



July 01, 2015

COMMUNITY ASSET EVALUATION

FOR

Miramonte

Glendale, Arizona



Adriana Van Os-Gries

From: Bryan Whittaker <bryan.arllc@gmail.com>
Sent: Monday, April 11, 2016 3:34 PM
To: Adriana Van Os-Gries
Subject: Re: Miramonte Reserve Study with changes
Attachments: 2015 Miramonte Cashflow Sheet R.pdf; 2015 Miramonte Funding Plan R.pdf; 2015 Miramonte Reserve Study R.pdf

Adriana:

There were a few things noted for change that remain the same. The date and Reserve balance did not change. The date reflects the balance at the time the report was generated and all math based on. The masonry wall, and tot turf were noted to either change or push back but they need to remain as is with the expected useful lives. Who ever wrote the notes needs to understand that this report is not exact on replacement ears and pricing, its an educated guess. When things like tot turf come in to play, and how it is maintained, comes down to best practices and replacement is the best practice. The Tot turf has already been significantly repaired and they are looking at another. The rest of the existing product will fail soon enough and will need total replacement.

Please feel free to call with questions or concerns and have a great day!

Bryan Whittaker
President
Arizona Reserve Services, LLC
480-254-7375
bryan.arllc@gmail.com

On Fri, Mar 11, 2016 at 3:47 PM, Adriana Van Os-Gries <AVanOs-Gries@wearevision.com> wrote:

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"Focusing on Your Community's Future"

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-----Original Message-----
From: office



Thank you for choosing Arizona Reserve Services, LLC for your community's needs. We strive to be the very best while being competitive in today's market. Our experience comes from building and maintaining almost every aspect of a community. With Over 19 years of experience, we believe we are the best choice to meet your community's needs.

The contents of this document are based on all visual assets of your community Association and any special inclusions your appointed representative(s) have requested. The use of Geotechnical, Engineering, Licensed/ Bonded Contractors, and Surveying services were not used for the development of this report or to determine any liability or responsibility of defect/ damage, thus Arizona reserve Services, LLC will not be responsible for any findings as a result of these services being applied.

The process used for the development of this document are based on actual current costs of materials and labor provided by local contractors, vendors, and professional services that are licensed to conduct operations in the State of Arizona. That combined with reviewing the past trends of material cost fluctuations, inflation, and consumer price index allow us to provide future costs to allow Your Community to prepare for its long term needs. The current site conditions are based on our own experiences of community development, homebuilding and landscaping of over 20 years, working for small private and large publically traded companies with great success. We currently recommend you update your reserve study on an annual basis as the present market is being impacted by rising petroleum costs combined with unstable business conditions.

This report was developed for the Miramonte Homeowner's Association and shall not be distributed to any outside party, other than its intended user, without the explicit written consent of Arizona Reserve Services, LLC.

Thank you again for choosing Arizona Reserve Services, LLC and we would greatly appreciate any input or recommendations you may have in our effort to provide better Service.

Respectfully,

Bryan Whittaker

President

Arizona Reserve Services, LLC

bryan@arsllc.biz



MIRAMONTE

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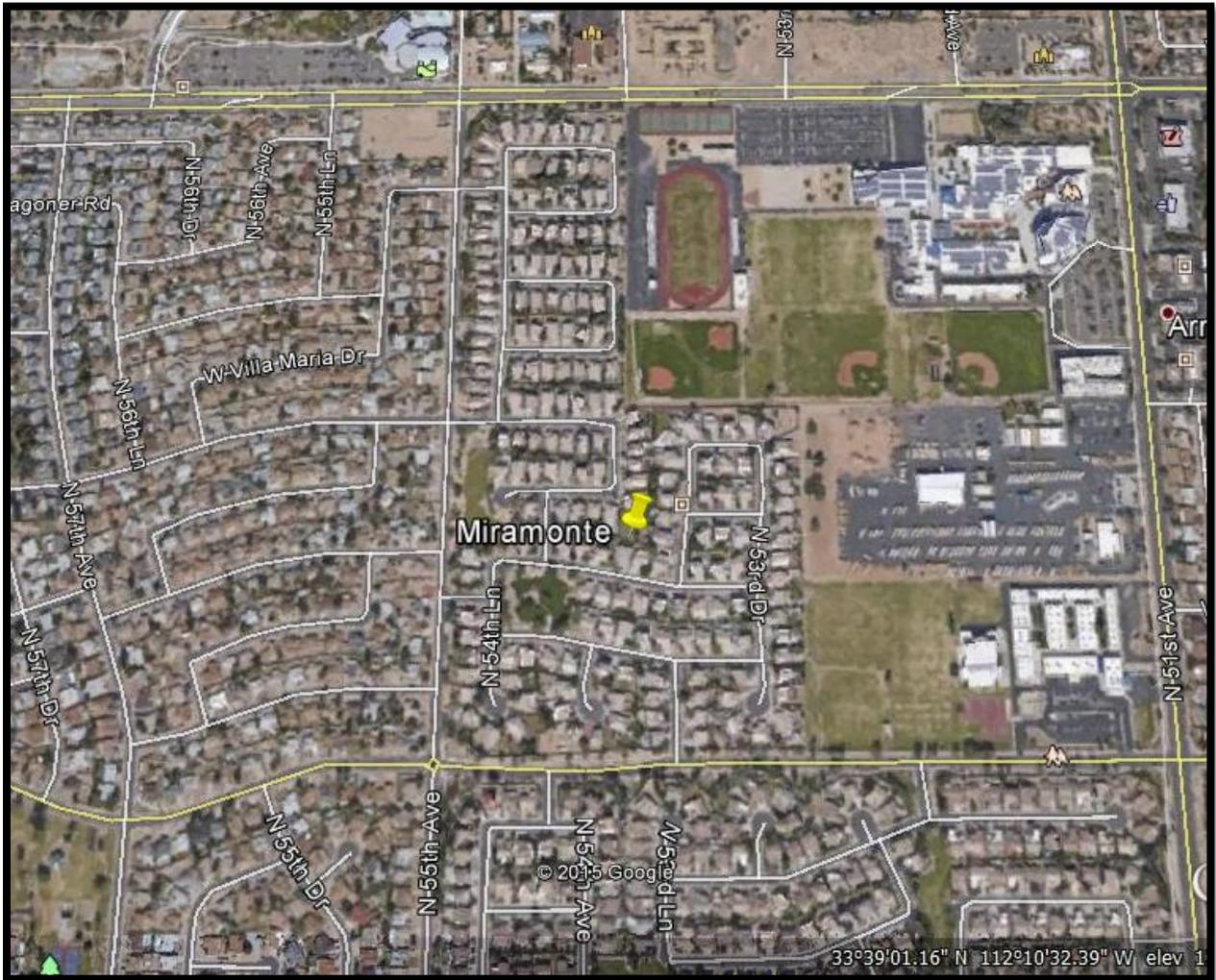
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MIRAMONTE

