Reserve Analysis Report

Belmont at Triple Crown

Phoenix, Arizona

Version 004

May 12, 2017

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Belmont at Triple Crown

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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:

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

The Board of Directors of an association has a legal and 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:

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

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 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.

The component calculation method is typically used for well-funded associations (greater that 65% funded) with a goal/ objective of full funding.

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 cash flow calculation method is typically used for under-funded associations (less than 65% funded) with a goal/ objective of full funding, threshold funding, baseline funding or statutory funding.

Preface

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

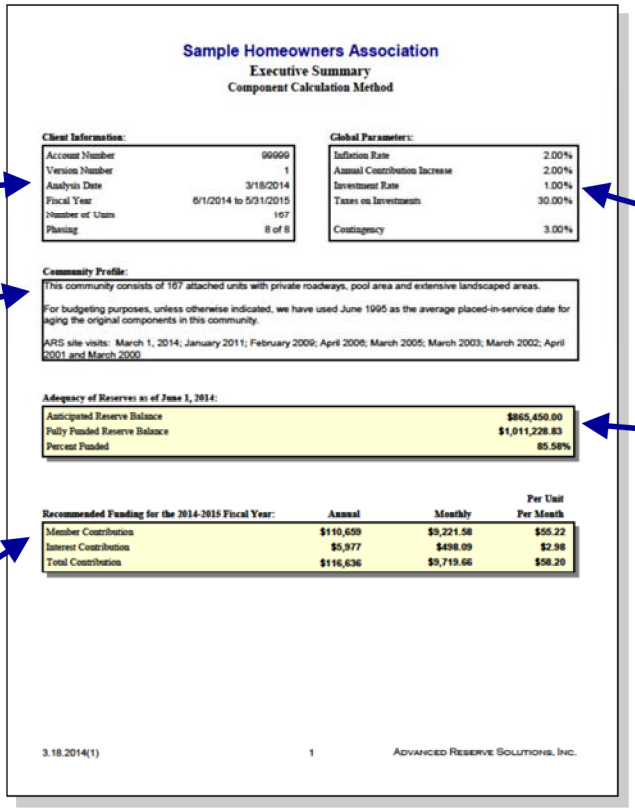
In some cases, the reserve analysis may be a lengthy document of one hundred pages or more. A complete and thorough review of the reserve analysis is always a good idea. However, if time is limited, it is suggested that a thorough review of the summary pages be made. If a "red flag" is raised in this 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.

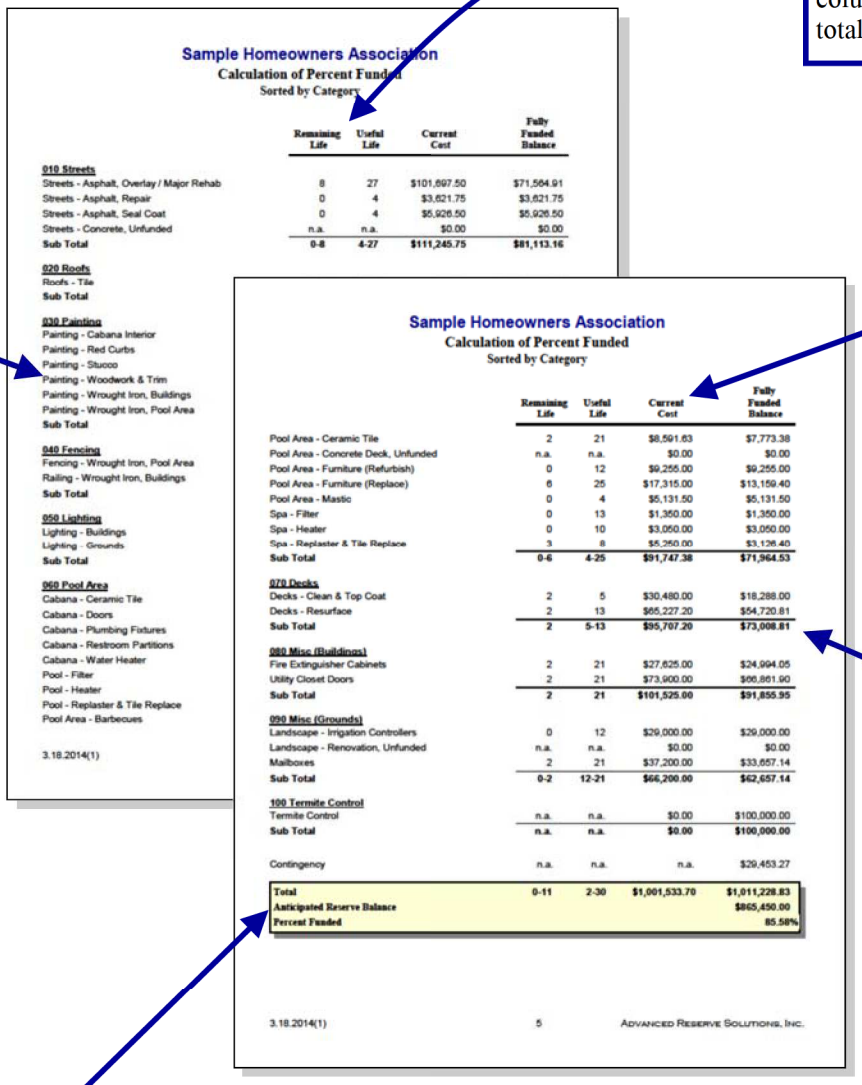
Preface

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	$5,350.00	$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

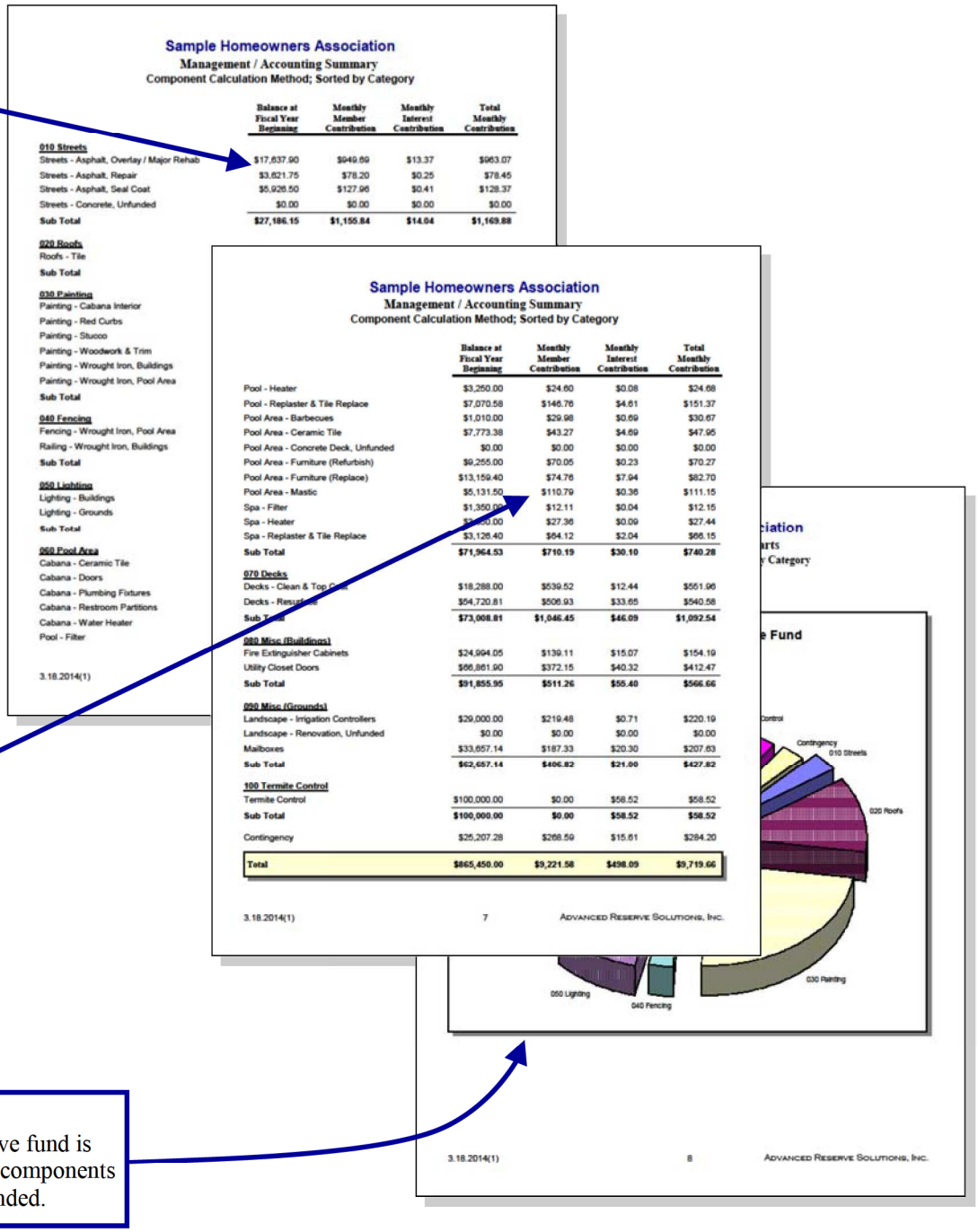
Management / Accounting Summary and Charts

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	$3,821.75	$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	$3,050.00	$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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Fund

