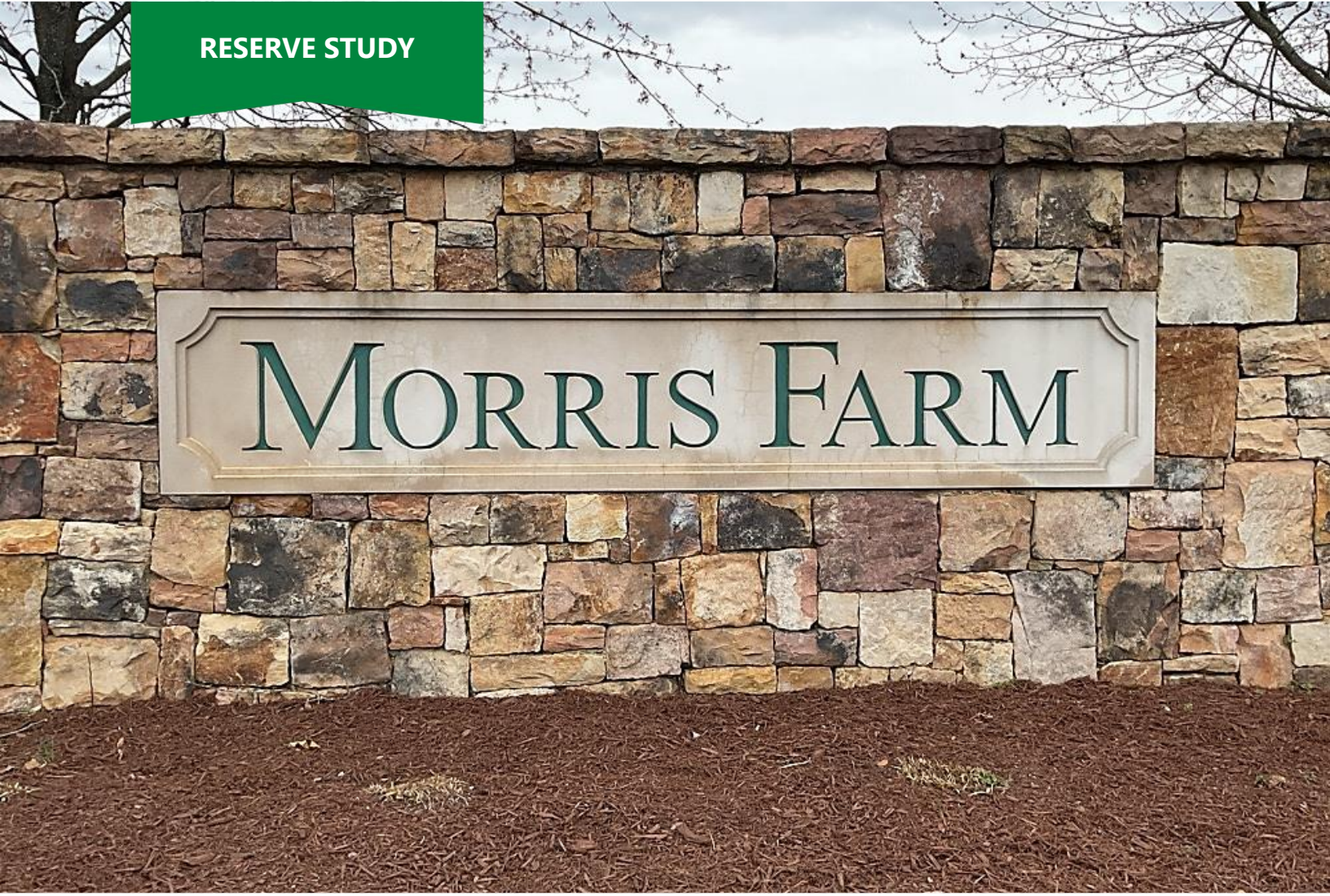


Meadows at Morris Farm Community Association

March 15, 2024 • Gainesville, VA

RESERVE STUDY

A photograph of a rustic stone wall made of irregular, light-colored stones. A rectangular, light-colored plaque is mounted on the wall, featuring the words "MORRIS FARM" in a dark, serif font. The wall is set against a background of bare tree branches and a cloudy sky. The foreground is covered in dark brown mulch.

MORRIS FARM



Meadows at Morris Farm Community Association
Gainesville, Virginia

Dear Board of Directors of Meadows at Morris Farm Community Association:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Reserve Study* of Meadows at Morris Farm Community Association in Gainesville, Virginia and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, March 15, 2024.

This *Reserve Study* exceeds the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a “Level II Reserve Study Update.”

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. We look forward to continuing to help Meadows at Morris Farm Community Association plan for a successful future.

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

Respectfully submitted on March 27, 2024 by

Reserve Advisors, LLC

Visual Inspection and Report by: Benjamin G. Guggeis
Review by: Nicholas R. Julia, RS¹, Regional Engineering Manager
Alan M. Ebert, RS, PRA², Director of Quality Assurance



¹ 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 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>.



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1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Meadows at Morris Farm Community Association (Meadows at Morris Farm)

Location: Gainesville, Virginia

Reference: 120055

Property Basics: Meadows at Morris Farm Community Association is a homeowners association which is responsible for the common elements shared by 660 single family homes. The community was built from 2004 to 2013.

Reserve Components Identified: 50 Reserve Components.

Inspection Date: March 15, 2024. We conducted previous inspections in 2015, 2018 and 2021.

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 2052 due to the repaving of the streets and parking areas and in 2054 due to the replacement of the street identification and traffic management signs.

Methodology: 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
- 2.0% anticipated annual rate of return on invested reserves
- 3.0% 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.

Unaudited Cash Status of Reserve Fund:

- \$1,321,049 as of December 31, 2023
- 2024 budgeted Reserve Contributions of \$133,300

Project Prioritization: We note anticipated Reserve Expenditures for the next 30 years in the **Reserve Expenditures** tables and include a **Five-Year Outlook** table following the **Reserve Funding Plan** in Section 3. We recommend the Association prioritize the following projects in the next five years based on the conditions identified:

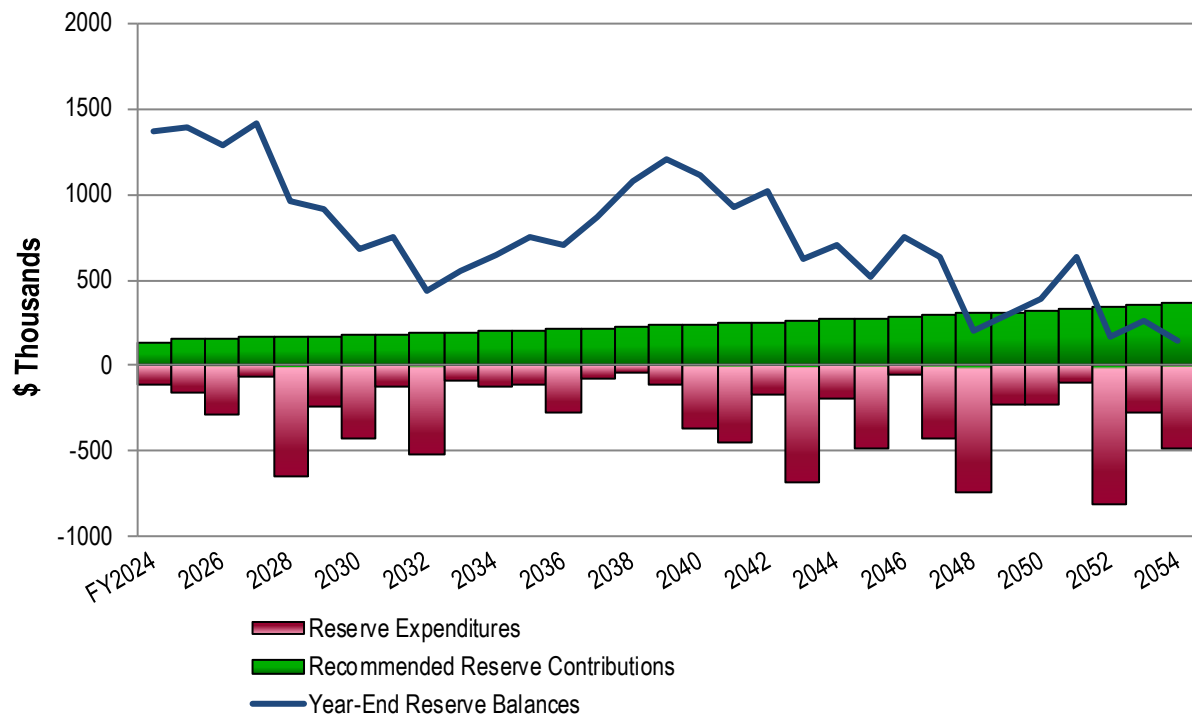
- Repaving of the alleys and walking paths
- Partial replacement of the irrigation system
- Replacement of the playground at the clubhouse and Parula Way
- Replacement of the pool covers
- Replacement of the aluminum fence

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

- Increase to \$154,000 in 2025
- Inflationary increases from 2026 through 2054, the limit of this study's Cash Flow Analysis
- Initial adjustment in Reserve Contributions of \$20,700 represents an average monthly increase of \$2.61 per owner and about a two percent (2.3%) adjustment in the 2024 total Operating Budget of \$912,291.

Meadows at Morris Farm
Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2025	154,000	1,390,862	2035	207,000	753,382	2045	278,200	514,841
2026	158,600	1,290,629	2036	213,200	706,613	2046	286,500	755,361
2027	163,400	1,413,049	2037	219,600	868,381	2047	295,100	636,965
2028	168,300	956,120	2038	226,200	1,072,199	2048	304,000	204,586
2029	173,300	912,654	2039	233,000	1,211,177	2049	313,100	292,713
2030	178,500	679,369	2040	240,000	1,111,121	2050	322,500	389,999
2031	183,900	756,932	2041	247,200	925,815	2051	332,200	631,186
2032	189,400	434,053	2042	254,600	1,024,373	2052	342,200	169,912
2033	195,100	550,173	2043	262,200	617,595	2053	352,500	256,525
2034	201,000	643,381	2044	270,100	709,066	2054	363,100	142,872





2.RESERVE STUDY REPORT

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *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, March 15, 2024.

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
- **Five-Year Outlook** - Identifies reserve components and anticipated reserve expenditures during the first five years
- **Reserve Component Detail** - Describes the reserve components, includes photographic documentation of the condition of various property elements, describes our recommendations for repairs or replacement, and includes detailed solutions and procedures for replacements for the benefit of current and future board members
- **Methodology** - Lists the national standards, methods and procedures used to develop the Reserve Study
- **Definitions** - Contains definitions of terms used in the Reserve Study, consistent with national standards
- **Professional Service Conditions** - Describes Assumptions and Professional Service Conditions
- **Credentials and Resources**

IDENTIFICATION OF PROPERTY



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

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

- Reserve Components
- Long-Lived Property Elements
- Operating Budget Funded Repairs and Replacements
- Property Maintained by Owners
- 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 at Morris Farm responsibility
- Limited useful life expectancies
- Predictable remaining useful life expectancies
- Replacement cost above a minimum threshold

The following tables depict the items excluded from the Reserve Expenditure plan:

Excluded Components

for
Meadows at Morris Farm
Community Association
Gainesville, Virginia

Operating Budget Components

Repairs normally funded through the Operating Budget and Expenditures less than \$6,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)

The operating budget provides money for the repair and replacement of certain Reserve Components. The Association may develop independent criteria for use of operating and reserve funds.

- Landscape
- Paint Finishes, Touch Up
- Pavers, Interim Repairs
- Playground, Interim Mulch Replenishment
- Retaining Walls, Masonry and Stone, Inspections and Repairs
- Walls, Clubhouse, Masonry, Inspections and Repairs
- Walls, Clubhouse, Trim, Paint Finish Applications and Partial Replacement
- Water Heater, Clubhouse

Long-Lived Components

These elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the scope of this study. The operating budget should fund infrequent repairs. Funding untimely or unexpected replacements from reserves will necessitate increases to Reserve Contributions. Periodic updates of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan.

