



Association Reserve Consultants, Inc.

Sienna Hills Community Association
Washington, Utah
Account: 1191 Version: 001
Project Date: 4/11/2011



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Sienna Hills Community Association

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PART II • RESERVE STUDY

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Important Information

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This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Association Institute, and various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual and McGraw-Hill Professional. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of property management and reserve study preparation.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

We recommend that your reserve analysis study be updated on a regular basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.

ARC - Association Reserve Consultants, Inc. would like to thank you for using our services. We invite you to call us at any time, should you have questions, comments or need assistance. In addition, any of the parameters and estimates used in this study may be changed at your request, after which we will provide a revised study.

This reserve analysis study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described.

components for which it is obligated when the need arises. Additionally, while relatively new communities require very little in the way of major “reserve” expenditures, associations reaching 12 to 15 years of age and older, find many components reaching the end of their effective useful lives. These required expenditures, all accruing at the same time, could be devastating to an association’s overall budget.

Types of Reserve Studies

Most reserve studies fit into one of three categories:

Full Reserve Study;

Update with site inspection; and

Update without site inspection.

In a **Full Reserve Study**, the reserve provider conducts a component inventory, a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both a “fund status” and “funding plan”.

In an **Update with site inspection**, the reserve provider conducts a component inventory (verification only, not quantification unless new components have been added to the inventory), a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both the “fund status and “funding plan.”

In an **Update without site inspection**, the reserve provider conducts life and valuation estimates to determine the “fund status” and “funding plan.”

The Reserve Study: A Physical and a Financial Analysis

There are two components of a reserve study: a physical analysis and a financial analysis.

Physical Analysis

During the physical analysis, a reserve study provider evaluates information regarding the physical status and repair/replacement cost of the association’s major common area components. To do so, the provider conducts a component inventory, a condition assessment, and life and valuation estimates.

Developing a Component List

The budget process begins with full inventory of all the major components for which the association is responsible. The determination of whether an expense should be labeled as operational, reserve, or excluded altogether is sometimes subjective. Since this labeling may have a major impact on the financial plans of the association, subjective determinations should be minimized. We suggest the following considerations when labeling an expense.

Financial Analysis

The financial analysis assesses the association's reserve balance or "fund status" (measured in cash or as percent fully funded) to determine a recommendation for the appropriate reserve contribution rate in the future, known as the "funding plan".

Preparing the Reserve Study

Once the reserve assets have been identified and quantified, their respective replacement costs, useful lives and remaining lives must be assigned so that a funding schedule can be constructed. Replacement costs and useful lives can be found in published manuals such as construction estimators, appraisal handbooks, and valuation guides. Remaining lives are calculated from the useful lives and ages of assets and adjusted according to conditions such as design, manufactured quality, usage, exposure to the elements and maintenance history.

By following the recommendations of an effective reserve study, the association should avoid any major shortfalls. However, to remain accurate, the report should be updated on an annual basis to reflect such changes as shifts in economic parameters, additions of phases or assets, or expenditures of reserve funds. The association can assist in simplifying the reserve analysis update process by keeping accurate records of these changes throughout the year.

Funding Methods

From the simplest to the most complex, reserve analysis providers use many different computational processes to calculate reserve requirements. However, there are two basic processes identified as industry standards: the cash flow method and the component method.

The cash flow method develops a reserve-funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the actual anticipated schedule of reserve expenses until the desired funding goal is achieved. This method sets up a "window" in which all future anticipated replacement costs are computed, based upon the individual lives of the components under consideration. The ARC - Association Reserve Consultants, Inc. Threshold and the ARC - Association Reserve Consultants, Inc. Current Assessment funding models are based upon the cash flow method.

The component method develops a reserve-funding plan where the total contribution is based upon the sum of contributions for individual components. The component method is the more conservative of the two funding options, and assures that the association will achieve and maintain an ideal level of reserve over time. This method also allows for computations on individual components in the analysis. The ARC - Association Reserve Consultants, Inc. Component Funding model is based upon the component methodology.

Funding Strategies

Once an association has established its funding goals, the association can select an appropriate funding plan. There are four basic strategies from which most associations select. It is recommended that associations consult professionals to determine the best strategy or combination of plans that best suit the association's need. Additionally, associations should consult with their financial advisor to determine the tax implications of selecting a particular plan. Further, consultation with the American Institute of Certified Public Accountants (AICPA) for their reporting requirements is advisable. The four funding plans and descriptions of each are detailed below. Associations will have to update their reserve studies more or less frequently depending on the funding strategy they select.

Full Funding---Given that the basis of funding for reserves is to distribute the costs of the replacements over the lives of the components in question, it follows that the ideal level of reserves would be proportionately related to those lives and costs. If an association has a component with an expected estimated useful life of ten years, it would set aside approximately one-tenth of the replacement cost each year. At the end of three years, one would expect three-tenths of the replacement cost to have accumulated, and if so, that component would be "fully-funded." This model is important in that it is a measure of the adequacy of an association's reserves at any one point of time, and is independent of any particular method which may have been used for past funding or may be under consideration for future funding. This formula represents a snapshot in time and is based upon current replacement cost, independent of future inflationary or investment factors:

Fully Funded Reserves = **Age** divided by **Useful Life** the results multiplied by **Current Replacement Cost**

When an association's total accumulated reserves for all components meet this criterion, its reserves are considered "fully-funded."

The ARC - Association Reserve Consultants, Inc. **Threshold Funding Model (Minimum Funding)**. The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance overall does not drop below zero during the projected period. An association using this funding method must understand that even a minor reduction in a component's remaining useful life can result in a deficit in the reserve cash balance.

The ARC - Association Reserve Consultants, Inc. **Threshold Funding Model**. This method is based upon the cash flow funding concept. The minimum reserve cash balance in threshold funding, however, is set at a predetermined dollar amount (other than \$0).

The ARC - Association Reserve Consultants, Inc. **Current Assessment Funding Model**. This method is also based upon the cash flow funding concept. The initial reserve assessment is set at the association's current fiscal year funding level and a 30-year projection is calculated to illustrate the adequacy of the current funding over time.

The ARC - Association Reserve Consultants, Inc. **Component Funding Model**. This is a straight-line funding model. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual component assessments, hence the name "Component Funding Model". This is the most conservative funding model. It leads to or maintains the fully funded reserve position. The following details this calculation process.

Component Funding Model Distribution of Accumulated Reserves

The "Distribution of Accumulated Reserves Report" is a "Component Funding Model" calculation. This distribution **does not** apply to the cash flow funding models.

When calculating reserves based upon the component methodology, a beginning reserve balance must be allocated for each of the individual components considered in the analysis, before the individual calculations can be completed. When this distribution is not available, or of sufficient detail, the following method is suggested for allocating reserves:

The first step the program performs in this process is subtracting, from the total accumulated reserves, any amounts for assets that have predetermined (fixed) reserve balances. The user can "fix" the accumulated reserve balance within the program on the individual asset's detail page. If, by error, these amounts total more than the amount of funds available, then the remaining assets are adjusted accordingly. A provision for a contingency reserve is then deducted by the determined percentage used, and if there are sufficient remaining funds available.

