

**Level 3 Reserve Study**

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

**Medford, OR**

**Budget Year:** 1/1/2020 – 12/31/2020

**Reserve Specialist®:** Carson M. Horton, RS®

**Report Date:** 9/17/2019



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

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

**Period of Inquiry:** This repair and replacement funding and cost analysis (reserve study) encompasses a period of thirty (30) years beginning on January 1, 2020 and ending on December 31, 2049.

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

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

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

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

**Statement of Purpose:** The purpose of this reserve study is to provide a planning and budgeting tool to assist in the development of a long-range financial 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.

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

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

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

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

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

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



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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 in **2017**.

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 (2019)
- 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 - 16<sup>th</sup> Edition
- Condition assessment conducted by CRC

**3. Statutory Requirements:** The funding time frame covered in this reserve study is thirty (30) years. The study must be updated annually to be in compliance with state law. To be considered a current reserve study that complies with state law the study must contain the following information:

- The reserve fund balance as of the first day of the current budget year.
- An estimate of the remaining useful life of the common elements for which the reserves have been established from the point at which the reserve study is updated.
- An estimate of the future cost of repairing, replacing or maintaining the components for which the reserves have been established, based on the inflation rate at the time the reserve study is updated.
- An estimate of the future cost of exterior painting if the common elements include exterior surfaces that are painted.

For more details on the reserve study update requirements in Oregon please refer to the Reserve Study Updates section found in the Appendix.

## **SECTION I**

# **PHYSICAL ANALYSIS**

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

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

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

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

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

**4. Property Type:** Planned development

**5. Number of Residential Lots:** 107

**6. Year Constructed:** 2006

**7. Incorporation** May 25, 2006

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

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

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

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

**SECTION II**

**FINANCIAL ANALYSIS**



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

**1. Current Financial Condition:** The Association's budget year begins January 1<sup>st</sup> of each year.

- This reserve study covers the 30-year period between **1/1/2020** and **12/31/2049**.
- The reserve fund balance as of **1/1/2020** is **\$76,406.00**.
- 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 **1/1/2020** will be: **64%**

**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 **1/1/2020: \$76,406.00**
- **2020** reserve fund contribution: **\$17,064.00**.
- Maximum annual increase in the reserve contribution after **2020** of: **4%**.
- Earnings on reserve deposits: **.60%**
- Annual inflation rate: **3%**
- Effective income tax rate: **15%**
- Reserve fund contingency: **3%**
- Contingency funds available as of **1/1/2020: \$2,292.00**

The Annual Reserve Fund Expenditure Detail indicates the next reserve expenditures scheduled to occur will be in **2020**. The total amount of these expenditures is estimated to be: **\$3,026.00**.

**4. Current Assessment Funding:** The funding projection contained in this reserve study utilizes a cash flow funding method known as Current Assessment Funding. Current Assessment Funding is a reserve funding model

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

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 **2020** reserve fund contribution of **\$17,064.00** which equals **\$159.48** per unit based on **107** units.

**5. Percent Funded Analysis:** The percent funded level under the Current Assessment Funding Projection will be **67%** at the end of **2020** assuming the reserve fund activity is consistent with the schedule set forth in the reserve study.

- The highest percent funded level after **2020** is **68%** in **2025**.
- The lowest percent funded level after **2020** is **7%** in **2042**.

The Current Assessment Funding Projection included in this reserve study represents the contribution schedule required to meet the reserve obligations set forth in this reserve study for the next thirty years, assuming a beginning reserve fund balance of **\$76,406**; a **2020** contribution of **\$17,064.00** and a maximum annual increase in the reserve contribution of **4%** in any year after **2020**.

**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 **12/31/2049** are as follows:

- Total Reserve Spending **\$794,495.00**
- Average Annual Reserve Expenditures: **\$26,484.00**
- Total Reserve Fund Contributions: **\$822,350.00**
- Interest Earnings on Reserve Fund Deposits: **\$17,093.00**
- **12/31/2049** Reserve Fund Balance: **\$121,354.00**

**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 **\$13,178.00** in **2042**.

**8. Funding Summary:** The reserve funding projection established by this reserve study assumes interest earnings on reserve fund deposits of **.60%** each year for the next thirty years, resulting in total interest earnings of **\$17,093.00**. The annual inflation rate that is used to project future replacement costs is **3%**. If the reserve funding and spending activity does not deviate from the schedule set forth in this reserve study, the funding schedule will meet the reserve spending obligations of the Association assuming the reserve funding parameters outlined above do not change. If the average annual inflation rate exceeds the current rate of inflation over the next thirty years the reserve fund expenditures in future years may exceed the amounts projected by this reserve study.

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 of **.60%** which is 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**  
**Distribution of Accumulated Reserves**

Report Date                   September 17, 2019  
 Beginning Fiscal Year       January 01, 2020  
 Account Number             OR-1408-0002

Version Number LEVEL 3

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Water Feature Lighting	0	2020	3,026	
Common Area Irrigation Controllers	1	2021	5,950	
Water Feature Pumps (1)	1	2021	3,950	
Water Feature Pumps (2)	1	2021	3,950	
Asphalt Sealcoat-Camina Drive (Tract G)	2	2022	1,260	
Asphalt Sealcoat-Carino Lane (Tract F)	2	2022	3,560	
Asphalt Sealcoat-Lastrada Circle	2	2022	9,700	
Asphalt Sealcoat-Parking Area	2	2022	1,440	
Asphalt Sealcoat-Pathway-Tract B	2	2022	400	
Asphalt Sealcoat-Pathway-Tract C	2	2022	460	
Asphalt Sealcoat-Sorrento Lane (Tract K)	2	2022	1,820	
Irrigation System Upgrade-Park Area	4	2024	3,000	
Landscape Renovation-Park Area	4	2024	7,500	
Water Feature Pump Motor (1)	5	2025	3,035	
Irrigation System Upgrade-Entrances	6	2026	7,500	
Landscape Renovation-East Entrance	6	2026	5,000	
Landscape Renovation-North Entrance	6	2026	5,000	
Landscape Renovation-West Entrance	6	2026	5,000	
Water Feature Pump Motor (2)	6	2026	2,563	
Landscape Lighting	8	2028		
Common Area Sidewalks-Safety Repair	10	2030		
Cluster Mailboxes	12	2032		
Signs-Replacement Allowance	12	2032		
Asphalt Overlay-Camina Drive (Tract G)	17	2037		
Asphalt Overlay-Carino Lane (Tract F)	17	2037	*	
Asphalt Overlay-Lastrada Circle	17	2037		
Asphalt Overlay-Parking Area	17	2037		
Asphalt Overlay-Pathway-Tract B	17	2037		
Asphalt Overlay-Pathway-Tract C	17	2037		
Asphalt Overlay-Sorrento Lane (Tract K)	17	2037		
Chain Link Fencing-Tract B & C	22	2042		

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

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Total Asset Summary			<u>\$74,114</u>	<u>\$114,833</u>
Contingency at 3.00%			<u>\$2,292</u>	<u>\$3,552</u>
Summary Total			\$76,406	\$118,385

*'\*' Indicates Partially Funded*

## **SECTION III**

# **RESERVE FUNDING PROJECTIONS**

**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 **2020** reserve fund contribution of **\$17,064**.

**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. Reserve Funding & Disclosure Requirements:** The reserve funding projections presented in this reserve study are intended to serve as a guide to help frame the minimum and maximum funding levels which should be considered by the Board of Directors. Under Oregon law the Association is not obligated to adopt any particular method of reserve funding or to maintain any minimum percent funded level. The Association is required to fund the reserve account in an amount which is determined to be adequate to meet the reserve funding requirements of the Association, in the opinion of the Board of Directors.

