

FULL RESERVE STUDY

BellaVita at Green Tee Homeowners' Association, Inc.



Pearland, Texas
November 14, 2017



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Long-term thinking. Everyday commitment.

BellaVita at Green Tee Homeowners' Association, Inc.
Pearland, Texas

Dear Board of Directors of BellaVita at Green Tee Homeowners' Association, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of BellaVita at Green Tee Homeowners' Association, Inc. in Pearland, Texas and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, November 14, 2017.

This *Full Reserve Study* exceeds the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a "Level I Full Reserve Study."

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. We recommend the Board budget for an Update to this Reserve Study in two years. We look forward to continuing to help BellaVita at Green Tee Homeowners' Association, Inc. plan for a successful future.

As part of our long-term thinking and everyday commitment to our clients, we are available to answer any questions you may have regarding this study.

Respectfully submitted on December 4, 2017 by

Reserve Advisors, Inc.

Visual Inspection and Report by: Andrew L. Stoutenburg, RS²
Review by: Alan M. Ebert, PRA¹, RS, Director of Quality Assurance



¹ PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at <http://www.apra-usa.com>.
² RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.



RESERVE ADVISORS

Long-term thinking. Everyday commitment.



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1. RESERVE STUDY EXECUTIVE SUMMARY

Client: BellaVita at Green Tee Homeowners' Association, Inc. (BellaVita at Green Tee)
Location: Pearland, Texas
Reference: 080031

Property Basics: BellaVita at Green Tee Homeowners' Association, Inc. is a homeowners association which is responsible for the common elements shared by 618 single family homes. The development was built from 2001 to 2012.

Reserve Components Identified: 52 Reserve Components.

Inspection Date: November 14, 2017.

Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan does not recognize a critical year. The Reserve Funding Plan recommends 2047 year end accumulated reserves of approximately \$358,700. We judge this amount of accumulated reserves in 2047 necessary to fund the likely ongoing and increasing rate of replacement of the concrete streets after 2047. These future needs, although beyond the limit of the Cash Flow Analysis of this Reserve Study, are reflected in the amount of accumulated 2047 year end reserves.

Cash Flow Method: We use the Cash Flow Method to compute the Reserve Funding Plan. This method offsets future variable Reserve Expenditures with existing and future stable levels of reserve funding. Our application of this method also considers:

- Current and future local costs of replacement
- 0.6% annual rate of return on invested reserves
- 2.4% future Inflation Rate for estimating Future Replacement Costs

Sources for Local Costs of Replacement: Our proprietary database, historical costs and published sources, i.e., R.S. Means, Incorporated.

Cash Status of Reserve Fund:

- \$417,746 as of September 30, 2017
- 2017 budgeted Reserve Contributions of \$125,000
- 2018 budgeted Reserve Contributions of \$327,500
- A potential deficit in reserves might occur by 2036 based upon continuation of the most recent annual reserve contribution of \$327,500 and the identified Reserve Expenditures.

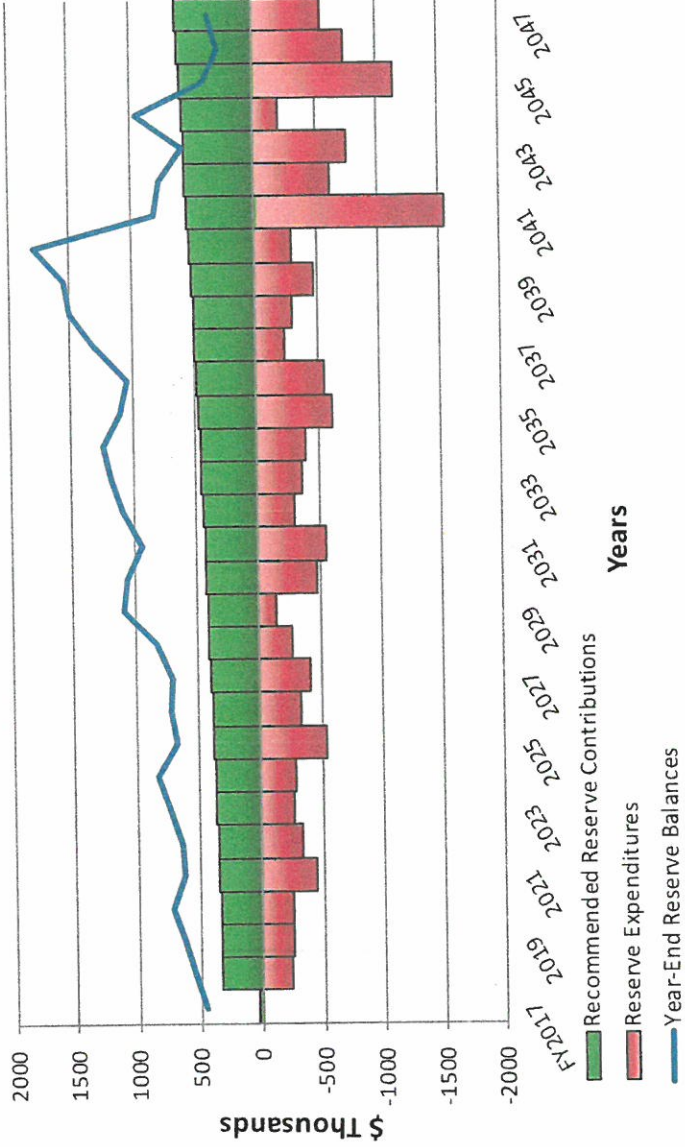
Recommended Reserve Funding: We recommend the following in order to achieve a stable and equitable Funding Plan:

- Stable contributions of \$327,500 from 2019 through 2020
- Inflationary increases through 2047, the limit of this study's Cash Flow Analysis
- 2019 Reserve Contribution of \$327,500 is equivalent to an average monthly contribution of \$44.16 per homeowner.