The second step is to identify the ideal level of reserves for each asset. As indicated in the prior section, this is accomplished by evaluating the component's age proportionate to its estimated useful life and current replacement cost. Again, the equation used is as follows:

Fully Funded Reserves = (Age/Useful Life) x Current Replacement Cost

The ARC - Association Reserve Consultants, Inc. software program performs the above calculations to the actual month the component was placed-in-service. The program projects that the accumulation of necessary reserves for repairs or replacements will be available on the first day of the fiscal year in which they are scheduled to occur.

The next step the program performs is to arrange all of the assets used in the study in ascending order by remaining life, and alphabetically within each grouping of remaining life items. These assets are then assigned their respective ideal level of reserves until the amount of funds available is depleted, or until all assets are appropriately funded. If any assets are assigned a zero remaining life (scheduled for replacement in the current fiscal year), then the amount assigned equals the current replacement cost and funding begins for the next cycle of replacement. If there are insufficient funds available to accomplish this, then the software automatically adjusts the zero remaining life items to one year, and that asset assumes its new grouping position alphabetically in the final printed report.

If, at the completion of this task, there are additional moneys that have not been distributed, the remaining reserves are then assigned, in ascending order, to a level equal to, but not exceeding, the current replacement cost for each component. If there are sufficient moneys available to fund all assets at their current replacement cost levels, then any excess funds are designated as such and are not factored into any of the report computations. If, at the end of this assignment process there are designated excess funds, they can be used to offset the monthly contribution requirements recommended, or used in any other manner the client may desire.

Assigning the reserves in this manner defers the make-up period for any under-funding over the longest remaining life of all assets under consideration, thereby minimizing the impact of any deficiency. For example, if the report indicates an under funding of \$50,000, this under-funding will be assigned to components with the longest remaining lives in order to give more time to "replenish" the account. If the \$50,000 under-funding were to be assigned to short remaining life items, the impact would be felt immediately.

If the reserves are under-funded, the monthly contribution requirements, as outlined in this

report, can be expected to be higher than normal. In future years, as individual assets are replaced, the funding requirements will return to their normal levels. In the case of a large deficiency, a special assessment may be considered. The program can easily generate revised reports outlining how the monthly contributions would be affected by such an adjustment, or by any other changes that may be under consideration.

Funding Reserves

Three assessment and contribution figures are provided in the report, the "Monthly Reserve Assessment Required", the "Average Net Monthly Interest Earned" contribution and the "Total Monthly Allocation to Reserves." The association should allocate the "Monthly Reserve Assessment Required" amount to reserves each month when the interest earned on the reserves is left in the reserve accounts as part of the contribution. Any interest earned on reserve deposits, must be left in reserves and only amounts set aside for taxes should be removed.

The second alternative is to allocate the "Total Monthly Allocation" to reserves (this is the member assessment plus the anticipated interest earned for the fiscal year). This method assumes that all interest earned will be assigned directly as operating income. This allocation takes into consideration the anticipated interest earned on accumulated reserves regardless of whether or not it is actually earned. When taxes are paid, the amount due will be taken directly from the association's operating accounts as the reserve accounts are allocated only those moneys net of taxes.

Users' Guide to your Reserve Analysis Study

Part II of your ARC - Association Reserve Consultants, Inc. Report contains the reserve analysis study for your association. There are seven types of reports in the study as described below.

Report Summaries

The Report Summary for all funding models lists all of the parameters that were used in calculating the report as well as the summary of your reserve analysis study.

Index Reports

The **Distribution of Accumulated Reserves** report lists all assets in remaining life order. It also identifies the ideal level of reserves that should have accumulated for the association as well as the actual reserves available. This information is valid only for the "Component Funding Model" calculation.

The **Component Listing/Summary** lists all assets by category (i.e. roofing, painting, lighting, etc.) together with their remaining life, current cost, monthly reserve contribution, and net monthly allocation.

Detail Reports

The Detail Report itemizes each asset and lists all measurements, current and future costs, and calculations for that asset. Provisions for percentage replacements, salvage values, and one-time replacements can also be utilized. These reports can be sorted by category or group.

The numerical listings for each asset are enhanced by extensive narrative detailing factors such as design, manufactured quality, usage, exposure to elements and maintenance history.

The ARC - Association Reserve Consultants, Inc. Detail Index is an alphabetical listing of all assets, together with the page number of the asset's detail report, the projected replacement

year, and the asset number.

Projections

Thirty-year projections add to the usefulness of your reserve analysis study.

Definitions

Report I.D.

Includes the Report Date (example: November 15, 1992), Account Number (example: 9773), and Version (example: 1.0). Please use this information (displayed on the summary page) when referencing your report.

Budget Year Beginning/Ending

The budgetary year for which the report is prepared. For associations with fiscal years ending December 31st, the monthly contribution figures indicated are for the 12-month period beginning 1/1/20xx and ending 12/31/20xx.

Number of Units and/or Phases

If applicable, the number of units and/or phases included in this version of the report.

Inflation

This figure is used to approximate the future cost to repair or replace each component in the report. The current cost for each component is compounded on an annual basis by the number of remaining years to replacement, and the total is used in calculating the monthly reserve contribution that will be necessary to accumulate the required funds in time for replacement.

Annual Assessment Increase

This represents the percentage rate at which the association will increase its assessment to reserves at the end of each year. For example, in order to accumulate \$10,000 in 10 years, you could set aside \$1,000 per year. As an alternative, you could set aside \$795 the first year and increase that amount by 5% each year until the year of replacement. In either case you arrive at the same amount. The idea is that you start setting aside a lower amount and increase that number each year in accordance with the planned percentage. Ideally this figure should be equal to the rate of inflation. It can, however, be used to aide those associations that have not set aside appropriate reserves in the past, by making the initial year's allocation less formidable.

Investment Yield Before Taxes

The average interest rate anticipated by the association based upon its current investment practices.

Taxes on Interest Yield

The estimated percentage of interest income that will be set aside to pay income taxes on the interest earned.

Projected Reserve Balance

The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. This is based upon information provided and not audited.

Percent Fully Funded

The ratio, at the beginning of the fiscal year, of the actual (or projected) reserve balance to the calculated fully funded balance, expressed as a percentage.

Phase Increment Detail and/or Age

Comments regarding aging of the components on the basis of construction date or date of acceptance by the association.

Monthly Assessment

The assessment to reserves required by the association each month.

Interest Contribution (After Taxes)

The interest that should be earned on the reserves, net of taxes, based upon their beginning reserve balance and monthly contributions for one year. This figure is averaged for budgeting purposes.

Total Monthly Allocation

The sum of the monthly assessment and interest contribution figures.

Group and Category

The report may be prepared and sorted either by group (location, building, phase, etc.) or by category (roofing, painting, etc.). The standard report printing format is by category.

