Brookhaven Community Association, Inc.

September 12, 2019

Reserve Study Funding Plan

FINAL - February 21, 2020

233 Units

Prepared by

RSI CONSULTANTS
A Subsidiary of Comer, Nowling and Associates, P.C.

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Brookhaven Community Association, Inc.

Reserve Study

September 12, 2019

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Brookhaven Community Association, Inc.

Reserve Study

September 12, 2019

Executive Summary

We have been engaged by the Association to perform a **Reserve Study** covering the fiscal years beginning January 1, 2019 and ending December 31, 2047 . The purpose of a **Reserve Study** is to provide projections of future capital expenditures for replacement and non-routine maintenance of the common property of the Association and to make recommendations regarding the member contributions that should be made to the **Association's Reserve Fund** over the period covered by the study. The data and recommendations provided by the study should be used by the Association to prepare long-term budgets and to project member assessments in upcoming years.

The Association is a non-profit organization incorporated in the State of Indiana and consists of **233** residential units located in Greenwood**,** IN. The Association is responsible for the repair and replacement of a variety of common property components including:

1. Contingencies
2. Entrance and Perimeter
3. Landscape
4. Ponds
5. Walking Path

The Association maintains reserve funds to cover major repairs and replacement of common components. Each unit owner is responsible for contributing to both the operating and reserve fund of the Association.

A Reserve Study consists of two parts, a physical analysis and a financial analysis. The **physical analysis** involves working with members of management and the Association Board to develop an inventory of the components of common property and to assess the cost and timing of the replacement or overhaul of each component. The **financial analysis** uses the information from the physical analysis and various assumptions and calculations to develop a funding plan to meet the financial demands of component replacement when necessary, and avoid special assessments on the members.

Brookhaven Community Association, Inc.

Reserve Study
September 12, 2019

Physical Analysis

The physical analysis is the process of identifying the components of common property, assessing their condition, and determining each component's remaining life and future cost to replace or restore.

Methodology
The basic steps in the physical analysis include:
• Gathering data
• On-site inspection
• Useful life, remaining useful life determination
• Replacement cost determination

Gathering data
The physical analysis begins with gathering data about the components of common property to prepare a preliminary **component inventory**. This step can involve:
• Review of Association governance documents.
• Discussions with Association's management company.
• Discussions with Association members.
• Completion of questionnaires and development of a preliminary inventory of common property components.

On-site inspection
An on-site inspection is conducted to assess the completeness of the component inventory and to assess the condition of the various components. The inspector will use a variety of methods to quantify the component inventory and assess each component's condition. These methods include:
• Taking physical measurements,
• Inquiries of managers and residents,
• Reviewing engineering and other contractor documents and reports,
• Consulting with other specialists and vendors, and
• Consulting reference material and other published documents and reports.

Useful life and remaining useful life determination
Useful life (UL) is an estimated amount of time that a component can be expected to function before requiring major repair or replacement. The time of UL is often determined by industry standards, governmental standards and observation tables. After determining the component's UL, we then estimated the component's **remaining useful life (RUL)**. Remaining life is determined by establishing a component's installation or creation date and comparing it to the UL. We determined a component's installation or creation date based on information acquired through our interaction with Association Management and Board members, or review of Association documentation, invoices, or construction

Physical Analysis (continued)

documents. In the absence of reliable information or documentation we assessed and estimated the component's RUL based on its current physical condition and standard useful life tables.

Repair and replacement cost determination
Estimated repair and replacement cost in present day dollars for each component is determined through a number of methods including review of information on the original acquisition of each component. For those components for which no original acquisition information is available, estimating software and engineering construction guides were used to obtain an average cost per the unit of measure for each component. After determining the component's replacement cost or repair schedule, we factor in the assumed inflation rate, compounded annually, for the life of the study.

Physical Analysis results
The Association's available governing documents and discussions with managers/officers identify the following major components of common property as the responsibility of the Association:

1. Contingencies
2. Entrance and Perimeter
3. Landscape
4. Ponds
5. Walking Path

Brookhaven Community Association, Inc.