BellaVita at Green Tee
Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)		Reserve Balances (\$)		Reserve Contributions (\$)		Reserve Balances (\$)				
	2018	2019	2020	2021	2022	2023	2024	2025			
2018	327,500	327,500	327,500	335,400	343,400	351,600	360,000	368,600	377,400	386,500	
2019		327,500	327,500	335,400	343,400	351,600	360,000	368,600	377,400	386,500	
2020			327,500	335,400	343,400	351,600	360,000	368,600	377,400	386,500	
2021				335,400	343,400	351,600	360,000	368,600	377,400	386,500	
2022					343,400	351,600	360,000	368,600	377,400	386,500	
2023						351,600	360,000	368,600	377,400	386,500	
2024							360,000	368,600	377,400	386,500	
2025								368,600	377,400	386,500	
2026									377,400	386,500	
2027										386,500	
2028											395,800
2029											405,300
2030											415,000
2031											425,000
2032											435,200
2033											445,600
2034											456,300
2035											467,300
2036											478,500
2037											490,000
2038											501,800
2039											513,800
2040											526,100
2041											538,700
2042											551,600
2043											564,800
2044											578,400
2045											592,300
2046											606,500
2047											621,100
2048											636,000
2049											651,200
2050											666,800
2051											682,800
2052											699,200
2053											716,000
2054											733,200
2055											750,800
2056											768,800
2057											787,200
2058											806,000
2059											825,200
2060											844,800
2061											864,800
2062											885,200
2063											906,000
2064											927,200
2065											948,800
2066											970,800
2067											993,200
2068											1,016,000
2069											1,039,200
2070											1,062,800
2071											1,086,800
2072											1,111,200
2073											1,136,000
2074											1,161,200
2075											1,186,800
2076											1,212,800
2077											1,239,200
2078											1,266,000
2079											1,293,200
2080											1,320,800
2081											1,348,800
2082											1,377,200
2083											1,406,000
2084											1,435,200
2085											1,464,800
2086											1,494,800
2087											1,525,200
2088											1,556,000
2089											1,587,200
2090											1,618,800
2091											1,650,800
2092											1,683,200
2093											1,716,000
2094											1,749,200
2095											1,782,800
2096											1,816,800
2097											1,851,200
2098											1,886,000
2099											1,921,200
2100											1,956,800





2. RESERVE STUDY REPORT

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of

BellaVita at Green Tee Homeowners' Association, Inc.

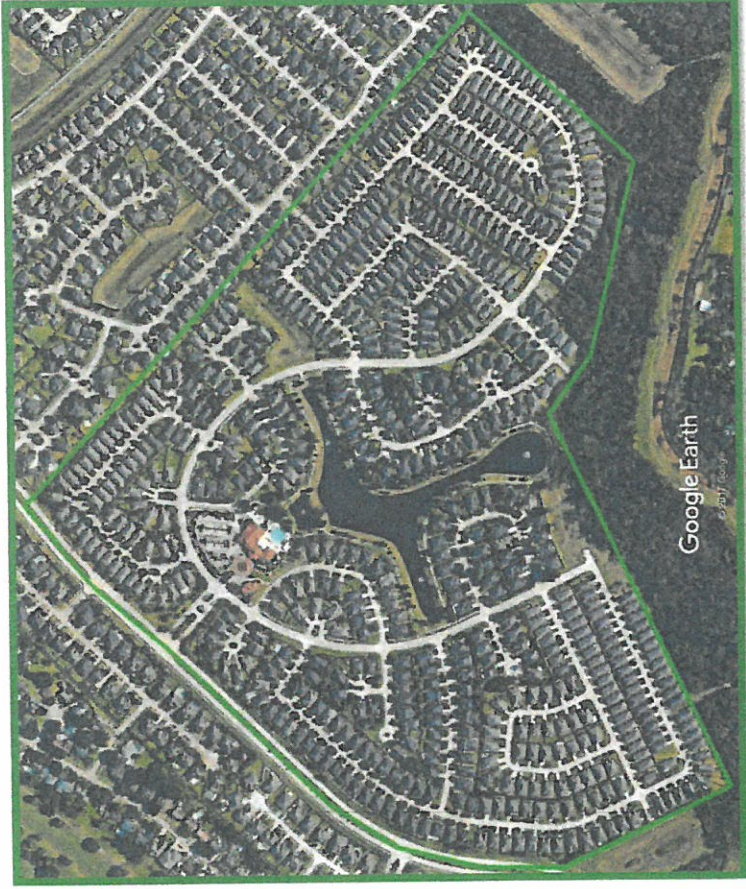
Pearland, Texas

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, November 14, 2017.

We present our findings and recommendations in the following report sections and spreadsheets:

- **Identification of Property** - Segregates all property into several areas of responsibility for repair or replacement
- **Reserve Expenditures** - Identifies reserve components and related quantities, useful lives, remaining useful lives and future reserve expenditures during the next 30 years
- **Reserve Funding Plan** - Presents the recommended Reserve Contributions and year-end Reserve Balances for the next 30 years
- **Reserve Component Detail** - Describes the reserve components, includes photographic documentation of the condition of various property elements, describes our recommendations for repairs or replacement, and includes detailed solutions and procedures for replacements for the benefit of current and future board members
- **Methodology** - Lists the national standards, methods and procedures used to develop the Reserve Study
- **Definitions** - Contains definitions of terms used in the Reserve Study, consistent with national standards
- **Professional Service Conditions** - Describes Assumptions and Professional Service Conditions
- **Credentials and Resources**

IDENTIFICATION OF PROPERTY



Our investigation includes Reserve Components or property elements as set forth in your Declaration. The Expenditure tables in Section 3 list the elements contained in this study. Our analysis begins by segregating the property elements into several areas of responsibility for repair and replacement.

Our process of identification helps assure that future boards and the management team understand whether reserves, the operating budget or Homeowners fund certain replacements and assists in preparation of the annual budget. We derive these segregated classes of property from our review of the information provided by the Association and through conversations with Management and the Board. These classes of property include:

- Reserve Components
- Long-Lived Property Elements
- Operating Budget Funded Repairs and Replacements
- Property Maintained by Homeowners
- Property Maintained by Others

We advise the Board conduct an annual review of these classes of property to confirm its policy concerning the manner of funding, i.e., from reserves or the operating budget. The Reserve Study identifies Reserve Components as set forth in your Declaration or which were identified as part of your request for proposed services. Reserve Components are defined by CAI as property elements with:



- BellaVita at Green Tee responsibility
- Limited useful life expectancies
- Predictable remaining useful life expectancies
- Replacement cost above a minimum threshold

Long-Lived Property Elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the 30-year scope of the study. The operating budget should fund infrequent repairs. Funding untimely or unexpected replacements from reserves will necessitate increases to Reserve Contributions. Periodic updates of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan. We identify the following Long-Lived Property Elements as excluded from reserve funding at this time.