Contingency
010 Streets
020 Roofs
030 Painting
040 Fencing
050 Lighting

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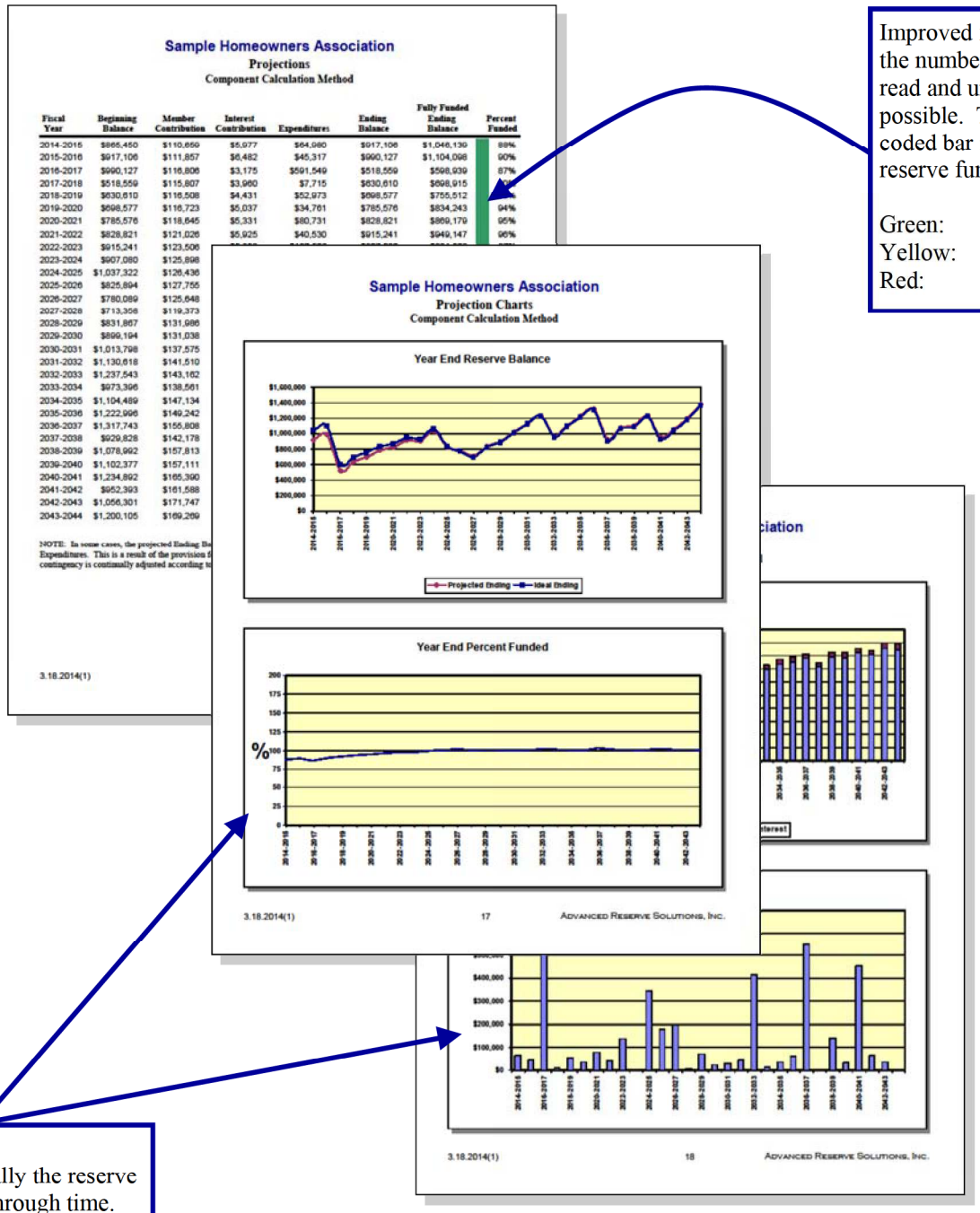
Projections and Charts

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:

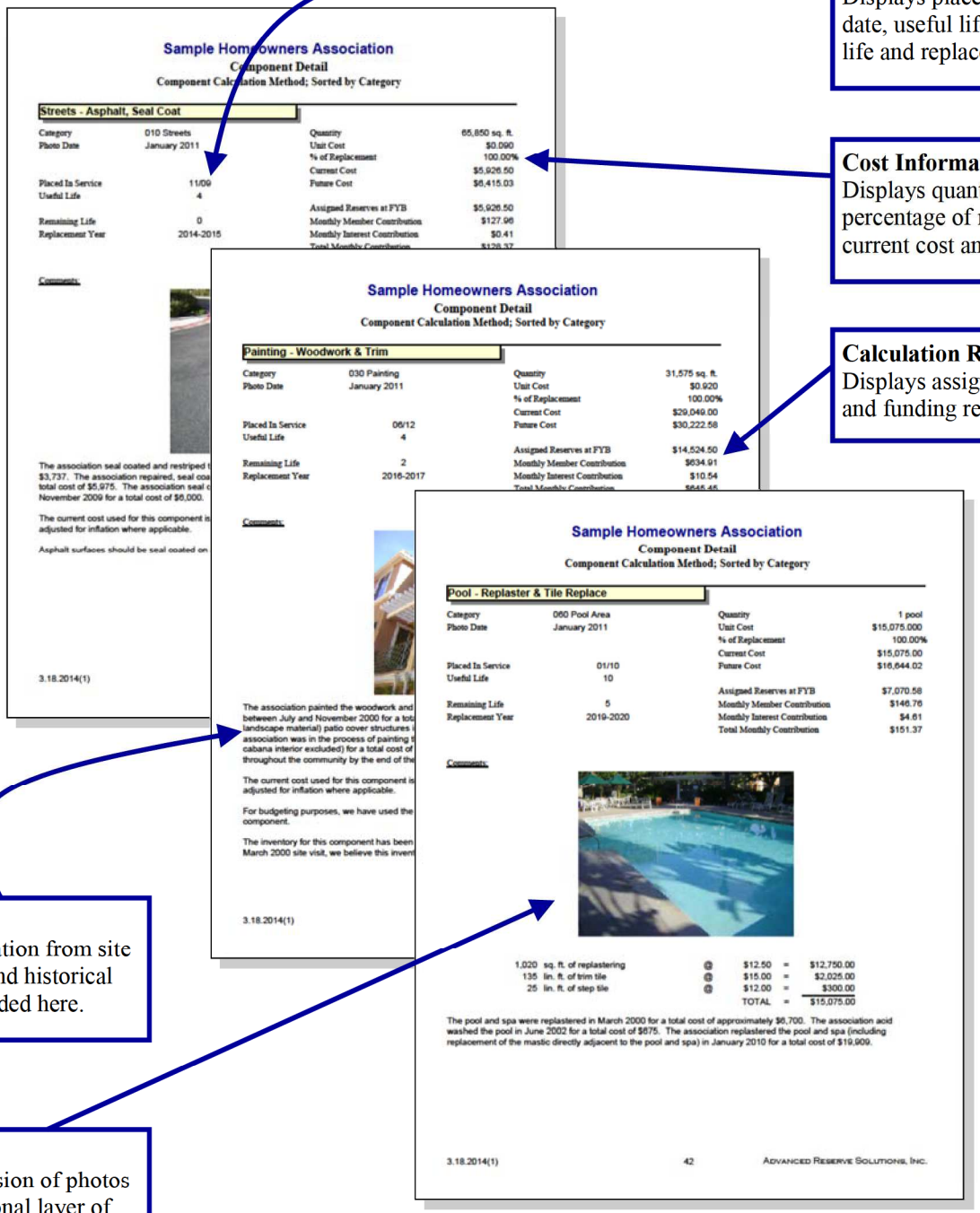
Green:	Good
Yellow:	Fair
Red:	Poor

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 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.

Belmont at Triple Crown

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	1157
Version Number	004
Analysis Date	05/12/2017
Fiscal Year	1/1/2018 to 12/31/2018
Number of Lots	177
Phasing	1 of 1

Global Parameters:

Inflation Rate	2.67 %
Annual Contribution Increase	2.67 %
Investment Rate	0.20 %
Taxes on Investments	0.00 %
Contingency	0.00 %

Community Profile:

This community was built in 1996. Refer to the Component Detail section of this report for the dates used to age each reserve component. The projected reserve balance calculation follows:

Current Reserve Balance as of 1/31/2017: $336,990

Remaining 2017 Contribution to Reserves: $2,943.59/month x 11 months

Remaining 2017 Reserve Expenses: none noted

Projected 1/1/2018 Reserve Balance: $336,990

Completed Reports: 5/2017

Adequacy of Reserves as of January 1, 2018:

Anticipated Reserve Balance	**$336,990.00**
Fully Funded Reserve Balance	**$347,707.69**
Percent Funded	**96.92%**

Recommended Funding for the 2018 Fiscal Year:	Annual	Monthly	Per Lot Per Month
Member Contribution	**$38,250**	**$3,187.50**	**$18.01**
Interest Contribution	**$679**	**$56.56**	**$0.32**
Total Contribution	**$38,929**	**$3,244.06**	**$18.33**

Belmont at Triple Crown

Distribution of Current Reserve Funds

Sorted by Remaining Life

	Remaining Life	Fully Funded Balance	Assigned Reserves
Paint - Wrought Iron Components	0	$4,460.00	$4,460.00
Pool - Heater (2009)	0	$3,500.00	$3,500.00
Pool Bldg - HVAC (Split System)	0	$5,000.00	$5,000.00
Pool Bldg - Recumbent Bike	0	$2,500.00	$2,500.00
Gate Operators	1	$10,750.00	$10,750.00
Paint - Pool Building	1	$3,062.50	$3,062.50
Pool - Furniture	1	$4,800.00	$4,800.00
Pool - General Expenses	1	$2,400.00	$2,400.00
Drywells - Clean Out (Unfunded)	2	$1,142.86	$1,142.86
Granite Replenishment	2	$6,186.13	$6,186.13
Irrigation Controllers	2	$1,200.00	$1,200.00
Streets - Seal Coat & Repair	2	$9,332.50	$9,332.50
Pool Bldg - BBQ Grills	3	$1,760.00	$1,760.00
Pool Bldg - Carpet (Exercise Room)	3	$645.07	$645.07
Pool Bldg - Strength Equipment	3	$5,280.00	$5,280.00
Pool/Spa - Pumps & Motors	3	$1,842.11	$1,842.11
Paint - Stucco Walls & Wrought Iron	4	$7,500.00	$7,500.00
Pool Bldg - Drinking Fountain	4	$907.14	$907.14
Spa - Heater	4	$1,590.43	$1,590.43
Pool - Heater (2015)	5	$1,312.50	$1,312.50
Access Phone	6	$2,051.72	$2,051.72
Fencing & Gates - Wrought Iron	6	$3,000.00	$3,000.00
Pool - Deck Resurface	6	$12,600.00	$12,600.00
Streets - Asphalt Overlay (A)	6	$202,400.00	$202,400.00
Pool - Resurface (Pebble)	7	$14,918.40	$14,918.40
Spa - Resurface (Pebble)	7	$4,320.00	$4,320.00
Fencing & Gates - W/I (Perimeters)	8	$1,100.00	$1,100.00
Monument Sign - Letters	8	$733.33	$733.33
Pool Bldg - Remodel	8	$22,000.00	$19,872.31
Pool Bldg - Treadmill	8	$822.99	$822.99
Spa - Filter	9	$637.74	$0.00
Pool - Deck Recoat	13	$579.64	$0.00

