

FULL RESERVE STUDY

Wisteria Park Homeowners Association, Inc.



**Bradenton, Florida
April 19, 2017**



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Long-term thinking. Everyday commitment.

Corporate Office

Reserve Advisors, Inc.
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Wisteria Park Homeowners Association, Inc.
Bradenton, Florida

Dear Board of Directors of Wisteria Park Homeowners Association, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of Wisteria Park Homeowners Association, Inc. in Bradenton, Florida and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, April 19, 2017.

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

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

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

Respectfully submitted on April 28, 2017 by

Reserve Advisors, Inc.

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



¹ PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at <http://www.apra-usa.com>.

² RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.

APRA

Association of Professional Reserve Analysts





Table of Contents

1. RESERVE STUDY EXECUTIVE SUMMARY	1.1
2. RESERVE STUDY REPORT	2.1
3. RESERVE EXPENDITURES and FUNDING PLAN.....	3.1
4. RESERVE COMPONENT DETAIL.....	4.1
Property Site Elements	4.1
Arbors, Aluminum	4.1
Arbors, Wood.....	4.2
Asphalt Pavement, Repaving	4.2
Fences, Aluminum.....	4.4
Irrigation System.....	4.5
Light Poles and Fixtures	4.5
Mailboxes and Posts	4.6
Pavers, Pedestrian and Vehicular	4.7
Perimeter Walls, Stucco	4.9
Playground Equipment	4.10
Ponds, Erosion Control.....	4.11
Signage	4.14
Pool Elements.....	4.16
Concrete Deck.....	4.16
Fence, Aluminum.....	4.17
Furniture	4.18
Mechanical Equipment	4.18
Pool Finishes, Plaster.....	4.19
Rest Rooms.....	4.20
Roofs, Tile	4.21
Reserve Study Update.....	4.22
5. METHODOLOGY	5.1
6. DEFINITIONS	6.1
7. PROFESSIONAL SERVICE CONDITIONS	7.1
8. CREDENTIALS	8.1



1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Wisteria Park Homeowners Association, Inc. (Wisteria Park)

Location: Bradenton, Florida

Reference: 120409

Property Basics: Wisteria Park Homeowners Association, Inc. is a homeowners association which is responsible for the common elements shared by 141 units. The single family homes were built in 2005.

Reserve Components Identified: 21 Reserve Components.

Inspection Date: April 19, 2017. We conducted the original Reserve Study on September 6, 2012.

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 this threshold funding year in 2030 due to replacement of the aluminum fences.

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

- current and future local costs of replacement
- 1.2% annual rate of return on invested reserves
- 1.5% future Inflation Rate for estimating Future Replacement Costs

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

Cash Status of Reserve Fund:

- \$87,710 as of January 1, 2017
- 2017 budgeted Reserve Contributions of \$36,750

Project Prioritization: We recommend the Association prioritize the following projects in the next five years based on the conditions identified:

- Replacement of the playground equipment by 2018

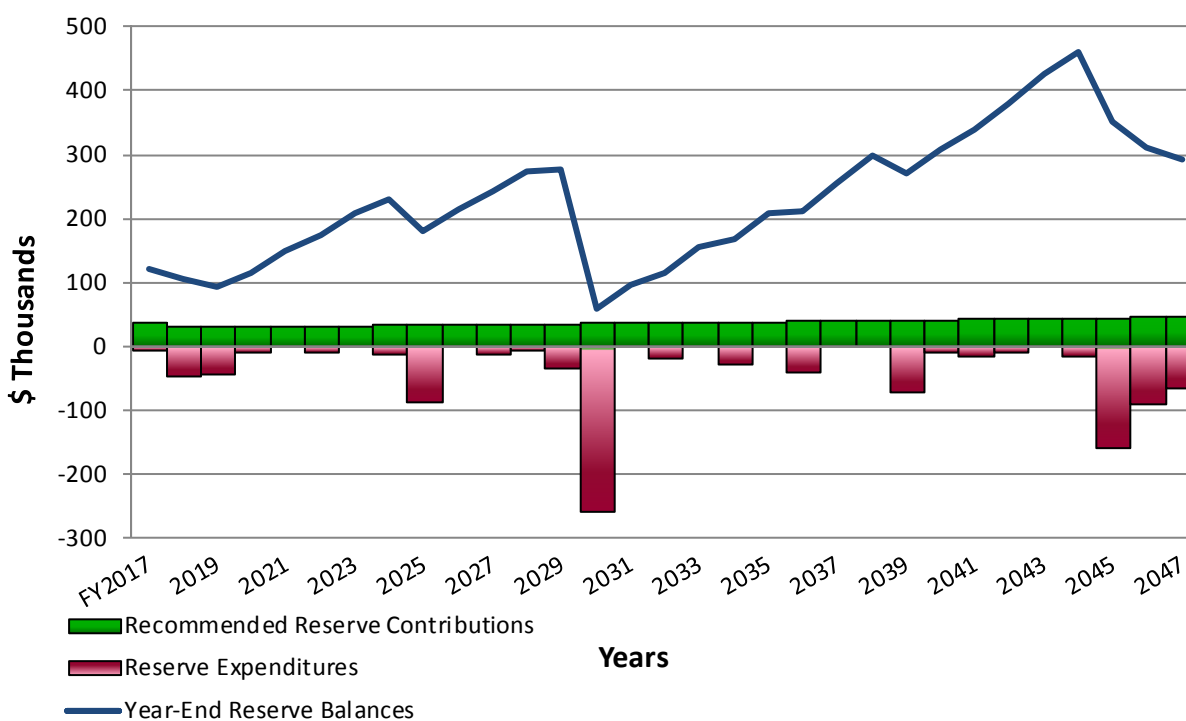
Recommended Reserve Funding: We recommend the following in order to achieve a stable and equitable Funding Plan:

