

FULL RESERVE STUDY

Meadows at Morris Farm Community Association



Gainesville, Virginia

June 19, 2015



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1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Meadows at Morris Farm Community Association (Meadows)

Location: Gainesville, Virginia

Reference: 120055

Property Basics: Meadows at Morris Farm Community Association is a planned unit development which is responsible for the common elements shared by 660 units. The community was built from 2002 to 2004. The development contains a clubhouse, pool and asphalt pavement walking paths and streets.

Reserve Components Identified: 32 Reserve Components.

Inspection Date: June 19, 2015.

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 recognizes these threshold funding years in 2024 and 2044 due to repaving of the asphalt pavement streets.

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
- 1.2% annual rate of return on invested reserves
- 3.3% 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: \$615,419 as of March 31, 2015. A potential deficit in reserves might occur by 2023 based upon continuation of the most recent annual reserve contribution of \$86,100 and the identified Reserve Expenditures.

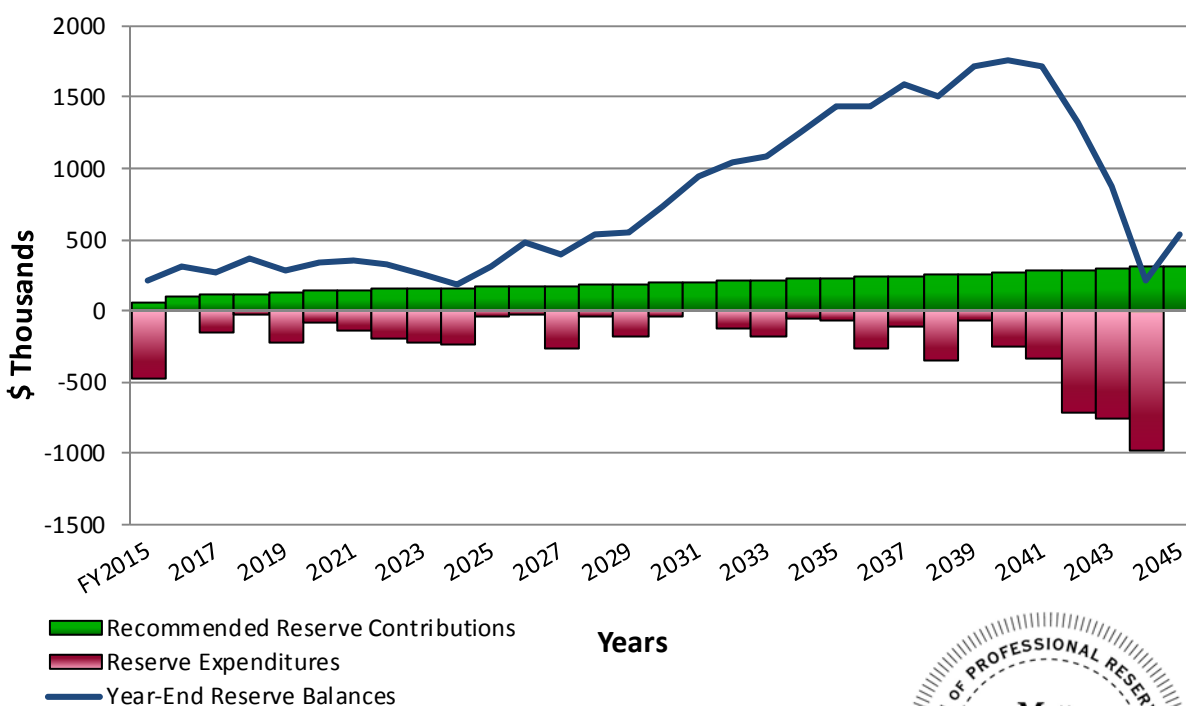
Recommended Reserve Funding: The Association budgeted \$86,100 for Reserve Contributions in 2015. We recommend the Association budget annual phased increases in Reserve Contributions of \$11,000 from 2016 through 2020. Afterwards, the Association should budget gradual annual increases in reserve funding, that in part consider the effects of inflation through 2045, the limit of this study's Cash Flow Analysis. The initial adjustment in Reserve Contributions of \$11,000 represents about a two percent (1.5%) adjustment in the 2015 total Operating Budget of \$744,377. This initial adjustment of \$11,000 is equivalent to an average monthly increase of \$1.39 per homeowner.

Certification: This *Full Reserve Study* exceeds the Community Associations Institute (CAI) and the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a "Level I Full Reserve Study."

Meadows

Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2016	97,100	308,873	2026	171,500	474,356	2036	237,200	1,433,303
2017	108,100	272,617	2027	177,200	388,902	2037	245,000	1,582,273
2018	119,100	364,051	2028	183,000	538,516	2038	253,100	1,505,794
2019	130,100	276,260	2029	189,000	556,247	2039	261,500	1,714,569
2020	141,100	340,252	2030	195,200	725,853	2040	270,100	1,760,412
2021	145,800	358,017	2031	201,600	937,373	2041	279,000	1,720,917
2022	150,600	321,163	2032	208,300	1,037,074	2042	288,200	1,315,852
2023	155,600	260,343	2033	215,200	1,080,068	2043	297,700	874,921
2024	160,700	189,910	2034	222,300	1,255,143	2044	307,500	208,061
2025	166,000	317,429	2035	229,600	1,438,221	2045	317,600	530,063



Respectfully submitted on July 28, 2015 by
RESERVE ADVISORS, INC.



Alan M. Ebert, PRA¹, RS², Associate Director of Quality Assurance
Reviewed by: Matthew P. Ksionzyk, PRA, RS, Associate Director of Quality Assurance
Visual Inspection and Report by: Mike S. Bentley, PRA, RS



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.

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

Meadows at Morris Farm Community Association

Gainesville, Virginia

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, June 19, 2015.

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
- **Condition Assessment** - Describes the reserve components, describes our recommendations for repairs or replacement, and includes detailed solutions and procedures for replacements for the benefit of current and future board members
- **Photographs** - Documentation of Condition of various property elements
- **Methodology** - Lists the national standards, methods and procedures used, financial information relied upon for the Financial Analysis of 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

Meadows at Morris Farm Community Association is a planned unit development which is responsible for the common elements shared by 660 units. The community was built from 2002 to 2004. The development contains a clubhouse, pool and asphalt pavement walking paths and streets. We identify 32 major reserve components that are likely to require capital repair or replacement during the next 30 years.

Our investigation includes Reserve Components or property elements as set forth in your Declaration. 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. 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:

- Meadows responsibility
- Limited useful life expectancies
- Predictable remaining useful life expectancies
- Replacement cost above a minimum threshold

Long-Lived Property Elements do not have predictable Remaining Useful Lives. 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
- Pipes, Interior Building, Water and Sewer, Common
- Pool Structure and Deck
- Structural Frames

The operating budget provides money for the repair and replacement of certain Reserve Components. Operating Budget Funded Repairs and Replacements relate to:

- General Maintenance to the Common Elements
- Expenditures less than \$6,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Irrigation Systems, Controllers and Interim Head Replacements
- Landscape
- Light Fixtures, Exterior
- Paint Finishes, Touch Up
- 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 unit:

- Homes and Lots
- Pipes, Subsurface Utilities, Laterals

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

- Catch Basins (Prince William County)
- Concrete Aprons (Virginia Department of Transportation)

- Earth Dam (Prince William County)
- Lift Station (Prince William County)
- Pipes, Subsurface Utilities, Mains (Prince William County)
- Retention and Detention Basins (Prince William County)
- Sidewalks at Streets (Virginia Department of Transportation)
- Streets, Except in Townhomes (Virginia Department of Transportation)

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
- 2015 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

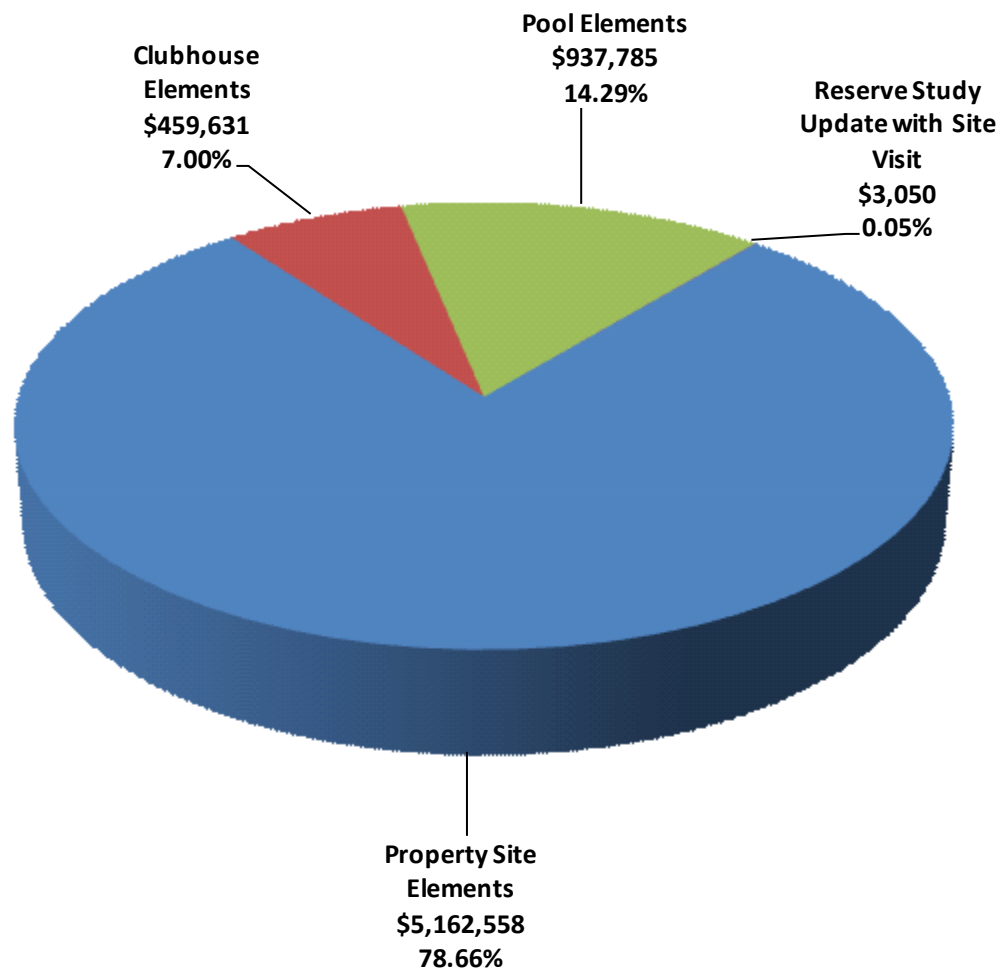
Reserve Funding Plan

- 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***.

The following chart illustrates the relative importance of the categories noted in **Reserve Expenditures** and relative funding during the next 30 years.