	Useful Life	Estimated Cost
• Electrical Systems, Common	Indeterminate	N/A
• Foundation, Clubhouse	Indeterminate	N/A
• Pipes, Interior Building, Water and Sewer, Clubhouse	Indeterminate	N/A
• Pool Structures	to 60	N/A
• Structural Frame, Clubhouse	Indeterminate	N/A

Owners Responsibility Components

Certain items have been designated as the responsibility of the Owners to repair or replace at their cost, including items billed back.

- Homes and Lots
- Mailboxes, Individual

Excluded Components
for
**Meadows at Morris Farm
Community Association**
Gainesville, Virginia

Others Responsibility Components	
Certain items have been designated as the responsibility of Others to repair or replace.	
• Catch Basins¹ • Earth Dam¹ • Pipes, Subsurface Utilities¹ • Street System, Including Aprons, Curbs, Gutters and Sidewalks (Excluding those Included in this Study)² • Vending Machine³	
¹ Prince William County	
² Virginia Department of Transportation	
³ Leased	

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
- 2024 local cost of replacement
 - Per unit
 - Per phase
 - Replacement of total quantity
- Percentage of future expenditures 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

Five-Year Outlook

- Line item numbers
- Reserve component inventory of only the expenditures anticipated to occur within the first five years
- Schedule of estimated future costs for each reserve component anticipated to occur within the first five years

The purpose of a Reserve Study is to provide an opinion of reasonable annual Reserve Contributions. Prediction of exact timing and costs of minor Reserve Expenditures typically will not significantly affect the 30-year cash flow analysis. Adjustments to the times and/or costs of expenditures may not always result in an adjustment in the recommended Reserve Contributions.

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

RESERVE EXPENDITURES

Meadows at Morris Farm
Community Association
Gainesville, Virginia

Explanatory Notes:

- 1) 3.0% is the estimated Inflation Rate for estimating Future Replacement Costs.
- 2) FY2024 is Fiscal Year beginning January 1, 2024 and ending December 31, 2024.
- 3) 2055+ indicates a component which is considered long-lived

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029	6 2030	7 2031	8 2032	9 2033	10 2034	11 2035	12 2036	13 2037	14 2038	15 2039	
						Useful	Remaining	Unit (2024)	Per Phase (2024)	Total (2024)																		
Property Site Elements																												
4.020	27,990	27,990	Square Yards	Asphalt Pavement, Crack Repair, Patch, and Seal Coat	2024	3 to 5	0	2.50	69,975	69,975	7.1%	69,975				36,543			47,512				99,768					
4.040	10,800	10,800	Square Yards	Asphalt Pavement, Mill and Overlay, Alleys	2028	15 to 20	4	18.50	199,800	199,800	6.9%					224,877												
4.041	13,000	13,000	Square Yards	Asphalt Pavement, Mill and Overlay, Streets and Parking Areas	2032	15 to 20	8	18.50	240,500	240,500	9.4%								304,658									
4.080	4,190	4,190	Square Yards	Asphalt Pavement, Walking Paths, Total Replacement	2028	15 to 20	4	32.00	134,080	134,080	4.6%					150,908												
4.108	4,200	340	Square Feet	Concrete Aprons, Partial	2030	to 65	6 to 30+	12.00	4,080	50,400	0.4%						4,872					5,648						
4.110	4,900	740	Linear Feet	Concrete Curbs and Gutters, Partial	2032	to 65	8 to 30+	36.00	26,640	176,400	1.0%								33,747									
4.120	57,000	3,800	Square Feet	Concrete Driveways, Cluster Homes, Partial	2025	to 65	1 to 30+	17.00	64,600	969,000	6.5%	66,538					77,136					89,422						
4.140	14,900	990	Square Feet	Concrete Sidewalks, Partial	2025	to 65	1 to 30+	11.50	11,385	171,350	1.2%	11,727					13,594					15,760						
4.155	300	300	Square Feet	Deck, Composite, Peacock Park	2031	20 to 25	7	89.00	26,700	26,700	0.4%							32,838										
4.158	2	2	Each	Entrance Structures, Renovation	2030	to 30	6	30,000.00	60,000	60,000	0.8%						71,643											
4.285	300	300	Linear Feet	Fence, Wood Open Rail	2029	to 25	5	28.00	8,400	8,400	0.3%						9,738											
4.286	1,610	1,610	Linear Feet	Fence, Wood, Split Rail	2043	to 25	19	28.00	45,080	45,080	0.9%																	
4.290	730	730	Linear Feet	Fences, Aluminum	2029	to 25	5	55.00	40,150	40,150	1.6%						46,545											
4.420	3	1	Allowance	Irrigation System, Replacement, Phased	2026	to 40+	2 to 6	210,000.00	210,000	630,000	7.8%			222,789		236,357	250,751											
4.425	1	1	Allowance	Irrigation System, Mapping (2024 is Budgeted)	2024	N/A	0	5,675.00	5,675	5,675	0.1%	5,675																
4.500	1	1	Allowance	Landscape, Partial Replacements	2027	to 5	3	50,000.00	50,000	50,000	5.4%				54,636				63,339				73,427					
4.560	10	10	Each	Light Poles and Fixtures	2029	to 25	5	3,200.00	32,000	32,000	1.3%						37,097											
4.600	30	30	Each	Mailbox Stations, Cluster Homes	2027	to 20	3	400.00	12,000	12,000	0.4%				13,113													
4.601	4	4	Each	Mailbox Stations, Townhomes	2032	to 25	8	2,000.00	8,000	8,000	0.1%								10,134									
4.620	670	670	Square Feet	Pavers, Bluestone, Inspections and Capital Repairs, Pavilions	2029	to 25	5	18.50	12,395	12,395	0.5%						14,369											
4.621	18,300	18,300	Square Feet	Pavers, Masonry, Resetting and Partial Replacements, Cluster Homes	2041	15 to 20	17	4.50	82,350	82,350	1.5%																	
4.630	2	2	Each	Pergolas, Wood, Walking Paths	2030	to 25	6	4,000.00	8,000	8,000	0.1%						9,552											
4.660	1	1	Allowance	Playground Equipment, Brown Thrasher Court	2036	15 to 20	12	52,000.00	52,000	52,000	0.8%											74,140						
4.661	1	1	Allowance	Playground Equipment, Clubhouse	2025	15 to 20	1	56,000.00	56,000	56,000	1.8%	57,680																
4.662	1	1	Allowance	Playground Equipment, Parula Way	2029	15 to 20	5	55,000.00	55,000	55,000	2.0%						63,760											
4.745	3,110	1,037	Square Feet	Retaining Walls, Masonry, Phased	2041	to 35	17 to 21	120.00	124,400	373,200	7.2%																	
4.755	160	160	Square Feet	Retaining Walls, Stone	2041	to 35	17	125.00	20,000	20,000	0.4%																	
4.800	1	1	Allowance	Signage, Entrance Monument, Renovation	2029	20 to 25	5	34,000.00	34,000	34,000	1.2%						39,415											
4.810	1	1	Allowance	Signage, Street Identification and Traffic Management, Replacement (2024 Repairs Planned)	2024	15 to 20	0	89,000.00	89,000	89,000	4.1%	35,600								119,609								
4.820	2	1	Allowance	Site Furniture, Phased	2029	15 to 25	5 to 15	12,300.00	12,300	24,600	0.6%						14,259									19,163		
Clubhouse Elements																												
5.070	1	1	Each	Air Handling and Condensing Units, Split System	2041	15 to 20	17	10,000.00	10,000	10,000	0.2%																	
5.100	2	2	Each	Doors, Front Entrance	2036	to 30	12	3,000.00	6,000	6,000	0.1%											8,555						
5.500	1	1	Allowance	Interior, Renovation, Complete	2047	to 25	23	130,000.00	130,000	130,000	2.8%																	
5.510	1	1	Allowance	Interior Renovations, Partial	2031	to 10	7	15,000.00	15,000	15,000	0.5%							18,448							23,370			
5.600	40	40	Squares	Roof Assembly, Metal	2036	to 30	12	1,400.00	56,000	56,000	0.9%											79,843						
5.720	1	1	Allowance	Security System	2036	10 to 15	12	8,500.00	8,500	8,500	0.3%											12,119						
5.750	2,800	2,800	Square Feet	Walls, Siding, Vinyl	2040	to 40	16	10.00	28,000	28,000	0.5%																	
5.800	300	300	Square Feet	Windows and Doors	2040	to 40	16	79.00	23,700	23,700	0.4%																	
Pool Elements																												
6.200	14,850	14,850	Square Feet	Concrete Deck, Inspections, Partial Replacements and Repairs	2031	8 to 12	7	2.50	37,125	37,125	2.1%							45,659										

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, \$		Percentage of Future Expenditures	16 2040	17 2041	18 2042	19 2043	20 2044	21 2045	22 2046	23 2047	24 2048	25 2049	26 2050	27 2051	28 2052	29 2053	30 2054	
						Useful	Remaining	Unit (2024)	Per Phase (2024)																	Total (2024)
Property Site Elements																										
4.020	27,990	27,990	Square Yards	Asphalt Pavement, Crack Repair, Patch, and Seal Coat	2024	3 to 5	0	2.50	69,975	69,975	7.1%	112,289			126,383				66,002				85,812			
4.040	10,800	10,800	Square Yards	Asphalt Pavement, Mill and Overlay, Alleys	2028	15 to 20	4	18.50	199,800	199,800	6.9%								406,152							
4.041	13,000	13,000	Square Yards	Asphalt Pavement, Mill and Overlay, Streets and Parking Areas	2032	15 to 20	8	18.50	240,500	240,500	9.4%												550,247			
4.080	4,190	4,190	Square Yards	Asphalt Pavement, Walking Paths, Total Replacement	2028	15 to 20	4	32.00	134,080	134,080	4.6%								272,557							
4.108	4,200	340	Square Feet	Concrete Aprons, Partial	2030	to 65	6 to 30+	12.00	4,080	50,400	0.4%	6,547				7,590					8,799					
4.110	4,900	740	Linear Feet	Concrete Curbs and Gutters, Partial	2032	to 65	8 to 30+	36.00	26,640	176,400	1.0%												60,950			
4.120	57,000	3,800	Square Feet	Concrete Driveways, Cluster Homes, Partial	2025	to 65	1 to 30+	17.00	64,600	969,000	6.5%	103,664				120,175					139,316					
4.140	14,900	990	Square Feet	Concrete Sidewalks, Partial	2025	to 65	1 to 30+	11.50	11,385	171,350	1.2%	18,270				21,179					24,553					
4.155	300	300	Square Feet	Deck, Composite, Peacock Park	2031	20 to 25	7	89.00	26,700	26,700	0.4%															
4.158	2	2	Each	Entrance Structures, Renovation	2030	to 30	6	30,000.00	60,000	60,000	0.8%															
4.285	300	300	Linear Feet	Fence, Wood Open Rail	2029	to 25	5	28.00	8,400	8,400	0.3%											18,659				
4.286	1,610	1,610	Linear Feet	Fence, Wood, Split Rail	2043	to 25	19	28.00	45,080	45,080	0.9%				79,048											
4.290	730	730	Linear Feet	Fences, Aluminum	2029	to 25	5	55.00	40,150	40,150	1.6%														97,455	
4.420	3	1	Allowance	Irrigation System, Replacement, Phased	2026	to 40+	2 to 6	210,000.00	210,000	630,000	7.8%															
4.425	1	1	Allowance	Irrigation System, Mapping (2024 is Budgeted)	2024	N/A	0	5,675.00	5,675	5,675	0.1%															
4.500	1	1	Allowance	Landscape, Partial Replacements	2027	to 5	3	50,000.00	50,000	50,000	5.4%			85,122				98,679					114,396			
4.560	10	10	Each	Light Poles and Fixtures	2029	to 25	5	3,200.00	32,000	32,000	1.3%														77,672	
4.600	30	30	Each	Mailbox Stations, Cluster Homes	2027	to 20	3	400.00	12,000	12,000	0.4%							23,683								
4.601	4	4	Each	Mailbox Stations, Townhomes	2032	to 25	8	2,000.00	8,000	8,000	0.1%															
4.620	670	670	Square Feet	Pavers, Bluestone, Inspections and Capital Repairs, Pavilions	2029	to 25	5	18.50	12,395	12,395	0.5%														30,086	
4.621	18,300	18,300	Square Feet	Pavers, Masonry, Resetting and Partial Replacements, Cluster Homes	2041	15 to 20	17	4.50	82,350	82,350	1.5%		136,112													
4.630	2	2	Each	Pergolas, Wood, Walking Paths	2030	to 25	6	4,000.00	8,000	8,000	0.1%															
4.660	1	1	Allowance	Playground Equipment, Brown Thrasher Court	2036	15 to 20	12	52,000.00	52,000	52,000	0.8%															
4.661	1	1	Allowance	Playground Equipment, Clubhouse	2025	15 to 20	1	56,000.00	56,000	56,000	1.8%					104,177										
4.662	1	1	Allowance	Playground Equipment, Parula Way	2029	15 to 20	5	55,000.00	55,000	55,000	2.0%									115,158						
4.745	3,110	1,037	Square Feet	Retaining Walls, Masonry, Phased	2041	to 35	17 to 21	120.00	124,400	373,200	7.2%		205,615		218,137		231,421									
4.755	160	160	Square Feet	Retaining Walls, Stone	2041	to 35	17	125.00	20,000	20,000	0.4%		33,057													
4.800	1	1	Allowance	Signage, Entrance Monument, Renovation	2029	20 to 25	5	34,000.00	34,000	34,000	1.2%									71,188						
4.810	1	1	Allowance	Signage, Street Identification and Traffic Management, Replacement (2024 Repairs Planned)	2024	15 to 20	0	89,000.00	89,000	89,000	4.1%														216,026	
4.820	2	1	Allowance	Site Furniture, Phased	2029	15 to 25	5 to 15	12,300.00	12,300	24,600	0.6%									25,753						
Clubhouse Elements																										
5.070	1	1	Each	Air Handling and Condensing Units, Split System	2041	15 to 20	17	10,000.00	10,000	10,000	0.2%		16,528													
5.100	2	2	Each	Doors, Front Entrance	2036	to 30	12	3,000.00	6,000	6,000	0.1%															
5.500	1	1	Allowance	Interior, Renovation, Complete	2047	to 25	23	130,000.00	130,000	130,000	2.8%							256,566								
5.510	1	1	Allowance	Interior Renovations, Partial	2031	to 10	7	15,000.00	15,000	15,000	0.5%															
5.600	40	40	Squares	Roof Assembly, Metal	2036	to 30	12	1,400.00	56,000	56,000	0.9%															
5.720	1	1	Allowance	Security System	2036	10 to 15	12	8,500.00	8,500	8,500	0.3%									17,797						
5.750	2,800	2,800	Square Feet	Walls, Siding, Vinyl	2040	to 40	16	10.00	28,000	28,000	0.5%	44,932														
5.800	300	300	Square Feet	Windows and Doors	2040	to 40	16	79.00	23,700	23,700	0.4%	38,032														
Pool Elements																										
6.200	14,850	14,850	Square Feet	Concrete Deck, Inspections, Partial Replacements and Repairs	2031	8 to 12	7	2.50	37,125	37,125	2.1%		61,362									82,465				

