

Solterra Patio Homes HOA, Inc.

S. Indiana St. and Juniper Dr.
Lakewood, CO 80228

Association Budget 2013

Date Revised: November 21, 2012

2013 Monthly Assessment of:	\$70.00
2012 Assessments:	\$70
Percentage Increase	0%

APPROVED: December 13, 2012

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Solterra Patio Homes HOA, Inc.
2013 Cash Balance
January through December 2013

	<u>Jan 13</u>	<u>Feb 13</u>	<u>Mar 13</u>	<u>Apr 13</u>	<u>May 13</u>	<u>Jun 13</u>	<u>Jul 13</u>	<u>Aug 13</u>	<u>Sep 13</u>	<u>Oct 13</u>	<u>Nov 13</u>	<u>Dec 13</u>
Operating												
Beginning of Month Cash Balance	3,894	5,026	6,051	7,629	7,299	6,259	5,124	5,156	5,182	4,924	3,568	6,394
Monthly Net Income (Loss)	1,132	1,025	1,578	(331)	(1,040)	(1,135)	32	26	(258)	(1,356)	2,826	2,823
End of Month Cash Balance (see note)	<u>5,026</u>	<u>6,051</u>	<u>7,629</u>	<u>7,299</u>	<u>6,259</u>	<u>5,124</u>	<u>5,156</u>	<u>5,182</u>	<u>4,924</u>	<u>3,568</u>	<u>6,394</u>	<u>9,216</u>
Reserve												
Beginning of Month Cash Balance	938	992	1,049	1,106	1,168	1,232	1,301	1,375	1,453	1,535	1,619	1,705
Monthly Net Income (Loss)	54	57	57	62	65	69	74	78	83	84	86	89
End of Month Cash Balance (see note)	<u>992</u>	<u>1,049</u>	<u>1,106</u>	<u>1,168</u>	<u>1,232</u>	<u>1,301</u>	<u>1,375</u>	<u>1,453</u>	<u>1,535</u>	<u>1,619</u>	<u>1,705</u>	<u>1,793</u>

2013 Forecast Based on Monthly Assessment of: \$70.00
2012 Assessments: \$70
Percentage Increase 0%

Notes:
1. Projections of cash balances based on net income assume revenues and expenses in a given month approximate total collections from homeowners and on time payments to vendors.

Solterra Patio Homes HOA, Inc.
2013 Budget Overview
January through December 2013

