021 of: 5%.
- Earnings on reserve deposits: .50%
- Annual inflation rate: 3%
- Effective income tax rate: 15%
- Reserve fund contingency: 3%
- Contingency funds available as of 1/1/2021: **\$2,410.00**

The Annual Reserve Fund Expenditure Detail indicates the next reserve expenditures scheduled to occur will be in 2021. The total amount of these expenditures is estimated to be: **\$16,876.00**.

4. Current Assessment Funding: The funding projection contained in this reserve study utilizes a cash flow

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

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 2021 reserve fund contribution of **\$17,064.00** which equals **\$150.22** per lot based on 107 lots.

5. Percent Funded Analysis: The percent funded level under the Current Assessment Funding Projection will be 55% at the end of 2021 assuming the reserve fund activity is consistent with the schedule set forth in the reserve study.

- The highest percent funded level after 2021 is 83% in 2050.
- The lowest percent funded level after 2021 is 21% in 2037.

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 **\$82,758**; a 2021 contribution of **\$17,064.00** and a maximum annual increase in the reserve contribution of 5% in any year after 2021.

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 12/31/2050 are as follows:

- Total Reserve Spending **\$852,707.00**
- Average Annual Reserve Expenditures: **\$28,424.00**
- Total Reserve Fund Contributions: **\$1,071,614.00**
- Interest Earnings on Reserve Fund Deposits: **\$21,808.00**
- 12/31/2050 Reserve Fund Balance: **\$323,471.00**

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 **\$38,967.00** in 2025.

8. Funding Summary: If the reserve funding and spending activity does not deviate from the schedule set forth in this reserve study, the funding schedule established in this reserve study will meet the reserve spending obligations of the Association assuming the funding parameters outlined above do not change. Estimates of future reserve fund expenditures are an estimate of future costs that is derived by applying the stated assumed inflation rate to the current estimated replacement cost for the component or asset in question. Deviations in the inflation rate over the next 30 years or in the actual replacement cost cannot be predicted in advance and may have a material impact on the reserve funding requirements of the Association.

The analysis assumes that reserve funds will only be spent to pay for expenditures that are identified in the reserve study as reserve fund expenditures. If funds are borrowed from the reserve fund, they must be repaid with interest that is equal to or greater than the interest rate assumed in the reserve study. If funds are used to pay for expenditures that are not identified as reserve fund expenditures, the Association may not have sufficient reserves to pay for expenditures when they are scheduled to occur.

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

1. Reserve Funding Models: The 30-year reserve funding schedule presented in this reserve study utilizes a Cash Flow Funding Model known as Current Assessment Funding. The Current Assessment Funding projection begins with a 2021 reserve fund contribution of **\$17,064.00**.

2. Cash Flow Funding Method: 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 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.

3. Current Reserve Funding Status: The Association's replacement reserve fund will be 57% funded as of 1/1/2021 assuming the reserve fund balance is **\$82,758.00**. The beginning reserve fund balance required to achieve a fully funded reserve account as of 1/1/2021 is **\$140,842.00**. The funding deficit of **\$58,084.00** represents an average of **\$542.84** that each owner would need to contribute to the reserve fund in order for the percent funded level to be 100% (fully funded) on the first day of the 2021 budget year.

The reserve fund status report is provided for the benefit of the Association. Oregon statute does not require a specific level of reserve funding

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

Report Parameters

Report Date	May 7, 2021	Inflation	3.00%
Account Number	OR-1408-0002	Interest Rate on Reserve Deposit	0.60%
Version	LEVEL 3	Tax Rate on Interest	15.00%
Budget Year Beginning	January 1, 2021	Contingency	3.00%
Budget Year Ending	December 31, 2021		
Total Units	107	2021 Beginning Balance	\$82,758
Phase Development	1 of 1		

This funding projection utilizes a cash flow funding method known as Current Assessment Funding to generate the funding schedule on the following page. Current Assessment Funding is a cash flow funding method which allows the Reserve Specialist® or the Board of Directors to specify the amount of the annual reserve fund contribution in one or more of the years covered by the reserve study.

Reserves accumulated under a cash flow funding strategy are pooled. Pooling of reserves refers to the fact that all funds are maintained in one fund and are allocated based on the annual cash flow required to meet the reserve funding obligations of the Association rather than being allocated according to the rate at which the assets for which the reserves have been established, are depreciating.

Cash flowing funding models may or may not result in the accumulation of reserves at a rate which is sufficient to offset the loss in value due to depreciation of the assets that will be replaced with the reserve funds. In order for the accumulated reserves to fully offset the loss in value that results from depreciation the percent funded level at the end of the fiscal year must be 100% or more.

Current Assessment Funding Model Summary of Calculations

Required Annual Contribution	\$17,064.00
<i>\$159.48 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$423.03</u>
Total Annual Allocation to Reserves	\$17,487.03
<i>\$163.43 per unit annually</i>	

Bella Vista Homes Homeowner's Association
Current Assessment Funding Projection

Report Date May 07, 2021
 Beginning Fiscal Year January 01, 2021
 Account Number OR-1408-0002

Version Number LEVEL 3

Beginning Balance: \$82,758

Beginning Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2021	297,263	17,064	423	16,876	83,369	150,996	55%
2022	306,181	17,576	392	23,999	77,339	150,131	52%
2023	315,367	18,103	487		95,929	175,303	55%
2024	324,828	19,008	528	11,474	103,991	189,609	55%
2025	334,572	19,959	615	3,416	121,149	213,530	57%
2026	344,610	20,957	526	39,010	103,621	201,063	52%
2027	354,948	22,005	480	31,434	94,672	196,934	48%
2028	365,596	23,105	566	6,764	111,579	219,549	51%
2029	376,564	24,260	693		136,531	250,735	54%
2030	387,861	25,473	819	1,321	161,503	282,209	57%
2031	399,497	26,747	906	10,617	178,539	305,525	58%
2032	411,482	28,084	761	57,494	149,889	280,624	53%
2033	423,826	29,488	869	8,948	171,299	307,287	56%
2034	436,541	30,963	1,032		203,293	345,074	59%
2035	449,637	32,511	1,203		237,006	384,853	62%
2036	463,126	34,136	1,273	21,578	250,837	403,815	62%
2037	477,020	35,843	198	247,911	38,967	184,138	21%
2038	491,331	37,635	344	9,091	67,856	212,173	32%
2039	506,071	39,517	495	10,318	97,550	240,711	41%
2040	521,253	41,493	680	5,699	134,024	275,999	49%
2041	536,890	43,568	833	14,268	164,156	304,278	54%
2042	552,997	45,746	234	164,078	46,058	175,526	26%
2043	569,587	47,576	478		94,111	218,067	43%
2044	586,675	49,479	627	20,723	123,494	241,019	51%
2045	604,275	51,458	850	8,209	167,593	279,086	60%
2046	622,403	53,516	771	70,005	151,874	253,923	60%
2047	641,075	55,657	766	57,257	151,040	242,750	62%
2048	660,308	57,883	1,003	12,217	197,709	280,284	71%
2049	680,117	60,198	1,315		259,223	333,202	78%
2050	700,520	62,606	1,641		323,471	389,043	83%