RESERVE EXPENDITURES

Meadows at Morris Farm
Community Association
Gainesville, Virginia

- Explanatory Notes:
- 1) 3.0% is the estimated Inflation Rate for estimating Future Replacement Costs.
 - 2) FY2024 is Fiscal Year beginning January 1, 2024 and ending December 31, 2024.
 - 3) 2055+ indicates a component which is considered long-lived

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029	6 2030	7 2031	8 2032	9 2033	10 2034	11 2035	12 2036	13 2037	14 2038	15 2039
						Useful	Remaining	Unit (2024)	Per Phase (2024)	Total (2024)																	
6.300	5,890	5,890	Square Feet	Covers, Vinyl	2025	6 to 8	1	4.00	23,560	23,560	2.1%		24,267						29,845								36,706
6.400	580	580	Linear Feet	Fences, Metal	2053	to 35	29	82.00	47,560	47,560	1.2%																
6.500	2	1	Allowance	Furniture, Phased	2026	to 12	2 to 8	27,500.00	27,500	55,000	2.4%		29,175						34,836						41,596		
6.550	6	6	Each	Light Poles and Fixtures	2031	to 25	7	3,200.00	19,200	19,200	0.3%							23,614									
6.600	2	1	Allowance	Mechanical Equipment, Phased	2026	to 15	2 to 9	24,500.00	24,500	49,000	2.3%		25,992							31,967							
6.800	3,650	3,650	Square Feet	Pool Finish, Plaster	2033	8 to 12	9	10.00	36,500	36,500	2.2%									47,624							
6.801	2,310	2,310	Linear Feet	Pool Finish, Tile and Coping	2043	15 to 25	19	80.00	184,800	184,800	3.6%																
6.865	5	5	Each	Shade Structures, Canvas	2026	6 to 8	2	1,400.00	7,000	7,000	0.5%		7,426							9,133							
6.870	5	5	Each	Shade Structures, Canvas and Frames	2039	15 to 20	15	4,800.00	24,000	24,000	0.4%															37,391	
6.900	3,650	3,650	Square Feet	Structure and Deck, Total Replacement, Partial	2063	to 60	39	130.00	474,500	474,500	0.0%																
6.950	1	1	Each	Water Feature	2029	to 15	5	8,700.00	8,700	8,700	0.3%						10,086										
6.980	1	1	Each	Water Slide, Replacement	2042	to 25	18	53,000.00	53,000	53,000	1.0%																
Anticipated Expenditures, By Year (\$9,114,343 over 30 years)												111,250	160,211	285,382	67,749	648,685	235,269	427,548	120,558	524,071	88,725	119,609	110,829	274,423	73,427	41,596	116,629

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, \$			Percentage of Future Expenditures	16 2040	17 2041	18 2042	19 2043	20 2044	21 2045	22 2046	23 2047	24 2048	25 2049	26 2050	27 2051	28 2052	29 2053	30 2054
						Useful	Remaining	Unit (2024)	Per Phase (2024)	Total (2024)																
6.300	5,890	5,890	Square Feet	Covers, Vinyl	2025	6 to 8	1	4.00	23,560	23,560	2.1%							45,143							55,521	
6.400	580	580	Linear Feet	Fences, Metal	2053	to 35	29	82.00	47,560	47,560	1.2%														112,078	
6.500	2	1	Allowance	Furniture, Phased	2026	to 12	2 to 8	27,500.00	27,500	55,000	2.4%					49,668					59,306					
6.550	6	6	Each	Light Poles and Fixtures	2031	to 25	7	3,200.00	19,200	19,200	0.3%															
6.600	2	1	Allowance	Mechanical Equipment, Phased	2026	to 15	2 to 9	24,500.00	24,500	49,000	2.3%	39,315						48,353								59,468
6.800	3,650	3,650	Square Feet	Pool Finish, Plaster	2033	8 to 12	9	10.00	36,500	36,500	2.2%				64,003										86,015	
6.801	2,310	2,310	Linear Feet	Pool Finish, Tile and Coping	2043	15 to 25	19	80.00	184,800	184,800	3.6%				324,048											
6.865	5	5	Each	Shade Structures, Canvas	2026	6 to 8	2	1,400.00	7,000	7,000	0.5%						13,413								16,496	
6.870	5	5	Each	Shade Structures, Canvas and Frames	2039	15 to 20	15	4,800.00	24,000	24,000	0.4%															
6.900	3,650	3,650	Square Feet	Structure and Deck, Total Replacement, Partial	2063	to 60	39	130.00	474,500	474,500	0.0%															
6.950	1	1	Each	Water Feature	2029	to 15	5	8,700.00	8,700	8,700	0.3%					15,713										
6.980	1	1	Each	Water Slide, Replacement	2042	to 25	18	53,000.00	53,000	53,000	1.0%			90,229												
Anticipated Expenditures, By Year (\$9,114,343 over 30 years)												363,049	452,674	175,351	685,236	191,764	484,542	58,556	427,281	744,711	229,897	231,974	101,124	811,406	270,110	480,707

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS Meadows at Morris Farm Community Association Gainesville, Virginia		Individual Reserve Budgets & Cash Flows for the Next 30 Years															
		FY2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Reserves at Beginning of Year	(Note 1)	1,321,049	1,369,740	1,390,862	1,290,629	1,413,049	956,120	912,654	679,369	756,932	434,053	550,173	643,381	753,382	706,613	868,381	1,072,199
Total Recommended Reserve Contributions	(Note 2)	133,300	154,000	158,600	163,400	168,300	173,300	178,500	183,900	189,400	195,100	201,000	207,000	213,200	219,600	226,200	233,000
Estimated Interest Earned, During Year	(Note 3)	26,641	27,333	26,549	26,769	23,457	18,503	15,763	14,221	11,792	9,745	11,817	13,829	14,455	15,594	19,214	22,608
Anticipated Expenditures, By Year		(111,250)	(160,211)	(285,382)	(67,749)	(648,685)	(235,269)	(427,548)	(120,558)	(524,071)	(88,725)	(119,609)	(110,829)	(274,423)	(73,427)	(41,596)	(116,629)
Anticipated Reserves at Year End		<u>\$1,369,740</u>	<u>\$1,390,862</u>	<u>\$1,290,629</u>	<u>\$1,413,049</u>	<u>\$956,120</u>	<u>\$912,654</u>	<u>\$679,369</u>	<u>\$756,932</u>	<u>\$434,053</u>	<u>\$550,173</u>	<u>\$643,381</u>	<u>\$753,382</u>	<u>\$706,613</u>	<u>\$868,381</u>	<u>\$1,072,199</u>	<u>\$1,211,177</u>

(continued)	Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued															
	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	
Reserves at Beginning of Year	1,211,177	1,111,121	925,815	1,024,373	617,595	709,066	514,841	755,361	636,965	204,586	292,713	389,999	631,186	169,912	256,525	
Total Recommended Reserve Contributions	240,000	247,200	254,600	262,200	270,100	278,200	286,500	295,100	304,000	313,100	322,500	332,200	342,200	352,500	363,100	
Estimated Interest Earned, During Year	22,993	20,168	19,309	16,257	13,135	12,118	12,576	13,785	8,332	4,924	6,760	10,111	7,932	4,222	3,954	
Anticipated Expenditures, By Year	(363,049)	(452,674)	(175,351)	(685,236)	(191,764)	(484,542)	(58,556)	(427,281)	(744,711)	(229,897)	(231,974)	(101,124)	(811,406)	(270,110)	(480,707)	
Anticipated Reserves at Year End	<u>\$1,111,121</u>	<u>\$925,815</u>	<u>\$1,024,373</u>	<u>\$617,595</u>	<u>\$709,066</u>	<u>\$514,841</u>	<u>\$755,361</u>	<u>\$636,965</u>	<u>\$204,586</u>	<u>\$292,713</u>	<u>\$389,999</u>	<u>\$631,186</u>	<u>\$169,912</u>	<u>\$256,525</u>	<u>\$142,872</u>	
													(NOTE 5)		(NOTES 4&5)	

FIVE-YEAR OUTLOOK**Meadows at Morris Farm
Community Association**
Gainesville, Virginia

Line Item	Reserve Component Inventory	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
<u>Property Site Elements</u>							
4.020	Asphalt Pavement, Crack Repair, Patch, and Seal Coat	69,975				36,543	
4.040	Asphalt Pavement, Mill and Overlay, Alleys					224,877	
4.080	Asphalt Pavement, Walking Paths, Total Replacement					150,908	
4.120	Concrete Driveways, Cluster Homes, Partial		66,538				
4.140	Concrete Sidewalks, Partial		11,727				
4.285	Fence, Wood Open Rail						9,738
4.290	Fences, Aluminum						46,545
4.420	Irrigation System, Replacement, Phased			222,789		236,357	
4.425	Irrigation System, Mapping (2024 is Budgeted)	5,675					
4.500	Landscape, Partial Replacements				54,636		
4.560	Light Poles and Fixtures						37,097
4.600	Mailbox Stations, Cluster Homes				13,113		
4.620	Pavers, Bluestone, Inspections and Capital Repairs, Pavilions						14,369
4.661	Playground Equipment, Clubhouse		57,680				
4.662	Playground Equipment, Parula Way						63,760
4.800	Signage, Entrance Monument, Renovation						39,415
4.810	Signage, Street Identification and Traffic Management, Replacement (2024 Repairs Planned)	35,600					
4.820	Site Furniture, Phased						14,259
<u>Pool Elements</u>							
6.300	Covers, Vinyl		24,267				
6.500	Furniture, Phased			29,175			
6.600	Mechanical Equipment, Phased			25,992			
6.865	Shade Structures, Canvas			7,426			
6.950	Water Feature						10,086
Anticipated Expenditures, By Year (\$9,114,343 over 30 years)		111,250	160,211	285,382	67,749	648,685	235,269

4.RESERVE COMPONENT DETAIL

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

Property Site Elements

Asphalt Pavement, Repaving

Line Items: 4.020 through 4.041

Quantity: Approximately 10,800 square yards of asphalt pavement comprise the alleys throughout the community and 13,000 square yards of pavement comprise the streets and parking areas at the townhomes west end of Catbird Drive and the clubhouse parking area.