- Reduced reserve budget of \$30,000 in 2018
- Inflationary increases through 2047, the limit of this study's Cash Flow Analysis
- 2018 Reserve Contribution of \$30,000 is equivalent to an average monthly contribution of \$17.73 per homeowner

Wisteria Park

Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2018	30,000	104,976	2028	35,000	272,245	2038	40,600	297,495
2019	30,500	93,048	2029	35,500	278,149	2039	41,200	270,890
2020	31,000	114,831	2030	36,000	58,732	2040	41,800	307,691
2021	31,500	147,898	2031	36,500	96,156	2041	42,400	339,657
2022	32,000	172,750	2032	37,000	115,162	2042	43,000	378,262
2023	32,500	207,518	2033	37,600	154,370	2043	43,600	426,663
2024	33,000	231,148	2034	38,200	167,700	2044	44,300	460,108
2025	33,500	179,275	2035	38,800	208,745	2045	45,000	350,269
2026	34,000	215,630	2036	39,400	210,838	2046	45,700	310,468
2027	34,500	241,250	2037	40,000	253,608	2047	46,400	293,760



2.RESERVE STUDY REPORT

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

Wisteria Park Homeowners Association, Inc.

Bradenton, Florida

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, April 19, 2017. We conducted the original Reserve Study on September 6, 2012.

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

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

IDENTIFICATION OF PROPERTY



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

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

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

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:

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

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

- Electrical Systems, Common
- Foundation, Pool House
- Pipes, Interior Building, Water and Sewer, Pool House
- Pipes, Subsurface Utilities, Storm Water
- Pool Structure
- Structural Frames, Pool House and Gazebo

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

- General Maintenance to the Common Elements
- Expenditures less than \$5,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Asphalt Pavement, Patch and Seal Coat, Parking Lot
- Bike Rack
- Columns, Masonry, Repairs
- Countertops and Sink, Pool House
- Gazebo, Repairs
- Irrigation System, Controllers
- Landscape
- Light Fixtures, Pool Walkway and Landscape
- Paint Finishes, Touch Up
- Valves, Small Diameter, Irrigation System (We assume replacement as needed in lieu of an aggregate replacement of all small diameter valves as a single event.)
- Windows and Doors, Pool House
- Other Repairs normally funded through the Operating Budget

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

- Homes and Lots

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

- Pipes, Subsurface Utilities, Water and Sewer
- Sidewalks
- Street Systems

3. RESERVE EXPENDITURES and FUNDING PLAN

The tables following this introduction present:

Reserve Expenditures

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

Reserve Funding Plan

- Reserves at the beginning of each year
- Total recommended reserve contributions
- Estimated interest earned from invested reserves
- Anticipated expenditures by year
- Anticipated reserves at year end

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

Wisteria Park
Homeowners Association, Inc.
Bradenton, Florida

Explanatory Notes:

- 1) 1.5% is the estimated future Inflation Rate for estimating Future Replacement Costs.
2) FY2017 is Fiscal Year beginning January 1, 2017 and ending December 31, 2017.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$				RUL = 0 FY2017	1 2018	2 2019	3 2020	4 2021	5 2022	6 2023	7 2024	8 2025	9 2026	10 2027	11 2028	12 2029	13 2030	14 2031	15 2032
						Useful	Remaining	Unit (2017)	Per Phase (2017)	Total (2017)	30-Year Total (Inflated)																
Property Site Elements																											
4.001	365	365	Square Feet	Arbors, Aluminum	2030	to 25	13	25.00	9,125	9,125	11,074														11,074		
4.021	260	260	Square Feet	Arbors, Wood (Replace with Aluminum)	2017	15 to 20	0	23.00	5,980	5,980	14,657	5,980															
4.045	290	290	Square Yards	Asphalt Pavement, Total Replacement	2022	15 to 20	5	29.00	8,410	8,410	20,729					9,060											
4.200	3,400	3,400	Linear Feet	Fences, Aluminum	2030	to 25	13	34.00	115,600	115,600	140,287														140,287		
4.400	32	11	Zones	Irrigation System, Phased	2045	to 40+	28 to 30	4,000.00	42,680	128,000	197,193																
4.401	1	1	Allowance	Irrigation System, Proposed Well Installation	2019	N/A	2	12,500.00	12,500	12,500	12,878		12,878														
4.560	15	15	Each	Light Poles and Fixtures	2030	to 25	13	2,200.00	33,000	33,000	40,047														40,047		
4.600	141	141	Each	Mailboxes and Posts	2030	to 25	13	200.00	28,200	28,200	34,222														34,222		
4.620	900	900	Square Feet	Pavers, Pedestrian, Gazebo	2030	to 25	13	8.00	7,200	7,200	8,738														8,738		
4.621	3,780	3,780	Square Feet	Pavers, Vehicular, Entrances	2025	15 to 20	8	7.00	26,460	26,460	69,953							29,807									
4.640	1,400	1,400	Linear Feet	Perimeter Walls, Stucco, Paint Finishes and Capital Repairs	2018	5 to 7	1	11.00	15,400	15,400	97,317		15,631					17,348								19,254	
4.660	1	1	Allowance	Playground Equipment	2018	15 to 20	1	30,000.00	30,000	30,000	70,259		30,450														
4.710	1	1	Allowance	Ponds, Erosion Control, Partial	2019	to 10	2	20,000.00	20,000	20,000	72,267			20,604									23,912				
4.810	1	1	Allowance	Signage	2025	15 to 20	8	26,500.00	26,500	26,500	70,058							29,852									
Pool Elements																											
6.200	3,000	3,000	Square Feet	Concrete Deck, Coatings, Partial Replacements and Repairs	2019	8 to 12	2	2.50	7,500	7,500	27,101			7,727										8,967			
6.400	320	320	Linear Feet	Fence, Aluminum	2025	to 20	8	30.00	9,600	9,600	25,379							10,814									
6.500	1	1	Allowance	Furniture	2028	to 12	11	6,000.00	6,000	6,000	15,518											7,068					
6.600	2	1	Allowance	Mechanical Equipment, Phased	2020	to 10	3 to 10	10,000.00	10,000	20,000	49,237				10,457							11,605					
6.800	900	900	Square Feet	Pool Finishes, Plaster	2024	8 to 12	7	12.00	10,800	10,800	42,041						11,986										
6.801	1	1	Allowance	Rest Rooms, Renovation	2030	to 25	13	10,000.00	10,000	10,000	12,136													12,136			
6.802	9	9	Squares	Roofs, Tile (Includes Pool House and Gazebo)	2030	to 25	13	1,000.00	9,000	9,000	10,922														10,922		
		1	Allowance	Reserve Study Update with Site Visit	2019	2	2	2,400.00	2,400	2,400	2,400			2,400													
Anticipated Expenditures, By Year											\$1,044,413	5,980	46,081	43,609	10,457	0	9,060	0	11,986	87,821	0	11,605	7,068	32,879	257,426	0	19,254

