



ENGINEERING & CONSULTING

888-688-4560

www.superiorreserve.com

Full Reserve Study

Community Association of Country Colony East



Porter, Texas

January 18, 2023

Reference Number: 220427

Table of Contents

Property and Study Summary 1.101
 Property Engineering Review 1.201
 Reserve Study Overview 1.301
 Funding Plan Overview 1.401
 Financial Analysis Chart 1.402
 30 Year Expenditure Summary 1.403
 Reserve Budgets 2023-2053 1.404
 Financial Information (provided) 1.501
 Credentials 1.601
 Limiting Conditions 1.701



Reserve Component List	Engineering Data Section	Replacement Year (red font if in 5 years or less)	Age	Useful Life (years)	Remaining Useful Life (years)	Replacement Cost without Inflation	% Included (blue font if less than 100%)	\$ Included	Number of Phases	Cost per Phase	Flexibility
Site Components											
Fences - Property Perimeter and Along Streets (!)	6.281	2047	original	30	24	\$733,000	100%	\$733,000	3	\$244,333	deferrable
Irrigation System (!)	6.521	2057	original	40	34	\$133,000	100%	\$133,000	1	\$133,000	discretionary
Landscape (5% every 5 years)	6.541	2024	original	5	1	\$110,000	5%	\$5,500	1	\$5,500	discretionary
Monument Renovation (!)	6.631	2042	original	25	19	\$3,800	100%	\$3,800	1	\$3,800	deferrable
Playground Equipment (!)	6.761	2042	original	25	19	\$9,100	100%	\$9,100	1	\$9,100	deferrable
Exercise Stations (!)	6.762	2042	original	25	19	\$4,500	100%	\$4,500	1	\$4,500	deferrable

Community Association of Country Colony East

Property and Service Summary

Location:	Porter, Texas
Property type:	planned unit development
Number of homes:	285
Year of construction:	2017
Date of inspection:	January 18, 2023
Type of service:	reserve study
Level of service:	Full Study
Length of analysis:	30 years
Beginning reserve balance (January 1, 2023):	\$20,000 (equivalent to an amount per home of \$70)
2023 budgeted reserve contribution:	\$47,927
2024 recommended reserve contribution:	\$46,900 = decrease of \$1,027 (\$0.30 per home per month)
Features:	monument, fences, playground, exercise stations, irrigation system, landscape



monument



playground



fence



landscape



Property Engineering Review


During our inspection of your property, we identify the following repairs and improvements that the property should consider:

Actionable recommendations - near term actions on these items will minimize future costs and maintain the comfort and security (See “Pages with Engineering Data” for more information where applicable):

Trees are overgrowing the fences which increases the potential for damage. The property should trim back the trees.

Mulch provides a safety cushion under playground equipment. Low mulch levels present a safety concern and potential increased liability issue. For safety reasons, augment the mulch at the playground in the near term to a thickness of 12 inches and fund this expense through the operating budget.

The property should conduct periodic inspections of the playground and exercise stations per the manufacturer’s recommendation, log each inspection and react to those conditions as necessary to minimize hazards and liability. The following website provides guidelines for these inspections:
<https://www.cpsc.gov/safety-education/safety-guides/playgrounds/public-playground-safety-checklist>.

 **Green ideas - Opportunities for energy efficiency and best practices for sustainability. Acting on these recommendations will provide significant cost savings (See “Pages with Engineering Data” for more information where applicable):**

For water conservation, the property could consider replacing the existing irrigation system rain sensor with a smart controller that utilizes weather-based scheduling, suspends irrigation during rain, measures instantaneous rainfall data, determines effective rainfall, calculate a net replacement value and provides zone-specific water calculations.

The property could consider replacement plants that are drought tolerant to minimize water usage. Also, consider coniferous trees for replacement to minimize expenses for leaf removal in the fall.

The property maintains multiple deciduous trees and bushes. Rather than raking leaves in the fall and hauling them to the landfill, the property should mulch the leaves and allow them to decompose into the ground. The majority of the leaves will decompose during the fall and winter. Once the leaf particles settle in, microbes and worms begin to recycle the debris (the application of nitrogen-rich fertilizer can help speed up the decomposition process). Whatever remains in the spring can be cleaned up and either used in planting beds or removed from the site. Mulching leaves will eliminate costs associated with hauling the leaves off the property and ease the burden placed on landfills. Mulching leaves will minimize weed control and nutrient application costs. Mulching leaves recycles a natural

resource and provides a richer soil at no cost. The following website provides additional information: https://www.canr.msu.edu/news/smart_gardeners_mulch_fallen_leaves_into_lawn_to_save_money.

The property could consider the installation of solar lights to illuminate the monument. The following website provides solar lights for monuments: <http://www.lightinguup.com/EmberLED>.

