

FULL RESERVE STUDY

Waterview Estates Owners Association, Inc.



Richmond, Texas

April 20, 2016



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Reserve Study Update

May 10, 2016

The Reserve Study for Waterview Estates Owners Association, Inc.

Was submitted onMay 10, 2016

To maintain the most accurate and cost-effective replacement schedule and funding plan for your property elements, this study should be updated on or about**Second Quarter, 2018**
...but no later than.....**Second Quarter, 2019**

As a valued client, we are pleased to offer a future reserve study update with site visit for.....**\$3,000**

For a Reserve Study Update with Site visit as noted above.

This future update fee is based on the same property components that were contained in your last Reserve Advisors' reserve study or update. We are pleased to include property additions for an additional fee.

To initiate your Reserve Study Update, please sign this authorization and fax or mail to the number below. Upon receipt of this authorization we will contact you to schedule your site visit and invoice for the Reserve Study Update Service.

Sign this contract below and fax to **414-272-3663**. Or mail to
Reserve Advisors, Inc.
735 N. Water St., Suite 175
Milwaukee, WI 53202

Delivery options for your Reserve Study Update Report, Please check one of the following:

- 1-Full color printed copy PLUS Electronic Report, FREE
 2-Full color printed copies PLUS Electronic Report, \$100

For: Reserve Advisors, Inc.

Signature:  _____

Jacquie Martin
Director of Texas Client Services
Jacque@reserveadvisors.com
Ref. # 151249
(800) 221-9882

For Waterview Estates Owners Association, Inc.

Name: _____

Title: _____

Date: _____

Phone: _____

Agent or Manager: Kristi Miller

Management Firm: NeighborLink Management



Long-term thinking. Everyday commitment.



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1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Waterview Estates Owners Association, Inc. (Waterview Estates)

Location: Richmond, Texas

Reference: 151249

Property Basics: Waterview Estates Owners Association, Inc. is a planned unit development responsible for the common elements shared by 1,172 single family homes. The development was built from 2003 to 2016 and contains fences, tennis courts, a clubhouse, pool and splash pad. The clubhouse, pool and surrounding amenities were built in approximately 2005.

Reserve Components Identified: 39 Reserve Components.

Inspection Date: April 20, 2016.

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 2045 due to replacement of the irrigation system, pool plaster finish and water features at the splash pad and pool.

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
- 1.35% 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.

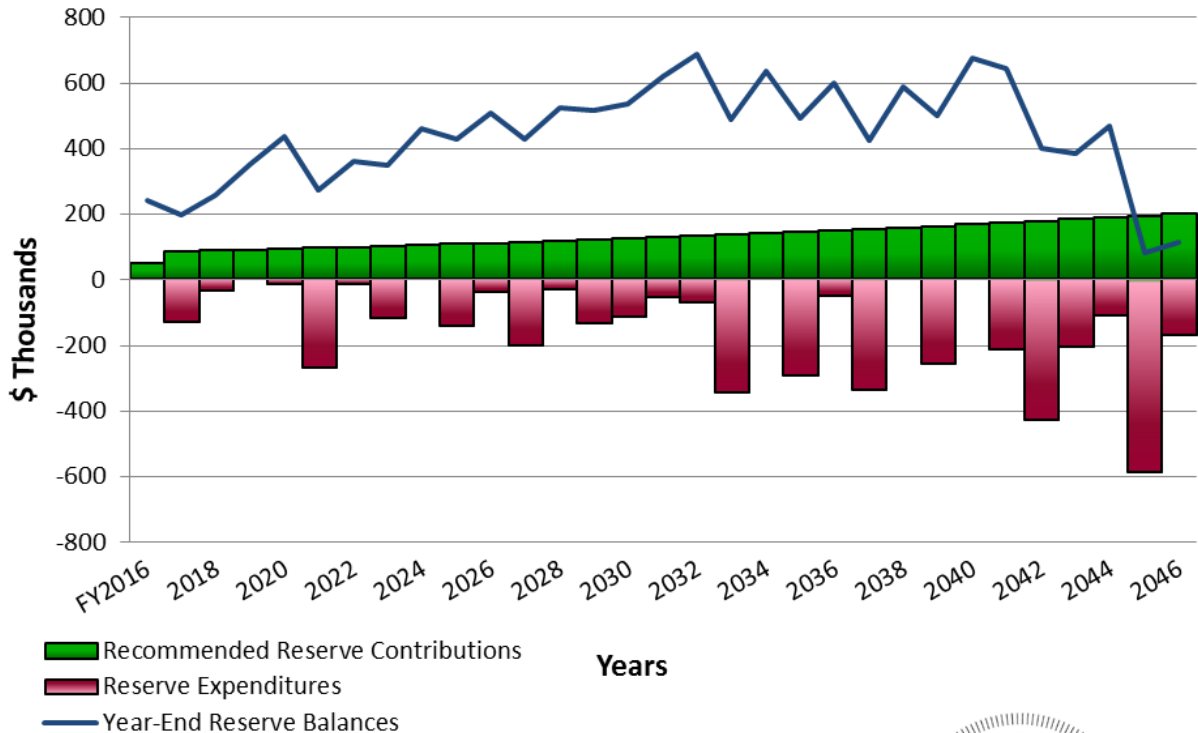
Cash Status of Reserve Fund: \$189,618 as of February 29, 2016. A potential deficit in reserves might occur by 2025 based upon continuation of the most recent annual reserve contribution of \$49,250 and the identified Reserve Expenditures.

Recommended Reserve Funding: The Association budgeted \$49,250 for Reserve Contributions in 2016. We recommend the Association adopt a Reserve Budget of \$85,000 in 2017. Afterwards, the Association should budget gradual annual increases in reserve funding that in part consider the effects of inflation through 2046, the limit of this study's Cash Flow Analysis. The initial adjustment in Reserve Contributions of \$35,750 represents about a five percent (4.9%) adjustment in the 2016 total Operating Budget of \$724,927. This initial adjustment of \$35,750 is equivalent to an increase of \$30.50 in the annual contributions per homeowner.

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

Waterview Estates
Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2017	85,000	199,583	2027	114,200	428,568	2037	153,400	423,865
2018	87,600	258,077	2028	117,600	523,609	2038	158,000	588,654
2019	90,200	352,370	2029	121,100	518,410	2039	162,700	500,312
2020	92,900	438,189	2030	124,700	536,741	2040	167,600	675,798
2021	95,700	271,938	2031	128,400	618,357	2041	172,600	644,457
2022	98,600	360,854	2032	132,300	687,903	2042	177,800	399,882
2023	101,600	349,010	2033	136,300	488,074	2043	183,100	383,879
2024	104,600	459,028	2034	140,400	636,011	2044	188,600	470,676
2025	107,700	429,939	2035	144,600	494,028	2045	194,300	81,170
2026	110,900	509,738	2036	148,900	599,999	2046	200,100	113,076



Respectfully submitted on May 10, 2016 by
RESERVE ADVISORS, INC.



Alan M. Ebert, PRA¹, RS², Director of Quality Assurance
Reviewed by: Nicole L. Lowery, PRA, RS, Associate Director of Quality Assurance
Visual Inspection and Report by: Timothy J. Matthiesen, RS



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

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



2. RESERVE STUDY REPORT

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

Waterview Estates Owners Association, Inc.

Richmond, Texas

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, April 20, 2016.

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

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

IDENTIFICATION OF PROPERTY



Waterview Estates Owners Association, Inc. is a planned unit development responsible for the common elements shared by 1,172 single family homes. The development was built from 2003 to 2016 and contains fences, tennis courts, a clubhouse, pool and splash pad. We identify 39 major reserve components that are likely to require capital repair or replacement during the next 30 years.