RESERVE EXPENDITURES

Wisteria Park
Homeowners Association, Inc.
Bradenton, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$				16 2033	17 2034	18 2035	19 2036	20 2037	21 2038	22 2039	23 2040	24 2041	25 2042	26 2043	27 2044	28 2045	29 2046	30 2047	
						Useful	Remaining	Unit (2017)	Per Phase (2017)	Total (2017)	30-Year Total (Inflated)																
Property Site Elements																											
4.001	365	365	Square Feet	Arbors, Aluminum	2030	to 25	13	25.00	9,125	9,125	11,074																
4.021	260	260	Square Feet	Arbors, Wood (Replace with Aluminum)	2017	15 to 20	0	23.00	5,980	5,980	14,657									8,677							
4.045	290	290	Square Yards	Asphalt Pavement, Total Replacement	2022	15 to 20	5	29.00	8,410	8,410	20,729						11,669										
4.200	3,400	3,400	Linear Feet	Fences, Aluminum	2030	to 25	13	34.00	115,600	115,600	140,287																
4.400	32	11	Zones	Irrigation System, Phased	2045	to 40+	28 to 30	4,000.00	42,680	128,000	197,193												64,755	65,726	66,712		
4.401	1	1	Allowance	Irrigation System, Proposed Well Installation	2019	N/A	2	12,500.00	12,500	12,500	12,878																
4.560	15	15	Each	Light Poles and Fixtures	2030	to 25	13	2,200.00	33,000	33,000	40,047																
4.600	141	141	Each	Mailboxes and Posts	2030	to 25	13	200.00	28,200	28,200	34,222																
4.620	900	900	Square Feet	Pavers, Pedestrian, Gazebo	2030	to 25	13	8.00	7,200	7,200	8,738																
4.621	3,780	3,780	Square Feet	Pavers, Vehicular, Entrances	2025	15 to 20	8	7.00	26,460	26,460	69,953												40,146				
4.640	1,400	1,400	Linear Feet	Perimeter Walls, Stucco, Paint Finishes and Capital Repairs	2018	5 to 7	1	11.00	15,400	15,400	97,317							21,368						23,716			
4.660	1	1	Allowance	Playground Equipment	2018	15 to 20	1	30,000.00	30,000	30,000	70,259				39,809												
4.710	1	1	Allowance	Ponds, Erosion Control, Partial	2019	to 10	2	20,000.00	20,000	20,000	72,267							27,751									
4.810	1	1	Allowance	Signage	2025	15 to 20	8	26,500.00	26,500	26,500	70,058												40,206				
Pool Elements																											
6.200	3,000	3,000	Square Feet	Concrete Deck, Coatings, Partial Replacements and Repairs	2019	8 to 12	2	2.50	7,500	7,500	27,101							10,407									
6.400	320	320	Linear Feet	Fence, Aluminum	2025	to 20	8	30.00	9,600	9,600	25,379												14,565				
6.500	1	1	Allowance	Furniture	2028	to 12	11	6,000.00	6,000	6,000	15,518							8,450									
6.600	2	1	Allowance	Mechanical Equipment, Phased	2020	to 10	3 to 10	10,000.00	10,000	20,000	49,237		12,880						14,295								
6.800	900	900	Square Feet	Pool Finishes, Plaster	2024	8 to 12	7	12.00	10,800	10,800	42,041		13,911									16,144					
6.801	1	1	Allowance	Rest Rooms, Renovation	2030	to 25	13	10,000.00	10,000	10,000	12,136																
6.802	9	9	Squares	Roofs, Tile (Includes Pool House and Gazebo)	2030	to 25	13	1,000.00	9,000	9,000	10,922																
		1	Allowance	Reserve Study Update with Site Visit	2019	2	2	2,400.00	2,400	2,400	2,400																
Anticipated Expenditures, By Year											\$1,044,413	0	26,791	0	39,809	0	0	71,195	8,450	14,295	8,677	0	16,144	159,672	89,442	66,712	