Engineering solutions - reference this information for proper scope of work and best outcome on upcoming projects (See “Pages with Engineering Data” for more information where applicable):

The fences were built with toe-nailed connections (nails driven at an angle into the weakest part of the wood result in an increased potential for failed connections). The property should anticipate frequent repairs to these connections.

Landscape replacement timing is discretionary. Annual operating budgets should include funds for mowing, trimming, flowers and replacement of a limited amount of dead landscape. We include an allowance for periodic partial replacements of landscape to include replacement of overgrown bushes or trees as the property sees necessary. Overgrown bushes and trees can cause damage to adjacent components. Although unpredictable, this allowance could also be used for any landscape that has died from drought, disease, etc.

Implementation of these repairs and improvements could increase the useful life of the components, minimize operating costs and provide guidance at the time of component replacement.

Reserve Study Overview

This reserve study is a *physical and financial analysis* of your property that determines what components of your property will eventually require either major repairs or restoration, or complete replacement. Large, one-time contributions (special assessments) for these projects can be eliminated with development of a *reserve* through relatively smaller annual contributions. The physical analysis determines the existing quantities, conditions, useful lives and costs of the components. The financial analysis determines the existing financial situation of your property and the reserves necessary to offset the future expenses.

Reserve Component

Components in this reserve study meet the following requirements:

- responsibility of the property
- limited useful life expectancy
- predictable *remaining* useful life expectancy
- above a minimum threshold cost

Components that do not fulfill the above requirements are not included in this study.

30 Year Analysis

The analysis for this reserve study encompasses the next 30 years. The components of the property age each year. Those who enjoy the use of each component are financially responsible for what they enjoyed. This length of an analysis is necessary to analyze the aging of nearly all the major components of the property. The expectation is not that the current Owners, Board of Directors and/or Management will be present at the property in 30 years. Rather, the future analysis aids in determining the most accurate *current* contribution for the aging components.

Funding Method

The funding method of this reserve study utilizes the *cash flow method*. With the cash flow method, contributions to the reserve fund are designed to offset variable annual expenditures. We experiment with different contribution scenarios until an ideal scenario is discovered to offset reserve expenditures. All expenses and contributions are *pooled* together. Our experience indicates that the cash flow method typically results in lower overall contributions than the *component method*, which typically segregates funds.

Funding Goal

The funding goal of this reserve study is to maintain a reserve balance above a minimum *threshold* during the years of major expenditures. We assume a contingency reserve balance of not less than

approximately ten percent (10%) of the expenditures in the **threshold funding year** (The year the reserve balance is at its lowest point. See Funding Plan Page 1.401 for the identification of this year). The property can determine if they prefer a higher or lower contingency.

The ideal situation is when the threshold funding year is in the last year of the analysis. This provides the maximum amount of time that the property can save up for major expenses. A critical situation is when the threshold funding year is in the first few years of the analysis. This situation requires major initial reserve contributions to offset near term expenditures.

Funding

This reserve study assumes an ideal situation where all future costs are offset by annual contributions to the reserve fund. *We understand that this is not always possible.* Our experience suggests that major projects are funded through multiple means such as partially through the reserve fund and partial through either additional assessments or bank loans. The specific funding of the projects is determined by the property at the time of the event (this is not something we can forecast). The goal of the property should be to follow the recommended funding plan outlined in this reserve study. If the recommended reserve contributions are not feasible as determined by the Board of Director's judgment, this reserve study should then be used, at a minimum, to justify the need for an *increase* over the *current* reserve fund contribution.

Flexibility

The time of replacement for each component involves a varying degree of deduction. To help understand the criticality of each replacement time, we provide the following replacement flexibility guide:

firm - Replacement time has little, if any, flexibility. Deferring the replacement time would have an adverse effect on the property.

deferrable - Replacement time has limited flexibility. Continually deferring the replacement time would eventually have an adverse effect on the property and raise aesthetic concerns.

discretionary - Replacement time has flexibility. Continually deferring the replacement time would either raise aesthetic concerns or the component does not affect the functionality of the property. The replacement costs for certain discretionary expenses can vary greatly as they are subject to improvements and expansions as desired by the property.

Reserve Study Requirements

Property Declarations occasionally define reserve study requirements. The state legislature may also define reserve study requirements. The following is a link to state reserve study requirements (the property should be aware more recent or pending legislation may exist since the date of this report):

<https://www.caionline.org/Advocacy/Priorities/ReserveStudy/Pages/default.aspx>

It is our intention that this reserve study complies with these requirements. The property should consult with their attorney on discrepancies between reserve study requirements. Contact us for any revision necessary to the reserve study to fulfill these requirements.