SITE MAP





INTRODUCTION AND OVERVIEW

This Reserve Study/ Update was prepared by Arizona Reserve Services, LLC at the direction of the Board of directors of The Miramonte Homeowner’s Association. This Reserve Study provides financial guidance and recommendations on condition, repair, and replacement of assets owned by the Association. All recommendations, assumptions and values are based on local municipal standard, manufacturer’s recommendations, local material providers, local/ reputable contractors and vendors and other subject matter experts. Additionally provided in this Reserve Study may be recommendations for maintenance practice based on use and elemental conditions specific to your community. Maintenance of assets should be performed per industry standards and manufacturer’s recommendations and should also be in the current maintenance plan and budget. These facets of maintenance will not be included in the Reserve and may consist of, but not limited to, monthly contracted maintenance, minor repairs of less than \$500.00 and does not fund for significant weather events and or acts of criminal or reckless behaviors. There will be a contingency line item included in the report that will provide a non-allocated fund reserve for each year that should assist in some of these instances. As you read this Reserve Analysis, you will notice the term “useful life” which refers to the anticipated life expectancy of each component. The value or time frame given to the “useful life” is not a guarantee that the component will last that long as there are many contributing factors that may lengthen or shorten the components “useful life”. This term is a guideline only and should be considered as such.

This Reserve Study is based on, but not limited to, documentation or information provided by your Association and/ or its authorized agent, a site investigation, contractor pricing and various private and municipal online services.

It is assumed the community improvements were completed in 1995 based on the date the Final Plat was recorded. There were no technical services such as Survey, Geotechnical Engineering, Civil Engineering or Architectural services used in building this report. The benefit of a Reserve Study is the association’s ability to plan long term for financial needs and set appropriate assessments early on in an effort to maintain the value of the community and avoid special assessments. It is recommended that the reserve study be updated on an annual basis as a result of the fluctuating market and to keep the association in a state of financial readiness.

ABOUT THE COMMUNITY

The Miramonte is a 201 unit community located in Glendale, Arizona. The community is amenitized with mature landscape, open green belt for multiple use and a play structure.



EXECUTIVE SUMMARY

Report Date: July 01, 2015

Prepared By: Bryan Whittaker

Date projected: 2015 -2044

Prepared For: Miramonte HOA

Management Company and Point of Contact: Vision Community Management , Adriana Van Os-Gries

| | | | |
|----------------------------------|--------------|--|--------------------|
| Estimated Inflation Rate: | <u>3%</u> | Number of Units | <u>201</u> |
| Net MMA Interest Rate: | <u>1.13%</u> | Contribution per unit / per month | <u>\$4.70</u> |
| Contingency Rate: | <u>5.%</u> | Annual Contribution Increases | <u>na</u> |
| Fully Funded Annual%: | <u>100%+</u> | Community Contribution/ Month Starting 2015 | <u>\$945.00</u> |
| Fully Funded 30 year% | <u>26.2%</u> | Community /Year Starting 2015 | <u>\$11,340.00</u> |
| | | Date Components put in Service | <u>1995</u> |
| | | Current Reserve Balance | <u>\$73,780.64</u> |

Estimated Inflation Rate: We have used 3% in this report as a result of the current market condition.

Recommended Minimum Contribution and increase per unit / per year: This is based on the cost of repairs and inflation combined with the community needs over the next 30 years. All funding plans are based on 100% funded.

Notes

The community is in good financial condition. The most assets of the community are in good condition as well, some needing maintenance or replacement soon but are at or exceeding their useful lives. The only deficiencies we could find was a couple of blocks missing on the top course adjacent to the school ball field on 54th street. That combined with 2 erosion areas by the park sum up the deficiencies.

The Tot Turf appeared to be repaired but more cracks and separation are occurring. This asset has a 10 year useful life and needs to be replaced. The benches and picnic tables are losing their coating and will need replacement as well. The only asset we didn't fund for was the monument entry signs. They should last the life of the community and we did add some cleaning and sealing in the report to ensure the longevity of this asset.



FUNDING FOR CAPITAL ASSETS

Your Community receives assessments from all of its members to fund the operations of your Homeowner's Association and to provide adequate reserve savings to repair and replace your assets as necessary. It is critical to maintain the community's assets, and repair and replace as necessary to protect the interest of the community and maintain property values and marketability of the homes in the community.