- Electrical Systems, Common
- Foundations, Common
- Irrigation System, Well, Re-casing
- Partition, Ballroom
- Pipes, Interior Building, Common
- Pipes, Subsurface Utilities
- Pool and Spa Structures
- Structural Frames, Common

The operating budget provides money for the repair and replacement of certain Reserve Components. The Association may develop independent criteria for use of operating and reserve funds. For purposes of calculating appropriate Reserve Contributions, we identify the following list of Operating Budget Funded Repairs and Replacements:

- General Maintenance to the Common Elements
- Expenditures less than \$10,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Annex, Floor Coverings, Tile
- Annex, Floor Coverings, Wood
- Annex, Rest Room Fixtures
- Concrete Sidewalks, Expansion Joints, Repairs
- Detention Pond, Maintenance
- Drainage Culverts, Cleaning
- Dumpster Enclosure
- Fences, Steel, Paint Finishes
- Flagpoles
- Fountain, Front, Renovations
- Gate House, Interior Renovations
- Gates, Steel, Paint Finishes
- Irrigation System, Controllers
- Irrigation System, Pump
- Kitchen Equipment
- Landscape

- Light Fixtures, Exterior
- Light Fixtures, Interior, Can and Fluorescent
- Light Fixtures, Landscape
- Light Poles and Fixtures, Clubhouse Entrance
- Mirrors, Exercise Room
- Paint Finishes, Touch Up
- Pool Deck, Expansion Joints
- Pool, Spa and Fountains, Mechanical Equipment
- Pool, Underwater Lights
- River, Mechanical Equipment
- River, Renovations
- Shade Structure, Interim Canvas Replacement
- Signage, Entrance Monument
- Signage, Street and Traffic
- Site Furniture
- Striping, Parking Lot
- Water Heaters
- Other Repairs normally funded through the Operating Budget

Certain items have been designated as the responsibility of the homeowners to repair or replace at their cost. Property Maintained by Homeowners, including items billed back to Homeowners, relates to:

- Driveways
- Fences
- Homes and Lots

Certain items have been designated as the responsibility of others to repair or replace. Property Maintained by Others relates to:

- Fences, Wood and Metal, Perimeter (Master Association)
- Light Poles and Fixtures, Streets (CenterPoint Energy)
- Mailboxes (United States Postal Service)
- Perimeter Wall, Concrete (Master Association)



3. RESERVE EXPENDITURES and FUNDING PLAN

The tables following this introduction present:

Reserve Expenditures

- Line item numbers
- Total quantities
- Quantities replaced per phase (in a single year)
- Reserve component inventory
- Estimated first year of event (i.e., replacement, application, etc.)
- Life analysis showing
 - useful life
 - remaining useful life
- Unit cost of replacement
- 2017 local cost of replacement
- Total future costs of replacement anticipated during the next 30 years
- Schedule of estimated future costs for each reserve component including inflation

Reserve Funding Plan

- Reserves at the beginning of each year
- Total recommended reserve contributions
- Estimated interest earned from invested reserves
- Anticipated expenditures by year
- Anticipated reserves at year end
- Predicted reserves based on current funding level

Financial statements prepared by your association, by you or others might rely in part on information contained in this section. For your convenience, we have provided an electronic data file containing the tables of **Reserve Expenditures** and **Reserve Funding Plan**.

RESERVE EXPENDITURES

BellaVita at Green Tee
Homeowners' Association, Inc.
Pearland, Texas

Line	Total Quantity	Per Phase Units	Reserve Component Inventory	Estimated 1st Year of Years	Life Analysis	Unit	Per Phase Total (2017)	Costs, \$
				Event	Useful Remaining	(2017)	(2017)	

1,001	175	175 Doors	Doors, Finishing	2018	ongoing	1	130,000	22,750
1,007	618	69 Homes	Exterior Painting (Quantity Varies by Year)	2018	to 9	to 9	1,400,000	96,138
1,280	42	42 Squares	Roof Assembly, Asphalt Shingles, Annex	2034	15 to 20	17	420,000	17,640
1,360	188	188 Squares	Roof Assemblies, Concrete Tiles	2031	to 30	14	690,000	129,720
1,740	14,050	14,050 Square Feet	Walls, EIFS, Paint Finishes and Capital Repairs	2022	8 to 10	5	17,563	107,515
1,980	2,120	2,120 Square Feet	Windows and Doors, Aluminum Frames	2046	to 45	29	54,000	114,480
2,007	2	1 Allowance	Audio and Visual Equipment	2021	to 20	4 to 14	20,000,000	40,000
2,052	1	1 Allowance	Cabinets and Countertops	2026	to 25	9	55,000,000	55,000
2,060	1,780	1,780 Square Feet	Ceilings, Acoustical Tiles, Grid and Lighting	2031	to 30	14	4,000	7,120
2,155	1	1 Allowance	Exercise Equipment, Cardiovascular	2018	to 5	1	19,700,000	19,700
2,165	1	1 Allowance	Exercise Equipment, Strength Training	2023	to 15	6	27,900,000	27,900
2,200	260	260 Square Yards	Floor Coverings, Carpet, Bathroom	2019	8 to 12	2	55,000	14,300
2,201	270	270 Square Yards	Floor Coverings, Carpet, Bathroom	2025	8 to 12	8	55,000	14,850
2,240	430	430 Square Yards	Floor and Wall Coverings, Tile	2031	to 30	14	75,000	32,250
2,300	130	130 Square Yards	Floor Coverings, Vinyl Tile	2021	15 to 20	4	45,000	5,850
2,400	190	190 Square Yards	Floor Coverings, Wood	2024	18 to 25	7	79,000	15,010
2,450	4	1 Allowance	Furnishings, Phased	2021	to 20	4 to 10	35,000,000	140,000
2,560	40	40 Each	Light Fixtures	2031	to 30	14	400,000	16,000
2,800	27,200	27,200 Square Feet	Paint Finishes	2020	8 to 15	3	43,520	43,520
2,899	1	1 Allowance	Rest Room, Fixtures	2026	to 25	9	36,000,000	36,000
2,980	1,400	1,400 Square Feet	Wall Coverings	2021	to 20	4	8,400	8,400
2,991	1	1 Allowance	Cabinets and Countertops	2026	to 25	9	11,000,000	11,000
2,992	230	230 Square Yards	Floor Coverings, Carpet	2019	8 to 12	2	55,000	12,650
2,994	7,600	7,600 Square Feet	Paint Finishes	2020	8 to 15	3	1,100	8,360
3,070	15	5 Each	Air Handling and Conditioning Units, Split Systems, Phased	2026	15 to 20	9 to 11	6,500,000	32,500
3,560	1	1 Allowance	Life Safety System, Control Panel and Emergency Devices	2026	to 25	9	26,500,000	26,500
3,820	1	1 Allowance	Security System	2019	to 15	2	20,000,000	20,000