Percentage of Replacement or Repairs

In some cases, an asset may not be replaced in its entirety or the cost may be shared with a second party. Examples are budgeting for a percentage of replacement of streets over a period of time, or sharing the expense to replace a common wall with a neighboring party.

Placed-In-Service Date

The month and year that the asset was placed-in-service. This may be the construction date, the first escrow closure date in a given phase, or the date of the last servicing or replacement.

Estimated Useful Life

The estimated useful life of an asset based upon industry standards, manufacturer specifications, visual inspection, location, usage, association standards and prior history. All of these factors are taken into consideration when tailoring the estimated useful life to the particular asset. For example, the carpeting in a hallway or elevator (a heavy traffic area) will not have the same life as the identical carpeting in a seldom-used meeting room or office.

Adjustment to Useful Life

Once the useful life is determined, it may be adjusted, up or down, by this separate figure for the current cycle of replacement. This will allow for a current period adjustment without affecting the estimated replacement cycles for future replacements.

Estimated Remaining Life

This calculation is completed internally based upon the report's fiscal year date and the date the asset was placed-in-service.

Replacement Year

The year that the asset is scheduled to be replaced. The appropriate funds will be available by the first day of the fiscal year for which replacement is anticipated.

Annual Fixed Reserves

An optional figure which, if used, will override the normal process of allocating reserves to each asset.

Fixed Assessment

An optional figure which, if used, will override all calculations and set the assessment at this amount. This assessment can be set for monthly, quarterly or annually as necessary.

Salvage Value

The salvage value of the asset at the time of replacement, if applicable.

One-Time Replacement

Notation if the asset is to be replaced on a one-time basis.

Current Replacement Cost

The estimated replacement cost effective at the beginning of the fiscal year for which the report is being prepared

Future Replacement Cost

The estimated cost to repair or replace the asset at the end of its estimated useful life based upon the current replacement cost and inflation.

Component Inventory

The task of selecting and qualifying reserve components. This task can be accomplished through on-site visual, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s).

A Multi-Purpose Tool

Your ARC - Association Reserve Consultants, Inc. Report is an important part of your association's budgetary process. Following its recommendations should ensure the association's smooth budgetary transitions from one fiscal year to the next, and either decrease or eliminate the need for "special assessments".

In addition, your ARC - Association Reserve Consultants, Inc. reserve study serves a variety of useful purposes:

- Following the recommendations of a reserve study performed by a professional consultant can protect the Board of Directors in a community from personal liability concerning reserve components and reserve funding.
- A reserve analysis study is required by your accountant during the preparation of the association's annual audit.
- The ARC - Association Reserve Consultants, Inc. reserve study is often requested by lending institutions during the process of loan applications, both for the community and, in many cases, the individual owners.
- Your ARC - Association Reserve Consultants, Inc. Report is also a detailed inventory of the association's major assets and serves as a management tool for scheduling, coordinating and planning future repairs and replacements.
- Your ARC - Association Reserve Consultants, Inc. Report is a tool that can assist the Board in fulfilling its legal and fiduciary obligations for maintaining the community in a state of good repair. If a community is operating on a special assessment basis, it cannot guarantee that an assessment, when needed, will be passed. Therefore, it cannot guarantee its ability to perform the required repairs or replacements to those major components for which the association is obligated.
- Since the ARC - Association Reserve Consultants, Inc. reserve analysis study includes measurements and cost estimates of the client's assets, the detail reports may be used to evaluate the accuracy and price of contractor bids when assets are due to be repaired or replaced.
- The ARC - Association Reserve Consultants, Inc. reserve study is an annual disclosure to the membership concerning the financial condition of the association, and may be used as a "consumers' guide" by prospective purchasers.
- The ARC - Association Reserve Consultants, Inc. Owners' Summary meets the disclosure requirements of the California Civil Code and also the recently adopted ECHO standards.
- Your ARC - Association Reserve Consultants, Inc. Report provides a record of the time, cost, and quantities of past reserve replacements. At times the association's management company and board of directors are transitory which may result in the loss of these important records.

**Sienna Hills Community Association
ARC Association Reserve Consultants, Inc. Summary**

| ARC RESERVE STUDY SUMMARY | |
|---|-----------------|
| Association: Sienna Hills Community Assoc. | No. 1191 |
| Location: Washington, Utah | |
| No. of Units: 1 | |
| Report Period: 1/01/2011 | |

Results

| | |
|---|--------------------|
| Projected Starting Reserve Balance | \$ 1.00 |
| Fully Funded Reserve Balance @ 12/31/2011 | \$35,045.00 |
| Percent Funded | 31% |
| Recommended 2011 Annual Reserve Contribution | \$11,000.00 |
| Recommended Special Assessment this year | \$-0- |
| Most Recent Reserve Contribution Rate | \$-0- |

Description

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|--|
| The property consists of a playground/park, 3 entry monuments, concrete hiking Trails, and street scapes. |
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| |

Economic Assumptions

| | |
|--|--------------|
| Net Annual "After Tax" Interest Earnings Accruing to Reserves | 2.00% |
| Annual Inflation Rate | 2.00% |

- The information in this reserve study is based on our site inspection on March 30, 2011.
- Because your reserve fund will be at 31% funded at the end of the year, this would represent a poor reserve position.
- Based on this starting point, your anticipated future expenses, and your historical reserve contribution rate, our recommendation is to increase your annual reserve contributions.
- In order to build up your reserves for the long term and offset the cost of inflation, we also recommend annual increases of 2% to your contribution rate.

**Sienna Hills Community Association
ARC Association Reserve Consultants, Inc. Commentary**

SIENNA HILLS COMMUNITY ASSOCIATION

Responsibility for Maintenance

The Board of Directors is responsible to ensure that the association assets are inspected on a regular schedule as recommended by manufacturers or installers, or as dictated by conditions. Good management dictates that a regular inspection be performed for the association property with an eye on changing conditions that may require maintenance or a change in the maintenance plan.

Note: The Board of Directors is responsible for reviewing the draft reserve report and all assumptions and listed Common Area Components.

Included Components and Comments

Additions – Reserve funds are only to be used for the long term repair, replacement and restoration of existing common elements. Any assets that do not already exist and are to be added, must be provided for out of non-reserve funds. Once the expenditures are approved and the item is added to the common element inventory, the item can be placed in the reserve budget for long term maintenance funding.

Items of low cost – Even though their life expectancy may be longer than one year and less than thirty, some items will not be included in the reserve budget. Items typically under \$100-\$500 dollars fall into this category unless there is sufficient quantity of the item to cause a larger expenditure and the life expectancies are the same. It is expected that the cost of these items, not included in the reserve budget, will be covered in the operating contingency or maintenance line items.

Condition Statements – Where no “Condition” state is made, it should be assumed that the condition of the component is good at the time of the ARC inspection. A condition of “Good” means that the component is either at the beginning of its life or is in a normal condition state considering its estimated remaining life and shows no obvious or apparent signs of expedited aging or deterioration. No operational checks or intrusive inspections are performed on any items. No condition statements will be made on items that are aging “normally” according to conditions and expected life expectancies. Condition statements will only be made on common area elements that appear to be lacking in maintenance and/or appear to be aging prematurely according to normal condition and life expectancies.