Belmont at Triple Crown

Distribution of Current Reserve Funds

Sorted by Remaining Life

	Remaining Life	Fully Funded Balance	Assigned Reserves
Pool - Filter (2015)	15	$317.44	$0.00
Pool - Filter (2016)	16	$158.61	$0.00
Streets - Asphalt Overlay (B)	22	$5,421.43	$0.00
Roofs - Tile Underlayment	25	$1,475.14	$0.00
Concrete Components (Unfunded)	n.a.	$0.00	$0.00
Irrigiation System (Unfunded)	n.a.	$0.00	$0.00
Contingency	n.a.	$0.00	$0.00
Total	**0-25**	**$347,707.69**	**$336,990.00**
Percent Funded			**96.92%**

Belmont at Triple Crown

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
010 Streets				
Streets - Asphalt Overlay (A)	6	28	$257,600.00	$202,400.00
Streets - Asphalt Overlay (B)	22	28	$25,300.00	$5,421.43
Streets - Seal Coat & Repair	2	4	$18,665.00	$9,332.50
Sub Total	**2-22**	**4-28**	**$301,565.00**	**$217,153.93**
020 Roofs				
Roofs - Tile Underlayment	25	30	$9,825.00	$1,475.14
Sub Total	**25**	**30**	**$9,825.00**	**$1,475.14**
030 Painting				
Paint - Pool Building	1	8	$3,500.00	$3,062.50
Paint - Stucco Walls & Wrought Iron	4	8	$15,000.00	$7,500.00
Paint - Wrought Iron Components	0	4	$4,460.00	$4,460.00
Sub Total	**0-4**	**4-8**	**$22,960.00**	**$15,022.50**
040 Fencing/Walls				
Fencing & Gates - W/I (Perimeters)	8	30	$1,500.00	$1,100.00
Fencing & Gates - Wrought Iron	6	10	$7,500.00	$3,000.00
Sub Total	**6-8**	**10-30**	**$9,000.00**	**$4,100.00**
060 Pool				
Pool - Deck Recoat	13	14	$8,115.00	$579.64
Pool - Deck Resurface	6	14	$22,050.00	$12,600.00
Pool - Filter (2015)	15	18	$1,950.00	$317.44
Pool - Filter (2016)	16	18	$1,950.00	$158.61
Pool - Furniture	1	5	$6,000.00	$4,800.00
Pool - General Expenses	1	5	$3,000.00	$2,400.00
Pool - Heater (2009)	0	8	$3,500.00	$3,500.00
Pool - Heater (2015)	5	8	$3,500.00	$1,312.50
Pool - Resurface (Pebble)	7	25	$20,720.00	$14,918.40
Pool Bldg - BBQ Grills	3	25	$2,000.00	$1,760.00
Pool Bldg - Carpet (Exercise Room)	3	12	$875.00	$645.07
Pool Bldg - Drinking Fountain	4	15	$1,250.00	$907.14
Pool Bldg - HVAC (Split System)	0	20	$5,000.00	$5,000.00
Pool Bldg - Recumbent Bike	0	12	$2,500.00	$2,500.00
Pool Bldg - Remodel	8	30	$30,000.00	$22,000.00
Pool Bldg - Strength Equipment	3	25	$6,000.00	$5,280.00
Pool Bldg - Treadmill	8	12	$2,750.00	$822.99

Belmont at Triple Crown

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Pool/Spa - Pumps & Motors	3	5	$5,000.00	$1,842.11
Spa - Filter	9	18	$1,300.00	$637.74
Spa - Heater	4	8	$3,250.00	$1,590.43
Spa - Resurface (Pebble)	7	25	$6,000.00	$4,320.00
Sub Total	**0-16**	**5-30**	**$136,710.00**	**$87,892.07**
080 Access/Security				
Access Phone	6	15	$3,500.00	$2,051.72
Gate Operators	1	23	$11,250.00	$10,750.00
Sub Total	**1-6**	**15-23**	**$14,750.00**	**$12,801.72**
100 Grounds				
Concrete Components (Unfunded)	n.a.	n.a.	$0.00	$0.00
Drywells - Clean Out (Unfunded)	2	7	$1,600.00	$1,142.86
Granite Replenishment	2	12	$7,500.00	$6,186.13
Irrigation Controllers	2	10	$1,500.00	$1,200.00
Irrigiation System (Unfunded)	n.a.	n.a.	$0.00	$0.00
Monument Sign - Letters	8	30	$1,000.00	$733.33
Sub Total	**2-8**	**7-30**	**$11,600.00**	**$9,262.32**
Contingency	n.a.	n.a.	n.a.	$0.00
Total	**0-25**	**4-30**	**$506,410.00**	**$347,707.69**
Anticipated Reserve Balance				**$336,990.00**
Percent Funded				**96.92%**

Belmont at Triple Crown

Projections

Directed Cash Flow Calculation Method

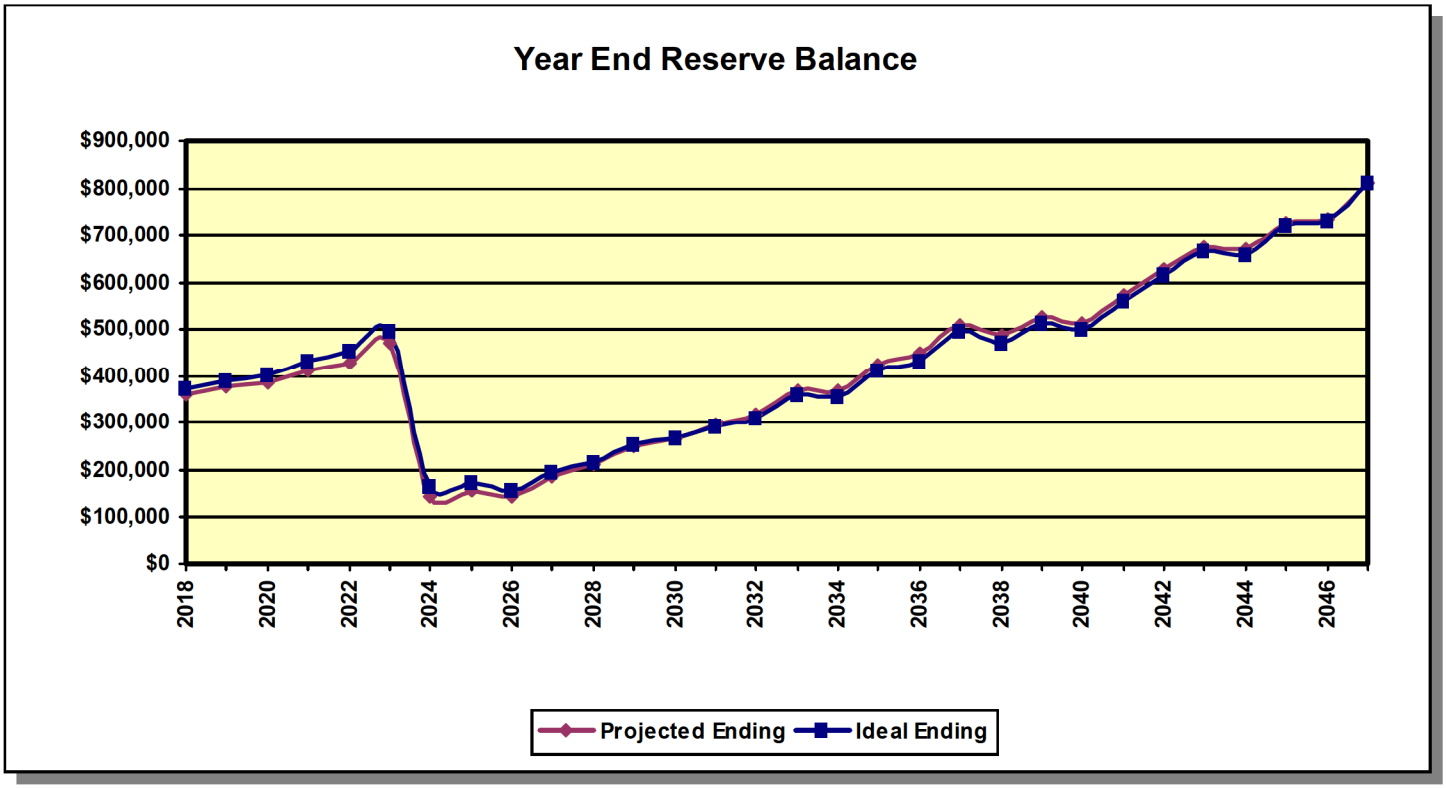
Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2018	$336,990	$38,250	$679	$15,460	$360,459	$372,929	97%
2019	$360,459	$39,271	$709	$24,384	$376,055	$390,775	96%
2020	$376,055	$40,320	$728	$30,849	$386,254	$403,305	96%
2021	$386,254	$41,396	$781	$15,016	$413,415	$433,263	95%
2022	$413,415	$42,502	$813	$26,623	$430,107	$453,015	95%
2023	$430,107	$43,636	$893	$3,993	$470,643	$497,478	95%
2024	$470,643	$44,802	$237	$372,837	$142,845	$165,400	86%
2025	$142,845	$45,998	$264	$32,132	$156,974	$175,256	90%
2026	$156,974	$47,226	$238	$59,523	$144,916	$158,265	92%
2027	$144,916	$48,487	$318	$8,113	$185,608	$194,654	95%
2028	$185,608	$49,781	$369	$24,292	$211,466	$216,484	98%
2029	$211,466	$51,111	$446	$12,026	$250,997	$252,601	99%
2030	$250,997	$52,475	$477	$36,643	$267,305	$265,548	101%
2031	$267,305	$53,876	$538	$23,403	$298,317	$293,604	102%
2032	$298,317	$55,315	$572	$37,838	$316,365	$308,790	102%
2033	$316,365	$56,792	$677	$4,194	$369,640	$360,156	103%
2034	$369,640	$58,308	$674	$59,848	$368,774	$357,015	103%
2035	$368,774	$59,865	$782	$5,478	$423,943	$410,911	103%
2036	$423,943	$61,463	$829	$38,027	$448,208	$434,163	103%
2037	$448,208	$63,104	$951	$2,062	$510,201	$496,332	103%
2038	$510,201	$64,789	$903	$88,943	$486,950	$472,366	103%
2039	$486,950	$66,519	$980	$27,825	$526,624	$511,955	103%
2040	$526,624	$68,295	$954	$81,177	$514,696	$499,307	103%
2041	$514,696	$70,119	$1,070	$12,099	$573,786	$558,767	103%
2042	$573,786	$71,991	$1,175	$19,687	$627,265	$613,587	102%
2043	$627,265	$73,913	$1,272	$25,749	$676,702	$665,239	102%
2044	$676,702	$75,886	$1,255	$84,646	$669,197	$659,449	101%
2045	$669,197	$77,913	$1,369	$20,960	$727,519	$720,582	101%
2046	$727,519	$79,993	$1,380	$74,681	$734,211	$729,928	101%
2047	$734,211	$82,129	$1,530	$7,515	$810,355	$810,266	100%