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 May 07, 2021
 Beginning Fiscal Year January 01, 2021
 Account Number OR-1408-0002

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	9	1,321	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	64,900	30	0	21	120,733	2950 @	22.00
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									
Common Area Irrigation Controllers		2021	5,950	15	0	0	5,950	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	3	3,278	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	3	8,195	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	5	8,695	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	5	5,796	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.									
Landscape Renovation-North Entrance		2026	5,000	20	0	5	5,796	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									

**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...									
<i>Landscape Renovation-North Entrance continued...</i>									
in 2026. Routine maintenance expenses should be included in the annual operating budget.									
Landscape Renovation-West Entrance		2026	5,000	20	0	5	5,796	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.									
Landscape Lighting		2028	5,500	10	0	7	6,764	1 @	5,500.00
This component provides funding for replacement of the in-ground landscape lighting. Funding is scheduled to occur every 10 years beginning in 2028.									
Mailboxes & Signage									
Cluster Mailboxes		2032	14,000	25	1	11	19,379	8 @	1,750.00
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	1,200	20	0	11	1,661	1 @	1,200.00
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	1,575	5	0	1	1,622	6300 @	0.25
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.									
Asphalt Sealcoat-Carino Lane (Tract F)									
		2022	4,450	5	0	1	4,583	17800 @	0.25
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	12,125	5	0	1	12,489	48500 @	0.25
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	1,800	5	0	1	1,854	7200 @	0.25
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	500	5	0	1	515	2000 @	0.25
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 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-Pathway-Tract C		2022	575	5	0	1	592	2300 @	0.25
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.									
Asphalt Sealcoat-Sorrento Lane (Tract K)		2022	2,275	5	0	1	2,343	9100 @	0.25
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	16	13,648	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	16	38,561	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	16	105,068	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	16	17,331	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	16	4,814	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	3,910	25	0	16	6,274	2300 @	1.70
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	15,470	25	0	16	24,825	9100 @	1.70
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 Lighting		2021	3,026	6	0	0	3,026	7 @	432.25
This component provides funding for replacement of the water feature lighting. Funding is scheduled to occur every 6 years beginning in 2020.									
Water Feature Pumps (1)		2021	3,950	5	0	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 2021. Routine maintenance expenses should be included									

**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
Water Features continued...									
<i>Water Feature Pumps (1) continued...</i> in the annual operating budget.									
Water Feature Pumps (2)		2021	3,950	5	10	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 2021. Routine maintenance expenses should be included in the annual operating budget.									
Water Feature Pump Motor (1)		2025	3,035	7	0	4	3,416	1 @	3,035.00
This component provides funding for replacement of one of two water feature pump motors. Funding is scheduled to occur every 7 years beginning in 2025. Routine maintenance expenses should be included in the annual operating budget.									
Water Feature Pump Motor (2)		2026	3,250	7	0	5	3,768	1 @	3,250.00
This component provides funding for replacement of one of two water feature pump motors. Funding is scheduled to occur every 7 years beginning in 2026. 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 May 07, 2021
 Beginning Fiscal Year January 01, 2021
 Account Number OR-1408-0002

Version Number LEVEL 3

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Common Area Irrigation Controllers	2021	15	0	0	5,950	5,950	5,950
Water Feature Lighting	2021	6	0	0	3,026	3,026	3,026
Water Feature Pumps (1)	2021	5	0	0	3,950	3,950	3,950
Water Feature Pumps (2)	2021	5	10	0	3,950	3,950	3,950
Asphalt Sealcoat-Camina Drive (Tract G)	2022	5	0	1	1,575	1,260	1,260
Asphalt Sealcoat-Carino Lane (Tract F)	2022	5	0	1	4,450	3,560	3,560
Asphalt Sealcoat-Lastrada Circle	2022	5	0	1	12,125	9,700	9,700
Asphalt Sealcoat-Parking Area	2022	5	0	1	1,800	1,440	1,440
Asphalt Sealcoat-Pathway-Tract B	2022	5	0	1	500	400	400
Asphalt Sealcoat-Pathway-Tract C	2022	5	0	1	575	460	460
Asphalt Sealcoat-Sorrento Lane (Tract K)	2022	5	0	1	2,275	1,820	1,820
Irrigation System Upgrade-Park Area	2024	20	-2	3	3,000	2,500	2,500
Landscape Renovation-Park Area	2024	20	-2	3	7,500	6,250	6,250
Water Feature Pump Motor (1)	2025	7	0	4	3,035	1,301	1,301
Irrigation System Upgrade-Entrances	2026	20	0	5	7,500	5,625	5,625
Landscape Renovation-East Entrance	2026	20	0	5	5,000	3,750	3,750
Landscape Renovation-North Entrance	2026	20	0	5	5,000	3,750	3,750
Landscape Renovation-West Entrance	2026	20	0	5	5,000	3,750	3,750
Water Feature Pump Motor (2)	2026	7	0	5	3,250	929	929
Landscape Lighting	2028	10	0	7	5,500	1,650	1,650
Common Area Sidewalks-Safety Repair	2030	15	3	9	1,012	506	506
Cluster Mailboxes	2032	25	1	11	14,000	8,077	8,077
Signs-Replacement Allowance	2032	20	0	11	1,200	540	540
Asphalt Overlay-Camina Drive (Tract G)	2037	25	0	16	8,505	3,062	3,062
Asphalt Overlay-Carino Lane (Tract F)	2037	25	0	16	24,030	0	8,651
Asphalt Overlay-Lastrada Circle	2037	25	0	16	65,475	0	23,571
Asphalt Overlay-Parking Area	2037	25	0	16	10,800	655	3,888
Asphalt Overlay-Pathway-Tract B	2037	25	0	16	3,000	1,080	1,080
Asphalt Overlay-Pathway-Tract C	2037	25	0	16	3,910	1,408	1,408
Asphalt Overlay-Sorrento Lane (Tract K)	2037	25	0	16	15,470	0	5,569
Chain Link Fencing-Tract B & C	2042	30	0	21	64,900	0	19,470
Total Asset Summary					<u>\$297,263</u>	<u>\$80,348</u>	<u>\$140,842</u>
Contingency at 3.00%						<u>\$2,410</u>	<u>\$4,225</u>
Summary Total						<u>\$82,758</u>	<u>\$145,067</u>