Our investigation includes Reserve Components or property elements as set forth in your Declaration. Our analysis begins by segregating the property elements into several areas of responsibility for repair and replacement. Our process of identification helps assure that future boards and the management team understand whether reserves, the operating budget or Homeowners fund certain replacements and assists in preparation of the annual budget. We derive these segregated classes of property from our review of the information provided by the

Association and through conversations with Management 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 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:

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

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

- Electrical System, Common
- Foundation, Clubhouse and Pool House
- Pipes, Interior Building, Water and Sewer, Clubhouse
- Pool Structure
- Structural Frame, Clubhouse and Pool House
- Walls, Fiber Cement Siding, Clubhouse and Pool House
- Well Casings, Pond Wells

The operating budget provides money for the repair and replacement of certain Reserve

Components. Operating Budget Funded Repairs and Replacements relate to:

- General Maintenance to the Common Elements
- Expenditures less than \$7,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Baseball Diamond (Excluding Fence and Backstop)
- Clubhouse, Interim Paint Finishes and Appliance and Furnishing Replacements
- Fences, Columns, Masonry
- Irrigation System, Controllers
- Landscape (Excludes Near Term Additions)
- Monuments, Neighborhoods
- Parking Areas, Joint Sealant
- Pool and Clubhouse Access Systems
- Signage, Informational
- Site Furniture, Interim Replacements
- Soccer Field
- Tennis Courts, Wind Screens
- Walls, Fiber Cement Siding, Paint Finishes, Clubhouse and 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:

- Fences at Lot Lines (Excluding Waterview Estates Trail)
- Homes and Lots

Certain items have been designated as the responsibility of others to repair or replace.

Property Maintained by Others relates to:

- Light Poles and Fixtures, Streets (Center Point Energy)
- Mailbox Stations (United States Postal Service)
- Ponds, Erosion Control and Sediment Removal (Municipal Utility District)
- Pool Chlorination System (Leased)
- Sidewalks, Parallel to Streets (Fort Bend County)
- Street Systems (Fort Bend County)

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
- 2016 local cost of replacement
- Total future costs of replacement anticipated during the next 30 years
- Schedule of estimated future costs for each reserve component including inflation

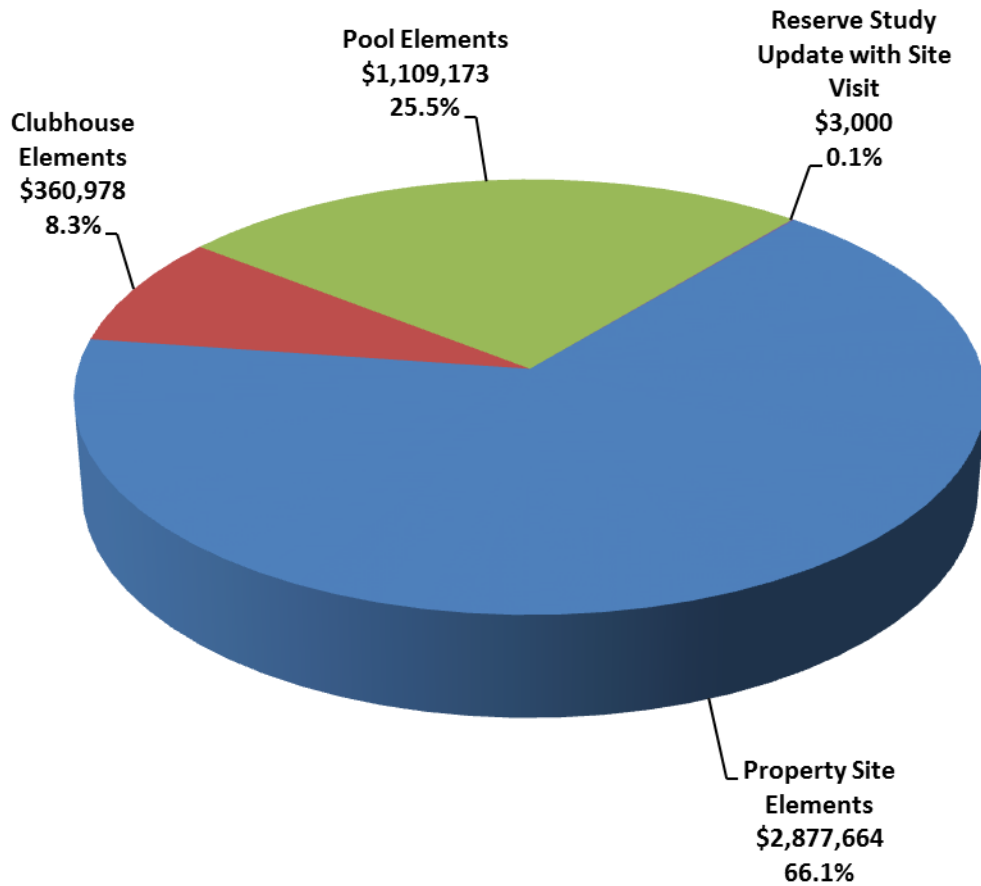
Reserve Funding Plan

- Reserves at the beginning of each year
- Total recommended reserve contributions
- Estimated interest earned from invested reserves
- Anticipated expenditures by year
- Anticipated reserves at year end
- Predicted reserves based on current funding level

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

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

Waterview Estates
 Future Expenditures Relative Cost Illustration



RESERVE EXPENDITURES

Waterview Estates
Owners Association, Inc.
Richmond, Texas

Explanatory Notes:

- 1) **3.0%** is the estimated future Inflation Rate for estimating Future Replacement Costs.
- 2) **FY2016** is Fiscal Year beginning January 1, 2016 and ending December 31, 2016.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$				RUL = 0 FY2016	1 2017	2 2018	3 2019	4 2020	5 2021	6 2022	7 2023	8 2024	9 2025	10 2026	11 2027	12 2028	13 2029	14 2030	15 2031	
						Useful	Remaining	Unit (2016)	Per Phase (2016)	Total (2016)	30-Year Total (Inflated)																	
Property Site Elements																												
4.120	19,100	1,910	Square Feet	Concrete Parking Area, Partial	2026	to 65	10 to 30+	10.00	19,100	191,000	106,527																	25,669
4.140	9,700	970	Square Feet	Concrete Sidewalks, Partial	2026	to 65	10 to 30+	9.00	8,730	87,300	48,689																	11,732
4.220	700	700	Linear Feet	Fences, Chain Link, Baseball Diamond (Incl. Backstop)	2028	to 25	12	29.00	20,300	20,300	28,943																	28,943
4.240	2,020	2,020	Linear Feet	Fences, Metal, Paint Finishes (Quantity Varies by Year)	2017	6 to 8	1	5.50	11,110	11,110	64,824	11,443						13,664										7,108
4.245	880	880	Linear Feet	Fences, Metal, Belfort Street, Replacement	2041	to 35	25	70.00	61,600	61,600	128,977																	
4.246	520	520	Linear Feet	Fences, Metal, Pool, Replacement	2029	to 25	13	55.00	28,600	28,600	42,000																	42,000
4.247	620	620	Linear Feet	Fences, Metal, Splash Pad, Replacement	2029	to 25	13	38.00	23,560	23,560	34,599																	34,599
4.280	6,890	6,890	Linear Feet	Fences, Wood, Paint Finishes (Quantity Varies by Year)	2017	4 to 6	1	4.90	33,761	33,761	342,660	32,351					7,195				44,050							49,579
4.285	590	590	Linear Feet	Fences, Wood, Belfort Street, Replacement	2033	15 to 20	17	28.00	16,520	16,520	27,305																	
4.286	480	480	Linear Feet	Fences, Wood, North Pocket Parks, Replacement	2017	15 to 20	1	28.00	13,440	13,440	36,057	13,843																
4.287	5,820	5,820	Linear Feet	Fences, Wood, Waterview Estates Trail, Replacement	2021	15 to 20	5	28.00	162,960	162,960	492,069						188,915											
4.410	1	1	Each	Irrigation System, Pump	2023	to 20	7	15,000.00	15,000	15,000	51,767									18,448								
4.420	175	35	Zones	Irrigation System, Total Replacement, Phased	2042	to 40	26 to 30	1,200.00	42,000	210,000	480,885																	
4.500	1	1	Allowance	Landscape, Near Term Entrance Addition (2017 is Budgeted)	2017	n/a	1	60,000.00	60,000	60,000	60,000	60,000																
4.560	4	4	Each	Light Poles and Fixtures, Amenity Center	2033	to 30	17	2,900.00	11,600	11,600	19,173																	
4.660	1	1	Allowance	Playground Equipment, Amenity Center, North Pocket Parks and Splash Pad	2023	15 to 20	7	70,000.00	70,000	70,000	224,242								86,091									
4.661	1	1	Allowance	Playground Equipment, Jay Thrush Drive	2027	15 to 20	11	35,000.00	35,000	35,000	126,193																48,448	
4.662	1	1	Allowance	Playground Equipment, Quill Rush Drive	2031	15 to 20	15	35,000.00	35,000	35,000	54,529																	54,529
4.700	1	1	Each	Ponds, Aerator	2020	10 to 15	4	5,000.00	5,000	5,000	25,092																	
4.810	1	1	Allowance	Signage, Entrance Monument	2045	to 30	29	20,000.00	20,000	20,000	47,131																	
4.830	12,960	12,960	Square Feet	Tennis Courts, Color Coat	2017	4 to 6	1	0.90	11,664	11,664	82,502	12,014						13,927									16,146	
4.840	480	480	Linear Feet	Tennis Courts, Fence	2027	to 25	11	44.00	21,120	21,120	29,235																29,235	
4.850	9	9	Each	Tennis Courts, Light Poles and Fixtures	2032	to 30	16	3,100.00	27,900	27,900	44,771																	
4.860	12,960	12,960	Square Feet	Tennis Courts, Surface Replacement	2042	to 40	26	10.00	129,600	129,600	279,494																	
Clubhouse Elements																												
5.450	1	1	Each	HVAC Equipment, Split System	2020	12 to 18	4	6,000.00	6,000	6,000	17,274							6,753										
5.500	1	1	Allowance	Interior Renovation, Complete	2030	to 25	14	64,500.00	64,500	64,500	97,562																	97,562
5.510	1	1	Allowance	Interior Renovation, Partial	2018	10 to 15	2	17,000.00	17,000	17,000	54,697			18,035														
5.600	44	44	Squares	Roof Assemblies, Metal	2033	to 30	17	780.00	34,320	34,320	56,726																	
5.700	1	1	Allowance	Security System	2025	to 10	9	18,500.00	18,500	18,500	100,174																24,138	
5.800	380	380	Square Feet	Windows and Doors	2033	to 30	17	55.00	20,900	20,900	34,545																	

RESERVE EXPENDITURES

Waterview Estates
Owners Association, Inc.
Richmond, Texas

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$				16 2032	17 2033	18 2034	19 2035	20 2036	21 2037	22 2038	23 2039	24 2040	25 2041	26 2042	27 2043	28 2044	29 2045	30 2046				
						Useful	Remaining	Unit (2016)	Per Phase (2016)	Total (2016)	30-Year Total (Inflated)																			
<u>Property Site Elements</u>																														
4.120	19,100	1,910	Square Feet	Concrete Parking Area, Partial	2026	to 65	10 to 30+	10.00	19,100	191,000	106,527					34,497											46,361			
4.140	9,700	970	Square Feet	Concrete Sidewalks, Partial	2026	to 65	10 to 30+	9.00	8,730	87,300	48,689					15,767											21,190			
4.220	700	700	Linear Feet	Fences, Chain Link, Baseball Diamond (Incl. Backstop)	2028	to 25	12	29.00	20,300	20,300	28,943																			
4.240	2,020	2,020	Linear Feet	Fences, Metal, Paint Finishes (Quantity Varies by Year)	2017	6 to 8	1	5.50	11,110	11,110	64,824				19,481											13,128				
4.245	880	880	Linear Feet	Fences, Metal, Belfort Street, Replacement	2041	to 35	25	70.00	61,600	61,600	128,977															128,977				
4.246	520	520	Linear Feet	Fences, Metal, Pool, Replacement	2029	to 25	13	55.00	28,600	28,600	42,000																			
4.247	620	620	Linear Feet	Fences, Metal, Splash Pad, Replacement	2029	to 25	13	38.00	23,560	23,560	34,599																			
4.280	6,890	6,890	Linear Feet	Fences, Wood, Paint Finishes (Quantity Varies by Year)	2017	4 to 6	1	4.90	33,761	33,761	342,660		47,690				11,547									70,688	79,560			
4.285	590	590	Linear Feet	Fences, Wood, Belfort Street, Replacement	2033	15 to 20	17	28.00	16,520	16,520	27,305		27,305																	
4.286	480	480	Linear Feet	Fences, Wood, North Pocket Parks, Replacement	2017	15 to 20	1	28.00	13,440	13,440	36,057		22,214																	
4.287	5,820	5,820	Linear Feet	Fences, Wood, Waterview Estates Trail, Replacement	2021	15 to 20	5	28.00	162,960	162,960	492,069						303,154													
4.410	1	1	Each	Irrigation System, Pump	2023	to 20	7	15,000.00	15,000	15,000	51,767															33,319				
4.420	175	35	Zones	Irrigation System, Total Replacement, Phased	2042	to 40	26 to 30	1,200.00	42,000	210,000	480,885															90,577	93,294	96,093	98,976	101,945
4.500	1	1	Allowance	Landscape, Near Term Entrance Addition (2017 is Budgeted)	2017	n/a	1	60,000.00	60,000	60,000	60,000																			
4.560	4	4	Each	Light Poles and Fixtures, Amenity Center	2033	to 30	17	2,900.00	11,600	11,600	19,173		19,173																	
4.660	1	1	Allowance	Playground Equipment, Amenity Center, North Pocket Parks and Splash Pad	2023	15 to 20	7	70,000.00	70,000	70,000	224,242								138,151											
4.661	1	1	Allowance	Playground Equipment, Jay Thrush Drive	2027	15 to 20	11	35,000.00	35,000	35,000	126,193															77,745				
4.662	1	1	Allowance	Playground Equipment, Quill Rush Drive	2031	15 to 20	15	35,000.00	35,000	35,000	54,529																			
4.700	1	1	Each	Ponds, Aerator	2020	10 to 15	4	5,000.00	5,000	5,000	25,092	8,024															11,440			
4.810	1	1	Allowance	Signage, Entrance Monument	2045	to 30	29	20,000.00	20,000	20,000	47,131																	47,131		
4.830	12,960	12,960	Square Feet	Tennis Courts, Color Coat	2017	4 to 6	1	0.90	11,664	11,664	82,502	18,717					21,698													
4.840	480	480	Linear Feet	Tennis Courts, Fence	2027	to 25	11	44.00	21,120	21,120	29,235																			
4.850	9	9	Each	Tennis Courts, Light Poles and Fixtures	2032	to 30	16	3,100.00	27,900	27,900	44,771	44,771																		
4.860	12,960	12,960	Square Feet	Tennis Courts, Surface Replacement	2042	to 40	26	10.00	129,600	129,600	279,494																279,494			
<u>Clubhouse Elements</u>																														
5.450	1	1	Each	HVAC Equipment, Split System	2020	12 to 18	4	6,000.00	6,000	6,000	17,274					10,521														
5.500	1	1	Allowance	Interior Renovation, Complete	2030	to 25	14	64,500.00	64,500	64,500	97,562																			
5.510	1	1	Allowance	Interior Renovation, Partial	2018	10 to 15	2	17,000.00	17,000	17,000	54,697															36,662				
5.600	44	44	Squares	Roof Assemblies, Metal	2033	to 30	17	780.00	34,320	34,320	56,726		56,726																	
5.700	1	1	Allowance	Security System	2025	to 10	9	18,500.00	18,500	18,500	100,174					32,440											43,596			
5.800	380	380	Square Feet	Windows and Doors	2033	to 30	17	55.00	20,900	20,900	34,545		34,545																	