NOTE: Any increase to assessments or implementation of Special Assessments must be conducted as described in your community's governing documents.

It may be necessary to increase the assessments collected, per your governing documents, to keep up with the rising costs of professional services such as Landscape Maintenance, Pool Maintenance, etc. This also applies to repair and/ or replacement of your assets during, or at the end of, their useful lives. Material costs continue to rise along with increases in the cost of doing business and the current rates of inflation. We recommend that this option be discussed and assessed on an annual basis in an effort to make sure the need does not exceed the Association's ability to raise assessments.

The Board of Directors for Your Community may want to propose another option of funding to the members of the association, a Special Assessment. A Special Assessment is an assessment that is not typically collected unless there are circumstances that demand attention in which the association cannot fund based on the current reserve funds available. This is typically a onetime contribution and is for a specific purpose. Most governing documents require a voting process to take place of all members.

It is recommended that your Association budget for investments such as CD's or government Bonds for long term financial planning and use interest earning accounts for reserves and other accounts that hold association monies.



OPERATING EXPENSES FOR THE COMMUNITY ASSOCIATION

Your Community has an operating account, which is funded from assessments, for the operation of its ongoing expected costs. These costs are typically budgeted for, on an annual basis creating the Annual Budget, and are a tool used and approved by the Board of Directors and maintained by your community Association's Management Company. This budget covers expected expenses that are supposed to meet Your Community needs and some examples are listed below and are not accounted for in the reserve study;

1. **Utilities – Water, Electricity, Phone, Cable TV, Natural Gas** for the use of landscape, pools or water features, clubhouse kitchen and bath facilities, entry gates, lighting, irrigation controllers, or any other common use for utilities that is the responsibility of the HOA. This may include water or sewer for individual units as well.
2. **Contracted Services**- Landscape Maintenance, Pool Maintenance, Play structure Maintenance and Cleaning, Pest Control, Security, street sweeping, Electrical Gate services, Fire Services, maid/ cleaning services, backflow testing, and any other service specific to your community's needs that are contracted and are an expected reasonable cost. Typically this is defined by frequency of occurrence.
3. **Professional Services**- Insurance, Taxes, Legal Services, Banking services, reserve studies, Administrative services and supplies, and accounting services are all examples of expected professional service costs.
4. **Minor maintenance repairs** – Your annual budget should have some provisions for minor expected maintenance repairs to the assets your association is responsible for. A few examples are sprinkler heads and valves, tree stakes, pool chemicals, pre-emergent and post emergent, supplies for restroom facilities and clubhouses, etc.

There may be some things in your community that are not included in the annual operating budget or in the reserve study because they are not an actual asset of the association. Some examples are **publicly maintained** streets, curb and concrete sidewalks, streetlights, water meters, and fire hydrants.



RESERVE EXPENSES FOR THE COMMUNITY ASSOCIATION

These expenses are major and must be quantified and prepared far in advance to ensure the funds will be available when needed. These expenses are not frequent in comparison to the operating budget and are based on the projected life expectancy of the asset or the condition of the asset and its need for repair or replacement.

HOW TO USE THE ASSET DESCRIPTION EVALUATION AND CASHFLOW

This next portion of the report is the description and evaluation of each significant asset in your community that would require future savings for maintenance and repair. This section will detail the quantity of units, current cost of assets and the cost to maintain or replace as needed for the 30 year projection including the forecasted annual increases. This portion works together with the 30 Year Financial Projection Cash Flow portion and the Maintenance Summary Schedule.

30 YEAR FINANCIAL PROJECTION CASH FLOW

This part of the document shows you how much Your Community will spend on maintenance or replacement of each component listed, each time throughout the 30 year projection. At the end of each row, you will find a total for all monies to be spent on each asset. At the end of each column, you will see how much money is to be spent each year and the last column will be the 30 year total of needed dollars.

FUNDING PLAN (S)

Funding plan(s) are guide lines of how your community can fund for future repair or replacement of your assets at the end of their useful life. Typically the funding plans will be built to allow the association to make the necessary increases without the need of a special assessment or a majority vote. Some communities have restricted ability of increases due to the requirements of the governing documents. Please consult and adhere your governing documents when proposing increases.

In the funding plan(s) you will find in the first column the unit per month contribution. This is simply how much money each unit is to contribute out of their monthly assessment each month. The following columns will be unit per year, community per month and community per year.

After that, the next column will be the starting balance on January 1 of each year with the exception of the year the report is written. The reports will start with the month of the provided financial statement that initiates the Reserve Study.

The interest earned, interest plus balance and reserve expenses columns are fairly self-explanatory and are separated for each year.



The roll to next year column is the amount of funds planned to be in your reserve account on December 31 of each year, after all contributions have been collected and all repairs/ replacements have been made.

The percent funded column can be a little confusing as we are using simple math to define the funding. When building the funding plan(s) we back track from the year you will need the most money at 100% funding to ensure you build your funds appropriately and as gentle as possible. You will see the remaining years may be much more than 100% funded as your reserve account balance is being leveraged against the yearly expenses, not the 30 year expenses. For example, 2017 may show funding at 900% but year 2034 will be at 100%. The funds will build over years but will be spent in your most expensive year of the 30 year plan.

DESCRIPTION AND EVALUATION OF ASSETS

The unit pricing for the components in this Reserve Study/ Update are based on actual cost provided by local Contractors and Vendors that service the Maricopa County/ Pinal County Area. In some cases, online resources are used for electrical and pool equipment. The unit costs are based on an average of high and low bids providing the ability to choose vendors and contractors that are reputable in quality and service. All quantities are based on a site inspection of visible and accessible assets unless plans are available for takeoff purposes.

