Reserve Analysis Report

Bella Terra Condominiums

Paradise Valley, Arizona

Version 005 (revised)

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Advanced Reserve Solutions, Inc.
2761 E. Bridgeport Parkway - Gilbert, Arizona 85295
kthompson@arsinc.com
Phone (480) 473-7643

www.arsinc.com

Bella Terra Condominiums

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Preface

This preface is intended to provide an introduction to the enclosed reserve analysis as well as detailed information regarding the reserve analysis report format, reserve fund goals/objectives and calculation methods. The following sections are included in this preface:

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♦ ♦ ♦ ♦ INTRODUCTION TO RESERVE BUDGETING ♦ ♦ ♦ ♦

The Board of Directors of an association has a fiduciary duty to maintain the community in a good state of repair. Individual unit property values are significantly impacted by the level of maintenance and upkeep provided by the association as well as the amount of the regular assessment charged to each owner.

A prudent plan must be implemented to address the issues of long-range maintenance, repair and replacement of the common areas. Additionally, the plan should recognize that the value of each unit is affected by the amount of the regular assessment charged to each unit.

There is a fine line between “not enough,” “just right” and “too much.” Each member of an association should contribute to the reserve fund for their proportionate amount of “depreciation” (or “use”) of the reserve components. Through time, if each owner contributes his “fair share” into the reserve fund for the depreciation of the reserve components, then the possibility of large increases in regular assessments or special assessments will be minimized.

An accurate reserve analysis and a “healthy” reserve fund are essential to protect and maintain the association's common areas and the property values of the individual unit owners. A comprehensive reserve analysis is one of the most significant elements of any association's long-range plan and provides the critical link between sound business judgment and good fiscal planning. The reserve analysis provides a “financial blueprint” for the future of an association.

♦ ♦ ♦ ♦ UNDERSTANDING THE RESERVE ANALYSIS ♦ ♦ ♦ ♦

In order for the reserve analysis to be useful, it must be understandable by a variety of individuals. Board members (from seasoned, experienced Board members to new Board members), property managers, accountants, attorneys and even homeowners may ultimately review the reserve analysis. The reserve analysis must be detailed enough to provide a comprehensive analysis, yet simple enough to enable less experienced individuals to understand the results.

There are four key bits of information that a comprehensive reserve analysis should provide: Budget, Percent Funded, Projections and Inventory. This information is described as follows:

Budget
Amount recommended to be transferred into the reserve account for the fiscal year for which the reserve analysis was prepared. In some cases, the reserve analysis may present two or more funding plans based on different goals/objectives. The Board should have a clear understanding of the differences among these funding goals/objectives prior to implementing one of them in the annual budget.

Percent Funded
Measure of the reserve fund “health” (expressed as a percentage) as of the beginning of the fiscal year for which the

reserve analysis was prepared. This figure is the ratio of the actual reserve fund on hand to the fully funded balance. A reserve fund that is "100% funded" means the association has accumulated the proportionately correct amount of money, to date, for the reserve components it maintains.

Projections
Indicate the "level of service" the association will provide the membership as well as a "road map" for the fiscal future of the association. The projections define the timetables for repairs and replacements, such as when the buildings will be painted or when the asphalt will be seal coated. The projections also show the financial plan for the association – when an underfunded association will "catch up" or how a properly funded association will remain fiscally "healthy."

Inventory
Complete listing of the reserve components. Key bits of information are available for each reserve component, including placed-in-service date, useful life, remaining life, replacement year, quantity, current cost of replacement, future cost of replacement and analyst's comments.

♦ ♦ ♦ ♦ RESERVE FUNDING GOALS / OBJECTIVES ♦ ♦ ♦ ♦

There are four reserve funding goals/objectives which may be used to develop a reserve funding plan that corresponds with the risk tolerance of the association: Full Funding, Baseline Funding, Threshold Funding and Statutory Funding. These goals/objectives are described as follows:

Full Funding
Describes the goal/objective to have reserves on hand equivalent to the value of the deterioration of each reserve component. The objective of this funding goal is to achieve and/or maintain a 100% percent funded reserve fund. The component calculation method or cash flow calculation method is typically used to develop a full funding plan.

Baseline Funding
Describes the goal/objective to have sufficient reserves on hand to never completely run out of money. The objective of this funding goal is to simply pay for all reserve expenses as they come due without regard to the association's percent funded. The cash flow calculation method is typically used to develop a baseline funding plan.

Threshold Funding
Describes the goal/objective other than the 100% level (full funding) or just staying cash-positive (baseline funding). This threshold goal/objective may be a specific percent funded target or a cash balance target. Threshold funding is often a value chosen between full funding and baseline funding. The cash flow calculation method is typically used to develop a threshold funding plan.

Statutory Funding
Describes the pursuit of an objective as described or required by local laws or codes. The component calculation method or cash flow calculation method is typically used to develop a statutory funding plan.

♦ ♦ ♦ ♦ RESERVE FUNDING CALCULATION METHODS ♦ ♦ ♦ ♦

There are two funding methods which can be used to develop a reserve funding plan based on a reserve funding goal/objective: Component Calculation Method and Cash Flow Calculation Method. These calculation methods are described as follows:

Component Calculation Method
This calculation method develops a funding plan for each individual reserve component. The sum of the funding plan for each component equals the total funding plan for the association. This method is often referred to as the "straight line"

method and is widely believed to be the most conservative reserve funding method. This method structures a funding plan that enables the association to pay all reserve expenditures as they come due, enables the association to achieve the ideal level of reserves in time, and then enables the association to maintain the ideal level of reserves through time. The following is a detailed description of the component calculation method:

Step 1: Calculation of fully funded balance for each component

The fully funded balance is calculated for each component based on its age, useful life and current cost. The actual formula is as follows:

$$\text{Fully Funded Balance} = \frac{\text{Age}}{\text{Useful Life}} \text{ X Current Cost}$$

Step 2: Distribution of current reserve funds

The association's current reserve funds are assigned to (or distributed amongst) the reserve components based on each component's remaining life and fully funded balance as follows:

Pass 1: Components are organized in remaining life order, from least to greatest, and the current reserve funds are assigned to each component up to its fully funded balance, until reserves are exhausted.

Pass 2: If all components are assigned their fully funded balance and additional funds exist, they are assigned in a "second pass." Again, the components are organized in remaining life order, from least to greatest, and the remaining current reserve funds are assigned to each component up to its current cost, until reserves are exhausted.

Pass 3: If all components are assigned their current cost and additional funds exist, they are assigned in a "third pass." Components with a remaining life of zero years are assigned double their current cost.

Distributing, or assigning, the current reserve funds in this manner is the most efficient use of the funds on hand – it defers the make-up period of any underfunded reserves over the lives of the components with the largest remaining lives.

Step 3: Developing a funding plan

After step 2, all components have a "starting" balance. A calculation is made to determine what funding would be required to get from the starting balance to the future cost over the number of years remaining until replacement. The funding plan incorporates the annual contribution increase parameter to develop a "stair stepped" contribution.

For example, if an association needs to accumulate $100,000 in ten years, $10,000 could be contributed each year. Alternatively, the association could contribute $8,723 in the first year and increase the contribution by 3% each year thereafter until the tenth year.

In most cases, this rate should match the inflation parameter. Matching the annual contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

Using an annual contribution increase parameter that is greater than the inflation parameter will reduce the burden to the current membership at the expense of the future membership. Using an annual contribution increase parameter that is less than the inflation parameter will increase the burden to the current membership to the benefit of the future membership. The following chart shows a comparison:

	0% Increase	3% Increase	10% Increase
Year 1	$10,000.00	$8,723.05	$6,274.54
Year 2	$10,000.00	$8,984.74	$6,901.99
Year 3	$10,000.00	$9,254.28	$7,592.19
Year 4	$10,000.00	$9,531.91	$8,351.41
Year 5	$10,000.00	$9,817.87	$9,186.55
Year 6	$10,000.00	$10,112.41	$10,105.21
Year 7	$10,000.00	$10,415.78	$11,115.73
Year 8	$10,000.00	$10,728.25	$12,227.30
Year 9	$10,000.00	$11,050.10	$13,450.03
Year 10	$10,000.00	$11,381.60	$14,795.04
TOTAL	$100,000.00	$100,000.00	$100,000.00

This parameter is used to develop a funding plan only; it does not necessarily mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a total reserve contribution increase or decrease from year to year than this parameter.

One of the major benefits of using this calculation method is that for any single component (or group of components), the accumulated balance and reserve funding can be precisely calculated. For example, using this calculation method, the reserve analysis can indicate the exact amount of current reserve funds "in the bank" for the roofs and the amount of money being funded towards the roofs each month. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

Cash Flow Calculation Method

This calculation method develops a funding plan based on current reserve funds and projected expenditures during a specific timeframe (typically 30 years). This funding method structures a funding plan that enables the association to pay for all reserve expenditures as they come due, but is not necessarily concerned with the ideal level of reserves through time.

This calculation method tests reserve contributions against reserve expenditures through time to determine the minimum contribution necessary (baseline funding) or some other defined goal/objective (full funding, threshold funding or statutory funding). Unlike the component calculation method, this calculation method cannot precisely calculate the reserve funding for any single component (or group of components). In order to work-around this issue to provide this bookkeeping information, a formula has been applied to component method results to calculate a reasonable breakdown. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

The **Directed Cash Flow Calculation Method** is our primary calculation method. It allows for several funding strategies to be manually tested until the optimal funding strategy accomplishing three goals is created:

Goal #1: Ensures that all scheduled reserve expenditures are covered by keeping the reserve cash balance above zero during the projected period (typically 30 years)

Goal #2: Uniformly distributes the costs of replacements over time to benefit both current & future members of the association by using consistent, incremental contribution increases

Goal #3: Provides for the lowest reserve funding recommendation as possible over time with the goal of approaching, reaching and/or maintaining a 100% fully funded reserve balance

These very important aspects of the **Directed Cash Flow Calculation Method** will greatly aid the board of directors during the annual budgeting process.

Preface

♦ ♦ ♦ ♦ READING THE RESERVE ANALYSIS ♦ ♦ ♦ ♦

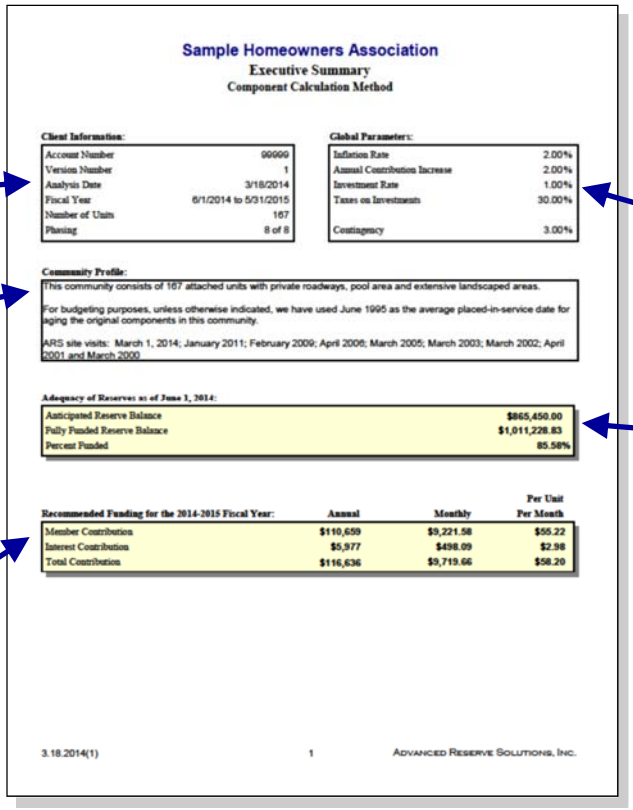
In some cases, the reserve analysis may be a lengthy document of one hundred pages or more. A complete and thorough review of the reserve analysis is always a good idea. However, if time is limited, it is suggested that a thorough review of the summary pages be made. If a "red flag" is raised in this review, the reader should then check the detail information, of the component in question, for all relevant information. In this section, a description of most of the summary or report sections is provided along with comments regarding what to look for and how to use each section.

Executive Summary

Provides general information about the client, global parameters used in the calculation of the reserve analysis as well as the core results of the reserve analysis.

Client Information
Provides various client information including fiscal year for which the reserve analysis was prepared, number of units, phasing, etc.

Global Parameters
Displays the calculation parameters that were used to calculate the reserve analysis including inflation, annual contribution increase, investment rate, tax rate and contingency.



Sample Homeowners Association
Executive Summary
Component Calculation Method

Client Information:

Account Number	99999
Version Number	1
Analysis Date	3/18/2014
Fiscal Year	6/1/2014 to 5/31/2015
Number of Units	167
Phasing	8 of 8

Global Parameters:

Inflation Rate	2.00%
Annual Contribution Increase	2.00%
Investment Rate	1.00%
Taxes on Investments	30.00%
Contingency	3.00%

Community Profile:
This community consists of 167 attached units with private roadways, pool area and extensive landscaped areas.

For budgeting purposes, unless otherwise indicated, we have used June 1995 as the average placed-in-service date for aging the original components in this community.

ARS site visits: March 1, 2014; January 2011; February 2009; April 2006; March 2005; March 2003; March 2002; April 2001 and March 2000

Adequacy of Reserves as of June 1, 2014:

Anticipated Reserve Balance	$865,450.00
Fully Funded Reserve Balance	$1,011,228.83
Percent Funded	85.58%

Recommended Funding for the 2014-2015 Fiscal Year:	Annual	Monthly	Per Unit Per Month
Member Contribution	$110,659	$9,221.58	$55.22
Interest Contribution	$5,977	$498.09	$2.98
Total Contribution	$116,636	$9,719.66	$58.20

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Community Profile
Provides brief description of the community, as well as other "global" type comments.