RESERVE EXPENDITURES

Waterview Estates
Owners Association, Inc.
Richmond, Texas

Explanatory Notes:

- 1) **3.0%** is the estimated future Inflation Rate for estimating Future Replacement Costs.
- 2) **FY2016** is Fiscal Year beginning January 1, 2016 and ending December 31, 2016.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$				RUL = 0 FY2016	1 2017	2 2018	3 2019	4 2020	5 2021	6 2022	7 2023	8 2024	9 2025	10 2026	11 2027	12 2028	13 2029	14 2030	15 2031
						Useful	Remaining	Unit (2016)	Per Phase (2016)	Total (2016)	30-Year Total (Inflated)																
Pool Elements																											
6.200	7,750	7,750	Square Feet	Concrete Deck, Inspections, Partial Replacements and Repairs	2025	8 to 12	9	1.50	11,625	11,625	62,948										15,168						
6.500	1	1	Allowance	Furniture	2018	to 12	2	10,500.00	10,500	10,500	49,665		11,139													15,882	
6.600	2	1	Allowance	Mechanical Equipment, Phased	2021	to 15	5 to 11	11,500.00	11,500	23,000	98,056					13,332						15,919					
6.800	5,690	5,690	Square Feet	Pool Finish, Plaster	2025	8 to 12	9	8.00	45,520	45,520	246,484									59,393							
6.880	2,400	2,400	Square Feet	Shade Structures, Canvas Replacement (Incl. Playground)	2021	6 to 8	5	6.00	14,400	14,400	98,982					16,694							19,933				
6.890	2,400	2,400	Square Feet	Shade Structures, Total Replacement (Incl. Playground)	2033	15 to 20	17	15.00	36,000	36,000	59,503																
6.970	1	1	Allowance	Water Features and Slide, Refinishing and Repairs (Incl. Splash Pad)	2021	6 to 8	5	35,000.00	35,000	35,000	167,501					40,575											
6.980	1	1	Allowance	Water Features, Replacement	2027	15 to 20	11	52,000.00	52,000	52,000	194,521											71,980					
6.990	1	1	Allowance	Water Slide, Replacement	2035	15 to 20	19	75,000.00	75,000	75,000	131,513																
		1	Allowance	Reserve Study Update with Site Visit	2018	2	2	3,000.00	3,000	3,000	3,000			3,000													
Anticipated Expenditures, By Year										\$4,350,815	0	129,651	32,174	0	12,381	266,711	13,927	118,203	0	142,749	37,401	201,661	28,943	133,286	113,444	54,529	

RESERVE EXPENDITURES

Waterview Estates
 Owners Association, Inc.
 Richmond, Texas

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$				16 2032	17 2033	18 2034	19 2035	20 2036	21 2037	22 2038	23 2039	24 2040	25 2041	26 2042	27 2043	28 2044	29 2045	30 2046	
						Useful	Remaining	Unit (2016)	Per Phase (2016)	Total (2016)	30-Year Total (Inflated)																
Pool Elements																											
6.200	7,750	7,750	Square Feet	Concrete Deck, Inspections, Partial Replacements and Repairs	2025	8 to 12	9	1.50	11,625	11,625	62,948				20,385											27,395	
6.500	1	1	Allowance	Furniture	2018	to 12	2	10,500.00	10,500	10,500	49,665										22,644						
6.600	2	1	Allowance	Mechanical Equipment, Phased	2021	to 15	5 to 11	11,500.00	11,500	23,000	98,056	19,008						22,696								27,101	
6.800	5,690	5,690	Square Feet	Pool Finish, Plaster	2025	8 to 12	9	8.00	45,520	45,520	246,484				79,820											107,271	
6.880	2,400	2,400	Square Feet	Shade Structures, Canvas Replacement (Incl. Playground)	2021	6 to 8	5	6.00	14,400	14,400	98,982							28,420								33,935	
6.890	2,400	2,400	Square Feet	Shade Structures, Total Replacement (Incl. Playground)	2033	15 to 20	17	15.00	36,000	36,000	59,503	59,503															
6.970	1	1	Allowance	Water Features and Slide, Refinishing and Repairs (Incl. Splash Pad)	2021	6 to 8	5	35,000.00	35,000	35,000	167,501	57,850						69,076									
6.980	1	1	Allowance	Water Features, Replacement	2027	15 to 20	11	52,000.00	52,000	52,000	194,521															122,541	
6.990	1	1	Allowance	Water Slide, Replacement	2035	15 to 20	19	75,000.00	75,000	75,000	131,513				131,513												
		1	Allowance	Reserve Study Update with Site Visit	2018	2	2	3,000.00	3,000	3,000	3,000																
Anticipated Expenditures, By Year											\$4,350,815	71,512	344,014	0	294,160	50,264	336,399	0	258,343	0	212,793	429,377	204,358	107,533	587,506	169,496	

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS
Waterview Estates
Owners Association, Inc.

Individual Reserve Budgets & Cash Flows for the Next 30 Years

Richmond, Texas	FY2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Reserves at Beginning of Year (Note 1)	189,618	241,278	199,583	258,077	352,370	438,189	271,938	360,854	349,010	459,028	429,939	509,738	428,568	523,609	518,410	536,741
Total Recommended Reserve Contributions (Note 2)	49,250	85,000	87,600	90,200	92,900	95,700	98,600	101,600	104,600	107,700	110,900	114,200	117,600	121,100	124,700	128,400
Plus Estimated Interest Earned, During Year (Note 3)	2,410	2,956	3,068	4,093	5,300	4,761	4,243	4,759	5,418	5,960	6,300	6,291	6,384	6,986	7,075	7,745
Less Anticipated Expenditures, By Year	0	(129,651)	(32,174)	0	(12,381)	(266,711)	(13,927)	(118,203)	0	(142,749)	(37,401)	(201,661)	(28,943)	(133,286)	(113,444)	(54,529)
Anticipated Reserves at Year End	\$241,278	\$199,583	\$258,077	\$352,370	\$438,189	\$271,938	\$360,854	\$349,010	\$459,028	\$429,939	\$509,738	\$428,568	\$523,609	\$518,410	\$536,741	\$618,357
Predicted Reserves based on 2016 funding level of:	\$49,250	241,278	163,592	182,992	235,045	275,336	60,123	96,496	28,380	78,346	(14,726)	(2,996)				

(continued)

Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued

	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Reserves at Beginning of Year	618,357	687,903	488,074	636,011	494,028	599,999	423,865	588,654	500,312	675,798	644,457	399,882	383,879	470,676	81,170
Total Recommended Reserve Contributions	132,300	136,300	140,400	144,600	148,900	153,400	158,000	162,700	167,600	172,600	177,800	183,100	188,600	194,300	200,100
Plus Estimated Interest Earned, During Year	8,758	7,885	7,537	7,577	7,335	6,865	6,789	7,301	7,886	8,852	7,002	5,255	5,730	3,700	1,302
Less Anticipated Expenditures, By Year	(71,512)	(344,014)	0	(294,160)	(50,264)	(336,399)	0	(258,343)	0	(212,793)	(429,377)	(204,358)	(107,533)	(587,506)	(169,496)
Anticipated Reserves at Year End	\$687,903	\$488,074	\$636,011	\$494,028	\$599,999	\$423,865	\$588,654	\$500,312	\$675,798	\$644,457	\$399,882	\$383,879	\$470,676	\$81,170	\$113,076
														(NOTE 5)	(NOTE 4)

Explanatory Notes:

- 1) Year 2016 starting reserves are as of February 29, 2016; FY2016 starts January 1, 2016 and ends December 31, 2016.
- 2) Reserve Contributions for 2016 are budgeted; 2017 is the first year of recommended contributions.
- 3) 1.35% is the estimated annual rate of return on invested reserves; 2016 is a partial year of interest earned.
- 4) Accumulated year 2046 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Year (reserve balance at critical point).