Meadows
Future Expenditures Relative Cost Illustration



RESERVE EXPENDITURES

Meadows at Morris Farm
Community Association
Gainesville, Virginia

Explanatory Notes:

- 1) 3.3% is the estimated future Inflation Rate for estimating Future Replacement Costs.
2) FY2015 is Fiscal Year beginning January 1, 2015 and ending December 31, 2015.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$				RUL = 0 FY2015	1 2016	2 2017	3 2018	4 2019	5 2020	6 2021	7 2022	8 2023	9 2024	10 2025	11 2026	12 2027	13 2028	14 2029	15 2030
						Useful	Remaining	Unit (2015)	Per Phase (2015)	Total (2015)	30-Year Total (Inflated)																
Property Site Elements																											
4.020	28,010	28,010	Square Yards	Asphalt Pavement, Crack Repair, Patch and Partial Seal Coat	2017	3 to 5	2	1.60	44,816	44,816	283,363			47,823										66,166			
4.040	23,820	7,940	Square Yards	Asphalt Pavement, Mill and Overlay, Phased	2022	15 to 20	7 to 9	16.50	131,010	393,030	509,778							164,440	169,866	175,472							
4.045	23,820	7,940	Square Yards	Asphalt Pavement, Total Replacement, Phased	2042	15 to 20	27 to 29	32.00	254,080	762,240	1,892,576																
4.080	4,190	4,190	Square Yards	Asphalt Pavement, Total Replacement, Walking Paths	2019	10 to 15	4	18.50	77,515	77,515	227,322				88,265												
4.108	4,200	210	Square Feet	Concrete Aprons, Townhomes, Partial	2018	to 65	3 to 30+	8.50	1,785	35,700	18,403			1,968					2,314					2,722			
4.110	4,900	325	Linear Feet	Concrete Curbs and Gutters, Partial	2022	to 65	7 to 30+	32.50	10,563	159,250	119,778							13,258	13,695	14,147							
4.119	19	19	Each	Concrete Driveways, Townhomes, Near Term	2015	to 65	0	25,000.00	475,000	475,000	475,000	475,000															
4.120	115,900	2,900	Square Feet	Concrete Driveways, Townhomes, Partial	2028	to 65	13 to 30+	6.00	17,400	695,400	137,655													26,537			
4.140	14,900	745	Square Feet	Concrete Sidewalks, Partial	2018	to 65	3 to 30+	8.50	6,333	126,650	65,289				6,980				8,211					9,658			
4.200	730	730	Linear Feet	Fences, Aluminum, Retaining Walls	2036	to 35	21	39.00	28,470	28,470	56,298																
4.285	300	300	Linear Feet	Fences, Wood, Rail, Entrances	2021	15 to 20	6	22.00	6,600	6,600	22,880							8,019									
4.287	1,960	1,960	Linear Feet	Fences, Wood, Split-Rail, Dam	2021	15 to 20	6	20.00	39,200	39,200	135,897							47,631									
4.420	1	1	Allowance	Irrigation System	2041	to 40	26	66,000.00	66,000	66,000	153,516																
4.500	660	660	Units	Landscape, Partial Replacements	2019	to 5	4	50.00	33,000	33,000	351,460				37,576				44,199					51,990			
4.560	40	40	Each	Light Poles and Fixtures	2027	to 25	12	2,300.00	92,000	92,000	135,829												135,829				
4.600	4	4	Each	Mailbox Stations	2023	to 25	8	1,600.00	6,400	6,400	24,707								8,298								
4.660	3	3	Each	Playground Equipment	2021	15 to 20	6	21,000.00	63,000	63,000	218,406							76,550									
4.745	3,110	3,110	Square Feet	Retaining Walls, Masonry	2036	to 35	21	33.00	102,630	102,630	202,946																
4.833	1	1	Allowance	Site Furniture	2020	to 20	5	40,000.00	40,000	40,000	131,455						47,050										
Clubhouse Elements																											
5.450	1	1	Each	HVAC Equipment, Split System	2019	12 to 18	4	6,500.00	6,500	6,500	19,844				7,401												
5.500	1	1	Allowance	Interior Renovation, Complete	2019	to 25	4	65,000.00	65,000	65,000	240,671				74,014												
5.600	40	40	Squares	Roofs, Metal (Incl. Gutters and Downspouts)	2038	to 35	23	800.00	32,000	32,000	67,524																
5.711	6,900	6,900	Square Feet	Walls, Masonry, Inspection and Repairs (Incl. Retaining Walls)	2020	15 to 20	5	2.20	15,180	15,180	49,888						17,856										
5.727	2,800	2,800	Square Feet	Walls, Vinyl Siding	2038	to 40	23	7.40	20,720	20,720	43,722																
5.800	300	300	Square Feet	Windows and Doors	2038	to 40	23	60.00	18,000	18,000	37,982																
Pool Elements																											
6.200	12,015	12,015	Square Feet	Concrete Deck, Inspections, Partial Replacements and Repairs (Incl. Pavers)	2018	8 to 12	3	1.70	20,426	20,426	104,833				22,515											33,241	
6.300	5,770	5,770	Square Feet	Cover, Vinyl	2019	6 to 8	4	2.20	12,694	12,694	89,002				14,454									18,741			
6.400	580	580	Linear Feet	Fences, Aluminum	2027	to 25	12	36.00	20,880	20,880	30,827													30,827			
6.500	4	1	Allowance	Furniture, Phased	2017	to 15	2	13,500.00	13,500	54,000	232,141			14,406		15,879			17,504		19,295			21,269			
6.600	3	1	Allowance	Mechanical Equipment, Phased	2017	to 15	2	11,000.00	11,000	33,000	109,788			11,738				13,807						16,240			
6.800	5,770	5,770	Square Feet	Plaster Finish (Incl. Tile Repairs)	2017	8 to 12	2	11.50	66,355	66,355	329,687			70,807											104,539		
6.917	6	6	Each	Trellises, Wood (Incl. at Walking Path)	2025	15 to 25	10	5,000.00	30,000	30,000	41,507									41,507							
		1	Allowance	Reserve Study Update with Site Visit	2017	2	2	3,050.00	3,050	3,050	3,050			3,050													
Anticipated Expenditures, By Year											\$6,563,024	475,000	0	147,824	31,463	221,710	80,785	132,200	191,505	219,888	233,818	41,507	19,295	267,803	38,917	177,798	33,241

RESERVE EXPENDITURES

Meadows at Morris Farm
Community Association
Gainesville, Virginia

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$						16 2031	17 2032	18 2033	19 2034	20 2035	21 2036	22 2037	23 2038	24 2039	25 2040	26 2041	27 2042	28 2043	29 2044	30 2045	
						Useful	Remaining	Unit (2015)	Per Phase (2015)	Total (2015)	30-Year Total (Inflated)																		
Property Site Elements																													
4.020	28,010	28,010	Square Yards	Asphalt Pavement, Crack Repair, Patch and Partial Seal Coat	2017	3 to 5	2	1.60	44,816	44,816	283,363		77,828					91,546											
4.040	23,820	7,940	Square Yards	Asphalt Pavement, Mill and Overlay, Phased	2022	15 to 20	7 to 9	16.50	131,010	393,030	509,778																		
4.045	23,820	7,940	Square Yards	Asphalt Pavement, Total Replacement, Phased	2042	15 to 20	27 to 29	32.00	254,080	762,240	1,892,576													610,491	630,637	651,448			
4.080	4,190	4,190	Square Yards	Asphalt Pavement, Total Replacement, Walking Paths	2019	10 to 15	4	18.50	77,515	77,515	227,322			139,057															
4.108	4,200	210	Square Feet	Concrete Aprons, Townhomes, Partial	2018	to 65	3 to 30+	8.50	1,785	35,700	18,403			3,202				3,767								4,430			
4.110	4,900	325	Linear Feet	Concrete Curbs and Gutters, Partial	2022	to 65	7 to 30+	32.50	10,563	159,250	119,778													25,379	26,217	27,082			
4.119	19	19	Each	Concrete Driveways, Townhomes, Near Term	2015	to 65	0	25,000.00	475,000	475,000	475,000																		
4.120	115,900	2,900	Square Feet	Concrete Driveways, Townhomes, Partial	2028	to 65	13 to 30+	6.00	17,400	695,400	137,655				31,214			36,716								43,188			
4.140	14,900	745	Square Feet	Concrete Sidewalks, Partial	2018	to 65	3 to 30+	8.50	6,333	126,650	65,289				11,360			13,362								15,718			
4.200	730	730	Linear Feet	Fences, Aluminum, Retaining Walls	2036	to 35	21	39.00	28,470	28,470	56,298						56,298												
4.285	300	300	Linear Feet	Fences, Wood, Rail, Entrances	2021	15 to 20	6	22.00	6,600	6,600	22,880															14,861			
4.287	1,960	1,960	Linear Feet	Fences, Wood, Split-Rail, Dam	2021	15 to 20	6	20.00	39,200	39,200	135,897															88,266			
4.420	1	1	Allowance	Irrigation System	2041	to 40	26	66,000.00	66,000	66,000	153,516															153,516			
4.500	660	660	Units	Landscape, Partial Replacements	2019	to 5	4	50.00	33,000	33,000	351,460				61,153				71,932							84,610			
4.560	40	40	Each	Light Poles and Fixtures	2027	to 25	12	2,300.00	92,000	92,000	135,829																		
4.600	4	4	Each	Mailbox Stations	2023	to 25	8	1,600.00	6,400	6,400	24,707															16,409			
4.660	3	3	Each	Playground Equipment	2021	15 to 20	6	21,000.00	63,000	63,000	218,406															141,856			
4.745	3,110	3,110	Square Feet	Retaining Walls, Masonry	2036	to 35	21	33.00	102,630	102,630	202,946						202,946												
4.833	1	1	Allowance	Site Furniture	2020	to 20	5	40,000.00	40,000	40,000	131,455							84,405											
Clubhouse Elements																													
5.450	1	1	Each	HVAC Equipment, Split System	2019	12 to 18	4	6,500.00	6,500	6,500	19,844					12,443													
5.500	1	1	Allowance	Interior Renovation, Complete	2019	to 25	4	65,000.00	65,000	65,000	240,671															166,657			
5.600	40	40	Squares	Roofs, Metal (Incl. Gutters and Downspouts)	2038	to 35	23	800.00	32,000	32,000	67,524							67,524											
5.711	6,900	6,900	Square Feet	Walls, Masonry, Inspection and Repairs (Incl. Retaining Walls)	2020	15 to 20	5	2.20	15,180	15,180	49,888								32,032										
5.727	2,800	2,800	Square Feet	Walls, Vinyl Siding	2038	to 40	23	7.40	20,720	20,720	43,722								43,722										
5.800	300	300	Square Feet	Windows and Doors	2038	to 40	23	60.00	18,000	18,000	37,982								37,982										
Pool Elements																													
6.200	12,015	12,015	Square Feet	Concrete Deck, Inspections, Partial Replacements and Repairs (Incl. Pavers)	2018	8 to 12	3	1.70	20,426	20,426	104,833														49,077				
6.300	5,770	5,770	Square Feet	Cover, Vinyl	2019	6 to 8	4	2.20	12,694	12,694	89,002					24,300									31,507				
6.400	580	580	Linear Feet	Fences, Aluminum	2027	to 25	12	36.00	20,880	20,880	30,827																		
6.500	4	1	Allowance	Furniture, Phased	2017	to 15	2	13,500.00	13,500	54,000	232,141		23,444			25,843		28,487						31,401		34,613			
6.600	3	1	Allowance	Mechanical Equipment, Phased	2017	to 15	2	11,000.00	11,000	33,000	109,788		19,103				22,470								26,430				
6.800	5,770	5,770	Square Feet	Plaster Finish (Incl. Tile Repairs)	2017	8 to 12	2	11.50	66,355	66,355	329,687														154,341				
6.917	6	6	Each	Trellises, Wood (Incl. at Walking Path)	2025	15 to 25	10	5,000.00	30,000	30,000	41,507																		
		1	Allowance	Reserve Study Update with Site Visit	2017	2	2	3,050.00	3,050	3,050	3,050																		
Anticipated Expenditures, By Year											\$6,563,024	0	120,375	184,833	61,153	62,586	259,244	114,016	347,997	71,932	244,983	339,258	711,377	751,697	980,819	0			

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS Meadows at Morris Farm Community Association		Individual Reserve Budgets & Cash Flows for the Next 30 Years															
Gainesville, Virginia		FY2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Reserves at Beginning of Year (Note 1)		615,419	208,686	308,873	272,617	364,051	276,260	340,252	358,017	321,163	260,343	189,910	317,429	474,356	388,902	538,516	556,247
Total Recommended Reserve Contributions (Note 2)		64,575	97,100	108,100	119,100	130,100	141,100	145,800	150,600	155,600	160,700	166,000	171,500	177,200	183,000	189,000	195,200
Plus	Estimated Interest Earned, During Year (Note 3)	3,692	3,087	3,468	3,797	3,819	3,677	4,165	4,051	3,468	2,685	3,026	4,722	5,149	5,531	6,529	7,647
Less	Anticipated Expenditures, By Year	(475,000)	0	(147,824)	(31,463)	(221,710)	(80,785)	(132,200)	(191,505)	(219,888)	(233,818)	(41,507)	(19,295)	(267,803)	(38,917)	(177,798)	(33,241)
Anticipated Reserves at Year End		<u>\$208,686</u>	<u>\$308,873</u>	<u>\$272,617</u>	<u>\$364,051</u>	<u>\$276,260</u>	<u>\$340,252</u>	<u>\$358,017</u>	<u>\$321,163</u>	<u>\$260,343</u>	<u>\$189,910</u>	<u>\$317,429</u>	<u>\$474,356</u>	<u>\$388,902</u>	<u>\$538,516</u>	<u>\$556,247</u>	<u>\$725,853</u>
Predicted Reserves based on 2015 funding level of: \$86,100		208,686	297,807	239,286	297,122	164,264	171,582	127,264	22,754	(111,564)	(261,507)	(NOTE 5)					