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

Report Date May 07, 2021
 Beginning Fiscal Year January 01, 2021
 Account Number OR-1408-0002

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	9	675 SF	15.00@ 10%	<u>1,012</u>
Concrete Pavement - Total								\$1,012
Fencing & Site Walls								
Chain Link Fencing-Tract B & C	2012	2042	30	0	21	2,950 LF	22.00	<u>64,900</u>
Fencing & Site Walls - Total								\$64,900
Landscaping & Irrigation								
Common Area Irrigation Controllers	2006	2021	15	0	0	17 EA	350.00	5,950
Irrigation System Upgrade-Park Area	2006	2024	20	-2	3	1 Total	3,000.00	3,000
Landscape Renovation-Park Area	2006	2024	20	-2	3	1 Total	7,500.00	7,500
Irrigation System Upgrade-Entrances	2006	2026	20	0	5	1 Total	7,500.00	7,500
Landscape Renovation-East Entrance	2006	2026	20	0	5	1 Total	5,000.00	5,000
Landscape Renovation-North Entrance	2006	2026	20	0	5	1 Total	5,000.00	5,000
Landscape Renovation-West Entrance	2006	2026	20	0	5	1 Total	5,000.00	5,000
Landscape Lighting	2018	2028	10	0	7	1 Total	5,500.00	<u>5,500</u>
Landscaping & Irrigation - Total								\$44,450
Mailboxes & Signage								
Cluster Mailboxes	2006	2032	25	1	11	8 EA	1,750.00	14,000
Signs-Replacement Allowance	2012	2032	20	0	11	1 Total	1,200.00	<u>1,200</u>
Mailboxes & Signage - Total								\$15,200
Private Roads & Alleys								
Asphalt Sealcoat-Camina Drive (Tract G)	2017	2022	5	0	1	6,300 SF	0.25	1,575
Asphalt Sealcoat-Carino Lane (Tract F)	2017	2022	5	0	1	17,800 SF	0.25	4,450
Asphalt Sealcoat-Lastrada Circle	2017	2022	5	0	1	48,500 SF	0.25	12,125
Asphalt Sealcoat-Parking Area	2017	2022	5	0	1	7,200 SF	0.25	1,800
Asphalt Sealcoat-Pathway-Tract B	2017	2022	5	0	1	2,000 SF	0.25	500
Asphalt Sealcoat-Pathway-Tract C	2017	2022	5	0	1	2,300 SF	0.25	575
Asphalt Sealcoat-Sorrento Lane (Tract K)	2017	2022	5	0	1	9,100 SF	0.25	2,275
Asphalt Overlay-Camina Drive (Tract G)	2012	2037	25	0	16	6,300 SF	1.35	8,505
Asphalt Overlay-Carino Lane (Tract F)	2012	2037	25	0	16	17,800 SF	1.35	24,030
Asphalt Overlay-Lastrada Circle	2012	2037	25	0	16	48,500 SF	1.35	65,475
Asphalt Overlay-Parking Area	2012	2037	25	0	16	7,200 SF	1.50	10,800
Asphalt Overlay-Pathway-Tract B	2012	2037	25	0	16	2,000 SF	1.50	3,000
Asphalt Overlay-Pathway-Tract C	2012	2037	25	0	16	2,300 SF	1.70	3,910
Asphalt Overlay-Sorrento Lane (Tract K)	2012	2037	25	0	16	9,100 SF	1.70	<u>15,470</u>
Private Roads & Alleys - Total								\$154,490

**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
Water Features								
Water Feature Lighting	2014	2021	6	0	0	7 Ea	432.25	3,026
Water Feature Pumps (1)	2016	2021	5	0	0	1 Total	3,950.00	3,950
Water Feature Pumps (2)	2006	2021	5	10	0	1 Total	3,950.00	3,950
Water Feature Pump Motor (1)	2018	2025	7	0	4	1 Total	3,035.00	3,035
Water Feature Pump Motor (2)	2019	2026	7	0	5	1 Total	3,250.00	<u>3,250</u>
Water Features - Total								<u>\$17,211</u>
Total Asset Summary								<u>\$297,263</u>

Bella Vista Homes Homeowner's Association Explanation of Reserve 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.

2. 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 May 07, 2021
 Beginning Fiscal Year January 01, 2021
 Account Number OR-1408-0002

Version Number LEVEL 3

Description	Expenditures
Replacement Year 2021	
Landscaping & Irrigation	
Common Area Irrigation Controllers	5,950
Water Features	
Water Feature Pumps (1)	3,950
Water Feature Pumps (2)	3,950
Water Feature Lighting	3,026
Total for 2021	<u>\$16,876</u>
Replacement Year 2022	
Private Roads & Alleys	
Asphalt Sealcoat-Camina Drive (Tract G)	1,622
Asphalt Sealcoat-Carino Lane (Tract F)	4,583
Asphalt Sealcoat-Lastrada Circle	12,489
Asphalt Sealcoat-Parking Area	1,854
Asphalt Sealcoat-Pathway-Tract B	515
Asphalt Sealcoat-Pathway-Tract C	592
Asphalt Sealcoat-Sorrento Lane (Tract K)	2,343
Total for 2022	<u>\$23,999</u>
<i>No Replacement in 2023</i>	
Replacement Year 2024	
Landscaping & Irrigation	
Irrigation System Upgrade-Park Area	3,278
Landscape Renovation-Park Area	8,195
Total for 2024	<u>\$11,474</u>
Replacement Year 2025	
Water Features	
Water Feature Pump Motor (1)	3,416
Total for 2025	<u>\$3,416</u>