As stated in earlier disclosures, it is assume, for the purposes of this report, that all components have been installed properly, that no construction defects exist and all components are operational.

Reserve Study Updates

Your Reserve Study should be updated on a regular basis in order to ensure that condition changes in common elements, replacements and financial variations are updated. Waiting no more than three to four years to update the study is advised, particularly for larger associations.

**Sienna Hills Community Association
ARC Association Reserve Consultants, Inc. Commentary**

Disclosure Information

The Consultant certifies that:

- 1) Consultant has no other involvement with association which could result in actual or perceived conflicts of interest.
- 2) Component inventories were developed by actual field inventory and representative sampling. Component conditional assessments were developed by actual field observation. No invasive or destructive investigation is performed to determine condition.
- 3) The Consultant is not obligated to perform any in depth inspection or investigation to determine hidden defects or problems that may exist beyond the scope of this report. Should the client feel that problems of this nature exist in any component, it is the obligation and duty of the client to secure the services of an expert in that field to determine the extent of any deficiency that may exist.
- 4) Consultant does rely on the Board of Directors and other professionals for gathering certain information not available to Consultant or more readily acquired from another source.
- 5) Component costing is obtained from the most current National Data Base, from actual contractor quotations and from experiential data. No guarantees, implied or otherwise, are given regarding present costs, future costs or life expectancy predictions.
- 6) This report is not reliant upon the data from any previous reserve studies unless the study is an update of a previous study.
- 7) There are not material issues known to consultant at this time that would cause a distortion of the association's situation.
- 8) Information provided by the official representative of the association regarding financial, physical, quantity, or historical issues will be deemed reliable by the consultant. The reserve study will be a reflection of information provided to the consultant and assembled for the association's use, not for the purpose of performing an audit, quality/forensic analysis, or background checks of historical records.
- 9) The actual or projected total reserve balance presented in the reserve study is based upon information provided.
- 10) For reserve study updated w/site visit and reserve study updates w/o site levels of service, the client is considered to have deemed previously developed component quantities as accurate and reliable.

Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project quality inspection.

**Sienna Hills Community Association
ARC Association Reserve Consultants, Inc. Commentary**

Preparer Qualifications

Association Reserve Consultants, Inc., provides over three (3) decades of combined reserve consulting and other related experience which has well equipped ARC to provide superior analysis and quality service to our clients through a network of resident consultants in Utah and Nevada. This strength and experience has enabled ARC to serve hundreds of unique clients throughout North America.

Association Reserve Consultants, Inc. serves all types of common interest real estate developments and a wide variety of other for-profit entities. ARC Reserve Studies meet and exceed state statute requirements.

ARC business is strictly Reserve Studies. We are not involved in other unrelated fields such as the business of construction defect investigation or consulting. We believe that providing Reserve Studies is a demanding specialty in itself and requires focus and purpose. As a result of that belief, we are certain that you will find the ARC Reserve Study to be the leading product in the industry that provides the client with a clear, concise and easy to understand picture of the development's component and funding needs.

The preparer has a bachelor's degree in Civil Engineering from Texas A&M University. He has over 40 years of diversified experience in construction, operations and maintenance of structures, buildings, grounds and roadways. He has many years experience in supervising and preparing operations and capital budgets for extensive building complexes. He is a member of the Community Associations Institute and has been designated as a Reserve Specialist (RS) and has been permitted as a Reserve Study Specialist (RSS) in the state of Nevada.. He has been preparing reserve studies and budgets for Homeowner Associations since 2000, including large and complex projects in Park City, Utah and Las Vegas, Nevada. He is also a certified Home Inspector.

Sienna Hills Community Association
 Washington, Utah
ARC Funding Model Summary

| | |
|-----------------------|-------------------|
| Report Date | April 11, 2011 |
| Account Number | 1191 |
| Budget Year Beginning | January 01, 2011 |
| Budget Year Ending | December 31, 2011 |
| Total Units | 1 |
| Phase Development | 4 of 4 |

| Report Parameters | |
|----------------------------------|--------|
| Inflation | 2.00% |
| Annual Assessment Increase | 2.25% |
| Interest Rate on Reserve Deposit | 2.00% |
| Tax Rate on Interest | 30.00% |
| Contingency | 3.00% |
| 2011 Beginning Balance | \$1.00 |

- We hav used 2008 as the date for aging of assets unless noted otherwise.
- The client informed ARC that as of the date of the report there were no funds in the reserve account.

The ARC fird inspection was on 3/30/2011/

Current Assessment Funding Model Summary of Calculations

| | |
|-------------------------------------|-------------|
| Required Annual Contribution | \$11,000.00 |
| Average Net Annual Interest Earned | \$154.01 |
| Total Annual Allocation to Reserves | \$11,154.01 |

**Sienna Hills Community Association
ARC Funding Model Projection**

Beginning Balance: \$1

| Year | Current Cost | Annual Contribution | Annual Interest | Annual Expenditures | Projected Ending Reserves | Fully Funded Reserves | Percent Funded |
|------|--------------|---------------------|-----------------|---------------------|---------------------------|-----------------------|----------------|
| 2011 | 65,377 | 11,000 | 154 | | 11,155 | 36,165 | 30% |
| 2012 | 66,685 | 11,247 | 28 | 20,400 | 2,031 | 26,446 | 7% |
| 2013 | 68,018 | 11,501 | 134 | 3,954 | 9,712 | 34,048 | 28% |
| 2014 | 69,379 | 11,759 | 301 | | 21,772 | 46,183 | 47% |
| 2015 | 70,766 | 12,024 | 170 | 21,649 | 12,317 | 36,026 | 34% |
| 2016 | 72,181 | 12,294 | 345 | | 24,956 | 48,664 | 51% |
| 2017 | 73,625 | 12,571 | 525 | | 38,052 | 61,792 | 61% |
| 2018 | 75,098 | 12,854 | 125 | 41,944 | 9,088 | 31,321 | 29% |
| 2019 | 76,600 | 13,143 | 311 | | 22,542 | 44,594 | 50% |
| 2020 | 78,132 | 13,439 | 504 | | 36,485 | 58,385 | 62% |
| 2021 | 79,694 | 13,741 | 362 | 24,380 | 26,208 | 47,074 | 55% |
| 2022 | 81,288 | 14,050 | 564 | | 40,822 | 61,436 | 66% |
| 2023 | 82,914 | 14,367 | 542 | 16,493 | 39,237 | 59,010 | 66% |
| 2024 | 84,572 | 14,690 | 393 | 25,872 | 28,447 | 46,948 | 60% |
| 2025 | 86,264 | 15,020 | 609 | | 44,076 | 62,129 | 70% |
| 2026 | 87,989 | 15,358 | 832 | | 60,266 | 77,898 | 77% |
| 2027 | 89,749 | 15,704 | 679 | 27,456 | 49,193 | 65,403 | 75% |
| 2028 | 91,544 | 16,057 | 263 | 46,449 | 19,065 | 32,982 | 57% |
| 2029 | 93,374 | 16,418 | 497 | | 35,980 | 49,058 | 73% |
| 2030 | 95,242 | 16,788 | 331 | 29,136 | 23,963 | 35,125 | 68% |
| 2031 | 97,147 | 17,166 | 576 | | 41,704 | 51,867 | 80% |
| 2032 | 99,090 | 17,552 | 830 | | 60,086 | 69,264 | 86% |
| 2033 | 101,071 | 17,947 | 512 | 41,432 | 37,113 | 43,768 | 84% |
| 2034 | 103,093 | 18,351 | 776 | | 56,240 | 61,664 | 91% |
| 2035 | 105,155 | 18,763 | 1,050 | | 76,053 | 80,259 | 94% |
| 2036 | 107,258 | 19,186 | 874 | 32,812 | 63,300 | 65,069 | 97% |
| 2037 | 109,403 | 19,617 | 1,161 | | 84,079 | 84,433 | 99% |
| 2038 | 111,591 | 20,059 | 843 | 43,901 | 61,079 | 58,381 | 104% |
| 2039 | 113,823 | 20,510 | 655 | 34,820 | 47,424 | 41,725 | 113% |
| 2040 | 116,099 | 20,971 | 958 | | 69,353 | 61,728 | 112% |