As you read this portion of the analysis, you will notice the term “expected useful life”. The expected useful life of any asset may be determined by the manufacturer or an industry standard of acceptance. This may also be adjusted based on the expectations of the Members of the Homeowner’s Association, by the actual use or improper use of the asset, exposure to the elements, how it was engineered and constructed, and most importantly how it is maintained. It is more cost efficient to maintain and make small repairs frequently than it is to replace.

We recommend that your community Association hire a third party to inspect your assets at a minimum of one time per year to ensure that maintenance is being conducted to avoid significant costs when they might have been avoided. This is a service we can provide for Your Community at a value.

| Asset #101 | Dry Wells | Quantity | 3 |
|------------------------|------------------|---------------------------------|------------|
| Constructed | Assumed 1995 | Current Cost to Maintain | \$3,000.00 |
| Useful Life | Maintenance only | Cost to maintain 2020 | \$3,478.00 |
| Years Remaining | 5 years | Cost to maintain 2025 | \$4,032.00 |
| Replacement | NA | Cost to maintain 2030 | \$4,674.00 |
| | | Cost to maintain 2035 | \$5,418.00 |
| | | Cost to maintain 2040 | \$6,281.00 |

The Maxwell Single Chamber system that are in your community should last the life of your community and not need replacement. It was designed and installed by Torrent Resources, 602-268-0785. Torrent Resources is currently offering free inspections, Per Neva Andrada at Torrent Resources. It is recommended that the drywells be inspected annually and cleaned/ repaired as needed. The maintenance funding provided is estimated at a need of \$3,000.00 every 5 years starting in 2020. To allow the association enough time to fund the maintenance



| Asset #103A | Tot Lot | Quantity | 1 |
|------------------------|----------------|--------------------------------|-------------|
| Constructed | Assumed 2012 | Current Cost to replace | \$30,500.00 |
| Useful Life | 20 years | Cost to Replace 2032 | \$50,412.00 |
| Years Remaining | 15 years | | |
| Replacement | 2030 | | |

These components are to be completely replaced at the end of their useful lives which has been estimated to be 25 years based on current visible condition. The cost is cheaper to remove and replace the entire structure in lieu of replacing individual components and leaving the concreted posts due to individual product mark up and excessive labor costs. The components life expectancy will depend on proper use, maintenance, exposure to the elements, and vandalism. We recommend that these components are inspected at a minimum annual occurrence and repairs made as needed. All plastic components are warranted for 10 years with most tot lot manufacturers. We recommend this/ these component(s) be inspected and repaired as needed but at a minimum annual occurrence. The pricing was based using Playworld Systems Components of similar event features as we could not get the actual part number information.

1 - 6 component Playworld Systems Playmaker series 5-12 year old Tot Lot @ \$30,500.00





| Asset #111 | Tot Turf | Quantity | 220 SQ FT |
|------------------------|-----------------|-------------------------------|------------------|
| Constructed | Unknown | Current Cost to Repair | \$5,500.00 |
| Useful Life | 10 + 1 years | Cost to Repair 2016 | \$5,665.00 |
| Years Remaining | 1 years | Cost to Repair 2026 | \$7,613.00 |
| Unit Cost | \$25.00 / sq ft | Cost to Repair 2036 | \$10,232.00 |

We have given the tot turf surface a useful life of 10 years based on current use and exposure. This component will typically need to be removed and replaced between 5 and 10 years. The unit cost includes all removal and preparation fees along with new tot turf surfacing.

Approximately 220 square feet at \$25.00 each = **\$5,500.00**





| | | | |
|------------------------|---------------|--------------------------------|------------|
| Asset # 113A | Bench | Quantity | 2 |
| Constructed | 2005 | Current Cost to replace | \$1,800.00 |
| Useful Life | 15 years | Cost to Replace 2020 | \$2,087.00 |
| Years Remaining | 5 year | Cost to Replace 2035 | \$3,521.00 |
| Replacement | 2020 and 2035 | | |

We have provided funding for all park equipment based on Wabash Valley products as the exact product information was not visible on the benches. We have included shipping, removal and disposal of existing unit and replacement.

2 Wabash Valley Product 8' Diamond Benches @ \$900.00 each = **\$1,800.00**





| Asset # 113B | Trash Receptacle | Quantity | 1 |
|------------------------|-------------------------|--------------------------------|-----------|
| Constructed | Assumed 2005 | Current Cost to replace | \$850.00 |
| Useful Life | 15 years | Cost to Replace 2020 | \$985.00 |
| Years Remaining | 5 years | Cost to Replace 2035 | \$1581.00 |
| Replacement | 2020 and 2034 | | |

We have provided funding for all park equipment based on Wabash Valley products as the exact product information was not visible on the picnic tables. We have included shipping, removal and disposal of existing unit and replacement.

WABASH VALLEY Product, 32 gal Trash Receptacles@ **\$850.00**





| | | | |
|------------------------|---------------------|--------------------------------|------------|
| Asset # 113C | Picnic Table | Quantity | 2 |
| Constructed | Assumed 2005 | Current Cost to replace | \$2,800.00 |
| Useful Life | 15 years | Cost to Replace 2016 | \$3,246.00 |
| Years Remaining | 5 years | Cost to Replace 2036 | \$5,057.00 |
| Replacement | 2020 and 2035 | | |

We have provided funding for all park equipment based on Wabash Valley products as the exact product information was not visible on the picnic tables. We have included shipping, removal and disposal of existing unit and replacement.