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

***Report Parameters***

Report Date	September 17, 2019	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, 2020	Contingency	3.00%
Budget Year Ending	December 31, 2020		
Total Units	107	2020 Beginning Balance	\$76,406
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>\$461.27</u>
Total Annual Allocation to Reserves	\$17,525.27
<i>\$163.79 per unit annually</i>	

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

Report Date                   September 17, 2019  
Beginning Fiscal Year       January 01, 2020  
Account Number             OR-1408-0002

Version Number LEVEL 3

Beginning Balance: \$76,406

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2020	271,823	17,064	461	3,026	90,906	135,917	67%
2021	279,978	17,576	481	14,265	94,696	143,133	66%
2022	288,377	18,103	474	19,775	93,499	145,262	64%
2023	297,029	18,646	572		112,717	169,019	67%
2024	305,939	19,206	613	11,818	120,717	181,452	67%
2025	315,118	19,782	699	3,518	137,680	203,669	68%
2026	324,571	20,375	583	43,793	114,845	184,401	62%
2027	334,308	20,987	576	22,925	113,482	187,348	61%
2028	344,338	21,616	653	6,967	128,785	207,981	62%
2029	354,668	22,265	770		151,820	237,303	64%
2030	365,308	22,933	884	1,361	174,276	266,769	65%
2031	376,267	23,621	954	10,935	187,915	287,665	65%
2032	387,555	24,329	798	55,748	157,294	262,369	60%
2033	399,182	25,059	906	4,773	178,486	291,201	61%
2034	411,157	25,811	1,042		205,338	326,747	63%
2035	423,492	26,585	1,183		233,106	364,164	64%
2036	436,196	27,383	1,215	22,225	239,479	379,932	63%
2037	449,282	28,204	121	243,878	23,927	161,663	15%
2038	462,761	29,050	196	14,515	38,659	181,275	21%
2039	476,644	29,922	323	5,322	63,581	212,142	30%
2040	490,943	30,819	452	5,870	88,983	244,286	36%
2041	505,671	31,744	541	14,696	106,571	268,982	40%
2042	520,841	32,696	67	126,156	13,178	177,054	7%
2043	536,467	34,004	241		47,423	217,347	22%
2044	552,561	35,364	282	27,495	55,574	230,702	24%
2045	569,137	36,779	460	2,120	90,693	272,483	33%
2046	586,212	38,250	290	72,106	57,128	242,316	24%
2047	603,798	39,780	246	48,624	48,530	237,325	20%
2048	621,912	41,371	394	12,584	77,712	271,636	29%
2049	640,569	43,026	616		121,354	321,554	38%



## **SECTION IV**

# **COMPONENT INVENTORY REPORTS**

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

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

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

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

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

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

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

Report Date                   September 17, 2019  
 Beginning Fiscal Year       January 01, 2020  
 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
<b>Concrete Pavement</b>									
<b>Common Area Sidewalks-Safety Repair</b>		2030	1,012	15	3	10	1,361	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.									
<b>Fencing &amp; Site Walls</b>									
<b>Chain Link Fencing-Tract B &amp; C</b>		2042	47,200	30	0	22	90,440	2950 @	16.00
This component provides funding for replacement of the vinyl-coated chain link fencing that surrounds the retention pond. Funding is scheduled to occur every 30 years beginning in 2042.									
<b>Landscaping &amp; Irrigation</b>									
<b>Common Area Irrigation Controllers</b>		2021	5,950	15	0	1	6,128	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.									
<b>Irrigation System Upgrade-Park Area</b>		2024	3,000	20	-2	4	3,377	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.									
<b>Landscape Renovation-Park Area</b>		2024	7,500	20	-2	4	8,441	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.									
<b>Irrigation System Upgrade-Entrances</b>		2026	7,500	20	0	6	8,955	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.									
<b>Landscape Renovation-East Entrance</b>		2026	5,000	20	0	6	5,970	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.									
<b>Landscape Renovation-North Entrance</b>		2026	5,000	20	0	6	5,970	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
<b>Landscaping &amp; Irrigation continued...</b>									
<i>Landscape Renovation-North Entrance continued...</i>									
in 2026. Routine maintenance expenses should be included in the annual operating budget.									
<b>Landscape Renovation-West Entrance</b>		2026	5,000	20	0	6	5,970	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.									
<b>Landscape Lighting</b>		2028	5,500	10	0	8	6,967	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.									
<b>Mailboxes &amp; Signage</b>									
<b>Cluster Mailboxes</b>		2032	13,200	25	1	12	18,820	8 @	1,650.00
This component provides funding for replacement of the pedestal-mounted cluster mailbox. Funding is scheduled to occur every 25 years beginning in 2032.									
<b>Signs-Replacement Allowance</b>		2032	1,200	20	0	12	1,711	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.									
<b>Private Roads &amp; Alleys</b>									
<b>Asphalt Sealcoat-Camina Drive (Tract G)</b>									
		2022	1,260	5	0	2	1,337	6300 @	0.20
This component provides funding for the application of an asphalt sealcoat on Camina Drive. Funding is scheduled to occur every 5 years beginning in 2022.									
<b>Asphalt Sealcoat-Carino Lane (Tract F)</b>		2022	3,560	5	0	2	3,777	17800 @	0.20
This component provides funding for the application of an asphalt sealcoat on Carino Lane. Funding is scheduled to occur every 5 years beginning in 2022.									
<b>Asphalt Sealcoat-Lastrada Circle</b>		2022	9,700	5	0	2	10,291	48500 @	0.20
This component provides funding for the application of an asphalt sealcoat on Lastrada Circle. Funding is scheduled to occur every 5 years beginning in 2022.									
<b>Asphalt Sealcoat-Parking Area</b>		2022	1,440	5	0	2	1,528	7200 @	0.20
This component provides funding for the application of an asphalt sealcoat on the parking area adjacent to West Lastrada Circle. Funding is scheduled to occur every 5 years beginning in 2022.									
<b>Asphalt Sealcoat-Pathway-Tract B</b>		2022	400	5	0	2	424	2000 @	0.20
This component provides funding for the application of an asphalt sealcoat on the walking paths in Tract B. Funding is scheduled to occur every 5 years beginning in 2022.									

**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
<b>Private Roads &amp; Alleys continued...</b>									
<b>Asphalt Sealcoat-Pathway-Tract C</b>		2022	460	5	0	2	488	2300 @	0.20
This component provides funding for the application of an asphalt sealcoat on the walking paths in Tract C. Funding is scheduled to occur every 5 years beginning in 2022.									
<b>Asphalt Sealcoat-Sorrento Lane (Tract K)</b>		2022	1,820	5	0	2	1,931	9100 @	0.20
This component provides funding for the application of an asphalt sealcoat on Sorrento Lane. Funding is scheduled to occur every 5 years beginning in 2022.									
<b>Asphalt Overlay-Camina Drive (Tract G)</b>		2037	8,505	25	0	17	14,057	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.									
<b>Asphalt Overlay-Carino Lane (Tract F)</b>		2037	24,030	25	0	17	39,718	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.									
<b>Asphalt Overlay-Lastrada Circle</b>		2037	65,475	25	0	17	108,220	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.									
<b>Asphalt Overlay-Parking Area</b>		2037	10,800	25	0	17	17,851	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.									
<b>Asphalt Overlay-Pathway-Tract B</b>		2037	3,000	25	0	17	4,959	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.									
<b>Asphalt Overlay-Pathway-Tract C</b>		2037	3,450	25	0	17	5,702	2300 @	1.50
This component provides funding for the application of an asphalt overlay on the walking path in Tract C. Funding is scheduled to occur every 25 years beginning in 2037.									
<b>Asphalt Overlay-Sorrento Lane (Tract K)</b>		2037	13,650	25	0	17	22,561	9100 @	1.50
This component provides funding for the application of an asphalt overlay on Sorrento Lane. Funding is scheduled to occur every 25 years beginning in 2037.									
<b>Water Features</b>									
<b>Water Feature Lighting</b>		2020	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.									
<b>Water Feature Pumps (1)</b>		2021	3,950	5	0	1	4,068	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
<b>Water Features continued...</b>									
<i>Water Feature Pumps (1) continued...</i> in the annual operating budget.									
<b>Water Feature Pumps (2)</b>		2021	3,950	5	10	1	4,068	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.									
<b>Water Feature Pump Motor (1)</b>		2025	3,035	7	0	5	3,518	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.									
<b>Water Feature Pump Motor (2)</b>		2026	3,250	7	0	6	3,881	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                   September 17, 2019  
 Beginning Fiscal Year       January 01, 2020  
 Account Number             OR-1408-0002