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS																
Wisteria Park																
Homeowners Association, Inc.																
Bradenton, Florida																
	Individual Reserve Budgets & Cash Flows for the Next 30 Years															
	FY2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Reserves at Beginning of Year (Note 1)	87,710	119,717	104,976	93,048	114,831	147,898	172,750	207,518	231,148	179,275	215,630	241,250	272,245	278,149	58,732	96,156
Total Recommended Reserve Contributions (Note 2)	36,750	30,000	30,500	31,000	31,500	32,000	32,500	33,000	33,500	34,000	34,500	35,000	35,500	36,000	36,500	37,000
Plus Estimated Interest Earned, During Year (Note 3)	1,237	1,340	1,181	1,240	1,567	1,912	2,268	2,616	2,448	2,355	2,725	3,063	3,283	2,009	924	1,260
Less Anticipated Expenditures, By Year	(5,980)	(46,081)	(43,609)	(10,457)	0	(9,060)	0	(11,986)	(87,821)	0	(11,605)	(7,068)	(32,879)	(257,426)	0	(19,254)
Anticipated Reserves at Year End	<u>\$119,717</u>	<u>\$104,976</u>	<u>\$93,048</u>	<u>\$114,831</u>	<u>\$147,898</u>	<u>\$172,750</u>	<u>\$207,518</u>	<u>\$231,148</u>	<u>\$179,275</u>	<u>\$215,630</u>	<u>\$241,250</u>	<u>\$272,245</u>	<u>\$278,149</u>	<u>\$58,732</u> (NOTE 5)	<u>\$96,156</u>	<u>\$115,162</u>

(continued)																
	Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued															
	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	
Reserves at Beginning of Year	115,162	154,370	167,700	208,745	210,838	253,608	297,495	270,890	307,691	339,657	378,262	426,663	460,108	350,269	310,468	
Total Recommended Reserve Contributions	37,600	38,200	38,800	39,400	40,000	40,600	41,200	41,800	42,400	43,000	43,600	44,300	45,000	45,700	46,400	
Plus Estimated Interest Earned, During Year	1,608	1,921	2,245	2,502	2,770	3,287	3,390	3,451	3,861	4,282	4,801	5,289	4,833	3,941	3,604	
Less Anticipated Expenditures, By Year	0	(26,791)	0	(39,809)	0	0	(71,195)	(8,450)	(14,295)	(8,677)	0	(16,144)	(159,672)	(89,442)	(66,712)	
Anticipated Reserves at Year End	<u>\$154,370</u>	<u>\$167,700</u>	<u>\$208,745</u>	<u>\$210,838</u>	<u>\$253,608</u>	<u>\$297,495</u>	<u>\$270,890</u>	<u>\$307,691</u>	<u>\$339,657</u>	<u>\$378,262</u>	<u>\$426,663</u>	<u>\$460,108</u>	<u>\$350,269</u>	<u>\$310,468</u>	<u>\$293,760</u> (NOTE 4)	

Explanatory Notes:

- 1) Year 2017 starting reserves are as of January 1, 2017; FY2017 starts January 1, 2017 and ends December 31, 2017.
- 2) Reserve Contributions for 2017 are budgeted; 2018 is the first year of recommended contributions.
- 3) 1.2% is the estimated annual rate of return on invested reserves.
- 4) Accumulated year 2047 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Year (reserve balance at critical point).

4. RESERVE COMPONENT DETAIL

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

Property Site Elements

Arbors, Aluminum

Line Item: 4.001

Quantity: Two arbors that comprise 365 square feet

History: Original

Condition: Good



Aluminum arbor



Aluminum arbor

Useful Life: Up to 25 years

Priority/Criticality: Per Board discretion

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

Arbors, Wood

Line Item: 4.021

Quantity: Two each that comprise 260 square feet

History: Original

Condition: Fair



Warped wood at arbor



Peeling paint at wood arbor

Useful Life: 15- to 20-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. The estimate of cost reflects replacement with aluminum.

Asphalt Pavement, Repaving

Line Item: 4.045

Quantity: Approximately 3,400 square yards

History: Original

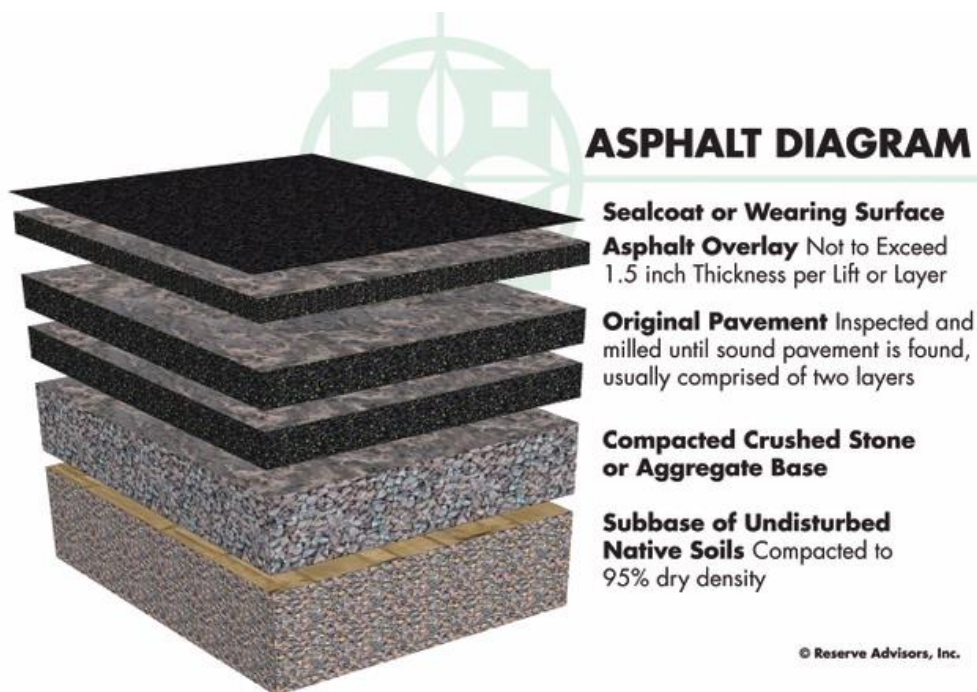
Condition: Good to fair overall with cracks evident