Budget
Provides recommended funding for the fiscal year for which the reserve analysis was prepared. Indicates the reserve funding from the membership, anticipated interest contribution and the total contribution

Adequacy of Reserves
Displays the results of calculations with regard to the "health" of the reserve fund as of the beginning of the fiscal year for which the reserve analysis was prepared. Provides the anticipated reserve balance, fully funded reserve balance and the percent funded.

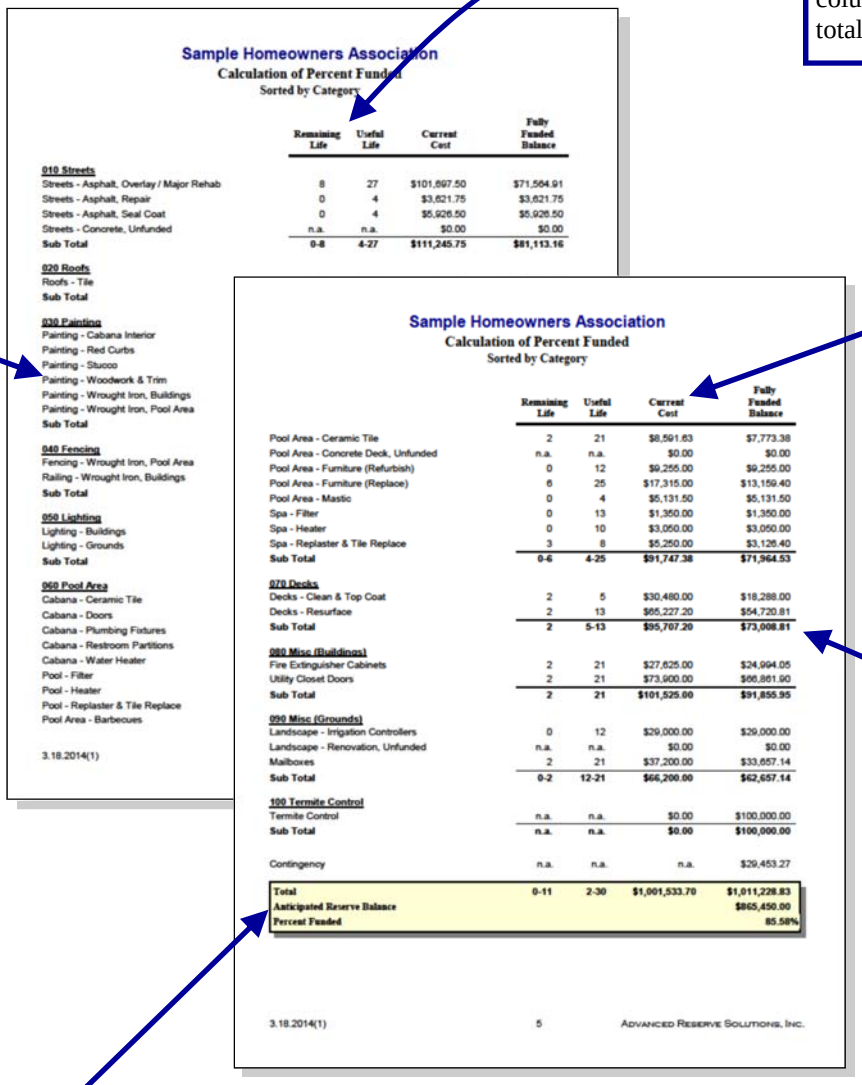
Preface

Calculation of Percent Funded

Summary displays all reserve components, shown here in "category" order. Provides the remaining life, useful life, current cost and the fully funded balance at the beginning of the fiscal year for which the reserve analysis was prepared.

Lifespans
Remaining life and useful life are displayed. And, these columns are conveniently sub totaled to show range.

Reserve Components
All components are displayed (shown here in "category" order).



Sample Homeowners Association
Calculation of Percent Funded
Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	8	27	$101,697.50	$71,564.91
Streets - Asphalt, Repair	0	4	$3,621.75	$3,621.75
Streets - Asphalt, Seal Coat	0	4	$5,926.50	$5,926.50
Streets - Concrete, Unfunded	n.a.	n.a.	$0.00	$0.00
Sub Total	**0-8**	**4-27**	**$111,245.75**	**$81,113.16**
020 Roofs				
Roofs - Tile				
Sub Total				
030 Painting				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork & Trim				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
Sub Total				
040 Fencing				
Fencing - Wrought Iron, Pool Area				
Railing - Wrought Iron, Buildings				
Sub Total				
050 Lighting				
Lighting - Buildings				
Lighting - Grounds				
Sub Total				
060 Pool Area				
Cabana - Ceramic Tile				
Cabana - Doors				
Cabana - Plumbing Fixtures				
Cabana - Restroom Partitions				
Cabana - Water Heater				
Pool - Filter				
Pool - Heater				
Pool - Replaster & Tile Replace				
Pool Area - Barbecues				

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Sample Homeowners Association
Calculation of Percent Funded
Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Pool Area - Ceramic Tile	2	21	$8,591.63	$7,773.38
Pool Area - Concrete Deck, Unfunded	n.a.	n.a.	$0.00	$0.00
Pool Area - Furniture (Refurbish)	0	12	$9,255.00	$9,255.00
Pool Area - Furniture (Replace)	6	25	$17,315.00	$13,159.40
Pool Area - Mastic	0	4	$5,131.50	$5,131.50
Spa - Filter	0	13	$1,350.00	$1,350.00
Spa - Heater	0	10	$3,050.00	$3,050.00
Spa - Replaster & Tile Replace	3	8	$5,250.00	$3,126.40
Sub Total	**0-6**	**4-25**	**$91,747.38**	**$71,964.53**
070 Decks				
Decks - Clean & Top Coat	2	5	$30,480.00	$18,288.00
Decks - Resurface	2	13	$65,227.20	$54,720.81
Sub Total	**2**	**5-13**	**$95,707.20**	**$73,008.81**
080 Misc (Buildings)				
Fire Extinguisher Cabinets	2	21	$27,625.00	$24,994.05
Utility Closet Doors	2	21	$73,900.00	$66,861.90
Sub Total	**2**	**21**	**$101,525.00**	**$91,855.95**
090 Misc (Grounds)				
Landscape - Irrigation Controllers	0	12	$29,000.00	$29,000.00
Landscape - Renovation, Unfunded	n.a.	n.a.	$0.00	$0.00
Mailboxes	2	21	$37,200.00	$33,657.14
Sub Total	**0-2**	**12-21**	**$66,200.00**	**$62,657.14**
100 Termite Control				
Termite Control	n.a.	n.a.	$0.00	$100,000.00
Sub Total	**n.a.**	**n.a.**	**$0.00**	**$100,000.00**
Contingency	n.a.	n.a.	n.a.	$29,453.27
Total	**0-11**	**2-30**	**$1,001,533.70**	**$1,011,228.83**
Anticipated Reserve Balance				**$865,450.00**
Percent Funded				**85.58%**

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Current Cost
Displays the current cost to replace or otherwise maintain each component. This column is conveniently sub totaled.

Fully Funded Balance
Displays the fully funded balance for each component. This column is conveniently sub totaled.

The total current cost to replace or otherwise maintain all components, total fully funded balance, anticipated reserve balance and percent funded are provided at the bottom of this summary. Also shown is the range of reserve component remaining lives and useful lives.

Preface

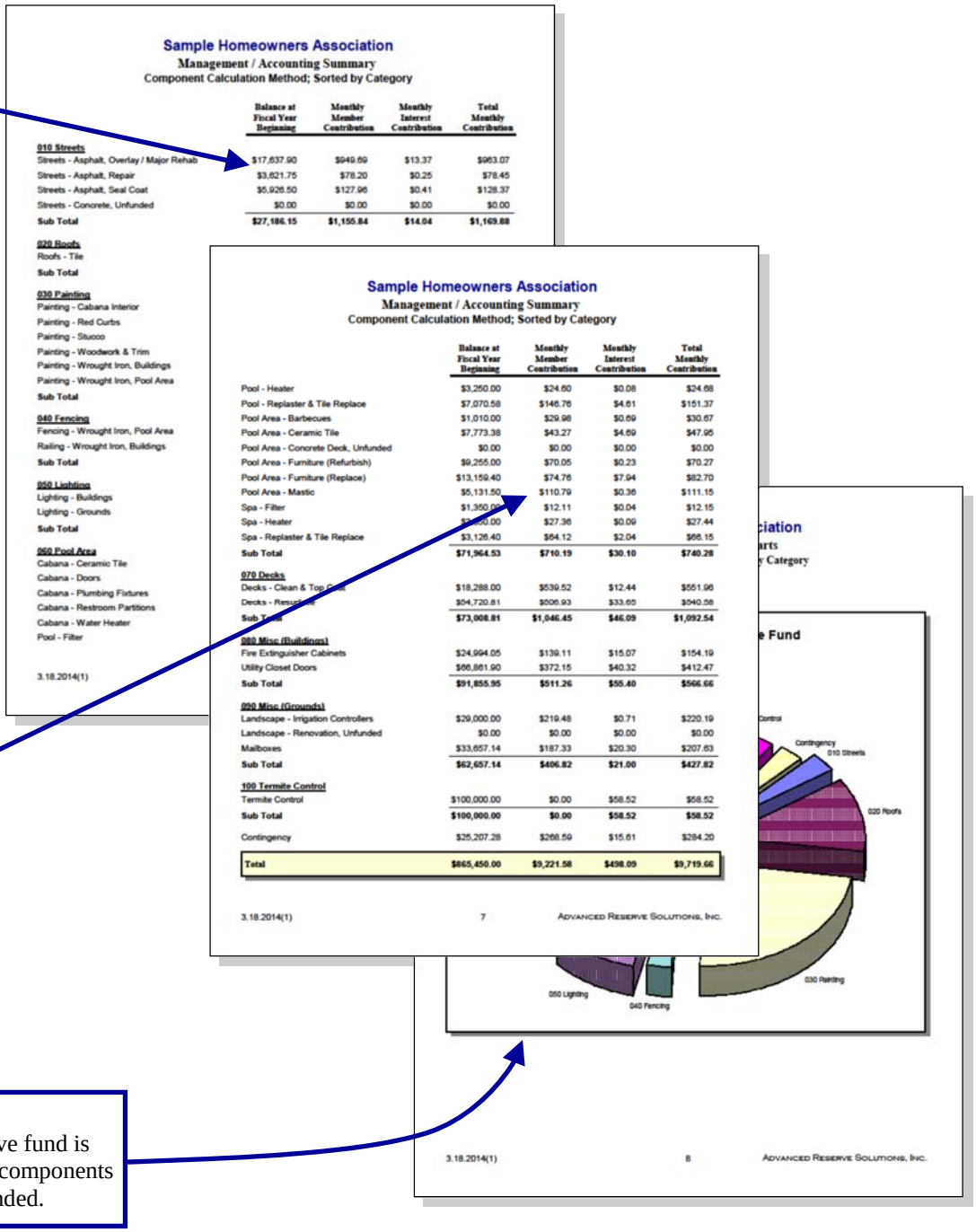
Management / Accounting Summary and Charts

Summary displays all reserve components, shown here in "category" order. Provides the assigned reserve funds at the beginning of the fiscal year for which the reserve analysis was prepared along with the monthly member contribution, interest contribution and total contribution for each component and category. Pie charts show graphically how the total reserve fund is distributed amongst the reserve component categories and how each category is funded on a monthly basis.

Balance at FYB
Shows the amount of reserve funds assigned to each reserve component. And, this column is conveniently sub totaled.

Monthly Funding
Displays the monthly funding for each component from the members and interest. Total monthly funding is also indicated. And, these columns are conveniently sub totaled.

Pie Charts
Show graphically how the reserve fund is distributed amongst the reserve components and how the components are funded.