Version Number LEVEL 3

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Water Feature Lighting	2020	6	0	0	3,026	3,026	0
Common Area Irrigation Controllers	2021	15	0	1	5,950	5,950	0
Water Feature Pumps (1)	2021	5	0	1	3,950	3,950	0
Water Feature Pumps (2)	2021	5	10	1	3,950	3,950	0
Asphalt Sealcoat-Camina Drive (Tract G)	2022	5	0	2	1,260	1,260	0
Asphalt Sealcoat-Carino Lane (Tract F)	2022	5	0	2	3,560	3,560	0
Asphalt Sealcoat-Lastrada Circle	2022	5	0	2	9,700	9,700	0
Asphalt Sealcoat-Parking Area	2022	5	0	2	1,440	1,440	0
Asphalt Sealcoat-Pathway-Tract B	2022	5	0	2	400	400	0
Asphalt Sealcoat-Pathway-Tract C	2022	5	0	2	460	460	0
Asphalt Sealcoat-Sorrento Lane (Tract K)	2022	5	0	2	1,820	1,820	0
Irrigation System Upgrade-Park Area	2024	20	-2	4	3,000	3,000	0
Landscape Renovation-Park Area	2024	20	-2	4	7,500	7,500	0
Water Feature Pump Motor (1)	2025	7	0	5	3,035	3,035	0
Irrigation System Upgrade-Entrances	2026	20	0	6	7,500	7,500	0
Landscape Renovation-East Entrance	2026	20	0	6	5,000	5,000	0
Landscape Renovation-North Entrance	2026	20	0	6	5,000	5,000	0
Landscape Renovation-West Entrance	2026	20	0	6	5,000	5,000	0
Water Feature Pump Motor (2)	2026	7	0	6	3,250	2,563	0
Landscape Lighting	2028	10	0	8	5,500	0	0
Common Area Sidewalks-Safety Repair	2030	15	3	10	1,012	0	0
Cluster Mailboxes	2032	25	1	12	13,200	0	0
Signs-Replacement Allowance	2032	20	0	12	1,200	0	0
Asphalt Overlay-Camina Drive (Tract G)	2037	25	0	17	8,505	0	0
Asphalt Overlay-Carino Lane (Tract F)	2037	25	0	17	24,030	0	0
Asphalt Overlay-Lastrada Circle	2037	25	0	17	65,475	0	0
Asphalt Overlay-Parking Area	2037	25	0	17	10,800	0	0
Asphalt Overlay-Pathway-Tract B	2037	25	0	17	3,000	0	0
Asphalt Overlay-Pathway-Tract C	2037	25	0	17	3,450	0	0
Asphalt Overlay-Sorrento Lane (Tract K)	2037	25	0	17	13,650	0	0
Chain Link Fencing-Tract B & C	2042	30	0	22	47,200	0	0
Total Asset Summary					<u>\$271,823</u>	<u>\$74,114</u>	<u>\$114,833</u>
Contingency at 3.00%						<u>\$2,292</u>	<u>\$3,552</u>
Summary Total						<u>\$76,406</u>	<u>\$118,385</u>

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

Report Date September 17, 2019  
 Beginning Fiscal Year January 01, 2020  
 Account Number OR-1408-0002

Version Number LEVEL 3

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
<b>Concrete Pavement</b>								
Common Area Sidewalks-Safety Repair	2012	2030	15	3	10	675 SF	15.00 @ 10%	<u>1,012</u>
Concrete Pavement - Total								\$1,012
<b>Fencing &amp; Site Walls</b>								
Chain Link Fencing-Tract B & C	2012	2042	30	0	22	2,950 LF	16.00	<u>47,200</u>
Fencing & Site Walls - Total								\$47,200
<b>Landscaping &amp; Irrigation</b>								
Common Area Irrigation Controllers	2006	2021	15	0	1	17 EA	350.00	5,950
Irrigation System Upgrade-Park Area	2006	2024	20	-2	4	1 Total	3,000.00	3,000
Landscape Renovation-Park Area	2006	2024	20	-2	4	1 Total	7,500.00	7,500
Irrigation System Upgrade-Entrances	2006	2026	20	0	6	1 Total	7,500.00	7,500
Landscape Renovation-East Entrance	2006	2026	20	0	6	1 Total	5,000.00	5,000
Landscape Renovation-North Entrance	2006	2026	20	0	6	1 Total	5,000.00	5,000
Landscape Renovation-West Entrance	2006	2026	20	0	6	1 Total	5,000.00	5,000
Landscape Lighting	2018	2028	10	0	8	1 Total	5,500.00	<u>5,500</u>
Landscaping & Irrigation - Total								\$44,450
<b>Mailboxes &amp; Signage</b>								
Cluster Mailboxes	2006	2032	25	1	12	8 EA	1,650.00	13,200
Signs-Replacement Allowance	2012	2032	20	0	12	1 Total	1,200.00	<u>1,200</u>
Mailboxes & Signage - Total								\$14,400
<b>Private Roads &amp; Alleys</b>								
Asphalt Sealcoat-Camina Drive (Tract G)	2017	2022	5	0	2	6,300 SF	0.20	1,260
Asphalt Sealcoat-Carino Lane (Tract F)	2017	2022	5	0	2	17,800 SF	0.20	3,560
Asphalt Sealcoat-Lastrada Circle	2017	2022	5	0	2	48,500 SF	0.20	9,700
Asphalt Sealcoat-Parking Area	2017	2022	5	0	2	7,200 SF	0.20	1,440
Asphalt Sealcoat-Pathway-Tract B	2017	2022	5	0	2	2,000 SF	0.20	400
Asphalt Sealcoat-Pathway-Tract C	2017	2022	5	0	2	2,300 SF	0.20	460
Asphalt Sealcoat-Sorrento Lane (Tract K)	2017	2022	5	0	2	9,100 SF	0.20	1,820
Asphalt Overlay-Camina Drive (Tract G)	2012	2037	25	0	17	6,300 SF	1.35	8,505
Asphalt Overlay-Carino Lane (Tract F)	2012	2037	25	0	17	17,800 SF	1.35	24,030
Asphalt Overlay-Lastrada Circle	2012	2037	25	0	17	48,500 SF	1.35	65,475
Asphalt Overlay-Parking Area	2012	2037	25	0	17	7,200 SF	1.50	10,800
Asphalt Overlay-Pathway-Tract B	2012	2037	25	0	17	2,000 SF	1.50	3,000
Asphalt Overlay-Pathway-Tract C	2012	2037	25	0	17	2,300 SF	1.50	3,450