Note cracks at asphalt pavement parking area

Useful Life: 15- to 20-years

Component Detail Notes: The initial installation of asphalt uses at least two lifts, or two separate applications of asphalt, over the base course. The first lift is the binder course. The second lift is the wearing course. The wearing course comprises a finer aggregate for a smoother more watertight finish. The following diagram depicts these components:



The manner of repaving is either a mill and overlay or total replacement. A mill and overlay is a method of repaving where cracked, worn and failed pavement is mechanically removed or milled until sound pavement is found. A new layer of asphalt is overlaid atop the remaining base course of pavement. Total replacement includes the removal of all existing asphalt down to the base course of aggregate and native soil

followed by the application of two or more new lifts of asphalt. We recommend mill and overlayment on asphalt pavement that exhibits normal deterioration and wear. We recommend total replacement of asphalt pavement that exhibits severe deterioration, inadequate drainage, pavement that has been overlaid multiple times in the past or where the configuration makes overlayment not possible. Based on the apparent visual condition and configuration of the asphalt pavement, we recommend the total replacement method of repaving at Wisteria Park.

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.

Fences, Aluminum

Line Item: 4.200

Quantity: 3,400 linear feet

History: Original

Condition: Good overall with no visible deterioration evident



Aluminum fence

Useful Life: Up to 25 years

Priority/Criticality: Per Board discretion

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

Irrigation System

Line Items: 4.400 and 4.401

Quantity: 32 zones with an average of 40 heads per zone

History: Original

Condition: Good overall. The Board reports a lack of pressure as a result of new construction in the area. Installation of a well may be an option for the community if this issue persists.

Useful Life: Up to and 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

Wisteria Park 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.

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 a contingency in 2019 at the request of the Board for the installation of a well. Actual costs may vary based on the depth of the well, size of pump, location and accessibility. Future updates to this reserve study may account for the actual specifications.

Light Poles and Fixtures

Line Item: 4.560

Quantity: 15 each

History: Original

Condition: Good overall



Light pole and fixture

Useful Life: Up to 25 years

Priority/Criticality: Per Board discretion

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

Mailboxes and Posts

Line Item: 4.600

Quantity: 141 mailboxes on posts

History: Original

Condition: Good overall



Typical mailboxes and post

Useful Life: Up to 25 years

Priority/Criticality: Per Board discretion

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

Pavers, Pedestrian and Vehicular

Line Items: 4.620 and 4.621

Quantity: 900 square feet of pedestrian pavers at the gazebo and 3,780 square feet of vehicular pavers at the two entrances

History: Original

Condition: Good overall with no visible deterioration evident



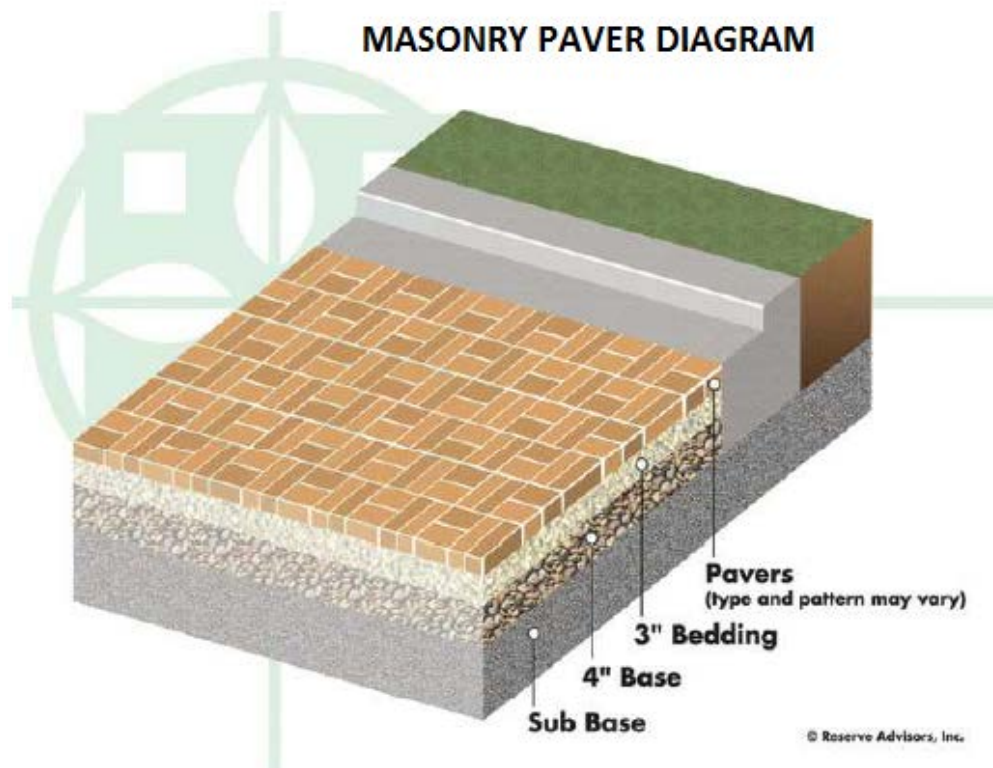
Pedestrian pavers



Vehicular pavers

Useful Life: 15- to 20-years for the vehicular pavers and up to 25 years for the pedestrian pavers

Component Detail Notes: The following diagram depicts the components of a masonry paver system:



Priority/Criticality: Not recommended to defer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We suggest the Association conduct interim resetting and replacement of minor areas of pavers as normal maintenance, funded from the operating budget.