Sample Homeowners Association
Management / Accounting Summary
Component Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	$17,637.90	$949.69	$13.37	$963.07
Streets - Asphalt, Repair	$3,621.75	$78.20	$0.25	$78.45
Streets - Asphalt, Seal Coat	$5,926.50	$127.96	$0.41	$128.37
Streets - Concrete, Unfunded	$0.00	$0.00	$0.00	$0.00
Sub Total	$27,186.15	$1,155.84	$14.04	$1,169.88
020 Roofs				
Roofs - Tile				
Sub Total				
030 Painting				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork & Trim				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
Sub Total				
040 Fencing				
Fencing - Wrought Iron, Pool Area				
Railing - Wrought Iron, Buildings				
Sub Total				
050 Lighting				
Lighting - Buildings				
Lighting - Grounds				
Sub Total				
060 Pool Area				
Cabana - Ceramic Tile				
Cabana - Doors				
Cabana - Plumbing Fixtures				
Cabana - Restroom Partitions				
Cabana - Water Heater				
Pool - Filter				

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Sample Homeowners Association
Management / Accounting Summary
Component Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
Pool - Heater	$3,250.00	$24.60	$0.08	$24.68
Pool - Replaster & Tile Replace	$7,070.58	$146.76	$4.61	$151.37
Pool Area - Barbecues	$1,010.00	$29.98	$0.69	$30.67
Pool Area - Ceramic Tile	$7,773.38	$43.27	$4.69	$47.95
Pool Area - Concrete Deck, Unfunded	$0.00	$0.00	$0.00	$0.00
Pool Area - Furniture (Refurbish)	$9,255.00	$70.05	$0.23	$70.27
Pool Area - Furniture (Replace)	$13,159.40	$74.76	$7.94	$82.70
Pool Area - Mastic	$5,131.50	$110.79	$0.36	$111.15
Spa - Filter	$1,350.00	$12.11	$0.04	$12.15
Spa - Heater	$3,060.00	$27.36	$0.09	$27.44
Spa - Replaster & Tile Replace	$3,126.40	$64.12	$2.04	$66.15
Sub Total	$71,964.53	$710.19	$30.10	$740.28
070 Decks				
Decks - Clean & Top Coat	$18,288.00	$539.52	$12.44	$551.96
Decks - Resurface	$54,720.81	$506.93	$33.65	$540.58
Sub Total	$73,008.81	$1,046.45	$46.09	$1,092.54
080 Misc (Buildings)				
Fire Extinguisher Cabinets	$24,994.05	$139.11	$15.07	$154.19
Utility Closet Doors	$66,861.90	$372.15	$40.32	$412.47
Sub Total	$91,855.95	$511.26	$55.40	$566.66
090 Misc (Grounds)				
Landscape - Irrigation Controllers	$29,000.00	$219.48	$0.71	$220.19
Landscape - Renovation, Unfunded	$0.00	$0.00	$0.00	$0.00
Mailboxes	$33,657.14	$187.33	$20.30	$207.63
Sub Total	$62,657.14	$406.82	$21.00	$427.82
100 Termite Control				
Termite Control	$100,000.00	$0.00	$58.52	$58.52
Sub Total	$100,000.00	$0.00	$58.52	$58.52
Contingency	$25,207.28	$268.59	$15.61	$284.20
Total	$865,450.00	$9,221.58	$498.09	$9,719.66

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Control
Contingency
010 Streets
020 Roofs
030 Painting
040 Fencing
050 Lighting

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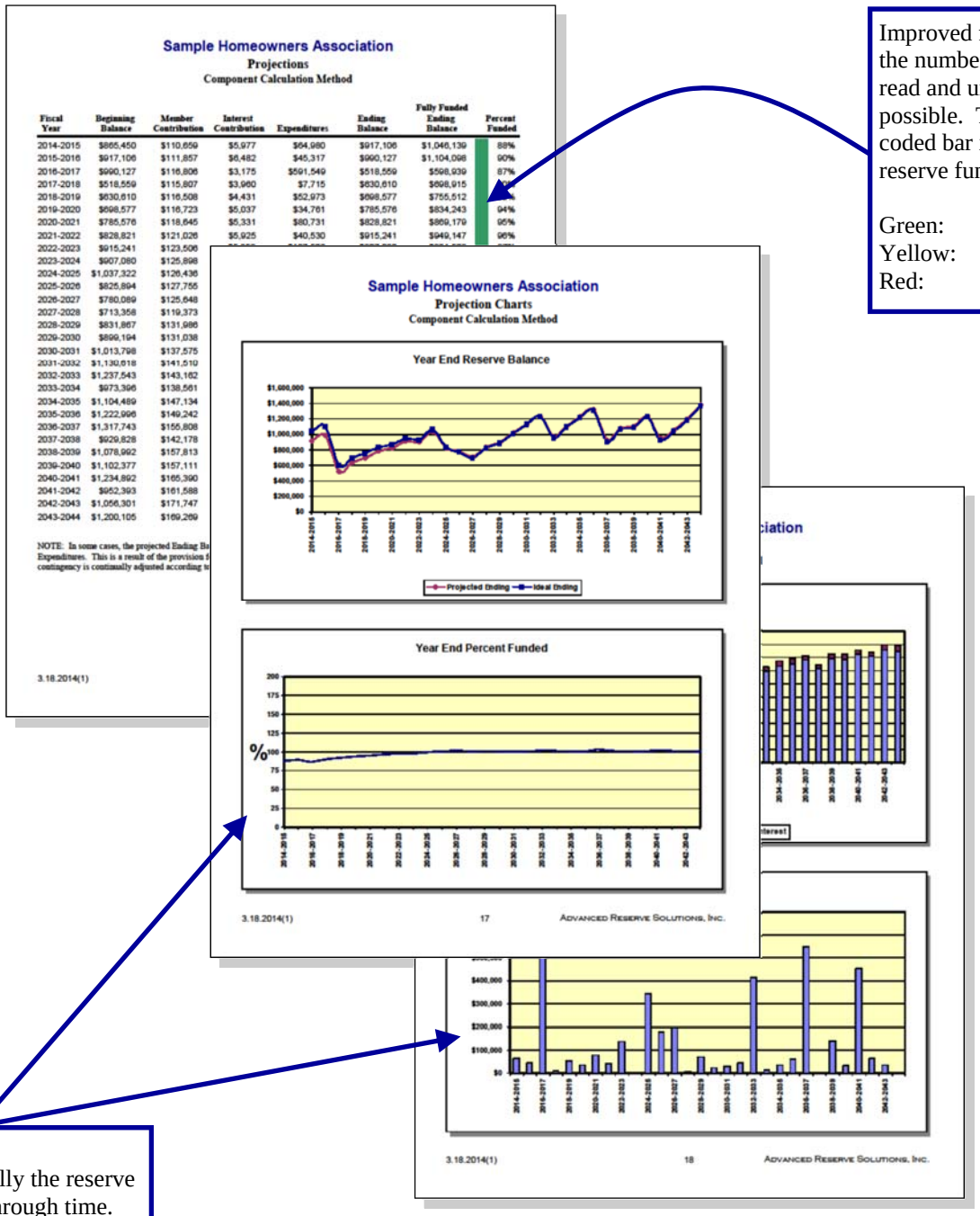
Preface

Projections and Charts

Summary displays projections of beginning reserve balance, member contribution, interest contribution, expenditures and ending reserve balance for each year of the projection period (shown here for 30 years). The two columns on the right-hand side provide the fully funded ending balance and the percent funded for each year. Charts show the same information in an easy-to-understand graphic format.



Improved format makes the numbers as easy to read and understand as possible. The color-coded bar indicates the reserve fund status:

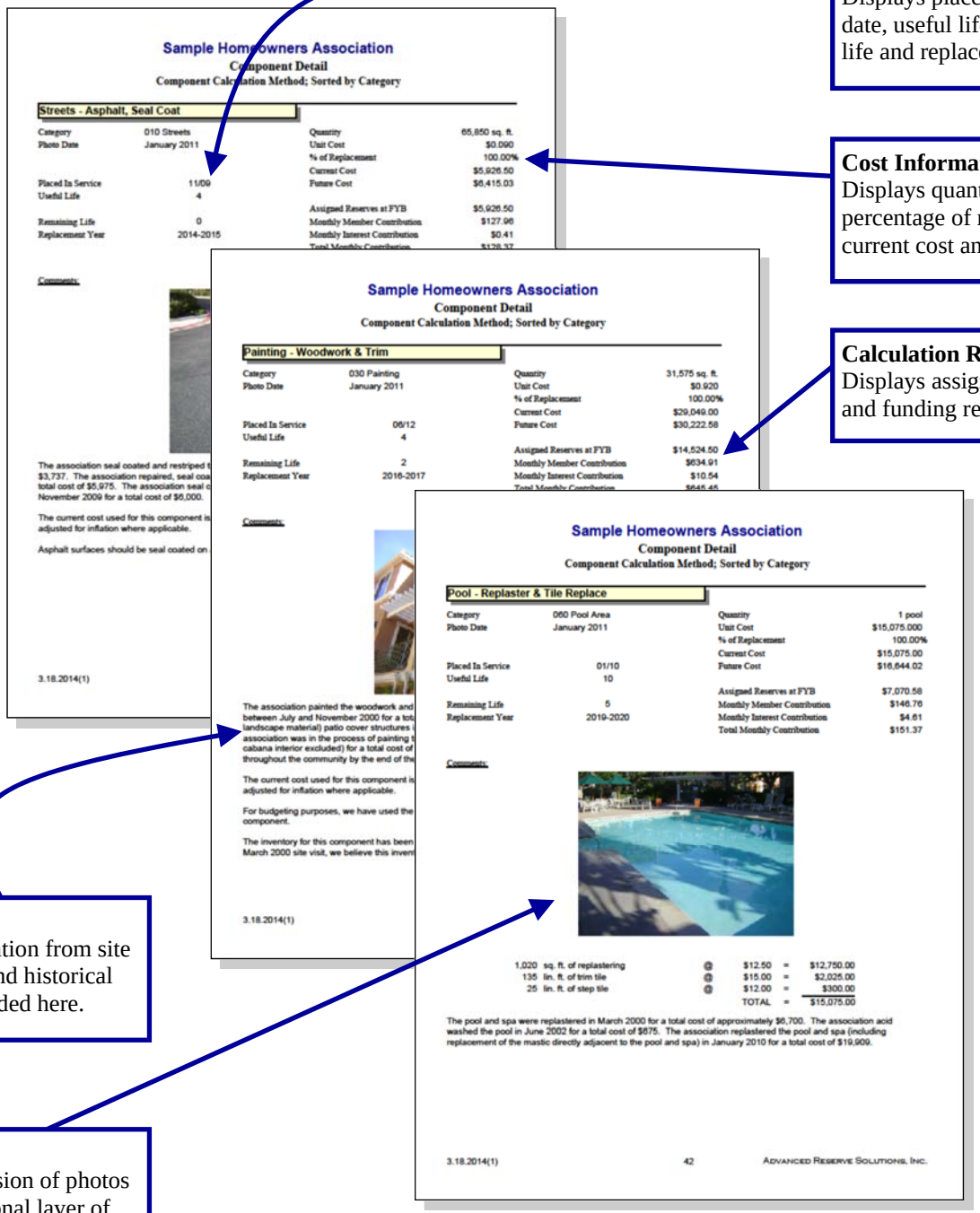
Green:	Good
Yellow:	Fair
Red:	Poor

Charts
Show graphically the reserve funding plan through time.

Preface

Component Detail

Summary provides detailed information about each reserve component. These pages display all information about each reserve component as well as comments from site observations and historical information regarding replacement or other maintenance.



Lifespan Information
Displays placed-in-service date, useful life, remaining life and replacement year.

Cost Information
Displays quantity, unit cost, percentage of replacement, current cost and future cost.

Calculation Results
Displays assigned reserves and funding requirements.

Comments
Useful information from site observations and historical expenses included here.

Photos
Optional inclusion of photos adds an additional layer of detail to the reserve analysis.

Preface

♦ ♦ ♦ ♦ GLOSSARY OF KEY TERMS ♦ ♦ ♦ ♦

Annual Contribution Increase Parameter
The rate used in the calculation of the funding plan. This rate is used on an annual compounding basis. This rate represents, in theory, the rate the association expects to increase contributions each year.

In most cases, this rate should match the inflation parameter. Matching the annual contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

This parameter is used to develop a funding plan only; it does not necessarily mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a total reserve contribution increase or decrease from year to year than this parameter. See the description of "reserve funding calculation methods" in this preface for more detail on this parameter.

Anticipated Reserve Balance (or Reserve Funds)
The amount of money, as of a certain point in time, held by the association to be used for the repair or replacement of reserve components. This figure is "anticipated" because it is calculated based on the most current financial information available as of the analysis date, which is almost always prior to the fiscal year beginning date for which the reserve analysis is prepared.

Assigned Funds (and "Fixed" Assigned Funds)
The amount of money, as of the fiscal year beginning date for which the reserve analysis is prepared, that a reserve component has been assigned.

The assigned funds are considered "fixed" when the normal calculation process is bypassed and a specific amount of money is assigned to a reserve component. For example, if the normal calculation process assigns $10,000 to the roofs, but the association would like to show $20,000 assigned to roofs, "fixed" funds of $20,000 can be assigned.

Cash Flow Calculation Method
Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the "reserve funding calculation methods" section of the preface.

Component Calculation Method
Reserve funding calculation method developed based on each individual component. A more detailed description of the actual calculation process is included in the "reserve funding calculation methods" section of the preface.

Contingency Parameter
The rate used as a built-in buffer in the calculation of the funding plan. This rate will assign a percentage of the reserve funds, as of the fiscal year beginning, as contingency funds and will also determine the level of funding toward the contingency each month.

Current Replacement Cost
The amount of money, as of the fiscal year beginning date for which the reserve analysis is prepared, that a reserve component is expected to cost to replace.

Fiscal Year
Indicates the budget year for the association for which the reserve analysis was prepared. The fiscal year beginning (FYB) is the first day of the budget year; the fiscal year end (FYE) is the last day of the budget year.

Fully Funded Reserve Balance (or Ideal Reserves)
The amount of money that should theoretically have accumulated in the reserve fund as of a certain point in time. Fully funded reserves are calculated for each reserve component based on the current replacement cost, age and useful life:

$$\text{Fully Funded Reserves} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Replacement Cost}$$

The fully funded reserve balance is the sum of the fully funded reserves for each reserve component.

An association that has accumulated the fully funded reserve balance does not have all of the funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve components it maintains, based on each component's current replacement cost, age and useful life.

Future Replacement Cost
The amount of money, as of the fiscal year during which replacement of a reserve component is scheduled, that a reserve component is expected to cost to replace. This cost is calculated using the current replacement cost compounded annually by the inflation parameter.