Cost estimates

We obtain the cost estimates for replacements from the following sources:

- published sources (*RS Means* based on standard union labor rate)
- historical costs
- proprietary information

Our estimates are not guarantees of actual replacement costs. We base our estimates on our calculation of expected market rate for your specific location and specific situation. Multiple contractor bids will result in multiple cost estimates. *Multiple* contractor estimates will inevitably vary from our *single* estimate. The property should verify the scope of work in the contractor's estimate is similar to what is noted on the Engineering Data page (Engineering Data pages are all the data pages subsequent to "Limiting Conditions", Page 1.701). Common reasons for cost discrepancies include varying scopes of work and improvements over the existing components. Technological improvements also cause cost discrepancies - what may have been current technology at the time of the study could be obsolete at the time of replacement. If the property receives an estimate that is higher than the estimate in this reserve study for the same scope of work, the property should use this study as a tool to negotiate a lower cost. If the property receives an estimate that is lower than the estimate in this reserve study for the same scope of work - the estimate is below the expected market rate.

Operating Budget

The operating budget provides funds necessary for the daily operation of the property. In general, the operating budget includes expenses that repeat from year to year, such as administrative expenses and cleaning. All the property components require maintenance. *This reserve study does not include maintenance costs that would traditionally fall under an operating budget.* We assume the property will fund normal annual maintenance through the operating budget. We also assume that the property will fund replacement of components below an estimated minimum threshold cost of

\$3,000

through the operating budget. The following is a list of components that we assume the property will fund through the operating budget:

- landscape annual maintenance
- mulch at playground and exercise stations

The items in the list above have a minimal (if any) impact on our recommended reserve fund contribution. If the property chooses to fund these expenses through reserves, updates of this reserve study would account for these expenses.

Responsibility of Others

The following components within the property are not the responsibility of the association:

- drainage ditch
- fire hydrants
- individual homes and lots (including fences)
- mailbox stations
- sidewalks
- street identification signs
- street lighting
- streets

Additional Assessments

The objective of properly planned operating budgets and reserve contributions is to avoid additional assessments. However, additional assessments are necessary for unplanned costs such as code change requirements, unobservable conditions, property improvements, etc. We *do not* recommend the property fund these expenses through reserves. The property should consult with an attorney to determine if the property Bylaws have a provision for these types of expenses.

Definitions and Supporting Information

Community Associations Institute (CAI) and the Association of Professional Reserve Analysts (APRA) are national organizations that provide requirements for reserve studies. The property should refer to these organizations for reserve study definitions and supporting information. The following are links to these organizations:

<http://www.caionline.org>

<http://www.apra-usa.com/>

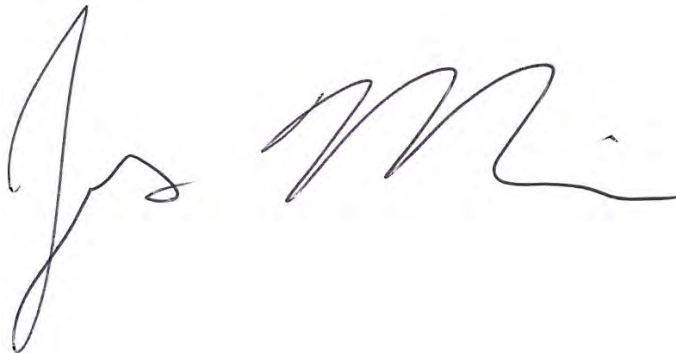
Reserve Fund Status

The property could plan for a decrease in reserve contributions. See Funding Plan Page 1.401 for our recommended reserve funding plan.

Updates

The reserve study is a static snap shot in time based on the date of the inspection. However, costs, inflation rates, interest rates and weather conditions are dynamic in that they are always changing. This necessitates periodic *updates* of the reserve study. An update is less costly than the original reserve study since there is less labor involved in gathering information on your property. We suggest updating the reserve study every three to six years. Factors that can determine when an update should occur are an upcoming major project, completion of a major project, major change to the property, known change in the interest and/or inflation rates compared to the last reserve study, etc. Please contact us for a reserve study update proposal when necessary.

Sincerely,



Justin J. Maier, RS
Partner
Superior Reserve Engineering & Consulting
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888-688-4560
Report submitted on: January 30, 2023