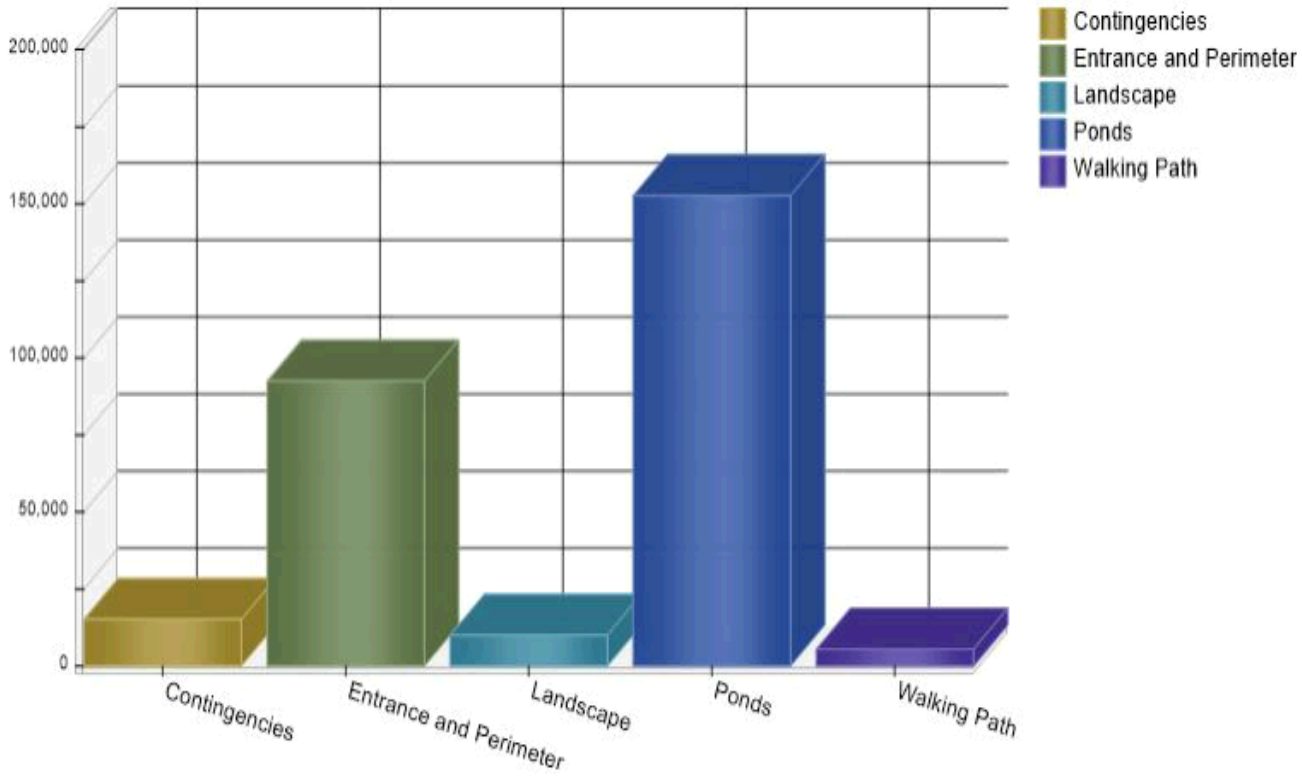
Analysis Date - January 1, 2019

Inflation:3.00% Investment:1.00% Contribution Factor:0.00% Calc:Current

Item Parameters - Summary

Reserve Item	Replace Date	Basis Cost	Quantity	Current Cost	Est Life	Rem Life	Future Cost
Asphalt Walking Path - Sectional Repair/Repl.	1/2024	$ 4	1,350 Square F	$ 5,400	5:00	5:00	$ 5,400
Entrance Wall and Column Replacement	1/2045	20,800	4.2 Allowanc	87,360	40:00	26:00	87,360
Entranceway - Electrical/ Irrigation Repair/Re	1/2020	1,500	2 Allowanc	3,000	4:00	1:00	3,000
Entranceway Walls/Columns - Repair & Maint	1/2025	1,000	2 Allowanc	2,000	7:00	6:00	2,000
General Contingency	1/20 - 1/21	5,000	2 Allowanc	10,000	2:00	1:06	10,000
Landscape - Capital Maintenance & Upgrades	1/19 - 1/20	5,000	2 Allowanc	10,000	2:00	0:06	10,000
Pond - Erosion Control Management	1/21 - 1/23	2	2,282.43 Each	4,564	8:00	2:07	4,564
Pond - Fountain Replacement	1/20 - 1/24	5,500	3 Each	16,500	6:00	3:00	16,500
Pond Dredging	1/2040	50,000	2.63 Allowanc	131,500	35:00	21:00	131,500
Reserve Study - Updates	1/2024	2,600	1 Allowanc	2,600	5:00	5:00	2,600
Utility Contingency	1/2020	2,500	1 Allowanc	2,500	5:00	1:00	2,500
				$ 275,424			$ 275,424

Item Parameter - Category - Chart



Brookhaven Community Association, Inc.

Analysis Date - January 1, 2019

Inflation:3.00% Investment:1.00% Contribution Factor:0.00% Calc:Current

Expenditures

Date	Reserve Item	Code	Service Date	Estimated Life	Current Cost	Expenditure
Year : 2019						
01/01/2019	Landscape - Capital Maintenance & U	920-001-0009	01/01/2017	2:00	$ 5,000.00	$ 5,000.00
					$ 5,000.00	$ 5,000.00
Year : 2020						
01/01/2020	Entranceway - Electrical/ Irrigation Re	910-000-0006	01/01/2016	4:00	$ 3,000.00	$ 3,000.00
01/01/2020	General Contingency	920-002-0008	01/01/2018	2:00	5,000.00	5,000.00
01/01/2020	Landscape - Capital Maintenance & U	920-002-0009	01/01/2018	2:00	5,000.00	5,000.00
01/01/2020	Pond - Fountain Replacement	920-001-0014	01/01/2014	6:00	5,500.00	5,500.00
01/01/2020	Utility Contingency	910-000-0041	01/01/2015	5:00	2,500.00	2,500.00
					$ 21,000.00	$ 21,000.00
Year : 2021						
01/01/2021	General Contingency	920-001-0008	01/01/2019	2:00	$ 5,000.00	$ 5,000.00
01/01/2021	Landscape - Capital Maintenance & U	920-001-0009	01/01/2019	2:00	5,000.00	5,000.00
01/01/2021	Pond - Erosion Control Management	920-001-0013	01/01/2013	8:00	2,144.00	2,144.00
01/01/2021	Pond - Erosion Control Management	920-002-0013	01/01/2013	8:00	1,006.00	1,006.00
					$ 13,150.00	$ 13,150.00
Year : 2022						
01/01/2022	General Contingency	920-002-0008	01/01/2020	2:00	$ 5,000.00	$ 5,000.00
01/01/2022	Landscape - Capital Maintenance & U	920-002-0009	01/01/2020	2:00	5,000.00	5,000.00
01/01/2022	Pond - Fountain Replacement	920-002-0014	01/01/2016	6:00	5,500.00	5,500.00
					$ 15,500.00	$ 15,500.00
Year : 2023						
01/01/2023	General Contingency	920-001-0008	01/01/2021	2:00	$ 5,000.00	$ 5,000.00
01/01/2023	Landscape - Capital Maintenance & U	920-001-0009	01/01/2021	2:00	5,000.00	5,000.00
01/01/2023	Pond - Erosion Control Management	920-003-0013	01/01/2015	8:00	1,402.00	1,402.00
01/01/2023	Pond - Erosion Control Management	920-004-0013	01/01/2015	8:00	12.86	12.86
					$ 11,414.86	$ 11,414.86
Year : 2024						
01/01/2024	Asphalt Walking Path - Sectional Repai	910-000-0040	01/01/2019	5:00	$ 5,400.00	$ 5,400.00
01/01/2024	Entranceway - Electrical/ Irrigation Re	910-000-0006	01/01/2020	4:00	3,000.00	3,000.00
01/01/2024	General Contingency	920-002-0008	01/01/2022	2:00	5,000.00	5,000.00
01/01/2024	Landscape - Capital Maintenance & U	920-002-0009	01/01/2022	2:00	5,000.00	5,000.00
01/01/2024	Pond - Fountain Replacement	920-003-0014	01/01/2018	6:00	5,500.00	5,500.00
01/01/2024	Reserve Study - Updates	910-000-0035	01/01/2019	5:00	2,600.00	2,600.00
					$ 26,500.00	$ 26,500.00
Year : 2025						
01/01/2025	Entranceway Walls/Columns - Repair	910-000-0007	01/01/2018	7:00	$ 2,000.00	$ 2,000.00
01/01/2025	General Contingency	920-001-0008	01/01/2023	2:00	5,000.00	5,000.00
01/01/2025	Landscape - Capital Maintenance & U	920-001-0009	01/01/2023	2:00	5,000.00	5,000.00
01/01/2025	Utility Contingency	910-000-0041	01/01/2020	5:00	2,500.00	2,500.00
					$ 14,500.00	$ 14,500.00

Brookhaven Community Association, Inc.