Global Parameters
The financial parameters used to calculate the reserve analysis. See also "inflation parameter," "annual contribution increase parameter," "investment rate parameter" and "taxes on investments parameter."

Inflation Parameter
The rate used in the calculation of future costs for reserve components. This rate is used on an annual compounding basis. This rate represents the rate the association expects the cost of goods and services relating to their reserve components to increase each year.

Interest Contribution
The amount of money contributed to the reserve fund by the interest earned on the reserve fund and member contributions.

Investment Rate Parameter
The gross rate used in the calculation of interest contribution (interest earned) from the reserve balance and member contributions. This rate (net of the taxes on investments parameter) is used on a monthly compounding basis. This parameter represents the weighted average interest rate the association expects to earn on their reserve fund investments.

Membership Contribution
The amount of money contributed to the reserve fund by the association's membership.

Monthly Contribution (and "Fixed" Monthly Contribution)
The amount of money, for the fiscal year which the reserve analysis is prepared, that a reserve component will be funded.

The monthly contribution is considered "fixed" when the normal calculation process is bypassed and a specific amount of money is funded to a reserve component. For example, if the normal calculation process funds $1,000 to the roofs each month, but the association would like to show $500 funded to roofs each month, a "fixed" contribution of $500 can be assigned.

Number of Units (or other assessment basis)
Indicates the number of units for which the reserve analysis was prepared. In "phased" developments (see phasing), this number represents the number of units, and corresponding common area components, that existed as of a certain point in time.

For some associations, assessments and reserve contributions are based on a unit of measure other than the number of units. Examples include time-interval weeks for timeshare resorts or lot acreage for commercial/industrial developments.

One-Time Replacement
Used for components that will be budgeted for only once.

Percent Funded
A measure, expressed as a percentage, of the association's reserve fund "health" as of a certain point in time. This number is the ratio of the anticipated reserve fund balance to the fully funded reserve balance:

$$\text{Percent Funded} = \frac{\text{Anticipated Reserve Fund Balance}}{\text{Fully Funded Reserve Balance}}$$

An association that is 100% funded does not have all of the reserve funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve components it maintains, based on each component's current replacement cost, age and useful life.

Percentage of Replacement
The percentage of the reserve component that is expected to be replaced.

For most reserve components, this percentage should be 100%. In some cases, this percentage may be more or less than 100%. For example, fencing which is shared with a neighboring community may be set at 50%.

Phasing
Indicates the number of phases for which the reserve analysis was prepared and the total number of phases expected at build-out (i.e. Phase 4 of 7). In phased developments, the first number represents the number of phases, and corresponding common area components, that existed as of a certain point in time. The second number represents the number of phases that are expected to exist at build-out.

Placed-In-Service Date
The date (month and year) that the reserve component was originally put into service or last replaced.

Remaining Life
The length of time, in years, until a reserve component is scheduled to be replaced.

Remaining Life Adjustment
The length of time, in years, that a reserve component is expected to last in excess (or deficiency) of its useful life for the current cycle of replacement.

If the current cycle of replacement for a reserve component is expected to be greater than or less than the "normal" life expectancy, the reserve component's life should be adjusted using a remaining life adjustment.

For example, if wood trim is painted normally on a 4 year cycle, the useful life should be 4 years. However, when it comes time to paint the wood trim and it is determined that it can be deferred for an additional year, the useful life should remain at 4 years and a remaining life adjustment of +1 year should be used.

Replacement Year
The fiscal year that a reserve component is scheduled to be replaced.

Reserve Components
Line items included in the reserve analysis.

Taxes on Investments Parameter
The rate used to offset the investment rate parameter in the calculation of the interest contribution. This parameter represents the marginal tax rate the association expects to pay on interest earned by the reserve funds and member contributions.

Total Contribution
The sum of the membership contribution and interest contribution.

Useful Life
The length of time, in years, that a reserve component is expected to last each time it is replaced. See also "remaining life adjustment."

♦ ♦ ♦ ♦ LIMITATIONS OF RESERVE ANALYSIS ♦ ♦ ♦ ♦

This reserve analysis is intended as a tool for the association's Board of Directors to be used in evaluating the association's current physical and financial condition with regard to reserve components. The results of this reserve analysis represent the independent opinion of the preparer. There is no implied warranty or guarantee of this work product.

For the purposes of this reserve analysis, it has been assumed that all components have been installed properly, no construction defects exist and all components are operational. Additionally, it has been assumed that all components will be maintained properly in the future.

The representations set forth in this reserve analysis are based on the best information and estimates of the preparer as of the date of this analysis. These estimates are subject to change. This reserve analysis includes estimates of replacement costs and life expectancies as well as assumptions regarding future events. Some estimates are projections of future events based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility or error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the preparation of this reserve analysis. Therefore, the actual replacement costs and remaining lives may vary from this reserve analysis and the variation may be significant. Additionally, inflation and other economic events may impact this reserve analysis, particularly over an extended period of time and those events could have a significant and negative impact on the accuracy of this reserve analysis and, further, the funds available to meet the association's obligation for repair, replacement or other maintenance of major components during their estimated useful life. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods, acts of nature or other unforeseen events cannot be predicted and/or accounted for and are excluded when assessing life expectancy, repair and/or replacement costs of the components.

Bella Terra Condominiums

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	2405
Version Number	005 (revised)
Analysis Date	05/28/2020
Fiscal Year	1/1/2020 to 12/31/2020
Number of Units	240
Phasing	1 of 1

Global Parameters:

Inflation Rate	2.55 %
Annual Contribution Increase	5.27 %
Investment Rate	0.87 %
Taxes on Investments	0.00 %
Contingency	0.00 %

Community Profile:

This community was built as apartments in 1993, and was converted to condominiums between July 2005 & December 2006. Refer to the Component Detail section for the dates used to age the componens examined in this analysis.

The January 1, 2020 reserve balance is $941,792.13.

The client's 2020 budgeted reserve contribution is $84,000 ($7,000/month).

REPORTS: 2005. Updated 2010, 2013, 2016 & 2019.

Adequacy of Reserves as of January 1, 2020:

Anticipated Reserve Balance	**$941,792.13**
Fully Funded Reserve Balance	**$1,112,975.05**
Percent Funded	**84.62%**

Budgeted

Funding for the 2020 Fiscal Year:	Annual	Monthly	Per Unit Per Month
Member Contribution	**$84,000**	**$7,000.00**	**$29.17**
Interest Contribution	**$4,453**	**$371.12**	**$1.55**
Total Contribution	**$88,453**	**$7,371.12**	**$30.71**

Bella Terra Condominiums

Distribution of Current Reserve Funds

Sorted by Remaining Life

	Remaining Life	Fully Funded Balance	Assigned Reserves
Clubhouse/Pool: Access Control System/Locks	0	$17,000.00	$17,000.00
Clubhouse: HVAC (Trane)	0	$6,500.00	$6,500.00
Gates: Wrought Iron (Trash Enclosures) (2020)	0	$12,744.00	$12,744.00
Grounds: Drainage Resolution (2020)	0	$9,000.00	$9,000.00
Grounds: Irrigation Lines (Replace)	0	$76,000.00	$76,000.00
Grounds: Landscape Enhancement (2020)	0	$51,000.00	$51,000.00
Grounds: Mailboxes (Wall Mounted)	0	$15,505.00	$15,505.00
Paint: Community Exteriors	0	$250,000.00	$250,000.00
Pool Area: Fountain (Remodel)	0	$8,325.00	$8,325.00
Streets: Asphalt Crack Seal & Seal Coat	0	$24,308.00	$24,308.00
Grounds: Drainage Resolution (2021)	1	$0.00	$0.00
Grounds: Landscape Enhancement (2021)	1	$31,970.89	$31,970.89
Pool: Heater	1	$2,475.00	$2,475.00
Roofs: Tile Underlayment (Garage Bldgs)	1	$82,446.43	$82,446.43
Pool Area: Deck Recoat	2	$3,150.00	$3,150.00
Spa: Heater	2	$1,375.00	$1,375.00
Grounds: Irrigation Controllers	3	$1,492.96	$1,492.96
Clubhouse: Carpet	5	$3,675.00	$3,675.00
Pool Area: BBQ Grills	5	$2,598.59	$2,598.59
Pool/Spa: Pumps & Motors	6	$2,400.00	$2,400.00
Clubhouse: Exercise Equipment (Cardio)	7	$10,416.67	$10,416.67
Clubhouse: Exercise Equipment (Strength)	7	$11,375.00	$11,375.00
Clubhouse: HVAC (Goodman)	7	$3,362.07	$3,362.07
Grounds: Monument Signs	7	$3,900.00	$3,900.00
Clubhouse: HVAC (Goodman)	8	$2,913.79	$2,913.79
Fencing/Gates: Wrought Iron (Pool Area)	8	$8,485.71	$8,485.71
Grounds: Carport Structures (Repairs)	9	$394.74	$394.74
Streets: Asphalt Rehabilitation	9	$255,860.44	$255,860.44
Pool: Filter	10	$459.54	$459.54
Lighting: Wall Mounted Fixtures (Garage Bldgs)	12	$2,176.20	$2,176.20
Pool Area: Deck Resurface	12	$2,850.00	$2,850.00
Spa: Retile	12	$1,800.00	$1,800.00

Bella Terra Condominiums

Distribution of Current Reserve Funds

Sorted by Remaining Life

	Remaining Life	Fully Funded Balance	Assigned Reserves
Clubhouse: HVAC (York)	13	$672.41	$672.41
Spa: Filter	13	$146.67	$146.67
Lighting: Wall Mounted Fixtures (Condo Bldgs)	14	$16,896.00	$16,896.00
Clubhouse: Remodel Provision	16	$35,000.00	$10,682.54
Pool: Resurface & Retile	16	$7,434.48	$7,434.48
Roofs: Tile Underlayment (Condominium Bldgs)	19	$145,918.37	$0.00
Roofs: Tile Underlayment (Clubhouse)	24	$838.93	$0.00
Roofs: Tile Underlayment (Various Bldgs)	24	$108.16	$0.00
Gates: Wrought Iron (Trash Enclosures)	30	$0.00	$0.00
Grounds: Concrete Components (Unfunded)	n.a.	$0.00	$0.00
Grounds: Lighting (Unfunded)	n.a.	$0.00	$0.00
Grounds: Tree Trimming (Unfunded)	n.a.	$0.00	$0.00
Pool Area: Furniture (Unfunded)	n.a.	$0.00	$0.00
Contingency	n.a.	$0.00	$0.00
Total	**0-30**	**$1,112,975.05**	**$941,792.13**
Percent Funded			**84.62%**