History: The alleys, street and parking areas are original to construction between 2004 and 2010 with repairs conducted in 2023.

Condition: The alleys vary from fair to poor overall condition with cracks and deterioration evident, and the streets at the townhomes and parking area at the clubhouse are in fair overall condition with cracks and prior repairs evident.



Asphalt pavement alley overview



Asphalt pavement street at townhomes overview



Asphalt pavement at clubhouse parking area



Cracks at alley



Cracks at alley



Cracks at alley



Cracks at townhome streets



Cracks and prior repairs at the townhomes



Cracks and prior repairs at the clubhouse parking area



Cracks and prior repairs at the clubhouse parking area



Edge deterioration and cracks at the alleys



Edge deterioration and cracks at the alleys

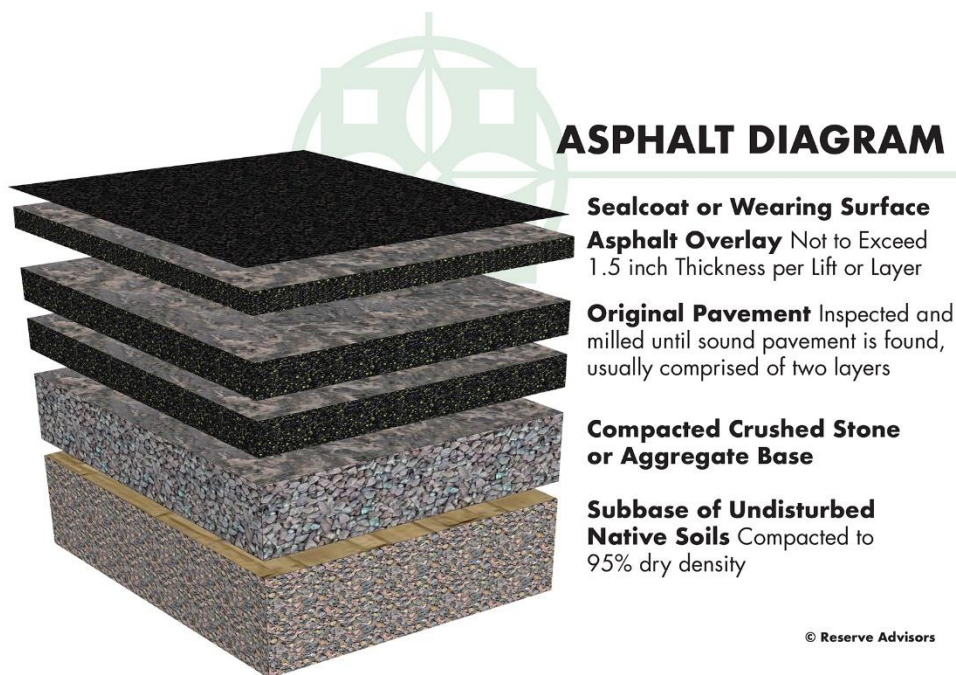


Edge deterioration and cracks at the alleys

Useful Life: 15- to 20-years with the benefit of crack repair, patch, and seal coat events every three- to five-years

Component Detail Notes: Proposals should include mechanically routing and filling all cracks with hot emulsion. Repairs should also include patching at areas exhibiting settlement, potholes, or excessive cracking. 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. These activities minimize the damaging effects of vehicle fluids, maintain a uniform and positive appearance, and maximize the useful life of the pavement.

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 the typical components although it may not reflect the actual configuration at Meadows at Morris Farm:



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 of repaving at Meadows at Morris Farm.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect for settlement, large cracks and trip hazards, and ensure proper drainage
 - Repair areas which could cause vehicular damage such as potholes
- As needed:
 - Perform crack repairs and patching

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost includes an allowance for crack repairs and patching of up to two percent (2%) of the pavement. Our cost for milling and overlayment includes area patching of up to ten percent (10%).

Asphalt Pavement, Repaving, Walking Paths

Line Item: 4.080

Quantity: Approximately 4,190 square yards of pavement comprise the walking paths throughout the community

History: The paths were installed between 2004 and 2010.

Condition: Varying from fair to poor overall with cracks, edge deterioration, organic grow and heaving evident.



Walking path overview



Pavement cracks



Pavement cracks



Pavement cracks and edge deterioration



Pavement cracks



Pavement cracks



Pavement cracks



Pavement cracks and organic growth



Pavement cracks and organic growth



Pavement cracks and organic growth



Pavement cracks and heaving due to root intrusion



Pavement cracks and heaving due to root intrusion

Useful Life: 15- to 20-years with the benefit of timely crack repairs and patching, and the need to maintain a safe pedestrian surface

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

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

Concrete Aprons

Line Item: 4.108

Quantity: Approximately 4,200 square feet comprise the concrete aprons at the townhomes along Catbird Drive

Condition: Good to fair overall with scaling and cracks evident.



Concrete apron overview



Scaling



Concrete crack and scaling

Useful Life: Up to 65 years although interim deterioration of areas is common

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair major cracks, spalls and trip hazards
 - Mark with orange safety paint prior to replacement or repair
 - Repair or perform concrete leveling in areas in immediate need of repair or possible safety hazard

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We estimate that up to 1,680 square feet of concrete aprons, or approximately forty-one percent (40.5%) of the total, will require replacement during the next 30 years.

Concrete Curbs and Gutters

Line Item: 4.110

Quantity: Approximately 4,900 linear feet at the townhomes along Catbird Drive and clubhouse parking area.

Condition: Good to fair overall



Curb and gutter overview



Concrete damage



Concrete damage



Concrete crack



Concrete crack

Useful Life: Up to 65 years although interim deterioration of areas is common

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair major cracks, spalls and trip hazards
 - Mark with orange safety paint prior to replacement or repair
 - Repair or perform concrete leveling in areas in immediate need of repair or possible safety hazard

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We estimate that up to 1,480 linear feet of curbs and gutters, or approximately thirty percent (30.2%) of the total, will require replacement during the next 30 years.

Concrete Driveways

Line Item: 4.120

Quantity: Approximately 57,000 square feet comprise the concrete driveways to the cluster homes north of Rollins Ford Road. This quantity excludes the individual driveways at the home, which are maintained by the homeowner.

Condition: Fair overall with cracks, undermining, damage and scaling evident.



Concrete driveway overview



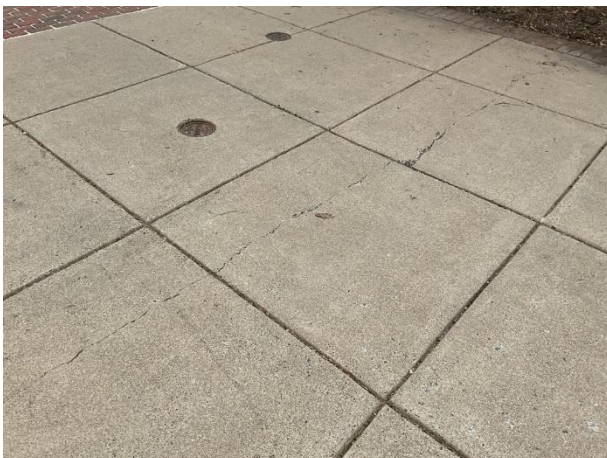
Concrete driveway overview



Concrete crack



Concrete crack



Concrete crack



Concrete crack



Undermining



Concrete damage



Scaling



Scaling

Useful Life: Up to 65 years although interim deterioration of areas is common

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair major cracks, spalls and trip hazards
 - Mark with orange safety paint prior to replacement or repair
 - Repair or perform concrete leveling in areas in immediate need of repair or possible safety hazard

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We estimate that up to 22,800 square feet of concrete driveways, or forty percent (40%) of the total, will require replacement during the next 30 years.

Concrete Sidewalks

Line Item: 4.140

Quantity: Approximately 14,900 square feet comprise the sidewalks at the common areas of the community.

Condition: Good to fair overall with scaling and heaving evident



Sidewalk overview



Scaling



Heaving

Useful Life: Up to 65 years although interim deterioration of areas is common

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair major cracks, spalls and trip hazards
 - Mark with orange safety paint prior to replacement or repair
 - Repair or perform concrete leveling in areas in immediate need of repair or possible safety hazard

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We estimate that up to 5,950 square feet of concrete sidewalks, or approximately forty percent (39.9%) of the total, will require replacement during the next 30 years.

Deck, Composite

Line Item: 4.155

Quantity: One composite deck with wood frames which comprise a total of 300 square feet and 100 linear feet of composite railings at Peacock Park.

History: Original to 2006

Condition: Good to fair overall with railing deterioration, wood split and organic growth evident.



Deck overview



Railings overview



Deck boards overview



Structure overview



Railing deterioration



Wood split



Organic growth

Useful Life: 20- to 25-years

Component Detail Notes: Deck construction includes the following:

- Deck boards fastened with screws
- Composite railings with vertical pickets
- Wood column supported frames
- Exposed concrete footings
- Metal joist hanger fasteners
- Cross bracing does not exist to stabilize the frames
- No toe-nailed connections

The composition of composite materials used in the construction of decks typically includes a combination of wood waste material, plastic and recycled materials. These composite materials are low maintenance and do not split, cup or splinter. Composite materials do not require periodic stain or sealer applications.

Composite deck materials are not structural components and therefore require traditional framing members, such as wood or metal. In addition, some manufacturers require closer spacing of framing components to minimize sagging. In addition to the added cost of framing, composite deck materials can cost up to twice as much as natural wood.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect to identify and correct any unsafe conditions
 - Secure loose fasteners and replace deteriorated fasteners
 - Check railing stability and fasteners
 - Clean as necessary

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend budgeting for cleaning of the deck through the operating budget.

Entrance Structures

Line Item: 4.158

Quantity: The Association maintains two entrance structures at the intersection of Yellow Hammer Drive, Song Sparrow Drive and Rollins Ford Road. The structures are comprised of the following components:

- Accent railing, metal
- Roofs, metal
- Trim, Wood

History: Original to 2006

Condition: Good to fair overall with trim deterioration, warped roofs and staining at the metal railings evident



Entrance structure overview



Metal roof overview



Trim deterioration



Trim deterioration



Warping roof



Stained metal railings

Useful Life: Up to 30 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association budget for interim paint applications through the operating budget. Our cost for renovation includes the following:

- Paint applications
- Partial replacement of the wood trim
- Replacement of the metal railings
- Replacement of the metal roof

Fences, Wood

Line Items: 4.285 and 4.286

Quantity: Approximately 300 linear feet of wood open rail fences are found at the entrances to the community at Song Sparrow Drive and Yellow Hammer Drive. Additionally, the Association maintains approximately 1,610 linear feet of wood split rail fences at the dam and storm water structures behind the townhomes on Catbird Drive.

History: The Association plans to conduct near term repairs to the open rail fence to include paint applications and isolated board replacement funded outside of reserves. The split rail fence was replaced in in 2021 to include removing sections of fence at the south side of the walking path.

Condition: The open rail fence is in fair overall condition with missing boards, loose boards, damaged boards and finish deterioration evident. The split rail fence is in good to fair overall condition with broken rails and wood split evident.