2 Wabash Valley Signature Series 8' Portable Picnic Tables with benches, ADA accessible @ \$1,400.00 each= **\$2,800.00**





| | | | |
|------------------------|------------------|--------------------------------|----------|
| Asset # 113D | BBQ Grill | Quantity | 1 |
| Constructed | 2005 | Current Cost to replace | \$450.00 |
| Useful Life | 20 years | Cost to Replace 2025 | \$605.00 |
| Years Remaining | 10 years | | |
| Replacement | 2025 | | |

1 DUMOR Inc. # 21 BBQ Grills. We have assessed the useful life of this component to be Total price for removal and replacement is **\$450.00**



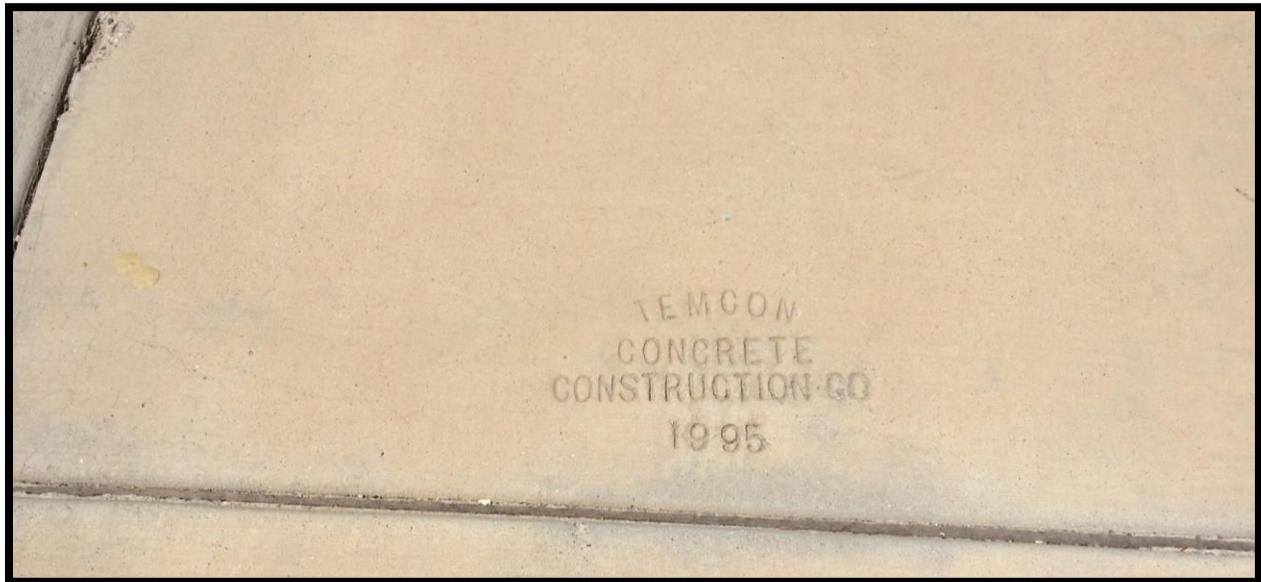


| Asset #118 | Concrete Components | Quantity | See Below |
|------------------------|------------------------------|---------------------------------|-------------------|
| Constructed | Assumed 1995 | Current Cost to Maintain | <u>\$1,232.00</u> |
| Useful Life | 15 year maintenance schedule | Cost to Maintain 2025 | <u>\$1,656.00</u> |
| Years Remaining | 10 years | Cost to Maintain 2040 | <u>\$2,580.00</u> |
| Maintain | 2025 and 2040 | | |

The sidewalks and concrete slabs are in great condition. As this product has a useful life that should last the life of the community, the dollars reflected in the reserve study are typically for maintenance and upkeep every **15 years** (at **10%** of the full replacement cost) starting in year 30 or 25. It should be expected that any safety hazards be repaired immediately. We strongly recommend that an inspection of this asset be performed by a professional no less than one time per year. This is a service we offer and will provide for you with a detailed report, photos of the necessary repairs, and proposals for the replacement or repair. We recommend that a minimum of 410 square feet of concrete be removed and replaced at any one time as the concrete material providers charge a 5 cubic yard minimum delivery charge to the contractors. 410 square feet at 4" depth is 5 cubic yards, thus maximizing the use of your funds. This is for the assets owned by the HOA.

Approximately 1,760 square feet of concrete @ \$7.00 each = **\$12,320.00**

at 3% = **\$1,232.00**





| | | | |
|------------------------|-------------------------------|--------------------------------|------------|
| Asset #119 | Irrigation Controllers | Quantity | 2 |
| Constructed | Assumed 2013 | Current Cost to replace | \$1,400.00 |
| Useful Life | 12 years | Cost to Replace 2025 | \$1,881.00 |
| Years Remaining | 10 years | Cost to Replace 2037 | \$2,683.00 |
| Replacement | 2025 and 2037 | | |

These components appear to be in good condition and have a useful life ranging from 8 to 15 years depending on use and exposure. We have estimated the useful life of these components to be 12 years.

2 - 16 Station Irritrol Raindial Controllers@ \$700.00 each =**\$1,400.00**

There are three additional controller boxes that have been terminated and replaced with battery operated valves as there was only one valve per controller. By maintaining the current system the controllers do not have to be replaced and the power service does not need to be reconnected.

This Price includes removal, replacement, valve ID and reprogramming.