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

Description	Expenditures
Replacement Year 2026	
Landscaping & Irrigation	
Irrigation System Upgrade-Entrances	8,695
Landscape Renovation-East Entrance	5,796
Landscape Renovation-North Entrance	5,796
Landscape Renovation-West Entrance	5,796
Water Features	
Water Feature Pumps (1)	4,579
Water Feature Pumps (2)	4,579
Water Feature Pump Motor (2)	3,768
Total for 2026	<u>\$39,010</u>
Replacement Year 2027	
Private Roads & Alleys	
Asphalt Sealcoat-Camina Drive (Tract G)	1,881
Asphalt Sealcoat-Carino Lane (Tract F)	5,314
Asphalt Sealcoat-Lastrada Circle	14,478
Asphalt Sealcoat-Parking Area	2,149
Asphalt Sealcoat-Pathway-Tract B	597
Asphalt Sealcoat-Pathway-Tract C	687
Asphalt Sealcoat-Sorrento Lane (Tract K)	2,716
Water Features	
Water Feature Lighting	3,613
Total for 2027	<u>\$31,434</u>
Replacement Year 2028	
Landscaping & Irrigation	
Landscape Lighting	6,764
Total for 2028	<u>\$6,764</u>
<i>No Replacement in 2029</i>	
Replacement Year 2030	
Concrete Pavement	
Common Area Sidewalks-Safety Repair	1,321
Total for 2030	<u>\$1,321</u>

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

Description	Expenditures
Replacement Year 2031	
Water Features	
Water Feature Pumps (1)	5,308
Water Feature Pumps (2)	5,308
Total for 2031	<u>\$10,617</u>
 Replacement Year 2032	
Mailboxes & Signage	
Signs-Replacement Allowance	1,661
Cluster Mailboxes	19,379
Private Roads & Alleys	
Asphalt Sealcoat-Camina Drive (Tract G)	2,180
Asphalt Sealcoat-Carino Lane (Tract F)	6,160
Asphalt Sealcoat-Lastrada Circle	16,784
Asphalt Sealcoat-Parking Area	2,492
Asphalt Sealcoat-Pathway-Tract B	692
Asphalt Sealcoat-Pathway-Tract C	796
Asphalt Sealcoat-Sorrento Lane (Tract K)	3,149
Water Features	
Water Feature Pump Motor (1)	4,201
Total for 2032	<u>\$57,494</u>
 Replacement Year 2033	
Water Features	
Water Feature Lighting	4,314
Water Feature Pump Motor (2)	4,634
Total for 2033	<u>\$8,948</u>
 <i>No Replacement in 2034</i>	
<i>No Replacement in 2035</i>	
 Replacement Year 2036	
Landscaping & Irrigation	
Common Area Irrigation Controllers	9,270

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

Description	Expenditures
<i>Replacement Year 2036 continued...</i>	
Water Features	
Water Feature Pumps (1)	6,154
Water Feature Pumps (2)	6,154
Total for 2036	<u>\$21,578</u>
 Replacement Year 2037	
Private Roads & Alleys	
Asphalt Sealcoat-Camina Drive (Tract G)	2,527
Asphalt Sealcoat-Carino Lane (Tract F)	7,141
Asphalt Sealcoat-Lastrada Circle	19,457
Asphalt Sealcoat-Parking Area	2,888
Asphalt Sealcoat-Pathway-Tract B	802
Asphalt Sealcoat-Pathway-Tract C	923
Asphalt Sealcoat-Sorrento Lane (Tract K)	3,651
Asphalt Overlay-Camina Drive (Tract G)	13,648
Asphalt Overlay-Carino Lane (Tract F)	38,561
Asphalt Overlay-Lastrada Circle	105,068
Asphalt Overlay-Parking Area	17,331
Asphalt Overlay-Pathway-Tract B	4,814
Asphalt Overlay-Pathway-Tract C	6,274
Asphalt Overlay-Sorrento Lane (Tract K)	24,825
Total for 2037	<u>\$247,911</u>
 Replacement Year 2038	
Landscaping & Irrigation	
Landscape Lighting	9,091
Total for 2038	<u>\$9,091</u>
 Replacement Year 2039	
Water Features	
Water Feature Lighting	5,151
Water Feature Pump Motor (1)	5,167
Total for 2039	<u>\$10,318</u>

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

Description	Expenditures
Replacement Year 2040	
Water Features	
Water Feature Pump Motor (2)	5,699
Total for 2040	\$5,699
Replacement Year 2041	
Water Features	
Water Feature Pumps (1)	7,134
Water Feature Pumps (2)	7,134
Total for 2041	\$14,268
Replacement Year 2042	
Fencing & Site Walls	
Chain Link Fencing-Tract B & C	120,733
Private Roads & Alleys	
Asphalt Sealcoat-Camina Drive (Tract G)	2,930
Asphalt Sealcoat-Carino Lane (Tract F)	8,278
Asphalt Sealcoat-Lastrada Circle	22,556
Asphalt Sealcoat-Parking Area	3,349
Asphalt Sealcoat-Pathway-Tract B	930
Asphalt Sealcoat-Pathway-Tract C	1,070
Asphalt Sealcoat-Sorrento Lane (Tract K)	4,232
Total for 2042	\$164,078
<i>No Replacement in 2043</i>	
Replacement Year 2044	
Landscaping & Irrigation	
Irrigation System Upgrade-Park Area	5,921
Landscape Renovation-Park Area	14,802
Total for 2044	\$20,723
Replacement Year 2045	
Concrete Pavement	
Common Area Sidewalks-Safety Repair	2,058