Exterior Building Elements

85,203	40,000	20,000	20,000,000	20,000	20,000	20,000	20,000	20,000
68,087	55,000	55,000	55,000,000	55,000	55,000	55,000	55,000	55,000
9,924	7,120	7,120	7,120	7,120	7,120	7,120	7,120	7,120
166,164	19,700	19,700	19,700,000	19,700	19,700	19,700	19,700	19,700
78,077	27,900	27,900	27,900,000	27,900	27,900	27,900	27,900	27,900
61,419	14,300	14,300	14,300,000	14,300	14,300	14,300	14,300	14,300
41,816	14,850	14,850	14,850,000	14,850	14,850	14,850	14,850	14,850
44,950	32,250	32,250	32,250,000	32,250	32,250	32,250	32,250	32,250
16,768	5,850	5,850	5,850,000	5,850	5,850	5,850	5,850	5,850
48,297	15,010	15,010	15,010,000	15,010	15,010	15,010	15,010	15,010
431,488	140,000	140,000	140,000,000	140,000	140,000	140,000	140,000	140,000
22,301	16,000	16,000	16,000,000	16,000	16,000	16,000	16,000	16,000
111,860	43,520	43,520	43,520,000	43,520	43,520	43,520	43,520	43,520
44,566	36,000	36,000	36,000,000	36,000	36,000	36,000	36,000	36,000
24,078	8,400	8,400	8,400,000	8,400	8,400	8,400	8,400	8,400
9,236	9,236	9,236	9,236,000	9,236	9,236	9,236	9,236	9,236

Interior Building Elements (Clubhouse)

13,617	11,000	11,000	11,000,000	11,000	11,000	11,000	11,000	11,000
54,332	12,650	12,650	12,650,000	12,650	12,650	12,650	12,650	12,650
72,215	24,000	24,000	24,000,000	24,000	24,000	24,000	24,000	24,000
21,487	8,360	8,360	8,360,000	8,360	8,360	8,360	8,360	8,360
300,055	97,500	32,500	32,500,000	97,500	32,500	32,500	32,500	32,500
32,805	26,500	26,500	26,500,000	26,500	26,500	26,500	26,500	26,500
50,904	20,000	20,000	20,000,000	20,000	20,000	20,000	20,000	20,000
20,972	20,972	20,972	20,972,000	20,972	20,972	20,972	20,972	20,972

Interior Building Elements (Annex)

13,617	11,000	11,000	11,000,000	11,000	11,000	11,000	11,000	11,000
54,332	12,650	12,650	12,650,000	12,650	12,650	12,650	12,650	12,650
72,215	24,000	24,000	24,000,000	24,000	24,000	24,000	24,000	24,000
21,487	8,360	8,360	8,360,000	8,360	8,360	8,360	8,360	8,360
300,055	97,500	32,500	32,500,000	97,500	32,500	32,500	32,500	32,500
32,805	26,500	26,500	26,500,000	26,500	26,500	26,500	26,500	26,500
50,904	20,000	20,000	20,000,000	20,000	20,000	20,000	20,000	20,000
20,972	20,972	20,972	20,972,000	20,972	20,972	20,972	20,972	20,972

Building Services Elements

13,617	11,000	11,000	11,000,000	11,000	11,000	11,000	11,000	11,000
54,332	12,650	12,650	12,650,000	12,650	12,650	12,650	12,650	12,650
72,215	24,000	24,000	24,000,000	24,000	24,000	24,000	24,000	24,000
21,487	8,360	8,360	8,360,000	8,360	8,360	8,360	8,360	8,360
300,055	97,500	32,500	32,500,000	97,500	32,500	32,500	32,500	32,500
32,805	26,500	26,500	26,500,000	26,500	26,500	26,500	26,500	26,500
50,904	20,000	20,000	20,000,000	20,000	20,000	20,000	20,000	20,000
20,972	20,972	20,972	20,972,000	20,972	20,972	20,972	20,972	20,972

1) 2.4% is the estimated future inflation rate for estimating future replacement costs.
2) FY2017 is Fiscal Year beginning January 1, 2017 and ending December 31, 2017.