Analysis Date - January 1, 2019

Inflation:3.00% Investment:1.00% Contribution Factor:0.00% Calc:Current

Expenditures

Date	Reserve Item	Code	Service Date	Estimated Life	Current Cost	Expenditure
Year : 2026						
01/01/2026	General Contingency	920-002-0008	01/01/2024	2:00	$ 5,000.00	$ 5,000.00
01/01/2026	Landscape - Capital Maintenance & U	920-002-0009	01/01/2024	2:00	5,000.00	5,000.00
01/01/2026	Pond - Fountain Replacement	920-001-0014	01/01/2020	6:00	5,500.00	5,500.00
					$ 15,500.00	$ 15,500.00
Year : 2027						
01/01/2027	General Contingency	920-001-0008	01/01/2025	2:00	$ 5,000.00	$ 5,000.00
01/01/2027	Landscape - Capital Maintenance & U	920-001-0009	01/01/2025	2:00	5,000.00	5,000.00
					$ 10,000.00	$ 10,000.00
Year : 2028						
01/01/2028	Entranceway - Electrical/ Irrigation Re	910-000-0006	01/01/2024	4:00	$ 3,000.00	$ 3,000.00
01/01/2028	General Contingency	920-002-0008	01/01/2026	2:00	5,000.00	5,000.00
01/01/2028	Landscape - Capital Maintenance & U	920-002-0009	01/01/2026	2:00	5,000.00	5,000.00
01/01/2028	Pond - Fountain Replacement	920-002-0014	01/01/2022	6:00	5,500.00	5,500.00
					$ 18,500.00	$ 18,500.00
Year : 2029						
01/01/2029	Asphalt Walking Path - Sectional Repai	910-000-0040	01/01/2024	5:00	$ 5,400.00	$ 5,400.00
01/01/2029	General Contingency	920-001-0008	01/01/2027	2:00	5,000.00	5,000.00
01/01/2029	Landscape - Capital Maintenance & U	920-001-0009	01/01/2027	2:00	5,000.00	5,000.00
01/01/2029	Pond - Erosion Control Management	920-001-0013	01/01/2021	8:00	2,144.00	2,144.00
01/01/2029	Pond - Erosion Control Management	920-002-0013	01/01/2021	8:00	1,006.00	1,006.00
01/01/2029	Reserve Study - Updates	910-000-0035	01/01/2024	5:00	2,600.00	2,600.00
					$ 21,150.00	$ 21,150.00
Year : 2030						
01/01/2030	General Contingency	920-002-0008	01/01/2028	2:00	$ 5,000.00	$ 5,000.00
01/01/2030	Landscape - Capital Maintenance & U	920-002-0009	01/01/2028	2:00	5,000.00	5,000.00
01/01/2030	Pond - Fountain Replacement	920-003-0014	01/01/2024	6:00	5,500.00	5,500.00
01/01/2030	Utility Contingency	910-000-0041	01/01/2025	5:00	2,500.00	2,500.00
					$ 18,000.00	$ 18,000.00
Year : 2031						
01/01/2031	General Contingency	920-001-0008	01/01/2029	2:00	$ 5,000.00	$ 5,000.00
01/01/2031	Landscape - Capital Maintenance & U	920-001-0009	01/01/2029	2:00	5,000.00	5,000.00
01/01/2031	Pond - Erosion Control Management	920-003-0013	01/01/2023	8:00	1,402.00	1,402.00
01/01/2031	Pond - Erosion Control Management	920-004-0013	01/01/2023	8:00	12.86	12.86
					$ 11,414.86	$ 11,414.86
Year : 2032						
01/01/2032	Entranceway - Electrical/ Irrigation Re	910-000-0006	01/01/2028	4:00	$ 3,000.00	$ 3,000.00
01/01/2032	Entranceway Walls/Columns - Repair	910-000-0007	01/01/2025	7:00	2,000.00	2,000.00
01/01/2032	General Contingency	920-002-0008	01/01/2030	2:00	5,000.00	5,000.00
01/01/2032	Landscape - Capital Maintenance & U	920-002-0009	01/01/2030	2:00	5,000.00	5,000.00
01/01/2032	Pond - Fountain Replacement	920-001-0014	01/01/2026	6:00	5,500.00	5,500.00
					$ 20,500.00	$ 20,500.00

Expenditures

Date	Reserve Item	Code	Service Date	Estimated Life	Current Cost	Expenditure
Year : 2033						
01/01/2033	General Contingency	920-001-0008	01/01/2031	2:00	$ 5,000.00	$ 5,000.00
01/01/2033	Landscape - Capital Maintenance & U	920-001-0009	01/01/2031	2:00	5,000.00	5,000.00
					$ 10,000.00	$ 10,000.00
Year : 2034						
01/01/2034	Asphalt Walking Path - Sectional Repai	910-000-0040	01/01/2029	5:00	$ 5,400.00	$ 5,400.00
01/01/2034	General Contingency	920-002-0008	01/01/2032	2:00	5,000.00	5,000.00
01/01/2034	Landscape - Capital Maintenance & U	920-002-0009	01/01/2032	2:00	5,000.00	5,000.00
01/01/2034	Pond - Fountain Replacement	920-002-0014	01/01/2028	6:00	5,500.00	5,500.00
01/01/2034	Reserve Study - Updates	910-000-0035	01/01/2029	5:00	2,600.00	2,600.00
					$ 23,500.00	$ 23,500.00
Year : 2035						
01/01/2035	General Contingency	920-001-0008	01/01/2033	2:00	$ 5,000.00	$ 5,000.00
01/01/2035	Landscape - Capital Maintenance & U	920-001-0009	01/01/2033	2:00	5,000.00	5,000.00
01/01/2035	Utility Contingency	910-000-0041	01/01/2030	5:00	2,500.00	2,500.00
					$ 12,500.00	$ 12,500.00
Year : 2036						
01/01/2036	Entranceway - Electrical/ Irrigation Re	910-000-0006	01/01/2032	4:00	$ 3,000.00	$ 3,000.00
01/01/2036	General Contingency	920-002-0008	01/01/2034	2:00	5,000.00	5,000.00
01/01/2036	Landscape - Capital Maintenance & U	920-002-0009	01/01/2034	2:00	5,000.00	5,000.00
01/01/2036	Pond - Fountain Replacement	920-003-0014	01/01/2030	6:00	5,500.00	5,500.00
					$ 18,500.00	$ 18,500.00
Year : 2037						
01/01/2037	General Contingency	920-001-0008	01/01/2035	2:00	$ 5,000.00	$ 5,000.00
01/01/2037	Landscape - Capital Maintenance & U	920-001-0009	01/01/2035	2:00	5,000.00	5,000.00
01/01/2037	Pond - Erosion Control Management	920-001-0013	01/01/2029	8:00	2,144.00	2,144.00
01/01/2037	Pond - Erosion Control Management	920-002-0013	01/01/2029	8:00	1,006.00	1,006.00
					$ 13,150.00	$ 13,150.00
Year : 2038						
01/01/2038	General Contingency	920-002-0008	01/01/2036	2:00	$ 5,000.00	$ 5,000.00
01/01/2038	Landscape - Capital Maintenance & U	920-002-0009	01/01/2036	2:00	5,000.00	5,000.00
01/01/2038	Pond - Fountain Replacement	920-001-0014	01/01/2032	6:00	5,500.00	5,500.00
					$ 15,500.00	$ 15,500.00
Year : 2039						
01/01/2039	Asphalt Walking Path - Sectional Repai	910-000-0040	01/01/2034	5:00	$ 5,400.00	$ 5,400.00
01/01/2039	Entranceway Walls/Columns - Repair	910-000-0007	01/01/2032	7:00	2,000.00	2,000.00
01/01/2039	General Contingency	920-001-0008	01/01/2037	2:00	5,000.00	5,000.00
01/01/2039	Landscape - Capital Maintenance & U	920-001-0009	01/01/2037	2:00	5,000.00	5,000.00
01/01/2039	Pond - Erosion Control Management	920-003-0013	01/01/2031	8:00	1,402.00	1,402.00
01/01/2039	Pond - Erosion Control Management	920-004-0013	01/01/2031	8:00	12.86	12.86
01/01/2039	Reserve Study - Updates	910-000-0035	01/01/2034	5:00	2,600.00	2,600.00
					$ 21,414.86	$ 21,414.86

Brookhaven Community Association, Inc.