(continued)		Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued														
		2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Reserves at Beginning of Year		725,853	937,373	1,037,074	1,080,068	1,255,143	1,438,221	1,433,303	1,582,273	1,505,794	1,714,569	1,760,412	1,720,917	1,315,852	874,921	208,061
Total Recommended Reserve Contributions		201,600	208,300	215,200	222,300	229,600	237,200	245,000	253,100	261,500	270,100	279,000	288,200	297,700	307,500	317,600
Plus	Estimated Interest Earned, During Year	9,920	11,776	12,627	13,928	16,064	17,126	17,986	18,418	19,207	20,726	20,763	18,112	13,066	6,459	4,402
Less	Anticipated Expenditures, By Year	0	(120,375)	(184,833)	(61,153)	(62,586)	(259,244)	(114,016)	(347,997)	(71,932)	(244,983)	(339,258)	(711,377)	(751,697)	(980,819)	0
Anticipated Reserves at Year End		<u>\$937,373</u>	<u>\$1,037,074</u>	<u>\$1,080,068</u>	<u>\$1,255,143</u>	<u>\$1,438,221</u>	<u>\$1,433,303</u>	<u>\$1,582,273</u>	<u>\$1,505,794</u>	<u>\$1,714,569</u>	<u>\$1,760,412</u>	<u>\$1,720,917</u>	<u>\$1,315,852</u>	<u>\$874,921</u>	<u>\$208,061</u>	<u>\$530,063</u>
															(NOTE 5)	(NOTE 4)

Explanatory Notes:

- 1) Year 2015 starting reserves are as of March 31, 2015; FY2015 starts January 1, 2015 and ends December 31, 2015.
- 2) Reserve Contributions for 2015 are the remaining budgeted 9 months; 2016 is the first year of recommended contributions.
- 3) 1.2% is the estimated annual rate of return on invested reserves; 2015 is a partial year of interest earned.
- 4) Accumulated year 2045 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Years (reserve balance at critical point).

4. CONDITION ASSESSMENT

The Condition Assessment of this *Full Reserve Study* includes *Enhanced Solutions and Procedures* for select significant components. These narratives describe the Reserve Components, document specific problems and conditions, 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.*

Property Site Elements

Asphalt Pavement, Crack Repair, Patch and Partial Seal Coat - Asphalt pavement comprises 23,820 square yards of alleys and parking areas throughout the community. The Association maintains an additional 4,190 square yards of asphalt walking paths south of Rollins Ford Drive. The pavement is original and in good overall condition. To maximize the life of the pavement, the Association should plan for seal coat applications to the alleys and parking areas and repairs to all of the pavement every three- to five-years. These activities reduce water infiltration and the effects of inclement weather. We elaborate on solutions and procedures necessary for the optimal maintenance of asphalt pavement in the following discussion.

We recommend periodic seal coat applications, crack repairs and patching to maintain the pavement. These activities minimize the damaging effects of vehicle fluids, maintain a uniform and positive appearance, and maximize the useful life of the pavement. Asphalt pavement is susceptible to isolated areas of accelerated deterioration in areas that experience freeze-thaw cycles, at the centerlines of streets and at high traffic areas such as intersections. Depressions

often appear at areas where vehicles park such as driveways and parking areas. Isolated areas of depressions, cracks and deterioration indicate the need for crack repairs and patching. The contractor should patch areas that exhibit potholes, alligator or spider web pattern cracks, and areas of pavement that are severely deteriorated from oil and gasoline deposits from parking vehicles. Area patching requires total replacement of isolated areas of pavement. The contractor should mechanically rout and fill all cracks with hot emulsion. Crack repair minimizes the chance of the cracks transmitting through the pavement.

There are four main types of seal coats available: fog coat, acrylic sealer, chip seals and asphaltic emulsion. A fog coat is a simple mixture of water and asphalt. Acrylic sealers include an acrylic additive to the water and asphalt mixture for greater resistance to abrasion. Fog coats and acrylic sealers are typically spray applied and are only for aesthetic purposes. Chip seal is the most substantial type of seal coat which involves placement of oil and aggregate on the driving surface. Either a roller or normal vehicular traffic works the gravel into the oil. Asphaltic emulsions combine a sharp sand mixture or mineral fibers, and an emulsifying agent with the water and asphalt mixture. Asphaltic emulsions are typically hand applied with squeegees to ensure that the sealer fills surface abrasions and minor cracks. This prevents the infiltration of water through cracks into the underlying pavement base. Seal coats therefore minimize the damaging effects of water from expansion and contraction. We regard asphaltic emulsions as the most effective and economical type of seal coat.

Meadows should repair any isolated areas of deteriorated pavement prior to seal coat applications. Proposals for seal coat applications should include crack repairs and patching. The contractor should only apply seal coat applications after repairs are completed. A seal coat does

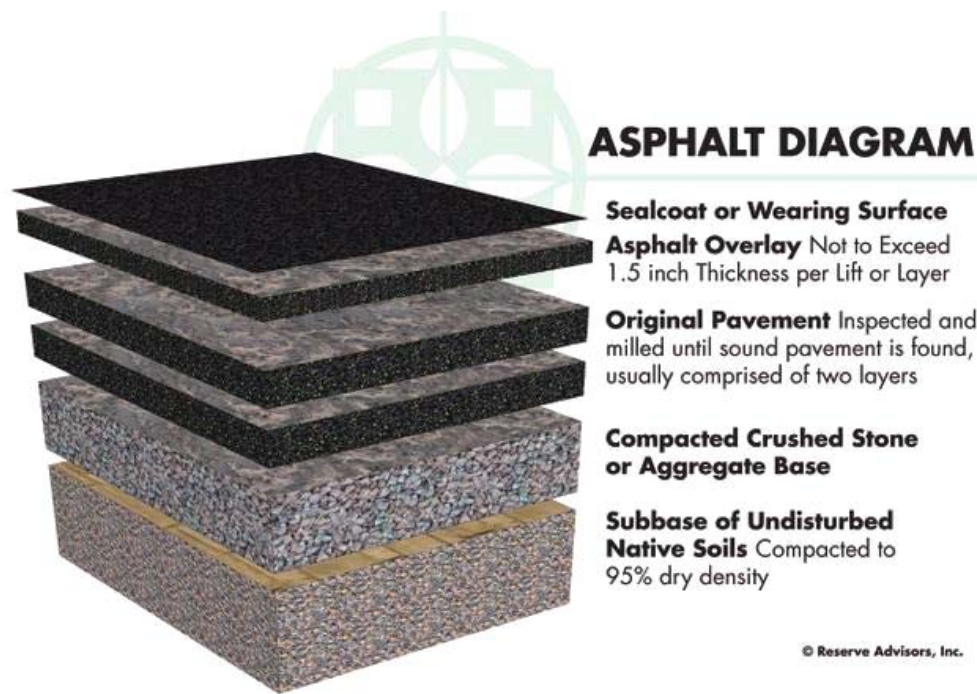


not bridge or close cracks, therefore, unrepaired cracks render the seal coat applications useless. Our future estimates of cost include an allowance for repair activities.

We recommend Meadows plan the next application of seal coat to the alleys and parking areas, and coordinated crack repairs and patching to the alleys, parking areas and walking paths by 2017. We recommend subsequent applications and repairs every five years thereafter except when repaving occurs. Line Item 4.020 of ***Reserve Expenditures*** notes our estimate of future costs and anticipated times of these activities.

Asphalt Pavement, Repaving - As noted above, asphalt pavement comprises 23,820 square yards of alleys and parking areas throughout the community. The pavement is original and in good overall condition. We note no visible deterioration. The useful life of pavement in Gainesville is from 15- to 20-years. We include the following repaving solutions and procedures for the benefit of the present and future board members.

Components of asphalt pavement include native soil, aggregate and asphalt. First the contractor creates a base course of aggregate or crushed stone and native soil. The base course is individually compacted to ninety-five percent (95%) dry density prior to the application of the asphalt. Compaction assures a stable base for the asphalt that reduces the possibility of settlement. For street systems, the initial installation of asphalt uses at least two lifts, or two separate applications of asphalt, over the base course. The first lift is the binder course. The second lift is the wearing course. The wearing course comprises a finer aggregate for a smoother more watertight finish. The following diagram depicts these components:



The manner of repaving is either a *mill and overlay* or *total replacement*. A mill and overlay is a method of repaving where cracked, worn and failed pavement is mechanically removed or milled until sound pavement is found. A new layer of asphalt is overlaid atop the remaining base course of pavement. Total replacement includes the removal of all existing asphalt down to the base course of aggregate and native soil followed by the application of two or more new lifts of asphalt. We recommend mill and overlayment on asphalt pavement that exhibits normal deterioration and wear. We recommend total replacement of asphalt pavement that exhibits severe deterioration, inadequate drainage, pavement that has been overlaid multiple times in the past or where the configuration makes overlayment not possible. Based on the apparent visual condition and configuration of the asphalt pavement, we recommend the mill and overlay method for initial repaving followed by the total replacement method for subsequent repaving at Meadows.

A variety of repairs are necessary to deteriorated pavement prior to the application of an overlay. The contractor should use a combination of area patching, crack repair and milling before the overlayment. Properly milled pavement removes part of the existing pavement and permits the overlay to match the elevation of adjacent areas not subject to repaving. Milling also allows the contractor to make adjustments to the slope of the pavement to ensure proper drainage. The contractor should clean the milled pavement to ensure proper bonding of the new overlayment. We recommend an overlayment thickness that averages 1½ inches (not less than one inch or more than two inches). Variable thicknesses are often necessary to create an adequate slope for proper drainage. The contractor should identify and quantify areas of pavement that require area patching, crack repair and milling to help the Association compare proposed services.

Total replacement requires the removal of all existing asphalt. For area patching, we recommend the contractor use a rectangular saw cut to remove the deteriorated pavement. For larger areas such as entire parking areas or driveways, we recommend the contractor grind, mill or pulverize the existing pavement to remove it. The contractor should then augment and compact the existing aggregate and native soil to create a stable base. Finally the contractor should install the new asphalt in at least two lifts.

The time of replacement is dependent on the useful life, age and condition of the pavement. The useful life is dependent in part on the maintenance applied to the pavement, the amounts and concentration of auto solvents that penetrate the pavement, the exposure to sunlight and detrimental effects of inclement weather. Meadows should repair any isolated areas of deteriorated pavement concurrent with periodic seal coat applications. We recommend the Association plan for a phased milling and overlayment of the pavement with area patching of up

to ten percent (10%) beginning by 2022 and concluding by 2024. We recommend the Association plan a subsequent phased total replacement beginning by 2042 and concluding by 2044. We depict this information on Line Items 4.040 and 4.045 of ***Reserve Expenditures***. The Association should coordinate asphalt repaving with related activities such as partial replacement of concrete curbs and gutters, and capital repairs to catch basins. Management informs us that Prince William County is responsible for maintenance and repairs to the storm water catch basins.

Asphalt Pavement, Repaving, Walking Paths - The Association maintains 4,190 square yards of asphalt walking paths south of Rollins Ford Road. These paths are original and in good to fair overall condition. We note isolated cracks and settlement, as depicted on Pages 5.3 of ***Photographs***. Walking path asphalt pavement is typically not as thick as parking area or street asphalt pavement. This type of pavement application has the potential for deterioration from tree roots, settlement and development of cracks. The need to maintain a safe pedestrian surface results in a useful life of 10- to 15-years for walking path asphalt pavement. We recommend the Association budget for total replacement by 2019 and again by 2033. We anticipate total replacement is likely to maintain a safe pedestrian walking surface. We include this information on Line Item 4.080 of ***Reserve Expenditures***.