Recommended Reserve Funding Plan

Community Association of Country Colony East

Year	Inflated expenditures (2.9% annual)	Recommended reserve contributions	Ending reserve balance	Average \$ per home per month (285 homes)**	\$ increase per month from previous year	% increase from previous year
2023*	\$0	\$47,927	\$68,103	\$14.01	-	-
2024	(\$5,660)	\$46,900	\$111,118	\$13.71	-\$0.30	-2.1%
2025	\$0	\$46,900	\$160,709	\$13.71	\$0.00	0.0%
2026	\$0	\$46,900	\$211,292	\$13.71	\$0.00	0.0%
2027	\$0	\$46,900	\$262,887	\$13.71	\$0.00	0.0%
2028	\$0	\$46,900	\$315,514	\$13.71	\$0.00	0.0%
2029	(\$6,529)	\$46,900	\$362,598	\$13.71	\$0.00	0.0%
2030	\$0	\$46,900	\$417,219	\$13.71	\$0.00	0.0%
2031	\$0	\$46,900	\$472,932	\$13.71	\$0.00	0.0%
2032	\$0	\$46,900	\$529,760	\$13.71	\$0.00	0.0%
2033	\$0	\$46,900	\$587,724	\$13.71	\$0.00	0.0%
2034	(\$7,532)	\$46,900	\$639,240	\$13.71	\$0.00	0.0%
2035	\$0	\$46,900	\$699,394	\$13.71	\$0.00	0.0%
2036	\$0	\$46,900	\$760,751	\$13.71	\$0.00	0.0%
2037	\$0	\$46,900	\$823,335	\$13.71	\$0.00	0.0%
2038	\$0	\$46,900	\$887,171	\$13.71	\$0.00	0.0%
2039	(\$8,690)	\$46,900	\$943,507	\$13.71	\$0.00	0.0%
2040	\$0	\$46,900	\$1,009,746	\$13.71	\$0.00	0.0%
2041	\$0	\$46,900	\$1,077,310	\$13.71	\$0.00	0.0%
2042	(\$29,953)	\$46,900	\$1,115,973	\$13.71	\$0.00	0.0%
2043	\$0	\$46,900	\$1,185,661	\$13.71	\$0.00	0.0%
2044	(\$10,025)	\$46,900	\$1,246,618	\$13.71	\$0.00	0.0%
2045	\$0	\$46,900	\$1,318,919	\$13.71	\$0.00	0.0%
2046	\$0	\$46,900	\$1,392,666	\$13.71	\$0.00	0.0%
2047	(\$485,235)	\$46,900	\$977,802	\$13.71	\$0.00	0.0%
2048	(\$499,306)	\$46,900	\$540,427	\$13.71	\$0.00	0.0%
***2049	(\$525,352)	\$46,900	<u>\$68,000</u>	\$13.71	\$0.00	0.0%
2050	\$0	\$46,900	\$116,729	\$13.71	\$0.00	0.0%
2051	\$0	\$46,900	\$166,433	\$13.71	\$0.00	0.0%
2052	\$0	\$46,900	\$217,131	\$13.71	\$0.00	0.0%
2053	\$0	\$46,900	\$268,843	\$13.71	\$0.00	0.0%