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

Description	Expenditures
<i>Replacement Year 2045 continued...</i>	
Water Features	
Water Feature Lighting	6,151
Total for 2045	<u>\$8,209</u>
 Replacement Year 2046	
Landscaping & Irrigation	
Irrigation System Upgrade-Entrances	15,703
Landscape Renovation-East Entrance	10,469
Landscape Renovation-North Entrance	10,469
Landscape Renovation-West Entrance	10,469
Water Features	
Water Feature Pumps (1)	8,270
Water Feature Pumps (2)	8,270
Water Feature Pump Motor (1)	6,355
Total for 2046	<u>\$70,005</u>
 Replacement Year 2047	
Private Roads & Alleys	
Asphalt Sealcoat-Camina Drive (Tract G)	3,397
Asphalt Sealcoat-Carino Lane (Tract F)	9,597
Asphalt Sealcoat-Lastrada Circle	26,149
Asphalt Sealcoat-Parking Area	3,882
Asphalt Sealcoat-Pathway-Tract B	1,078
Asphalt Sealcoat-Pathway-Tract C	1,240
Asphalt Sealcoat-Sorrento Lane (Tract K)	4,906
Water Features	
Water Feature Pump Motor (2)	7,009
Total for 2047	<u>\$57,257</u>
 Replacement Year 2048	
Landscaping & Irrigation	
Landscape Lighting	12,217
Total for 2048	<u>\$12,217</u>

**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	16	6,300 SF	1.35	8,505
Asphalt Overlay-Carino Lane (Tract F)	2012	2037	25	0	16	17,800 SF	1.35	24,030
Asphalt Overlay-Lastrada Circle	2012	2037	25	0	16	48,500 SF	1.35	65,475
Asphalt Overlay-Parking Area	2012	2037	25	0	16	7,200 SF	1.50	10,800
Asphalt Overlay-Pathway-Tract B	2012	2037	25	0	16	2,000 SF	1.50	3,000
Asphalt Overlay-Pathway-Tract C	2012	2037	25	0	16	2,300 SF	1.70	3,910
Asphalt Overlay-Sorrento Lane (Tract K)	2012	2037	25	0	16	9,100 SF	1.70	15,470
Chain Link Fencing-Tract B & C	2012	2042	30	0	21	2,950 LF	22.00	64,900
Cluster Mailboxes	2006	2032	25	1	11	8 EA	1,750.00	14,000
Common Area Irrigation Controllers	2006	2021	15	0	0	17 EA	350.00	5,950
Irrigation System Upgrade-Entrances	2006	2026	20	0	5	1 Total	7,500.00	7,500
Irrigation System Upgrade-Park Area	2006	2024	20	-2	3	1 Total	3,000.00	3,000
Landscape Lighting	2018	2028	10	0	7	1 Total	5,500.00	5,500
Landscape Renovation-East Entrance	2006	2026	20	0	5	1 Total	5,000.00	5,000
Landscape Renovation-North Entrance	2006	2026	20	0	5	1 Total	5,000.00	5,000
Landscape Renovation-Park Area	2006	2024	20	-2	3	1 Total	7,500.00	7,500
Landscape Renovation-West Entrance	2006	2026	20	0	5	1 Total	5,000.00	5,000
Signs-Replacement Allowance	2012	2032	20	0	11	1 Total	1,200.00	1,200
Water Feature Lighting	2014	2021	6	0	0	7 Ea	432.25	3,026
Water Feature Pump Motor (1)	2018	2025	7	0	4	1 Total	3,035.00	3,035
Water Feature Pump Motor (2)	2019	2026	7	0	5	1 Total	3,250.00	3,250
Water Feature Pumps (1)	2016	2021	5	0	0	1 Total	3,950.00	3,950
Water Feature Pumps (2)	2006	2021	5	10	0	1 Total	3,950.00	<u>3,950</u>
Capital Expenditures - Total								<u>\$272,951</u>
Non-Capital Expenditures								
Asphalt Sealcoat-Camina Drive (Tract G)	2017	2022	5	0	1	6,300 SF	0.25	1,575
Asphalt Sealcoat-Carino Lane (Tract F)	2017	2022	5	0	1	17,800 SF	0.25	4,450
Asphalt Sealcoat-Lastrada Circle	2017	2022	5	0	1	48,500 SF	0.25	12,125
Asphalt Sealcoat-Parking Area	2017	2022	5	0	1	7,200 SF	0.25	1,800
Asphalt Sealcoat-Pathway-Tract B	2017	2022	5	0	1	2,000 SF	0.25	500
Asphalt Sealcoat-Pathway-Tract C	2017	2022	5	0	1	2,300 SF	0.25	575
Asphalt Sealcoat-Sorrento Lane (Tract K)	2017	2022	5	0	1	9,100 SF	0.25	2,275
Common Area Sidewalks-Safety Repair	2012	2030	15	3	9	675 SF	15.00@ 10%	<u>1,012</u>
Non-Capital Expenditures - Total								<u>\$24,312</u>
Total Asset Summary								<u>\$297,263</u>

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

Report Date May 07, 2021
 Beginning Fiscal Year January 01, 2021
 Account Number OR-1408-0002

Version Number LEVEL 3

Common Area Irrigation Controllers - 2021		17 EA	@ \$350.00
Asset ID		Asset Actual Cost	\$5,950.00
Capital Expenditures		Percent Replacement	100%
Category	Landscaping & Irrigation	Future Cost	\$5,950.00
Placed in Service	July 2006	Assigned Reserves	\$5,950.00
Useful Life	15		
Replacement Year	2021	Annual Assessment	\$322.87
Remaining Life	0	Interest Contribution	<u>\$3.03</u>
		Reserve Allocation	<u>\$325.90</u>

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

Water Feature Lighting - 2021		7 Ea	@ \$432.25
Asset ID		Asset Actual Cost	\$3,025.75
Capital Expenditures		Percent Replacement	100%
Category	Water Features	Future Cost	\$3,025.75
Placed in Service	January 2014	Assigned Reserves	\$3,025.75
Useful Life	6		
Replacement Year	2021	Annual Assessment	\$321.94
Remaining Life	0	Interest Contribution	<u>\$3.02</u>
		Reserve Allocation	<u>\$324.96</u>

This component provides funding for replacement of the water feature lighting. Funding is scheduled to occur every 6 years beginning in 2020.

Water Feature Pumps (1) - 2021		1 Total	@ \$3,950.00
Asset ID		Asset Actual Cost	\$3,950.00
Capital Expenditures		Percent Replacement	100%
Category	Water Features	Future Cost	\$3,950.00
Placed in Service	January 2016	Assigned Reserves	\$3,950.00
Useful Life	5		
Replacement Year	2021	Annual Assessment	\$490.91
Remaining Life	0	Interest Contribution	<u>\$4.60</u>
		Reserve Allocation	<u>\$495.51</u>

This component provides funding for replacement of one of two water feature pumps. Funding is

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

Water Feature Pumps (1) continued...

scheduled to occur every 5 years beginning in 2021. Routine maintenance expenses should be included in the annual operating budget.