Open rail wood fence overview



Split rail fence overview



Gate at split rail fence



Missing and loose boards at open rail fence



Damaged board and finish deterioration and open rail fence



Wood split and finish deterioration at open rail fence



Finish deterioration at open rail fence



Broken rail at split rail fence



Broken rail at split rail fence



Wood split at split rail fence

Useful Life: up to 25 years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair loose sections, finish deterioration and damage
 - Repair leaning sections and clear vegetation from fence areas which could cause damage

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. 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 to the open rail fence as needed and fund these activities through the operating budget. Our cost for replacement of the split rail fence includes an allowance for the wire.

Fences, Aluminum

Line Item: 4.290

Quantity: Approximately 730 linear feet of aluminum fences atop the retaining walls at the rear of the townhomes adjacent to Catbird Drive.

History: Original to 2006. Management and the Board report a tree that was removed impacting the fence in 2023.

Condition: Fair overall with damaged pickets, damaged rail and leaning sections evident.



Aluminum fence overview



Damaged pickets



Damaged pickets



Damaged pickets



Damaged pickets and rail



Damaged rail



Leaning fence

Useful Life: Up to 25 years (The useful life of the finish is indeterminate. Future updates of this Reserve Study will again consider the need to refinish the railings based on condition.)

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair loose fasteners or sections, and damage
 - Repair leaning sections and clear vegetation from fence areas which could cause damage

Priority/Criticality: Per Board discretion

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

Irrigation System, Replacement

Line Items: 4.420 and 4.425

Quantity: Management informs us the Association maintains an irrigation system that serves the landscaped areas at the community entrances and the clubhouse.

History/Condition: Original to construction between 2004 and 2013. Management and the Board budgeted for mapping of the irrigation system in 2024. Management and the Board report leaks throughout the system and plan to begin replacement of the system in the near term.



Irrigation head



Irrigation controls

Useful Life: Up to and sometimes beyond 40 years

Component Detail Notes: Irrigation systems typically include the following components:

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

Meadows at Morris Farm 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.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - Conduct seasonal repairs which includes valve repairs, controller repairs, partial head replacements and pipe repairs
 - Blow out irrigation water lines and drain building exterior faucets each fall if applicable

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost for mapping in 2024 is based on information provided by Management and the Board.

Landscape

Line Item: 4.500

Component Detail Notes: 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.

Useful Life: At the request of Management and the Board, we include a landscape allowance for partial replacements every five years.

Priority/Criticality: Per Board discretion

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

Light Poles and Fixtures

Line Item: 4.560

Quantity: 10 poles with light fixtures located at the clubhouse parking area, peacock park. The remaining light poles and fixtures throughout the community are maintained by *North Virginia Electric Cooperative*.

History: Original to construction between 2004 and 2013

Condition: Good to fair overall



Light pole and fixture

Useful Life: Up to 25 years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- As-needed:
 - Inspect and repair broken or dislodged fixtures, and leaning or damaged poles
 - Replaced burned out bulbs as needed

Priority/Criticality: Per Board discretion

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

Mailbox Stations, Townhomes

Line Items: 4.600 and 4.601

Quantity: The Association maintains 30 cluster mailboxes located at the cluster homes and four mailbox stations located at the townhomes.

History: Original to construction between 2004 and 2013. The Association repaired the mailbox stations at the townhomes to include paint applications and cleaning in 2023.

Condition: The cluster homes mailboxes are in fair to poor overall condition with missing mailboxes, wood rot, leaning mailboxes, wood split and rust evident. The mailbox stations at the townhomes are in good to fair overall condition with damage and fastener rust evident.



Cluster mailbox overview



Cluster mailbox overview



Mailbox station overview



Mailbox station overview



Missing mailbox at cluster mailboxes



Wood rot at cluster mailboxes



Leaning mailboxes at cluster mailboxes



Wood split at cluster mailboxes



Wood split at cluster mailboxes



Rust at cluster mailboxes



Damaged station at townhome mailboxes



Fastener rust at townhome mailboxes

Useful Life: Up to 20 years for the cluster mailboxes and up to 25 years for the mailbox stations.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- As-needed:
 - Inspect and repair damage, vandalism, and finish deterioration
 - Verify posts are anchored properly

Priority/Criticality: Per Board discretion

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

Pavers, Bluestone and Masonry

Line Items: 4.620 and 4.621

Quantity: The Association maintains approximately 670 square feet of bluestone pavers located at the wood pergolas along the walking path and site furniture throughout the community, and 18,300 square feet of masonry pavers located at the cluster homes driveways.

History: The Bluestone pavers are original to 2006. The Association plans to repair the bluestone pavers in the near term funded outside of reserves, and conducted extensive resetting to the pavers at the driveways in 2023.

Condition: The bluestone pavers are in fair overall condition with broken stones, cracked stones and displaced pavers evident, and the masonry pavers are in good to fair overall condition with mortar deterioration, cracked masonry and organic growth evident.



Bluestone pavers overview



Bluestone pavers overview



Masonry pavers overview



Broken bluestone paver



Cracked bluestone pavers



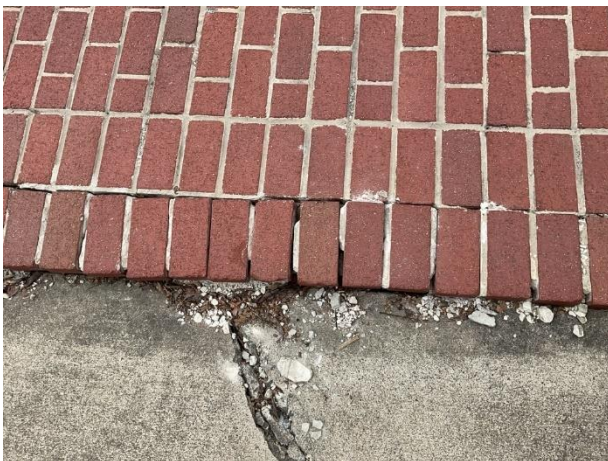
Cracked bluestone paver



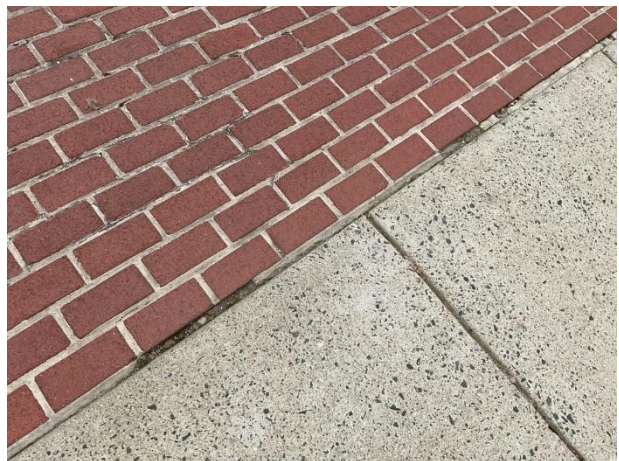
Displaced bluestone paver



Mortar deterioration, masonry crack and organic growth at masonry pavers



Mortar deterioration at masonry pavers



Mortar deterioration

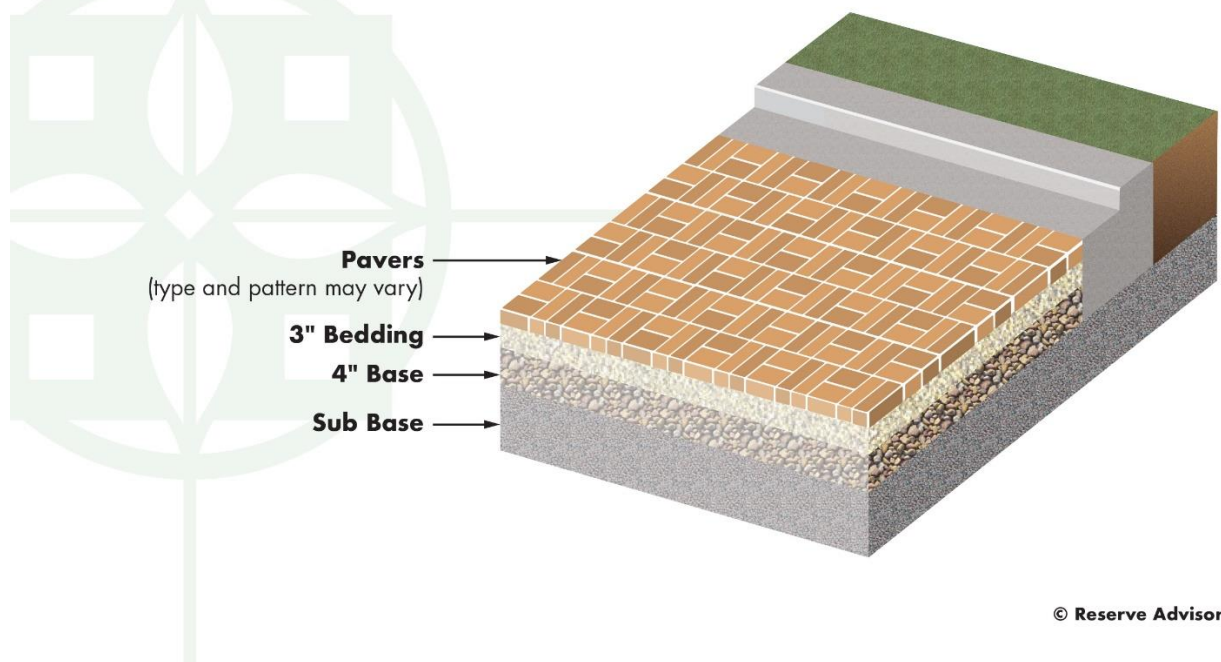


Mortar deterioration and organic growth

Useful Life: Up to 25 years for bluestone pavers and 15- to 20-years for masonry pavers

Component Detail Notes: The following diagram depicts the typical components of a masonry paver system although it may not reflect the actual configuration at Meadows at Morris Farm:

MASONRY PAVER DIAGRAM



Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair settlement, trip hazards and paver spalls at heavy traffic areas
 - Re-set and/or reseal damaged pavers as necessary
 - Periodically clean and remove overgrown vegetation as needed

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost includes resetting of the up to thirty percent (30%) of the masonry pavers and up to fifty percent (50%) of the bluestone pavers with replacement of up to fifteen percent (15%). We suggest the Association conduct interim resetting and replacement of minor areas of pavers as normal maintenance, funded from the operating budget.

Pergolas, Wood, Walking Paths

Line Item: 4.630

Quantity: Two located along the walking paths

History: The Association repainted the pergolas and replaced the damaged boards in 2023.

Condition: Fair overall with wood deterioration, wood split and warped boards evident.



Pergola at clubhouse



Pergola at Yellow Hammer Drive



Wood deterioration at clubhouse



Wood split at clubhouse



Warped boards at Yellow Hammer Drive

Useful Life: Up to 25 years with periodic maintenance

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect for wood deterioration, and loose or missing fasteners
- Every three years:
 - Power wash with algaecide and application of sealer/stain

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We include an allowance for repairs to the stone columns with replacement of the pergola. We recommend the Association budget for paint applications and repairs through the operating budget.

Playground Equipment

Line Items: 4.660 through 4.662

Quantity/History/Condition: The Association maintains three playgrounds. The playground equipment includes the following elements:

- Border, wood
- Playsets and swings
- Safety surface, wood

The Association plans to replenish the mulch at the playgrounds in 2024 funded outside of reserves. The playgrounds locations, ages and conditions can be found in the table below:

Location	Year Installed	Condition
Brown Thrasher Court	2016	Good to fair overall with mulch depletion, exposed rocks and wood deterioration evident
Clubhouse	2008	Fair to poor overall with finish deterioration, rust, exposed tree roots and mulch depletion evident
Parula Way	2008	Fair overall with puppet rust, finish deterioration, wood split and deterioration evident



Playground equipment at Brown Thrasher Court



Playground equipment at clubhouse



Playground equipment at Parula Way



Finish deterioration and rust at clubhouse playground



Finish deterioration and rust at clubhouse playground



Finish deterioration and rust at clubhouse playground



Support rust at Parula Way playground



Finish deterioration at Parula Way playground



Exposed tree root at clubhouse playground



Mulch depletion at clubhouse playground



Mulch depletion and exposed rock at Brown Thrasher Court playground



Wood border deterioration at Brown Thrasher Court playground



Wood split and deterioration at Parula Way playground

Useful Life: 15- to 20-years

Component Detail Notes: 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](https://www.playgroundsafety.org). We recommend the use of a specialist for the design or replacement of the playground equipment environment.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair loose connections and fasteners or damaged elements
 - Inspect for safety hazards and adequate coverage of ground surface cover

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We include an allowance in the unit cost for replacement of the safety surface and border.