Bella Terra Condominiums

Projections

Directed Cash Flow Calculation Method

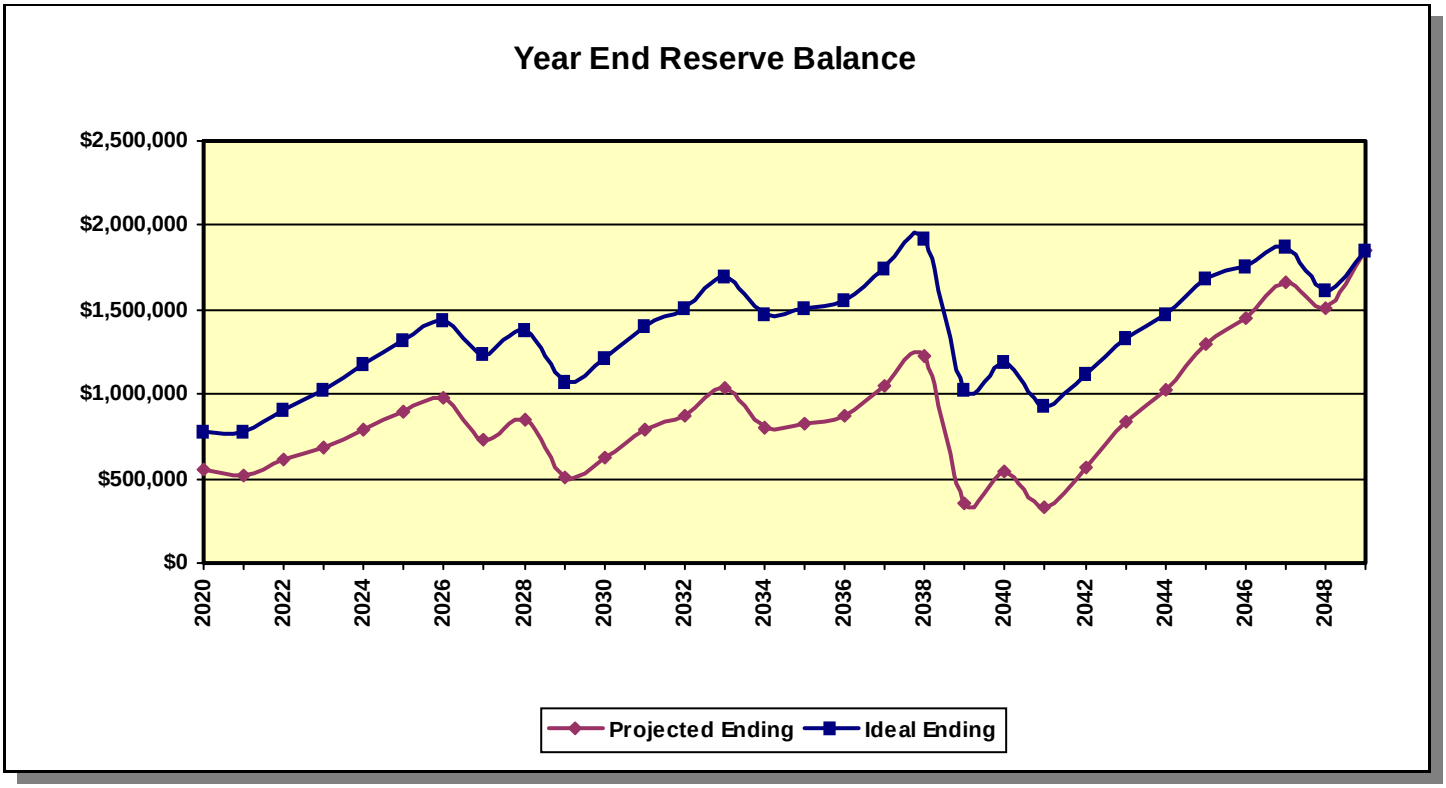
Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2020	$941,792	$84,000	$4,453	$470,382	$559,864	$778,585	72%
2021	$559,864	$88,427	$4,099	$131,065	$521,324	$779,674	67%
2022	$521,324	$93,087	$4,852	$8,413	$610,850	$909,519	67%
2023	$610,850	$97,993	$5,480	$28,372	$685,950	$1,025,229	67%
2024	$685,950	$103,157	$6,404	$0	$795,511	$1,176,086	68%
2025	$795,511	$108,593	$7,243	$15,992	$895,355	$1,317,565	68%
2026	$895,355	$114,316	$7,942	$38,449	$979,163	$1,442,882	68%
2027	$979,163	$120,340	$5,801	$370,051	$735,254	$1,234,663	60%
2028	$735,254	$126,682	$6,742	$21,405	$847,273	$1,382,081	61%
2029	$847,273	$133,359	$3,811	$471,958	$512,485	$1,074,682	48%
2030	$512,485	$140,387	$4,799	$27,335	$630,335	$1,219,004	52%
2031	$630,335	$147,785	$6,097	$0	$784,217	$1,398,735	56%
2032	$784,217	$155,573	$6,852	$71,012	$875,630	$1,514,017	58%
2033	$875,630	$163,772	$8,171	$15,121	$1,032,451	$1,693,420	61%
2034	$1,032,451	$172,403	$6,089	$414,206	$796,738	$1,472,123	54%
2035	$796,738	$181,488	$6,298	$158,743	$825,781	$1,511,246	55%
2036	$825,781	$191,053	$6,631	$154,102	$869,362	$1,560,272	56%
2037	$869,362	$201,121	$8,138	$29,688	$1,048,933	$1,742,431	60%
2038	$1,048,933	$211,720	$9,637	$42,573	$1,227,717	$1,920,429	64%
2039	$1,227,717	$222,878	$1,996	$1,101,236	$351,355	$1,020,948	34%
2040	$351,355	$234,624	$3,641	$41,905	$547,715	$1,189,487	46%
2041	$547,715	$246,988	$1,657	$471,065	$325,294	$926,950	35%
2042	$325,294	$260,005	$3,660	$25,232	$563,727	$1,119,770	50%
2043	$563,727	$273,707	$5,917	$11,599	$831,752	$1,336,461	62%
2044	$831,752	$288,131	$7,544	$99,934	$1,027,493	$1,473,170	70%
2045	$1,027,493	$303,316	$9,854	$38,106	$1,302,557	$1,682,001	77%
2046	$1,302,557	$319,300	$11,069	$181,388	$1,451,539	$1,754,585	83%
2047	$1,451,539	$336,128	$12,828	$136,787	$1,663,706	$1,880,258	88%
2048	$1,663,706	$353,841	$11,392	$521,368	$1,507,572	$1,620,389	93%
2049	$1,507,572	$372,489	$14,266	$44,832	$1,849,495	$1,848,365	100%

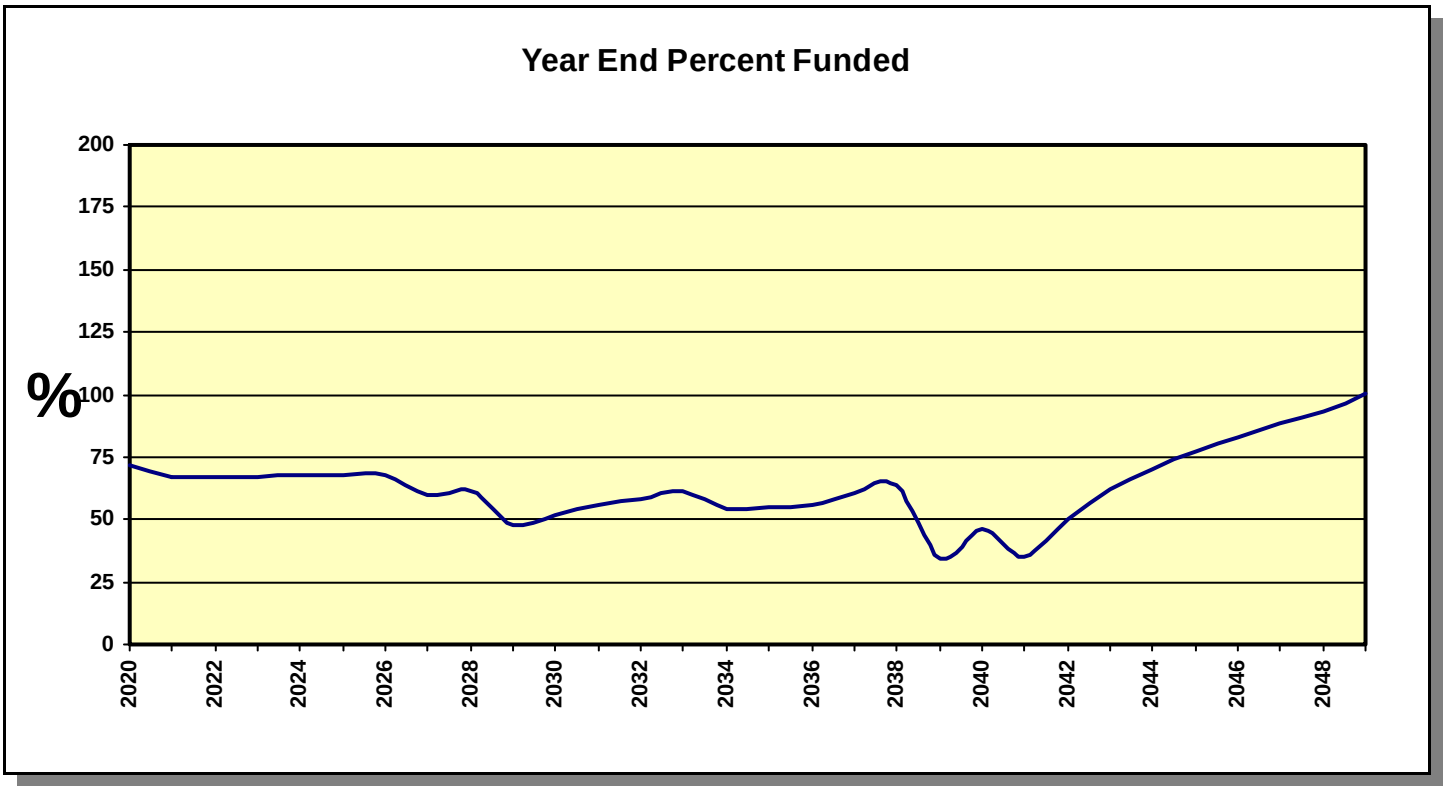
The Member Contribution column above reflects the client's 2020 budgeted reserve contribution of $84,000. Going forward, we have incorporated a 5.27% annual contribution increase.