Water Feature Pumps (2) - 2021

		1 Total	@ \$3,950.00
Asset ID		Asset Actual Cost	\$3,950.00
	Capital Expenditures	Percent Replacement	100%
Category	Water Features	Future Cost	\$3,950.00
Placed in Service	January 2006	Assigned Reserves	\$3,950.00
Useful Life	5		
Adjustment	10	Annual Assessment	\$490.91
Replacement Year	2021	Interest Contribution	<u>\$4.60</u>
Remaining Life	0	Reserve Allocation	\$495.51

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.

Asphalt Sealcoat-Camina Drive (Tract G) - 2022

		6,300 SF	@ \$0.25
Asset ID		Asset Actual Cost	\$1,575.00
	Non-Capital Expenditures	Percent Replacement	100%
Category	Private Roads & Alleys	Future Cost	\$1,622.25
Placed in Service	January 2017	Assigned Reserves	\$1,260.00
Useful Life	5		
Replacement Year	2022	Annual Assessment	\$192.69
Remaining Life	1	Interest Contribution	<u>\$8.23</u>
		Reserve Allocation	\$200.92

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	@ \$0.25
Asset ID	Asset Actual Cost	\$4,450.00
Non-Capital Expenditures	Percent Replacement	100%
Category Private Roads & Alleys	Future Cost	\$4,583.50
Placed in Service January 2017	Assigned Reserves	\$3,560.00
Useful Life 5		
Replacement Year 2022	Annual Assessment	\$544.42
Remaining Life 1	Interest Contribution	<u>\$23.26</u>
	Reserve Allocation	\$567.67

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

	48,500 SF	@ \$0.25
Asset ID	Asset Actual Cost	\$12,125.00
Non-Capital Expenditures	Percent Replacement	100%
Category Private Roads & Alleys	Future Cost	\$12,488.75
Placed in Service January 2017	Assigned Reserves	\$9,700.00
Useful Life 5		
Replacement Year 2022	Annual Assessment	\$1,483.38
Remaining Life 1	Interest Contribution	<u>\$63.37</u>
	Reserve Allocation	\$1,546.75

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

	7,200 SF	@ \$0.25
Asset ID	Asset Actual Cost	\$1,800.00
Non-Capital Expenditures	Percent Replacement	100%
Category Private Roads & Alleys	Future Cost	\$1,854.00
Placed in Service January 2017	Assigned Reserves	\$1,440.00
Useful Life 5		
Replacement Year 2022	Annual Assessment	\$220.21
Remaining Life 1	Interest Contribution	<u>\$9.41</u>
	Reserve Allocation	\$229.62

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	@ \$0.25
Asset ID	Asset Actual Cost	\$500.00
Non-Capital Expenditures	Percent Replacement	100%
Category Private Roads & Alleys	Future Cost	\$515.00
Placed in Service January 2017	Assigned Reserves	\$400.00
Useful Life 5		
Replacement Year 2022	Annual Assessment	\$61.17
Remaining Life 1	Interest Contribution	<u>\$2.61</u>
	Reserve Allocation	\$63.78

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

	2,300 SF	@ \$0.25
Asset ID	Asset Actual Cost	\$575.00
Non-Capital Expenditures	Percent Replacement	100%
Category Private Roads & Alleys	Future Cost	\$592.25
Placed in Service January 2017	Assigned Reserves	\$460.00
Useful Life 5		
Replacement Year 2022	Annual Assessment	\$70.35
Remaining Life 1	Interest Contribution	<u>\$3.01</u>
	Reserve Allocation	\$73.35

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.

Asphalt Sealcoat-Sorrento Lane (Tract K) - 2022

	9,100 SF	@ \$0.25
Asset ID	Asset Actual Cost	\$2,275.00
Non-Capital Expenditures	Percent Replacement	100%
Category Private Roads & Alleys	Future Cost	\$2,343.25
Placed in Service January 2017	Assigned Reserves	\$1,820.00
Useful Life 5		
Replacement Year 2022	Annual Assessment	\$278.32
Remaining Life 1	Interest Contribution	<u>\$11.89</u>
	Reserve Allocation	\$290.21

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 Actual Cost	\$3,000.00
	Capital Expenditures	Percent Replacement	100%
Category	Landscaping & Irrigation	Future Cost	\$3,278.18
Placed in Service	July 2006	Assigned Reserves	\$2,500.00
Useful Life	20		
Adjustment	-2	Annual Assessment	\$132.85
Replacement Year	2024	Interest Contribution	<u>\$13.99</u>
Remaining Life	3	Reserve Allocation	\$146.84

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

		1 Total	@ \$7,500.00
Asset ID		Asset Actual Cost	\$7,500.00
	Capital Expenditures	Percent Replacement	100%
Category	Landscaping & Irrigation	Future Cost	\$8,195.45
Placed in Service	January 2006	Assigned Reserves	\$6,250.00
Useful Life	20		
Adjustment	-2	Annual Assessment	\$332.12
Replacement Year	2024	Interest Contribution	<u>\$34.99</u>
Remaining Life	3	Reserve Allocation	\$367.11

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.

Water Feature Pump Motor (1) - 2025

		1 Total	@ \$3,035.00
Asset ID		Asset Actual Cost	\$3,035.00
	Capital Expenditures	Percent Replacement	100%
Category	Water Features	Future Cost	\$3,415.92
Placed in Service	January 2018	Assigned Reserves	\$1,300.71
Useful Life	7		
Replacement Year	2025	Annual Assessment	\$280.58
Remaining Life	4	Interest Contribution	<u>\$9.26</u>
		Reserve Allocation	\$289.85

This component provides funding for replacement of one of two water feature pump motors. Funding
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**Bella Vista Homes Homeowner's Association
Component Detail Reports**

Water Feature Pump Motor (1) continued...

is scheduled to occur every 7 years beginning in 2025. Routine maintenance expenses should be included in the annual operating budget.