Explanatory Notes:

RESERVE EXPENDITURES

BellaVita at Green Tee
Homeowners' Association, Inc.
Pearland, Texas

Line Item	Total Quantity	Per Phase Units	Reserve Component Inventory	Estimated 1st Year of Useful Life	Life Analysis, Years Remaining	Unit (2017)	Per Phase Total (2017)	30-Year Total (Inflated)	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
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1,001	175	175 Doors	Doors, Refinishing	ongoing	1	130.00	22,750	1,006,616	33,249	34,047	34,864	35,701	36,558	37,435	38,334	39,254	40,196	41,160	42,148	43,160	44,196	45,256	46,343			
1,007	618	618 Homes	Exterior Painting (Quantity Varies by Year)	2018	10 to 9	1,400.00	96,138	865,200	102,305	148,760	92,256	235,077	143,982	112,882	202,874	205,327	155,836	128,648	184,158	114,208	291,012	178,241	139,741			

1,280	42	42 Squares	Roof Assembly, Asphalt Shingles, Annex	2034	15 to 20	17	420.00	17,640	26,400																		
2,052	1,780	1,780 Square Feet	Ceilings, Acoustical Tiles, Grid and Lighting	2026	10 to 25	9	55,000.00	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000

2,155	1	1 Allowance	Exercise Equipment, Cardiovascular	2018	10 to 5	1	19,700.00	19,700	166,164	28,792																	
2,165	1	1 Allowance	Exercise Equipment, Strength Training	2023	10 to 6	2	27,900.00	27,900	78,077																		

2,240	420	420 Square Yards	Floor and Wall Coverings, Tile	2031	10 to 30	14	75.00	32,250	44,950																		
2,450	4	4 Allowance	Furnishings, Phased	2021	10 to 20	4 to 10	35,000.00	140,000	431,458																		

2,490	190	190 Square Yards	Floor Coverings, Wood	2024	18 to 25	7	79.00	15,010	48,297																		
2,560	40	40 Each	Light Fixtures	2031	10 to 30	14	400.00	16,000	22,301																		

2,594	1,400	1,400 Square Feet	Wall Coverings	2021	10 to 20	4	6.00	8,400	24,078																		
2,899	1	1 Allowance	Rest Room, Fixtures	2026	10 to 25	9	36,000.00	36,000	44,566																		

2,800	27,200	27,200 Square Feet	Paint Finishes	2020	8 to 15	3	1.60	43,520	111,860																		
2,991	1	1 Allowance	Cabinets and Countertops	2026	10 to 25	9	11,000.00	11,000	13,617																		

2,992	230	230 Square Yards	Floor Coverings, Carpet	2019	8 to 12	2	55.00	12,650	54,332																		
2,994	7,600	7,600 Square Feet	Paint Finishes	2020	8 to 15	3	1.10	8,360	21,487																		

3,070	15	5 Each	Air Handling and Condensing Units, Split Systems, Phased	2026	15 to 20	9 to 11	6,500.00	32,500	97,500	300,055																	
3,560	1	1 Allowance	Life Safety System, Control Panel and Emergency Devices	2026	10 to 25	9	26,500.00	26,500	26,500	32,805																	

3,820	1	1 Allowance	Security System	2019	10 to 15	2	20,000.00	20,000	20,000	50,904																	
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2,991	1	1 Allowance	Cabinets and Countertops	2026	10 to 25	9	11,000.00	11,000	13,617																		
2,992	230	230 Square Yards	Floor Coverings, Carpet	2019	8 to 12	2	55.00	12,650	54,332																		

2,994	7,600	7,600 Square Feet	Paint Finishes	2020	8 to 15	3	1.10	8,360	21,487																		
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RESERVE EXPENDITURES

BellaVita at Green Tee
Homeowners' Association, Inc.
Pearland, Texas

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory		Estimated 1st Year of Useful Remaining Years	Life Analysis	Unit (2017)	Per Phase (2017)	Total (2017)	Costs, \$									
				30-Year Total (Inflated)	2033						2034	2035	2036	2037	2038	2039	2040	2041	2042	2043

4,100	130	65	Each	2024	15 to 20	7 to 13	500.00	32,500	65,000	141,407	181,920	19,876	21,342	22,916	24,608	26,420	18,358	194,792
4,110	61,100	680	Linear Feet	2021	to 65	4 to 30+	20.00	13,600	1,222,000	181,920	19,876	14,830	15,923	17,097	24,608	26,420	18,358	194,792
4,140	67,500	1,350	Square Feet	2018	to 65	1 to 30+	7.00	9,450	472,500	136,085	13,811	14,830	15,923	17,097	24,608	26,420	18,358	194,792
4,180	850,000	10,625	Square Feet	2024	to 65	7 to 30+	9.00	95,625	7,850,000	1,554,454	139,756	150,082	161,128	169,955	177,162	185,768	190,228	194,792
4,185	45,000	9,000	Linear Feet	2018	to 10	1 to 9	1.00	9,000	45,000	196,749	13,469	14,123	15,529	16,283	17,074	17,904	17,904	194,792
4,187	917,500	183,500	Square Feet	2018	to 5	1 to 5	0.10	18,350	91,750	811,930	26,819	27,462	28,121	28,796	29,487	30,195	30,920	31,662
4,245	290	290	Linear Feet	2036	to 35	19	55.00	15,950	15,950	25,030	25,030	25,030	25,030	25,030	25,030	25,030	25,030	25,030
4,310	1	1	Allowance	2023	10 to 15	6	14,000.00	14,000	14,000	66,115	14,000	15,200	16,400	17,600	18,800	20,000	21,200	22,400
4,320	4	4	Each	2028	to 15	11	3,800.00	15,200	15,200	47,892	15,200	16,400	17,600	18,800	20,000	21,200	22,400	23,600
4,321	4	4	Each	2021	to 20	4	6,000.00	24,000	24,000	68,792	24,000	25,800	27,600	29,400	31,200	33,000	34,800	36,600
4,330	6	6	Each	2021	to 20	4	4,300.00	25,800	25,800	73,952	25,800	27,600	29,400	31,200	33,000	34,800	36,600	38,400
4,420	270,000	270,000	Square Feet	2019	to 40	2	1.50	465,000	465,000	746,573	465,000	495,000	525,000	555,000	585,000	615,000	645,000	675,000
4,560	5	5	Each	2042	to 25	25	5,000.00	25,000	25,000	45,231	25,000	26,000	27,000	28,000	29,000	30,000	31,000	32,000
4,620	5,950	5,950	Square Feet	2021	15 to 20	4	11.50	68,425	68,425	196,131	68,425	72,000	75,575	79,150	82,725	86,300	89,875	93,450
4,700	4	4	Each	2020	10 to 15	3	14,600.00	58,400	58,400	152,205	58,400	62,000	65,600	69,200	72,800	76,400	80,000	83,600
4,710	4,350	435	Linear Feet	2025	to 20	8 to 30+	300.00	130,500	1,305,000	411,283	130,500	138,000	145,500	153,000	160,500	168,000	175,500	183,000
4,720	1	1	Allowance	2025	to 20	8 to 30+	100,000.00	100,000	100,000	315,160	100,000	105,000	110,000	115,000	120,000	125,000	130,000	135,000
4,730	28,780	7,195	Square Yards	2035	to 35	18	26.00	187,070	748,280	266,684	187,070	197,070	207,070	217,070	227,070	237,070	247,070	257,070