Concrete, Flatwork - The Association maintains various applications of concrete flatwork. These applications of concrete have useful lives of up to 65 years although isolated deterioration of limited areas of concrete is common. Inclement weather, inadequate subsurface preparation and improper concrete mixtures or finishing techniques can result in premature deterioration such as settlement, chips, cracks and spalls. Variable conditions like these result in the need to plan for periodic partial replacements of the concrete flatwork throughout the next 30



years. We comment on the respective quantities, conditions and times of partial replacements of concrete flatwork in the following sections of this narrative.

Concrete Aprons, Townhomes - Concrete aprons comprise 4,200 square feet throughout the townhome area on Catbird Drive. The aprons are in good overall condition. We estimate that up to 1,260 square feet of concrete aprons, or thirty percent (30%) of the total, will require replacement during the next 30 years. We recommend the Association budget for replacement of 210 square feet of concrete aprons every five years beginning by 2018. Line Item 4.108 of ***Reserve Expenditures*** notes our estimate of future costs and anticipated times of replacements. We recommend an annual inspection of the aprons to identify potential trip hazards. We suggest the Association grind down or mark these hazards with orange safety paint prior to replacement and fund this ongoing activity through the operating budget.

Concrete Curbs and Gutters - Concrete curbs and gutters line portions of the pavement of Meadows, primarily at Catbird Drive and at the clubhouse parking area. These 24-inch curbs and gutters comprise 4,900 linear feet and are in good condition overall. We note isolated damage, as depicted on Page 5.4 of ***Photographs***. We estimate that up to 1,950 linear feet of curbs and gutters, or forty percent (40%) of the total, will require replacement during the next 30 years. We estimate that up to 325 linear feet of curbs and gutters will require replacement in conjunction with each phase of the repaving events. We depict this information on Line Item 4.110 of ***Reserve Expenditures***. We assume the use of 3,500 pounds per square inch (PSI) concrete.

Concrete Driveways, Townhomes - Twenty-five concrete driveways allow for access to the cluster homes north of Rollins Ford Road. The driveways are in fair to poor overall condition and comprise approximately 115,900 square feet. We note spalls and cracks, as depicted on Page 5.5 of **Photographs**. Management informs us the Association will replace 19 driveways in 2015. We include an allowance for replacement of these driveways at the direction of Management. Following the near term replacements, we estimate that up to ten percent (10%) of the total, or 11,600 square feet will require replacement during the remaining 30 years. We include an allowance for replacement of 2,900 square feet of the driveways every five years beginning by 2028. Line Items 4.119 and 4.120 of **Reserve Expenditures** note our estimate of future costs and anticipated times of replacements. We base our estimate of replacement on five-inch thick, 3,000 PSI concrete with 6x6 - W1.4xW1.4 steel reinforcing mesh.

Concrete Sidewalks - Concrete sidewalks comprise 14,900 square feet throughout the community. The sidewalks are in good overall condition. However, we note isolated locations of cracks and spalls, as depicted on Page 5.6 of **Photographs**. We estimate that up to 4,470 square feet of concrete sidewalks, or thirty percent (30%) of the total, will require replacement during the next 30 years. We recommend the Association budget for replacement of 745 square feet of concrete sidewalks every five years beginning by 2018. Line Item 4.140 of **Reserve Expenditures** notes our estimate of future costs and anticipated times of replacements. We base our estimate of replacement on four-inch thick, 3,000 PSI concrete with 6x6 - W1.4xW1.4 steel reinforcing mesh. We recommend an annual inspection of the sidewalks to identify potential trip hazards. We suggest the



Association grind down or mark these hazards with orange safety paint prior to replacement and fund this ongoing activity through the operating budget.

When possible, the Association should coordinate the concrete flatwork partial replacements on Line Items 4.108 through 4.140 of ***Reserve Expenditures*** to maximize the given amount of concrete in a single event. This will permit the use of a single contractor and likely achieve the most economical unit price for the work. The Association should also coordinate partial replacements of concrete curbs and gutters with asphalt pavement, due to the interrelated nature of these items. The times and costs of these replacements may vary. However, the estimated expenditures detailed in ***Reserve Expenditures*** are sufficient to budget appropriate reserves.

Fences, Aluminum - Approximately 730 linear feet of aluminum fences are found atop the masonry retaining walls in the townhome area. The fences are original and in good condition. The finish on these types of fences is maintenance free and should last the life of the fence. However, light gauge aluminum fences are prone to damage. We estimate a useful life of up to 35 years for the aluminum fences and recommend the Association budget for replacement by 2036 in coordination with masonry retaining wall replacements. We include this information on Line Item 4.200 of ***Reserve Expenditures***.

Fences, Wood - Approximately 300 linear feet of wood rail fences are found at entrances to the community. The fences are original and in good to fair condition. We note paint finish deterioration and previous repairs. The Association maintains an additional 1,960 linear feet of split-rail wood fences near the earthen dam. These split-rail fences are original and are in good to fair overall condition. Wood fences of this type have useful lives of 15- to 20-years. The



Association should anticipate periodic partial replacements due to the non-uniform nature of wood deterioration. Along with these partial replacements, the Association should apply periodic paint applications as needed to the entrance rail fences and fund these activities through the operating budget. We suggest the Association plan for replacement of the fences by 2021 and again by 2040. We depict this information on Line Items 4.285 and 4.287 of ***Reserve Expenditures***.

Irrigation System - An irrigation system waters the lawn and landscaped areas at the entrances to the community and around the clubhouse and pool. The system is original and reported in good condition. Management does not report any deficiencies. Irrigation systems typically include the following components:

- Electronic controls (timer)
- Impact rotors
- Network of supply pipes
- Pop-up heads
- Valves

Water pressure activates the lawn spray pop-up heads. Controllers operate the main water flow valves. The exact amounts and locations of system components were not ascertained due to the nature of the underground construction and the non-invasive nature of the inspection.

The system as a whole has a useful life of up to 40 years. The system network supply pipes will dislodge as tree roots grow and soil conditions change. Meadows should anticipate interim and partial replacements of the system network supply pipes and other components as normal maintenance to maximize the useful life of the irrigation system. The Association should fund these ongoing seasonal repairs through the operating budget. In addition, we recommend Meadows budget for a complete replacement of the system by 2041. We note this information on Line Item 4.420 of ***Reserve Expenditures***.



Landscape, Partial Replacements - The Association contains a large quantity of trees, shrubbery and other landscape elements. Replacement of these elements is an ongoing need. Many associations budget for these replacements as normal maintenance. Other associations fund ongoing replacements from reserves. Large amounts of landscape may need replacement due to disease, drought or other forces of nature. If the cost of removal and replacement is substantial, funding from reserves is logical. The Association may also desire to periodically update the appearance of the community through major improvements to the landscape. In consideration of these factors and at the request of Management, we include a landscape allowance every five years beginning by 2019 to ensure the accumulation of sufficient reserves for partial replacements of the landscape. The times and costs of these replacements may vary. However, we judge the amounts shown on Line Item 4.500 of ***Reserve Expenditures*** sufficient to budget appropriate reserves.

Light Poles and Fixtures - The Association uses 40 metal light fixtures atop metal poles to illuminate portions of the property. These elements are original, in good condition and have useful lives of up to 25 years. The Association should anticipate the need for replacement by 2027. We note this information on Line Item 4.560 of ***Reserve Expenditures***.

Mailbox Stations - The Association maintains four metal mailbox stations in the townhome area. The mailbox stations are original, in good condition and have a useful life of up to 25 years. Meadows should budget for replacement of the mailbox stations by 2023 and again by 2044. We depict this information on Line Item 4.600 of ***Reserve Expenditures***. The Association should verify the new mailboxes meet the specifications of the *United States Postal Service*.



Playground Equipment - The Association maintains playground equipment at three locations throughout the community: near the clubhouse, near Broadwinged Drive and Brown Thrasher Court, and on Parula Way. The playground equipment includes the following elements:

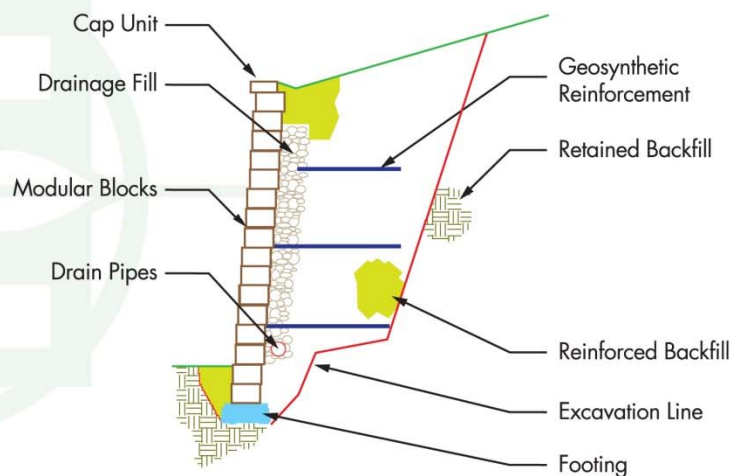
- Swing sets
- Playsets
- Surface, woodchips
- Wood deck and railings

The playground equipment is original and in good condition. Safety is the major purpose for maintaining playground equipment. We recommend an annual inspection of the playground equipment to identify and repair as normal maintenance loose connections and fasteners or damaged elements. We suggest the Association learn more about the specific requirements of playground equipment at PlaygroundSafety.org. We recommend the use of a specialist for the design or replacement of the playground equipment environment. Playground equipment of this type has a useful life of 15- to 20- years. We recommend replacement of the playground equipment by 2021 and again by 2040. We include this information on Line Item 4.660 of ***Reserve Expenditures***.

Retaining Walls, Masonry - The Association maintains retaining walls which comprise approximately 3,110 square feet of interlocking dry-set masonry in the townhome area. The retaining walls are original and in good to fair overall condition. We note water stains and isolated erosion, as depicted on Page 5.9 of ***Photographs***. Water stains may indicate inadequate drainage or blocked drainage from behind the walls. We recommend the Association monitor the walls for movement and fund this activity through the operating budget.

Properly constructed interlocking masonry retaining walls utilize geosynthetic reinforcement and a drainage system to stabilize the wall and prevent the buildup of hydrostatic pressure behind the wall. The Association should follow the manufacturer's specifications when constructing any retaining walls. The following schematic depicts this type of retaining wall:

MASONRY RETAINING WALL DETAIL



© Reserve Advisors, Inc.

Interlocking masonry retaining walls have useful lives of 35 years. We recommend the Association plan for 2036. We depict this information on Line Item 4.745 of **Reserve Expenditures**. The Association should fund for repairs or partial replacements through the operating budget.

Site Furniture - The Association maintains various site furnishings throughout the community. The furnishings include:

- Benches
- Pet waste stations
- Signage

- Trash receptacles

The furnishings are original, in good condition and have useful lives of up to 20 years. We recommend the Association budget for replacement by 2020 and again by 2038. We note this information on Line Item 4.833 of ***Reserve Expenditures***. The Association should fund interim replacements of isolated furniture through the operating budget as needed.

Clubhouse Elements

HVAC Equipment, Split System - The clubhouse heating, ventilating and air conditioning (HVAC) equipment includes one remote condensing unit and an internal air handling unit. The split system is original, in good operational condition and has a useful life of 12- to 18-years. We recommend the Association anticipate the replacement of this equipment by 2019 and again by 2035. We base our cost on Line Item 5.450 of ***Reserve Expenditures*** on a 13 seasonal energy efficiency ratio (SEER) condensing unit as required by The Department of Energy since January of 2006.

Interior Renovations - The clubhouse interior includes a reception area, two locker rooms and a lifeguard office. Interior components of the clubhouse include:

- Tile floor coverings
- Paint finishes on the walls and ceilings
- Plumbing fixtures
- Light fixtures including exit and emergency lights
- Furnishings

The clubhouse interior elements are original and in good condition. The useful lives of these interior building elements vary. However, due to the interrelated nature of these elements



and the desire to achieve a uniform appearance, we recommend the Association combine their replacements into coordinated interior renovations.