Sienna Hills Community Association
 Washington, Utah
ARC Component Funding Model Assessment Summary

Report Date April 11, 2011
 Beginning Fiscal Year January 01, 2011
 Account Number 1191

| Description | Replacement Year | Useful Life | Adjustment | Remaining Life | Current Cost | Assigned Reserves | Fully Funded |
|---|------------------|-------------|------------|----------------|-----------------|-------------------|-----------------|
| Grounds Components | | | | | | | |
| Bridge-Wood, Rpl. | 2028 | 20 | 0 | 17 | 5,000 | 0 | 750 |
| Fencing-Wrought Iron, Gates, Rpl. | 2033 | 25 | 0 | 22 | 3,000 | 0 | 360 |
| Monuments-Maintenance, Entries | 2013 | 5 | 0 | 2 | 1,000 | 0 | 600 |
| Grounds Components - Total | | | | | <u>\$9,000</u> | | <u>\$1,710</u> |
| Landscape | | | | | | | |
| Landscapes-Modifications | 2012 | 3 | 1 | 1 | 20,000 | 1 | 15,000 |
| Landscape - Total | | | | | <u>\$20,000</u> | <u>\$1</u> | <u>\$15,000</u> |
| Park | | | | | | | |
| Gazebo-Wood, Repl | 2028 | 20 | 0 | 17 | 4,265 | 0 | 640 |
| Park-Bench, 6", Repl | 2023 | 15 | 0 | 12 | 540 | 0 | 108 |
| Park-Childground Set, Rpl. | 2023 | 15 | 0 | 12 | 8,665 | 0 | 1,733 |
| Park - Total | | | | | <u>\$13,470</u> | | <u>\$2,481</u> |
| Painting | | | | | | | |
| Paint-Metal Gates, Sandy Talus Drive | 2013 | 5 | 0 | 2 | 600 | 0 | 360 |
| Paint-Oil, Bridge/Gazebo | 2013 | 5 | 0 | 2 | 2,200 | 0 | 1,320 |
| Paint-Stucco, Entries | 2018 | 10 | 0 | 7 | 7,715 | 0 | 2,314 |
| Painting - Total | | | | | <u>\$10,515</u> | | <u>\$3,994</u> |
| Lighting | | | | | | | |
| Lighting-Coach Lantern, Wall, Rpl | 2028 | 20 | 0 | 17 | 7,392 | 0 | 1,109 |
| Lighting - Total | | | | | <u>\$7,392</u> | | <u>\$1,109</u> |
| Concrete | | | | | | | |
| Concrete-Hiking Trails, Repair/Replace | 2018 | 10 | 0 | 7 | 5,000 | 0 | 1,500 |
| Concrete - Total | | | | | <u>\$5,000</u> | | <u>\$1,500</u> |
| Total Asset Summary | | | | | <u>\$65,377</u> | <u>\$1</u> | <u>\$25,794</u> |
| Contingency at 3.00% | | | | | | | <u>\$798</u> |
| Summary Total | | | | | | <u>\$1</u> | <u>\$26,592</u> |
| Fully Funded Level | | | | | | 0% | |
| Current Average Liability per Unit (Total Units: 1) | | | | | | | -\$26,591 |

**Sienna Hills Community Association
ARC Annual Expenditure Detail**

| Description | Expenditures |
|--|-----------------|
| <i>No Replacement in 2011</i> | |
| Replacement Year 2012 | |
| Landscapes-Modifications | 20,400 |
| Total for 2012 | \$20,400 |
| Replacement Year 2013 | |
| Monuments-Maintenance, Entries | 1,040 |
| Paint-Metal Gates, Sandy Talus Drive | 624 |
| Paint-Oil, Bridge/Gazebo | 2,289 |
| Total for 2013 | \$3,954 |
| <i>No Replacement in 2014</i> | |
| Replacement Year 2015 | |
| Landscapes-Modifications | 21,649 |
| Total for 2015 | \$21,649 |
| <i>No Replacement in 2016</i> | |
| <i>No Replacement in 2017</i> | |
| Replacement Year 2018 | |
| Concrete-Hiking Trails, Repair/Replace | 5,743 |
| Landscapes-Modifications | 22,974 |
| Monuments-Maintenance, Entries | 1,149 |
| Paint-Metal Gates, Sandy Talus Drive | 689 |
| Paint-Oil, Bridge/Gazebo | 2,527 |
| Paint-Stucco, Entries | 8,862 |
| Total for 2018 | \$41,944 |
| <i>No Replacement in 2019</i> | |
| <i>No Replacement in 2020</i> | |
| Replacement Year 2021 | |
| Landscapes-Modifications | 24,380 |
| Total for 2021 | \$24,380 |
| <i>No Replacement in 2022</i> | |
| Replacement Year 2023 | |
| Monuments-Maintenance, Entries | 1,268 |