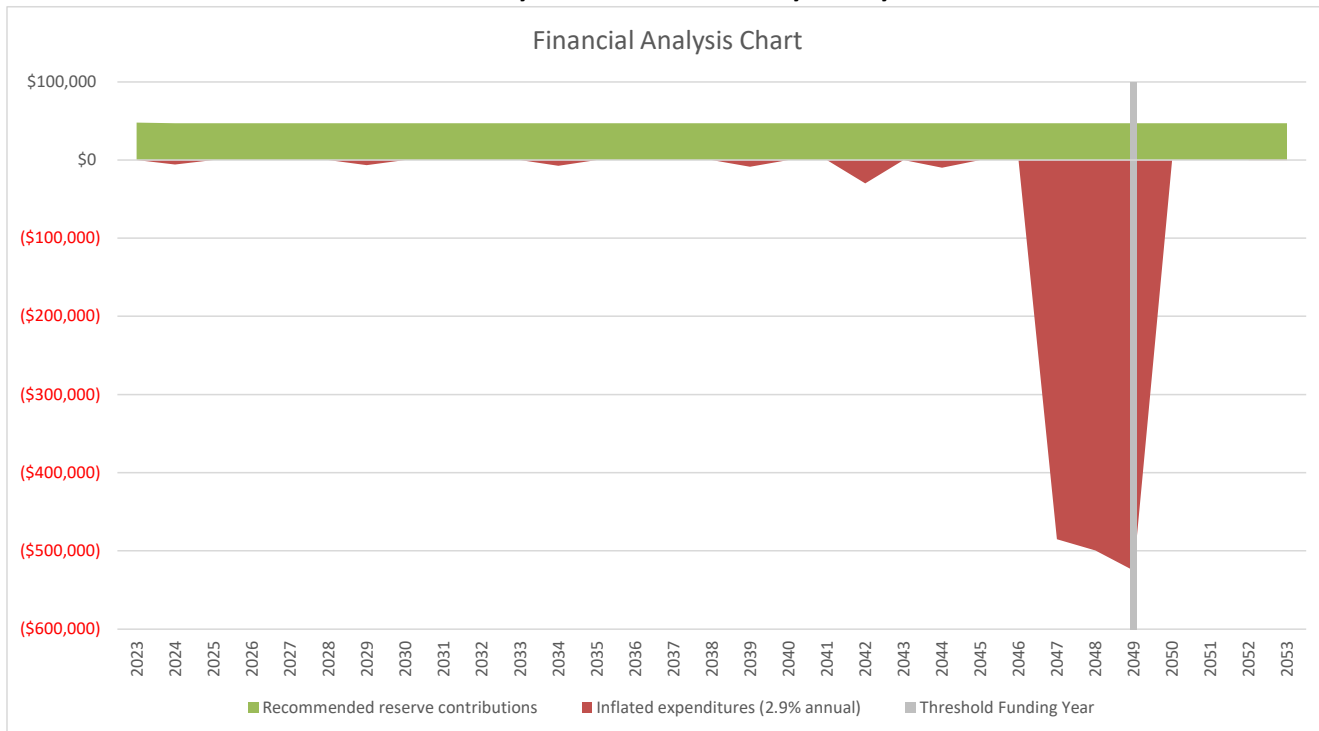
* reserve contributions are budgeted

**The costs in this column represent an AVERAGE \$ only and is only intended to put the \$ into perspective.

***2049 is the THRESHOLD FUNDING YEAR (the year the reserve balance is at its lowest point)



Community Association of Country Colony East



30 Year Expenditure Summary

These summary pages depict the INFLATED reserve expenses during the next 30 years. The costs on these pages SHOULD NOT be compared to current bid costs as these costs are inflated.

1.403



Community Association of Country Colony East

Fiscal year	2023	2024	2025	2026	2027	2028	2029	2030
Construction inflation rate (30 year average)	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Compounded construction inflation	100.0%	102.9%	105.9%	109.0%	112.1%	115.4%	118.7%	122.2%
Beginning reserve balance (January 1, 2023)	\$20,000	\$68,103	\$111,118	\$160,709	\$211,292	\$262,887	\$315,514	\$362,598
Inflated expenditures (2.9% annual)	\$0	(\$5,660)	\$0	\$0	\$0	\$0	(\$6,529)	\$0
Recommended reserve contributions	\$47,927	\$46,900	\$46,900	\$46,900	\$46,900	\$46,900	\$46,900	\$46,900
Estimated interest earned (2.0% PROJECTED yield rate)	\$176	\$1,774	\$2,691	\$3,683	\$4,695	\$5,727	\$6,714	\$7,721
Ending reserve balance	\$68,103	\$111,118	\$160,709	\$211,292	\$262,887	\$315,514	\$362,598	\$417,219

Reserve Component List

Site Components

Fences - Property Perimeter and Along Streets (l)								
Irrigation System (l)								
Landscape (5% every 5 years)		5,660					6,529	
Monument Renovation (l)								
Playground Equipment (l)								
Exercise Stations (l)								

Costs with Inflation

30 Year Expenditure Summary

These summary pages depict the INFLATED reserve expenses during the next 30 years. The costs on these pages SHOULD NOT be compared to current bid costs as these costs are inflated.

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Community Association of Country Colony East

Fiscal year	2031	2032	2033	2034	2035	2036	2037	2038
Construction inflation rate (30 year average)	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Compounded construction inflation	125.7%	129.3%	133.1%	137.0%	140.9%	145.0%	149.2%	153.5%
Beginning reserve balance (January 1, 2023)	\$417,219	\$472,932	\$529,760	\$587,724	\$639,240	\$699,394	\$760,751	\$823,335
Inflated expenditures (2.9% annual)	\$0	\$0	\$0	(\$7,532)	\$0	\$0	\$0	\$0
Recommended reserve contributions	\$46,900	\$46,900	\$46,900	\$46,900	\$46,900	\$46,900	\$46,900	\$46,900
Estimated interest earned (2.0% PROJECTED yield rate)	\$8,813	\$9,928	\$11,064	\$12,148	\$13,254	\$14,457	\$15,684	\$16,936
Ending reserve balance	\$472,932	\$529,760	\$587,724	\$639,240	\$699,394	\$760,751	\$823,335	\$887,171

Reserve Component List

Site Components

Fences - Property Perimeter and Along Streets (l)	
Irrigation System (l)	
Landscape (5% every 5 years)	7,532
Monument Renovation (l)	
Playground Equipment (l)	
Exercise Stations (l)	

30 Year Expenditure Summary

These summary pages depict the INFLATED reserve expenses during the next 30 years. The costs on these pages SHOULD NOT be compared to current bid costs as these costs are inflated.