Retaining Walls, Masonry and Stone

Line Items: 4.745 and 4.755

Quantity: Approximately 3,110 square feet of masonry retaining walls located behind the townhomes at Catbird Drive and 160 square feet of stone retaining walls at the pergolas located along the walking paths.

History: The walls are original to 2006. The Association removed a tree impacting the masonry retaining wall in 2023 and plans to conduct repairs to the stone retaining walls in the near term funded outside of reserves.

Condition: Good to fair overall with organic growth evident at the masonry retaining walls and missing stones at the stone retaining walls.



Masonry retaining wall overview



Stone retaining wall overview



Organic growth at the masonry retaining walls



Organic growth at the masonry retaining walls



Missing stones at the stone retaining walls



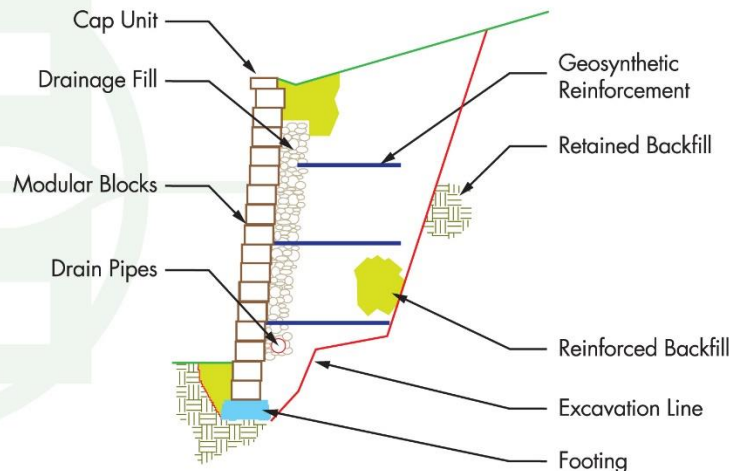
Missing stones at the stone retaining walls

Useful Life: Up to 35 years

Component Detail Notes: 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. Water stains may indicate inadequate drainage or blocked drainage from behind the walls. The following schematic depicts the typical components of a retaining wall system although it may not reflect the actual configuration at Meadows at Morris Farm:

MASONRY RETAINING WALL DETAIL



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Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair leaning sections or damaged areas
 - Water stains which may indicate possible blocked drainage should be investigated further
 - Inspect and repair erosion at the wall base and backside

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

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

Signage, Entrance Monuments

Line Item: 4.800

Quantity: The Association maintains two entrance monuments at the Intersection of Song Sparrow Drive, Yellow Hammer Drive and Rollins Ford Road. The entrance monuments include the following elements:

- Façade, stone
- Landscaping
- Light fixtures
- Signs, concrete
- Arbors, wood (at Peacock Park)

History: The signs are original to 2006 with repairs conducted at the arbors in 2023.

Condition: Good to fair overall with sign cracks, missing stones and cracked stones evident



Entrance monument overview



Wood arbor and stone façade at Peacock park



Sign cracks



Sign cracks



Missing stone



Cracked stone

Useful Life: 20- to 25-years

Component Detail Notes: Community signage contributes to the overall aesthetic appearance of the property to owners and potential buyers. Renovation or replacement of community signs is often predicated upon the desire to "update" the perceived identity of the community rather than for utilitarian concerns. Therefore, the specific times for replacement or renovation are discretionary.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair damage, vandalism and loose components
 - Verify lighting is working properly
 - Touch-up paint finish applications if applicable

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost for renovation includes the following:

- Landscaping as needed
- Repairs to the stone facade
- Replacement of the concrete signs
- Replacement of the light fixtures
- Replacement of the wood arbors

We recommend the Association budget for paint applications to the arbors through the operating budget.

Signage, Street Identification and Traffic Management

Line Item: 4.810

Quantity: The Association maintains the street identification and traffic management signage throughout the community.

History: The Association plans to replace the bases at the signs in 2024

Condition: Fair overall with base damage, finish deterioration, leaning posts and damaged signs evident.



Traffic management sign



Damaged base and finish deterioration



Finish deterioration



Finish deterioration



Leaning sign



Damaged sign

Useful Life: 15- to 20-years

Component Detail Notes: The community signs contribute to the overall aesthetic appearance of the property to owners and potential buyers. Replacement of community signs is often predicated upon the desire to "update" the perceived identity of the community rather than for utilitarian concerns. Therefore, the specific time for replacement of the signs is discretionary.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair damage, vandalism and loose components
 - Verify lighting is working properly if applicable
 - Touch-up paint finish applications if applicable

Priority/Criticality: Per Board discretion

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

Site Furniture

Line Item: 4.820

Quantity: The site furniture consists of the following:

- Benches
- Trash receptacles
- Dog waste stations

History: Various ages. The Association painted the benches and trash receptacles in 2023 and plan to paint the dog waste stations in the near term funded outside of reserves.

Condition: Varying from good to fair overall with vandalism, leaning waste stations, finish deterioration and rust evident.



Benches overview



Bench and trash receptacle overview



Bench overview



Dog waste station overview



Vandalized furniture



Leaning dog waste station



Finish deterioration and rust evident

Useful Life: 15- to 25-years

Priority/Criticality: Per Board discretion

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

Clubhouse Elements



Clubhouse front elevation overview



Clubhouse side elevation overview



Clubhouse rear elevation overview



Clubhouse side elevation overview

Air Handling and Condensing Units, Split System

Line Item: 5.070

Quantity: One Goodman split system

History: Replaced in 2023. The Association replaced the filter in 2024 and conducts regular inspections every eight weeks.

Condition: Reported satisfactory without operational deficiencies



Condensing unit overview

Useful Life: 15- to 20-years

Component Detail Notes: A split system air conditioner consists of an outside condensing unit, an interior evaporator coil, refrigerant lines and an interior electric air handling unit. The condensing unit has a cooling capacity of five-tons.

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - Lubricate motors and bearings
 - Change or clean air filters as needed
 - Inspect condenser base and piping insulation
 - Inspect base pan, coil, cabinet and clear obstructions as necessary
- Annually:
 - Clean coils and drain pans, clean fan assembly, check refrigerant charge, inspect fan drive system and controls
 - Inspect and clean accessible ductwork as needed
 - Clean debris from inside cabinet, inspect condenser compressor and associated tubing for damage

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The condensing unit may require replacement prior to replacement of the related interior forced air unit. For purposes of this Reserve Study, we assume coordination of replacement of the interior forced air unit, evaporator coil, refrigerant lines and exterior condensing unit. Our cost for replacement is based on information provided by the Association.

Doors, Front Entrance

Line Item: 5.100

Quantity: Two front entrance doors at the clubhouse

History: Original to 2006

Condition: Good to fair overall with finish deterioration evident



Entrance doors overview



Finish deterioration



Finish deterioration

Useful Life: Up to 30 years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair any damage, base corrosion or alignment issues
 - Replace deteriorated hardware and loose weather stripping
 - Periodic touch-up paint finish applications as needed

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

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

Interior Renovations

Line Items: 5.500 and 5.510

Quantity: The clubhouse interior components include:

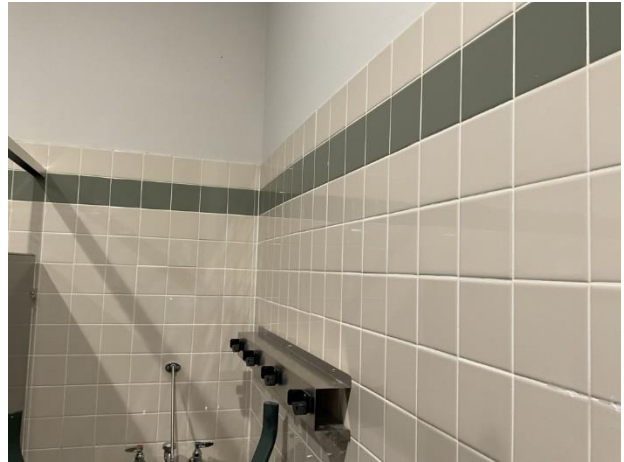
- Ceiling fan overview
- Floor and wall coverings, tile
- Furnishings including desks, tables and chairs
- Kitchen cabinets, countertops, and appliances
- Light fixtures including exit and emergency lights
- Paint applications
- Plumbing fixtures

History: The Association renovated the entire interior of the clubhouse in 2023

Condition: Good overall with paint finish isolated deterioration evident



Tile floor coverings overview



Tile wall coverings overview



Cabinets and countertops overview



Office overview



Sinks overview



Ceiling fan overview



Paint finishes overview



Furnishings overview



Paint finishes deterioration

Useful Life: Complete renovation up to every 25 years and partial renovation up to every 10 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The complete renovation should include paint applications and replacement of all components listed above and the partial renovations should include the following:

- Paint applications
- Replacement of up to fifty percent (50%) of the furnishings

Roof Assembly, Metal

Line Item: 5.600

Quantity: Approximately 35 squares¹ of metal roofing and 375 linear feet of aluminum five-inch gutters and two-inch by three-inch downspouts.

History: Original to 2006

Condition: Good to fair overall with warped roofs evident. Management and the Board to not report a history of leaks.

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



Metal roof assembly overview



Metal roof assembly overview



Metal roof overview



Warped roof overview

Useful Life: Up to 30 years

Preventative Maintenance Notes: We recommend the Association maintain a service and inspection contract with a qualified professional and record all documentation of repairs conducted. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Record any areas of water infiltration, flashing deterioration, damage or loose fasteners
 - Implement repairs as needed if issues are reoccurring
 - Ensure proper ventilation and verify vents are clear of debris and not blocked from attic insulation
 - Clear valleys of debris
 - Periodic cleaning at areas with organic growth

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

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

Security System

Line Item: 5.720

Quantity: Meadows at Morris Farm utilizes the following security system components:

- Cameras
- Multiplexer
- Recorder

History: The Association installed the security system in 2023

Condition: Reported satisfactory



Security camera

Useful Life: 10- to 15-years

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Monthly:
 - Check cameras for proper focus, fields of view are unobstructed and camera and lenses are clean and dust-free
 - Check recording equipment for proper operation
 - Verify monitors are free from distortion with correct brightness and contrast
- Annually:
 - Check exposed wiring and cables for wear, proper connections and signal transmission

- Check power connections, and if applicable, functionality of battery power supply systems

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association should anticipate replacement of all of the security system components per event.

Walls, Siding, Vinyl

Line Item: 5.750

Quantity: Approximately 2,800 square feet of vinyl siding comprises the exterior walls. This quantity includes the vinyl soffit and fascia.

History: Original to 2006

Condition: Good to fair overall



Vinyl siding overview



Soffit overview

Useful Life: Up to 40 years

Component Detail Notes: The siding at Meadows at Morris Farm 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 building

The following diagram details the use of building wrap in a vinyl siding system:

VINYL SIDING DETAIL



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The Association should install new vinyl siding as recommended by the *Vinyl Institute, Inc.* The vinyl siding should be installed over a continuous weather resistant barrier and properly integrated flashing around all penetrations. Fasteners used should include aluminum, galvanized steel or other corrosion-resistant fasteners. Siding panels should overlap by approximately one inch. Joints should be staggered so that no two courses are aligned vertically, unless separated by at least three courses. The siding should not be caulked where the siding meets trim accessories, such as J-channel, or at overlap joints. J-channel should be installed a minimum of ½ inch off of roof lines.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair loose siding, warping or damage from wind driven objects or lawn care equipment
 - Periodically clean siding as necessary at areas of organic growth. A non-abrasive household cleaner or manufacturer specified vinyl siding cleaner will remove more intense stains. We do not recommend pressure cleaning at vinyl siding due to the siding's brittle nature.