Pool Elements

6,200	12,040	12,040	Square Feet	2019	8 to 12	2	3.00	36,120	36,120	205,936	36,120	38,120	40,120	42,120	44,120	46,120	48,120	50,120
6,400	340	340	Linear Feet	2036	to 35	19	45.00	15,300	15,300	24,010	15,300	16,000	16,700	17,400	18,100	18,800	19,500	20,200
6,860	5,300	5,300	Square Feet	2022	8 to 12	5	12.50	66,250	66,250	289,009	66,250	69,000	71,750	74,500	77,250	80,000	82,750	85,500
6,801	1,080	1,080	Linear Feet	2022	15 to 25	5	35.50	38,340	38,340	112,534	38,340	40,000	41,660	43,320	44,980	46,640	48,300	49,960
6,801	1,800	1,800	Square Feet	2034	to 20	17	15.00	27,000	27,000	40,408	27,000	28,000	29,000	30,000	31,000	32,000	33,000	34,000
6,870	1	1	Each	2021	to 20	4	10,000.00	10,000	10,000	28,663	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000

Anticipated Expenditures, By Year

2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	
513,754,339	364,608	398,120	608,232	548,971	233,890	302,547	472,095	291,772	1,540,516	611,057	744,028	209,254	1,140,492	730,802	548,647	17,568	40,408	27,000	27,000	28,663	28,663	28,663	28,663	28,663	28,663	28,663	28,663	28,663	28,663	28,663	28,663

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS

BellaVita at Green Tee
 Pearland, Texas
 Homeowners' Association, Inc.

Individual Reserve Budgets & Cash Flows for the Next 30 Years		Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued													
FY2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
417,746	449,603	545,334	626,953	712,327	814,953	937,193	1,064,400	1,200,000	1,346,400	1,504,400	1,674,400	1,856,400	2,050,400	2,256,400	2,474,400
Reserves at Beginning of Year (Note 1)															
31,250	327,500	327,500	327,500	335,400	343,400	351,600	360,000	368,600	377,400	386,500	395,800	405,300	415,000	425,000	435,200
Total Recommended Reserve Contributions (Note 2)															
607	2,778	3,273	3,740	4,193	4,633	5,058	5,478	5,893	6,303	6,708	7,108	7,503	7,893	8,278	8,658
Plus Estimated Interest Earned, During Year (Note 3)															
0	(234,547)	(249,154)	(265,866)	(282,621)	(299,421)	(316,264)	(333,151)	(350,082)	(367,059)	(384,092)	(401,181)	(418,326)	(435,527)	(452,784)	(470,097)
Less Anticipated Expenditures, By Year															
\$449,603	\$545,334	\$626,953	\$712,327	\$814,953	\$937,193	\$1,064,400	\$1,200,000	\$1,346,400	\$1,504,400	\$1,674,400	\$1,856,400	\$2,050,400	\$2,256,400	\$2,474,400	\$2,704,400
Anticipated Reserves at Year End															
Predicted Reserves based on 2018 funding level of: \$327,500															

Explanatory Notes:

- 1) Year 2017 starting reserves are as of September 30, 2017; FY2017 starts January 1, 2017 and ends December 31, 2017.
- 2) Reserve Contributions for 2017 are the remaining budgeted 3 months; 2018 is budgeted; 2019 is the first year of recommended contributions.
- 3) 0.6% is the estimated annual rate of return on invested reserves; 2017 is a partial year of interest earned.
- 4) Accumulated Year 2047 ending reserves consider the age, size, overall condition and complexity of the property.



4. RESERVE COMPONENT DETAIL

The Reserve Component Detail of this *Full Reserve Study* includes *Enhanced Solutions and Procedures* for select significant components. This section describes the Reserve Components, documents specific problems and condition assessments, and may include detailed solutions and procedures for necessary capital repairs and replacements for the benefit of current and future board members. We advise the Board use this information to help define the scope and procedures for repair or replacement when soliciting bids or proposals from contractors. *However, the Report in whole or part is not and should not be used as a design specification or design engineering service.*

Single Family Home Elements

Doors, Refinishing

Line Item: 1.001

Quantity: 618 doors

History: Vary in age

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The estimate of cost and timing is based on information provided by Management and the Board.

Exterior Painting

Line Item: 1.007

Quantity: 618 homes

History: Vary in age

Useful Life: Paint finish applications every nine years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The estimate of cost and timing is based on information provided by Management and the Board.

Exterior Building Elements



Clubhouse



Gate house



Annex building

Roof Assembly, Asphalt Shingles

Line Item: 1.280

Quantity: 42 squares¹ at the Annex building

History: Replaced in 2014

Condition: Good overall with no significant deterioration evident from our visual inspection from the ground. Management and the Board do not report a history of leaks.

¹ We quantify the roof area in squares where one square is equal to 100 square feet of surface area.