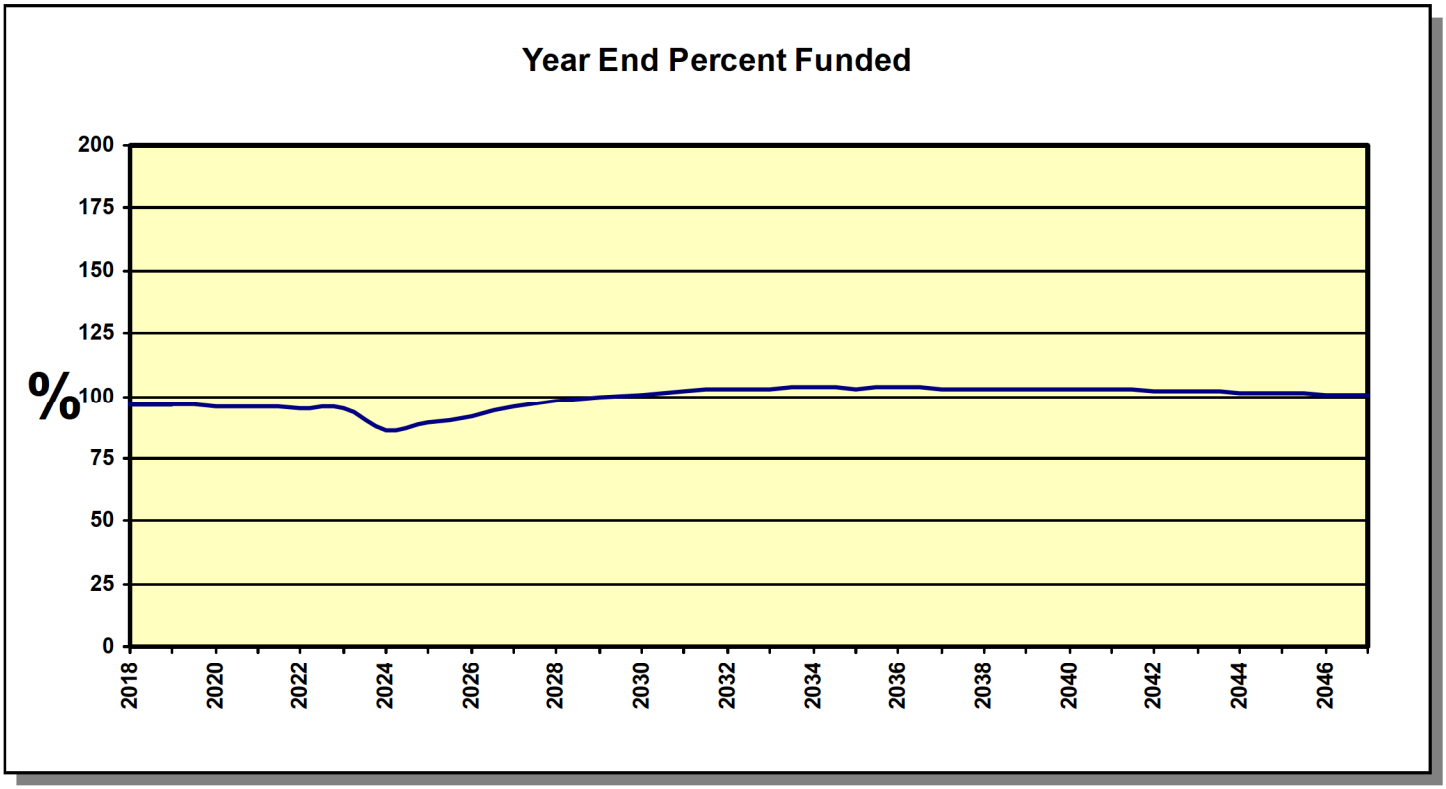
NOTE: In some cases, the projected Ending Balance may exceed the Fully Funded Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need and any excess is redistributed among all components included.