1.403



Community Association of Country Colony East

Fiscal year	2039	2040	2041	2042	2043	2044	2045	2046
Construction inflation rate (30 year average)	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Compounded construction inflation	158.0%	162.6%	167.3%	172.1%	177.1%	182.3%	187.6%	193.0%
Beginning reserve balance (January 1, 2023)	\$887,171	\$943,507	\$1,009,746	\$1,077,310	\$1,115,973	\$1,185,661	\$1,246,618	\$1,318,919
Inflated expenditures (2.9% annual)	(\$8,690)	\$0	\$0	(\$29,953)	\$0	(\$10,025)	\$0	\$0
Recommended reserve contributions	\$46,900	\$46,900	\$46,900	\$46,900	\$46,900	\$46,900	\$46,900	\$46,900
Estimated interest earned (2.0% PROJECTED yield rate)	\$18,126	\$19,339	\$20,664	\$21,716	\$22,788	\$24,082	\$25,401	\$26,847
Ending reserve balance	\$943,507	\$1,009,746	\$1,077,310	\$1,115,973	\$1,185,661	\$1,246,618	\$1,318,919	\$1,392,666

Reserve Component List

Site Components

Fences - Property Perimeter and Along Streets (l)								
Irrigation System (l)								
Landscape (5% every 5 years)	8,690					10,025		
Monument Renovation (l)				6,541				
Playground Equipment (l)				15,665				
Exercise Stations (l)				7,746				

30 Year Expenditure Summary

These summary pages depict the INFLATED reserve expenses during the next 30 years. The costs on these pages SHOULD NOT be compared to current bid costs as these costs are inflated.



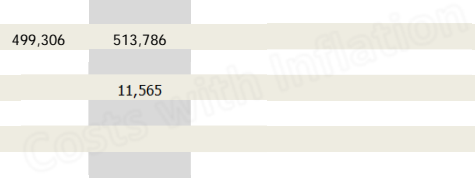
Community Association of Country Colony East

	2047	2048	threshold funding year 2049	2050	2051	2052	2053
Fiscal year	2047	2048	2049	2050	2051	2052	2053
Construction inflation rate (30 year average)	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Compounded construction inflation	198.6%	204.4%	210.3%	216.4%	222.7%	229.1%	235.8%
Beginning reserve balance (January 1, 2023)	\$1,392,666	\$977,802	\$540,427	\$68,000	\$116,729	\$166,433	\$217,131
Inflated expenditures (2.9% annual)	(\$485,235)	(\$499,306)	(\$525,352)	\$0	\$0	\$0	\$0
Recommended reserve contributions	\$46,900	\$46,900	\$46,900	\$46,900	\$46,900	\$46,900	\$46,900
Estimated interest earned (2.0% PROJECTED yield rate)	\$23,470	\$15,032	\$6,024	\$1,829	\$2,804	\$3,798	\$4,812
Ending reserve balance	\$977,802	\$540,427	\$68,000	\$116,729	\$166,433	\$217,131	\$268,843

Reserve Component List

Site Components

Fences - Property Perimeter and Along Streets (l)	485,235	499,306	513,786				
Irrigation System (l)							
Landscape (5% every 5 years)			11,565				
Monument Renovation (l)							
Playground Equipment (l)							
Exercise Stations (l)							





1.404.2023

2023

Hybrid Reserve Expenditures and Funding Plan

January 1, 2023 through December 31, 2023

Year of forecast:	0
Annual CONSTRUCTION inflation rate (30 year average):	2.9%
Compounded CONSTRUCTION inflation in 2023:	100.0%

Unaudited, provided, beginning reserve balance as of January 1, 2023: **\$20,000**

Budgeted reserve contribution: +	\$47,927
Estimated interest earned (0.4% yield rate): +	\$176

Total contributions: = \$48,103

Community Association of Country Colony East

2023 Expenditures

Total expenditures:

Number of phases	Flexibility	Engineering Data Section
------------------	-------------	--------------------------

	\$0
Ending reserve balance:	<u>\$68,103</u>



2024

Hybrid Reserve Expenditures and Funding Plan

January 1, 2024 through December 31, 2024

Year of forecast: 1
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2024: 102.9%

Beginning reserve balance: \$68,103

Recommended reserve contribution: + \$46,900
 Estimated interest earned (2.0% PROJECTED yield rate): + \$1,774

Total contributions: = \$48,674

Community Association of Country Colony East

2024 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Landscape (5% every 5 years)	1	discretionary	6.541	(\$5,660)
Total expenditures:				(\$5,660)
			Ending reserve balance:	\$111,118



2025

Hybrid Reserve Expenditures and Funding Plan

January 1, 2025 through December 31, 2025

Year of forecast: 2
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2025: 105.9%

Beginning reserve balance: \$111,118

Recommended reserve contribution: + \$46,900
 Estimated interest earned (2.0% PROJECTED yield rate): + \$2,691

Total contributions: = \$49,591

Community Association of Country Colony East

2025 Expenditures (inflated)

Total expenditures:

Number of phases Flexibility Engineering Data Section

\$0

Ending reserve balance: \$160,709



2026

Hybrid Reserve Expenditures and Funding Plan

January 1, 2026 through December 31, 2026

Year of forecast: 3
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2026: 109.0%

Beginning reserve balance: \$160,709

Recommended reserve contribution: + \$46,900
 Estimated interest earned (2.0% PROJECTED yield rate): + \$3,683

Total contributions: = \$50,583

Community Association of Country Colony East

2026 Expenditures (inflated)

Total expenditures:

Number of phases Flexibility Engineering Data Section

\$0

Ending reserve balance: \$211,292



2027

Hybrid Reserve Expenditures and Funding Plan

January 1, 2027 through December 31, 2027

Year of forecast: 4
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2027: 112.1%

Beginning reserve balance: \$211,292

Recommended reserve contribution: + \$46,900
 Estimated interest earned (2.0% PROJECTED yield rate): + \$4,695

Total contributions: = \$51,595

Community Association of Country Colony East

2027 Expenditures (inflated)

Total expenditures:

Number of phases Flexibility Engineering Data Section

\$0

Ending reserve balance: \$262,887



2028

Hybrid Reserve Expenditures and Funding Plan

January 1, 2028 through December 31, 2028

Year of forecast: 5
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2028: 115.4%

Beginning reserve balance: \$262,887

Recommended reserve contribution: + \$46,900
 Estimated interest earned (2.0% PROJECTED yield rate): + \$5,727

Total contributions: = \$52,627

Community Association of Country Colony East

2028 Expenditures (inflated)

Total expenditures:

Number of phases Flexibility Engineering Data Section

\$0

Ending reserve balance: \$315,514



2029

Hybrid Reserve Expenditures and Funding Plan

January 1, 2029 through December 31, 2029

Year of forecast: 6
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2029: 118.7%

Beginning reserve balance: \$315,514

Recommended reserve contribution: + \$46,900
 Estimated interest earned (2.0% PROJECTED yield rate): + \$6,714

Total contributions: = \$53,614

Community Association of Country Colony East

2029 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Landscape (5% every 5 years)	1	discretionary	6.541	(\$6,529)
Total expenditures:				(\$6,529)
			Ending reserve balance:	<u>\$362,598</u>



2030

Hybrid Reserve Expenditures and Funding Plan

January 1, 2030 through December 31, 2030

Year of forecast: 7
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2030: 122.2%

Beginning reserve balance: \$362,598

Recommended reserve contribution: + \$46,900
 Estimated interest earned (2.0% PROJECTED yield rate): + \$7,721

Total contributions: = \$54,621

Community Association of Country Colony East

2030 Expenditures (inflated)

Total expenditures:

Number of phases Flexibility Engineering Data Section

\$0

Ending reserve balance: \$417,219



2031

Hybrid Reserve Expenditures and Funding Plan

January 1, 2031 through December 31, 2031

Year of forecast: 8
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2031: 125.7%

Beginning reserve balance: \$417,219

Recommended reserve contribution: + \$46,900

Estimated interest earned (2.0% PROJECTED yield rate): + \$8,813

Total contributions: = \$55,713

Community Association of Country Colony East

2031 Expenditures (inflated)

Total expenditures:

Number of phases

Flexibility

Engineering Data Section

\$0

Ending reserve balance: \$472,932



2032

Hybrid Reserve Expenditures and Funding Plan

January 1, 2032 through December 31, 2032

Year of forecast: 9
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2032: 129.3%

Beginning reserve balance: \$472,932

Recommended reserve contribution: + \$46,900
 Estimated interest earned (2.0% PROJECTED yield rate): + \$9,928

Total contributions: = \$56,828

Community Association of Country Colony East

2032 Expenditures (inflated)

Total expenditures:

Number of phases Flexibility Engineering Data Section

\$0

Ending reserve balance: \$529,760



2033

Hybrid Reserve Expenditures and Funding Plan

January 1, 2033 through December 31, 2033

Year of forecast: 10
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2033: 133.1%

Beginning reserve balance: \$529,760

Recommended reserve contribution: + \$46,900

Estimated interest earned (2.0% PROJECTED yield rate): + \$11,064

Total contributions: = \$57,964

Community Association of Country Colony East

2033 Expenditures (inflated)

Number of phases Flexibility Engineering Data Section

Total expenditures:

\$0

Ending reserve balance: \$587,724



2034

Hybrid Reserve Expenditures and Funding Plan

January 1, 2034 through December 31, 2034

Year of forecast:	11
Annual CONSTRUCTION inflation rate (30 year average):	2.9%
Compounded CONSTRUCTION inflation in 2034:	137.0%