Analysis Date - January 1, 2019

Inflation:3.00% Investment:1.00% Contribution Factor:0.00% Calc:Current

Expenditures

Date	Reserve Item	Code	Service Date	Estimated Life	Current Cost	Expenditure
Year : 2040						
01/01/2040	Entranceway - Electrical/ Irrigation Re	910-000-0006	01/01/2036	4:00	$ 3,000.00	$ 3,000.00
01/01/2040	General Contingency	920-002-0008	01/01/2038	2:00	5,000.00	5,000.00
01/01/2040	Landscape - Capital Maintenance & U	920-002-0009	01/01/2038	2:00	5,000.00	5,000.00
01/01/2040	Pond - Fountain Replacement	920-002-0014	01/01/2034	6:00	5,500.00	5,500.00
01/01/2040	Pond Dredging	920-001-0015	01/01/2005	35:00	66,000.00	66,000.00
01/01/2040	Pond Dredging	920-002-0015	01/01/2005	35:00	12,000.00	12,000.00
01/01/2040	Pond Dredging	920-003-0015	01/01/2005	35:00	21,000.00	21,000.00
01/01/2040	Pond Dredging	920-004-0015	01/01/2005	35:00	32,500.00	32,500.00
01/01/2040	Utility Contingency	910-000-0041	01/01/2035	5:00	2,500.00	2,500.00
					$ 152,500.00	$ 152,500.00
Year : 2041						
01/01/2041	General Contingency	920-001-0008	01/01/2039	2:00	$ 5,000.00	$ 5,000.00
01/01/2041	Landscape - Capital Maintenance & U	920-001-0009	01/01/2039	2:00	5,000.00	5,000.00
					$ 10,000.00	$ 10,000.00
Year : 2042						
01/01/2042	General Contingency	920-002-0008	01/01/2040	2:00	$ 5,000.00	$ 5,000.00
01/01/2042	Landscape - Capital Maintenance & U	920-002-0009	01/01/2040	2:00	5,000.00	5,000.00
01/01/2042	Pond - Fountain Replacement	920-003-0014	01/01/2036	6:00	5,500.00	5,500.00
					$ 15,500.00	$ 15,500.00
Year : 2043						
01/01/2043	General Contingency	920-001-0008	01/01/2041	2:00	$ 5,000.00	$ 5,000.00
01/01/2043	Landscape - Capital Maintenance & U	920-001-0009	01/01/2041	2:00	5,000.00	5,000.00
					$ 10,000.00	$ 10,000.00
Year : 2044						
01/01/2044	Asphalt Walking Path - Sectional Repai	910-000-0040	01/01/2039	5:00	$ 5,400.00	$ 5,400.00
01/01/2044	Entranceway - Electrical/ Irrigation Re	910-000-0006	01/01/2040	4:00	3,000.00	3,000.00
01/01/2044	General Contingency	920-002-0008	01/01/2042	2:00	5,000.00	5,000.00
01/01/2044	Landscape - Capital Maintenance & U	920-002-0009	01/01/2042	2:00	5,000.00	5,000.00
01/01/2044	Pond - Fountain Replacement	920-001-0014	01/01/2038	6:00	5,500.00	5,500.00
01/01/2044	Reserve Study - Updates	910-000-0035	01/01/2039	5:00	2,600.00	2,600.00
					$ 26,500.00	$ 26,500.00
Year : 2045						
01/01/2045	Entrance Wall and Column Replaceme	920-001-0039	01/01/2005	40:00	$ 83,200.00	$ 83,200.00
01/01/2045	Entrance Wall and Column Replaceme	920-002-0039	01/01/2005	40:00	4,160.00	4,160.00
01/01/2045	General Contingency	920-001-0008	01/01/2043	2:00	5,000.00	5,000.00
01/01/2045	Landscape - Capital Maintenance & U	920-001-0009	01/01/2043	2:00	5,000.00	5,000.00
01/01/2045	Pond - Erosion Control Management	920-001-0013	01/01/2037	8:00	2,144.00	2,144.00
01/01/2045	Pond - Erosion Control Management	920-002-0013	01/01/2037	8:00	1,006.00	1,006.00
01/01/2045	Utility Contingency	910-000-0041	01/01/2040	5:00	2,500.00	2,500.00
					$ 103,010.00	$ 103,010.00

Brookhaven Community Association, Inc.

Analysis Date - January 1, 2019

Inflation:3.00% Investment:1.00% Contribution Factor:0.00% Calc:Current

Expenditures

Date	Reserve Item	Code	Service Date	Estimated Life	Current Cost	Expenditure
Year : 2046						
01/01/2046	Entranceway Walls/Columns - Repair	910-000-0007	01/01/2039	7:00	$ 2,000.00	$ 2,000.00
01/01/2046	General Contingency	920-002-0008	01/01/2044	2:00	5,000.00	5,000.00
01/01/2046	Landscape - Capital Maintenance & U	920-002-0009	01/01/2044	2:00	5,000.00	5,000.00
01/01/2046	Pond - Fountain Replacement	920-002-0014	01/01/2040	6:00	5,500.00	5,500.00
					$ 17,500.00	$ 17,500.00
Year : 2047						
01/01/2047	General Contingency	920-001-0008	01/01/2045	2:00	$ 5,000.00	$ 5,000.00
01/01/2047	Landscape - Capital Maintenance & U	920-001-0009	01/01/2045	2:00	5,000.00	5,000.00
01/01/2047	Pond - Erosion Control Management	920-003-0013	01/01/2039	8:00	1,402.00	1,402.00
01/01/2047	Pond - Erosion Control Management	920-004-0013	01/01/2039	8:00	12.86	12.86
					$ 11,414.86	$ 11,414.86
Year : 2048						
01/01/2048	Entranceway - Electrical/ Irrigation Re	910-000-0006	01/01/2044	4:00	$ 3,000.00	$ 3,000.00
01/01/2048	General Contingency	920-002-0008	01/01/2046	2:00	5,000.00	5,000.00
01/01/2048	Landscape - Capital Maintenance & U	920-002-0009	01/01/2046	2:00	5,000.00	5,000.00
01/01/2048	Pond - Fountain Replacement	920-003-0014	01/01/2042	6:00	5,500.00	5,500.00
					$ 18,500.00	$ 18,500.00

Brookhaven Community Association, Inc.

Reserve Study
September 12, 2019

Financial Analysis

The financial analysis is the process of examining the needs identified through the physical analysis and developing a plan that includes recommendations for future contributions to the reserve fund.

Methodology
Using information gathered in the physical analysis, the reserve expenditure requirements over the study period were examined and adjusted for assumptions on inflation and any other Association plans related to the timing and extent of those expenditures (exhibit C). The reserve balance projected for the beginning of the reserve period along with the current annual contribution to the reserve were then examined and projected over the study period and adjusted for assumption on investment return.

These two datasets (projected expenditures and projected reserve balances) were then combined to provide a complete projection of the reserve fund status for each of the years of the study period. This analysis (using the cash flow method) is provided in the table at the end of this section.

By using a **funding goal** of maintaining a reserve balance above zero (**baseline funding**), it is possible to determine the annual contribution amount necessary to achieve such a goal.

Reserve Funding Status

Balance in reserve fund balance as of the analysis date	$ 28,450
Estimated reserve fund balance at end of the analysis period-1 year	$ 28,210
Estimated reserve fund balance at end of the 30 year study period	$85,331.76

Key Assumptions
In addition to the estimates of the timing and amount of reserve fund expenditures, the key assumptions necessary for the financial analysis are:

Time horizon (years)	30
Inflation rate	3.00%
Investment return rate	1.00%
Tax Rate	0.00%
General contingency allowance (annual)	$5,000

The following table presents the results of the recommended contributions to the reserve fund applied to the estimated expenditures over the **study period**.

Brookhaven Community Association, Inc.