4. CONDITION ASSESSMENT

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

Property Site Elements

Concrete, Flatwork - The Association maintains various applications of concrete flatwork including parking areas and sidewalks.



Concrete parking area in good condition



Isolated concrete sidewalk deterioration along joint

These applications of concrete have useful lives of up to 65 years although isolated deterioration of limited areas of concrete is common. Inclement weather, inadequate subsurface preparation and improper concrete mixtures or finishing techniques can result in premature deterioration such as settlement, chips, cracks and spalls. Variable conditions like these result in



the need to plan for periodic partial replacements of the concrete flatwork throughout the next 30 years. We comment on the respective quantities, conditions and times of partial replacements of concrete flatwork in the following sections of this narrative.

Concrete Parking Area – The Association maintains the concrete parking area near the clubhouse that comprises approximately 19,100 square feet. The parking area is original and in good condition. We estimate that up to 5,730 square feet of concrete or thirty percent (30%) of the total, will require replacement during the next 30 years. We advise the Association budget for the replacement of 1,910 square feet every 10 years beginning by 2026. Line Item 4.120 of ***Reserve Expenditures*** notes our estimate of future costs and anticipated times of replacements.

Concrete Sidewalks - Concrete sidewalks comprise 9,700 square feet at the common areas throughout the community. The sidewalks are in good overall condition. We estimate that up to 2,910 square feet of concrete sidewalks, or thirty percent (30%) of the total, will require replacement during the next 30 years. We recommend the Association budget for replacement of 970 square feet of concrete sidewalks every 10 years beginning by 2026. Line Item 4.140 of ***Reserve Expenditures*** notes our estimate of future costs and anticipated times of replacements. We base our estimate of replacement on four-inch thick, 3,000 pounds per square inch (PSI) concrete with 6x6 - W1.4xW1.4 steel reinforcing mesh. We recommend an annual inspection of the sidewalks to identify potential trip hazards. We suggest the Association grind down or mark these hazards with orange safety paint prior to replacement and fund this ongoing activity through the operating budget.

The Association should coordinate the concrete flatwork partial replacements on Line Items 4.120 and 4.140 of *Reserve Expenditures* to maximize the given amount of concrete in a single event. This will permit the use of a single contractor and likely achieve the most economical unit price for the work. The times and costs of these replacements may vary. However, the estimated expenditures detailed in *Reserve Expenditures* are sufficient to budget appropriate reserves.

Fences, Chain Link – The Association maintains approximately 700 linear feet of chain link fences surrounding the baseball diamond including the backstop. The fences and backstop are original and in good condition.



Chain link fence surrounding baseball diamond



Baseball diamond backstop

Chain link fences have useful lives of up to 25 years. We recommend the Association anticipate replacement by 2028. We suggest the Association consider the use of vinyl coated fences at the time of replacement to increase longevity for subsequent replacements. We depict this information on Line Item 4.220 of *Reserve Expenditures*.

Fences, Metal – The Association maintains approximately 2,020 linear feet of metal fences at the following locations:

- 880 linear feet of decorative steel fences along Belfort Street
- 520 linear feet of metal picket fences surrounding the pool
- 620 linear feet of metal picket fences surrounding the splash pad park development

The fences are original to the construction of the respective locations and are in good condition. The protective finishes are likely original and are in fair overall condition. Our inspection notes finish deterioration and isolated rust throughout the community.



Metal fence at West Belfort Street



Pool fence, note finish deterioration



Rust and finish deterioration at pool fence



Metal fence surrounding splash pad

Fences of this type have long useful lives of 25- to 35-years but are not maintenance free. Periodic maintenance should include applications of protective paint finish to the metal surfaces and partial replacement of deteriorated sections every six- to eight-years. Metal components at



grade and key structural connections are especially prone to failure if not thoroughly maintained. Secure and rust free fasteners and connections will prevent premature deterioration.

Periodic applications of paint to the metal will help maximize the useful life. Preparation of the metal before application of the paint finish is important. The paint contractor should remove all soil, dirt, oil, grease and other foreign materials before application of the paint finish to maximize its useful life. The contractor should also remove paint blisters and rust prior to the paint finish application. We recommend the use of a power wire brush, scraper and/or sander as effective means of removal. The Association should require the application of a primer on bare metal. The primer for metal surfaces should include a rust inhibitor for added protection. We recommend the Association refinish the fences in 2017 and every six years thereafter. Our cost for paint finishes excludes quantities of fences in years where replacement is scheduled. We anticipate replacement of the fences at the pool and splash pad by 2029 and replacement of the fences along Belfort Street by 2041. We depict this information on Line Items 4.240 through 4.247 of *Reserve Expenditures*.

Fences, Wood – The Association maintains approximately 6,890 linear feet of solid board wood fences throughout the community at the following locations:

- 590 linear feet along Belfort Street
- 480 linear feet at the perimeters of the north pocket parks
- 5,820 linear feet along Waterview Estates Trail

The fences at Belfort Street are in good condition at an age of less than one year. The fences at the perimeters of the north pocket parks are likely original and are in fair to poor condition. The fences at Waterview Estates Trail are original and in fair condition. These fences exhibit wood rot, particularly at the baseboards. Our inspection also notes fence lean, displacement and wood warp at the vertical boards.



Solid board wood fencing at Waterview Estates Trail



Recently replaced solid board wood fencing at West Belfort Street



Fence board warp and partial replacements



Fence lean



Fence board warp



Base board deterioration and displacement



Wood fences of this type have useful lives of 15- to 20-years. The Association should anticipate periodic paint finishes every four- to six-years to maintain a consistent look throughout the community. Along with these paint finishes, the Association should conduct partial replacements due to the non-uniform nature of wood deterioration. We recommend the Association budget for painting the fences in 2017 and every four years thereafter. Our cost for paint finishes excludes quantities of fences in years where replacement is scheduled. Based on condition, we suggest the Association plan for replacement of the north pocket park fences in 2017 and again by 2033. We recommend replacement of the fences at Waterview Estates Trail by 2021 and again by 2037. We recommend replacement of the fences at Belfort Street by 2033. We depict this information on Line Items 4.280 through 4.287 of *Reserve Expenditures*.

Irrigation System - An irrigation system comprised of approximately 175 zones waters the lawn and landscaped areas throughout the community. The system is original and reported in good condition. Management and the Board do not report any deficiencies. Irrigation systems typically include the following components:

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

Water pressure activates the lawn spray pop-up heads. Controllers operate the main water flow valves. The exact amounts and locations of system components were not ascertained due to the nature of the underground construction and the non-invasive nature of the inspection. Management and the Board inform us the Association draws water from a well for the system. The 5-horsepower (HP) well pump is original and reported in good condition. This pump has a useful life of up to 20 years and we recommend replacement by 2023 and again by 2043. We



note this information on Line Item 4.410 of *Reserve Expenditures*. We recommend the Association perform interim repairs to the pump using funds from the operating budget.

The system as a whole has a useful life of up to 40 years. The system network supply pipes will dislodge as tree roots grow and soil conditions change. Waterview Estates should anticipate interim and partial replacements of the system network supply pipes and other components as normal maintenance to maximize the useful life of the irrigation system. The Association should fund these ongoing seasonal repairs through the operating budget. In addition, we recommend Waterview Estates budget for a complete replacement of the system beginning by 2042 and concluding by 2046. We note this information on Line Item 4.420 of *Reserve Expenditures*.