We recommend the Association anticipate a complete interior renovation of the clubhouse every 25 years. The complete renovation should include replacement of all the interior components listed above. Based on the age and visual condition of these interior clubhouse elements, we recommend the Association budget for coordinated complete interior renovations by 2019 and again by 2044. We note this information on Line Item 5.500 of ***Reserve Expenditures***. We advise the Association fund interim paint finish applications and partial replacements of furnishings through the operating budget.

Roofs, Metal - Approximately 40 *squares*¹ of standing seam metal roofing comprise the clubhouse roof at Meadows. This quantity includes the metal roofs at common structures at the entrances to the community. Each panel has two seams that stand up vertically and are crimped together to seal the joint and keep weather elements from penetrating. The roofs are original and are in good overall condition. These types of roofs have a useful life of 35 years. Based on the age and condition of the roofs, we recommend Meadows fund for replacement of the metal roofs by 2038. Our cost on Line Item 5.600 of ***Reserve Expenditures*** includes an allowance for replacement of the gutters and downspouts in coordination with roof replacements due to their interrelated nature. We recommend replacement with prefinished baked enamel sheet metal.

Walls, Masonry - Meadows maintains approximately 6,900 square feet of stone veneer masonry at the clubhouse and community entrance structures and walls. This masonry is original and in good overall condition. We recommend the Association anticipate an inspection

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



and capital repairs to this masonry veneer every 15- to 20-years. These components will require repairs as a result of efflorescence accumulation, delamination and mortar deterioration. We recommend Meadows budget for a complete inspection of all the masonry veneer and repairs of up to five percent (5%) by 2020 and every 18 years thereafter. Line Item 5.711 of ***Reserve Expenditures*** notes our estimate of future costs and anticipated times of capital repairs.

Walls, Vinyl Siding - Vinyl siding comprises approximately 2,800 square feet of the exterior clubhouse walls. This quantity includes the soffit and fascia. The siding is original and in good overall condition. We note wood rot at several exposed beams. We recommend the Association install metal flashing over the exposed beams and fund this activity through the operating budget. The siding at Meadows consists of the following:

- Shake and board-and-batten profiles
- J-channel trim at window and door perimeters, and other penetrations
- Water-vapor permeable building paper protects the buildings

Management does not inform us of a history of siding issues. Vinyl siding has a useful life of up to 40 years. Consideration of appearance and development of issues largely governs the decision to replace, in whole or partially, prior to the end of its useful life. Maintenance and partial replacements of the siding may extend the useful life. Normal deterioration mainly relates to discoloration of the exterior finish from exposure to sunlight, weathering and air pollutants. Loosening of the fasteners also contributes to the possible need for premature replacement. Vinyl siding gets damaged from forces which cause it to warp and crack, such as lawn care equipment, wind-driven objects, etc.

The lack of replacement pieces matching the color and profile of the existing siding may result in the need for a premature replacement. These variables may affect the need for partial and complete replacements. With consideration of the age and existing condition of the siding,



we recommend the Association anticipate replacement by 2038, in coordination with replacement of the roof, windows and doors. For purposes of this Reserve Study, we base our cost on replacement with a minimum of .048-inch thick siding. We note this information on Line Item 5.727 of ***Reserve Expenditures***.

Vinyl siding is relatively maintenance free. However, the Association should periodically clean the vinyl siding with a water hose. A nonabrasive household cleaner or manufacturer specified vinyl siding cleaner will remove more intense stains. The Association should fund these ongoing expenses through the operating budget.

Windows and Doors - The clubhouse windows and doors comprise approximately 300 square feet, are original and are in good condition. The useful life of the windows and exterior doors is up to 40 years. The useful life of the windows and doors is based on the occurrence of water infiltration, thermal inefficiencies compared to present technology, type of frame, availability of replacement parts and aesthetics. Based on these factors, we recommend the Association anticipate replacement of these windows and doors by 2038, in coordination with siding and roof replacements. We depict this information on Line Item 5.800 of ***Reserve Expenditures***.

Pool Elements

Concrete Deck - A concrete deck surrounds the pool and comprises approximately 12,015 square feet. The deck is primarily original and in good condition. The Association extended the deck and also added a splash pad area in 2014. We note isolated cracks, as depicted on Page 5.14 of ***Photographs***. The useful life of a concrete pool deck is up to 60 years.



However, we recommend the Association conduct inspections, partial replacements and repairs to the deck every 8- to 12-years.

Inadequate subsurface preparation, improper concrete mixtures, poor finishing techniques, soil movement and water infiltration underneath the concrete deck can cause significant settlement and cracks in the concrete. The pool deck should also be free of trip hazards for the safety of residents and their guests. We recommend the Association budget for the following by 2018 and every 12 years thereafter:

- Selective cut out and replacements of up to ten percent (10%) of concrete
- Crack repairs as needed
- Mortar joint repairs
- Caulk replacement

The times, amounts and related costs of these repairs and replacements may vary. However, we judge the amounts shown on Line Item 6.200 of ***Reserve Expenditures*** sufficient to budget appropriate reserves.

Cover - A vinyl cover protects the pool during the off-season. The 5,770-square foot cover is in good condition. The age of the cover was not available at the time of inspection. The pool cover protects against unlawful entry and liability exposure, keeps the pool clear of unwanted leaves and debris, and protects the pool from harsh conditions during winter. The useful life of the pool cover is from six- to eight-years. We recommend Meadows anticipate replacement of this cover by 2019 and every eight years thereafter. We depict this information on Line Item 6.300 of ***Reserve Expenditures***.

Fences, Aluminum - The Association maintains approximately 580 linear feet of aluminum fences at the pool deck. The fences are original and in good overall condition. We



note no visible deterioration. We recommend the Association anticipate replacement of the pool fences by 2027. We include this information on Line Item 6.400 of ***Reserve Expenditures***.

Furniture - Associated furniture and fixtures around the pool include the following:

- Chairs (90)
- Lounges (81)
- Tables (21)
- Side tables (12)
- Umbrellas (10)
- Ladders and life safety equipment

These items are primarily original and in good to fair condition. Pool furniture has a useful life of up to 15 years. We recommend the Association budget an allowance for replacement of up to twenty-five percent (25%) of the pool furniture and fixtures by 2017 and every three years thereafter. The times and costs of these replacements may vary. However, we judge the amounts shown on Line Item 6.500 of ***Reserve Expenditures*** sufficient to budget appropriate reserves. We recommend interim re-strapping, refinishing, cushion replacements, reupholstering and other repairs to the furniture as normal maintenance to maximize its useful life.

Mechanical Equipment - The pool mechanical equipment comprises the following:

- Automatic chlorinator
- Controls
- Filters
- Interconnected pipe, fittings and valves
- Electrical panels

The pool mechanical equipment is original and in good condition. Pool mechanical equipment has a useful life of up to 15 years. Failure of the pool mechanical equipment as a single event is unlikely. Based on condition, we recommend the Association anticipate replacement of up to thirty-three percent (33%) of the pool mechanical equipment by 2017 and



every five years thereafter. We consider interim replacement of motors and minor repairs as normal maintenance. We note this information on Line Item 6.600 of ***Reserve Expenditures***.

Plaster Finish - The pool wall and floor surfaces have a plaster finish of 5,770 square feet based on the horizontal surface area. The finish is original and in fair condition. We note plaster deterioration and rust stains, as depicted on Page 5.16 of ***Photographs***. This type of pool finish deteriorates with time and requires periodic maintenance and replacement. We recommend the Association anticipate the need to replace the finish and conduct related repairs every 8- to 12-years to maintain the integrity of the pool structure. Removal and replacement provides the opportunity to inspect the pool structure and to allow for partial repairs of the underlying concrete surfaces as needed. We recommend the Association budget for the following by 2017 and every 12 years thereafter:

- Removal and replacement of the finish
- Partial replacements of the scuppers and coping as needed
- Replacement of tiles as needed
- Replacement of joint sealants as needed
- Concrete structure repairs as needed

We include this information on Line Item 6.800 of ***Reserve Expenditures***.

Trellises, Wood - The Association maintains six wood trellises at the pool and along the walking paths which comprise approximately 2,010 square feet. The trellises are original and in good overall condition. We recommend the Association anticipate the need to replace the trellises every 15- to 25-years. We include an allowance for replacement of the trellises by 2025. Our cost on Line Item 6.917 of ***Reserve Expenditures*** includes an allowance for replacement of the stone pavers and retaining walls at the walking path trellises in coordination with trellis replacement. The Association should fund interim paint finish applications and repairs to the trellises through the operating budget as needed.

Reserve Study Update

An ongoing review by the Board and an Update of this Reserve Study in two- to three-years are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. Many variables change after the study is conducted that may result in significant overfunding or underfunding the reserve account. Variables that may affect the Reserve Funding Plan include, but are not limited to:

- Deferred or accelerated capital projects based on Board discretion
- Changes in the interest rates on reserve investments
- Changes in the *local* construction inflation rate
- Additions and deletions to the Reserve Component Inventory
- The presence or absence of maintenance programs
- Unusually mild or extreme weather conditions
- Technological advancements

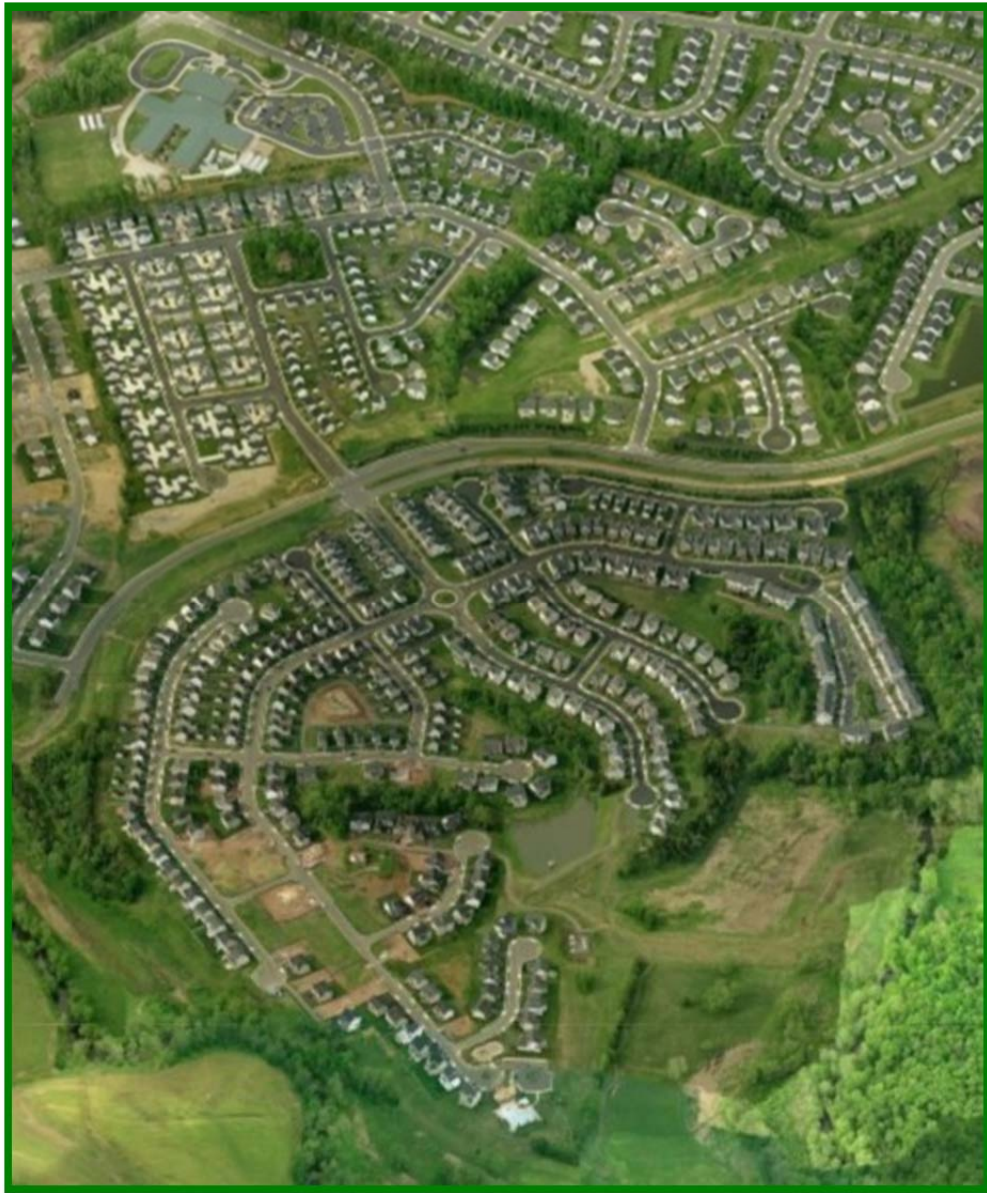
Periodic updates incorporate these variable changes since the last Reserve Study or Update.