Bella Terra Condominiums

Projection Charts

Directed Cash Flow Calculation Method

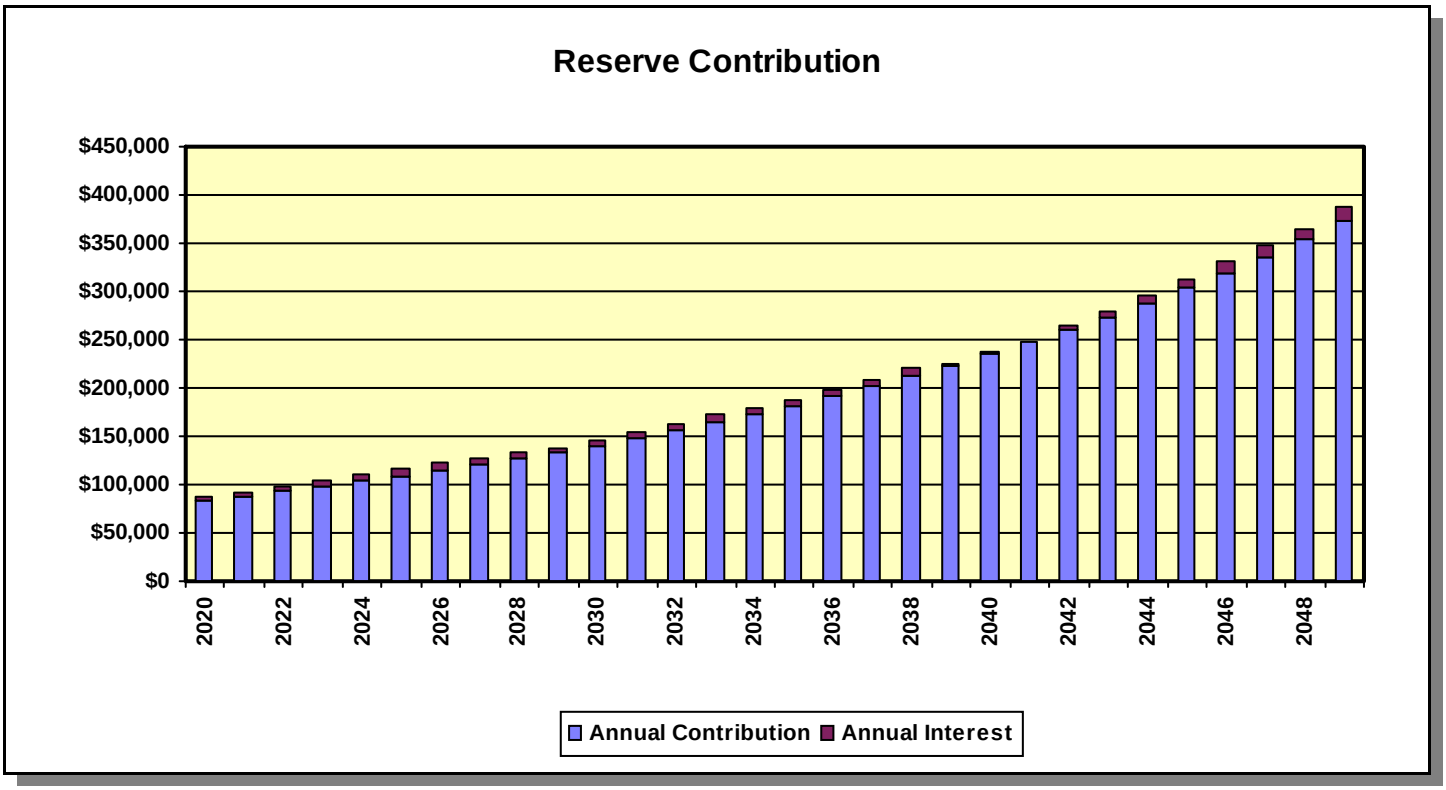


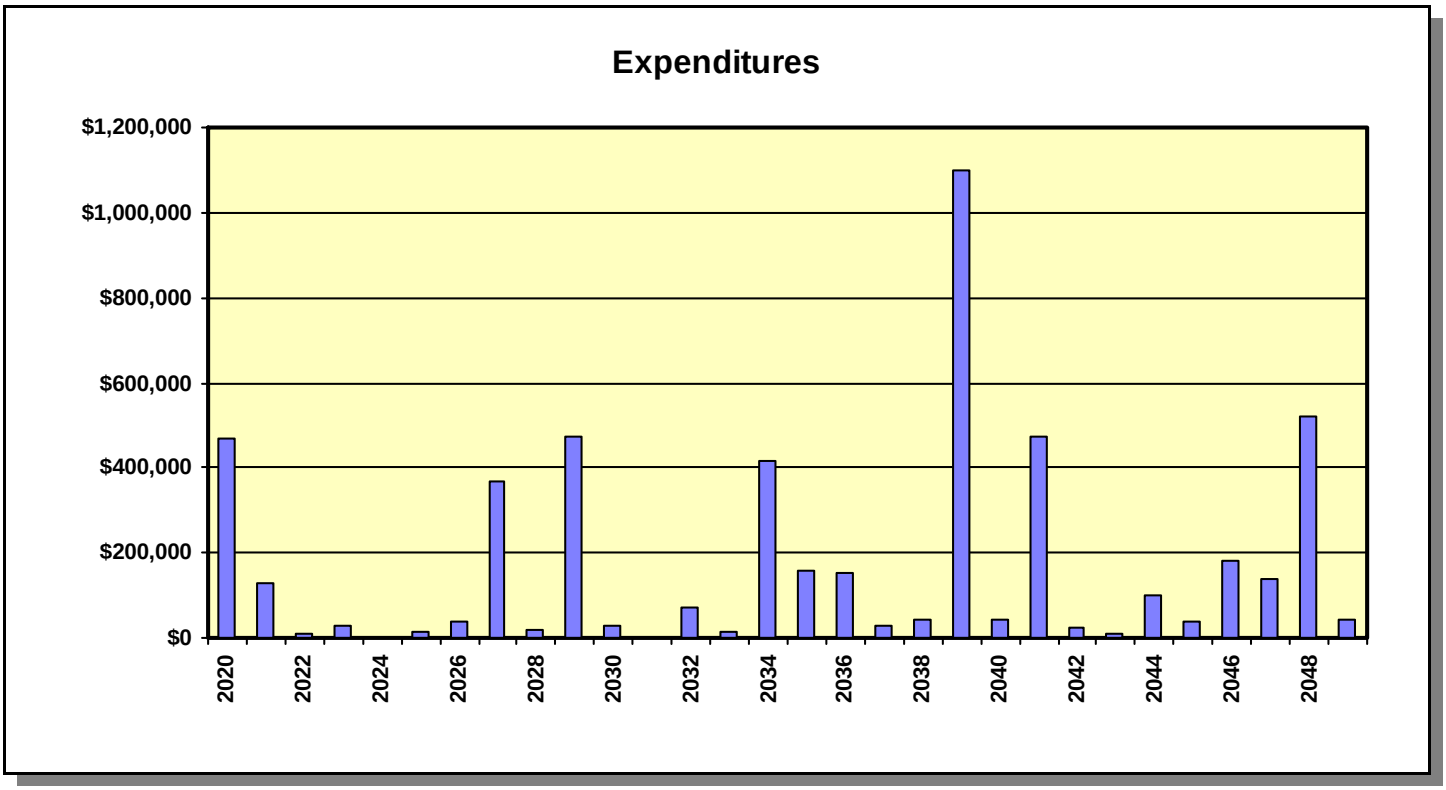


Bella Terra Condominiums

Projection Charts

Directed Cash Flow Calculation Method





Bella Terra Condominiums

Annual Expenditure Detail

Sorted by Description

2020 Fiscal Year	
Clubhouse/Pool: Access Control System/Locks	$17,000.00
Clubhouse: HVAC (Trane)	$6,500.00
Gates: Wrought Iron (Trash Enclosures) (2020)	$12,744.00
Grounds: Drainage Resolution (2020)	$9,000.00
Grounds: Irrigation Lines (Replace)	$76,000.00
Grounds: Landscape Enhancement (2020)	$51,000.00
Grounds: Mailboxes (Wall Mounted)	$15,505.00
Paint: Community Exteriors	$250,000.00
Pool Area: Fountain (Remodel)	$8,325.00
Streets: Asphalt Crack Seal & Seal Coat	$24,308.00
Sub Total	**$470,382.00**
2021 Fiscal Year	
Grounds: Drainage Resolution (2021)	$6,000.20
Grounds: Landscape Enhancement (2021)	$34,000.45
Pool: Heater	$3,384.15
Roofs: Tile Underlayment (Garage Bldgs)	$87,680.25
Sub Total	**$131,065.05**
2022 Fiscal Year	
Pool Area: Deck Recoat	$5,521.16
Spa: Heater	$2,892.04
Sub Total	**$8,413.20**
2023 Fiscal Year	
Grounds: Irrigation Controllers	$2,156.93
Streets: Asphalt Crack Seal & Seal Coat	$26,215.38
Sub Total	**$28,372.32**
2025 Fiscal Year	
Clubhouse: Carpet	$7,145.27
Pool Area: BBQ Grills	$5,103.77
Pool: Heater	$3,742.76
Sub Total	**$15,991.80**
2026 Fiscal Year	
Pool/Spa: Pumps & Motors	$6,978.55
Spa: Heater	$3,198.50
Streets: Asphalt Crack Seal & Seal Coat	$28,272.44

Bella Terra Condominiums

Annual Expenditure Detail

Sorted by Description

Sub Total	**$38,449.49**
2027 Fiscal Year	
Clubhouse: Exercise Equipment (Cardio)	$29,818.77
Clubhouse: Exercise Equipment (Strength)	$20,873.14
Clubhouse: HVAC (Goodman)	$7,752.88
Grounds: Monument Signs	$7,156.50
Paint: Community Exteriors	$298,187.66
Pool Area: Deck Recoat	$6,261.94
Sub Total	**$370,050.88**
2028 Fiscal Year	
Clubhouse: HVAC (Goodman)	$7,950.58
Fencing/Gates: Wrought Iron (Pool Area)	$13,454.82
Sub Total	**$21,405.40**
2029 Fiscal Year	
Grounds: Carport Structures (Repairs)	$9,407.67
Pool: Heater	$4,139.38
Streets: Asphalt Crack Seal & Seal Coat	$30,490.90
Streets: Asphalt Rehabilitation	$427,920.27
Sub Total	**$471,958.22**
2030 Fiscal Year	
Clubhouse/Pool: Access Control System/Locks	$21,867.82
Pool: Filter	$1,929.51
Spa: Heater	$3,537.44
Sub Total	**$27,334.78**
2032 Fiscal Year	
Lighting: Wall Mounted Fixtures (Garage Bldgs)	$5,661.39
Pool Area: Deck Recoat	$7,102.11
Pool Area: Deck Resurface	$19,277.15
Spa: Retile	$6,087.52
Streets: Asphalt Crack Seal & Seal Coat	$32,883.44
Sub Total	**$71,011.61**
2033 Fiscal Year	
Clubhouse: HVAC (York)	$9,017.31
Pool: Heater	$4,578.02
Spa: Filter	$1,526.01

Bella Terra Condominiums

Annual Expenditure Detail

Sorted by Description

Sub Total	**$15,121.34**
2034 Fiscal Year	
Lighting: Wall Mounted Fixtures (Condo Bldgs)	$54,629.92
Paint: Community Exteriors	$355,663.51
Spa: Heater	$3,912.30
Sub Total	**$414,205.73**
2035 Fiscal Year	
Clubhouse: HVAC (Trane)	$9,483.06
Grounds: Irrigation Controllers	$2,917.86
Grounds: Irrigation Lines (Replace)	$110,878.81
Streets: Asphalt Crack Seal & Seal Coat	$35,463.71
Sub Total	**$158,743.44**
2036 Fiscal Year	
Clubhouse: Remodel Provision	$112,210.09
Pool/Spa: Pumps & Motors	$8,976.81
Pool: Resurface & Retile	$32,914.96
Sub Total	**$154,101.85**
2037 Fiscal Year	
Clubhouse: Carpet	$9,666.00
Pool Area: BBQ Grills	$6,904.29
Pool Area: Deck Recoat	$8,055.00
Pool: Heater	$5,063.14
Sub Total	**$29,688.43**
2038 Fiscal Year	
Spa: Heater	$4,326.88
Streets: Asphalt Crack Seal & Seal Coat	$38,246.46
Sub Total	**$42,573.33**
2039 Fiscal Year	
Clubhouse: Exercise Equipment (Cardio)	$40,338.30
Grounds: Carport Structures (Repairs)	$12,101.49
Roofs: Tile Underlayment (Condominium Bldgs)	$1,048,795.91
Sub Total	**$1,101,235.71**
2040 Fiscal Year	
Clubhouse/Pool: Access Control System/Locks	$28,129.51

Bella Terra Condominiums

Annual Expenditure Detail

Sorted by Description

Pool Area: Fountain (Remodel)	$13,775.19
Sub Total	**$41,904.70**
2041 Fiscal Year	
Paint: Community Exteriors	$424,217.88
Pool: Heater	$5,599.68
Streets: Asphalt Crack Seal & Seal Coat	$41,247.55
Sub Total	**$471,065.11**
2042 Fiscal Year	
Clubhouse: HVAC (Goodman)	$11,310.92
Pool Area: Deck Recoat	$9,135.74
Spa: Heater	$4,785.39
Sub Total	**$25,232.06**
2043 Fiscal Year	
Clubhouse: HVAC (Goodman)	$11,599.35
Sub Total	**$11,599.35**
2044 Fiscal Year	
Roofs: Tile Underlayment (Clubhouse)	$45,750.51
Roofs: Tile Underlayment (Various Bldgs)	$9,699.11
Streets: Asphalt Crack Seal & Seal Coat	$44,484.14
Sub Total	**$99,933.76**
2045 Fiscal Year	
Grounds: Mailboxes (Wall Mounted)	$29,098.02
Pool: Filter	$2,815.03
Pool: Heater	$6,193.06
Sub Total	**$38,106.11**
2046 Fiscal Year	
Pool/Spa: Pumps & Motors	$11,547.25
Roofs: Tile Underlayment (Garage Bldgs)	$164,548.30
Spa: Heater	$5,292.49
Sub Total	**$181,388.04**
2047 Fiscal Year	
Clubhouse: Exercise Equipment (Strength)	$34,538.30
Grounds: Irrigation Controllers	$3,947.23
Grounds: Monument Signs	$11,841.70

Bella Terra Condominiums

Annual Expenditure Detail

Sorted by Description

Pool Area: Deck Recoat	$10,361.49
Pool Area: Deck Resurface	$28,124.05
Streets: Asphalt Crack Seal & Seal Coat	$47,974.69
Sub Total	**$136,787.47**

2048 Fiscal Year

Clubhouse: HVAC (York)	$13,155.64
Paint: Community Exteriors	$505,986.14
Spa: Filter	$2,226.34
Sub Total	**$521,368.12**

2049 Fiscal Year

Clubhouse: Carpet	$13,076.00
Grounds: Carport Structures (Repairs)	$15,566.66
Pool Area: BBQ Grills	$9,340.00
Pool: Heater	$6,849.33
Sub Total	**$44,831.99**

Bella Terra Condominiums

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Streets: Asphalt Crack Seal & Seal Coat

Category	010 Streets	Quantity	1 total
		Unit Cost	$24,308.000
		% of Replacement	100.00%
		Current Cost	$24,308.00
Placed In Service	05/12	Future Cost	$26,215.38
Useful Life	3		
		Assigned Reserves at FYB	$24,308.00
Remaining Life	0	Monthly Member Contribution	$446.61
Replacement Year	2020	Monthly Interest Contribution	$2.63
		Total Monthly Contribution	$449.24

Comments:

The community asphalt was last seal coated in May 2012. Since then, it appears as though several repair projects have been done (no information on any repair projects was provided by the client). Going forward, the client has advised us to budget to crack seal, seal coat & restripe on a three year cycle. The cost used for this component is based on the amount spent to crack seal, seal coat (2 coats of MasterSeal PMM) & restripe the asphalt in 2020 by Sunland Asphalt.

It should be noted that the seal coat and rehabilitation components are budgeted to occur in the same budget year. It is recommended that the asphalt be seal coated within 6 months of rehabilitation. Therefore, this component appears in the same year as the rehabilitation project. If the Association chooses not to seal coat within 6 months of rehabilitation, the accumulated funds can be used for any additional expenses associated with the rehabilitation, or remain in the reserve account to be reallocated to other future projects.

Bella Terra Condominiums

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Streets: Asphalt Rehabilitation

Category	010 Streets	Quantity	151,621 sq. ft.
		Unit Cost	$2.250
		% of Replacement	100.00%
		Current Cost	$341,147.25
Placed In Service	01/93	Future Cost	$427,920.27
Useful Life	36		
		Assigned Reserves at FYB	$255,860.44
Remaining Life	9	Monthly Member Contribution	$713.31
Replacement Year	2029	Monthly Interest Contribution	$183.30
		Total Monthly Contribution	$896.61

Comments:

This component budgets to remove & replace the community asphalt (drive lanes, covered parking spaces, uncovered parking spaces) in 2029, as directed by the client.

Roofs: Tile Underlayment (Clubhouse)

Category	020 Roofing	Quantity	1 total
		Unit Cost	$25,000.000
		% of Replacement	100.00%
		Current Cost	$25,000.00
Placed In Service	03/19	Future Cost	$45,750.51
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	24	Monthly Member Contribution	$49.70
Replacement Year	2044	Monthly Interest Contribution	$0.29
		Total Monthly Contribution	$49.98

Comments:

Payne Roofing replaced the tile roof underlayment atop the clubhouse in March 2019 at a cost of $24,802.51. This component budgets for similar work on a 25 year cycle.

Bella Terra Condominiums

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Roofs: Tile Underlayment (Condominium Bldgs)

Category	020 Roofing	Quantity	1 total
		Unit Cost	$650,000.000
		% of Replacement	100.00%
		Current Cost	$650,000.00
Placed In Service	07/14	Future Cost	$1,048,795.91
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	19	Monthly Member Contribution	$1,699.24
Replacement Year	2039	Monthly Interest Contribution	$9.98
		Total Monthly Contribution	$1,709.22

Comments:

Roofing Consultants of Arizona replaced the tile roof underlayment atop the condominium buildings (approximately 180,100 sq. ft.) between mid-2013 & mid-2015 at a cost of $580,082. This component budgets for similar work on a 25 year cycle.

Roofs: Tile Underlayment (Garage Bldgs)

Category	020 Roofing	Quantity	23,750 sq. ft.
		Unit Cost	$3.600
		% of Replacement	100.00%
		Current Cost	$85,500.00
Placed In Service	01/93	Future Cost	$87,680.25
Useful Life	25		
Adjustment	+3	Assigned Reserves at FYB	$82,446.43
Remaining Life	1	Monthly Member Contribution	$245.12
Replacement Year	2021	Monthly Interest Contribution	$59.15
		Total Monthly Contribution	$304.27

Comments:

This component budgets to replace the tile roof underlayment atop the nine (9) garage buildings. The client has advised us to schedule this project to occur in 2021, as they are still seeking out bids & a legal opinion.