Landscape, Partial Replacements - The Association contains a large quantity of trees, shrubbery and other landscape elements. Replacement of these elements is an ongoing need. Many associations including Waterview Estates budget for these replacements as normal maintenance, funded through the operating budget. However, the Association may also desire to periodically update the appearance of the community through major additions or improvements to the landscape funded from Reserves. Management and the Board inform us the Association will expend approximately \$60,000 in 2017 to add additional landscaping at the two new community entrances. Following this near term installation of landscape, we recommend the Association continue to fund these expenses with funds from the operating budget. We depict this information on Line Item 4.500 of *Reserve Expenditures*.

Light Poles and Fixtures - The Association uses four metal light fixtures atop steel poles to illuminate the parking area near the amenities. These elements are original, in good condition and have useful lives of up to 30 years.



Metal light pole and fixture at amenity center

The Association should anticipate the need for replacement by 2033. We note this information on Line Item 4.560 of *Reserve Expenditures*.

Playground Equipment - The Association maintains playground equipment throughout the community. The playground equipment includes the following elements:

- Swing sets
- Playsets
- Surfaces, mulch
- Borders, plastic and concrete
- Benches
- Trash receptacles

The playground equipment at the amenity center, north pocket parks and splash pad are in good condition at approximate ages of nine years. The playground equipment at Jay Thrush drive is in good condition at an age of five years. The playground equipment at Quill Rush Drive is in good condition at an age of one year.



Playground equipment at amenity center



Playground equipment at north pocket park



Playground equipment at north pocket park



Playground equipment at splash pad park



Playground equipment at Jay Thrush Drive



Playground equipment at Quill Rush Drive

Safety is the major purpose for maintaining playground equipment. We recommend an annual inspection of the playground equipment to identify and repair as normal maintenance loose connections and fasteners or damaged elements. We suggest the Association learn more about the specific requirements of playground equipment at PlaygroundSafety.org. We recommend the use of a specialist for the design or replacement of the playground equipment environment. Playground equipment of this type has a useful life of 15- to 20-years. We recommend replacement of the playground equipment at the amenity center, north pocket parks and splash pad by 2023 and again by 2039. We recommend replacement of the playground equipment at Jay Thrush Drive by 2027 and again by 2043. We recommend replacement of the playground equipment at Quill Rush Drive by 2031. We include this information on Line Items 4.660 through 4.662 of *Reserve Expenditures*.

Ponds, Aerator – The Association maintains a pond near the main entrance to the community that utilizes a fountain style aerator. The use of small pumps, motors and aerators circulates pond water and increases the amount of entrained oxygen in the water, increasing water quality and reducing algae growths. The aerator is original and reported in good condition.



Fountain style pond aerator

Aerators have a useful life of 10- to 15-years. Based on age and condition, we recommend the Association anticipate replacement by 2020 and every 12 years thereafter. Line Item 4.700 of *Reserve Expenditures* notes our estimate of future costs and anticipated times of replacements.

Signage, Entrance Monument - The Association maintains an entrance monument sign at the intersection of Belfort Street and Waterview Estates Trail. The sign is in good condition at an age of one year. The functional useful life of the sign is up to 30 years. 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. We recommend the Association plan to replace the sign by 2045. We note this information on Line Item 4.810 of *Reserve Expenditures*.

Tennis Courts - Waterview Estates maintains 12,960 square feet of concrete comprising two tennis courts. The components of the courts include the color coat, fences, light poles and fixtures, and the playing surfaces.



Tennis courts overview



Color coat surface in fair condition



Light poles and fixtures



Chain link fence at perimeter

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

Color Coat - The court color coat surfaces are in fair overall condition at an unknown age. We note significant deterioration at the north end of the courts. We recommend the Association apply a new color coat every four- to six-years to maximize the useful life. Prior to the application of the color coat, the Association should require the contractor to replace deteriorated concrete as needed. This deters water infiltration and further deterioration of the concrete playing surface. We advise the Association to perform crack repairs and apply a new color coat application in 2017 and every five years thereafter except when replacement occurs. We include this information on Line Item 4.830 of *Reserve Expenditures*.

Fence - Approximately 480 linear feet of metal chain link fence encloses the courts. The chain link fence is in good condition at an approximate age of 11 years. Chain link fences of this type have a useful life of up to 25 years. We recommend the



Association anticipate replacement of the fence by 2027, concurrent with color coat applications. We depict this information on Line Item 4.840 of *Reserve Expenditures*.

Light Poles and Fixtures - The Association maintains nine light poles and fixtures to illuminate the courts. The metal poles and fixtures in good condition at an approximate age of 11 years. Light poles and fixtures of this type have a useful life of up to 30 years. We recommend the Association anticipate replacement by 2032, concurrent color coat applications. We include this information on Line Item 4.850 of *Reserve Expenditures*.

Surface - The court playing surfaces in good overall condition at an approximate age of 11 years. Concrete tennis courts have useful lives of up to 40 years. In consideration of the observed condition and to maintain a safe playing surface, we recommend the Association anticipate replacement by 2042. We note this information on Line Item 4.860 of *Reserve Expenditures*. We recommend replacement of the tennis standards and wind screens from the operating budget on an as needed basis.

The times and costs of these replacements may vary. However, the estimated expenditures detailed in *Reserve Expenditures* are sufficient to budget appropriate reserves.

Clubhouse Elements



Clubhouse, street side elevation



Clubhouse, parking area side elevation



Clubhouse, pool side elevation



Pool house

HVAC Equipment, Split System - The clubhouse heating, ventilating and air conditioning (HVAC) equipment includes one split system comprised of one remote condensing unit and one interior air handling unit. The split system is original and reported in good operational condition. The useful life of residential size units is from 12- to 18-years. We recommend the Association anticipate the replacement of this equipment by 2020 and again by 2035. We base our cost on Line Item 5.450 of *Reserve Expenditures* on a 13 seasonal energy efficiency ratio (SEER) condensing unit as required by The Department of Energy since January of 2006.

Interior Renovations - The clubhouse interior comprises finished area including a foyer, office, rest rooms, kitchen and sitting area.



Clubhouse cabinets, countertops and appliances



Clubhouse sitting area



Clubhouse foyer



Clubhouse rest room

Interior components of the clubhouse include:

- Stained concrete floor coverings
- Paint finishes on the walls and ceilings
- Plumbing fixtures
- Light fixtures including exit and emergency lights
- Kitchen cabinets and countertops
- Furnishings including sofas, tables and chairs
- Various appliances including a refrigerator and microwave

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



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

We recommend the Association anticipate a complete interior renovation of the clubhouse every 25 years. The complete renovation should include replacement of all the interior components listed above. Based on the age and visual condition of these interior clubhouse elements, we recommend the Association budget for a coordinated complete interior renovation by 2030. In addition to the complete renovation, Waterview Estates should also anticipate partial interior renovations every 10- to 15-years. These partial renovations should include the following:

- Application of paint finish to all walls and ceilings and application of stain to the concrete floors
- Replacement of the appliances and furnishings as necessary

Based on the reported age and visual condition of these interior clubhouse elements, we recommend the Association budget for coordinated partial interior renovations by 2018 and again by 2042. Line Items 5.500 and 5.510 of *Reserve Expenditures* note our estimates of future costs and anticipated times of interior clubhouse renovations. We recommend interim replacements of the furnishings and appliances as needed, funded through the operating budget.

Roof Assemblies, Metal - The Association maintains approximately 44 *squares*¹ of standing seam metal roofing at the clubhouse, pool house and splash pad park pavilion. Each panel has two seams that stand up vertically and are crimped together to seal the joint and keep weather elements from penetrating. The roof assemblies are original and in good to fair overall condition. Our inspection notes isolated rust at the clubhouse roof.

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



Roof rust at valley



Roof rust at standing seam panel

These types of roofs have a useful life of up to 30 years. Based on the age and condition of the roof assemblies, we recommend Waterview Estates fund for replacement by 2033. We note this information on Line Item 5.600 of *Reserve Expenditures*. We recommend replacement with prefinished baked enamel sheet metal. Our cost includes replacement of aluminum gutters and downspouts in conjunction with roof replacements.