Perimeter Walls, Stucco

Line Item: 4.640

Quantity: 1,400 linear feet and approximately 17,800 square feet of stucco surface area which includes both sides of the walls and the pool house.

History: Original

Condition: The walls are in good condition overall and paint finish is in fair condition overall with cracks and vegetation cover evident.



Perimeter wall with cracks noted



Vegetation cover at perimeter wall



Perimeter wall with cracks noted

Useful Life: Indefinitely long with periodic finish applications and proper maintenance every five- to seven-years

Component Detail Notes: Stucco is Portland cement plaster that is applied directly to a solid base such as masonry or concrete. Periodic paint finish applications and repairs to stucco help prevent water infiltration and spalling from weather exposure, maintain a good appearance and maximize the useful life of the system.

Priority/Criticality: Not recommended to defer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of cost anticipates repair or replacement of 170 square feet, or up to one percent (1%), of the stucco in coordination with each paint finish application. The exact amount of area in need of repair will be discretionary based on the actual future conditions and the desired appearance. Each paint product has the limited ability to cover and seal cracks but we recommend repair of all cracks which exceed the ability of the paint product to bridge.

Playground Equipment

Line Item: 4.660

History: Original

Condition: Fair to poor overall with rust evident



Playground overview



Rust evident at playground equipment



Rust evident at playground equipment

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. We recommend the use of a specialist for the design or replacement of the playground equipment environment.

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

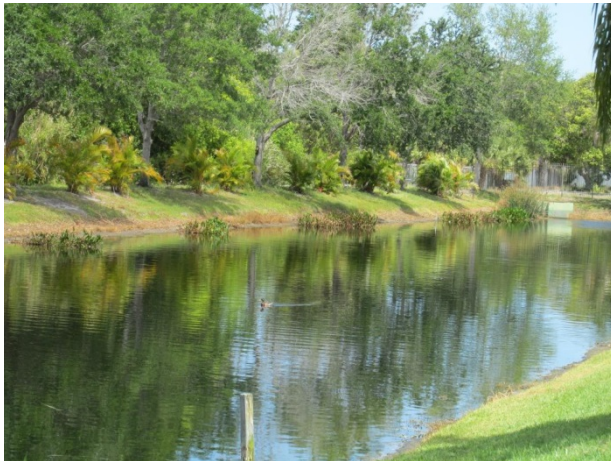
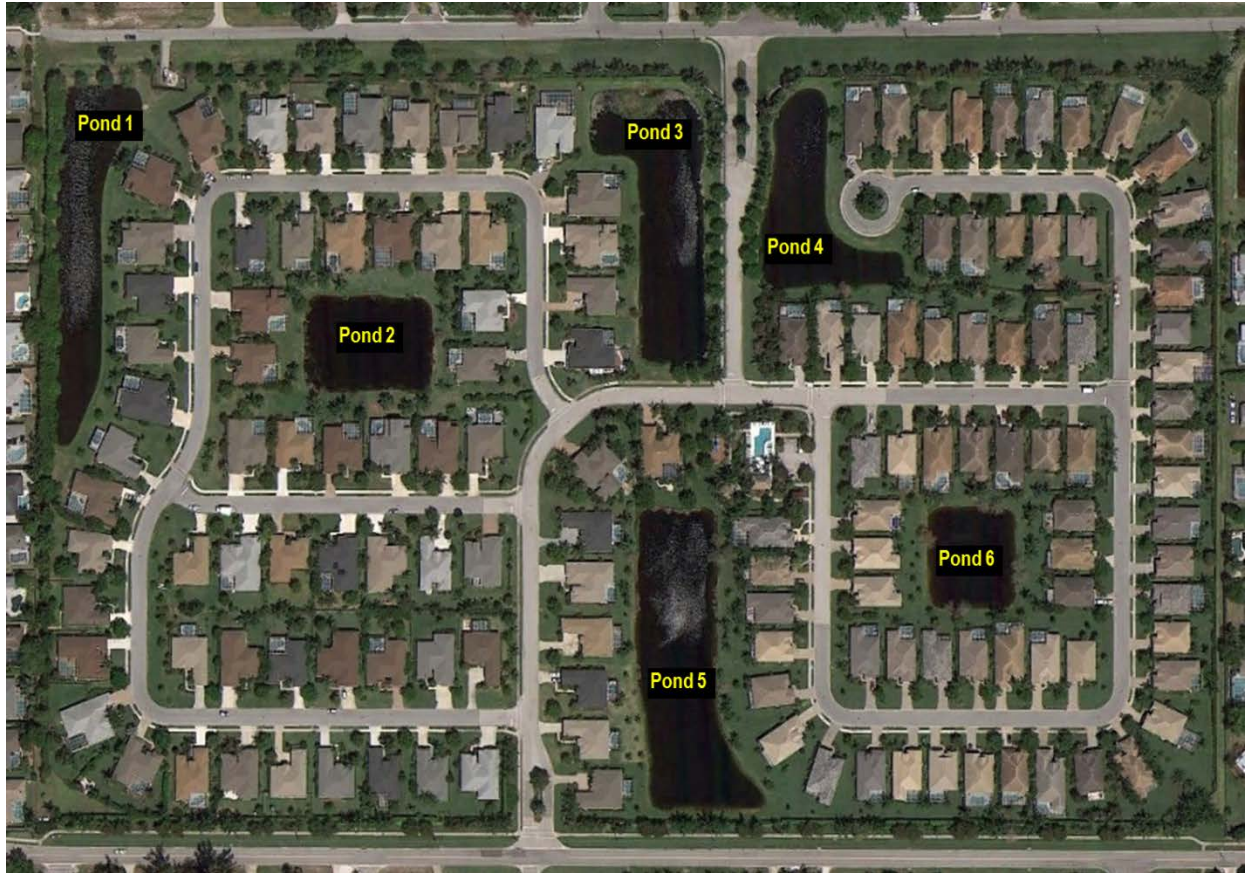
Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We include an allowance in the unit cost for replacement of the safety surface.