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

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

Windows and Doors

Line Item: 5.800

Quantity: Approximately 300 square feet of windows and doors

History: Original to 2006 with paint applications conducted in 2022

Condition: Good to fair overall with hinge rust



Doors overview



Door overview



Windows overview



Windows overview



Hinge rust



Corroded handle



Finish deterioration

Useful Life: Up to 40 years

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

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

Pool Elements



Main pool overview



Wading pool overview

Concrete Deck

Line Item: 6.200

Quantity: Approximately 14,850 square feet comprises the concrete pool deck

History: The Association replaced the pool deck in 2021 and conducted repairs in 2023 with the replacement of the pool plaster.

Condition: Good to fair overall with cracks and prior repairs evident



Pool deck overview



Concrete cracks and prior repairs

Useful Life: The useful life of a concrete pool deck is up to 60 years or more with timely repairs. We recommend the Association conduct inspections, partial replacements and repairs to the deck every 8- to 12-years.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - Inspect and repair large cracks, trip hazards, and possible safety hazards
 - Inspect and repair pool coping for cracks, settlement, heaves or sealant deterioration
 - Repair concrete spalling
 - Schedule periodic pressure cleanings as needed

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association budget for the following per event:

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

Covers, Vinyl

Line Item: 6.300

Quantity: Approximately 5,890 square feet comprise the two-vinyl pool covers

History: The covers were replaced in 2016

Condition: Fair to poor overall with tears evident



Wading pool cover



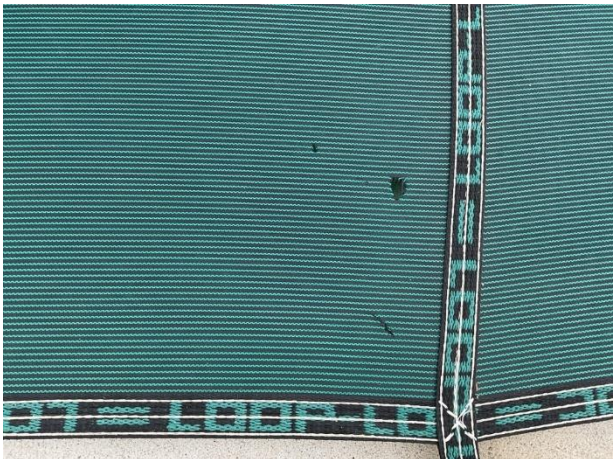
Main pool cover



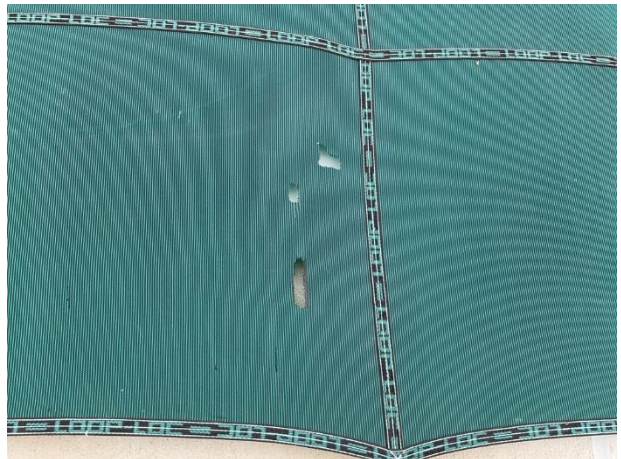
Cover tears



Cover tears



Cover tears



Cover tears

Useful Life: Six- to eight-years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost is based on information provided by the Association.

Fences, Metal

Line Item: 6.400

Quantity: Approximately 580 linear feet

History: The Association replaced the fence in 2021

Condition: Good overall



Pool fence overview



Pool fence at the wading pool



Pool gate overview

Useful Life: Up to 35 years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair loose fasteners or sections, and damage
 - Repair leaning sections and clear vegetation from fence areas which could cause damage

Priority/Criticality: Not recommended to defer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost is based on information provided by the Association.

Furniture

Line Item: 6.500

Quantity: The pool furniture includes the following:

- Basketball hoops
- Chairs
- Ladders and life safety equipment
- Lifeguard chairs
- Lounges
- Tables

History: Various ages. The Association replaced a portion of the furniture to include lifeguard chairs, lounges, chairs and tables in 2018, and umbrellas and tables in 2019.

Condition: Varying from good to fair overall with finish deterioration, rust and staining evident.



Furniture overview



Life guard chair



Chairs



Ladders, basketball hoops and tables



Finish deterioration



Umbrella base rust



Umbrella post rust



Staining

Useful Life: Up to 12 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend interim re-strapping, refinishing, cushion replacements, reupholstering and other repairs to the furniture as normal maintenance to maximize its useful life.

Light Poles and Fixtures

Line Item: 6.550

Quantity: Six metal poles with light fixtures at the pool area

History: Original to 2006

Condition: Good to fair overall with leaning poles and finish deterioration evident



Light pole and fixture overview



Leaning pole



Finish deterioration

Useful Life: Up to 25 years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- As-needed:
 - Inspect and repair broken or dislodged fixtures, and leaning or damaged poles
 - Replaced burned out bulbs as needed

Priority/Criticality: Per Board discretion

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

Mechanical Equipment

Line Item: 6.600

Quantity: The mechanical equipment includes the following:

- Automatic chlorinators and controls
- Electrical panels
- Interconnected pipe, fittings and valves
- Pumps and filters

History: Various ages. The Association replaced the wading pool pump in 2022 and the main pool pump in 2023.

Condition: Reported satisfactory



Pool filter



Pool pumps



Wading pool pump and filter



Automatic chlorinator

Useful Life: Up to 15 years

Preventative Maintenance Notes: The status of preventative maintenance was unavailable to us during our inspection. We recommend the Association maintain a maintenance contract with a qualified professional and follow the manufacturer's specific recommended maintenance and local, state and/or federal inspection guidelines.

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Failure of the pool mechanical equipment as a single event is unlikely. Therefore, we include replacement of up to fifty percent (50%) of the equipment per event. We consider interim replacement of motors and minor repairs as normal maintenance.

Pool Finishes, Plaster, Tile and Coping

Line Items: 6.800 and 6.801

Quantity: 3,650 square feet of plaster based on the horizontal surface area and approximately 2,310 linear feet of tile

History: The Association replaced the plaster, tile and coping at both pools in 2023.

Condition: Good overall as reported to us by the Association

Useful Life: 8- to 12-years for the plaster and 15- to 25-years for the tile

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - Inspect and patch areas of significant plaster delamination, coping damage and structure cracks
 - Inspect main drain connection and anti-entrapment covers, pressure test circulation piping and valves
 - Test handrails and safety features for proper operation

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association budget for full tile replacement every other plaster replacement event. Removal and replacement of the finish provides the opportunity to inspect the pool structure and to allow for partial repairs of the underlying concrete surfaces as needed. To maintain the integrity of the pool structure, we recommend the Association budget for the following:

- Removal and replacement of the plaster 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

Shade Structures

Line Items: 6.865 and 6.870

Quantity: The Association maintains five shade structures at the pool area

History: The structures were installed between 2019 and 2021

Condition: The structures are in good to fair overall condition with finish deterioration and rust evident, and the canvases are in fair overall condition with tears and organic growth evident.



Shade structure overview



Finish deterioration and rust



Finish deterioration and rust



Canvas tear



Canvas tear



Organic growth

Useful Life: 15- to 20-years with interim replacement of the canvas every six- to eight-years

Priority/Criticality: Per Board discretion

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

Water Feature

Line Item: 6.950

Quantity: One aqua dome at the main pool

History: Original to 2006. The Association plans to paint the dome in 2024 funded outside of reserves.

Conditions: Good to fair overall with finish deterioration evident.



Aqua dome overview



Finish deterioration

Useful Life: Up to 15 years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Drain all lines if applicable
 - Inspect and repair loose connections and fasteners or damaged elements. Check feature accessories for excessive wear.
 - Clean periodically
 - Verify drains are working properly

Priority/Criticality: Per Board discretion

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

Water Slide

Line Item: 6.980

Quantity: One water slide at the main pool

History: Installed in 2019

Conditions: Good to fair overall with fastener rust and rust stains evident



Water slide overview



Fastener rust and rust stains

Useful Life: Replacement at up to 25 years

Component Detail Notes: Safety is the major purpose for maintaining the water slide. We recommend an annual inspection of the water slide to identify and repair as normal maintenance loose connections and fasteners or damaged elements. We recommend the use of a specialist for the design or replacement of the water slide environment.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Weekly:
 - Inspect and repair loose connections and fasteners or damaged elements. Check handrails for stability.
 - Inspect for safety hazards
- Annually:
 - Drain all lines if applicable
 - Clean with non-abrasive cleaner and wax as needed
 - Reseal joints as needed

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost is based on information provided by the Association.

Reserve Study Update

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. 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. We recommend the Board budget for an Update to this Reserve Study every three years. 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.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 at Morris Farm 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 annual 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 Owners 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 Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Level II Reserve Study Update." 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:

- 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 rate³. Isolated or regional markets of greater

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

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

³ Derived from Marshall & Swift, historical costs and the Bureau of Labor Statistics.

construction (development) activity may experience slightly greater rates of inflation for both construction materials and labor.

- The past and current maintenance practices of Meadows at Morris Farm and their effects on remaining useful lives
- Financial information provided by the Association pertaining to the cash status of the reserve fund and budgeted reserve contribution
- The anticipated effects of appreciation of the reserves over time in accord with a return or yield on investment of your cash equivalent assets. (We did not consider the costs, if any, of Federal and State Taxes on income derived from interest and/or dividend income).
- 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.

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



6. CREDENTIALS

HISTORY AND DEPTH OF SERVICE

Founded in 1991, Reserve Advisors 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 founders are also founders of Community Associations Institute's (CAI) Reserve Committee that developed national standards for reserve study providers. One of our founders 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 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, 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. 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 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 a 2,600,000-square foot 98-story highrise. 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 and 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.

BENJAMIN G. GUGGEIS
Engineer, Northeast Region
Responsible Advisor

CURRENT CLIENT SERVICES

Benjamin G. Guggeis, a Mechanical Engineer, is an Advisor for Reserve Advisors, LLC. Mr. Guggeis is responsible for 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 and Transition Study Reports for apartments, high rises, condominiums, townhomes, and homeowner associations.

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



Eagle's Pointe Homeowners Association – Located in Woodbridge Virginia, this community consists of 1,052 single family homes. Residents enjoy an extensive clubhouse accompanied by two pools and exercise room, as well as any of 16 playgrounds and exercise stations located throughout the community. The property also features a plethora of retaining walls, totaling over 40,000 square feet.

Council of Unit Owners of Mutual 14 Condominium of Rossmoor, Inc. – Located in Silver Spring, Maryland, this community built in 1977 consists of 193 units comprising a combination of condominiums and townhomes. Residents of the condominiums have access to carport parking areas directly adjacent to the buildings along with concrete and metal structural catwalks at each elevation accessible via both stairwells and elevators.

Boca Grande Condominium – Located in Ocean City, Maryland, this midrise built in 1973 consists of five stories adjacent to the Atlantic Ocean. Each unit contains private balconies or patios overlooking the beach.

South Village Homeowners Association – Located in Chantilly, Virginia, this community consists of 429 units comprising a combination of single family homes and townhomes. Residents enjoy a beautiful park with a large fountain centerpiece surrounded by paver patios and paths, pergolas and monuments. Along with a private pool, three playgrounds, two tennis courts and a single basketball court, residents have plenty to enjoy on site.

Thompson Creek Town Home Association – Located in Stevensville, Maryland, this community consists of 54 units in eight buildings. A portion of the community is responsible for maintaining a wood dock at their marina. The community shares responsibility of maintenance and replacement for their pool, clubhouse, and site components with the neighboring Association.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, LLC, Mr. Guggeis attended West Virginia University's Benjamin M. Statler College of Engineering and Mineral Resources in Morgantown, West Virginia where he attained his Bachelor of Science degree in Mechanical Engineering. His work outside of the classroom involved concrete construction, aiding in both construction and repairs for residential and commercial properties and a mechanic on Black Hawk helicopters working on both mechanical and electrical systems of the aircraft.

EDUCATION

West Virginia University - B.S. Mechanical Engineering



NICHOLAS R. JULIA, RS
Regional Engineering Manager, Northeast Region

CURRENT CLIENT SERVICES

Nicholas R. Julia, a Civil Engineer, is an Advisor for Reserve Advisors, LLC. Mr. Julia 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 and homeowner associations. Nicholas Julia often serves as Quality Assurance Reviewer for all types of developments to ensure our reports maintain the level of quality which is expected of our firm.