Security System - Waterview Estates utilizes a security system for added security within the clubhouse and other common areas throughout the community. The security system is reported in good operational condition at an age of one year. As the system ages, service interruptions will increase in frequency. We anticipate a useful life of up to 10 years for the system. The Association should anticipate replacement of the security system by 2025 and every 10 years thereafter. We include this information on Line Item 5.700 of *Reserve Expenditures*. The Association should anticipate interim replacements of a limited quantity of components as normal maintenance to achieve a uniform useful life for the entire system.

Windows and Doors - The clubhouse windows and doors comprise approximately 380 square feet, are original and are in good condition. The useful life of windows and exterior doors

of this type and quality is up to 30 years. The useful life of the windows and doors is based on the occurrence of water infiltration, thermal inefficiencies compared to present technology, type of frame, availability of replacement parts and aesthetics. Based on these factors, we recommend the Association anticipate replacement of these windows and doors by 2033. We depict this information on Line Item 5.800 of *Reserve Expenditures*.

Pool Elements



Pool area overview



Pool area overview



Pool overview



Splash pad overview

Concrete Deck - A concrete deck surrounds the pool and comprises approximately 7,750 square feet. The deck is original in good condition. Management and the Board inform us the deck was expanded and repaired in 2015. Our inspection notes isolated and minor deterioration.



Pool deck in good condition with isolated and minor deterioration



Control joints in good condition



Isolated pool deck crack



Section of pool deck recently added

The useful life of a concrete pool deck is up to 60 years. However, we recommend the Association conduct inspections, partial replacements and repairs to the deck every 8- to 12-years. Inadequate subsurface preparation, improper concrete mixtures, poor finishing techniques, soil movement and water infiltration underneath the concrete deck can cause significant settlement and cracks in the concrete. The pool deck should also be free of trip

hazards for the safety of residents and their guests. We recommend the Association budget for the following by 2025 and every 10 years thereafter:

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

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

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

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

These items are original and are in fair condition.



Lounges



Tables and chairs

Pool furniture has a useful life of up to 12 years. We recommend the Association budget an allowance for replacement of the pool furniture and fixtures by 2018 and every 12 years thereafter. The times and costs of these replacements may vary. However, we judge the amounts shown on Line Item 6.500 of *Reserve Expenditures* sufficient to budget appropriate

reserves. We recommend interim re-strapping, refinishing, cushion replacements, reupholstering and other repairs to the furniture as normal maintenance to maximize its useful life.

Mechanical Equipment - The pool mechanical equipment comprises the following:

- Controls
- Filters
- Interconnected pipe, fittings and valves
- Pumps

Management and the Board inform us a significant portion of the pool mechanical equipment was replaced in 2015 and all items are in good operational condition. Management and the Board also inform us the chlorination system is leased.



Pool mechanical equipment

Pool mechanical equipment has a useful life of up to 15 years. Failure of the pool mechanical equipment as a single event is unlikely. We recommend the Association anticipate replacement of up to fifty percent (50%) of the pool mechanical equipment by 2021 and every six years thereafter. We consider interim replacement of motors and minor repairs as normal maintenance. We note this information on Line Item 6.600 of *Reserve Expenditures*.

Pool Finish, Plaster - The pool wall and floor surfaces have a plaster finish of 5,690 square feet based on the horizontal surface area. The finish is in good condition at an age of one year. We note no visible deterioration of the finish.



Pool with plaster finish



Plaster and tile pool finish

This type of pool finish deteriorates with time and requires periodic maintenance and replacement. We recommend the Association anticipate the need to replace the finish and conduct related repairs every 8- to 12-years to maintain the integrity of the pool structure. Removal and replacement provides the opportunity to inspect the pool structure and to allow for partial repairs of the underlying concrete surfaces as needed. We recommend the Association budget for the following by 2025 and every 10 years thereafter:

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

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

Shade Structures – Waterview Estates maintains approximately 2,400 square feet of shade structures at the pool and Jay Thrush Park. The shade structures are comprised of canvas

canopies and umbrellas with metal support frames. The shade structures are in good condition at an age of one year.



Cantilevered shade structure



Umbrella style shade structure

Shade structures of this type have useful lives of 15- to 20-years with the benefit of interim canvas replacements every six- to eight-years. Based on age and condition, we recommend replacement of the canvas canopies by 2021 and every six years thereafter, except when total replacement occurs by 2033. We depict this information on Line Items 6.880 and 6.890 of *Reserve Expenditures*.

Water Features and Slide - Waterview Estates maintains the metal water features and spray nozzles at the splash pad and pool in addition to maintaining a composite water slide and platform at the pool. The water features and spray nozzles at the splash pad and pool are original and in good condition. Management and the Board inform us the Association refinished these components including a color coat application to the splash pad concrete surface in 2015. The water slide and platform is in good condition at an age of one year.



Water features at splash pad



Spray nozzles at splash pad



Water features at pool



Water features at pool



Water slide and platforms



Water slide



Safety is the major purpose of maintaining these elements. Therefore, these elements have a useful life of 15- to 20-years. Additionally, these components require refinishing and repairs every six- to eight-years to maximize this useful life. We recommend the Association perform the next refinishing application and repair by 2021 and every six years thereafter, except when complete replacement of the water features occurs. We recommend the Association budget for replacement of the water features by 2027 and again by 2045. We recommend the Association budget for replacement of the water slide by 2035. We depict this information on Line Items 6.970 through 6.990 of *Reserve Expenditures*.

Reserve Study Update

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

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

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

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



for an Update demonstrates the Board's objective to continue fulfilling its fiduciary responsibility to maintain the commonly owned property and to fund reserves appropriately.



5. 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.

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

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

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

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

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



Information Furnished by the Association	
2016 unaudited Cash Status of the Reserve Fund	189,618
2016 Budgeted Reserve Contribution	49,250
Anticipated Interest on Reserve Fund	2,410
Less Anticipated Reserve Expenditures	0
Projected 2016 Year-End Reserve Balance	\$241,278

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 Richmond, Texas at an annual inflation rate of 3.0%. 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 Waterview Estates and their effects on remaining useful lives

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

The anticipated effects of appreciation of the reserves over time in accord with an anticipated future return or yield on investment of your cash equivalent assets at an annual rate of 1.35% (We did not consider the costs, if any, of Federal and State Taxes on income derived from interest and/or dividend income).

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

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



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

Interest Rate and Inflation Data	2014				2015			
	<u>2014:1 (A)</u>	<u>2014:2 (A)</u>	<u>2014:3 (A)</u>	<u>2014:4 (A)</u>	<u>2015:1 (A)</u>	<u>2015:2 (A)</u>	<u>2015:3 (A)</u>	<u>2015:4 (E)</u>
Average or Last Actual = (A)								
1-Year Treasury Bill	0.13%	0.15%	0.13%	0.01%	0.25%	0.27%	0.30%	0.50%
10-Year Treasury Note	2.80%	2.65%	2.40%	2.25%	1.90%	2.50%	2.70%	2.28%
30-Year Treasury Bond	3.90%	3.50%	3.35%	3.00%	2.55%	3.20%	3.40%	3.05%
Consumer Price Index (annualized rate)	1.50%	2.00%	2.40%	2.60%	0.00%	0.00%	0.00%	0.00%
Residential Construction Producer Price Index-Inflation Rate, Bureau of Labor Statistics (Year over Year Oct. 2015 Showing no meaningful change)								-0.3%
Savings Rates Results RANGE as found in http://www.bankrate.com	0.05 to 1.10% Money Market Savings				0.65 to 1.53% for 2-Year Certificate of Deposit			
	0.65 to 1.35% 1-Year Certificate of Deposit				0.9 to 1.35% for 3-Year Certificate of Deposit			
Estimated Near Term Yield Rate for Reserve Savings	1.35%							
Est. Near Term Local Inflation Rate for Future Capital Expenditures	3.0%				<u>11/13/2015</u>			

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 Waterview Estates 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) Waterview Estates 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. Each Team Review requires the attendance of several engineers, a Review Coordinator, Director of Quality Assurance and other participatory peers. Due to our extensive experience with building components, we do not have a need to utilize subcontractors.