Belmont at Triple Crown

Projection Charts

Directed Cash Flow Calculation Method

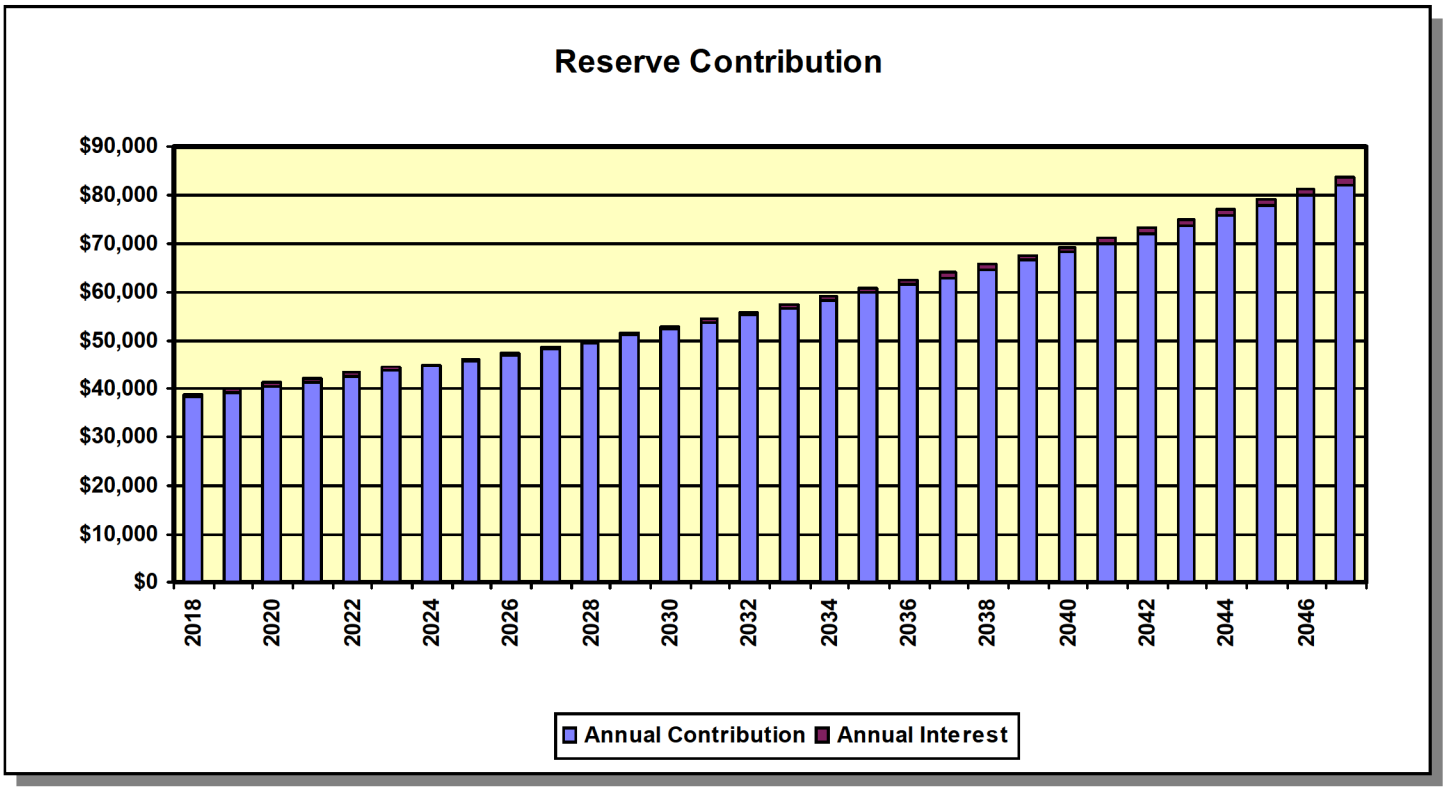


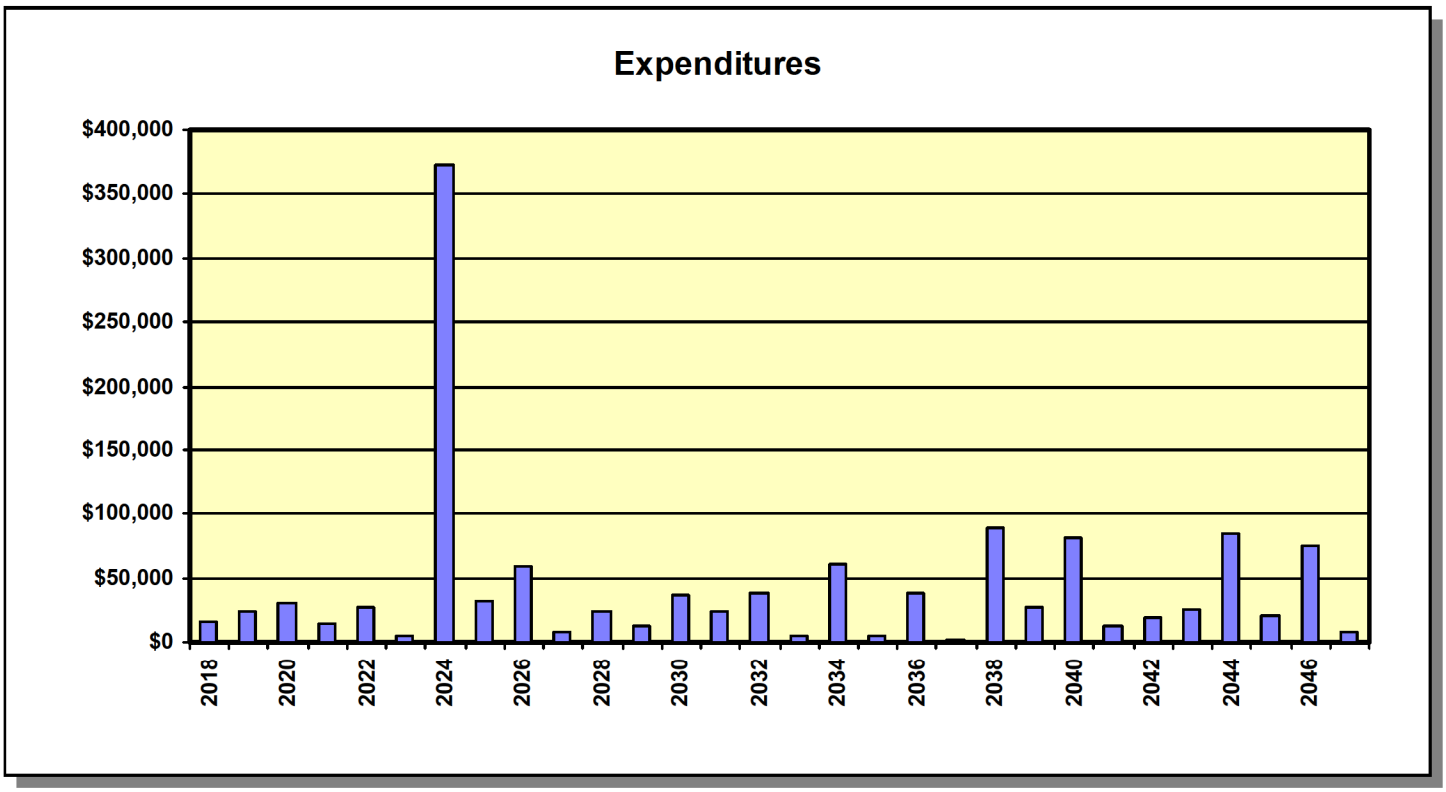


Belmont at Triple Crown

Projection Charts

Directed Cash Flow Calculation Method





Belmont at Triple Crown

Annual Expenditure Detail

Sorted by Description

2018 Fiscal Year	
Paint - Wrought Iron Components	$4,460.00
Pool - Heater (2009)	$3,500.00
Pool Bldg - HVAC (Split System)	$5,000.00
Pool Bldg - Recumbent Bike	$2,500.00
Sub Total	**$15,460.00**
2019 Fiscal Year	
Gate Operators	$11,550.38
Paint - Pool Building	$3,593.45
Pool - Furniture	$6,160.20
Pool - General Expenses	$3,080.10
Sub Total	**$24,384.13**
2020 Fiscal Year	
Drywells - Clean Out (Unfunded)	$1,686.58
Granite Replenishment	$7,905.85
Irrigation Controllers	$1,581.17
Streets - Seal Coat & Repair	$19,675.02
Sub Total	**$30,848.61**
2021 Fiscal Year	
Pool Bldg - BBQ Grills	$2,164.52
Pool Bldg - Carpet (Exercise Room)	$946.98
Pool Bldg - Strength Equipment	$6,493.55
Pool/Spa - Pumps & Motors	$5,411.29
Sub Total	**$15,016.33**
2022 Fiscal Year	
Paint - Stucco Walls & Wrought Iron	$16,667.31
Paint - Wrought Iron Components	$4,955.75
Pool Bldg - Drinking Fountain	$1,388.94
Spa - Heater	$3,611.25
Sub Total	**$26,623.25**
2023 Fiscal Year	
Pool - Heater (2015)	$3,992.88
Sub Total	**$3,992.88**
2024 Fiscal Year	
Access Phone	$4,099.49

Belmont at Triple Crown

Annual Expenditure Detail

Sorted by Description

Fencing & Gates - Wrought Iron	$8,784.61
Pool - Deck Resurface	$25,826.76
Pool - Furniture	$7,027.69
Pool - General Expenses	$3,513.85
Streets - Asphalt Overlay (A)	$301,722.18
Streets - Seal Coat & Repair	$21,861.97
Sub Total	**$372,836.55**
2025 Fiscal Year	
Pool - Resurface (Pebble)	$24,916.94
Spa - Resurface (Pebble)	$7,215.33
Sub Total	**$32,132.27**
2026 Fiscal Year	
Fencing & Gates - W/I (Perimeters)	$1,851.99
Monument Sign - Letters	$1,234.66
Paint - Wrought Iron Components	$5,506.60
Pool - Heater (2009)	$4,321.32
Pool Bldg - Remodel	$37,039.90
Pool Bldg - Treadmill	$3,395.32
Pool/Spa - Pumps & Motors	$6,173.32
Sub Total	**$59,523.11**
2027 Fiscal Year	
Drywells - Clean Out (Unfunded)	$2,028.21
Paint - Pool Building	$4,436.70
Spa - Filter	$1,647.92
Sub Total	**$8,112.82**
2028 Fiscal Year	
Streets - Seal Coat & Repair	$24,292.02
Sub Total	**$24,292.02**
2029 Fiscal Year	
Pool - Furniture	$8,017.34
Pool - General Expenses	$4,008.67
Sub Total	**$12,026.01**
2030 Fiscal Year	
Irrigation Controllers	$2,057.85
Paint - Stucco Walls & Wrought Iron	$20,578.51

Belmont at Triple Crown

Annual Expenditure Detail

Sorted by Description

Paint - Wrought Iron Components	$6,118.68
Pool Bldg - Recumbent Bike	$3,429.75
Spa - Heater	$4,458.68
Sub Total	**$36,643.47**
2031 Fiscal Year	
Pool - Deck Recoat	$11,430.23
Pool - Heater (2015)	$4,929.86
Pool/Spa - Pumps & Motors	$7,042.65
Sub Total	**$23,402.74**
2032 Fiscal Year	
Granite Replenishment	$10,846.04
Streets - Seal Coat & Repair	$26,992.17
Sub Total	**$37,838.21**
2033 Fiscal Year	
Pool - Filter (2015)	$2,895.26
Pool Bldg - Carpet (Exercise Room)	$1,299.16
Sub Total	**$4,194.42**
2034 Fiscal Year	
Drywells - Clean Out (Unfunded)	$2,439.03
Fencing & Gates - Wrought Iron	$11,432.95
Gate Operators	$17,149.42
Paint - Wrought Iron Components	$6,798.79
Pool - Filter (2016)	$2,972.57
Pool - Furniture	$9,146.36
Pool - General Expenses	$4,573.18
Pool - Heater (2009)	$5,335.38
Sub Total	**$59,847.68**
2035 Fiscal Year	
Paint - Pool Building	$5,477.83
Sub Total	**$5,477.83**
2036 Fiscal Year	
Pool/Spa - Pumps & Motors	$8,034.41
Streets - Seal Coat & Repair	$29,992.46
Sub Total	**$38,026.87**

Belmont at Triple Crown

Annual Expenditure Detail

Sorted by Description

2037 Fiscal Year	
Pool Bldg - Drinking Fountain	$2,062.23
Sub Total	**$2,062.23**
2038 Fiscal Year	
Paint - Stucco Walls & Wrought Iron	$25,407.53
Paint - Wrought Iron Components	$7,554.51
Pool - Deck Resurface	$37,349.07
Pool Bldg - HVAC (Split System)	$8,469.18
Pool Bldg - Treadmill	$4,658.05
Spa - Heater	$5,504.97
Sub Total	**$88,943.30**
2039 Fiscal Year	
Access Phone	$6,086.71
Pool - Furniture	$10,434.37
Pool - General Expenses	$5,217.18
Pool - Heater (2015)	$6,086.71
Sub Total	**$27,824.98**
2040 Fiscal Year	
Irrigation Controllers	$2,678.24
Streets - Asphalt Overlay (B)	$45,173.00
Streets - Seal Coat & Repair	$33,326.24
Sub Total	**$81,177.48**
2041 Fiscal Year	
Drywells - Clean Out (Unfunded)	$2,933.07
Pool/Spa - Pumps & Motors	$9,165.83
Sub Total	**$12,098.90**
2042 Fiscal Year	
Paint - Wrought Iron Components	$8,394.22
Pool - Heater (2009)	$6,587.39
Pool Bldg - Recumbent Bike	$4,705.28
Sub Total	**$19,686.89**
2043 Fiscal Year	
Paint - Pool Building	$6,763.28
Roofs - Tile Underlayment	$18,985.48