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

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
<i>Private Roads &amp; Alleys continued...</i>								
Asphalt Overlay-Sorrento Lane (Tract K)	2012	2037	25	0	17	9,100 SF	1.50	13,650
Private Roads & Alleys - Total								<u>\$147,550</u>
<b>Water Features</b>								
Water Feature Lighting	2014	2020	6	0	0	7 Ea	432.25	3,026
Water Feature Pumps (1)	2016	2021	5	0	1	1 Total	3,950.00	3,950
Water Feature Pumps (2)	2006	2021	5	10	1	1 Total	3,950.00	3,950
Water Feature Pump Motor (1)	2018	2025	7	0	5	1 Total	3,035.00	3,035
Water Feature Pump Motor (2)	2019	2026	7	0	6	1 Total	3,250.00	<u>3,250</u>
Water Features - Total								<u>\$17,211</u>
Total Asset Summary								<u>\$271,823</u>

## **SECTION V**

### **RESERVE EXPENDITURE REPORTS**

## **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                    September 17, 2019  
 Beginning Fiscal Year        January 01, 2020  
 Account Number                OR-1408-0002

Version Number LEVEL 3

Description	Expenditures
<b>Replacement Year 2020</b>	
<b>Water Features</b>	
Water Feature Lighting	3,026
<b>Total for 2020</b>	<b><u>\$3,026</u></b>
 <b>Replacement Year 2021</b>	
<b>Landscaping &amp; Irrigation</b>	
Common Area Irrigation Controllers	6,128
<b>Water Features</b>	
Water Feature Pumps (1)	4,068
Water Feature Pumps (2)	4,068
<b>Total for 2021</b>	<b><u>\$14,265</u></b>
 <b>Replacement Year 2022</b>	
<b>Private Roads &amp; Alleys</b>	
Asphalt Sealcoat-Camina Drive (Tract G)	1,337
Asphalt Sealcoat-Carino Lane (Tract F)	3,777
Asphalt Sealcoat-Lastrada Circle	10,291
Asphalt Sealcoat-Parking Area	1,528
Asphalt Sealcoat-Pathway-Tract B	424
Asphalt Sealcoat-Pathway-Tract C	488
Asphalt Sealcoat-Sorrento Lane (Tract K)	1,931
<b>Total for 2022</b>	<b><u>\$19,775</u></b>
 <i>No Replacement in 2023</i>	
 <b>Replacement Year 2024</b>	
<b>Landscaping &amp; Irrigation</b>	
Irrigation System Upgrade-Park Area	3,377
Landscape Renovation-Park Area	8,441
<b>Total for 2024</b>	<b><u>\$11,818</u></b>

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

Description	Expenditures
<b>Replacement Year 2025</b>	
<b>Water Features</b>	
Water Feature Pump Motor (1)	3,518
<b>Total for 2025</b>	<b><u>\$3,518</u></b>
<b>Replacement Year 2026</b>	
<b>Landscaping &amp; Irrigation</b>	
Irrigation System Upgrade-Entrances	8,955
Landscape Renovation-East Entrance	5,970
Landscape Renovation-North Entrance	5,970
Landscape Renovation-West Entrance	5,970
<b>Water Features</b>	
Water Feature Pumps (1)	4,717
Water Feature Pumps (2)	4,717
Water Feature Lighting	3,613
Water Feature Pump Motor (2)	3,881
<b>Total for 2026</b>	<b><u>\$43,793</u></b>
<b>Replacement Year 2027</b>	
<b>Private Roads &amp; Alleys</b>	
Asphalt Sealcoat-Camina Drive (Tract G)	1,550
Asphalt Sealcoat-Carino Lane (Tract F)	4,378
Asphalt Sealcoat-Lastrada Circle	11,930
Asphalt Sealcoat-Parking Area	1,771
Asphalt Sealcoat-Pathway-Tract B	492
Asphalt Sealcoat-Pathway-Tract C	566
Asphalt Sealcoat-Sorrento Lane (Tract K)	2,238
<b>Total for 2027</b>	<b><u>\$22,925</u></b>
<b>Replacement Year 2028</b>	
<b>Landscaping &amp; Irrigation</b>	
Landscape Lighting	6,967
<b>Total for 2028</b>	<b><u>\$6,967</u></b>

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

Description	Expenditures
<i>No Replacement in 2029</i>	
<b>Replacement Year 2030</b>	
<b>Concrete Pavement</b>	
Common Area Sidewalks-Safety Repair	1,361
<b>Total for 2030</b>	<b>\$1,361</b>
<b>Replacement Year 2031</b>	
<b>Water Features</b>	
Water Feature Pumps (1)	5,468
Water Feature Pumps (2)	5,468
<b>Total for 2031</b>	<b>\$10,935</b>
<b>Replacement Year 2032</b>	
<b>Mailboxes &amp; Signage</b>	
Signs-Replacement Allowance	1,711
Cluster Mailboxes	18,820
<b>Private Roads &amp; Alleys</b>	
Asphalt Sealcoat-Camina Drive (Tract G)	1,796
Asphalt Sealcoat-Carino Lane (Tract F)	5,076
Asphalt Sealcoat-Lastrada Circle	13,830
Asphalt Sealcoat-Parking Area	2,053
Asphalt Sealcoat-Pathway-Tract B	570
Asphalt Sealcoat-Pathway-Tract C	656
Asphalt Sealcoat-Sorrento Lane (Tract K)	2,595
<b>Water Features</b>	
Water Feature Lighting	4,314
Water Feature Pump Motor (1)	4,327
<b>Total for 2032</b>	<b>\$55,748</b>
<b>Replacement Year 2033</b>	
<b>Water Features</b>	
Water Feature Pump Motor (2)	4,773
<b>Total for 2033</b>	<b>\$4,773</b>

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

Description	Expenditures
<i>No Replacement in 2034</i>	
<i>No Replacement in 2035</i>	
<b>Replacement Year 2036</b>	
<b>Landscaping &amp; Irrigation</b>	
Common Area Irrigation Controllers	9,548
<b>Water Features</b>	
Water Feature Pumps (1)	6,339
Water Feature Pumps (2)	6,339
<b>Total for 2036</b>	<b><u>\$22,225</u></b>
<b>Replacement Year 2037</b>	
<b>Private Roads &amp; Alleys</b>	
Asphalt Sealcoat-Camina Drive (Tract G)	2,083
Asphalt Sealcoat-Carino Lane (Tract F)	5,884
Asphalt Sealcoat-Lastrada Circle	16,033
Asphalt Sealcoat-Parking Area	2,380
Asphalt Sealcoat-Pathway-Tract B	661
Asphalt Sealcoat-Pathway-Tract C	760
Asphalt Sealcoat-Sorrento Lane (Tract K)	3,008
Asphalt Overlay-Camina Drive (Tract G)	14,057
Asphalt Overlay-Carino Lane (Tract F)	39,718
Asphalt Overlay-Lastrada Circle	108,220
Asphalt Overlay-Parking Area	17,851
Asphalt Overlay-Pathway-Tract B	4,959
Asphalt Overlay-Pathway-Tract C	5,702
Asphalt Overlay-Sorrento Lane (Tract K)	22,561
<b>Total for 2037</b>	<b><u>\$243,878</u></b>
<b>Replacement Year 2038</b>	
<b>Landscaping &amp; Irrigation</b>	
Landscape Lighting	9,363
<b>Water Features</b>	
Water Feature Lighting	5,151
<b>Total for 2038</b>	<b><u>\$14,515</u></b>