This component controls the electric landscape valves.





| Asset #120 | Backflow Preventers | Quantity | 5 |
|------------------------|----------------------------|--------------------------------|-------------|
| Constructed | Assumed 1995 | Current Cost to replace | \$6,250.00 |
| Useful Life | 20 +1 years | Cost to Replace 2016 | \$6,438.00 |
| Years Remaining | 1 years | Cost to Replace 2036 | \$11,627.00 |
| Replacement | 2016 and 2036 | | |

This component separates the potable drinking water from the landscape water preventing backflow of stagnant water that carries harmful bacteria in to the city water. These components have a useful life of 20 years before needing replacement. We are not sure when this component was last replaced but we are assuming they have been replaced at least one time since the community has been in service.

3 – 1” Febco 825YA backflow device removed and replaced with Cage @ \$900.00 each = **\$2,700.00**

1 – 1 ½” Febco 825YA backflow device removed and replaced with Cage @ **\$1,500.00**

1 – 2” Febco 825YA backflow device removed and replaced with Cage @ **\$2,050.00**

Total = \$6,250.00



| Asset #123 | Granite Replenishment | Quantity | 100 Tons |
|--------------------------|------------------------------|---------------------------------|-----------------|
| Constructed | NA | Current Cost to Maintain | \$6,000.00 |
| Useful Life | 5 years | Cost to Maintain 2015 | \$6,000.00 |
| Years Remaining | 0 years | Cost to Maintain 2020 | \$6,956.00 |
| Current Unit Cost | \$60.00 per ton | Cost to Maintain 2025 | \$8,063.00 |
| | | Cost to Maintain 2030 | \$9,348.00 |
| | | Cost to Maintain 2035 | \$10,837.00 |
| | | Cost to Maintain 2040 | \$12,563.00 |

We recommend replenishing 30 tons landscape granite every 5 years based on the size of the community. The granite should be regularly maintained by the landscape maintenance contractor and any replenishment should be performed prior to the scheduled pre-emergent treatment to avoid duplicate efforts and cost. We have provided funding to start in 2014.

100 tons X \$60.00 = **\$6,000.00**





| Asset #123B | Sand Replenishment | Quantity | 20 Tons |
|--------------------------|---------------------------|---------------------------------|----------------|
| Constructed | 2012 | Current Cost to Maintain | \$900.00 |
| Useful Life | 6 years | Cost to Maintain 2018 | \$983.00 |
| Years Remaining | 3 years | Cost to Maintain 2024 | \$1,174.00 |
| Current Unit Cost | \$45.00 per ton | Cost to Maintain 2030 | \$1,402.00 |
| | | Cost to Maintain 2036 | \$1,674.00 |
| | | Cost to Maintain 2042 | \$1,999.00 |

We recommend washed play sand, replenishing 20 tons every 6 years. This product is located at the play structure and swings should be maintained as part of the landscape maintenance. Removal of debris and raking is recommended at a minimum one time per month occurrence.

20 tons X \$45.00 = **\$900.00**





| Asset #125 | Masonry Wall | Quantity | See Below |
|------------------------|---------------------|-------------------------------|------------------|
| Constructed | Assumed 1995 | Current Cost to Repair | \$16,125.00 |
| Useful Life | NA | Cost to Repair 2025 | \$21,671.00 |
| Years Remaining | 10 years | Cost to Repair 2035 | \$29,124.00 |
| Repairs | 2025 and 2035 | | |

The masonry walls in this community are made of 8”X4”X16” and 8”X 6” X16” block which is not structurally designed to bare any load or retain moisture. These types of walls will start to fail early on of they are not maintained and painted as needed. Keeping landscape moisture away from these walls is critical to their longevity. We have provided a budget for repair based on 5% of total replacement cost every 10 years starting in year 30 or 2025.

Approximately 5,358 linear feet of 6’ wall removed, replaced at \$60.20 each = **\$322,551.60**

At 5% = **\$16,125.00**



| Asset #128 | Paint Metal Components | Quantity | (See Below) |
|---------------------------|------------------------------------|------------------------------|--------------------|
| Last Painted | Unknown | Current cost to paint | \$900.00 |
| Useful Life | 5 years (Best practice, as needed) | Cost to paint 2017 | \$955.00 |
| Years Remaining | 2 year | Cost to paint 2022 | \$1,107.00 |
| Current Unit Price | NA | Cost to paint 2027 | \$1,283.00 |
| | | Cost to paint 2032 | \$1,488.00 |
| | | Cost to paint 2037 | \$1,724.00 |
| | | Cost to paint 2042 | \$1,999.00 |

The metal components in the community are in good but in need of painting. We have started funding for this in 2014 in an effort to try and offset expenses over the 30 year projection. The painting of these component are based on electrostatic painting (Recommended) and includes removal of rust and primer coat for the rusted areas. We are recommending that this component be painted every 5 years in an effort to extend the useful life of the components. We recommend all metal components be inspected annually and paint to be maintained as needed to ensure the longevity.

1 BBQ Grill cleaned and painted at **\$100.00**

2 Monument signs cleaned and sealed @ \$400.00 each = **\$800.00**

Total = \$900.00





PROFESSIONAL SERVICES/ CONTRACTOR/ VENDOR LIST

The professionals, contractors and vendors listed below are reputable professionals and contributed to the development of this report by providing current material and labor costs for their specific fields of expertise(with the exception of professional services.) These professionals are being listed for your convenience and in an effort to provide you actual costs of the repair and replacement of your assets. This is a free service to the Miramonte HOA as part of the reserve study and there are no compensations provided to Arizona reserve Services, LLC by any of the services listed in this directory.