Belmont at Triple Crown

Annual Expenditure Detail

Sorted by Description

Sub Total	**$25,748.76**
2044 Fiscal Year	
Fencing & Gates - Wrought Iron	$14,879.69
Granite Replenishment	$14,879.69
Pool - Furniture	$11,903.75
Pool - General Expenses	$5,951.88
Streets - Seal Coat & Repair	$37,030.59
Sub Total	**$84,645.60**
2045 Fiscal Year	
Pool - Deck Recoat	$16,529.69
Pool Bldg - Carpet (Exercise Room)	$1,782.31
Spa - Filter	$2,648.01
Sub Total	**$20,960.01**
2046 Fiscal Year	
Paint - Stucco Walls & Wrought Iron	$31,369.75
Paint - Wrought Iron Components	$9,327.27
Pool Bldg - BBQ Grills	$4,182.63
Pool Bldg - Strength Equipment	$12,547.90
Pool/Spa - Pumps & Motors	$10,456.58
Spa - Heater	$6,796.78
Sub Total	**$74,680.91**
2047 Fiscal Year	
Pool - Heater (2015)	$7,515.04
Sub Total	**$7,515.04**

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Streets - Asphalt Overlay (A)

Category	010 Streets	Quantity	224,000 sq.ft.
		Unit Cost	$1.150
		% of Replacement	100.00%
		Current Cost	$257,600.00
Placed In Service	01/96	Future Cost	$301,722.18
Useful Life	28		
		Assigned Reserves at FYB	$202,400.00
Remaining Life	6	Monthly Member Contribution	$1,127.95
Replacement Year	2024	Monthly Interest Contribution	$34.71
		Total Monthly Contribution	$1,162.66

Comments:

This component budgets to edge mill next to existing concrete curbs/aprons in order to match heights and apply a conventional 1.5" overlay atop the asphalt areas that were not removed and repaved in late 2011.

This maintenance program assumes that at the time this project is scheduled to occur the asphalt has been maintained in a good enough condition that existing cracks will not quickly reflect through the newly paved surface.

If it becomes evident over time that an overlay will not be the best option, we will adjust this asset to begin accounting for a removal and repaving (R & R) project at a current cost in the $1.90 - $2.00 per sq. ft. range.

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Streets - Asphalt Overlay (B)

Category	010 Streets	Quantity	22,000 sq. ft.
		Unit Cost	$1.150
		% of Replacement	100.00%
		Current Cost	$25,300.00
Placed In Service	01/12	Future Cost	$45,173.00
Useful Life	28		
		Assigned Reserves at FYB	$0.00
Remaining Life	22	Monthly Member Contribution	$113.08
Replacement Year	2040	Monthly Interest Contribution	$0.12
		Total Monthly Contribution	$113.20

Comments:

The following three areas were removed and repaved in late 2011. The specific cost for this project is unknown because we weren't provided a copy of the proposal/contract showing the specific cost for this portion of the asphalt project. These three areas total approximately 22,000 sq. ft. This component budgets for the future overlay of this asphalt.

- 48th Way
- 48th Place cul-de-sac area from Lot 161 to Lot 164
- intersection of Villa Teresa & 48th Place from Lot 145 to Lot 147

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Streets - Seal Coat & Repair

Category	010 Streets	Quantity	1 total
		Unit Cost	$18,665.000
		% of Replacement	100.00%
		Current Cost	$18,665.00
Placed In Service	01/16	Future Cost	$19,675.02
Useful Life	4		
		Assigned Reserves at FYB	$9,332.50
Remaining Life	2	Monthly Member Contribution	$381.24
Replacement Year	2020	Monthly Interest Contribution	$1.93
		Total Monthly Contribution	$383.17

Comments:

ACE Asphalt completed a project to crack seal and seal coat the community asphalt in 1/2016 for $18,665. We are budgeting to crack seal and seal coat every four (4) years.

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

Instead of using a typical seal coat maintenance program, the Association has the option to go with a High Density Mineral Bond (HA5) surfce treatment. This product, sold in AZ by Holbrook Asphalt, provides a durable surface that reduces the frequency of "coating", preserves the underlying asphalt, and can significantly extend the timeframe before the major asphalt project may be needed. If the Association would like us to create an alternative reserve study that assumes an HA5 program, we can do so at the Board's request for an additional fee.

Note that we are not endorsing Holbrook Asphalt, but presenting the HA5 program as an alternative option to a typical seal coat maintenance program. We recommend that the Association contact Holbrook Asphalt (602.377.5406) to have the community asphalt evaluated to determine if the HA5 program is a viable option.

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Roofs - Tile Underlayment

Category	020 Roofs	Quantity	1 total
		Unit Cost	$9,825.000
		% of Replacement	100.00%
		Current Cost	$9,825.00
Placed In Service	08/13	Future Cost	$18,985.48
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	25	Monthly Member Contribution	$39.94
Replacement Year	2043	Monthly Interest Contribution	$0.04
		Total Monthly Contribution	$39.98

Comments:

The tile roof underlayment atop the pool buildings and guard shack was replaced by GENCO Roofing in 8/2013 for $9,076.

Measurement: 2,500 SF

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Paint - Pool Building

Category	030 Painting	Quantity	1 total
		Unit Cost	$3,500.000
		% of Replacement	100.00%
		Current Cost	$3,500.00
Placed In Service	01/11	Future Cost	$3,593.45
Useful Life	8		
		Assigned Reserves at FYB	$3,062.50
Remaining Life	1	Monthly Member Contribution	$39.39
Replacement Year	2019	Monthly Interest Contribution	$0.55
		Total Monthly Contribution	$39.94

Comments:

The pool building exteriors and interiors were painted in January 2011 at a cost of $3,196.66. We are budgeting to paint the pool building exteriors and interiors every eight (8) years.

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Paint - Stucco Walls & Wrought Iron

Category	030 Painting	Quantity	1 total
		Unit Cost	$15,000.000
		% of Replacement	100.00%
		Current Cost	$15,000.00
Placed In Service	01/14	Future Cost	$16,667.31
Useful Life	8		
		Assigned Reserves at FYB	$7,500.00
Remaining Life	4	Monthly Member Contribution	$163.70
Replacement Year	2022	Monthly Interest Contribution	$1.41
		Total Monthly Contribution	$165.12

Comments:

This component budgets to paint all common area stucco walls and wrought iron including perimeter walls, pool area walls, entrance wrought iron, pool wrought iron and the guardhouse exterior on an eight (8) year cycle. These areas were painted in three (3) separate projects between 2012 and 2014. For budgeting purposes, we have used 2014 as the basis for aging.

Paint - Wrought Iron Components

Category	030 Painting	Quantity	1 total
		Unit Cost	$4,460.000
		% of Replacement	100.00%
		Current Cost	$4,460.00
Placed In Service	01/14	Future Cost	$4,955.75
Useful Life	4		
		Assigned Reserves at FYB	$4,460.00
Remaining Life	0	Monthly Member Contribution	$89.08
Replacement Year	2018	Monthly Interest Contribution	$0.09
		Total Monthly Contribution	$89.17

Comments:

CertaPro Painters completed a project to paint all wrought iron components in 1/2014 for $4,200.86. We are budgeting to paint this wrought iron four (4) years after each full wall and fencing paint cycle going forward.

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Fencing & Gates - W/I (Perimeters)

Category	040 Fencing/Walls	Quantity	1 total
		Unit Cost	$1,500.000
		% of Replacement	100.00%
		Current Cost	$1,500.00
Placed In Service	01/96	Future Cost	$1,851.99
Useful Life	30		
		Assigned Reserves at FYB	$1,100.00
Remaining Life	8	Monthly Member Contribution	$6.23
Replacement Year	2026	Monthly Interest Contribution	$0.19
		Total Monthly Contribution	$6.42

Comments:

This component includes a provision to replace the following wrought iron on the perimeters of the community:

5 - lin. ft. of 6'0" fencing (south perimeter)
4 - lin. ft. of 6'7" fencing (south perimeter)
8 - lin. ft. of 7'2" fencing (south perimeter)
1 - 5'10" x 3'9" gate (north perimeter)

Fencing & Gates - Wrought Iron

Category	040 Fencing/Walls	Quantity	1 total
		Unit Cost	$7,500.000
		% of Replacement	100.00%
		Current Cost	$7,500.00
Placed In Service	01/14	Future Cost	$8,784.61
Useful Life	10		
		Assigned Reserves at FYB	$3,000.00
Remaining Life	6	Monthly Member Contribution	$66.93
Replacement Year	2024	Monthly Interest Contribution	$0.57
		Total Monthly Contribution	$67.49

Comments:

The inventory of wrought iron at the pool area tract and perimeter is listed below. It appears as though there have been several wrought iron repair/partial replacement projects since our last study in 2012.

POOL:
- 314 - lin. ft. 5'2" fencing
  - 1 - 5'2" x 4'2" gate
  - 1 - 5'0" x 3'0" gate (equip. encl.)
  - 2 - 5'2" x 4'10" gates
  - 1 - 5'0" x 6'7" gate

PERIMETER:
- 5 - lin. ft. of 6'0" fencing (south perimeter)
- 4 - lin. ft. of 6'7" fencing (south perimeter)
- 8 - lin. ft. of 7'2" fencing (south perimeter)
- 1 - 5'10" x 3'9" gate (north perimeter)

ENTRANCE:
- 2 - 4'4" x 4'8" pedestrian gates
- 2 - 3'4" x 10'3" vehicle gates
- 1 - 3'4" x 14'8" vehicle gate

Express completed a project in 9/2013 for $5,381.78 and the Wright Way Fabrication & Welding completed a project in 4/2013 for $1,995.95 to repair sections of wrought iron.