Roofs: Tile Underlayment (Various Bldgs)

Category	020 Roofing	Quantity	1 total
		Unit Cost	$5,300.000
		% of Replacement	100.00%
		Current Cost	$5,300.00
Placed In Service	07/19	Future Cost	$9,699.11
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	24	Monthly Member Contribution	$10.54
Replacement Year	2044	Monthly Interest Contribution	$0.06
		Total Monthly Contribution	$10.59

Comments:

RENCO Roofing replaced the tile roof underlayment atop the guard shack, mailbox structure & maintenance building in July 2019 at a cost of $5,178. This component budgets for similar work on a 25 year cycle.

Paint: Community Exteriors

Category	030 Painting	Quantity	1 total
		Unit Cost	$250,000.000
		% of Replacement	100.00%
		Current Cost	$250,000.00
Placed In Service	01/13	Future Cost	$298,187.66
Useful Life	7		
		Assigned Reserves at FYB	$250,000.00
Remaining Life	0	Monthly Member Contribution	$1,924.91
Replacement Year	2020	Monthly Interest Contribution	$11.31
		Total Monthly Contribution	$1,936.22

Comments:

Red Rock Painting repainted the community exteriors in late 2012/early 2013 at a cost of $134,677. Then, in February 2019, Red Rock Painting repaired & repainted ($2,400) the exterior pony walls along the north perimeter, as well as the two islands & guard shack. Going forward, this component budgets to repaint the community exteriors every seven (7) years. We have not accounted for the components painted in 2019 on a separate schedule.

The client provided to us a current cost of $250,000 for this component.

Bella Terra Condominiums

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Fencing/Gates: Wrought Iron (Pool Area)

Category	040 Fencing/Gates	Quantity	1 total
		Unit Cost	$11,000.000
		% of Replacement	100.00%
		Current Cost	$11,000.00
Placed In Service	01/93	Future Cost	$13,454.82
Useful Life	35		
		Assigned Reserves at FYB	$8,485.71
Remaining Life	8	Monthly Member Contribution	$23.86
Replacement Year	2028	Monthly Interest Contribution	$6.08
		Total Monthly Contribution	$29.94

Comments:

This component includes a provision to replace the following wrought iron fencing & gates at the pool area:

37 - LF of 3'4" fencing
225 - LF of 4'11" fencing
2 - 4'11" x 3'5" gates
1 - 5'5" x 3'7" gate

Gates: Wrought Iron (Trash Enclosures)

Category	040 Fencing/Gates	Quantity	1 total
		Unit Cost	$25,488.000
		% of Replacement	100.00%
		Current Cost	$25,488.00
Placed In Service	01/20	Future Cost	$54,250.74
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	30	Monthly Member Contribution	$38.44
Replacement Year	2050	Monthly Interest Contribution	$0.22
		Total Monthly Contribution	$38.66

Comments:

The following project was done in late 2019 at a cost of $25,488.36 (half paid in 2019, half paid in 2020):

- replace the 14 metal trash enclosure gates (5'8" tall)
- replace asphalt with concrete
- add steel slide plates at dumpster walls

This component budgets for similar work on a 30 year cycle.

Gates: Wrought Iron (Trash Enclosures) (2020)

		One Time Replacement	
Category	040 Fencing/Gates	Quantity	1 total
		Unit Cost	$12,744.000
		% of Replacement	100.00%
		Current Cost	$12,744.00
Placed In Service	01/93	Future Cost	$0.00
Useful Life	27		
		Assigned Reserves at FYB	$12,744.00
Remaining Life	0	Monthly Member Contribution	$0.00
Replacement Year	2020	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

The following project was done in late 2019 at a cost of $25,488.36 (half paid in 2019, half paid in 2020):

- replace the 14 metal trash enclosure gates (5'8" tall)
- replace asphalt with concrete
- add steel slide plates at dumpster walls

This component is a one time expense to account for the $12,744.18 spent on the 2nd half of this project in 2020. The 1st payment is reflected in the January 1, 2020 reserve balance used to calculate this report.

Lighting: Wall Mounted Fixtures (Condo Bldgs)

Category	050 Lighting	Quantity	480 fixtures
		Unit Cost	$80.000
		% of Replacement	100.00%
		Current Cost	$38,400.00
Placed In Service	01/09	Future Cost	$54,629.92
Useful Life	25		
		Assigned Reserves at FYB	$16,896.00
Remaining Life	14	Monthly Member Contribution	$91.95
Replacement Year	2034	Monthly Interest Contribution	$12.37
		Total Monthly Contribution	$104.32

Comments:

The wall mounted, sconce style fixtures at the condo buildings (2 per unit: 1 @ front door, 1 @ rear patio or balcony) were last replaced in 2009.

Lighting: Wall Mounted Fixtures (Garage Bldgs)

Category	050 Lighting	Quantity	31 fixtures
		Unit Cost	$135.000
		% of Replacement	100.00%
		Current Cost	$4,185.00
Placed In Service	01/07	Future Cost	$5,661.39
Useful Life	25		
		Assigned Reserves at FYB	$2,176.20
Remaining Life	12	Monthly Member Contribution	$10.44
Replacement Year	2032	Monthly Interest Contribution	$1.59
		Total Monthly Contribution	$12.03

Comments:

The wall mounted, lantern fixtures at the garage buildings were last replaced in 2007.

Pool Area: BBQ Grills

Category	060 Pool & Spa	Quantity	2 BBQ Grills
		Unit Cost	$2,250.000
		% of Replacement	100.00%
		Current Cost	$4,500.00
Placed In Service	03/13	Future Cost	$5,103.77
Useful Life	12		
		Assigned Reserves at FYB	$2,598.59
Remaining Life	5	Monthly Member Contribution	$22.98
Replacement Year	2025	Monthly Interest Contribution	$1.95
		Total Monthly Contribution	$24.93

Comments:

These are Somerset, 4-burner, built-in, gas BBQ grills that were purchased/installed in March 2013 at a cost of $1,900 each.

Bella Terra Condominiums

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pool Area: Deck Recoat

Category	060 Pool & Spa	Quantity	3,000 sq. ft.
		Unit Cost	$1.750
		% of Replacement	100.00%
		Current Cost	$5,250.00
Placed In Service	01/17	Future Cost	$5,521.16
Useful Life	5		
		Assigned Reserves at FYB	$3,150.00
Remaining Life	2	Monthly Member Contribution	$61.01
Replacement Year	2022	Monthly Interest Contribution	$2.57
		Total Monthly Contribution	$63.58

Comments:

This component includes a provision to repair & recoat (repaint) the acrylic pool deck surface every five years.

Pool Area: Deck Resurface

Category	060 Pool & Spa	Quantity	3,000 sq. ft.
		Unit Cost	$4.750
		% of Replacement	100.00%
		Current Cost	$14,250.00
Placed In Service	01/17	Future Cost	$19,277.15
Useful Life	15		
		Assigned Reserves at FYB	$2,850.00
Remaining Life	12	Monthly Member Contribution	$51.85
Replacement Year	2032	Monthly Interest Contribution	$2.30
		Total Monthly Contribution	$54.14

Comments:

The pool deck appears to have been resurfaced since our last reserve study in mid-2016 (no information was provided by the client). For budgeting purposes we have used 2017 as the basis for aging this component. This component budgets to scarify & resurface the acrylic pool deck surface. The coating/coloring of the deck following the resurfacing is accounted for in the “Pool Area: Deck Recoat” component.

Pool Area: Fountain (Remodel)

Category	060 Pool & Spa	Quantity	1 total
		Unit Cost	$8,325.000
		% of Replacement	100.00%
		Current Cost	$8,325.00
Placed In Service	01/93	Future Cost	$13,775.19
Useful Life	20		
		Assigned Reserves at FYB	$8,325.00
Remaining Life	0	Monthly Member Contribution	$20.52
Replacement Year	2020	Monthly Interest Contribution	$0.13
		Total Monthly Contribution	$20.64

Comments:

The pool fountain & surrounding area will be remodeled in 2020 at a cost of $8,325, and includes the following work per the MEH Pool Services, Inc. bid dated March 9, 2020:

- demo & remove the middle glass block feature & install 3 geyser fountain heads
- remove all interior tile & damaged/loose cantera stone coping & replace
- remove all rusted fencing & replace
- add low voltage lighting

This component accounts for the 2020 expense, and budgets to remodel the pool fountain area on a 20 year cycle.

Pool Area: Furniture (Unfunded)

Category	060 Pool & Spa	Quantity	1 comment
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/93	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

The client has advised us that the repair, refurbishment and/or replacement of the pool furniture will be handled as an operating expense.

Bella Terra Condominiums

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pool/Spa: Pumps & Motors

Category	060 Pool & Spa	Quantity	1 total
		Unit Cost	$6,000.000
		% of Replacement	100.00%
		Current Cost	$6,000.00
Placed In Service	01/16	Future Cost	$6,978.55
Useful Life	10		
		Assigned Reserves at FYB	$2,400.00
Remaining Life	6	Monthly Member Contribution	$34.57
Replacement Year	2026	Monthly Interest Contribution	$1.88
		Total Monthly Contribution	$36.45

Comments:

This component will accumulate funds on a 10 year cycle to replace the pool & spa pumps & motors (4 total) on an "as needed" basis.

Pool: Filter

Category	060 Pool & Spa	Quantity	1 filter
		Unit Cost	$1,500.000
		% of Replacement	100.00%
		Current Cost	$1,500.00
Placed In Service	08/15	Future Cost	$1,929.51
Useful Life	15		
		Assigned Reserves at FYB	$459.54
Remaining Life	10	Monthly Member Contribution	$5.88
Replacement Year	2030	Monthly Interest Contribution	$0.36
		Total Monthly Contribution	$6.23

Comments:

This is a Triton II, 7.06 sq. ft. sand filter.

Bella Terra Condominiums

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pool: Heater

Category	060 Pool & Spa	Quantity	1 heater
		Unit Cost	$3,300.000
		% of Replacement	100.00%
		Current Cost	$3,300.00
Placed In Service	01/17	Future Cost	$3,384.15
Useful Life	4		
		Assigned Reserves at FYB	$2,475.00
Remaining Life	1	Monthly Member Contribution	$48.20
Replacement Year	2021	Monthly Interest Contribution	$2.02
		Total Monthly Contribution	$50.22

Comments:

This is a Hayward, H400 heater.

Pool: Resurface & Retile

Category	060 Pool & Spa	Quantity	1 total
		Unit Cost	$22,000.000
		% of Replacement	100.00%
		Current Cost	$22,000.00
Placed In Service	11/11	Future Cost	$32,914.96
Useful Life	25		
		Assigned Reserves at FYB	$7,434.48
Remaining Life	16	Monthly Member Contribution	$51.71
Replacement Year	2036	Monthly Interest Contribution	$5.51
		Total Monthly Contribution	$57.22

Comments:

The pool was resurfaced with mini-pebble in November 2011. This component budgets to resurface the pool, replace the trim tile & replace the bench tile.

2,360 - sq. ft. (internal area) of resurfacing
170 - LF of trim tile
65 - LF of bench tile

Bella Terra Condominiums

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Spa: Filter

Category	060 Pool & Spa	Quantity	1 filter
		Unit Cost	$1,100.000
		% of Replacement	100.00%
		Current Cost	$1,100.00
Placed In Service	01/18	Future Cost	$1,526.01
Useful Life	15		
		Assigned Reserves at FYB	$146.67
Remaining Life	13	Monthly Member Contribution	$3.92
Replacement Year	2033	Monthly Interest Contribution	$0.13
		Total Monthly Contribution	$4.04

Comments:

This is a Triton II, 1.77 sq. ft. sand filter.

Spa: Heater

Category	060 Pool & Spa	Quantity	1 heater
		Unit Cost	$2,750.000
		% of Replacement	100.00%
		Current Cost	$2,750.00
Placed In Service	01/18	Future Cost	$2,892.04
Useful Life	4		
		Assigned Reserves at FYB	$1,375.00
Remaining Life	2	Monthly Member Contribution	$39.33
Replacement Year	2022	Monthly Interest Contribution	$1.19
		Total Monthly Contribution	$40.52

Comments:

This is a Hayward, H250 heater.

Bella Terra Condominiums

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Spa: Retile

Category	060 Pool & Spa	Quantity	1 total
		Unit Cost	$4,500.000
		% of Replacement	100.00%
		Current Cost	$4,500.00
Placed In Service	01/12	Future Cost	$6,087.52
Useful Life	20		
		Assigned Reserves at FYB	$1,800.00
Remaining Life	12	Monthly Member Contribution	$13.16
Replacement Year	2032	Monthly Interest Contribution	$1.34
		Total Monthly Contribution	$14.49

Comments:

The 8' diameter spa was retiled in late 2011.

Clubhouse/Pool: Access Control System/Locks

Category	070 Clubhouse & Pool Area	Quantity	1 total
		Unit Cost	$17,000.000
		% of Replacement	100.00%
		Current Cost	$17,000.00
Placed In Service	01/20	Future Cost	$21,867.82
Useful Life	10		
Adjustment	-10	Assigned Reserves at FYB	$17,000.00
Remaining Life	0	Monthly Member Contribution	$89.96
Replacement Year	2020	Monthly Interest Contribution	$0.53
		Total Monthly Contribution	$90.48

Comments:

$17,000 will be spent in 2020 on new clubhouse door & pool gate locks and access systems. This component accounts for the 2020 expense, and budgets to replace these components on a 10 year cycle, as directed by the client.