PROFESSIONAL SERVICES

Civil Engineering:

M2 Group Inc.....Jose Montoya.....480-539-7497

Financial/ Investments:

Wachovia Securities.....Thomas Griffin.....1-800-833-3405

Geotechnical Services:

Construction Inspection Testing (CIT).....480-446-9876

Geotechnologies Inc (GTI).....Dr. Peter Fleming.....480-922-2899

Legal:

Carpenter Hazlewood.....Ritchie Lipson.....480-991-6949

The Law Firm of John Chaix.....John Chaix.....602-235-9399

Survey:

EPS Group Inc.....Brandyn Jones.....480-503-2250

M2 Group Inc.....Jose Montoya.....480-539-7497

ASSOCIATION CONSULTANT EXPERTS AND GENERAL CONTRACTORS

John Wayne Construction.....David Dillon.....480-346-1270

CONTRACTORS AND SERVICE PROVIDERS



Arborists:

All Year Round tree Care..... Larry Brown.....602-647-4747
 AAA Landscape.....Jackie Hales602-437-2690
 Caretaker Inc.....Todd Schneider.....480-545-9755

Asphalt/ Slurry Seal:

MR Tanner.....Kevin Day.....480-633-8500
 American Asphalt.....Alex Gutierrez.....602-558-2381
 Cholla Pavement Maintenance Inc.....Chance Cherry.....480-893-1044

Automated Gate Services:

Signature Gates.....Kori Malave.....602-695-6031
 Park Pro.....Trace Beatty.....602-254-0770
 Signal Gates.....602-997-6891

Backflow Testing and Repair:

Backflow Prevention Device.....Scott Brueckner.....602-788-5411

Brick Pavers:

Arizona State Masonry.....Shannon Dean.....-480-678-2125

Concrete:

HW Johnson, LLC.....Paul Chapman602-447-8055
 Temcon Concrete.....Bobby Bernal Sr.....480-893-1789

Dry Well Maintenance, Repair, and Replacement:

Torrent Resources.....Neva Andrade.....602-268-0785

Handy Man Services:



Chris Rackley.....480-275-9187
 Caretaker Inc.....Todd Schneider.....480-545-9755
 New Look Restoration.....Bill Sykes.....602-697-6200

Landscape Construction;

Caretaker.....Todd Schneider.....602-545-9755
 AAA Landscape.....Cheryl Walter.....602-437-2690
 Gothic Landscape.....Brent Kline.....602-470-1711

Landscape Maintenance;

Gothic Grounds Management.....Michael Scheidt.....602-305-3690
 AAA Landscape.....Jackie Hales602-437-2690
 Caretaker Inc.....Todd Schneider.....480-545-9755
 Blue Marble Landscape.....Dennis Lynch.....480-251-0401

Lighting/ Electrical;

Brooks Brothers Electric.....Keef Brooks.....602-266-9499
 DKC Electric.....Tom Mandarino.....480745-6061
 Cissell Electric.....Mark Cissell.....602-614-9466

Masonry;

Arizona State Masonry.....Shannon Dean.....-480-678-2125

Painting;

Kommerical Painting Services.....Richard Bircher.....602-616-0107
 Wall Masters.....Dave McCarthy.....480-577-4604



Pest Control;

Bircher Exterminating Services.....Richard Bircher.....602-616-0107

Play Structure, Tot Lots, Recreational Amenities Installation and Replacement;

Desert Jewel & Associates.....Shanna Liles.....1-800-456-7903

Recreation Design Concepts.....Jeffery Johnson.....480-890-8393

Landscape Structures.....Kevin.....763-370-7264

Dave Bang and Associates.....480-892-2266

Play Structure, Tot Lots, Recreational Amenities Maintenance, Cleaning, and Repair;

Tot Lot Services, Inc.....Richard Bircher.....602-616-0107

Pool, Spa, and Water Feature Maintenance;

Doctor Pool.....Tim Kempton.....480-343-5308

Pool installation and Design;

California Pools.....Paul Tipton.....480-345-0005

Recreational Amenities- Basketball/ Tennis Courts

Arizona Master Court.....480-990-4152

Roofing;

Sprayfoam Southwest.....Robert Timmons.....480-752-8550

Security;

Tin Star Protection.....Landon Rankin.....480-234-0550

Sewer Services;

The Pipeline Company.....Don Young.....602-768-3027

Southwest Pipeline.....Stanton White.....602-309-3544

Pipeline Video and Hydro Vac.....602-237-0292

Stamped Asphalt;



Creative Paving Solutions.....Hadar Rahav.....480-941-2766

Windows, New Install and Replacement:

Panoramic Windows.....Brian Dietsch.....602-363-3419

Wrought Iron;