The Association can expense the fee for an Update with site visit from the reserve account. This fee is included in the Reserve Funding Plan. We base this budgetary amount on updating the same property components and quantities of this Reserve Study report. Budgeting for an Update demonstrates the Board's objective to continue fulfilling its fiduciary responsibility to maintain the commonly owned property and to fund reserves appropriately.

5. PHOTOGRAPHS

Photographs document the conditions of various property components as of the date of our visual inspection, June 19, 2015. The Condition Assessment contains references to these photographs.

The following is an overview image of the subject property:



The next pages contain the photographs related to the Condition Assessment.



Asphalt pavement alley



Asphalt pavement alley



Asphalt pavement street at Catbird Drive



Asphalt pavement street at Catbird Drive



Asphalt walking path



Pavement settlement at walking path



Concrete driveway apron



Damaged concrete gutter



Concrete driveway at cluster homes



Concrete driveway deterioration



Concrete driveway spalls



Concrete driveway spalls



Concrete sidewalk spalls



Cracked concrete sidewalk



Aluminum fences atop retaining walls



Wood rail fences at entrance



Split rail fences near dam



Damaged split rail fence atop earthen dam

Light pole and fixture



Mailbox station



Playground equipment near pool





Playground equipment near Broadwinged Drive and Brown Thrasher Court



Masonry retaining wall



Water stains at masonry retaining wall



Site furniture



Clubhouse front elevation



Clubhouse rear elevation



Clubhouse HVAC equipment



Clubhouse interior



Lifeguard office



Men's showers



Metal standing seam roof



Masonry veneer at clubhouse



Entrance building



Masonry veneer at entrance



Pool overview



Wading pool



Cracks in pool deck



Aluminum pool fence



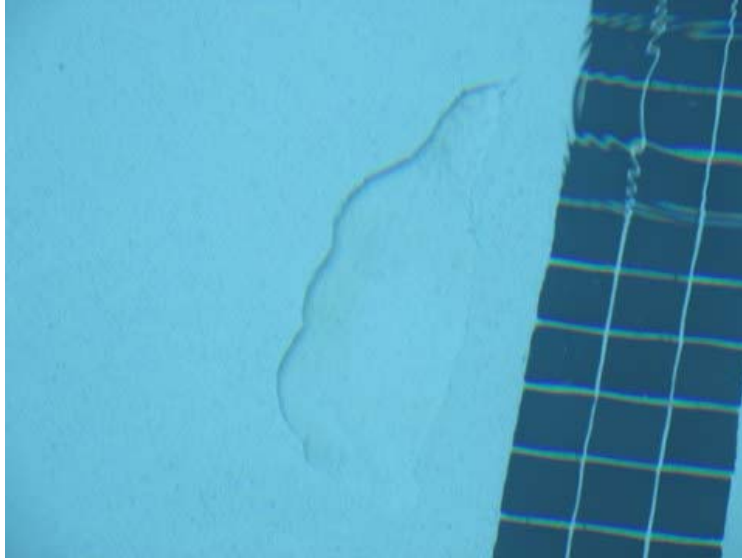
Pool lounge chairs



Pool filter and chemical storage



Filter and pump



Plaster deterioration in pool



Rust stain at plaster finish



Wood trellis



6. METHODOLOGY

Reserves for replacement are the amounts of money required for future expenditures to repair or replace Reserve Components that wear out before the entire facility or project wears out. Reserving funds for future repair or replacement of the Reserve Components is also one of the most reliable ways of protecting the value of the property's infrastructure and marketability.

Meadows can fund capital repairs and replacements in any combination of the following:

1. Increases in the operating budget during years when the shortages occur
2. Loans using borrowed capital for major replacement projects
3. Level monthly reserve assessments annually adjusted upward for inflation to increase reserves to fund the expected major future expenditures
4. Special assessments

We do not advocate special assessments or loans unless near term circumstances dictate otherwise. Although loans provide a gradual method of funding a replacement, the costs are higher than if the Association were to accumulate reserves ahead of the actual replacement. Interest earnings on reserves also accumulate in this process of saving or reserving for future replacements, thereby defraying the amount of gradual reserve collections. We advocate the third method of *Level Monthly Reserve Assessments* with relatively minor annual adjustments. The method ensures that Homeowners pay their "fair share" of the weathering and aging of the commonly owned property each year. Level reserve assessments preserve the property and enhance the resale value of the homes.

This Reserve Study is in compliance with and exceeds the National standards¹ set forth by the Community Associations Institute (CAI) and the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Full Reserve Study." These standards require a Reserve Component to have a "predictable remaining Useful Life." Estimating Remaining Useful Lives and Reserve Expenditures beyond 30 years is often indeterminate. Long-Lived Property Elements are necessarily excluded from this analysis. We considered the following factors in our analysis:

¹ Identified in the APRA "Standards - Terms and Definitions" and the CAI "Terms and Definitions".

Information Furnished by the Association	
2015 unaudited Cash Status of the Reserve Fund	615,419
2015 Remaining Budgeted Reserve Contribution	64,575
Anticipated Interest on Reserve Fund	3,692
Less Anticipated Reserve Expenditures	(475,000)
Projected 2015 Year-End Reserve Balance	\$208,686

The Cash Flow Method to compute, project and illustrate the 30-year Reserve Funding Plan

Local² costs of material, equipment and labor

Current and future costs of replacement for the Reserve Components

Costs of demolition as part of the cost of replacement

Local economic conditions and a historical perspective to arrive at our estimate of long term future inflation for construction costs in Gainesville, Virginia at an annual inflation rate of 3.3%. Isolated or regional markets of greater construction (development) activity may experience slightly greater rates of inflation for both construction materials and labor.

The past and current maintenance practices of Meadows and their effects on remaining useful lives

The Funding Plan excludes necessary operating budget expenditures. It is our understanding that future operating budgets will provide for the ongoing normal maintenance of Reserve Components.

The anticipated effects of appreciation of the reserves over time in accord with an anticipated future return or yield on investment of your cash equivalent assets at an annual rate of 1.2% (We did not consider the costs, if any, of Federal and State Taxes on income derived from interest and/or dividend income).

Interest rates on reserves are steady or increasing in concert with the certificates of deposit and money market rates. Slight increases exist in the savings rates of one, two or three-year CDs. Without significant differences in these savings rates, shorter term investments are the choice of many investors. We recommend consultation with a professional investment adviser before investing reserves to determine an appropriate investment strategy to maximize a safe return on reserve savings. The following

² See Credentials for addition information on our use of published sources of cost data.



table summarizes rates of inflation and key rates for government securities, generally considered as safe investment alternatives.

Interest Rate and Inflation Data	2014				2015			
	<u>2014:1 (A)</u>	<u>2014:2 (A)</u>	<u>2014:3 (A)</u>	<u>2014:4 (A)</u>	<u>2015:1 (A)</u>	<u>2015:2 (E)</u>	<u>2015:3 (E)</u>	<u>2015:4 (E)</u>
Average or Last Actual = (A)								
1-Year Treasury Bill	0.13%	0.15%	0.13%	0.01%	0.25%	0.25%	0.30%	0.30%
10-Year Treasury Note	2.80%	2.65%	2.40%	2.25%	1.90%	1.95%	2.00%	2.25%
30-Year Treasury Bond	3.90%	3.50%	3.35%	3.00%	2.55%	2.60%	2.70%	2.80%
Consumer Price Index (annualized rate)	1.50%	2.00%	2.40%	2.60%	0.00%	2.00%	2.20%	2.30%
Residential Construction Producer Price Index-Inflation Rate, Bureau of Labor Statistics (Year over Year to YE 2014 Showing no meaningful change)								0.0%
National Market Savings Rates as found in	0.40%	for Money Market Savings			1.15%	for 2-Year Certificate of Deposit		
http://www.bankrate.com	1.00%	for 1-Year Certificate of Deposit			1.50%	for 3-Year Certificate of Deposit		
Estimated Near Term Yield Rate for Reserve Savings				1.2%				
Est. Near Term Local Inflation Rate for Future Capital Expenditures				3.3%				
04/30/2015								

Updates to this Reserve Study will continue to monitor historical facts and trends concerning the external market conditions.

7. DEFINITIONS

Definitions are derived from the standards set forth by the Community Associations Institute (CAI) representing America's 305,000 condominium and homeowners associations and cooperatives, and the Association of Professional Reserve Analysts, setting the standards of care for reserve study practitioners

Cash Flow Method - A method of calculating Reserve Contributions where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Component Method - A method of developing a Reserve Funding Plan with the total contribution is based on the sum of the contributions for individual components.

Current Cost of Replacement - That amount required today derived from the quantity of a *Reserve Component* and its unit cost to replace or repair a Reserve Component using the most current technology and construction materials, duplicating the productive utility of the existing property at current *local* market prices for *materials*, *labor* and manufactured equipment, contractors' overhead, profit and fees, but without provisions for building permits, overtime, bonuses for labor or premiums for material and equipment. We include removal and disposal costs where applicable.

Fully Funded Balance - The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost similar to Total Accrued Depreciation.

Funding Goal (Threshold) - The stated purpose of this Reserve Study is to determine the adequate, not excessive, minimal threshold reserve balances.

Future Cost of Replacement - *Reserve Expenditure* derived from the inflated current cost of replacement or current cost of replacement as defined above, with consideration given to the effects of inflation on local market rates for materials, labor and equipment.

Long-Lived Property Component - Property component of Meadows responsibility not likely to require capital repair or replacement during the next 30 years with an unpredictable remaining Useful Life beyond the next 30 years.

Percent Funded - The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life - The estimated remaining functional or useful time in years of a *Reserve Component* based on its age, condition and maintenance.

Reserve Component - Property elements with: 1) Meadows responsibility; 2) limited Useful Life expectancies; 3) predictable Remaining Useful Life expectancies; and 4) a replacement cost above a minimum threshold.

Reserve Component Inventory - Line Items in *Reserve Expenditures* that identify a *Reserve Component*.

Reserve Contribution - An amount of money set aside or *Reserve Assessment* contributed to a *Reserve Fund* for future *Reserve Expenditures* to repair or replace *Reserve Components*.

Reserve Expenditure - Future Cost of Replacement of a Reserve Component.

Reserve Fund Status - The accumulated amount of reserves in dollars at a given point in time, i.e., at year end.

Reserve Funding Plan - The portion of the Reserve Study identifying the *Cash Flow Analysis* and containing the recommended Reserve Contributions and projected annual expenditures, interest earned and reserve balances.

Reserve Study - A budget planning tool that identifies the current status of the reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.

Useful Life - The anticipated total time in years that a *Reserve Component* is expected to serve its intended function in its present application or installation.



8. PROFESSIONAL SERVICE CONDITIONS

Our Services - Reserve Advisors, Inc. will perform its services as an independent contractor in accordance with our professional practice standards. Our compensation is not contingent upon our conclusions.