	<u>Jan 13</u>	<u>Feb 13</u>	<u>Mar 13</u>	<u>Apr 13</u>	<u>May 13</u>	<u>Jun 13</u>	<u>Jul 13</u>	<u>Aug 13</u>	<u>Sep 13</u>	<u>Oct 13</u>	<u>Nov 13</u>	<u>Dec 13</u>	<u>TOTAL</u> <u>Jan - Dec 13</u>
Number of Homes	36	38	38	41	43	46	49	52	55	56	57	59	
Ordinary Income/Expense													
Income													
4000 · Assessments - Homeowners	2,520	2,660	2,660	2,870	3,010	3,220	3,430	3,640	3,850	3,920	3,990	4,130	39,900
4050 · Working Capital	280		420	280	420	420	420	420	140	140	280	140	3,360
Total Income	<u>2,800</u>	<u>2,660</u>	<u>3,080</u>	<u>3,150</u>	<u>3,430</u>	<u>3,640</u>	<u>3,850</u>	<u>4,060</u>	<u>3,990</u>	<u>4,060</u>	<u>4,270</u>	<u>4,270</u>	<u>43,260</u>
Expense													
5100 · Grounds Improvements					1,000	1,000							2,000
5120 · Grounds Maintenance				2,581	2,717	2,853	3,057	3,261	3,465	3,601			21,535
5140 · Grounds Repair Sprinklers				60	60	60	60	60	60	60			420
5180 · Snow Removal	810	810	810							850	850	850	4,980
5260 · Back Flow Testing		140											140
6020 · Administrative	198	22	29	22	22	22	22	29	34	34	22	22	478
6040 · Audit Tax				150									150
6120 · Insurance	119	119	119	119	119	284	119	119	119				1,236
6180 · Legal Fees										300			300
6280 · Postage and Delivery	4	4	4	4	4	4	4	4	4	4	4	4	48
6300 · Property Management	475	475	475	475	475	475	475	475	475	475	475	475	5,700
6390 · Bank Fees	8	8	8	8	8	8	8	8	8	8	8	8	96
6420 · Transfer to Reserve	54	57	57	62	65	69	74	78	83	84	86	89	855
Total Expense	<u>1,668</u>	<u>1,635</u>	<u>1,502</u>	<u>3,481</u>	<u>4,470</u>	<u>4,775</u>	<u>3,819</u>	<u>4,034</u>	<u>4,248</u>	<u>5,416</u>	<u>1,445</u>	<u>1,448</u>	<u>37,938</u>
Net Ordinary Income	<u>1,132</u>	<u>1,025</u>	<u>1,578</u>	<u>-331</u>	<u>-1,040</u>	<u>-1,135</u>	<u>32</u>	<u>26</u>	<u>-258</u>	<u>-1,356</u>	<u>2,826</u>	<u>2,823</u>	<u>5,322</u>
Other Income/Expense													
Other Income													
8000 · Transfer from Operating	54	57	57	62	65	69	74	78	83	84	86	89	855
Total Other Income	<u>54</u>	<u>57</u>	<u>57</u>	<u>62</u>	<u>65</u>	<u>69</u>	<u>74</u>	<u>78</u>	<u>83</u>	<u>84</u>	<u>86</u>	<u>89</u>	<u>855</u>
Net Other Income	<u>54</u>	<u>57</u>	<u>57</u>	<u>62</u>	<u>65</u>	<u>69</u>	<u>74</u>	<u>78</u>	<u>83</u>	<u>84</u>	<u>86</u>	<u>89</u>	<u>855</u>
Net Income	<u>1,186</u>	<u>1,082</u>	<u>1,635</u>	<u>-269</u>	<u>-975</u>	<u>-1,066</u>	<u>105</u>	<u>104</u>	<u>-175</u>	<u>-1,272</u>	<u>2,911</u>	<u>2,911</u>	<u>6,177</u>

Solterra Patio Homes HOA, Inc.

Date Revised: November 21, 2012

Notes for Association Budget

5100 - Grounds Improvements	Landscape plant material repair and improvement.
5120 - Grounds Maintenance	Grounds maintenance is based on landscape contract bidding process. Keesen was the successful bidder for 2013. Contract cost increase in July is due to landscape maintenance on additional building.
5140 - Grounds Repair Sprinklers	Sprinkler repair.
5180 - Snow Removal	Verdi Services was the successful bidder for 2013.
6020 - Administrative	Association costs associated with providing payment coupons, office supplies and copies.
6040 - Audit Tax	Annual tax return preparation.
6120 - Insurance	Annual Property and Casualty, Umbrella, Directors and Officers and Fidelity insurance required by the Governing Documents. Contract is bid to AA or higher rated carriers as required by the Governing Documents. 2013 Property and Casualty insurance carries a 2% wind and hail deductible. Please see attached "Association Property and Casualty Insurance" letter for further detail.
6180 - Legal Fees	Cost for Association legal support.
6280 - Postage and Delivery	
6300 - Property Management	HOA Management provided by Stillwater Community Management.
6390 - Bank Fees	Bank fees are for providing ACH services to the HOA.
6420 - Transfer to Reserve	Monthly transfer to the reserve account as detailed in attached "Twenty Year Reserve Plan."

Solterra Patio Homes HOA, Inc.

S. Indiana St. and Juniper Dr.
Lakewood, CO 80228

Twenty Year Reserve Plan

Study Base Year: 2007
Revised and Reviewed: November 12, 2012

APPROVED: December 13, 2012

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Solterra Patio Homes HOA, Inc.

Revised and Reviewed: November 12, 2012

PLAN REVISION NOTES 2013

This is a reserve plan designed to project long term costs associated with fixed assets under the responsibility of the HOA. The goal of the plan is to identify timing of long-term costs and save accordingly. It is important the reserve plan is reviewed and revised annually as part of the annual HOA budget process. Below is a description and associated details of revisions to the reserve plan for the current year.