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

Description	Expenditures
<b>Replacement Year 2039</b>	
<b>Water Features</b>	
Water Feature Pump Motor (1)	5,322
<b>Total for 2039</b>	<b><u>\$5,322</u></b>
 <b>Replacement Year 2040</b>	
<b>Water Features</b>	
Water Feature Pump Motor (2)	5,870
<b>Total for 2040</b>	<b><u>\$5,870</u></b>
 <b>Replacement Year 2041</b>	
<b>Water Features</b>	
Water Feature Pumps (1)	7,348
Water Feature Pumps (2)	7,348
<b>Total for 2041</b>	<b><u>\$14,696</u></b>
 <b>Replacement Year 2042</b>	
<b>Fencing &amp; Site Walls</b>	
Chain Link Fencing-Tract B & C	90,440
<b>Private Roads &amp; Alleys</b>	
Asphalt Sealcoat-Camina Drive (Tract G)	2,414
Asphalt Sealcoat-Carino Lane (Tract F)	6,821
Asphalt Sealcoat-Lastrada Circle	18,586
Asphalt Sealcoat-Parking Area	2,759
Asphalt Sealcoat-Pathway-Tract B	766
Asphalt Sealcoat-Pathway-Tract C	881
Asphalt Sealcoat-Sorrento Lane (Tract K)	3,487
<b>Total for 2042</b>	<b><u>\$126,156</u></b>
 <i>No Replacement in 2043</i>	
 <b>Replacement Year 2044</b>	
<b>Landscaping &amp; Irrigation</b>	
Irrigation System Upgrade-Park Area	6,098



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

Description	Expenditures
<b><i>Replacement Year 2044 continued...</i></b>	
Landscape Renovation-Park Area	15,246
<b>Water Features</b>	
Water Feature Lighting	6,151
<b>Total for 2044</b>	<b>\$27,495</b>
<b>Replacement Year 2045</b>	
<b>Concrete Pavement</b>	
Common Area Sidewalks-Safety Repair	2,120
<b>Total for 2045</b>	<b>\$2,120</b>
<b>Replacement Year 2046</b>	
<b>Landscaping &amp; Irrigation</b>	
Irrigation System Upgrade-Entrances	16,174
Landscape Renovation-East Entrance	10,783
Landscape Renovation-North Entrance	10,783
Landscape Renovation-West Entrance	10,783
<b>Water Features</b>	
Water Feature Pumps (1)	8,519
Water Feature Pumps (2)	8,519
Water Feature Pump Motor (1)	6,545
<b>Total for 2046</b>	<b>\$72,106</b>
<b>Replacement Year 2047</b>	
<b>Private Roads &amp; Alleys</b>	
Asphalt Sealcoat-Camina Drive (Tract G)	2,799
Asphalt Sealcoat-Carino Lane (Tract F)	7,908
Asphalt Sealcoat-Lastrada Circle	21,547
Asphalt Sealcoat-Parking Area	3,199
Asphalt Sealcoat-Pathway-Tract B	889
Asphalt Sealcoat-Pathway-Tract C	1,022
Asphalt Sealcoat-Sorrento Lane (Tract K)	4,043
<b>Water Features</b>	
Water Feature Pump Motor (2)	7,219
<b>Total for 2047</b>	<b>\$48,624</b>

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

Description	Expenditures
<b>Replacement Year 2048</b>	
<b>Landscaping &amp; Irrigation</b>	
Landscape Lighting	12,584
<b>Total for 2048</b>	<u><b>\$12,584</b></u>

*No Replacement in 2049*

**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
<b>Capital Expenditures</b>								
Asphalt Overlay-Camina Drive (Tract G)	2012	2037	25	0	17	6,300 SF	1.35	8,505
Asphalt Overlay-Carino Lane (Tract F)	2012	2037	25	0	17	17,800 SF	1.35	24,030
Asphalt Overlay-Lastrada Circle	2012	2037	25	0	17	48,500 SF	1.35	65,475
Asphalt Overlay-Parking Area	2012	2037	25	0	17	7,200 SF	1.50	10,800
Asphalt Overlay-Pathway-Tract B	2012	2037	25	0	17	2,000 SF	1.50	3,000
Asphalt Overlay-Pathway-Tract C	2012	2037	25	0	17	2,300 SF	1.50	3,450
Asphalt Overlay-Sorrento Lane (Tract K)	2012	2037	25	0	17	9,100 SF	1.50	13,650
Chain Link Fencing-Tract B & C	2012	2042	30	0	22	2,950 LF	16.00	47,200
Cluster Mailboxes	2006	2032	25	1	12	8 EA	1,650.00	13,200
Common Area Irrigation Controllers	2006	2021	15	0	1	17 EA	350.00	5,950
Irrigation System Upgrade-Entrances	2006	2026	20	0	6	1 Total	7,500.00	7,500
Irrigation System Upgrade-Park Area	2006	2024	20	-2	4	1 Total	3,000.00	3,000
Landscape Lighting	2018	2028	10	0	8	1 Total	5,500.00	5,500
Landscape Renovation-East Entrance	2006	2026	20	0	6	1 Total	5,000.00	5,000
Landscape Renovation-North Entrance	2006	2026	20	0	6	1 Total	5,000.00	5,000
Landscape Renovation-Park Area	2006	2024	20	-2	4	1 Total	7,500.00	7,500
Landscape Renovation-West Entrance	2006	2026	20	0	6	1 Total	5,000.00	5,000
Signs-Replacement Allowance	2012	2032	20	0	12	1 Total	1,200.00	1,200
Water Feature Lighting	2014	2020	6	0	0	7 Ea	432.25	3,026
Water Feature Pump Motor (1)	2018	2025	7	0	5	1 Total	3,035.00	3,035
Water Feature Pump Motor (2)	2019	2026	7	0	6	1 Total	3,250.00	3,250
Water Feature Pumps (1)	2016	2021	5	0	1	1 Total	3,950.00	3,950
Water Feature Pumps (2)	2006	2021	5	10	1	1 Total	3,950.00	3,950
Capital Expenditures - Total								<u>\$252,171</u>
<b>Non-Capital Expenditures</b>								
Asphalt Sealcoat-Camina Drive (Tract G)	2017	2022	5	0	2	6,300 SF	0.20	1,260
Asphalt Sealcoat-Carino Lane (Tract F)	2017	2022	5	0	2	17,800 SF	0.20	3,560
Asphalt Sealcoat-Lastrada Circle	2017	2022	5	0	2	48,500 SF	0.20	9,700
Asphalt Sealcoat-Parking Area	2017	2022	5	0	2	7,200 SF	0.20	1,440
Asphalt Sealcoat-Pathway-Tract B	2017	2022	5	0	2	2,000 SF	0.20	400
Asphalt Sealcoat-Pathway-Tract C	2017	2022	5	0	2	2,300 SF	0.20	460
Asphalt Sealcoat-Sorrento Lane (Tract K)	2017	2022	5	0	2	9,100 SF	0.20	1,820
Common Area Sidewalks-Safety Repair	2012	2030	15	3	10	675 SF	15.00 @ 10%	<u>1,012</u>
Non-Capital Expenditures - Total								<u>\$19,652</u>
Total Asset Summary								<u>\$271,823</u>

# **APPENDIX**

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

Report Date                    September 17, 2019  
 Beginning Fiscal Year        January 01, 2020  
 Account Number                OR-1408-0002

Version Number   LEVEL 3

**Water Feature Lighting - 2020**

		7 Ea	@ \$432.25
Asset ID		Asset Cost	\$3,025.75
	Capital Expenditures	Percent Replacement	100%
	Water Features	Future Cost	\$3,025.75
Placed in Service	January 2014	Assigned Reserves	\$3,025.75
Useful Life	6		
Replacement Year	2020	Annual Assessment	\$465.31
Remaining Life	0	Interest Contribution	<u>  \$2.37</u>
		Reserve Allocation	<u>\$467.68</u>

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

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

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<b>Common Area Irrigation Controllers - 2021</b>		17 EA	@ \$350.00
Asset ID		Asset Cost	\$5,950.00
Capital Expenditures		Percent Replacement	100%
Landscaping & Irrigation		Future Cost	\$6,128.50
Placed in Service	July 2006	Assigned Reserves	\$5,950.00
Useful Life	15		
Replacement Year	2021	Annual Assessment	\$115.96
Remaining Life	1	Interest Contribution	<u>\$30.94</u>
		Reserve Allocation	\$146.89