Asphalt shingle roof at the Annex building

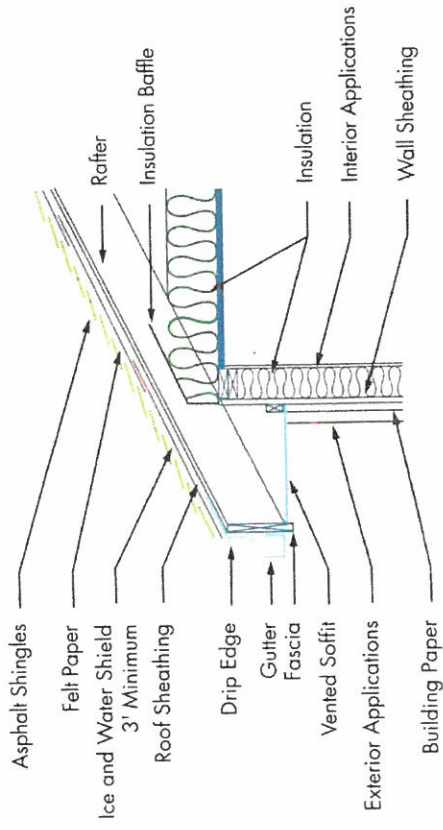
Useful Life: 15- to 20--years

Component Detail Notes: The existing roof assembly comprises the following:

- Laminate, faux tile asphalt shingles
- Boston style ridge caps
- Metal drip edge
- Enclosed half weaved valleys

The following cross-sectional schematic illustrates a typical asphalt shingle roof system although it may not reflect the actual configuration at BellaVita at Green Tee:

ROOF SCHEMATIC



© Reserve Advisors, Inc.

Contractors use one of two methods for replacement of sloped roofs, either an overlayment or a tear-off. Overlayment is the application of new shingles over an existing roof. However, there are many disadvantages to overlayment including hidden defects of the underlying roof system, absorption of more heat resulting in accelerated deterioration of the new and old shingles, and an uneven visual appearance. Therefore, we recommend only the tear-off method of replacement. The tear-off method of replacement includes removal of the existing shingles, flashings if required and underlayments.

The Association should plan to coordinate the replacement of gutters and downspouts with the roof. This will result in the most economical unit price and minimize the possibility of damage to other roof components as compared to separate replacements.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We base our cost on replacement with standard laminate Class A 240-260-pounds per square shingles. We include replacement of the gutters and downspouts with the roof. The estimate of cost is based on information provided by Management and the Board.

Roofs, Concrete Tiles

Line Item: 1.360

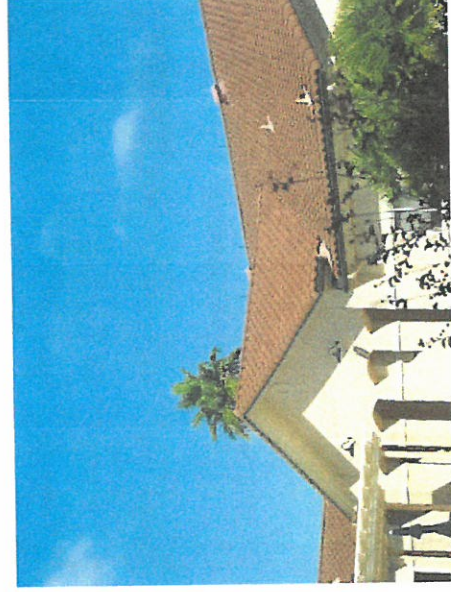
Quantity: 188 squares at the clubhouse, gate house and bell tower

History: Original

Condition: Good to fair overall. Management and the Board inform us of active leaks.



Concrete tile roof at the clubhouse



Concrete tile roof at the clubhouse

Useful Life: Up to 30 years

Component Detail Notes: A tile roof rarely fails at all points of application simultaneously. Rather, occurrences of roof leaks will increase as more concrete tiles crack, break and dislodge. This deterioration will result in increased maintenance costs such that replacement becomes the least costly long-term alternative as compared to ongoing repairs.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We include replacement of the gutters and downspouts with the roof.

Walls, EIFS

Line Item: 1.740

Quantity: Approximately 14,050 square feet of the clubhouse, Annex building, gate house, and bell tower exteriors

History: Painted in 2014

Condition: Fair overall with cracks and paint fade evident



Exterior overview



Exterior overview



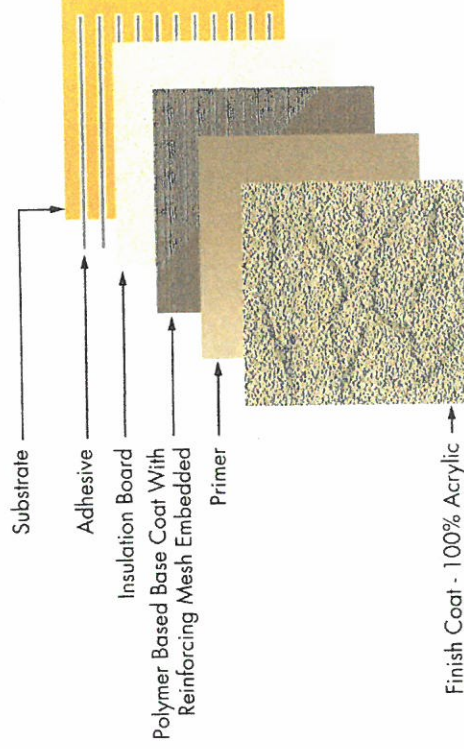
Stains

Paint fade

Useful Life: EIFS (Exterior Insulation Finish System) wall systems have indefinitely long useful lives with timely repairs and finish applications. We recommend repairs and finish applications every 8- to 10-years.

Component Detail Notes: The following graphic details the typical components of an EIFS wall panel although it may not reflect the actual configuration at BellaVita at Green Tee:

EIFS DETAIL



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Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of cost anticipates the following per event:

- Paint finish applications
- Crack repairs as needed (Each paint product has the limited ability to cover and seal cracks but we recommend repair of all cracks which exceed the ability of the paint product to bridge.)
- Replacement of one percent (1%) of the EIFS walls (The exact amount of area in need of repair will be discretionary based on the actual future conditions and the desired appearance.)
- Replacement of up to thirty-three percent (33%) of the sealants in coordination with each paint finish application.