Analysis Date - January 1, 2019

Inflation:3.00% Investment:1.00% Contribution Factor:0.00% Calc:Current

Cash Flow - Annual

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/19 - 12/19	$ 28,450.70	$ 4,500.00	$ 260.26	$ 5,000.00	$ 28,210.96
01/20 - 12/20	28,210.96	9,000.00	126.41	21,000.00	16,337.37
01/21 - 12/21	16,337.37	13,500.00	105.24	13,150.00	16,792.61
01/22 - 12/22	16,792.61	16,875.00	104.12	15,500.00	18,271.73
01/23 - 12/23	18,271.73	19,406.28	171.00	11,414.86	26,434.15
01/24 - 12/24	26,434.15	21,346.92	117.52	26,500.00	21,398.59
01/25 - 12/25	21,398.59	21,987.24	185.64	14,500.00	29,071.47
01/26 - 12/26	29,071.47	22,646.88	256.41	15,500.00	36,474.76
01/27 - 12/27	36,474.76	23,326.32	387.15	10,000.00	50,188.23
01/28 - 12/28	50,188.23	24,026.04	446.62	18,500.00	56,160.89
	$ 28,450.70	$ 176,614.68	$ 2,160.37	$ 151,064.86	$ 56,160.89

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/29 - 12/29	$ 56,160.89	$ 24,746.88	$ 484.72	$ 21,150.00	$ 60,242.49
01/30 - 12/30	60,242.49	25,489.32	559.77	18,000.00	68,291.58
01/31 - 12/31	68,291.58	26,253.96	707.86	11,414.86	83,838.54
01/32 - 12/32	83,838.54	27,041.64	780.53	20,500.00	91,160.71
01/33 - 12/33	91,160.71	27,852.84	959.22	10,000.00	109,972.77
01/34 - 12/34	109,972.77	28,688.40	1,022.44	23,500.00	116,183.61
01/35 - 12/35	116,183.61	28,688.40	1,190.72	12,500.00	133,562.73
01/36 - 12/36	133,562.73	28,688.40	1,307.57	18,500.00	145,058.70
01/37 - 12/37	145,058.70	28,688.40	1,474.54	13,150.00	162,071.64
01/38 - 12/38	162,071.64	28,688.40	1,622.83	15,500.00	176,882.87
	$ 56,160.89	$ 274,826.64	$ 10,110.20	$ 164,214.86	$ 176,882.87

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/39 - 12/39	$ 176,882.87	$ 28,688.40	$ 1,714.68	$ 21,414.86	$ 185,871.09
01/40 - 12/40	185,871.09	28,688.40	543.24	152,500.00	62,602.73
01/41 - 12/41	62,602.73	28,688.40	676.51	10,000.00	81,967.64
01/42 - 12/42	81,967.64	28,688.40	818.10	15,500.00	95,974.14
01/43 - 12/43	95,974.14	28,688.40	1,011.78	10,000.00	115,674.32
01/44 - 12/44	115,674.32	28,688.40	1,050.85	26,500.00	118,913.57
01/45 - 12/45	118,913.57	28,688.40	346.92	103,010.00	44,938.89
01/46 - 12/46	44,938.89	28,688.40	426.87	17,500.00	56,554.16
01/47 - 12/47	56,554.16	28,688.40	602.14	11,414.86	74,429.84
01/48 - 12/48	74,429.84	28,688.40	713.52	18,500.00	85,331.76
	$ 176,882.87	$ 286,884.00	$ 7,904.61	$ 386,339.72	$ 85,331.76

Brookhaven Community Association, Inc.

Analysis Date - January 1, 2019

Inflation:3.00% Investment:1.00% Contribution Factor:0.00% Calc:Current

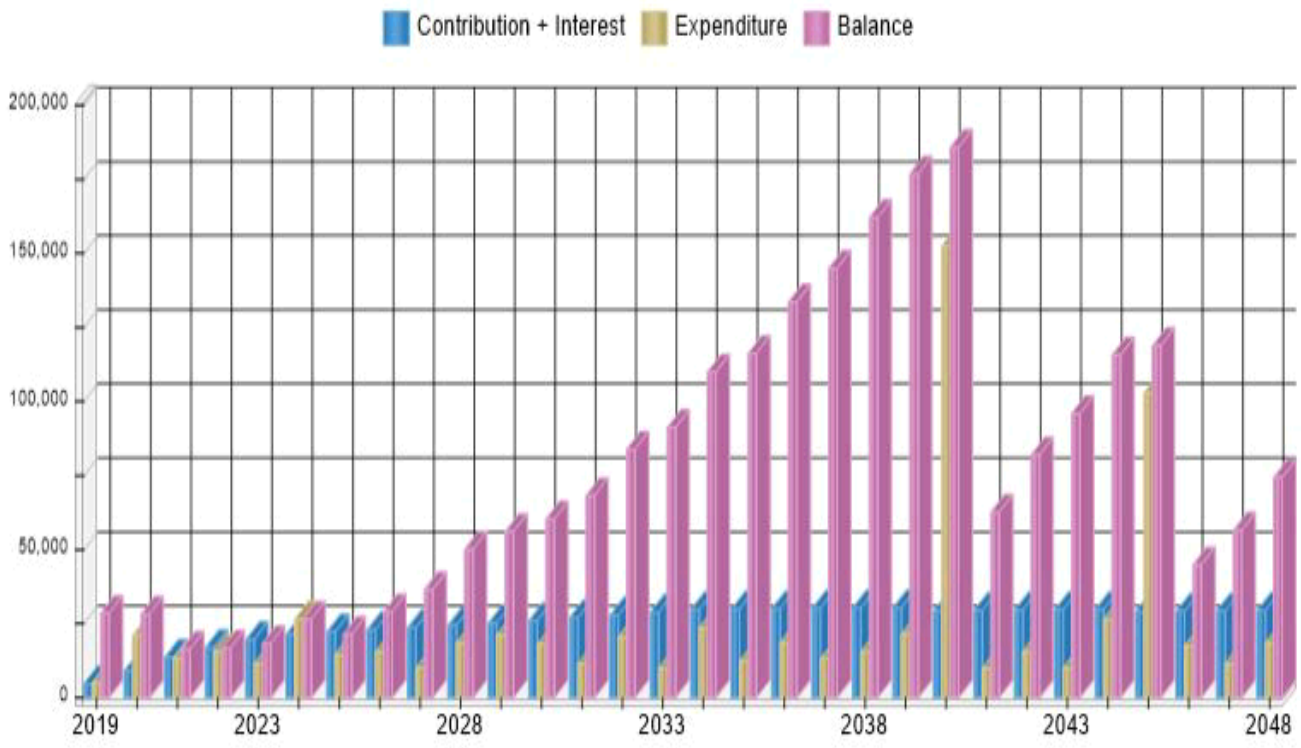
Cash Flow - Annual

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Begin Balance	$ 28,450	$ 28,210	$ 16,337	$ 16,792	$ 18,271	$ 26,434	$ 21,398	$ 29,071	$ 36,474	$ 50,188
Contribution	4,500	9,000	13,500	16,875	19,406	21,346	21,987	22,646	23,326	24,026
Average Per Unit	19	38	57	72	83	91	94	97	100	103
Percent Change	0.00%	100.00%	50.00%	25.00%	15.00%	10.00%	3.00%	3.00%	3.00%	3.00%
Interest	260	126	105	104	171	117	185	256	387	446
Less Expenditures	5,000	21,000	13,150	15,500	11,414	26,500	14,500	15,500	10,000	18,500
Ending Balance	$ 28,210	$ 16,337	$ 16,792	$ 18,271	$ 26,434	$ 21,398	$ 29,071	$ 36,474	$ 50,188	$ 56,160