- 1 The unit closure forecasts available for the prior reserve plan revision in October 2011 were conservative and reflected the flat forecasts of the housing market in general. The 2011 reserve plan forecasted community build-out to occur in 2015. Home sales have accelerated mid 2012 and closings are forecasted to increase at a faster rate than previously predicted. 70 additional homes have been added to the Solterra Patio Homes HOA in 2012 and the Reserve Plan has been adjusted accordingly.
- 2 A portion of the reserve item for unit landscape repair and replace have been moved to yearly operations budget. A yearly operating expense item of \$3,000 has been budgeted to provided for landscape repair and replace.

Solterra Patio Homes HOA, Inc.

Twenty Year Reserve Plan - Exhibit A

Provided by: Stillwater Community Management, LLC

Revised and Reviewed: November 12, 2012

Study Type: Full, With-Site-Visit/Off Site Review

Component	Base		Cycle		1	2	3	4	5	6	7	8	9
	Cost	Year	Ter m	Start	2013	2014	2015	2016	2017	2018	2019	2020	2021
Major Landscape Replace	\$ 7,555.00	2010	6	2011					7,555				
Total Scheduled Expenditures					-	-	-	-	7,555	-	-	-	-
Carryover of previous Year					938	1,821	3,046	4,721	6,937	1,978	4,571	7,165	9,761
Forecast Interest Earned					1	1	2	2	3	1	2	3	4
Added to Reserves					882	1,224	1,674	2,214	2,592	2,592	2,592	2,592	2,592
End of Year Reserve Balance					1,821	3,046	4,721	6,937	1,978	4,571	7,165	9,761	12,357
Number of Units					49	68	93	123	144	144	144	144	144
Monthly Unit Contribution					1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Estimated Rate of Inflation					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Estimated Rate of Interest					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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Solterra Patio Homes HOA, Inc.

Twenty Year Reserve Plan - Exhibit A

Provided by: Stillwater Community Management, LLC

Revised and Reviewed: November 12, 2012

Study Type: Full, With-Site-Visit/Off Site Review

Component	Base		Cycle		10	11	12	13	14	15	16	17	18
	Cost	Year	Ter m	Start	2022	2023	2024	2025	2026	2027	2028	2029	2030
Major Landscape Replace	\$ 7,555.00	2010	6	2011		7,555						7,555	
Total Scheduled Expenditures					-	7,555	-	-	-	-	-	7,555	-
Carryover of previous Year					12,357	14,955	9,998	12,595	15,192	17,791	20,390	22,991	18,038
Forecast Interest Earned					5	7	5	6	7	8	9	10	8
Added to Reserves					2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592
End of Year Reserve Balance					14,955	9,998	12,595	15,192	17,791	20,390	22,991	18,038	20,638
Number of Units					144	144	144	144	144	144	144	144	144
Monthly Unit Contribution					1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Estimated Rate of Inflation					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Estimated Rate of Interest					0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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Solterra Patio Homes HOA, Inc.

Twenty Year Reserve Plan - Exhibit A

Provided by: Stillwater Community Management, LLC

Revised and Reviewed: November 12, 2012

Study Type: Full, With-Site-Visit/Off Site Review

Component	Base		Cycle		19	20	Next Pmt	20-Yr Balance	Next Pmt
	Cost	Year	Ter m	Start	2031	2032			
Major Landscape Replace	\$ 7,555.00	2010	6	2011			2035	3,778	7,555
Total Scheduled Expenditures					-	-			
Carryover of previous Year					20,638	23,238			
Forecast Interest Earned					9	10			
Added to Reserves					2,592	2,592			
End of Year Reserve Balance					23,238	25,840			
Number of Units					144	144	144		
Monthly Unit Contribution					1.50	1.50	1.50		
Estimated Rate of Inflation					0.0%	0.0%	0.0%		
Estimated Rate of Interest					0.0%	0.0%	0.0%		

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Solterra Patio Homes HOA, Inc.

Revised and Reviewed: November 12, 2012

RESERVE PLAN NOTES

This is a reserve plan designed to catalog long term costs associated with fixed assets under the responsibility of the HOA. The goal of the plan is to identify timing of long-term costs and save accordingly. Base costs are estimates derived from installation cost and current price quotes from manufacturers of same or similar products. Timing of costs are derived from manufactures operations and maintenance documentation and commonly used industry specific values. This is not an engineering study but a "Common Sense" plan to match savings to long-term expenditures.

- | | | |
|----------|--|--------------------|
| 1 | Landscape Improvements/Replace | |
| | Cost to replace and improve landscape material every 6 years | \$ 7,555.00 |