Therefore, this component will accumulate funds on a 10 year basis for repairs/replacement of community wrought iron on an "as needed" basis.

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pool - Deck Recoat

Category	060 Pool	Quantity	1 total
		Unit Cost	$8,115.000
		% of Replacement	100.00%
		Current Cost	$8,115.00
Placed In Service	01/17	Future Cost	$11,430.23
Useful Life	14		
		Assigned Reserves at FYB	$0.00
Remaining Life	13	Monthly Member Contribution	$55.44
Replacement Year	2031	Monthly Interest Contribution	$0.06
		Total Monthly Contribution	$55.50

Comments:

Five Star Concrete Services completed a project to repair and recoat the pool deck in 8/2016 for $7,800. We are budgeting to recoat this deck seven (7) years after each full deck resurface cycle.

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Pool - Deck Resurface

Category	060 Pool	Quantity	4,900 sq. ft.
		Unit Cost	$4.500
		% of Replacement	100.00%
		Current Cost	$22,050.00
Placed In Service	01/10	Future Cost	$25,826.76
Useful Life	14		
		Assigned Reserves at FYB	$12,600.00
Remaining Life	6	Monthly Member Contribution	$152.23
Replacement Year	2024	Monthly Interest Contribution	$2.25
		Total Monthly Contribution	$154.47

Comments:

The pool deck was resurfaced in late 2009. We are budgeting to resurface the pool deck (includes scrabbling of the deck and acrylic overlay) on a 14 year cycle.

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pool - Filter (2015)

Category	060 Pool	Quantity	1 filter
		Unit Cost	$1,950.000
		% of Replacement	100.00%
		Current Cost	$1,950.00
Placed In Service	02/15	Future Cost	$2,895.26
Useful Life	18		
		Assigned Reserves at FYB	$0.00
Remaining Life	15	Monthly Member Contribution	$11.81
Replacement Year	2033	Monthly Interest Contribution	$0.01
		Total Monthly Contribution	$11.82

Comments:

This is a Triton II, 7.06 SF sand filter.

Per Kachina Property Services this filter was replaced in 2/2015.

Cost listed above is based on the amount paid to replace the other pool filter in 8/2016.

Pool - Filter (2016)

Category	060 Pool	Quantity	1 filter
		Unit Cost	$1,950.000
		% of Replacement	100.00%
		Current Cost	$1,950.00
Placed In Service	08/16	Future Cost	$2,972.57
Useful Life	18		
		Assigned Reserves at FYB	$0.00
Remaining Life	16	Monthly Member Contribution	$11.20
Replacement Year	2034	Monthly Interest Contribution	$0.01
		Total Monthly Contribution	$11.21

Comments:

This is a Triton II, 7.06 SF sand filter.

Replaced in 8/2016 by Kachina Property Services for $1,950.

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pool - Furniture

Category	060 Pool	Quantity	1 total
		Unit Cost	$6,000.000
		% of Replacement	100.00%
		Current Cost	$6,000.00
Placed In Service	01/14	Future Cost	$6,160.20
Useful Life	5		
		Assigned Reserves at FYB	$4,800.00
Remaining Life	1	Monthly Member Contribution	$101.37
Replacement Year	2019	Monthly Interest Contribution	$0.89
		Total Monthly Contribution	$102.26

Comments:

The current inventory of pool furniture includes:

18 - strapped chaise lounges (need restrapped soon)
30 - strapped chairs (8 new in April 2012)
6 - tables (4 new in April 2012)
5 - tea tables (all new in April 2012)
4 - strapped bar stools
4 - fabric umbrellas w/stands (1 new in September 2009)
2 - vinyl coated trash reptacles

Budgeting $6,000 every five (5) years for pool furniture rehab/replacement as needed.

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pool - General Expenses

Category	060 Pool	Quantity	1 total
		Unit Cost	$3,000.000
		% of Replacement	100.00%
		Current Cost	$3,000.00
Placed In Service	01/14	Future Cost	$3,080.10
Useful Life	5		
		Assigned Reserves at FYB	$2,400.00
Remaining Life	1	Monthly Member Contribution	$50.68
Replacement Year	2019	Monthly Interest Contribution	$0.45
		Total Monthly Contribution	$51.13

Comments:

This component will accumulate $3,000 every five (5) years to be used as needed for general pool related expenses including pool and spa light replacements, pop up systems, aerators, pipe repairs, filter sand and other potential expenses not accounted for in the operating budget.

Pool - Heater (2009)

Category	060 Pool	Quantity	1 heater
		Unit Cost	$3,500.000
		% of Replacement	100.00%
		Current Cost	$3,500.00
Placed In Service	01/09	Future Cost	$4,321.32
Useful Life	8		
		Assigned Reserves at FYB	$3,500.00
Remaining Life	0	Monthly Member Contribution	$36.65
Replacement Year	2018	Monthly Interest Contribution	$0.04
		Total Monthly Contribution	$36.69

Comments:

This is a RayPak, 399,000 BTU input heater for the pool.

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pool - Heater (2015)

Category	060 Pool	Quantity	1 heater
		Unit Cost	$3,500.000
		% of Replacement	100.00%
		Current Cost	$3,500.00
Placed In Service	01/15	Future Cost	$3,992.88
Useful Life	8		
		Assigned Reserves at FYB	$1,312.50
Remaining Life	5	Monthly Member Contribution	$37.81
Replacement Year	2023	Monthly Interest Contribution	$0.26
		Total Monthly Contribution	$38.07

Comments:

This is a Raypak, 399,000 BTU input heater for the pool.

Serial number indicates replacement in late 2014/early 2015.

Pool - Resurface (Pebble)

Category	060 Pool	Quantity	1 total
		Unit Cost	$20,720.000
		% of Replacement	100.00%
		Current Cost	$20,720.00
Placed In Service	01/00	Future Cost	$24,916.94
Useful Life	25		
		Assigned Reserves at FYB	$14,918.40
Remaining Life	7	Monthly Member Contribution	$96.28
Replacement Year	2025	Monthly Interest Contribution	$2.58
		Total Monthly Contribution	$98.85

Comments:

This is an estimate for resurfacing the pool and replacing the lane and waterline trim tile.

2,420	SF (IA) of resurfacing	@	$7.00	=	$16,940.00
190	LF of trim tile	@	$12.00	=	$2,280.00
1	provision for lane tile	@	$1,500.00	=	$1,500.00
			TOTAL	=	$20,720.00

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pool Bldg - BBQ Grills

Category	060 Pool	Quantity	2 BBQs
		Unit Cost	$1,000.000
		% of Replacement	100.00%
		Current Cost	$2,000.00
Placed In Service	01/96	Future Cost	$2,164.52
Useful Life	25		
		Assigned Reserves at FYB	$1,760.00
Remaining Life	3	Monthly Member Contribution	$9.58
Replacement Year	2021	Monthly Interest Contribution	$0.30
		Total Monthly Contribution	$9.88

Comments:

These are Fire Magic (Robert H. Peterson Co.), built-in, gas BBQ grills.

Pool Bldg - Carpet (Exercise Room)

Category	060 Pool	Quantity	1 total
		Unit Cost	$875.000
		% of Replacement	100.00%
		Current Cost	$875.00
Placed In Service	08/09	Future Cost	$946.98
Useful Life	12		
		Assigned Reserves at FYB	$645.07
Remaining Life	3	Monthly Member Contribution	$7.25
Replacement Year	2021	Monthly Interest Contribution	$0.12
		Total Monthly Contribution	$7.37

Comments:

The exercise room carpet was replaced in August 2009 at a cost of $636.68 (27 sq. yds.).

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pool Bldg - Drinking Fountain

Category	060 Pool	Quantity	1 fountain
		Unit Cost	$1,250.000
		% of Replacement	100.00%
		Current Cost	$1,250.00
Placed In Service	06/07	Future Cost	$1,388.94
Useful Life	15		
		Assigned Reserves at FYB	$907.14
Remaining Life	4	Monthly Member Contribution	$8.53
Replacement Year	2022	Monthly Interest Contribution	$0.16
		Total Monthly Contribution	$8.69

Comments:

This is an Elkay, stainless steel, wall mounted, wheelchair accessible, chilled drinking fountain that was purchased/installed in June 2007 at a cost of $975.00.

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Pool Bldg - HVAC (Split System)

Category	060 Pool	Quantity	1 total
		Unit Cost	$5,000.000
		% of Replacement	100.00%
		Current Cost	$5,000.00
Placed In Service	07/96	Future Cost	$8,469.18
Useful Life	20		
		Assigned Reserves at FYB	$5,000.00
Remaining Life	0	Monthly Member Contribution	$24.04
Replacement Year	2018	Monthly Interest Contribution	$0.02
		Total Monthly Contribution	$24.06

Comments:

1	Trane, 3.5 ton split system w/heat pump	@	$5,000.00	=	$5,000.00
			TOTAL	=	$5,000.00

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pool Bldg - Recumbent Bike

Category	060 Pool	Quantity	1 bike
		Unit Cost	$2,500.000
		% of Replacement	100.00%
		Current Cost	$2,500.00
Placed In Service	01/03	Future Cost	$3,429.75
Useful Life	12		
		Assigned Reserves at FYB	$2,500.00
Remaining Life	0	Monthly Member Contribution	$18.29
Replacement Year	2018	Monthly Interest Contribution	$0.02
		Total Monthly Contribution	$18.31

Comments:

This is a Vision Fitness recumbent bike purchased in November 2002 at a cost of $1,797.51.

Pool Bldg - Remodel

Category	060 Pool	Quantity	1 total
		Unit Cost	$30,000.000
		% of Replacement	100.00%
		Current Cost	$30,000.00
Placed In Service	01/96	Future Cost	$37,039.90
Useful Life	30		
		Assigned Reserves at FYB	$19,872.31
Remaining Life	8	Monthly Member Contribution	$142.90
Replacement Year	2026	Monthly Interest Contribution	$3.44
		Total Monthly Contribution	$146.34

Comments:

This component is for the remodeling of the pool building components on a 30 year cycle, and will allow funding to be available for the replacement of the following components on an "as needed" basis: doors, light fixtures, plumbing fixtures, wall tile, floor tile, window coverings, restroom, partitions, counter tops, appliances, ceiling fans, etc.