	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Begin Balance	$ 56,160	$ 60,242	$ 68,291	$ 83,838	$ 91,160	$ 109,972	$ 116,183	$ 133,562	$ 145,058	$ 162,071
Contribution	24,746	25,489	26,253	27,041	27,852	28,688	28,688	28,688	28,688	28,688
Average Per Unit	106	109	112	116	119	123	123	123	123	123
Percent Change	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	0.00%	0.00%	0.00%	0.00%
Interest	484	559	707	780	959	1,022	1,190	1,307	1,474	1,622
Less Expenditures	21,150	18,000	11,414	20,500	10,000	23,500	12,500	18,500	13,150	15,500
Ending Balance	$ 60,242	$ 68,291	$ 83,838	$ 91,160	$ 109,972	$ 116,183	$ 133,562	$ 145,058	$ 162,071	$ 176,882

	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Begin Balance	$ 176,882	$ 185,871	$ 62,602	$ 81,967	$ 95,974	$ 115,674	$ 118,913	$ 44,938	$ 56,554	$ 74,429
Contribution	28,688	28,688	28,688	28,688	28,688	28,688	28,688	28,688	28,688	28,688
Average Per Unit	123	123	123	123	123	123	123	123	123	123
Percent Change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest	1,714	543	676	818	1,011	1,050	346	426	602	713
Less Expenditures	21,414	152,500	10,000	15,500	10,000	26,500	103,010	17,500	11,414	18,500
Ending Balance	$ 185,871	$ 62,602	$ 81,967	$ 95,974	$ 115,674	$ 118,913	$ 44,938	$ 56,554	$ 74,429	$ 85,331

Cash Flow - Chart



Brookhaven Community Association, Inc.

Analysis Date - January 1, 2019

Inflation:3.00% Investment:1.00% Contribution Factor:0.00% Calc:Current

Percent Funded - Annual

Beginning Date	100% Funded Current Cost	Beginning Balance	Percent Funded	Contribution	Interest	Expenditure Current Cost
01/01/2019	$ 109,031	$ 28,450	26.09 %	$ 4,500	$ 260	$ 5,000
01/01/2020	126,429	28,210	22.31	9,000	126	21,000
01/01/2021	127,826	16,337	12.78	13,500	105	13,150
01/01/2022	137,074	16,792	12.25	16,875	104	15,500
01/01/2023	143,971	18,271	12.69	19,406	171	11,414
01/01/2024	154,954	26,434	17.06	21,346	117	26,500
01/01/2025	150,851	21,398	14.19	21,987	185	14,500
01/01/2026	158,749	29,071	18.31	22,646	256	15,500
01/01/2027	165,646	36,474	22.02	23,326	387	10,000
01/01/2028	178,043	50,188	28.19	24,026	446	18,500
01/01/2029	181,941	56,160	30.87	24,746	484	21,150
01/01/2030	183,188	60,242	32.89	25,489	559	18,000
01/01/2031	187,586	68,291	36.41	26,253	707	11,414
01/01/2032	198,568	83,838	42.22	27,041	780	20,500
01/01/2033	200,466	91,160	45.47	27,852	959	10,000
01/01/2034	212,863	109,972	51.66	28,688	1,022	23,500
01/01/2035	211,761	116,183	54.87	28,688	1,190	12,500
01/01/2036	221,658	133,562	60.26	28,688	1,307	18,500
01/01/2037	225,556	145,058	64.31	28,688	1,474	13,150
01/01/2038	234,803	162,071	69.02	28,688	1,622	15,500
01/01/2039	241,701	176,882	73.18	28,688	1,714	21,414
01/01/2040	242,683	185,871	76.59	28,688	543	152,500
01/01/2041	112,581	62,602	55.61	28,688	676	10,000
01/01/2042	124,978	81,967	65.59	28,688	818	15,500
01/01/2043	131,876	95,974	72.78	28,688	1,011	10,000
01/01/2044	144,273	115,674	80.18	28,688	1,050	26,500
01/01/2045	140,171	118,913	84.83	28,688	346	103,010
01/01/2046	59,558	44,938	75.45	28,688	426	17,500
01/01/2047	64,456	56,554	87.74	28,688	602	11,414
01/01/2048	75,438	74,429	98.66	28,688	713	18,500

Exhibits

Property Profile

Assumptions and Disclosures

Definitions

Brookhaven Community Association, Inc.

Reserve Study
September 12, 2019

Property Profile

Property name:	Brookhaven Community Association, Inc.
Number of buildings:	n/a
Number of stories:	n/a
Number of units:	233
Type of Development:	Single Family
Percent occupied:	Majority
Year built:	Approx. 2005
Community age:	Approx. 14 Years (Beginning of Community)
Business status:	Non-profit
Developer/builder:	Brookhaven Development LLC
Inspection service provided by:	Erik Robertson
Reserve study service provided by:	RSI Consultants 8606 Allisonville Road Indianapolis, IN 46240
Scheduled update:	2022-2024
Management company:	Sentry Management
Property Manager:	Sade Madison

Brookhaven Community Association, Inc.

Reserve Study

September 12, 2019

Assumptions and Disclosures

The following assumptions were used in completing this reserve study for the Association. The assumptions were based on industry standards and codes, as well as directives from the Association's property manager and Board of Directors.

Assumptions

Funding goal	Base-Line
Analysis method	Cash Flow
Study period start	January 1, 2019
Study period end	December 31, 2019
Investment return	1.00
Inflation rate	3.00%
Tax rate on association income	0.00%
Inspection method	Full-inspection

Disclosures

1. RSI made a non-invasive onsite inspection of the property. We do not comment on, or give an opinion on, the structural integrity of common property components, or on their conformity to specific governmental code requirements, or any latent or hidden defects that were not readily apparent during the inspection.

2. This report should not be construed as an engineering analysis or a substitute for professional engineering services.

3. Our report and information contained herein is not to be construed as legal advice.

4. Our estimates of costs reflect the amount required to repair, replace or modify the property using the most current technology and construction material at current local market prices for material, labor and manufactured equipment, contractor’s overhead, and profit and fees, but without provisions for overtime, bonuses for labor, or premiums for material or equipment. We included removal and disposal costs of replacement where applicable.

5. The income tax rate on non-assessment income will be zero (0). Under the IRS regulations for this type of non-profit corporation, the collection of the Homeowner's assessment meant to be used for the

maintenance and the preservation of the property are not subject to income taxes. However, it should be

Assumptions and Disclosures (continued)

noted that there are items subject to income tax and include, but are not limited to, rental/service fees and investment income.

6. Estimated expenditures reflected in the reserve plans are based upon the assumption that expenditures will be incurred in the year the component's remaining useful life reaches zero (0) years.

7. *An inventory component's year of installation or construction is assumed to be the year the component was originally constructed or renovated. However, a component's year may reflect the beginning of a cycle, such as with painting, or may be adjusted based upon our professional observation.

8. Neither RSI nor the staff involved in the production of this report has any involvement with the Association that we feel could result in actual or preceived conflicts of interest.