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

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

<b>Water Feature Pumps (1) - 2021</b>		1 Total	@ \$3,950.00
Asset ID		Asset Cost	\$3,950.00
	Capital Expenditures	Percent Replacement	100%
	Water Features	Future Cost	\$4,068.50
Placed in Service	January 2016	Assigned Reserves	\$3,950.00
Useful Life	5		
Replacement Year	2021	Annual Assessment	\$76.98
Remaining Life	1	Interest Contribution	<u>\$20.54</u>
		Reserve Allocation	\$97.52

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

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

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<b>Water Feature Pumps (2) - 2021</b>		1 Total	@ \$3,950.00
Asset ID		Asset Cost	\$3,950.00
	Capital Expenditures	Percent Replacement	100%
	Water Features	Future Cost	\$4,068.50
Placed in Service	January 2006	Assigned Reserves	\$3,950.00
Useful Life	5		
Adjustment	10	Annual Assessment	\$76.98
Replacement Year	2021	Interest Contribution	<u>\$20.54</u>
Remaining Life	1	Reserve Allocation	\$97.52

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



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

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Asphalt Sealcoat-Camina Drive (Tract G) - 2022

		6,300 SF	@ \$0.20
Asset ID		Asset Cost	\$1,260.00
Non-Capital Expenditures		Percent Replacement	100%
Private Roads & Alleys		Future Cost	\$1,336.73
Placed in Service	January 2017	Assigned Reserves	\$1,260.00
Useful Life	5		
Replacement Year	2022	Annual Assessment	\$24.92
Remaining Life	2	Interest Contribution	<u>\$6.55</u>
		Reserve Allocation	<u>\$31.48</u>

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**

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Asphalt Sealcoat-Carino Lane (Tract F) - 2022

	17,800 SF	@ \$0.20
Asset ID	Asset Cost	\$3,560.00
Non-Capital Expenditures	Percent Replacement	100%
Private Roads & Alleys	Future Cost	\$3,776.80
Placed in Service	Assigned Reserves	\$3,560.00
Useful Life	5	
Replacement Year	2022	Annual Assessment \$70.42
Remaining Life	2	Interest Contribution <u>\$18.52</u>
	Reserve Allocation	\$88.93

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

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

<b>Asphalt Sealcoat-Lastrada Circle - 2022</b>		48,500 SF	@ \$0.20
Asset ID		Asset Cost	\$9,700.00
Non-Capital Expenditures		Percent Replacement	100%
Private Roads & Alleys		Future Cost	\$10,290.73
Placed in Service	January 2017	Assigned Reserves	\$9,700.00
Useful Life	5		
Replacement Year	2022	Annual Assessment	\$191.86
Remaining Life	2	Interest Contribution	<u>\$50.45</u>
		Reserve Allocation	\$242.31

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

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

<b>Asphalt Sealcoat-Parking Area - 2022</b>		7,200 SF	@ \$0.20
Asset ID		Asset Cost	\$1,440.00
Non-Capital Expenditures		Percent Replacement	100%
Private Roads & Alleys		Future Cost	\$1,527.70
Placed in Service	January 2017	Assigned Reserves	\$1,440.00
Useful Life	5		
Replacement Year	2022	Annual Assessment	\$28.48
Remaining Life	2	Interest Contribution	<u>\$7.49</u>
		Reserve Allocation	\$35.97

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**

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Asphalt Sealcoat-Pathway-Tract B - 2022	2,000 SF	@ \$0.20
Asset ID	Asset Cost	\$400.00
Non-Capital Expenditures	Percent Replacement	100%
Private Roads & Alleys	Future Cost	\$424.36
Placed in Service	January 2017	Assigned Reserves
Useful Life	5	\$400.00
Replacement Year	2022	Annual Assessment
Remaining Life	2	Interest Contribution
		Reserve Allocation
		\$7.91
		<u>\$2.08</u>
		\$9.99

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

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

Asphalt Sealcoat-Pathway-Tract C - 2022	2,300 SF	@ \$0.20
Asset ID	Asset Cost	\$460.00
Non-Capital Expenditures	Percent Replacement	100%
Private Roads & Alleys	Future Cost	\$488.01
Placed in Service	January 2017	Assigned Reserves
Useful Life	5	\$460.00
Replacement Year	2022	Annual Assessment
Remaining Life	2	Interest Contribution
		<u>\$2.39</u>
		Reserve Allocation
		\$11.49

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

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

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Asphalt Sealcoat-Sorrento Lane (Tract K) - 2022

		9,100 SF	@ \$0.20
Asset ID		Asset Cost	\$1,820.00
Non-Capital Expenditures		Percent Replacement	100%
Private Roads & Alleys		Future Cost	\$1,930.84
Placed in Service	January 2017	Assigned Reserves	\$1,820.00
Useful Life	5		
Replacement Year	2022	Annual Assessment	\$36.00
Remaining Life	2	Interest Contribution	<u>\$9.47</u>
		Reserve Allocation	\$45.46

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

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

**Irrigation System Upgrade-Park Area - 2024**

		1 Total	@ \$3,000.00
Asset ID		Asset Cost	\$3,000.00
	Capital Expenditures	Percent Replacement	100%
	Landscaping & Irrigation	Future Cost	\$3,376.53
Placed in Service	July 2006	Assigned Reserves	\$3,000.00
Useful Life	20		
Adjustment	-2	Annual Assessment	\$61.14
Replacement Year	2024	Interest Contribution	<u>\$15.61</u>
Remaining Life	4	Reserve Allocation	\$76.75

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



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

<b>Landscape Renovation-Park Area - 2024</b>		1 Total	@ \$7,500.00
Asset ID		Asset Cost	\$7,500.00
Capital Expenditures		Percent Replacement	100%
Landscaping & Irrigation		Future Cost	\$8,441.32
Placed in Service	January 2006	Assigned Reserves	\$7,500.00
Useful Life	20		
Adjustment	-2	Annual Assessment	\$152.84
Replacement Year	2024	Interest Contribution	<u>\$39.03</u>
Remaining Life	4	Reserve Allocation	\$191.87

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

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

Water Feature Pump Motor (1) - 2025		1 Total	@ \$3,035.00
Asset ID		Asset Cost	\$3,035.00
	Capital Expenditures	Percent Replacement	100%
	Water Features	Future Cost	\$3,518.40
Placed in Service	January 2018	Assigned Reserves	\$3,035.00
Useful Life	7		
Replacement Year	2025	Annual Assessment	\$62.78
Remaining Life	5	Interest Contribution	<u>\$15.80</u>
		Reserve Allocation	\$78.58

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.

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

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**Irrigation System Upgrade-Entrances - 2026**

		1 Total	@ \$7,500.00
Asset ID		Asset Cost	\$7,500.00
	Capital Expenditures	Percent Replacement	100%
	Landscaping & Irrigation	Future Cost	\$8,955.39
Placed in Service	July 2006	Assigned Reserves	\$7,500.00
Useful Life	20		
Replacement Year	2026	Annual Assessment	\$157.50
Remaining Life	6	Interest Contribution	<u>\$39.05</u>
		Reserve Allocation	\$196.56

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

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

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Landscape Renovation-East Entrance - 2026

		1 Total	@ \$5,000.00
Asset ID		Asset Cost	\$5,000.00
	Capital Expenditures	Percent Replacement	100%
	Landscaping & Irrigation	Future Cost	\$5,970.26
Placed in Service	January 2006	Assigned Reserves	\$5,000.00
Useful Life	20		
Replacement Year	2026	Annual Assessment	\$105.00
Remaining Life	6	Interest Contribution	<u>\$26.04</u>
		Reserve Allocation	<u>\$131.04</u>

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**

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Landscape Renovation-North Entrance - 2026