Irrigation System Upgrade-Entrances - 2026

		1 Total	@ \$7,500.00
Asset ID		Asset Actual Cost	\$7,500.00
	Capital Expenditures	Percent Replacement	100%
	Category Landscaping & Irrigation	Future Cost	\$8,694.56
Placed in Service	July 2006	Assigned Reserves	\$5,625.00
Useful Life	20		
Replacement Year	2026	Annual Assessment	\$313.54
Remaining Life	5	Interest Contribution	<u>\$31.63</u>
		Reserve Allocation	\$345.16

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

		1 Total	@ \$5,000.00
Asset ID		Asset Actual Cost	\$5,000.00
	Capital Expenditures	Percent Replacement	100%
	Category Landscaping & Irrigation	Future Cost	\$5,796.37
Placed in Service	January 2006	Assigned Reserves	\$3,750.00
Useful Life	20		
Replacement Year	2026	Annual Assessment	\$209.02
Remaining Life	5	Interest Contribution	<u>\$21.08</u>
		Reserve Allocation	\$230.11

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 Actual Cost	\$5,000.00
	Capital Expenditures	Percent Replacement	100%
Category	Landscaping & Irrigation	Future Cost	\$5,796.37
Placed in Service	January 2006	Assigned Reserves	\$3,750.00
Useful Life	20		
Replacement Year	2026	Annual Assessment	\$209.02
Remaining Life	5	Interest Contribution	<u>\$21.08</u>
		Reserve Allocation	\$230.11

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

		1 Total	@ \$5,000.00
Asset ID		Asset Actual Cost	\$5,000.00
	Capital Expenditures	Percent Replacement	100%
Category	Landscaping & Irrigation	Future Cost	\$5,796.37
Placed in Service	January 2006	Assigned Reserves	\$3,750.00
Useful Life	20		
Replacement Year	2026	Annual Assessment	\$209.02
Remaining Life	5	Interest Contribution	<u>\$21.08</u>
		Reserve Allocation	\$230.11

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.

Water Feature Pump Motor (2) - 2026

		1 Total	@ \$3,250.00
Asset ID		Asset Actual Cost	\$3,250.00
	Capital Expenditures	Percent Replacement	100%
Category	Water Features	Future Cost	\$3,767.64
Placed in Service	January 2019	Assigned Reserves	\$928.57
Useful Life	7		
Replacement Year	2026	Annual Assessment	\$301.80
Remaining Life	5	Interest Contribution	<u>\$7.56</u>
		Reserve Allocation	\$309.36

This component provides funding for replacement of one of two water feature pump motors. Funding

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

Water Feature Pump Motor (2) continued...

is scheduled to occur every 7 years beginning in 2026. Routine maintenance expenses should be included in the annual operating budget.

Landscape Lighting - 2028

		1 Total	@ \$5,500.00
Asset ID		Asset Actual Cost	\$5,500.00
	Capital Expenditures	Percent Replacement	100%
Category	Landscaping & Irrigation	Future Cost	\$6,764.31
Placed in Service	January 2018	Assigned Reserves	\$1,650.00
Useful Life	10		
Replacement Year	2028	Annual Assessment	\$385.07
Remaining Life	7	Interest Contribution	<u>\$12.02</u>
		Reserve Allocation	\$397.10

This component provides funding for replacement of the in-ground landscape lighting. Funding is scheduled to occur every 10 years beginning in 2028.

Common Area Sidewalks-Safety Repair - 2030

		675 SF	@ \$15.00
Asset ID		Asset Actual Cost	\$1,012.50
	Non-Capital Expenditures	Percent Replacement	10%
Category	Concrete Pavement	Future Cost	\$1,321.08
Placed in Service	January 2012	Assigned Reserves	\$506.25
Useful Life	15		
Adjustment	3	Annual Assessment	\$46.64
Replacement Year	2030	Interest Contribution	<u>\$3.02</u>
Remaining Life	9	Reserve Allocation	\$49.66

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	@ \$1,750.00
Asset ID		Asset Actual Cost	\$14,000.00
	Capital Expenditures	Percent Replacement	100%
Category	Mailboxes & Signage	Future Cost	\$19,379.27
Placed in Service	January 2006	Assigned Reserves	\$8,076.92
Useful Life	25		
Adjustment	1	Annual Assessment	\$520.06
Replacement Year	2032	Interest Contribution	<u>\$46.07</u>
Remaining Life	11	Reserve Allocation	<u>\$566.12</u>

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

		1 Total	@ \$1,200.00
Asset ID		Asset Actual Cost	\$1,200.00
	Capital Expenditures	Percent Replacement	100%
Category	Mailboxes & Signage	Future Cost	\$1,661.08
Placed in Service	January 2012	Assigned Reserves	\$540.00
Useful Life	20		
Replacement Year	2032	Annual Assessment	\$52.31
Remaining Life	11	Interest Contribution	<u>\$3.24</u>
		Reserve Allocation	<u>\$55.55</u>

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.

Asphalt Overlay-Camina Drive (Tract G) - 2037

		6,300 SF	@ \$1.35
Asset ID		Asset Actual Cost	\$8,505.00
	Capital Expenditures	Percent Replacement	100%
Category	Private Roads & Alleys	Future Cost	\$13,648.03
Placed in Service	January 2012	Assigned Reserves	\$3,061.80
Useful Life	25		
Replacement Year	2037	Annual Assessment	\$336.33
Remaining Life	16	Interest Contribution	<u>\$18.77</u>
		Reserve Allocation	<u>\$355.10</u>

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 Actual Cost	\$24,030.00
	Capital Expenditures	Percent Replacement	100%
Category	Private Roads & Alleys	Future Cost	\$38,561.09
Placed in Service	January 2012	Assigned Reserves	<i>none</i>
Useful Life	25		
Replacement Year	2037	Annual Assessment	\$1,255.90
Remaining Life	16	Interest Contribution	<u>\$11.77</u>
		Reserve Allocation	\$1,267.67

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

		48,500 SF	@ \$1.35
Asset ID		Asset Actual Cost	\$65,475.00
	Capital Expenditures	Percent Replacement	100%
Category	Private Roads & Alleys	Future Cost	\$105,068.15
Placed in Service	January 2012	Assigned Reserves	<i>none</i>
Useful Life	25		
Replacement Year	2037	Annual Assessment	\$3,421.98
Remaining Life	16	Interest Contribution	<u>\$32.06</u>
		Reserve Allocation	\$3,454.05