9. Site inspection, financial and physical analysis presented in this study was performed by Erik Robertson who has the following credentials:
- RS-Reserve Specialist (CAI)
- Education: B.S. Butler University 1990
- Relevant Experience: Reserve Specialist - 5 years
- Facilities manager, Support Net, Inc. - 4 years
- Warranty specialist, Beazer Homes - 2 years
- Construction contractor and project manager (various firms)- 20 years

Study review and oversight was provided by Douglas O. Jones, CPA, who has the following credentials:
- Education: B.S. Accounting, Indiana University 1988
- Partner, Comer, Nowling and Associates, specializing in Association accounting and audit.
- Association Accounting and Audit - 6 years
- Certified Public Accountant - 28 years

10. There are no material issues of which we are aware, that would cause a distortion of the Association's situation. We have relied upon the client to provide the current and projected reserve balances, rate of interest earnings, and to indicate if those earnings accrue to the reserve fund. We have not audited this information. Additionally, we considered the association's representation of current and

historical reserve projects reliable, and we considered the representations made by its vendors and suppliers to also be accurate the reliable.

Brookhaven Community Association, Inc.

Reserve Study

September 12, 2019

Assumptions and Disclosures (continued)

11.This reserve study is a reflection of information provided to us and assembled for the association's use, not for the purpose of performing and audit, quality/forensic analysis, or background checks of historical records.

Brookhaven Community Association, Inc.

Reserve Study
September 12, 2019

Definitions

Annual Assessment – Amount paid by Association members to cover all Association operating costs and contributions to the Association's reserve fund. (This report does not include operating information.)

Asset or Component - Individual line items in the Reserve Study developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association Responsibility, 2) with limited Useful Life expectancies, 3) have predictable Remaining Life expectancies, 4) above a minimum threshold cost, and 5) required by local codes.

Cash Flow Method - A method of developing a Reserve Funding Plan 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 Condition –A classification of individual components of inventory based on the items condition. The condition descriptions and Sub-Group codes used in the component inventory are as follows:

10- *Excellent or New:* Component or system is in "as new"condition, requiring no rehabilitation and should perform in accordance with expected performance.

20-*Good Condition:* Component or system is sound and performing its function, although it may show signs of normal wear and tear. Some minor rehabilitation work may be required.

30-*Fair Condition:* Component or system falls into one or more of the following categories: a) Evidence of previous repairs. Component or system approaching end of expected performance. Repairs or replacement is required to prevent further deterioration or to prolong expected life.

40-*Poor Condition or Replacement:* Component or system has either failed or cannot be relied upon to continue performing its original function as a result of having exceeded its expected performance, excessive deferred maintenance, or state of disrepairs. Present condition could contribute to or cause the deterioration of other adjoining elements or systems. Repair or replacement is required.

50-*Adequate:* A component or system is of capacity that is defined as enough for what is required, sufficient, suitable, and/or conforms to standard construction practices.

Definitions (continued)

This rating condition only pertains to the existing component evaluated at the time of inspection. All future repairs and installation will be noted as *Good Condition*.

Component Inventory - The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representatives.

Contingency or allowance – An allotment for miscellaneous components or unpredictable expenses.

Contribution – The portion of the member's assessment that is placed into the reserve fund.

Deficit - An actual (or projected) Reserve Balance, which is less than the Fully Funded Balance.

Effective Age – Also referred to as "**Adjusted Life**", the difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in the computations

Financial Analysis - The portion of the Reserve Study where current status of the Reserves (Measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of the Reserve Study.

Full Funding - When the actual (or projected) cumulative Reserve balance for all components is equal to the Fully Funded Balance.

Fully Funded Balance – Reserve Fund balance equal to the sum of all component's fully funded balance. The calculation of a component's fully funded balance is as follows:

Fully funded balance = (Current Age/Useful Life) x Current Cost.

Fund Status - The status of the Reserve Fund as compared to an established benchmark, such as percent funding. The following classifications of Fund Status are used in this study:

Brookhaven Community Association, Inc.

Reserve Study

September 12, 2019

Definitions (continued)

- **0%-30% Funded -** Is considered to be a "weak' financial position. Associations that fall into this category are subject to special assessments and deferred maintenance, which could lead to lower property values. If the Association is in this position, actions should be taken to improve the financial strength of the reserve fund.

- **31%-69% Funded** – The majority of Associations are considered to be in this "**fair and reasonable**" financial position. While there is room for additional financial strength and stability, the likelihood of special assessments and deferred maintenance is diminished. Effort should be taken to continue strengthening the financial position of the reserve fund.

- **70%-99% Funded** – This is considered "**strong**" financial position. This indicates financial strength of a reserve fund and every attempt to maintain this level should be a goal of the Association.

- **100% Funded** – This is the "**ideal"** amount of reserve funding. This means that the Association has the exact amount of funds in the reserve account that should be needed at any given time.

Funding Goals - Independent of methodology utilized, the following represent the basic categories of Funding Plan Goals.

- **Baseline Funding:** Establishing a Reserve funding goal of keeping the Reserve Balance above zero

- **Component Full Funding:** Setting a Reserve funding goal of attaining and maintaining cumulative Reserves at or near 100% funded. Full Funding = (Current Age/Useful Life) x Current Cost

- **Threshold Funding:** Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than the "Component Fully Funding" method.

Funding Plan - An associations plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

Brookhaven Community Association, Inc.

Reserve Study

September 12, 2019

Definitions (continued)

Funding Principles – The following principles underlie the methods and objective of this reserve study:

- Sufficient Funds When Required
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

Life and Valuation Estimates - The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.

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 accrued *Fund Balance*, expressed as a percentage.

Physical Analysis - The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

Remaining Useful Life (RUL) - Also referred to as "**Remaining Life**" (RL). The estimated time, in years, that a reserve component can be expected to *continue* to serve its intended function. Projects anticipated to occur in the initial year have "0" Remaining Useful Life.

Replacement Cost - The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

Replacement Year - Also referred to as "**Year Replaced**". Year that component is projected to be replaced or repaired.

Reserve Balance - Actual or projected funds as of a particular point in time (typically the beginning of the fiscal year) that the association has identified for use to defray the future repair or replacement of those major components in which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves. This is based upon information provided and is not audited

Brookhaven Community Association, Inc.

Reserve Study
September 12, 2019

Definitions (continued)

Reserve Fund – Assets (usually cash) accumulated and set aside to pay the cost of replace and capital maintenance of common property components.

Reserve Fund Expenditure Plan – Schedule of expenditures of reserve funds over a particular time horizon (usually 20 or 30 years).

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. The Reserve Study consists of two parts: The Physical Analysis and the Financial Analysis

Special Assessment - An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by governing documents or local statutes.

Study Period – The time frame over which the physical and financial analysis of the reserve study is conducted. By professional standards, this period must be at least twenty years.

Surplus - An actual (or projected) Reserve Balance that is greater that the Fully Funded Balance.

Useful Life (U L) - Also known as "Life Expectancy". The estimated time, in years, that a Reserve component can be expected to serve its intended function if properly constructed and maintained in its present application or installation.

Unit Cost – Also referred to as **"Item Cost"**. Cost per Unit.

Unit of Measure – Also referred to as "**Item Type**". Unit used measure component (explanations shown below):

Sq. Ft - Square Feet	Ln. Ft. - Linear Feet
Sq. Yd. - Square Yards	Total - Total cost for the component

Asphalt Walking Path - Sectional Repair/Repl.