Cactus Ornamental Iron.....Andy Alvis.....480-834-0774

Crossroads Fence, LLC.....Bill Wallis.....480-239-9745

Granite Material Providers

Kalamazoo Materials.....Mike Price.....520-631-8268

Irrigation Material Suppliers

Sprinkler World of Mesa.....Kelly Cox.....480-892-5001

Sign Manufacturers and Installers

City Signs.....Todd Verley.....480-982-6696

FUNDING PLAN
MAINTAIN CURRENT FUNDING THROUGH 2044

| Year | Unit/ Month Contribution | Unit/ Year Contribution | Comm/ Month Contribution | Comm/ Year Contribution | 1 | 0.0113 | 1 | Reserve Expenses | Roll to Next Year | Percent Funded |
|------|--------------------------|-------------------------|--------------------------|-------------------------|-----------------|------------------|-----------------------|-------------------|-------------------|----------------|
| | | | | | Reserve Balance | Interest Earned | Interest Plus Balance | | | |
| 2015 | 4.70 | 56.40 | 944.70 | 5,668.20 | 73,780.64 | | 73,780.64 | 6,282.00 | 73,166.84 | 1174% |
| 2016 | 4.70 | 56.40 | 944.70 | 11,336.40 | 84,503.24 | 826.79 | 85,531.03 | 12,393.46 | 73,137.57 | 690% |
| 2017 | 4.70 | 56.40 | 944.70 | 11,336.40 | 84,473.97 | 826.45 | 85,501.42 | 1,254.17 | 84,247.25 | 6817% |
| 2018 | 4.70 | 56.40 | 944.70 | 11,336.40 | 95,583.65 | 951.99 | 96,736.64 | 1,291.15 | 95,445.49 | 7492% |
| 2019 | 4.70 | 56.40 | 944.70 | 11,336.40 | 106,781.89 | 1,078.53 | 108,061.42 | 317.39 | 107,744.03 | 34047% |
| 2020 | 4.70 | 56.40 | 944.70 | 11,336.40 | 119,080.43 | 1,217.51 | 120,498.94 | 17,078.92 | 103,420.02 | 706% |
| 2021 | 4.70 | 56.40 | 944.70 | 11,336.40 | 114,756.42 | 1,168.65 | 115,925.07 | 336.72 | 115,588.35 | 34427% |
| 2022 | 4.70 | 56.40 | 944.70 | 11,336.40 | 126,924.75 | 1,306.15 | 128,230.90 | 1,453.82 | 126,777.07 | 8820% |
| 2023 | 4.70 | 56.40 | 944.70 | 11,336.40 | 138,113.47 | 1,432.58 | 139,546.05 | 357.23 | 139,188.82 | 39063% |
| 2024 | 4.70 | 56.40 | 944.70 | 11,336.40 | 150,525.22 | 1,572.83 | 152,098.06 | 1,541.95 | 150,556.11 | 9864% |
| 2025 | 4.70 | 56.40 | 944.70 | 11,336.40 | 161,892.51 | 1,701.28 | 163,593.79 | 38,286.98 | 125,306.81 | 427% |
| 2026 | 4.70 | 56.40 | 944.70 | 11,336.40 | 136,643.21 | 1,415.97 | 138,059.18 | 8,003.35 | 130,055.82 | 1725% |
| 2027 | 4.70 | 56.40 | 944.70 | 11,336.40 | 141,392.22 | 1,469.63 | 142,861.85 | 1,685.06 | 141,176.79 | 8478% |
| 2028 | 4.70 | 56.40 | 944.70 | 11,336.40 | 152,513.19 | 1,595.30 | 154,108.49 | 414.13 | 153,694.36 | 37213% |
| 2029 | 4.70 | 56.40 | 944.70 | 11,336.40 | 165,030.76 | 1,736.75 | 166,767.51 | 426.55 | 166,340.96 | 39097% |
| 2030 | 4.70 | 56.40 | 944.70 | 11,336.40 | 177,677.36 | 1,879.65 | 179,557.01 | 15,863.35 | 163,693.66 | 1132% |
| 2031 | 4.70 | 56.40 | 944.70 | 11,336.40 | 175,030.06 | 1,849.74 | 176,879.80 | 452.53 | 176,427.27 | 39087% |
| 2032 | 4.70 | 56.40 | 944.70 | 11,336.40 | 187,763.67 | 1,993.63 | 189,757.30 | 52,366.10 | 137,391.20 | 362% |
| 2033 | 4.70 | 56.40 | 944.70 | 11,336.40 | 148,727.60 | 1,552.52 | 150,280.12 | 480.09 | 149,800.03 | 31303% |
| 2034 | 4.70 | 56.40 | 944.70 | 11,336.40 | 161,136.43 | 1,692.74 | 162,829.17 | 494.49 | 162,334.68 | 32929% |
| 2035 | 4.70 | 56.40 | 944.70 | 11,336.40 | 173,671.08 | 1,834.38 | 175,505.47 | 55,777.32 | 119,728.14 | 315% |
| 2036 | 4.70 | 56.40 | 944.70 | 11,336.40 | 131,064.54 | 1,352.93 | 132,417.47 | 24,057.60 | 108,359.87 | 550% |
| 2037 | 4.70 | 56.40 | 944.70 | 11,336.40 | 119,696.27 | 1,224.47 | 120,920.73 | 4,947.34 | 115,973.39 | 2444% |
| 2038 | 4.70 | 56.40 | 944.70 | 11,336.40 | 127,309.79 | 1,310.50 | 128,620.29 | 556.55 | 128,063.74 | 23110% |
| 2039 | 4.70 | 56.40 | 944.70 | 11,336.40 | 139,400.14 | 1,447.12 | 140,847.26 | 573.25 | 140,274.01 | 24570% |
| 2040 | 4.70 | 56.40 | 944.70 | 11,336.40 | 151,610.41 | 1,585.10 | 153,195.51 | 22,014.45 | 131,181.07 | 696% |
| 2041 | 4.70 | 56.40 | 944.70 | 11,336.40 | 142,517.47 | 1,482.35 | 143,999.81 | 608.16 | 143,391.65 | 23678% |
| 2042 | 4.70 | 56.40 | 944.70 | 11,336.40 | 154,728.05 | 1,620.33 | 156,348.38 | 4,624.40 | 151,723.97 | 3381% |
| 2043 | 4.70 | 56.40 | 944.70 | 11,336.40 | 163,060.37 | 1,714.48 | 164,774.86 | 3,848.20 | 160,926.66 | 4282% |
| 2044 | 4.70 | 56.40 | 944.70 | 11,336.40 | 172,263.06 | 1,818.47 | 174,081.53 | 3,727.55 | 170,353.98 | 4670% |
| | | Units | 201 | 334,423.80 | | 42,658.81 | | 281,514.27 | | |