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

		7,200 SF	@ \$1.50
Asset ID		Asset Actual Cost	\$10,800.00
	Capital Expenditures	Percent Replacement	100%
Category	Private Roads & Alleys	Future Cost	\$17,330.83
Placed in Service	January 2012	Assigned Reserves	\$654.96
Useful Life	25		
Replacement Year	2037	Annual Assessment	\$541.31
Remaining Life	16	Interest Contribution	<u>\$8.41</u>
		Reserve Allocation	\$549.72

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 Actual Cost	\$3,000.00
	Capital Expenditures	Percent Replacement	100%
Category	Private Roads & Alleys	Future Cost	\$4,814.12
Placed in Service	January 2012	Assigned Reserves	\$1,080.00
Useful Life	25		
Replacement Year	2037	Annual Assessment	\$118.63
Remaining Life	16	Interest Contribution	<u>\$6.62</u>
		Reserve Allocation	\$125.25

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		2,300 SF	@ \$1.70
Asset ID		Asset Actual Cost	\$3,910.00
	Capital Expenditures	Percent Replacement	100%
Category	Private Roads & Alleys	Future Cost	\$6,274.40
Placed in Service	January 2012	Assigned Reserves	\$1,407.60
Useful Life	25		
Replacement Year	2037	Annual Assessment	\$154.62
Remaining Life	16	Interest Contribution	<u>\$8.63</u>
		Reserve Allocation	\$163.25

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		9,100 SF	@ \$1.70
Asset ID		Asset Actual Cost	\$15,470.00
	Capital Expenditures	Percent Replacement	100%
Category	Private Roads & Alleys	Future Cost	\$24,824.81
Placed in Service	January 2012	Assigned Reserves	<i>none</i>
Useful Life	25		
Replacement Year	2037	Annual Assessment	\$808.52
Remaining Life	16	Interest Contribution	<u>\$7.58</u>
		Reserve Allocation	\$816.10

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	@ \$22.00
Asset ID		Asset Actual Cost	\$64,900.00
Capital Expenditures		Percent Replacement	100%
Category	Fencing & Site Walls	Future Cost	\$120,733.12
Placed in Service	January 2012	Assigned Reserves	<i>none</i>
Useful Life	30		
Replacement Year	2042	Annual Assessment	\$2,957.49
Remaining Life	21	Interest Contribution	<u>\$27.71</u>
		Reserve Allocation	\$2,985.21

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
Distribution of Accumulated Reserves

Report Date May 07, 2021
 Beginning Fiscal Year January 01, 2021
 Account Number OR-1408-0002

Version Number LEVEL 3

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Water Feature Lighting	0	2021	3,026	3,026
Water Feature Pumps (1)	0	2021	3,950	3,950
Water Feature Pumps (2)	0	2021	3,950	3,950
Common Area Irrigation Controllers	0	2021	5,950	5,950
Asphalt Sealcoat-Pathway-Tract B	1	2022	400	400
Asphalt Sealcoat-Pathway-Tract C	1	2022	460	460
Asphalt Sealcoat-Camina Drive (Tract G)	1	2022	1,260	1,260
Asphalt Sealcoat-Parking Area	1	2022	1,440	1,440
Asphalt Sealcoat-Sorrento Lane (Tract K)	1	2022	1,820	1,820
Asphalt Sealcoat-Carino Lane (Tract F)	1	2022	3,560	3,560
Asphalt Sealcoat-Lastrada Circle	1	2022	9,700	9,700
Irrigation System Upgrade-Park Area	3	2024	2,500	2,500
Landscape Renovation-Park Area	3	2024	6,250	6,250
Water Feature Pump Motor (1)	4	2025	1,301	1,301
Water Feature Pump Motor (2)	5	2026	929	929
Landscape Renovation-East Entrance	5	2026	3,750	3,750
Landscape Renovation-North Entrance	5	2026	3,750	3,750
Landscape Renovation-West Entrance	5	2026	3,750	3,750
Irrigation System Upgrade-Entrances	5	2026	5,625	5,625
Landscape Lighting	7	2028	1,650	1,650
Common Area Sidewalks-Safety Repair	9	2030	506	506
Signs-Replacement Allowance	11	2032	540	540
Cluster Mailboxes	11	2032	8,077	8,077
Asphalt Overlay-Pathway-Tract B	16	2037	1,080	1,080
Asphalt Overlay-Pathway-Tract C	16	2037	1,408	1,408
Asphalt Overlay-Camina Drive (Tract G)	16	2037	3,062	3,062
Asphalt Overlay-Parking Area	16	2037	* 655	3,888
Asphalt Overlay-Sorrento Lane (Tract K)	16	2037		5,569
Asphalt Overlay-Carino Lane (Tract F)	16	2037		8,651
Asphalt Overlay-Lastrada Circle	16	2037		23,571
Chain Link Fencing-Tract B & C	21	2042		19,470

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

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
			<u>\$80,348</u>	<u>\$140,842</u>
			<u>\$2,410</u>	<u>\$4,225</u>
			\$82,758	\$145,067

'' Indicates Partially Funded*

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

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 as opposed to a funding schedule that accumulates reserves in correlation with the rate at which the capital assets are losing value due to depreciation. Under a cash flow funding model, the accumulated reserves at any point in time may or may not offset the asset value that has been lost to depreciation. When the accumulated reserve fund balance is equal to or greater than the value that has been lost to depreciation the reserves are said to be fully funded or 100% funded.

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

Bella Vista Homes Homeowner's Association
Glossary

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.

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, 2020 is referred to as the 2020 fiscal year or fiscal year 2020 (FY2020).

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:

$$\text{Fully Funded} = \text{PV} \times \text{CA} / \text{EUL}.$$

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.

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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.

Legacy Systems – Also referred to as legacy components, the term refers to a class of commonly-owned assets that date to the original construction of the development and which are typically expected to achieve a useful service life that is beyond 30 years. In some cases, the service life of legacy systems may be significantly longer than 30 years. In those instances where the life expectancy of the component exceeds 40 to 50 years the need to replace or renew the component may only occur one time in the course of a 100-year period.

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 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.

Bella Vista Homes Homeowner's Association Glossary

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. 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.

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	Asphalt Sealcoat-Sorrento Lane (Tract K)	2022	A-4
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	Asphalt Overlay-Carino Lane (Tract F)	2037	A-10
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Component Detail Report Index**

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Water Feature Pumps (2)	2021	A-2
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Total Funded Assets	31	
Total Unfunded Assets	<u>0</u>	
Total Assets	31	