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

One Park Crest Condominium is an upscale 19-story high rise building located in McLean, Virginia just outside of Washington, D.C. Residents enjoy an 18th floor club room and outdoor pool. The building also contains an exercise room, library, professionally decorated lobby and underground parking.

The Maryland Club is an exclusive club located in the heart of Baltimore, Maryland. The elegant white marble main building dates back to 1892. The club contains squash courts, a banquet area, a dining hall, and a professional kitchen amongst many other amenities.

Town of St. Michaels, a scenic town located on the Eastern Shore of Maryland. The town includes an administrative building, police station, public works garage and offices, and a historic log cabin. The municipality also maintains the asphalt pavement streets throughout the town, multiple parks, two water towers and a complex arsenic removal water treatment system.

One Loudoun Neighborhood Association is an upscale planned unit development comprising townhomes and single family homes located in Ashburn, Virginia. The property includes a high-end clubhouse with over 12,000 square feet of interior space including a gymnasium and yoga studio. The property also includes walking trails, multiple playgrounds, a tennis court, sports court, and a pool.

3883 Connecticut Avenue Condominium is a 10-story midrise located in Washington, D.C. The building was constructed in 2002 and contains luxurious amenities including an elevated outdoor pool on the 8th floor, party room, exercise facility and an underground parking garage.

Lake Petersburg Association This man-made lake community of 380 single family homes is located in Petersburg, Illinois. Components of the property include a community boat launch, dock, three tennis courts, a basketball court, two maintenance buildings, an office, and vehicular equipment. The Association also maintains an earthen dam on the far side of the lake.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Mr. Julia attended Marquette University in Milwaukee, Wisconsin where he attained his Bachelor of Science degree in Civil Engineering. His studies focused on transportation engineering and construction management engineering.

EDUCATION

Marquette University - B.S. Civil Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Engineer in Training (E.I.T.) – Washington D.C.
Reserve Specialist (RS) - Community Association Institute

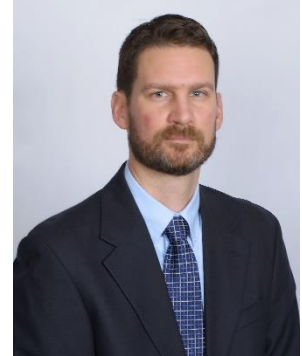


ALAN M. EBERT, P.E., PRA, RS
Director of Quality Assurance

CURRENT CLIENT SERVICES

Alan M. Ebert, a Professional Engineer, is the Director of Quality Assurance for Reserve Advisors. Mr. Ebert is responsible for the management, review and quality assurance of reserve studies. In this role, he assumes the responsibility of stringent report review analysis to assure report accuracy and the best solution for Reserve Advisors' clients.

Mr. Ebert has been involved with thousands of Reserve Study assignments. 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, 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

Professional Engineering License – Wisconsin, North Carolina, Illinois, Colorado

Reserve Specialist (RS) - Community Associations Institute

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



RESOURCES

Reserve Advisors 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.

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 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.marshallswift.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' 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.

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 at Morris Farm 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 at Morris Farm 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, LLC ("RA") performs its services as an independent contractor in accordance with our professional practice standards and its compensation is not contingent upon our conclusions. The purpose of our reserve study is to provide a budget planning tool that identifies the current status of the reserve fund, and an opinion recommending an annual funding plan, to create reserves for anticipated future replacement expenditures of the subject property. The purpose of our energy benchmarking services is to track, collect and summarize the subject property's energy consumption over time for your use in comparison with other buildings of similar size and establishing a performance baseline for your planning of long-term energy efficiency goals.

Our inspection and analysis of the subject property is limited to visual observations, is noninvasive and is not meant to nor does it include investigation into statutory, regulatory or code compliance. RA inspects sloped roofs from the ground and inspects flat roofs where safe access (stairs or ladder permanently attached to the structure) is available. Our energy benchmarking services with respect to the subject property is limited to collecting energy and utility data and summarizing such data in the form of an Energy Star Portfolio Manager Report or any other similar report, and hereby expressly excludes any recommendations with respect to the results of such energy benchmarking services or the accuracy of the energy information obtained from utility companies and other third-party sources with respect to the subject property. The reserve report and any energy benchmarking report (i.e., any Energy Star Portfolio Manager Report) (including any subsequent revisions thereto pursuant to the terms hereof, collectively, the "Report") are based upon a "snapshot in time" at the moment of inspection. RA may note visible physical defects in the Report. The inspection is made by employees generally familiar with real estate and building construction. Except to the extent readily apparent to RA, RA cannot and shall not opine on the structural integrity of or other physical defects in the property under any circumstances. Without limitation to the foregoing, RA cannot and shall not opine on, nor is RA responsible for, the property's conformity to specific governmental code requirements for fire, building, earthquake, occupancy or otherwise.

RA is not responsible for conditions that have changed between the time of inspection and the issuance of the Report. RA does not provide invasive testing on any mechanical systems that provide energy to the property, nor can RA opine on any system components that are not easily accessible during the inspection. RA does not investigate, nor assume any responsibility for any existence or impact of any hazardous materials, such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, environmental mold or other potentially hazardous materials or structural defects that are latent or hidden defects which may or may not be present on or within the property. RA does not make any soil analysis or geological study as part of its services, nor does RA investigate vapor, water, oil, gas, coal, or other subsurface mineral and use rights or such hidden conditions, and RA assumes no responsibility for any such conditions. The Report contains opinions of estimated replacement costs or deferred maintenance expenses and remaining useful lives, which are neither a guarantee of the actual costs or expenses of replacement or deferred maintenance nor a guarantee of remaining useful lives of any property element.

RA assumes, without independent verification, the accuracy of all data provided to it. Except to the extent resulting from RA's willful misconduct in connection with the performance of its obligations under this agreement, you agree to indemnify, defend, and hold RA and its affiliates, officers, managers, employees, agents, successors and assigns (each, an "RA Party") harmless from and against (and promptly reimburse each RA Party for) any and all losses, claims, actions, demands, judgments, orders, damages, expenses or liabilities, including, without limitation, reasonable attorneys' fees, asserted against or to which any RA Party may become subject in connection with this engagement, including, without limitation, as a result of any false, misleading or incomplete information which RA relied upon that was 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 or to whom you provided the Report. NOTWITHSTANDING ANY OTHER PROVISION HEREIN TO THE CONTRARY, THE AGGREGATE LIABILITY (IF ANY) OF RA WITH RESPECT TO THIS AGREEMENT AND RA'S OBLIGATIONS HEREUNDER IS LIMITED TO THE AMOUNT OF THE FEES ACTUALLY RECEIVED BY RA FROM YOU FOR THE SERVICES AND REPORT PERFORMED BY RA UNDER THIS AGREEMENT, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. YOUR REMEDIES SET FORTH HEREIN ARE EXCLUSIVE AND ARE YOUR SOLE REMEDIES FOR ANY FAILURE OF RA TO COMPLY WITH ITS OBLIGATIONS HEREUNDER OR OTHERWISE. RA SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, ANY LOST PROFITS AND LOST SAVINGS, LOSS OF USE OR INTERRUPTION OF BUSINESS, HOWEVER CAUSED, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), BREACH OF WARRANTY, STRICT LIABILITY OR OTHERWISE, EVEN IF RA HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT WILL RA BE LIABLE FOR THE COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES. RA DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED OR OF ANY NATURE, WITH REGARD TO THE SERVICES AND THE REPORT, INCLUDING, WITHOUT LIMITATION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Report - RA will complete the services in accordance with the Proposal. The Report represents a valid opinion of RA's findings and recommendations with respect to the reserve study and is deemed complete. RA will consider any additional information made available to RA within 6 months of issuing the Report and issue a revised Report based on such additional information if a timely request for a revised Report is made by you. RA retains the right to withhold a revised Report if payment for services was not tendered in a timely manner. All information received by RA and all files, work papers or documents developed by RA during the course of the engagement shall remain the property of



RA and may be used for whatever purpose it sees fit. RA reserves the right to, and you acknowledge and agree that RA may, use any data provided by you in connection with the services, or gathered as a result of providing such services, including in connection with creating and issuing any Report, in a de-identified and aggregated form for RA's business purposes.

Your Obligations - You agree to provide us access to the subject property for an inspection. You agree to provide RA all available, historical and budgetary information, the governing documents, and other information that we request and deem necessary to complete the Report. Additionally, you agree to provide historical replacement schedules, utility bills and historical energy usage files that RA requests and deems necessary to complete the energy benchmarking services, and you agree to provide any utility release(s) reasonably requested by RA permitting RA to obtain any such data and/or information from any utility representative or other third party. You agree to pay actual attorneys' fees and any other costs incurred to collect on any unpaid balance for RA's services.

Use of Our Report and Your Name - Use of the Report is limited to only the purpose stated herein. You acknowledge that RA is the exclusive owner of all intellectual property rights in and relating to the Report. You hereby acknowledge that any use or reliance by you on the Report for any unauthorized purpose is at your own risk and that you will be liable for the consequences of any unauthorized use or distribution of the Report. Use or possession of the Report by any unauthorized third party is prohibited. The Report in whole or in part ***is not and cannot be used as a design specification for design engineering purposes or as an appraisal.*** You may show the Report in its entirety to the following third parties: members of your organization (including your directors, officers, tenants and prospective purchasers), your accountants, attorneys, financial institutions and property managers who need to review the information contained herein, and any other third party who has a right to inspect the Report under applicable law including, but not limited to, any government entity or agency, or any utility companies. Without the written consent of RA, you shall not disclose the Report to any other third party. By engaging our services, you agree that the Report contains intellectual property developed (and owned solely) by RA and agree that you will not reproduce or distribute the Report ***to any party that conducts reserve studies without the written consent of RA.***

RA will include (and you hereby agree that RA may include) your name in our client lists. RA reserves the right to use (and you hereby agree that RA may use) property information to obtain estimates of replacement costs, useful life of property elements or otherwise as RA, in its sole discretion, deems appropriate.

Payment Terms, Due Dates and Interest Charges - If reserve study and energy benchmarking services are performed by RA, then the retainer payment is due upon execution of this agreement and prior to the inspection by RA, and any balance is due net 30 days from the Report shipment date. If only energy benchmarking services are performed by RA, then the retainer payment is due upon execution of this agreement and any balance is due net 30 days from the Report shipment date. In any case, any balance remaining 30 days after delivery of the Report shall accrue an interest charge of 1.5% per month. Unless this agreement is earlier terminated by RA in the event you breach or otherwise fail to comply with your obligations under this agreement, RA's obligations under this agreement shall commence on the date you execute and deliver this agreement and terminate on the date that is 6 months from the date of delivery of the Report by RA. Notwithstanding anything herein to the contrary, each provision that by its context and nature should survive the expiration or early termination of this agreement shall so survive, including, without limitation, any provisions with respect to payment, intellectual property rights, limitations of liability and governing law.

Miscellaneous – Neither party shall be liable for any failures or delays in performance due to fire, flood, strike or other labor difficulty, act of God, act of any governmental authority, riot, embargo, fuel or energy shortage, pandemic, wrecks or delays in transportation, or due to any other cause beyond such party's reasonable control; provided, however, that you shall not be relieved from your obligations to make any payment(s) to RA as and when due hereunder. In the event of a delay in performance due to any such cause, the time for completion or date of delivery will be extended by a period of time reasonably necessary to overcome the effect of such delay. You may not assign or otherwise transfer this agreement, in whole or in part, without the prior written consent of RA. RA may freely assign or otherwise transfer this agreement, in whole or in part, without your prior consent. This agreement shall be governed by the laws of the State of Wisconsin without regard to any principles of conflicts of law that would apply the laws of another jurisdiction. Any dispute with respect to this agreement shall be exclusively venued in Milwaukee County Circuit Court or in the United States District Court for the Eastern District of Wisconsin. Each party hereto agrees and hereby waives the right to a trial by jury in any action, proceeding or claim brought by or on behalf of the parties hereto with respect to any matter related to this agreement.