**Sienna Hills Community Association
ARC Annual Expenditure Detail**

| Description | Expenditures |
|---|-----------------|
| Replacement Year 2023 continued... | |
| Paint-Metal Gates, Sandy Talus Drive | 761 |
| Paint-Oil, Bridge/Gazebo | 2,790 |
| Park-Bench, 6', Repl | 685 |
| Park-Childground Set, Rpl. | 10,989 |
| Total for 2023 | \$16,493 |
| | |
| Replacement Year 2024 | |
| Landscapes-Modifications | 25,872 |
| Total for 2024 | \$25,872 |
| | |
| <i>No Replacement in 2025</i> | |
| <i>No Replacement in 2026</i> | |
| | |
| Replacement Year 2027 | |
| Landscapes-Modifications | 27,456 |
| Total for 2027 | \$27,456 |
| | |
| Replacement Year 2028 | |
| Bridge-Wood, Rpl. | 7,001 |
| Concrete-Hiking Trails, Repair/Replace | 7,001 |
| Gazebo-Wood, Repl | 5,972 |
| Lighting-Coach Lantern, Wall, Rpl | 10,351 |
| Monuments-Maintenance, Entries | 1,400 |
| Paint-Metal Gates, Sandy Talus Drive | 840 |
| Paint-Oil, Bridge/Gazebo | 3,081 |
| Paint-Stucco, Entries | 10,803 |
| Total for 2028 | \$46,449 |
| | |
| <i>No Replacement in 2029</i> | |
| | |
| Replacement Year 2030 | |
| Landscapes-Modifications | 29,136 |
| Total for 2030 | \$29,136 |
| | |
| <i>No Replacement in 2031</i> | |
| <i>No Replacement in 2032</i> | |
| | |
| Replacement Year 2033 | |
| Fencing-Wrought Iron, Gates, Rpl. | 4,638 |

**Sienna Hills Community Association
ARC Annual Expenditure Detail**

| Description | Expenditures |
|--|-----------------|
| <i>Replacement Year 2033 continued...</i> | |
| Landscapes-Modifications | 30,920 |
| Monuments-Maintenance, Entries | 1,546 |
| Paint-Metal Gates, Sandy Talus Drive | 928 |
| Paint-Oil, Bridge/Gazebo | 3,401 |
| Total for 2033 | \$41,432 |
| <i>No Replacement in 2034</i> | |
| <i>No Replacement in 2035</i> | |
| Replacement Year 2036 | |
| Landscapes-Modifications | 32,812 |
| Total for 2036 | \$32,812 |
| <i>No Replacement in 2037</i> | |
| Replacement Year 2038 | |
| Concrete-Hiking Trails, Repair/Replace | 8,534 |
| Monuments-Maintenance, Entries | 1,707 |
| Paint-Metal Gates, Sandy Talus Drive | 1,024 |
| Paint-Oil, Bridge/Gazebo | 3,755 |
| Paint-Stucco, Entries | 13,169 |
| Park-Bench, 6', Repl | 922 |
| Park-Childground Set, Rpl. | 14,790 |
| Total for 2038 | \$43,901 |
| Replacement Year 2039 | |
| Landscapes-Modifications | 34,820 |
| Total for 2039 | \$34,820 |

**Sienna Hills Community Association
ARC Detail Report by Category**

Bridge-Wood, Rpl. - 2028

| | | | |
|---------------------------|--------------|---------------------|--------------|
| Asset ID | 1005 | 1 bridge | @ \$5,000.00 |
| | | Asset Cost | \$5,000.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$7,001.21 |
| Grounds Components | | | |
| Placed in Service | January 2008 | | |
| Useful Life | 20 | | |
| Replacement Year | 2028 | | |
| Remaining Life | 17 | | |



This is a 6'x18' wood foot bridge on the hiking trail.

Fencing-Wrought Iron, Gates, Rpl. - 2033

| | | | |
|---------------------------|--------------|---------------------|--------------|
| Asset ID | 1014 | 1 total | @ \$3,000.00 |
| | | Asset Cost | \$3,000.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$4,637.94 |
| Grounds Components | | | |
| Placed in Service | January 2008 | | |
| Useful Life | 25 | | |
| Replacement Year | 2033 | | |
| Remaining Life | 22 | | |

| | | |
|-----------------------------------|----------------|-------------------|
| 2 - metal gates w/mesh, 5' x 14'H | @ \$1,500.00 = | <u>\$3,000.00</u> |
| | Total = | \$3,000.00 |

**Sienna Hills Community Association
ARC Detail Report by Category**

Monuments-Maintenance, Entries - 2013

| | | | |
|--------------------|--------------|---------------------|--------------|
| Asset ID | 1003 | 1 total | @ \$1,000.00 |
| | | Asset Cost | \$1,000.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$1,040.40 |
| Grounds Components | | | |
| Placed in Service | January 2008 | | |
| Useful Life | 5 | | |
| Replacement Year | 2013 | | |
| Remaining Life | 2 | | |



This is for cleaning and repairs to the entry monuments as required.

Grounds Components - Total Current Cost **\$9,000**

**Sienna Hills Community Association
ARC Detail Report by Category**

Landscapes-Modifications - 2012

| | | | |
|-------------------|---------------------------|---------------------|-------------|
| Asset ID | 1010 | 1 total @ | \$20,000.00 |
| | | Asset Cost | \$20,000.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$20,400.00 |
| Placed in Service | Landscape January 2008 | | |
| Useful Life | 3 | | |
| Adjustment | 1 | | |
| Replacement Year | 2012 | | |
| Remaining Life | 1 | | |



This for modifications to the following areas:

- play park
- entries
- streetscapes

This includes additions and replacment of trees

- modificationsn to the irrigation system
- additions and and replacment of decorative rock

When more communities are added and the streetscapes increase the budget should be reviewed and increased accordingly.

| | |
|---------------------------------------|-----------------|
| Landscape - Total Current Cost | \$20,000 |
|---------------------------------------|-----------------|

**Sienna Hills Community Association
ARC Detail Report by Category**

Gazebo-Wood, Repl - 2028

| | | | |
|-------------------|----------------------|---------------------|--------------|
| Asset ID | 1004 | 1 gazebo | @ \$4,265.00 |
| | | Asset Cost | \$4,265.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$5,972.03 |
| Placed in Service | Park January 2008 | | |
| Useful Life | 20 | | |
| Replacement Year | 2028 | | |
| Remaining Life | 17 | | |



Typical cost for each 10' to 14' wood units including minimal foundation.

Park-Bench, 6', Repl - 2023

| | | | |
|-------------------|----------------------|---------------------|------------|
| Asset ID | 1008 | 1 | @ \$540.00 |
| | | Asset Cost | \$540.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$684.85 |
| Placed in Service | Park January 2008 | | |
| Useful Life | 15 | | |
| Replacement Year | 2023 | | |
| Remaining Life | 12 | | |

Sienna Hills Community Association ARC Detail Report by Category

Park-Childground Set, Rpl. - 2023

| | | | |
|-------------------|----------------------|---------------------|--------------|
| | | 1 set | @ \$8,665.00 |
| Asset ID | 1007 | Asset Cost | \$8,665.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$10,989.31 |
| Placed in Service | Park January 2008 | | |
| Useful Life | 15 | | |
| Replacement Year | 2023 | | |
| Remaining Life | 12 | | |



Park - Total Current Cost \$13,470

**Sienna Hills Community Association
ARC Detail Report by Category**

Paint-Metal Gates, Sandy Talus Drive - 2013

| | | | |
|-------------------|--------------------------|---------------------|------------|
| Asset ID | 1012 | 1 total | @ \$600.00 |
| | | Asset Cost | \$600.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$624.24 |
| Placed in Service | Painting January 2008 | | |
| Useful Life | 5 | | |
| Replacement Year | 2013 | | |
| Remaining Life | 2 | | |

This is for painting the 2 metal gates (5'x14') located in the entry wall at Sandy Talus Drive.