Our inspection and analysis of the subject property is limited to visual observations and is noninvasive. We will inspect sloped roofs from the ground. We will inspect flat roofs where safe access (stairs or ladder permanently attached to the structure) is available. The report is based upon a “snapshot in time” at the moment of our observation. Conditions can change between the time of inspection and the issuance of the report. Reserve Advisors does not investigate, nor assume any responsibility for any existence or impact of any hazardous materials, structural, latent or hidden defects which may or may not be present on or within the property. Our opinions of estimated costs and remaining useful lives are not a guarantee of the actual costs of replacement, a warranty of the common elements or other property elements, or a guarantee of remaining useful lives.

We assume, without independent verification, the accuracy of all data provided to us. You agree to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which we have relied upon as supplied by you or others under your direction, or which may result from any improper use or reliance on the report by you or third parties under your control or direction. Your obligation for indemnification and reimbursement shall extend to any controlling person of Reserve Advisors, Inc., including any director, officer, employee, affiliate, or agent. Liability of Reserve Advisors, Inc. and its employees, affiliates, and agents for errors and omissions, if any, in this work is limited to the amount of its compensation for the work performed in this engagement.

Report - Reserve Advisors, Inc. will complete the services in accordance with the Proposal. The Report represents a valid opinion of our findings and recommendations and is deemed complete. However, we will consider any additional information made available to us in the interest of promptly issuing a Revised Report if changes are requested within six months of receiving the Report. We retain the right to withhold a Revised Report if payment for services is not rendered in a timely manner. All files, work papers or documents developed by us during the course of the engagement remains our property.

Your Obligations - You agree to provide us access to the subject property during our on-site visual inspection and tour. You will provide to us to the best of your ability and if reasonably available, historical and budgetary information, the governing documents, and other information that we request and deem necessary to complete our Study. You agree to pay our actual attorneys' fees and any other costs incurred in the event we have to initiate litigation to collect on any unpaid balance for our services.

Use of Our Report and Your Name - Use of this Report is limited to only the purpose stated herein. Any use or reliance for any other purpose, by you or third parties, is invalid. Our Reserve Study Report in whole or part is not and cannot be used as a design specification, design engineering services or an appraisal. You may show our report in its entirety to those third parties who need to review the information contained herein. The Client and other third parties viewing this report should not reference our name or our report, in whole or in part, in any document prepared and/or distributed to third parties without our written consent. ***This report contains intellectual property developed by Reserve Advisors, Inc. specific to this engagement and cannot be reproduced or distributed to those who conduct reserve studies without the written consent of Reserve Advisors, Inc.***

We reserve the right to include our client's name in our client lists, but we will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to



legal or administrative process or proceedings. These conditions can only be modified by written documents executed by both parties.

Payment Terms, Due Dates and Interest Charges - The retainer payment is due upon authorization and prior to shipment of the report. The final payment of the fee is due immediately upon receipt of the Report. Subsequent changes to the report can be made for up to six months from the initial report date. Any outstanding balance after 30 days of the invoice date is subject to an interest charge of 1.5% per month. Any litigation necessary to collect an unpaid balance shall be venued in Milwaukee County Circuit Court in the State of Wisconsin.

CONDITIONS OF OUR SERVICE ASSUMPTIONS

To the best of our knowledge, all data set forth in this report are true and accurate. Although gathered from reliable sources, we make no guarantee nor assume liability for the accuracy of any data, opinions, or estimates identified as furnished by others that we used in formulating this analysis.

We did not make any soil analysis or geological study with this report; nor were any water, oil, gas, coal, or other subsurface mineral and use rights or conditions investigated.

Substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, environmental mold or other potentially hazardous materials could, if present, adversely affect the validity of this study. Unless otherwise stated in this report, the existence of hazardous substance, that may or may not be present on or in the property, was not considered. Our opinions are predicated on the assumption that there are no hazardous materials on or in the property. We assume no responsibility for any such conditions. We are not qualified to detect such substances, quantify the impact, or develop the remedial cost.

We have made a visual inspection of the property and noted visible physical defects, if any, in our report. Our inspection and analysis was made by employees generally familiar with real estate and building construction; however, we did not do any invasive testing. Accordingly, we do not opine on, nor are we responsible for, the structural integrity of the property including its conformity to specific governmental code requirements, such as fire, building and safety, earthquake, and occupancy, or any physical defects that were not readily apparent during the inspection.

Our opinions of the remaining useful lives of the property elements do not represent a guarantee or warranty of performance of the products, materials and workmanship.



9. CREDENTIALS

HISTORY AND DEPTH OF SERVICE

Founded in 1991, Reserve Advisors, Inc. is the leading provider of reserve studies, insurance appraisals, developer turnover transition studies, expert witness services, and other engineering consulting services. Clients include community associations, resort properties, hotels, clubs, non-profit organizations, apartment building owners, religious and educational institutions, and office/commercial building owners in 48 states, Canada and throughout the world.

The **architectural engineering consulting firm** was formed to take a leadership role in helping fiduciaries, boards, and property managers manage their property like a business with a long range master plan known as a Reserve Study.

Reserve Advisors employs the **largest staff of Reserve Specialists** with bachelor's degrees in engineering dedicated to Reserve Study services. Our principals are founders of Community Associations Institute's (CAI) Reserve Committee, that developed national standards for reserve study providers. One of our principals is a Past President of the Association of Professional Reserve Analysts (APRA). Our vast experience with a variety of building types and ages, on-site examination and a historical analyses are keys to determining accurate remaining useful life estimates of building components.

No Conflict of Interest - As consulting specialists, our **independent opinion** eliminates any real or perceived conflict of interest because we do not conduct or manage capital projects.

TOTAL STAFF INVOLVEMENT

Several staff members participate in each assignment. The responsible advisor involves the staff through a Team Review, exclusive to Reserve Advisors, Inc., and by utilizing the experience of other staff members, each of whom has served hundreds of clients. We conduct Team Reviews, an internal quality assurance review of each assignment, including: the inspection; building component costing; lifing; and technical report phases of the assignment. Each Team Review requires the attendance of several engineers, a Review Coordinator, Director of Quality Assurance and other participatory peers. Due to our extensive experience with building components, we do not have a need to utilize subcontractors.

OUR GOAL

To help our clients fulfill their fiduciary responsibilities to maintain property in good condition.

VAST EXPERIENCE WITH A VARIETY OF BUILDINGS

Reserve Advisors, Inc. has conducted reserve studies for a multitude of different communities and building types. We've analyzed thousands of buildings, from as small as a 3,500 square-foot day care center to the 100-story John Hancock Center in Chicago. We also routinely inspect buildings with various types of mechanical systems such as simple electric heat, to complex systems with air handlers, chillers, boilers, elevators, and life safety security systems.

We're familiar with all types of building exteriors as well. Our well versed staff regularly identifies optimal repair and replacement solutions for such building exterior surfaces such as adobe, brick, stone, concrete, stucco, EIFS, wood products, stained glass and aluminum siding, and window wall systems.

OLD TO NEW

Reserve Advisors experience includes ornate and vintage buildings as well as modern structures. Our specialists are no strangers to older buildings. We're accustomed to addressing the unique challenges posed by buildings that date to the 1800's. We recognize and consider the methods of construction employed into our analysis. We recommend appropriate replacement programs that apply cost effective technologies while maintaining a building's character and appeal.



QUALIFICATIONS
THEODORE J. SALGADO
Principal Owner

CURRENT CLIENT SERVICES

Theodore J. Salgado is a co-founder of Reserve Advisors, Inc., which is dedicated to serving community associations, city and country clubs, religious organizations, educational facilities, and public and private entities throughout the United States. He is responsible for the production, management, review, and quality assurance of all reserve studies, property inspection services and consulting services for a nationwide portfolio of more than 6,000 clients. Under his direction, the firm conducts reserve study services for community associations, apartment complexes, churches, hotels, resorts, office towers and vintage architecturally ornate buildings .



PRIOR RELEVANT EXPERIENCE

Before founding Reserve Advisors, Inc. with John P. Poehlmann in 1991, Mr. Salgado, a professional engineer registered in the State of Wisconsin, served clients for over 15 years through American Appraisal Associates, the world's largest full service valuation firm. Mr. Salgado conducted facilities analyses of hospitals, steel mills and various other large manufacturing and petrochemical facilities and casinos.

He has served clients throughout the United States and in foreign countries, and frequently acted as project manager on complex valuation, and federal and state tax planning assignments. His valuation studies led to negotiated settlements on property tax disputes between municipalities and property owners.

Mr. Salgado has authored articles on the topic of reserve studies and facilities maintenance. He also co-authored *Reserves*, an educational videotape produced by Reserve Advisors on the subject of Reserve Studies and maintaining appropriate reserves. Mr. Salgado has also written in-house computer applications manuals and taught techniques relating to valuation studies.

EXPERT WITNESS

Mr. Salgado has testified successfully before the Butler County Board of Tax Revisions in Ohio. His depositions in pretrial discovery proceedings relating to reserve studies of Crestview Estates Condominium Association in Wauconda, Illinois, Rivers Point Row Property Owners Association, Inc. in Charleston, South Carolina and the North Shore Club Associations in South Bend, Indiana have successfully assisted the parties in arriving at out of court settlements.

EDUCATION - Milwaukee School of Engineering - B.S. Architectural Engineering

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

American Association of Cost Engineers - Past President, Wisconsin Section
Association of Construction Inspectors - Certified Construction Inspector
Association of Professional Reserve Analysts - Past President & Professional Reserve Analyst (PRA)
Community Associations Institute - Member and Volunteer Leader of multiple chapters
Concordia Seminary, St. Louis - Member, National Steering Committee
Milwaukee School of Engineering - Member, Corporation Board
Professional Engineer, Wisconsin, Registered in 1982



JOHN P. POEHLMANN, RS
Principal

John P. Poehlmann is a co-founder of Reserve Advisors, Inc. He is responsible for the finance, accounting, marketing, and overall administration of Reserve Advisors, Inc. He also regularly participates in internal Quality Control Team Reviews of Reserve Study reports.

Mr. Poehlmann directs corporate marketing, including business development, advertising, press releases, conference and trade show exhibiting, and electronic marketing campaigns. He frequently speaks throughout the country at seminars and workshops on the benefits of future planning and budgeting for capital repairs and replacements of building components and other assets.



PRIOR RELEVANT EXPERIENCE

Mr. Poehlmann served on the national Board of Trustees of Community Associations Institute. An international organization, Community Associations Institute (CAI) is a nonprofit 501(c)(3) trade association created in 1973 to provide education and resources to America's 335,000 residential condominium, cooperative and homeowner associations and related professionals and service providers.

He is a founding member of the Institute's Reserve Committee. The Reserve Committee developed national standards and the Reserve Specialist (RS) Designation Program for Reserve Study providers. Mr. Poehlmann has authored numerous articles on the topic of Reserve Studies, including Reserve Studies for the First Time Buyer, Minimizing Board Liability, Sound Association Planning Parallels Business Concepts, and Why Have a Professional Reserve Study. He is also a contributing author in Condo/HOA Primer, a book published for the purpose of sharing a wide background of industry knowledge to help boards in making informed decisions about their communities.

INDUSTRY SERVICE AWARDS

CAI Wisconsin Chapter Award
CAI National Rising Star Award
CAI Michigan Chapter Award

EDUCATION

University of Wisconsin-Milwaukee - Master of Science Management
University of Wisconsin - Bachelor of Business Administration

PROFESSIONAL AFFILIATIONS

Community Associations Institute (CAI) - Founding member of Reserve Committee; former member of National Board of Trustees; Reserve Specialist (RS) designation; Member of multiple chapters

Association of Condominium, Townhouse, & Homeowners Associations (ACTHA) – member



ALAN M. EBERT, P.E., PRA, RS
Associate Director of Quality Assurance

CURRENT CLIENT SERVICES

Alan M. Ebert, a Geological Engineer, is an Advisor for Reserve Advisors, Inc. Mr. Ebert is responsible for the inspection and analysis of the condition of clients' properties, and recommending engineering solutions to prolong the lives of the components. He also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. He is responsible for conducting Life Cycle Cost Analyses and Capital Replacement Forecast services and the preparation of Reserve Study Reports for condominiums, townhomes and homeowner associations.

The following is a partial list of clients served by Alan Ebert demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

Brownsville Winter Haven Located in Brownsville, Texas, this unique homeowners association contains 525 units. The Association maintains three pools and pool houses, a community and management office, landscape and maintenance equipment, and nine irrigation canals with associated infrastructure.