Item Number	40	Measurement Basis	Square F
Type	Common Area	Estimated Useful Life	5 Years
Category	Walking Path	Basis Cost	$ 4.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Condition	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0040		50	01/01/2019	01/01/2024	5:00	5:00	1,350	5,400.00	5,400.00
								$ 5,400.00	$ 5,400.00

Comments

This component is for the sectional as needed repair/replacement to the walking path adjacent to the North pond.

There is approx.27,000 square feet of path and this component is designed to repair/replace approx. 5% every 5 years.

Entrance Wall and Column Replacement

Item Number	39	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	40 Years
Category	Entrance and Perimeter	Basis Cost	$ 20,800.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Condition	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
920-001-0039		30	01/01/2005	01/01/2045	26:00	40:00	4	83,200.00	83,200.00
920-002-0039	The Ridge Col.		01/01/2005	01/01/2045	26:00	40:00	0.2	4,160.00	4,160.00
								$ 87,360.00	$ 87,360.00

Comments

This component is for the complete replacement of the entrance walls at Lavender Lane and Havenridge Pass and 2 columns -The Ridge. (brick and limestone coping). This should be discussed by BOD.

Entranceway - Electrical/ Irrigation Repair/Repl.

Item Number	6	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	4 Years
Category	Entrance and Perimeter	Basis Cost	$ 1,500.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Condition	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0006		50	01/01/2016	01/01/2020	1:00	4:00	2	3,000.00	3,000.00
								$ 3,000.00	$ 3,000.00

Comments

This component is for repairs outside of the yearly opening and closing process.

This cost may vary and should be monitored annually.

Entranceway Walls/Columns - Repair & Maintenance

Item Number	7	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	7 Years
Category	Entrance and Perimeter	Basis Cost	$ 1,000.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Condition	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0007		50	01/01/2018	01/01/2025	6:00	7:00	2	2,000.00	2,000.00
								$ 2,000.00	$ 2,000.00

Comments

This component is for the repair and maintenance to the main monument wall (2)signs. This includes The Ridge (2 sectional pillars). This is also for tuckpointing, cleaning etc.

This for the the HWY 32 and 38 Entrances plus the 6 Section Pillars.

General Contingency

Item Number	8	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	2 Years
Category	Contingencies	Basis Cost	$ 5,000.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Condition	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
920-001-0008		50	01/01/2019	01/01/2021	2:00	2:00	1	5,000.00	5,000.00
920-002-0008		50	01/01/2018	01/01/2020	1:00	2:00	1	5,000.00	5,000.00
								$ 10,000.00	$ 10,000.00

Comments

The general contingency component is for unforeseeable costs that may occur within the year. Some issues that may be covered by the general contingency, but are not limited to, resolution of drainage problems, wood boring insect infestation, water & sewer main and mold remediation, and dramatic change in the cost of building materials, leading to higher construction and renovation costs. In addition, the general contingency may be used for insurance claims that might be covered under the Community's policy. This would be more cost effective if financed through the reserve funds, in order to avoid higher insurance premiums or loss of coverage due to the excessive number of claims.

*This amount can vary greatly and should be discussed with BOD and Management.

Landscape - Capital Maintenance & Upgrades

Item Number	9	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	2 Years
Category	Landscape	Basis Cost	$ 5,000.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Condition	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
920-001-0009		50	01/01/2017	01/01/2019	0:00	2:00	1	5,000.00	5,000.00
920-002-0009		50	01/01/2018	01/01/2020	1:00	2:00	1	5,000.00	5,000.00
								$ 10,000.00	$ 10,000.00

Comments

This component is a contingency for major landscape, tree and shrub issues in the property's common areas. The component is for large-scale removal and replacement of dead materials and/or emergency chemical treatments. Routine and minor issues should be addressed in the community's annual operation budget.

*This type of component can vary greatly and should be monitored annually.

Pond - Erosion Control Management

Item Number	13	Measurement Basis	Each
Type	Common Area	Estimated Useful Life	8 Years
Category	Ponds	Basis Cost	$ 2.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Condition	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
920-001-0013	North	50	01/01/2013	01/01/2021	2:00	8:00	1,072	2,144.00	2,144.00
920-002-0013	North West	50	01/01/2013	01/01/2021	2:00	8:00	503	1,006.00	1,006.00
920-003-0013	Central	50	01/01/2015	01/01/2023	4:00	8:00	701	1,402.00	1,402.00
920-004-0013	South	50	01/01/2015	01/01/2023	4:00	8:00	6.43	12.86	12.86
								$ 4,564.86	$ 4,564.86

Comments

This component is for the erosion control along the pond's bank line and infrastructure. The plan accounts for the need of soil replacement and rip rap redressing around culverts. The plan assumes only a percentage of repairs will be needed every few years mainly due to exposure to the natural elements, pest issues, water flow issues.

Approx. Sizes

North (fountain)	1072 linear feet	1.32 surface acres
North West (fountain)	503 linear feet	.24 surface acres
Central (fountain)	701 linear feet	.42 surface acres
South	643 linear feet	.65 surface acres

Pond - Fountain Replacement

Item Number	14	Measurement Basis	Each
Type	Common Area	Estimated Useful Life	6 Years
Category	Ponds	Basis Cost	$ 5,500.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Condition	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
920-001-0014		50	01/01/2014	01/01/2020	1:00	6:00	1	5,500.00	5,500.00
920-002-0014		50	01/01/2016	01/01/2022	3:00	6:00	1	5,500.00	5,500.00
920-003-0014		50	01/01/2018	01/01/2024	5:00	6:00	1	5,500.00	5,500.00
								$ 16,500.00	$ 16,500.00

Comments

This component is for the replacement of the pond fountains. Most maintenance will generally be taken care of in the annual operating budget.

Pond Dredging

Item Number	15	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	35 Years
Category	Ponds	Basis Cost	$ 50,000.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Condition	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
920-001-0015	North	50	01/01/2005	01/01/2040	21:00	35:00	1.32	66,000.00	66,000.00
920-002-0015	North West	50	01/01/2005	01/01/2040	21:00	35:00	0.24	12,000.00	12,000.00
920-003-0015	Central	50	01/01/2005	01/01/2040	21:00	35:00	0.42	21,000.00	21,000.00
920-004-0015	South	50	01/01/2005	01/01/2040	21:00	35:00	0.65	32,500.00	32,500.00
								$ 131,500.00	$ 131,500.00

Comments

***This is something that should be investigated. Baseline measurements should be taken and current condition assessed. This can be a very expensive item if not prepared for.

Approx. Sizes

North (fountain)	1072 linear feet	1.32 surface acres
North West (fountain)	503 linear feet	.24 surface acres
Central (fountain)	701 linear feet	.42 surface acres
South	643 linear feet	.65 surface acres

Item Parameters - Full Detail

Reserve Study - Updates

Item Number	35	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	5 Years
Category	Contingencies	Basis Cost	$ 2,600.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Condition	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0035		50	01/01/2019	01/01/2024	5:00	5:00	1	2,600.00	2,600.00
								$ 2,600.00	$ 2,600.00

Comments

This component is to allow for funds to update the reserve study @ every five years. This cost is approx.

Utility Contingency

Item Number	41	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	5 Years
Category	Contingencies	Basis Cost	$ 2,500.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Condition	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0041		50	01/01/2015	01/01/2020	1:00	5:00	1	2,500.00	2,500.00
								$ 2,500.00	$ 2,500.00

Comments

This component is for the periodic inspections and minor repair to various utility truncks that may run through community common area. (Water, sewer, storm, electrical, data, communication etc.)