		1 Total	@ \$5,000.00
Asset ID		Asset Cost	\$5,000.00
	Capital Expenditures	Percent Replacement	100%
	Landscaping & Irrigation	Future Cost	\$5,970.26
Placed in Service	January 2006	Assigned Reserves	\$5,000.00
Useful Life	20		
Replacement Year	2026	Annual Assessment	\$105.00
Remaining Life	6	Interest Contribution	<u>\$26.04</u>
		Reserve Allocation	\$131.04

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

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

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**Landscape Renovation-West Entrance - 2026**

	1 Total	@ \$5,000.00
Asset ID	Asset Cost	\$5,000.00
Capital Expenditures	Percent Replacement	100%
Landscaping & Irrigation	Future Cost	\$5,970.26
Placed in Service	Assigned Reserves	\$5,000.00
Useful Life	20	
Replacement Year	2026	Annual Assessment
Remaining Life	6	\$105.00
	Interest Contribution	<u>\$26.04</u>
	Reserve Allocation	\$131.04

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

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

Water Feature Pump Motor (2) - 2026		1 Total	@ \$3,250.00
Asset ID		Asset Cost	\$3,250.00
	Capital Expenditures	Percent Replacement	100%
	Water Features	Future Cost	\$3,880.67
Placed in Service	January 2019	Assigned Reserves	\$2,563.07
Useful Life	7		
Replacement Year	2026	Annual Assessment	\$159.46
Remaining Life	6	Interest Contribution	<u>\$13.88</u>
		Reserve Allocation	\$173.35

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 Detail Reports**

<b>Landscape Lighting - 2028</b>		1 Total	@ \$5,500.00
Asset ID		Asset Cost	\$5,500.00
Capital Expenditures		Percent Replacement	100%
Landscaping & Irrigation		Future Cost	\$6,967.24
Placed in Service	January 2018	Assigned Reserves	<i>none</i>
Useful Life	10		
Replacement Year	2028	Annual Assessment	\$669.55
Remaining Life	8	Interest Contribution	<u>\$3.41</u>
		Reserve Allocation	\$672.97

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



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

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**Common Area Sidewalks-Safety Repair - 2030**

		675 SF	@ \$15.00
Asset ID		Asset Cost	\$1,012.50
Non-Capital Expenditures		Percent Replacement	10%
Concrete Pavement		Future Cost	\$1,360.71
Placed in Service	January 2012	Assigned Reserves	<i>none</i>
Useful Life	15		
Adjustment	3	Annual Assessment	\$104.08
Replacement Year	2030	Interest Contribution	<u>\$0.53</u>
Remaining Life	10	Reserve Allocation	\$104.61

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**

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Cluster Mailboxes - 2032		8 EA	@ \$1,650.00
Asset ID		Asset Cost	\$13,200.00
	Capital Expenditures	Percent Replacement	100%
	Mailboxes & Signage	Future Cost	\$18,820.04
Placed in Service	January 2006	Assigned Reserves	<i>none</i>
Useful Life	25		
Adjustment	1	Annual Assessment	\$1,193.43
Replacement Year	2032	Interest Contribution	<u>\$6.09</u>
Remaining Life	12	Reserve Allocation	\$1,199.51

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

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

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Signs-Replacement Allowance - 2032		1 Total	@ \$1,200.00
Asset ID		Asset Cost	\$1,200.00
	Capital Expenditures	Percent Replacement	100%
	Mailboxes & Signage	Future Cost	\$1,710.91
Placed in Service	January 2012	Assigned Reserves	<i>none</i>
Useful Life	20		
Replacement Year	2032	Annual Assessment	\$108.49
Remaining Life	12	Interest Contribution	<u>\$0.55</u>
		Reserve Allocation	\$109.05

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

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

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Asphalt Overlay-Camina Drive (Tract G) - 2037

		6,300 SF	@ \$1.35
Asset ID		Asset Cost	\$8,505.00
	Capital Expenditures	Percent Replacement	100%
	Private Roads & Alleys	Future Cost	\$14,057.47
Placed in Service	January 2012	Assigned Reserves	<i>none</i>
Useful Life	25		
Replacement Year	2037	Annual Assessment	\$621.19
Remaining Life	17	Interest Contribution	<u>\$3.17</u>
		Reserve Allocation	\$624.36

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**

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Asphalt Overlay-Carino Lane (Tract F) - 2037

		17,800 SF	@ \$1.35
Asset ID	Capital Expenditures	Asset Cost	\$24,030.00
	Private Roads & Alleys	Percent Replacement	100%
Placed in Service	January 2012	Future Cost	\$39,717.93
Useful Life	25	Assigned Reserves	<i>none</i>
Replacement Year	2037	Annual Assessment	\$1,755.11
Remaining Life	17	Interest Contribution	<u>\$8.95</u>
		Reserve Allocation	\$1,764.06

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

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

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<b>Asphalt Overlay-Lastrada Circle - 2037</b>		48,500 SF	@ \$1.35
Asset ID		Asset Cost	\$65,475.00
Capital Expenditures		Percent Replacement	100%
Private Roads & Alleys		Future Cost	\$108,220.20
Placed in Service	January 2012	Assigned Reserves	<i>none</i>
Useful Life	25		
Replacement Year	2037	Annual Assessment	\$4,782.17
Remaining Life	17	Interest Contribution	<u>\$24.39</u>
		Reserve Allocation	\$4,806.56

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

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

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Asphalt Overlay-Parking Area - 2037		7,200 SF	@ \$1.50
Asset ID		Asset Cost	\$10,800.00
Capital Expenditures		Percent Replacement	100%
Private Roads & Alleys		Future Cost	\$17,850.75
Placed in Service	January 2012	Assigned Reserves	<i>none</i>
Useful Life	25		
Replacement Year	2037	Annual Assessment	\$788.81
Remaining Life	17	Interest Contribution	<u>\$4.02</u>
		Reserve Allocation	\$792.83

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**

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Asphalt Overlay-Pathway-Tract B - 2037	2,000 SF	@ \$1.50
Asset ID	Asset Cost	\$3,000.00
Capital Expenditures	Percent Replacement	100%
Private Roads & Alleys	Future Cost	\$4,958.54
Placed in Service	January 2012	Assigned Reserves
Useful Life	25	<i>none</i>
Replacement Year	2037	Annual Assessment
Remaining Life	17	Interest Contribution
		<u>\$219.11</u>
		Reserve Allocation
		<u>\$1.12</u>
		\$220.23

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



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

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Asphalt Overlay-Pathway-Tract C - 2037	2,300 SF	@ \$1.50
Asset ID	Asset Cost	\$3,450.00
Capital Expenditures	Percent Replacement	100%
Private Roads & Alleys	Future Cost	\$5,702.32
Placed in Service	January 2012	Assigned Reserves
Useful Life	25	<i>none</i>
Replacement Year	2037	Annual Assessment
Remaining Life	17	Interest Contribution
		Reserve Allocation
		\$251.98
		<u>\$1.29</u>
		\$253.27

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

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

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Asphalt Overlay-Sorrento Lane (Tract K) - 2037

		9,100 SF	@ \$1.50
Asset ID		Asset Cost	\$13,650.00
	Capital Expenditures	Percent Replacement	100%
	Private Roads & Alleys	Future Cost	\$22,561.37
Placed in Service	January 2012	Assigned Reserves	<i>none</i>
Useful Life	25		
Replacement Year	2037	Annual Assessment	\$996.97
Remaining Life	17	Interest Contribution	<u>\$5.08</u>
		Reserve Allocation	\$1,002.06

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**

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Chain Link Fencing-Tract B & C - 2042	2,950 LF	@ \$16.00
Asset ID	Asset Cost	\$47,200.00
Capital Expenditures	Percent Replacement	100%
Fencing & Site Walls	Future Cost	\$90,440.08
Placed in Service	January 2012	Assigned Reserves
Useful Life	30	<i>none</i>
Replacement Year	2042	Annual Assessment
Remaining Life	22	\$3,048.52
	Interest Contribution	<u>\$15.55</u>
	Reserve Allocation	\$3,064.07