Rosemont Condominiums This unique condominium is located in Alexandria, Virginia and dates to the 1940's. The two mid-rise buildings utilize decorative stone and brick masonry. The development features common interior spaces, multi-level wood balconies and common asphalt parking areas.

Stillwater Homeowners Association Located in Naperville, Illinois, Stillwater Homeowners Association maintains four tennis courts, an Olympic sized pool and an upscale ballroom with commercial-grade kitchen. The community also maintains three storm water retention ponds and a detention basin.

Birchfield Community Services Association This extensive Association comprises seven separate parcels which include 505 townhome and single family homes. This Community Services Association is located in Mt. Laurel, New Jersey. Three lakes, a pool, a clubhouse and management office, wood carports, aluminum siding, and asphalt shingle roofs are a few of the elements maintained by the Association.

Oakridge Manor Condominium Association Located in Londonderry, New Hampshire, this Association includes 104 units at 13 buildings. In addition to extensive roads and parking areas, the Association maintains a large septic system and significant concrete retaining walls.

Memorial Lofts Homeowners Association This upscale high rise is located in Houston, Texas. The 20 luxury units include large balconies and decorative interior hallways. The 10-story building utilizes a painted stucco facade and TPO roof, while an on-grade garage serves residents and guests.

PRIOR RELEVANT EXPERIENCE

Mr. Ebert earned his Bachelor of Science degree in Geological Engineering from the University of Wisconsin-Madison. His relevant course work includes foundations, retaining walls, and slope stability. Before joining Reserve Advisors, Inc., Mr. Ebert was an oilfield engineer and tested and evaluated hundreds of oil and gas wells throughout North America.

EDUCATION

University of Wisconsin-Madison - B.S. Geological Engineering

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

Reserve Specialist (RS) - Community Associations Institute

Professional Reserve Analyst (PRA) - Association of Professional Reserve Analysts

Professional Engineering License - Wisconsin 2012



MATTHEW P. KSIONZYK, PRA, RS
Associate Director of Quality Assurance

CURRENT CLIENT SERVICES

Matthew P. Ksionzyk, a Civil Engineer, is an Advisor for **Reserve Advisors, Inc.** Mr. Ksionzyk is responsible for the inspection and analysis of the condition of clients' property, and recommending engineering solutions to prolong the lives of common components. He also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. He is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast services for condominiums, townhomes, homeowner associations and commercial/institutional facilities. Matthew Ksionzyk frequently serves as the **Quality Assurance Review Coordinator** for all types of developments.

The following is a partial list of clients served by Matthew Ksionzyk demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

Winterhaven at Country Club Estates This gated master association was constructed from 1997 to 2005, consists of 617 large single family homes and is located within Cochise County in southeast Arizona. This gated community comprises two clubhouses and two pools with over 10 miles of asphalt streets.

Cypress Landing This secluded master association, located on the "Inner Banks" of North Carolina, consists of three homeowner associations. The development comprises a clubhouse, a fitness center, two pools, four clay tennis courts, secured recreational vehicle and boat storage areas, six ponds and three earthen dams.

Guard Hill A townhome association located in Westchester County, New York that consists of 212 units in 45 buildings. The townhome buildings comprise asphalt shingle roofs, wood balconies and wood siding. This community includes private roads, three ponds, tennis and basketball courts, and a pool.

The Village of Kiln Creek Located in southeast Virginia, this large-scale master association is responsible for the common elements shared by 31 subsidiary associations that comprise 2,918 residences. The community was built from 1988 to 2001 and consists of a clubhouse, pools, recreation facilities, maintenance facilities, an administrative office, asphalt walking paths, an irrigation system and lakes.

Lake Chelan United Methodist Church This religious facility is located in central Washington State. The church contains a sanctuary, offices, classrooms, social rooms, a kitchen, rest rooms and a separate parsonage. The church was built in 1891 and additions were completed in the 1950's.

The Condominiums at Center Court This unique 13-story high-rise is located within New Haven, Connecticut and comprises 93 units. The building includes a masonry façade, flat roofs and common mechanical systems. The building originally served as headquarters for the Southern New England Telephone Company. Construction of the first ten-stories was conducted from 1916 to 1918 and stories 11 through 13 were added in the mid-1920's. A three-story, ground level addition was erected in the early 1980's.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Inc., Mr. Ksionzyk attended Clarkson University, in Postdam, New York, where he specialized in Infrastructure Engineering. After college, he was commissioned as an officer in the U.S. Army and served four years on active duty, including a 13-month deployment in support of Operation Iraqi Freedom. While in the Army, Mr. Ksionzyk served as an infantry and a logistical transportation officer.

EDUCATION

Clarkson University - B.S. Civil Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Engineer In Training (E.I.T.) Registration - New York 2002

Professional Reserve Analyst (PRA) - Association of Professional Reserve Analysts

Reserve Specialist (RS) - Community Associations Institute



MIKE S. BENTLEY, PRA, RS
Responsible Advisor

CURRENT CLIENT SERVICES

Mike S. Bentley, a Civil Engineer, is an Advisor for **Reserve Advisors, Inc.** Mr. Bentley is responsible for the inspection and analysis of the condition of clients' property, and recommending engineering solutions to prolong the lives of the components. He also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. He is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast services and the preparation of Reserve Study Reports for condominiums, townhomes, high rise condominium towers, homeowner associations, and religious and educational facilities. Mr. Bentley frequently serves as the **Quality Assurance Review Coordinator** for all types of developments.

The following is a partial list of clients served by Mike S. Bentley demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

Summit Hotel Condominium Owner's Association At the base of the Big Sky Mountain in Montana, this 11-story high, 221 room condominium hotel serves vacationers year round. The Association maintains a stucco and masonry exterior, interior finishes, furnishings and appliances as well as the full range of mechanical equipment including three elevators, two chillers, two cooling towers and three boilers. The Summit also includes two restaurants, a full service kitchen, a pool, steam room and fitness room.

Emerald Chase Homeowners Association This planned unit development lays nestled within the wooded suburbs of Raleigh, North Carolina. Built in 1986, Emerald Chase maintains over two miles of asphalt pavement roads as well as an irrigation system.

Riverbridge Condominium Association Situated on the bank of the Milwaukee River, these three newly developed mid-rise buildings contain 117 units as well as an underground parking garage. In addition to the building's interior amenities, a security system and mechanical systems, Riverbridge also maintains a cantilevered concrete plaza giving pedestrians breathtaking views of the river below.

Patuxent Point Community Association A quaint community located in Patuxent, Maryland comprises 106 units in 18 buildings. Amenities at this coastal community include a clubhouse, tennis courts, pool, playground and asphalt walking paths. The painted wood siding on the exterior walls of the three-story townhomes give Patuxent Point a sense of charm and warmth.

Clubs at Bradford Place Community Association Seventy-nine units housed in 31 duplexes and triplexes comprise this retirement community on the outskirts of Chicago. The Association maintains the asphalt pavement driveways and concrete sidewalks throughout the community in addition to the vinyl siding and brick exteriors.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Inc., Mr. Bentley attended Columbia University in New York, New York where he attained his Bachelor of Science degree in Civil Engineering. His studies focused on structural engineering as well as construction management.

EDUCATION

Columbia University - B.S. Civil Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Engineer In Training (E.I.T.) Registration – New York 2005

Professional Reserve Analyst (PRA) - Association of Professional Reserve Analysts

Reserve Specialist (RS) - Community Associations Institute



TIMOTHY J. MATTHIESEN, RS
Review Coordinator

CURRENT CLIENT SERVICES

Timothy J. Matthiesen, a Civil Engineer, is an Advisor for Reserve Advisors, Inc., which is dedicated to serving community associations, religious organizations, educational facilities, and public and private entities throughout the United States. Mr. Matthiesen is responsible for the inspection and analysis of the property's current condition, recommending engineering solutions to prolong the lives of building components, forecasting capital expenditures for the repair and/or replacement of the property components, and technical report preparation on assignments. He is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast Services on townhomes, homeowners associations and planned unit developments.

The following is a partial list of clients served by Mr. Matthiesen demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

1900 Stevens Condominium Association 1920's historic condominium situated in the Stevens Square area of Minneapolis that features a roof deck with views of the downtown skyline.

Riverstone Homeowners Association Developing community outside of Houston currently comprised of 2,400 homes. Amenities include gated sections, ponds, a water park and miles of perimeter walls.

Four Seasons Resorts Colorado A total of five Reserve Studies were completed for the recently constructed 45-story high rise in Denver and state of the art ski lodge in Vail.

Sauganash Village Homeowners Association Quiet, wooded community of townhomes on the north side of Chicago. The community features elegant, urban brick townhomes, private streets and a fountain.

Insulators & Allied Workers Local No. 14 Headquarters of the insulators and allied workers union for the Philadelphia area that houses its offices, a ballroom and an educational center.

Glenhaven Lakes Club A homeowners association of over 1,000 homes set in the mountains north of Seattle. The community is responsible for its extensive private water system and maintenance equipment.

Idaho Ronald McDonald House Constructed in 1907, this prominent Victorian inspired home in downtown Boise was converted for Ronald McDonald House use in 1988. Subsequent additions were added in 1994 and 2002.

Vint Hill Conservancy Near Washington, D.C. is this former military base that has been converted into a mixed use development. Former army patrol roads comprise miles of recreational trails.

Alpha Delta Pi Sorority House Frank Lloyd Wright inspired prairie style house on the campus of the University of Arizona that maintains residences for over sixty students and a commercial kitchen.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Inc., Mr. Matthiesen was a building inspector working with the Roman Catholic Archdiocese of Greater Milwaukee. He was responsible for the inspection and condition assessment of occupied and unoccupied school buildings throughout the state. His day to day duties included conducting on-site meetings with Parish representatives, completing detailed technical inspections and creating a database of building condition information for Archdiocese Officials.

Mr. Matthiesen has also worked for the Forest Preserve District of Kane County as a Civil Engineer. He was responsible for the inspection of existing park amenities and the design of new improvements. Park amenities and new improvements included parking lots and roadways, existing historic buildings and structures, community centers and trails comprised of asphalt, concrete, limestone and landscape.

EDUCATION

Marquette University - B.S. Civil Engineering

PROFESSIONAL AFFILIATIONS

Reserve Specialist (RS) - Community Associations Institute



RESOURCES

Reserve Advisors, Inc. utilizes numerous resources of national and local data to conduct its Professional Services. A concise list of several of these resources follows:

Association of Construction Inspectors, (ACI) the largest professional organization for those involved in construction inspection and construction project management. ACI is also the leading association providing standards, guidelines, regulations, education, training, and professional recognition in a field that has quickly become important procedure for both residential and commercial construction, found on the web at www.iami.org. Several advisors and a Principal of Reserve Advisors, Inc. hold Senior Memberships with ACI.

American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., (ASHRAE) the American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., devoted to the arts and sciences of heating, ventilation, air conditioning and refrigeration; recognized as the foremost, authoritative, timely and responsive source of technical and educational information, standards and guidelines, found on the web at www.ashrae.org. Reserve Advisors, Inc. actively participates in its local chapter and holds individual memberships.

Community Associations Institute, (CAI) America's leading advocate for responsible communities noted as the only national organization dedicated to fostering vibrant, responsive, competent community associations. Their mission is to assist community associations in promoting harmony, community, and responsible leadership.

Marshall & Swift / Boeckh, (MS/B) the worldwide provider of building cost data, co-sourcing solutions, and estimating technology for the property and casualty insurance industry found on the web at www.msbinfo.com.

R.S. Means CostWorks, North America's leading supplier of construction cost information. As a member of the Construction Market Data Group, Means provides accurate and up-to-date cost information that helps owners, developers, architects, engineers, contractors and others to carefully and precisely project and control the cost of both new building construction and renovation projects found on the web at www.rsmeans.com.

Reserve Advisors, Inc., library of numerous periodicals relating to reserve studies, condition analyses, chapter community associations, and historical costs from thousands of capital repair and replacement projects, and product literature from manufacturers of building products and building systems.