Paint-Oil, Bridge/Gazebo - 2013

| | | | |
|-------------------|--------------------------|---------------------|--------------|
| Asset ID | 1006 | 1 total | @ \$2,200.00 |
| | | Asset Cost | \$2,200.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$2,288.88 |
| Placed in Service | Painting January 2008 | | |
| Useful Life | 5 | | |
| Replacement Year | 2013 | | |
| Remaining Life | 2 | | |

| | | |
|-----------------------|--------------|-----------------|
| 1 - 10x14 wood gazebo | @ \$750.00 = | \$750.00 |
| 1 - 6x18 wood bridge | @ 1,450.00 = | <u>1,450.00</u> |
| | Total = | \$2,200.00 |

This for preserving the wood exposed to the sun.

Paint-Stucco, Entries - 2018

| | | | |
|-------------------|--------------------------|---------------------|--------------|
| Asset ID | 1011 | 1 total | @ \$7,715.00 |
| | | Asset Cost | \$7,715.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$8,862.11 |
| Placed in Service | Painting January 2008 | | |
| Useful Life | 10 | | |
| Replacement Year | 2018 | | |
| Remaining Life | 7 | | |

Note: Color coated stucco can last from 10 to 15 years before painting recoating will be necessary.

| | | |
|------------------------------|----------------|------------|
| 1 - entry, Sandy Talus Drive | @ \$2,385.00 = | \$2,385.00 |
|------------------------------|----------------|------------|

**Sienna Hills Community Association
ARC Detail Report by Category**

Paint-Stucco, Entries continued...

| | | | |
|--|---|------------|-----------------|
| 2 - entries, Grapevine & Ridgeview Drive | @ | 2,665.00 = | <u>5,330.00</u> |
| | | Total = | \$7,715.00 |

Painting - Total Current Cost \$10,515

**Sienna Hills Community Association
ARC Detail Report by Category**

Lighting-Coach Lantern, Wall, Rpl - 2028

| | | | |
|-------------------|--------------------------|---------------------|-------------|
| Asset ID | 1013 | 48 fixtures | @ \$154.00 |
| | | Asset Cost | \$7,392.00 |
| | | Percent Replacement | 100% |
| | | Future Cost | \$10,350.58 |
| Placed in Service | Lighting January 2008 | | |
| Useful Life | 20 | | |
| Replacement Year | 2028 | | |
| Remaining Life | 17 | | |

This is the total number of light fixtures at the 3 entry monuments.

Lighting - Total Current Cost \$7,392

**Sienna Hills Community Association
ARC Detail Report by Category**

Concrete-Hiking Trails, Repair/Replace - 2018

| | | | |
|-------------------|--------------|---------------------|--------------|
| | | 1 total | @ \$5,000.00 |
| Asset ID | 1009 | Asset Cost | \$5,000.00 |
| | | Percent Replacement | 100% |
| | Concrete | Future Cost | \$5,743.43 |
| Placed in Service | January 2008 | | |
| Useful Life | 10 | | |
| Replacement Year | 2018 | | |
| Remaining Life | 7 | | |



We have budgeted for a percentage of repair/replacement to the concrete hiking trails over time. The condition of the concrete should be monitored and the budget adjusted accordingly.

Concrete - Total Current Cost **\$5,000**

**Sienna Hills Community Association
ARC Category Detail Index**

| Asset ID | Description | Replacement | Page |
|----------|--|-------------|------|
| 1005 | Bridge-Wood, Rpl. | 2028 | 2-11 |
| 1009 | Concrete-Hiking Trails, Repair/Replace | 2018 | 2-19 |
| 1014 | Fencing-Wrought Iron, Gates, Rpl. | 2033 | 2-11 |
| 1004 | Gazebo-Wood, Repl | 2028 | 2-14 |
| 1010 | Landscapes-Modifications | 2012 | 2-13 |
| 1013 | Lighting-Coach Lantern, Wall, Rpl | 2028 | 2-18 |
| 1003 | Monuments-Maintenance, Entries | 2013 | 2-12 |
| 1012 | Paint-Metal Gates, Sandy Talus Drive | 2013 | 2-16 |
| 1006 | Paint-Oil, Bridge/Gazebo | 2013 | 2-16 |
| 1011 | Paint-Stucco, Entries | 2018 | 2-16 |
| 1008 | Park-Bench, 6', Repl | 2023 | 2-14 |
| 1007 | Park-Childground Set, Rpl. | 2023 | 2-15 |
| | Total Funded Assets | 12 | |
| | Total Unfunded Assets | <u>0</u> | |
| | Total Assets | 12 | |

**Sienna Hills Community Association
ARC Annual Expenditure Spreadsheet**

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Beginning Balance | | | | | | | | | | |
| Annual Assessment | 25,302 | 25,834 | 17,841 | 27,125 | 40,144 | 30,897 | 44,626 | 58,927 | 28,484 | 43,361 |
| Interest Earned | 531 | 12,241 | 12,757 | 12,194 | 12,628 | 12,811 | 13,089 | 13,879 | 13,985 | 14,282 |
| Expenditures | | 367 | 558 | 826 | 635 | 918 | 1,212 | 586 | 892 | 1,211 |
| Fully Funded Reserves | 36,519 | 20,600 | 4,031 | 22,510 | 22,510 | 51,597 | 66,160 | 33,863 | 48,686 | 64,368 |
| Percent Fully Funded | 70% | 26,967 | 35,059 | 48,021 | 37,827 | 86% | 89% | 84% | 89% | 91% |
| Ending Balance | 25,834 | 17,841 | 27,125 | 40,144 | 30,897 | 44,626 | 58,927 | 28,484 | 43,361 | 58,853 |

Description

Grounds Components

Bridge-Wood, Rpl.
Fencing-Wrought Iron, Gates, Rpl.
Monuments-Maintenance, Entries

Grounds Components Total:

1,061
1,061

Landscape

Landscapes-Modifications

Landscape Total:

20,600
20,600

22,510
22,510

24,597
24,597

Park

Gazebo-Wood, Repl
Park-Bench, 6', Repl
Park-Childground Set, Rpl.