Ponds, Erosion Control

Line Item: 4.710

Quantity: 6,000 linear feet of natural vegetation

Condition: The shorelines appear in good condition with only minor erosion noted.



Pond 1 overview



Minor erosion noted at shoreline of Pond 1



Pond 2 overview



Pond 3 overview



Minor erosion noted at shoreline of Pond 3



Pond 4 overview



Pond 5 overview



Pond 6 overview

Useful Life: Shorelines are subject to fluctuations in water levels, increased plant growth and migrating storm and ground water resulting in the need for erosion control measures up to every 10 years.

Component Detail Notes: The steep shoreline embankments are likely to exacerbate soil movement and erosion. The use and maintenance of landscape, natural vegetation and/or stone rip rap along the pond shorelines will help maintain an attractive appearance and prevent soil erosion.

Shoreline plantings are referred to as buffer zones. Buffer zones provide the following advantages:

- Control insects naturally
- Create an aesthetically pleasing shoreline
- Enhance water infiltration and storage
- Filter nutrients and pollutants
- Increase fish and wildlife habitat
- Reduce lawn maintenance
- Stabilize shoreline and reduce erosion
- Trap sediments

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 plan to install a combination of plantings and rip rap around the ponds along 600 linear feet, or approximately ten percent (10%), of the shorelines.

Signage

Line Item: 4.810

Quantity: Three monuments and 27 street and traffic signs

History: Original

Condition: Good overall



Typical monument



Typical monument



Typical street sign

Useful Life: 15- to 20-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.

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 replacement of the 27 street signs and renovation of the three monuments.

Pool Elements



Overview of pool area

Concrete Deck

Line Item: 6.200

Quantity: 3,000 square feet

History: Original

Condition: Good to fair condition with hairline cracks evident



Note hairline cracks in deck



Note hairline cracks in deck

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 in conjunction with coating replacements.

Component Detail Notes: We recommend the Association budget for the following:

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

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.

Fence, Aluminum

Line Item: 6.400

Quantity: 320 linear feet

History: Original

Condition: Good to fair overall condition with no visible deterioration evident



Pool fence

Useful Life: Up to 20 years

Priority/Criticality: Not recommended to defer

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

Furniture

Line Item: 6.500

Quantity:

- Chairs
- Lounges
- Tables
- Ladders and life safety equipment

History: Refurbished in 2016

Condition: Good overall



Pool furniture

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.

Mechanical Equipment

Line Item: 6.600

Quantity:

- Automatic chlorinators
- Controls
- Filters
- Heaters
- Interconnected pipe, fittings and valves
- Pumps

- Electrical panel
- Exhaust fan

History: Heaters were replaced in 2013. The remaining equipment is original.

Condition: Reported satisfactory



Filtration system equipment



Heaters

Useful Life: Up to 15 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. Failure of the pool mechanical equipment as a single event is unlikely. We consider interim replacement of motors and minor repairs as normal maintenance.

Pool Finishes, Plaster

Line Item: 6.800

Quantity: 900 square feet based on the horizontal surface area

History: Replaced in 2014

Condition: Good overall



Plaster finish at pool

Useful Life: 8- to 12-years

Component Detail Notes: Removal and replacement provides the opportunity to inspect the pool structures and to allow for partial repairs of the underlying concrete surfaces as needed. To maintain the integrity of the pool structures, we recommend the Association budget for the following

- Removal and replacement of the finishes
- 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

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.

Rest Rooms

Line Item: 6.801

Quantity: Two rest rooms located in the pool house

History: Components are original

Condition: Good overall



Overview of rest room

Useful Life: Renovations up to 25 years

Component Detail Notes: Components include:

- Tile floor coverings
- Tile wall coverings
- Paint finishes on a portion of the walls and ceilings
- Light fixtures
- Plumbing fixtures

Priority/Criticality: Per Board discretion

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

Roofs, Tile

Line Item: 6.802

Quantity: Nine squares¹ of tile roofs at the pool house and gazebo

History: Original

Condition: Good condition

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



Pool house roof



Gazebo roof

Useful Life: Up to 25 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.

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. The Association can expense the fee for an Update with site visit from the reserve account. This fee is included in the Reserve Funding Plan. We base this budgetary amount on updating the same property components and quantities of this Reserve Study report. We recommend the Board budget for an Update to this Reserve Study in two 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.