Bella Terra Condominiums

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Clubhouse: Carpet

Category	080 Clubhouse	Quantity	180 sq. yds.
		Unit Cost	$35.000
		% of Replacement	100.00%
		Current Cost	$6,300.00
Placed In Service	01/13	Future Cost	$7,145.27
Useful Life	12		
		Assigned Reserves at FYB	$3,675.00
Remaining Life	5	Monthly Member Contribution	$31.79
Replacement Year	2025	Monthly Interest Contribution	$2.76
		Total Monthly Contribution	$34.55

Comments:

This component budgets to replace the carpet in the main sitting area, office area & book exchange room.

Clubhouse: Exercise Equipment (Cardio)

Category	080 Clubhouse	Quantity	1 total
		Unit Cost	$25,000.000
		% of Replacement	100.00%
		Current Cost	$25,000.00
Placed In Service	01/15	Future Cost	$29,818.77
Useful Life	12		
		Assigned Reserves at FYB	$10,416.67
Remaining Life	7	Monthly Member Contribution	$121.03
Replacement Year	2027	Monthly Interest Contribution	$8.00
		Total Monthly Contribution	$129.03

Comments:

This component will accumulate funds on a 12 year cycle to replace the following cardio equipment on an "as needed" basis. For budgeting purposes we have used 2015 as an average placed in service date for this equipment.

2 - Landice L8 treadmills
1 - True XCS 900 elliptical
1 - True XLC 900 elliptical
1 - True recumbent bike

Bella Terra Condominiums

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Clubhouse: Exercise Equipment (Strength)

Category	080 Clubhouse	Quantity	1 total
		Unit Cost	$17,500.000
		% of Replacement	100.00%
		Current Cost	$17,500.00
Placed In Service	01/07	Future Cost	$20,873.14
Useful Life	20		
		Assigned Reserves at FYB	$11,375.00
Remaining Life	7	Monthly Member Contribution	$56.70
Replacement Year	2027	Monthly Interest Contribution	$8.30
		Total Monthly Contribution	$65.00

Comments:

This component will accumulate funds on a 20 year cycle to replace the following Inflight Fitness strength equipment on an "as needed" basis.

1 - Abdominal/Torso
1 - Leg Press
1 - Leg Extension/Curl
1 - Multi Press
1 - Multi Pull

Clubhouse: HVAC (Goodman)

Category	080 Clubhouse	Quantity	1 total
		Unit Cost	$6,500.000
		% of Replacement	100.00%
		Current Cost	$6,500.00
Placed In Service	07/13	Future Cost	$7,950.58
Useful Life	15		
		Assigned Reserves at FYB	$2,913.79
Remaining Life	8	Monthly Member Contribution	$26.43
Replacement Year	2028	Monthly Interest Contribution	$2.19
		Total Monthly Contribution	$28.62

Comments:

This component budgets to replace the following HVAC system installed in 2013:

1 - Goodman, 5 ton split system (Serial #1306679123)

Bella Terra Condominiums

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Clubhouse: HVAC (Goodman)

Category	080 Clubhouse	Quantity	1 total
		Unit Cost	$6,500.000
		% of Replacement	100.00%
		Current Cost	$6,500.00
Placed In Service	07/12	Future Cost	$7,752.88
Useful Life	15		
		Assigned Reserves at FYB	$3,362.07
Remaining Life	7	Monthly Member Contribution	$26.98
Replacement Year	2027	Monthly Interest Contribution	$2.51
		Total Monthly Contribution	$29.49

Comments:

This component budgets to replace the following HVAC system installed in 2012:

1 - Goodman, 5 ton split system (Serial #1205318043)

Clubhouse: HVAC (Trane)

Category	080 Clubhouse	Quantity	1 total
		Unit Cost	$6,500.000
		% of Replacement	100.00%
		Current Cost	$6,500.00
Placed In Service	01/93	Future Cost	$9,483.06
Useful Life	15		
		Assigned Reserves at FYB	$6,500.00
Remaining Life	0	Monthly Member Contribution	$22.17
Replacement Year	2020	Monthly Interest Contribution	$0.13
		Total Monthly Contribution	$22.31

Comments:

This component budgets to replace the following original HVAC system:

1 - Trane, 5 ton split system

Clubhouse: HVAC (York)

Category	080 Clubhouse	Quantity	1 total
		Unit Cost	$6,500.000
		% of Replacement	100.00%
		Current Cost	$6,500.00
Placed In Service	07/18	Future Cost	$9,017.31
Useful Life	15		
		Assigned Reserves at FYB	$672.41
Remaining Life	13	Monthly Member Contribution	$23.77
Replacement Year	2033	Monthly Interest Contribution	$0.61
		Total Monthly Contribution	$24.38

Comments:

This component budgets to replace the following HVAC system installed in 2018:

1 - York, 5 ton split system (Serial #W1C8641740)

Clubhouse: Remodel Provision

Category	080 Clubhouse	Quantity	1 total
		Unit Cost	$75,000.000
		% of Replacement	100.00%
		Current Cost	$75,000.00
Placed In Service	01/06	Future Cost	$112,210.09
Useful Life	30		
		Assigned Reserves at FYB	$10,682.54
Remaining Life	16	Monthly Member Contribution	$212.06
Replacement Year	2036	Monthly Interest Contribution	$8.72
		Total Monthly Contribution	$220.78

Comments:

This component is for the remodeling of the clubhouse interiors on a 30 year cycle, and will allow funding to be available for the replacement of the following components on an "as needed" basis: furniture, cabinets, counter tops, tile floor cover, rubber floor cover in the gym area, plumbing fixtures, window treatments, window coverings, ceiling fans, water heater, televisions, interior painting & artwork/décor.

NOTE: The Canterra stone decking at the following locations is showing its age: clubhouse front entrance area, clubhouse entrance/exit to the pool area, pool coping, pool planter areas & pool ramada area. This component also includes a provision to replace the Canterra stone decking.

Grounds: Carport Structures (Repairs)

Category	100 Grounds	Quantity	1 total
		Unit Cost	$7,500.000
		% of Replacement	100.00%
		Current Cost	$7,500.00
Placed In Service	07/19	Future Cost	$9,407.67
Useful Life	10		
		Assigned Reserves at FYB	$394.74
Remaining Life	9	Monthly Member Contribution	$42.36
Replacement Year	2029	Monthly Interest Contribution	$0.53
		Total Monthly Contribution	$42.89

Comments:

$7,558.28 was spent in mid-2019 on carport structure repairs (see the Diamondback Carports Proposal & Contract for details). This component includes a similar provision every 10 years for carport structure & metal roof repairs/replacements on an "as needed" basis.

Grounds: Concrete Components (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/93	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

Concrete repairs/replacements, including the concrete pavers at the community entrance/exit area, are accounted for in the client's operating budget.

Bella Terra Condominiums

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Grounds: Drainage Resolution (2020)

One Time Replacement

Category	100 Grounds	Quantity	1 total
		Unit Cost	$9,000.000
		% of Replacement	100.00%
		Current Cost	$9,000.00
Placed In Service	01/20	Future Cost	$0.00
Useful Life	1		
Adjustment	-1	Assigned Reserves at FYB	$9,000.00
Remaining Life	0	Monthly Member Contribution	$0.00
Replacement Year	2020	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

The client has advised us to budget $9,000 for a Drainage Resolution project in 2020. This project will include the installation of catch basins with grates & outlets per building to eliminate pooling & flooding caused by heavy rains.

As directed by the client, this is a one time expense in 2020.

Grounds: Drainage Resolution (2021)

One Time Replacement

Category	100 Grounds	Quantity	1 total
		Unit Cost	$5,851.000
		% of Replacement	100.00%
		Current Cost	$5,851.00
Placed In Service	01/20	Future Cost	$6,000.20
Useful Life	1		
		Assigned Reserves at FYB	$0.00
Remaining Life	1	Monthly Member Contribution	$325.84
Replacement Year	2021	Monthly Interest Contribution	$1.91
		Total Monthly Contribution	$327.76

Comments:

The client has advised us to budget for a $6,000 Drainage Resolution project expense in 2021. For budgeting purposes we have used a current cost of $5,851 for this component. This project will include the installation of catch basins with grates & outlets per building to eliminate pooling & flooding caused by heavy rains.

As directed by the client, this is a one time expense in 2021.

Bella Terra Condominiums

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Grounds: Irrigation Controllers

Category	100 Grounds	Quantity	1 total
		Unit Cost	$2,000.000
		% of Replacement	100.00%
		Current Cost	$2,000.00
Placed In Service	03/11	Future Cost	$2,156.93
Useful Life	12		
		Assigned Reserves at FYB	$1,492.96
Remaining Life	3	Monthly Member Contribution	$10.64
Replacement Year	2023	Monthly Interest Contribution	$1.11
		Total Monthly Contribution	$11.75

Comments:

2	Hunter I-Core, 36 station controllers	@	$1,000.00	=	$2,000.00
			TOTAL	=	$2,000.00

Location: behind pool equipment enclosure

Grounds: Irrigation Lines (Replace)

Category	100 Grounds	Quantity	1 total
		Unit Cost	$76,000.000
		% of Replacement	100.00%
		Current Cost	$76,000.00
Placed In Service	01/93	Future Cost	$110,878.81
Useful Life	15		
		Assigned Reserves at FYB	$76,000.00
Remaining Life	0	Monthly Member Contribution	$259.22
Replacement Year	2020	Monthly Interest Contribution	$1.52
		Total Monthly Contribution	$260.74

Comments:

The irrigation lines (poly-tubing) are being replaced in 2020 at a cost of $76,000. This component accounts for the 2020 expense, and budgets to replace the irrigation lines on a 15 year cycle, as requested by the client.

Bella Terra Condominiums

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Grounds: Landscape Enhancement (2020)

		One Time Replacement	
Category	100 Grounds	Quantity	1 total
		Unit Cost	$51,000.000
		% of Replacement	100.00%
		Current Cost	$51,000.00
Placed In Service	01/93	Future Cost	$0.00
Useful Life	27		
		Assigned Reserves at FYB	$51,000.00
Remaining Life	0	Monthly Member Contribution	$0.00
Replacement Year	2020	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

The client has advised us to budget $51,000 for a Landscape Enhancement project in 2020. This project will include granite replenishment, removal of plants/bushes within one foot of building exteriors, replacement of overgrown/dying plants, reconfiguration of landscaping around buildings, turf conversion, irrigation realignment & landscape curbing.

As directed by the client, this is a one time expense in 2020. Other than the Landscape Enhancement project scheduled to occur in 2021, there is nothing accounted for in this reserve study for future Landscape Enhancement projects.

Bella Terra Condominiums

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Grounds: Landscape Enhancement (2021)

One Time Replacement

Category	100 Grounds	Quantity	1 total
		Unit Cost	$33,155.000
		% of Replacement	100.00%
		Current Cost	$33,155.00
Placed In Service	01/93	Future Cost	$34,000.45
Useful Life	28		
		Assigned Reserves at FYB	$31,970.89
Remaining Life	1	Monthly Member Contribution	$95.05
Replacement Year	2021	Monthly Interest Contribution	$22.94
		Total Monthly Contribution	$117.99

Comments:

The client has advised us to budget for a $34,000 Landscape Enhancement project expense in 2021. For budgeting purposes we have used a current cost of $33,155 for this component. This project will include granite replenishment, removal of plants/bushes within one foot of building exteriors, replacement of overgrown/dying plants, reconfiguration of landscaping around buildings, turf conversion, irrigation realignment & landscape curbing.

As directed by the client, this is a one time expense in 2021. There is nothing accounted for in this reserve study for future Landscape Enhancement projects after 2021.

Grounds: Lighting (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/93	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

The client has advised us that the replacement of the following lighting is handled on an "as needed" basis using operating funds:

- pole mounted, lantern light fixtures scattered throughout the community (19)
- metal bollard light fixtures scattered throughout the community (84)
- ground level spot/floodlight fixtures

Grounds: Mailboxes (Wall Mounted)

Category	100 Grounds	Quantity	1 total
		Unit Cost	$15,505.000
		% of Replacement	100.00%
		Current Cost	$15,505.00
Placed In Service	01/93	Future Cost	$29,098.02
Useful Life	25		
		Assigned Reserves at FYB	$15,505.00
Remaining Life	0	Monthly Member Contribution	$29.34
Replacement Year	2020	Monthly Interest Contribution	$0.17
		Total Monthly Contribution	$29.51

Comments:

The following wall mounted mailbox sets were replaced in 2020 at a cost of $15,504.80. This component accounts for the 2020 expense, and budgets to replace the mailboxes on a 25 year cycle going forward.

1 - 4 x 7 box set
4 - 5 x 7 box sets
2 - 27 box sets w/2 parcel boxes
1 - 27 box set w/1 parcel box & 1 outgoing box

NOTE: No inventory information was provided on the new mailboxes.

Grounds: Monument Signs

Category	100 Grounds	Quantity	1 total
		Unit Cost	$6,000.000
		% of Replacement	100.00%
		Current Cost	$6,000.00
Placed In Service	01/07	Future Cost	$7,156.50
Useful Life	20		
		Assigned Reserves at FYB	$3,900.00
Remaining Life	7	Monthly Member Contribution	$19.44
Replacement Year	2027	Monthly Interest Contribution	$2.85
		Total Monthly Contribution	$22.29

Comments:

This component includes a provision to replace the wall mounted tiles & metal letters making up the two monument signs that indicate "BELLA TERRA AT PARADISE VALLEY CONDOMINIUMS".

Bella Terra Condominiums

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Grounds: Tree Trimming (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/93	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

Tree trimming is accounted for in the client's operating budget.

Bella Terra Condominiums

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