NOTE: $6,924.63 was spent in mid-2010 to replace the bar area countertop and $1,955.64 was spent in 2015 to replace the BBQ counter tile.

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pool Bldg - Strength Equipment

Category	060 Pool	Quantity	1 total
		Unit Cost	$6,000.000
		% of Replacement	100.00%
		Current Cost	$6,000.00
Placed In Service	01/96	Future Cost	$6,493.55
Useful Life	25		
		Assigned Reserves at FYB	$5,280.00
Remaining Life	3	Monthly Member Contribution	$28.73
Replacement Year	2021	Monthly Interest Contribution	$0.90
		Total Monthly Contribution	$29.64

Comments:

This is a Pacific Fitness multi-station strength machine.

Pool Bldg - Treadmill

Category	060 Pool	Quantity	1 treadmill
		Unit Cost	$2,750.000
		% of Replacement	100.00%
		Current Cost	$2,750.00
Placed In Service	08/14	Future Cost	$3,395.32
Useful Life	12		
		Assigned Reserves at FYB	$822.99
Remaining Life	8	Monthly Member Contribution	$21.71
Replacement Year	2026	Monthly Interest Contribution	$0.16
		Total Monthly Contribution	$21.87

Comments:

A new treadmill was purchased from REPS in 8/2014 for $2,674.03.

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pool/Spa - Pumps & Motors

Category	060 Pool	Quantity	1 total
		Unit Cost	$5,000.000
		% of Replacement	100.00%
		Current Cost	$5,000.00
Placed In Service	04/16	Future Cost	$5,411.29
Useful Life	5		
		Assigned Reserves at FYB	$1,842.11
Remaining Life	3	Monthly Member Contribution	$86.51
Replacement Year	2021	Monthly Interest Contribution	$0.40
		Total Monthly Contribution	$86.91

Comments:

This component will accumulate funds for the major repair/replacement of the pool and spa pumps and motors.

Kachina Property Services replaced two (2) pool umps and one (1) spa pump with three (3) new variable speed pumps in 4/2016 for $4,575 ($1,525 per pump).

Spa - Filter

Category	060 Pool	Quantity	1 filter
		Unit Cost	$1,300.000
		% of Replacement	100.00%
		Current Cost	$1,300.00
Placed In Service	05/09	Future Cost	$1,647.92
Useful Life	18		
		Assigned Reserves at FYB	$0.00
Remaining Life	9	Monthly Member Contribution	$12.24
Replacement Year	2027	Monthly Interest Contribution	$0.01
		Total Monthly Contribution	$12.25

Comments:

This is a Triton II, 4.91 sq. ft. sand filter.

Spa - Heater

Category	060 Pool	Quantity	1 heater
		Unit Cost	$3,250.000
		% of Replacement	100.00%
		Current Cost	$3,250.00
Placed In Service	03/14	Future Cost	$3,611.25
Useful Life	8		
		Assigned Reserves at FYB	$1,590.43
Remaining Life	4	Monthly Member Contribution	$36.10
Replacement Year	2022	Monthly Interest Contribution	$0.30
		Total Monthly Contribution	$36.39

Comments:

Kacina Property Services replaced this heater with a RayPak, 399,000 BTU input heater (black and silver) in 3/2014 for $3,000.

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Spa - Resurface (Pebble)

Category	060 Pool	Quantity	1 total
		Unit Cost	$6,000.000
		% of Replacement	100.00%
		Current Cost	$6,000.00
Placed In Service	01/00	Future Cost	$7,215.33
Useful Life	25		
		Assigned Reserves at FYB	$4,320.00
Remaining Life	7	Monthly Member Contribution	$27.88
Replacement Year	2025	Monthly Interest Contribution	$0.75
		Total Monthly Contribution	$28.63

Comments:

This is an estimate for resurfacing the pebble spa and replacing the waterline trim tile.

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Access Phone

Category	080 Access/Security	Quantity	1 phone
		Unit Cost	$3,500.000
		% of Replacement	100.00%
		Current Cost	$3,500.00
Placed In Service	07/09	Future Cost	$4,099.49
Useful Life	15		
		Assigned Reserves at FYB	$2,051.72
Remaining Life	6	Monthly Member Contribution	$23.55
Replacement Year	2024	Monthly Interest Contribution	$0.37
		Total Monthly Contribution	$23.92

Comments:

This is a Linear, "hands-free", entry access phone that was installed in July 2009 at a cost of $2,064.06.

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Gate Operators

Category	080 Access/Security	Quantity	3 operators
		Unit Cost	$3,750.000
		% of Replacement	100.00%
		Current Cost	$11,250.00
Placed In Service	07/96	Future Cost	$11,550.38
Useful Life	15		
Adjustment	+8	Assigned Reserves at FYB	$10,750.00
Remaining Life	1	Monthly Member Contribution	$58.46
Replacement Year	2019	Monthly Interest Contribution	$1.84
		Total Monthly Contribution	$60.29

Comments:

These are Elite, Model #CSW-200-UL, swing gate operators located at the entrance gate. Two operators were manufactured in 4/96 and one in 5/96.

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Concrete Components (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/96	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:

We are not budgeting for repair or replacement of concrete components in this analysis. It is anticipated that any repairs/replacements required will be addressed immediately due to safety concerns. There should not be a need for complete replacement at a single point in time, and good maintenance practice won't allow the need for repairs to accumulate to a point of major expense. We recommend that a line item be set up in the annual operating budget to account for potential concrete repairs/replacements on an as needed basis. However, should the client wish to include budgeting for concrete components as a reserve expense, we will do so at their request (cost and useful life to be provided by client).

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Drywells - Clean Out (Unfunded)

Category	100 Grounds	Quantity	2 drywells
		Unit Cost	$800.000
		% of Replacement	100.00%
		Current Cost	$1,600.00
Placed In Service	01/13	Future Cost	$1,686.58
Useful Life	7		
		Assigned Reserves at FYB	$1,142.86
Remaining Life	2	Monthly Member Contribution	$19.95
Replacement Year	2020	Monthly Interest Contribution	$0.21
		Total Monthly Contribution	$20.15

Comments:

There are two, Type IV drywells in the community water retention tracts. The following comments apply:

This component includes a provision to clean out the drywells located in the community's common area water retention tracts.

Drywell systems should be inspected annually to determine how much debris has accumulated in the system and to develop a clean out schedule. Some drywell systems will require immediate repair of broken components and clean out, while others won't require maintenance for a number of years. On average, drywell systems require clean out every 5 - 7 years. A drywell should be cleaned out once 10% or more of the chamber is occupied. If maintained properly, drywells are designed to last as long as any other part of the community infrastructure.

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Granite Replenishment

Category	100 Grounds	Quantity	1 total
		Unit Cost	$7,500.000
		% of Replacement	100.00%
		Current Cost	$7,500.00
Placed In Service	08/08	Future Cost	$7,905.85
Useful Life	12		
		Assigned Reserves at FYB	$6,186.13
Remaining Life	2	Monthly Member Contribution	$62.70
Replacement Year	2020	Monthly Interest Contribution	$1.09
		Total Monthly Contribution	$63.80

Comments:

There is approximately 65,000 sq. ft. of common area granite. In late 2003, $1,100 was spent to replenish granite and in August 2008 another $7,084.69 was spent to replenish granite.

Going forward, this component includes a provision of $7,500.00 every 12 years to replenish granite in areas where it is needed. The budgeted amount and cycle should be adjusted as, needed.

All Year Round Landscape Management installed rip rap rock in a number of areas in late 2014 for $2,975. Theer is no predictable useful life for rip rap rock and it should not require replenishment or replacement.

Irrigation Controllers

Category	100 Grounds	Quantity	1 total
		Unit Cost	$1,500.000
		% of Replacement	100.00%
		Current Cost	$1,500.00
Placed In Service	01/10	Future Cost	$1,581.17
Useful Life	10		
		Assigned Reserves at FYB	$1,200.00
Remaining Life	2	Monthly Member Contribution	$13.92
Replacement Year	2020	Monthly Interest Contribution	$0.21
		Total Monthly Contribution	$14.13

Comments:

This is a general provision for replacement of irrigation controllers. $1,500 will accumulate every 10 years to be used as needed.

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Irrigation System (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/96	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:

Irrigation systems are one of the most difficult items to budget for without specific information provided by an expert who is specifically familiar with the system inventory and system condition.

We have been advised by irrigation system experts that most system components (piping, sprinkler heads, valves, etc) have a useful life of 20+ years. However, budgeting for the replacement of an irrigation system requires evaluation of the present condition (to identify remaining useful life) and replacement cost - both of which call for expert evaluation, but fall outside the scope of a reserve study.

Therefore, we recommend that the Association board and/or management company have the system evaluated to determine the appropriate scope of work, projected replacement cost and remaining life, all of which are necessary, so that budgeting can be included in a revision or future update of this analysis.

Belmont at Triple Crown

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Monument Sign - Letters

Category	100 Grounds	Quantity	1 total
		Unit Cost	$1,000.000
		% of Replacement	100.00%
		Current Cost	$1,000.00
Placed In Service	01/96	Future Cost	$1,234.66
Useful Life	30		
		Assigned Reserves at FYB	$733.33
Remaining Life	8	Monthly Member Contribution	$4.15
Replacement Year	2026	Monthly Interest Contribution	$0.13
		Total Monthly Contribution	$4.28

Comments:

This component includes a provision to replace the metal letters that indicate "BELMONT" at the entrance to the community.

Belmont at Triple Crown

Detail Report Index

Number of components included in this reserve analysis is 38.