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

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

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

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

- 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

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

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

- Bradenton, Florida at an annual inflation rate. Isolated or regional markets of greater construction (development) activity may experience slightly greater rates of inflation for both construction materials and labor.
- The past and current maintenance practices of Wisteria Park 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. 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 Wisteria Park 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) Wisteria Park 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.

7. PROFESSIONAL SERVICE CONDITIONS

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

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

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

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

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

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



cannot be reproduced or distributed to those who conduct reserve studies without the written consent of Reserve Advisors, Inc.

We reserve the right to include our client's name in our client lists, but we will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative process or proceedings. These conditions can only be modified by written documents executed by both parties.

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

CONDITIONS OF OUR SERVICE ASSUMPTIONS

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

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

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

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

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

8. CREDENTIALS

HISTORY AND DEPTH OF SERVICE

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

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

Reserve Advisors employs the **largest staff of Reserve Specialists** with bachelor's degrees in engineering dedicated to Reserve Study services. Our principals are founders of Community Associations Institute's (CAI) Reserve Committee that developed national standards for reserve study providers. One of our principals is a Past President of the Association of Professional Reserve Analysts (APRA). Our vast experience with a variety of building types and ages, on-site examination and 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 the 2,600,000-square foot 98-story Trump International Hotel and Tower in Chicago. We also routinely inspect buildings with various types of mechanical systems such as simple electric heat, to complex systems with air handlers, chillers, boilers, elevators, and life safety 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.

QUALIFICATIONS

THEODORE J. SALGADO

Principal Owner

CURRENT CLIENT SERVICES

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



PRIOR RELEVANT EXPERIENCE

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

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

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

EXPERT WITNESS

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

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

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

American Association of Cost Engineers - Past President, Wisconsin Section

Association of Construction Inspectors - Certified Construction Inspector

Association of Professional Reserve Analysts - Past President & Professional Reserve Analyst (PRA)

Community Associations Institute - Member and Volunteer Leader of multiple chapters

Concordia Seminary, St. Louis - Member, National Steering Committee

Milwaukee School of Engineering - Member, Corporation Board

Professional Engineer, Wisconsin (1982) and North Carolina (2014)

Ted continually maintains his professional skills through American Society of Civil Engineers, ASHRAE, Association of Construction Inspectors, and continuing education to maintain his professional engineer licenses.

JOHN P. POEHLMANN, RS
Principal

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



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

PRIOR RELEVANT EXPERIENCE

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

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

INDUSTRY SERVICE AWARDS

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

EDUCATION

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

PROFESSIONAL AFFILIATIONS

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

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

NICOLE L. LOWERY, PRA, RS
Responsible Advisor

CURRENT CLIENT SERVICES

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

Ms. Lowery has been involved with hundreds of Reserve Study assignments. The following is a partial list of clients served by Nicole Lowery demonstrating her breadth of experiential knowledge of community associations in construction and related buildings systems.

Amelia Surf & Racquet Club This oceanfront condominium community comprises 156 units in three mid rise buildings. This Fernandina Beach, Florida development contains amenities such as clay tennis courts, two pools and boardwalks.

Ten Museum Park This boutique, luxury 50-story high rise building in downtown Miami, Florida consists of 200 condominium units. The amenities comprise six pools including resistance and plunge pools, a full-service spa and a state-of-the-art fitness center. The property also contains a multi-level parking garage.

3 Chisolm Street Homeowners Association This historic Charleston, South Carolina community was constructed in 1929 and 1960 and comprises brick and stucco construction with asphalt shingle and modified bitumen roofs. The unique buildings were originally the Murray Vocational School. The buildings were transformed in 2002 to 27 high-end condominiums. The property includes a courtyard and covered parking garage.

Lakes of Pine Run Condominium Association This condominium community comprises 112 units in 41 buildings of stucco construction with asphalt shingle roofs. Located in Ormond Beach, Florida, it has a domestic water treatment plant and wastewater treatment plant for the residents of the property.

Rivertowne on the Wando Homeowners Association This exclusive river front community is located on the Wando River in Mount Pleasant, South Carolina. This unique Association includes several private docks along the Wando River, a pool and tennis courts for use by its residents.

Biltmore Estates Homeowners Association This private gated community is located in Miramar, Florida, just northwest of Miami, Florida and consists of 128 single family homes. The lake front property maintains a pool, a pool house and private streets.

Bellavista at Miromar Lakes Condominium Association Located in the residential waterfront resort community of Miromar Lakes Beach & Golf Club in Fort Myers, Florida, this property comprises 60 units in 15 buildings. Amenities include a clubhouse and a pool.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Ms. Lowery was a project manager with Kipcon in New Brunswick, New Jersey and the Washington, D.C. Metro area for eight years, where she was responsible for preparing reserve studies and transition studies for community associations. Ms. Lowery successfully completed the bachelors program in Civil Engineering from West Virginia University in Morgantown, West Virginia.

EDUCATION

West Virginia University - B.S. Civil Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Reserve Specialist (RS) - Community Associations Institute

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



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

Reserve Specialist (RS) - Community Associations Institute

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

RESOURCES

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

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

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

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

Marshall & Swift / Boeckh, (MS/B) the worldwide provider of building cost data, co-sourcing solutions, and estimating technology for the property and casualty insurance industry found on the web at www.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, Inc., library of numerous periodicals relating to reserve studies, condition analyses, chapter community associations, and historical costs from thousands of capital repair and replacement projects, and product literature from manufacturers of building products and building systems.