Park Total:

Painting

Paint-Metal Gates, Sandy Talus Drive
Paint-Oil, Bridge/Gazebo
Paint-Stucco, Entries

Painting Total:

637
2,334
2,971

738
2,706
9,488
12,932

Lighting

Lighting-Coach Lantern, Wall, Rpl

Lighting Total:

**Sienna Hills Community Association
ARC Annual Expenditure Spreadsheet**

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|---------------|------|--------------|------|---------------|------|------|---------------|------|------|
| Description | | | | | | | | | | |
| Concrete | | | | | | | | 6,149 | | |
| Concrete-Hiking Trails, Repair/Replace | | | | | | | | 6,149 | | |
| Concrete Total: | | | | | | | | 6,149 | | |
| Year Total: | 20,600 | | 4,031 | | 22,510 | | | 44,909 | | |

**Sienna Hills Community Association
ARC Annual Expenditure Spreadsheet**

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|--|---------------|--------|---------------|---------------|--------|---------------|--------|---------------|--------|---------------|
| Beginning Balance | 58,853 | 47,861 | 64,272 | 62,717 | 50,487 | 68,124 | 86,486 | 73,208 | 37,395 | 56,889 |
| Annual Assessment | 14,901 | 15,090 | 15,697 | 16,103 | 16,235 | 16,583 | 17,310 | 18,247 | 18,324 | 19,028 |
| Interest Earned | 984 | 1,322 | 1,290 | 1,038 | 1,401 | 1,779 | 1,506 | 769 | 1,170 | 858 |
| Expenditures | 26,878 | 69,066 | 18,542 | 29,371 | 29,371 | 32,094 | 32,094 | 54,828 | 59,049 | 35,070 |
| Fully Funded Reserves | 52,407 | 93% | 66,990 | 53,818 | 71,920 | 91,059 | 77,202 | 39,313 | 59,049 | 42,693 |
| Percent Fully Funded | 91% | 93% | 93% | 93% | 94% | 94% | 94% | 95% | 96% | 97% |
| Ending Balance | 47,861 | 64,272 | 62,717 | 50,487 | 68,124 | 86,486 | 73,208 | 37,395 | 56,889 | 41,705 |
| Grounds Components Total: 9,917 | | | | | | | | | | |
| Grounds Components | | | | | | | | | | |
| Bridge-Wood, Rpl. | | | | | | 8,264 | | | | |
| Fencing-Wrought Iron, Gates, Rpl. | | | | | | | | | | |
| Monuments-Maintenance, Entries | | | 1,426 | | | 1,653 | | | | |
| Grounds Components Total: | | | 1,426 | | | 9,917 | | | | |
| Landscape | | | | | | | | | | |
| Landscapes-Modifications | 26,878 | | | 29,371 | | 32,094 | | | | 35,070 |
| Landscape Total: | 26,878 | | | 29,371 | | 32,094 | | | | 35,070 |
| Park | | | | | | | | | | |
| Gazebo-Wood, Repl | | | 770 | | | | | 7,049 | | |
| Park-Bench, 6', Repl | | | 12,354 | | | | | | | |
| Park-Childground Set, Rpl. | | | | | | | | | | |
| Park Total: | | | 13,124 | | | | | 7,049 | | |
| Painting | | | | | | | | | | |
| Paint-Metal Gates, Sandy Talus Drive | | | 855 | | | | | 992 | | |
| Paint-Oil, Bridge/Gazebo | | | 3,137 | | | | | 3,636 | | |
| Paint-Stucco, Entries | | | | | | | | 12,752 | | |
| Painting Total: | | | 3,992 | | | | | 17,380 | | |
| Lighting | | | | | | | | | | |
| Lighting-Coach Lantern, Wall, Rpl | | | | | | | | 12,218 | | |
| Lighting Total: | | | | | | | | 12,218 | | |

**Sienna Hills Community Association
ARC Annual Expenditure Spreadsheet**

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|--|---------------|------|---------------|---------------|------|------|---------------|---------------|------|---------------|
| Description | | | | | | | | | | |
| Concrete | | | | | | | | 8,264 | | |
| Concrete-Hiking Trails, Repair/Replace | | | | | | | | 8,264 | | |
| Concrete Total: | | | | | | | | 16,528 | | |
| Year Total: | 26,878 | | 18,542 | 29,371 | | | 32,094 | 54,828 | | 35,070 |

**Sienna Hills Community Association
ARC Annual Expenditure Spreadsheet**

| | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
|--|--------|--------|---------------|--------|---------|---------------|---------|---------------|---------------|--------|
| Beginning Balance | 41,705 | 62,311 | 83,756 | 54,226 | 76,796 | 100,293 | 82,467 | 107,386 | 75,721 | 55,812 |
| Annual Assessment | 19,324 | 19,722 | 20,707 | 20,990 | 21,434 | 22,353 | 22,710 | 23,909 | 24,702 | 24,914 |
| Interest Earned | 1,282 | 1,723 | 1,115 | 1,580 | 2,063 | 1,696 | 2,209 | 1,557 | 1,148 | 1,695 |
| Expenditures | | | 51,352 | | | 41,876 | | 57,132 | 45,759 | |
| Fully Funded Reserves | 63,660 | 85,846 | 54,778 | 77,933 | 102,428 | 83,856 | 109,878 | 76,720 | 55,370 | 82,717 |
| Percent Fully Funded | 97% | 97% | 98% | 98% | 97% | 98% | 97% | 98% | 100% | 99% |
| Ending Balance | 62,311 | 83,756 | 54,226 | 76,796 | 100,293 | 82,467 | 107,386 | 75,721 | 55,812 | 82,421 |
| Grounds Components Total: 2,221 | | | | | | | | | | |
| 2,221 | | | | | | | | | | |
| Grounds Components | | | 5,748 | | | | | 2,221 | | |
| Bridge-Wood, Rpl. | | | 1,916 | | | | | | | |
| Fencing-Wrought Iron, Gates, Rpl. | | | | | | | | | | |
| Monuments-Maintenance, Entries | | | | | | | | | | |
| Grounds Components Total: | | | 7,664 | | | | | 2,221 | | |
| Landscape | | | 38,322 | | | 41,876 | | | 45,759 | |
| Landscape-Modifications | | | | | | | | | | |
| Landscape Total: | | | 38,322 | | | 41,876 | | | 45,759 | |
| Park | | | | | | | | | | |
| Gazebo-Wood, Repl | | | | | | | | | | |
| Park-Bench, 6', Repl | | | | | | | | 1,199 | | |
| Park-Childground Set, Rpl. | | | | | | | | 19,247 | | |
| Park Total: | | | | | | | | 20,447 | | |
| Painting | | | 1,150 | | | | | 1,333 | | |
| Paint-Metal Gates, Sandy Talus Drive | | | | | | | | | | |
| Paint-Oil, Bridge/Gazebo | | | 4,215 | | | | | 4,887 | | |
| Paint-Stucco, Entries | | | | | | | | 17,137 | | |
| Painting Total: | | | 5,365 | | | | | 23,357 | | |
| Lighting | | | | | | | | | | |
| Lighting-Coach Lantern, Wall, Rpl | | | | | | | | | | |
| Lighting Total: | | | | | | | | | | |

**Sienna Hills Community Association
ARC Annual Expenditure Spreadsheet**

| | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
|--|------|------|---------------|------|---------------|------|------|---------------|---------------|------|
| Description | | | | | | | | | | |
| Concrete | | | | | | | | | | |
| Concrete-Hiking Trails, Repair/Replace | | | | | | | | 11,106 | | |
| Concrete Total: | | | | | | | | 11,106 | | |
| Year Total: | | | 51,352 | | 41,876 | | | 57,132 | 45,759 | |