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  
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**Detail Report Summary**

**Total of All Assets**

Assigned Reserves	\$74,113.82
Annual Contribution	\$16,552.08
Annual Interest	\$446.96
Annual Allocation	\$16,999.04

**Contingency at 3.00%**

Assigned Reserves	\$2,292.18
Annual Contribution	\$511.92
Annual Interest	\$13.82
Annual Allocation	\$525.74

**Grand Total**

Assigned Reserves	\$76,406.00
Annual Contribution	\$17,064.00
Annual Interest	\$460.79
Annual Allocation	\$17,524.79

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

**Abbreviations**

**Btu** – British thermal unit  
**CFM** – Cubic feet per minute  
**CY** – Cubic yard  
**EA** – Each  
**FYE** – Fiscal year end or fiscal year ending  
**GPM** – Gallons per minute  
**LBS** – Pounds  
**LF** – Lineal foot  
**MBH** – Thousand Btu per hour  
**NCE** – National Construction Estimator CostBooks® construction cost estimating database  
**RSM** – RS Means CostWorks® construction cost estimating database  
**SF** – Square foot  
**SQ** – 100 square feet (commonly used unit of measure for shingle roofing)  
**SY** – Square yard  
**TSF** – Total square feet  
**YR** – Year

**Definition of Reserve Study Terms**

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

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

**Cash Flow Funding** – Cash flow funding is a reserve funding model which is designed to generate sufficient cash flow to pay for the reserve expenditures set forth in the reserve study 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

## Bella Vista Homes Homeowner's Association Glossary

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

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

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

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

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

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

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

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

**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 30<sup>th</sup> then the fiscal year ending on June 30, 2017 is referred to as the 2017 fiscal year or fiscal year 2017.

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

Fully Funded =  $PV \times CA / EUL$ .

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

The Fully Funded balance is the cumulative amount required to achieve Full Funding for all of the components

## Bella Vista Homes Homeowner's Association Glossary

included in the replacement reserve funding schedule. The present value is always the future replacement cost adjusted for inflation as of the beginning date of the current reserve study. This concept is explained in more detail under the definition of Percent Funded.

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

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

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

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

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

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

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

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

## Bella Vista Homes Homeowner's Association Glossary

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.



## Bella Vista Homes Homeowner's Association Reserve Study Updates

**1. Annual Updates:** ORS 94 and 100 require all homeowner associations and condominiums created after October 23, 1999, or any Association formed prior to this date that has previously conducted a reserve study, to conduct a reserve study or to update an existing reserve study *each year*. Failure to update the reserve study may result in an underfunded reserve account if an Association relies on information contained in an outdated reserve study as the basis for its reserve funding plan. ORS 94 and 100 state that the reserve study must be reviewed and updated annually, using the following information:

- (A) The starting balance of the reserve account for the current fiscal year;
- (B) The estimated remaining useful life of each item for which reserves are or will be established, as of the date of the study or review;
- (C) The estimated cost of maintenance and repair and replacement at the end of the useful life of each item for which reserves are or will be established;
- (D) The rate of inflation *during* the current fiscal year; and
- (E) Returns on any invested reserves or investments.

Opinions differ on the correct interpretation of the statute with regard to whether the law requires that the inflation rate used to project future replacement costs is supposed to be the inflation rate at the time, or *during*, the fiscal year when the update is performed, or whether the Board of Directors has the discretion to determine what inflation rate will be used.

At least one prominent HOA attorney in the Portland area has interpreted the statute to mean that the Board of Directors must *consider* each of these parameters when updating the reserve study but that it is not required to use the current rate of inflation at the time the study is updated as the basis for projecting future replacement costs.

Others have suggested that wording of the statute is ambiguous and vague enough such that it is likely a judge will have to rule on the matter before a definitive interpretation is established. In the opinion of CRC, the statute is sufficiently definitive to mean that the current rate of inflation at the time the study is updated must be used as the basis for projecting future replacement costs. The industry standard for estimating future replacements has historically been to estimate the current replacement cost and to then subject the current cost to a global inflation rate that affects all of the component costs in the reserve study equally.

The use of the current inflation rate vs. a long-term average is not consistent with a prudent reserve planning strategy and is likely to result in underfunding of the reserves. CRC recommends that all homeowner associations use an inflation factor that takes into consideration long-term inflation trends by averaging the annual inflation rate for a minimum period of 30 to 40 years ending with the most recently ended calendar year.

If the Board of Directors is uncertain about how to interpret the statute with respects to determining the inflation rate used in the reserve study CRC advises that they consult with an attorney.

**2. Current Reserve Study:** Oregon and Washington statues require that the reserve study include a schedule of reserve fund contributions and expenditures that covers a period of thirty (30) years into the future. In order for a reserve study to be considered current, and in compliance with state law, the thirty (30) year projection must begin on the first day of the current budget year.

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

## **Bella Vista Homes Homeowner's Association Reserve Study Updates**

The need for a physical inspection of the common elements will depend on the age, complexity and current condition of the common area components which are the subject of the reserve study. The annual update must also include a review of the funding parameters, component replacement costs and verification of the current reserve fund balance as of the beginning date of the updated reserve funding projection.

**4. CRC Update Requirements:** CRC requires that all Oregon clients update their reserve study each year and recommends that level 2 updates be performed at least once every two (2) years. The cost of a reserve study and the annual updates is an inconsequential amount of money for any Association that is responsible for a significant array of common area improvements. The dynamic nature of the reserve funding parameters, replacement cost projections and reserve fund activity make it imperative that the reserve study be updated annually in order to preserve the integrity of the analysis.

## **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. Any such information is assumed to be true for the purposes of this reserve study. Representations are assumed to be true and made in good faith by all parties associated with the development of this study. The financial parameters used in this reserve funding analysis are at 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 on **12/31/2018** was **2.53%**.
- The average annual inflation rate for the 40-year period ending on **12/31/2018** was **3.45%**.
- The average annual inflation rate for the 50-year period ending on **12/31/2018** was **4.06%**.
- The inflation rate as of the Report Date of this reserve study was **1.75%**.
- 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:** Many homeowner associations in Oregon and Washington are experiencing hyperinflation of repair and replacement costs associated with maintaining and replacing the common elements within the community. There are several reasons for the extreme inflationary pressure that these Associations have been faced with, not the least of which is the litigious atmosphere that surrounds homeowner associations in general and in particular, the high frequency of construction defect claims that are filed against contractors and suppliers that serve the homeowner association marketplace.

The added litigation risk associated with working on association-owned property, combined with the current shortage of manpower that the construction industry is experiencing throughout the nation and the high cost of living on the west coast, 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. In some circumstances the use of these consultants may be warranted but consulting fees can add a significant amount to the cost of a project. 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 **.60%** 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.

**Bella Vista Homes Homeowner's Association  
Component Detail Report Index**

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<b>Fencing &amp; Site Walls</b>		
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<b>Landscaping &amp; Irrigation</b>		
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Irrigation System Upgrade-Park Area	2024	A-12
Landscape Renovation-Park Area	2024	A-13
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<b>Mailboxes &amp; Signage</b>		
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Asphalt Overlay-Carino Lane (Tract F)	2037	A-25
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Component Detail Report Index**

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<i>Water Features Continued...</i>		
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Water Feature Pumps (2)	2021	A-4
Water Feature Pump Motor (1)	2025	A-14
Water Feature Pump Motor (2)	2026	A-19
Total Funded Assets	31	
Total Unfunded Assets	<u>0</u>	
Total Assets	31	