Windows and Doors, Aluminum Frames

Line Item: 1.980

Quantity: 2,120 square feet

History: Original

Condition: Good overall



Window

Useful Life: Up to 45 years

Component Detail Notes: Construction includes the following:

- Aluminum frames
- Single pane glass

Properly designed window and door assemblies anticipate the penetration of some storm water beyond the gaskets. This infiltrated storm water collects in an internal drainage system and drains, or exits, the frames through weep holes. These weep



holes can become clogged with dirt or if a sealant is applied, resulting in trapped storm water. We recommend BellaVita at Green Tee periodically verify that weep holes are unobstructed as normal maintenance. However, as window frames, gaskets and sealants deteriorate, leaks into the interior can result. The windows and doors will eventually need replacement or major capital repairs to prevent water infiltration and damage from wind driven rain.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Interior Building Elements (Clubhouse)

Audio and Visual Equipment

Line Item: 2.007

Quantity: The Association maintains a variety of equipment, including computers, televisions, speakers, sound equipment, and lighting.

History: Vary in age

Condition: Reported satisfactory



Audio equipment

Useful Life: Up to 20 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We depict replacement in a phased manner.



Sound mixing board

Cabinets and Countertops

Line Item: 2.052

Quantity: Approximately 240 linear feet of cabinets and countertops at the kitchen, storage areas, office, gym and arts and crafts room.

History: Primarily original

Condition: Good to fair overall



Kitchen cabinets and countertops



Cabinets and countertops in the arts and crafts room

Useful Life: Up to 25 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Ceilings, Acoustical Tiles, Grid and Lighting

Line Item: 2.060

Quantity: 1,780 square feet at the ballroom

History: Original

Condition: Good overall

Useful Life: Up to 30 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Exercise Equipment

Line Items: 2.155 and 2.165

Quantity: The exercise room contains the following types of cardiovascular aerobic training equipment:

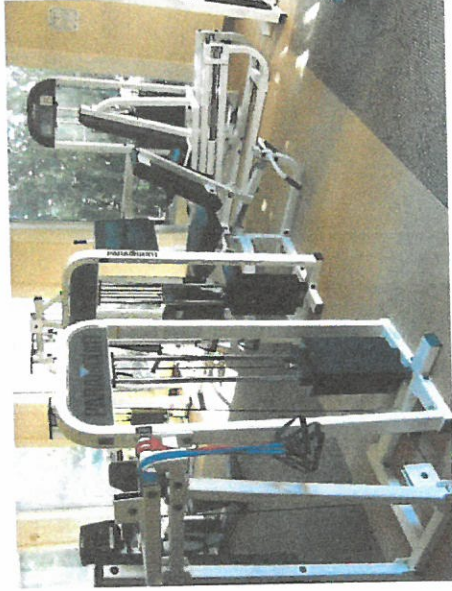
- Elliptical
- Stationary cycles
- Treadmills

The exercise room contains the following types of strength training equipment:

- Benches
- Dumbbells
- Weight stations

History: Vary in age

Conditions: Reported satisfactory



Exercise equipment

Useful Life: The useful life of cardiovascular equipment is up to five years. The useful life of strength training equipment is up to 15 years.

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Floor Coverings, Carpet

Line Items: 2.200 and 2.201

Quantity: 270 square yards at ballroom and 260 square yards at the recreation room, offices, gym and computer room (Contractor measurements will vary from the actual floor area due to standard roll lengths, patterns and installation waste.).

History: Primarily original, with the ballroom carpet being replaced in 2013

Condition: Good to fair overall



Carpet in the ballroom



Carpet in the office area

Useful Life: 8- to 12-years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Floor and Wall Coverings, Tile

Line Item: 2.240

Quantity: 430 square yards at the lobby, hallways, and rest rooms

History: Primarily original, with the hallway carpet being replaced with tile in approximately 2012

Condition: Good overall



Floor tile

Useful Life: Up to 30 years

Component Detail Notes: Replacement of tile is often based on discretionary redecorating prior to the tile reaching the end of its useful life. The Association should fund regrouting of the tiles through the operating budget if necessary

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Floor Coverings, Wood

Line Item: 2.400

Quantity: 190 square yards at the ballroom dance floor and stage

History: Original

Condition: Good overall



Wood floor

Useful Life: 18- to 25-years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Furnishings

Line Item: 2.450

History: Primarily original

Condition: Good to fair overall



Lobby furnishings



Recreation room furnishings



Office furnishings

Computer room furnishings

Useful Life: Varies significantly up to 20 years

Component Detail Notes: Furnishings in the clubhouse include:

- Benches
- Billiard table
- Bookcases
- Bureaus
- Chairs
- Décor
- Desks
- Fireplace
- Jukebox
- Piano
- Poker table
- Rugs
- Shelving
- Shuffleboard table
- Tables
- Window treatments

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We estimate the present replacement cost of these elements at approximately \$140,000. Due to varied uses, ages and useful lives, we recommend the Association budget \$35,000 plus inflation for phased replacements of up to twenty-five percent (25%) of the furnishings per event.

Light Fixtures

Line Item: 2.560

Quantity: Approximately 40 interior wall and ceiling mounted light fixtures located throughout the clubhouse. We exclude recessed can light fixtures as well as tube fluorescent fixtures from this study.

History: Original

Condition: Reported good



Light fixtures

Useful Life: Up to 30 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Paint Finishes

Line Item: 2.800

Quantity: Approximately 27,200 square feet on walls and ceilings throughout the clubhouse

History: Original

Condition: Good overall



Paint finishes



Paint finishes

Useful Life: 6- to 10-years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Rest Room Fixtures

Line Item: 2.899

Quantity: Rest room fixtures at the two rest rooms

History: Components are primarily original

Condition: Good overall



Vanity and sink

Useful Life: Up to 25 years



Component Detail Notes: Components include:

- Lockers
- Mirrors
- Partitions
- Showers
- Sinks
- Toilets
- Urinals
- Vanity

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Wall Coverings

Line Item: 2.980

Quantity: Approximately 1,400 square feet at the rest rooms (Contractor measurements will vary from the actual area due to standard roll lengths, patterns and installation waste.)

History: Original

Condition: Good overall

Useful Life: Up to 20 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Interior Building Elements (Annex)

Cabinets and Countertops

Line Item: 2.991

Quantity: Approximately 60 linear feet of cabinets and countertops at the kitchen

History: Original

Condition: Good to fair overall