OUR GOAL

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

VAST EXPERIENCE WITH A VARIETY OF BUILDINGS

Reserve Advisors 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.

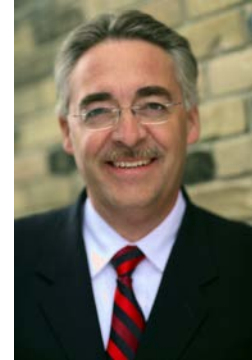
OLD TO NEW

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



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

CURRENT CLIENT SERVICES

Alan M. Ebert, a Professional Engineer, is 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 hundreds 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 2012

Reserve Specialist (RS) - Community Associations Institute

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



NICOLE L. LOWERY, PRA, RS
Associate Director of Quality Assurance

CURRENT CLIENT SERVICES

Nicole L. Lowery, a Civil Engineer, is an Associate Director of Quality Assurance for *Reserve Advisors*. Ms. Lowery is responsible for the management, review and quality assurance of reserve studies. In this role, she assumes the responsibility of stringent report review analysis to assure report accuracy and the best solution for Reserve Advisors' clients.

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



TIMOTHY J. MATTHIESEN, RS
Responsible Advisor

CURRENT CLIENT SERVICES

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

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

The Mercer Residential tower that rises 30 stories over the Galleria neighborhood west of downtown Houston.

Craig Ranch Community Association Nationally acclaimed master-planned community in North Texas spread across 400 acres that provides its residents with an unrivaled active community lifestyle.

Four Seasons Resorts Colorado State of the art 45-story high rise hotel and condominium in downtown Denver and ski lodge destination resort in Vail.

Riverstone Homeowners Association Developing community outside of Houston comprised of over 3,000 homes. The development includes private gated sections, several lakes, water parks and miles of perimeter walls.

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

Montgomery Plaza Constructed in 1927 as a regional retail and mail order warehouse for the Montgomery Ward company, this art-deco style high rise now comprises a shopping mall and luxury condominium development in Fort Worth. Some of its many features include an infinity pool, private movie theater and large exercise studios.

Steiner Ranch Homeowners Association One of the largest master-planned communities in Central Texas, this community features multiple pool and park developments overlooking Lake Austin and the surrounding hills.

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

The Broadway, San Antonio This luxury condominium high-rise near downtown features balconies with stunning views of the city and an elevated pool deck atop a parking structure.

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

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Inc., Mr. Matthiesen was working with a consulting firm to assess school facility capabilities in southeastern Wisconsin. He was responsible for the inspection and condition assessment of school facilities and his day to day duties included conducting on-site meetings with school personnel, completing technical inspections and creating a database of photographs and building condition information.

Mr. Matthiesen also worked for a local county parks department near his hometown as a Civil Engineer. He was responsible for the design of park facilities including roadways and parking lots, picnic shelters and recreational trails along with the inspection of current facilities including historic structures maintained by the County.

EDUCATION

Marquette University - B.S. Civil Engineering

PROFESSIONAL AFFILIATIONS

Reserve Specialist (RS) - Community Associations Institute



SARAH M. GIRLS, E.I.T., RS
Review Coordinator

CURRENT CLIENT SERVICES

Sarah M. Girls, a Civil Engineer, is an Advisor for *Reserve Advisors, Inc.* Ms. Girls 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 Analysis and Capital Replacement Forecast services on townhomes, homeowners associations, planned unit developments and recreational associations.

The following is a partial list of clients served by Sarah Girls demonstrating her breadth of experiential knowledge of community associations in construction and related buildings systems.

Brightwater Homeowner Association Located in Missouri City, Texas, this lively planned unit development consists of 795 single family homes surrounding a picturesque lake. The Association contains a clubhouse equipped with indoor entertainment amenities. In addition to the clubhouse the development also features an outdoor pool and tennis courts for recreational activities.

Lismore Village Homeowners' Association Located in Greer, South Carolina, this quaint community comprises 76 townhomes. The buildings feature brick masonry, vinyl siding and asphalt shingle roofs. The development contains asphalt pavement, a gazebo, perimeter fences and concrete flatwork.

Pecan Park Garden Estate Condominium This attractive gated community in Austin, Texas consists of 146 units with a relaxing pool. Located throughout the property are perimeter walls, private drives and an irrigation system.

The Villages of Berry Creek Situated in Georgetown, Texas, this inviting community is comprised of 241 homes. Homeowners can enjoy two pools, a large deck and a playground that provide enough recreational space for entertaining. The development also includes perimeter fences and detention ponds.

Maple Leaf 20 Condominium Association A townhome style condominium development of 160 units in 20 buildings located in Greenfield, Wisconsin. These buildings were constructed in the mid 2000's and comprise asphalt shingle roofs, vinyl siding and masonry walls. The development contains asphalt pavement, wood fences and concrete flatwork.

Emerald Pointe Condominium Association This quaint community is located in Raleigh, North Carolina and consists of 51 townhomes in 14 buildings. The Association maintains asphalt shingle roofs, wood siding and decks, concrete flatwork and retaining walls.

PRIOR RELEVANT EXPERIENCE

Before joining *Reserve Advisors, Inc.*, Ms. Girls attended Valparaiso University in Valparaiso, Indiana where she attained her Bachelor of Science degree in Civil Engineering. During her time at Valparaiso University, Ms. Girls lead her senior design group to develop a bypass around the City of Delphi, Indiana. This project also included the design of a bridge and mechanically stabilized earth walls. Ms. Girls also worked for Hagerman Inc. as an intern project engineer. She was responsible for overseeing and inspecting the construction of Valparaiso University's new Welcome Center.

EDUCATION

Valparaiso University –B.S. Civil Engineering

PROFESSIONAL AFFILIATIONS

Engineer In Training (E.I.T.) Registration

Reserve Specialist (RS) -Community Associations Institute



RESOURCES

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

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

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

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

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

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

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

Reserve Study Update

May 10, 2016

The Reserve Study for Waterview Estates Owners Association, Inc.

Was submitted onMay 10, 2016

To maintain the most accurate and cost-effective replacement schedule and funding plan for your property elements, this study should be updated on or about**Second Quarter, 2018**
...but no later than.....**Second Quarter, 2019**

As a valued client, we are pleased to offer a future reserve study update with site visit for.....**\$3,000**

For a Reserve Study Update with Site visit as noted above.

This future update fee is based on the same property components that were contained in your last Reserve Advisors' reserve study or update. We are pleased to include property additions for an additional fee.

To initiate your Reserve Study Update, please sign this authorization and fax or mail to the number below. Upon receipt of this authorization we will contact you to schedule your site visit and invoice for the Reserve Study Update Service.

Sign this contract below and fax to **414-272-3663**. Or mail to
Reserve Advisors, Inc.
735 N. Water St., Suite 175
Milwaukee, WI 53202

Delivery options for your Reserve Study Update Report, Please check one of the following:

- 1-Full color printed copy PLUS Electronic Report, FREE
- 2-Full color printed copies PLUS Electronic Report, \$100

For: Reserve Advisors, Inc.

Signature:  _____

Jacquie Martin
Director of Texas Client Services
Jacque@reserveadvisors.com
Ref. # 151249
(800) 221-9882

For Waterview Estates Owners Association, Inc.

Name: _____

Title: _____

Date: _____

Phone: _____

Agent or Manager: Kristi Miller

Management Firm: NeighborLink Management