Beginning reserve balance: \$587,724

Recommended reserve contribution: + \$46,900

Estimated interest earned (2.0% PROJECTED yield rate): + \$12,148

Total contributions: = \$59,048

Community Association of Country Colony East

2034 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Landscape (5% every 5 years)	1	discretionary	6.541	(\$7,532)
Total expenditures:				(\$7,532)
			Ending reserve balance:	<u>\$639,240</u>



2035

Hybrid Reserve Expenditures and Funding Plan

January 1, 2035 through December 31, 2035

Year of forecast: 12
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2035: 140.9%

Beginning reserve balance: \$639,240

Recommended reserve contribution: + \$46,900

Estimated interest earned (2.0% PROJECTED yield rate): + \$13,254

Total contributions: = \$60,154

Community Association of Country Colony East

2035 Expenditures (inflated)

Total expenditures:

Number of phases	Flexibility	Engineering Data Section
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\$0

Ending reserve balance: \$699,394



2036

Hybrid Reserve Expenditures and Funding Plan

January 1, 2036 through December 31, 2036

Year of forecast: 13
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2036: 145.0%

Beginning reserve balance: \$699,394

Recommended reserve contribution: + \$46,900
 Estimated interest earned (2.0% PROJECTED yield rate): + \$14,457

Total contributions: = \$61,357

Community Association of Country Colony East

2036 Expenditures (inflated)

Total expenditures:

Number of phases Flexibility Engineering Data Section

\$0

Ending reserve balance: \$760,751



2037

Hybrid Reserve Expenditures and Funding Plan

January 1, 2037 through December 31, 2037

Year of forecast: 14
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2037: 149.2%

Beginning reserve balance: \$760,751

Recommended reserve contribution: + \$46,900

Estimated interest earned (2.0% PROJECTED yield rate): + \$15,684

Total contributions: = \$62,584

Community Association of Country Colony East

2037 Expenditures (inflated)

Total expenditures:

Number of phases	Flexibility	Engineering Data Section
------------------	-------------	--------------------------

\$0

Ending reserve balance: \$823,335



2038

Hybrid Reserve Expenditures and Funding Plan

January 1, 2038 through December 31, 2038

Year of forecast: 15
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2038: 153.5%

Beginning reserve balance: \$823,335

Recommended reserve contribution: + \$46,900

Estimated interest earned (2.0% PROJECTED yield rate): + \$16,936

Total contributions: = \$63,836

Community Association of Country Colony East

2038 Expenditures (inflated)

Total expenditures:

Number of phases

Flexibility

Engineering Data Section

\$0

Ending reserve balance: \$887,171



2039

Hybrid Reserve Expenditures and Funding Plan

January 1, 2039 through December 31, 2039

Year of forecast: 16
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2039: 158.0%

Beginning reserve balance: \$887,171

Recommended reserve contribution: + \$46,900
 Estimated interest earned (2.0% PROJECTED yield rate): + \$18,126

Total contributions: = \$65,026

Community Association of Country Colony East

2039 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Landscape (5% every 5 years)	1	discretionary	6.541	(\$8,690)
Total expenditures:				(\$8,690)
			Ending reserve balance:	<u>\$943,507</u>



2040

Hybrid Reserve Expenditures and Funding Plan

January 1, 2040 through December 31, 2040

Year of forecast:	17
Annual CONSTRUCTION inflation rate (30 year average):	2.9%
Compounded CONSTRUCTION inflation in 2040:	162.6%

Beginning reserve balance: \$943,507

Recommended reserve contribution: + \$46,900

Estimated interest earned (2.0% PROJECTED yield rate): + \$19,339

Total contributions: = \$66,239

Community Association of Country Colony East

2040 Expenditures (inflated)

Total expenditures:

Number of phases	Flexibility	Engineering Data Section
------------------	-------------	--------------------------

\$0

Ending reserve balance: \$1,009,746



2041

Hybrid Reserve Expenditures and Funding Plan

January 1, 2041 through December 31, 2041

Year of forecast:	18
Annual CONSTRUCTION inflation rate (30 year average):	2.9%
Compounded CONSTRUCTION inflation in 2041:	167.3%

Beginning reserve balance: \$1,009,746

Recommended reserve contribution: + \$46,900

Estimated interest earned (2.0% PROJECTED yield rate): + \$20,664

Total contributions: = \$67,564

Community Association of Country Colony East

2041 Expenditures (inflated)

Total expenditures:

Number of phases	Flexibility	Engineering Data Section
------------------	-------------	--------------------------

\$0

Ending reserve balance: \$1,077,310



2042

Hybrid Reserve Expenditures and Funding Plan

January 1, 2042 through December 31, 2042

Year of forecast: 19
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2042: 172.1%

Beginning reserve balance: \$1,077,310

Recommended reserve contribution: + \$46,900
 Estimated interest earned (2.0% PROJECTED yield rate): + \$21,716

Total contributions: = \$68,616

Community Association of Country Colony East

2042 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Monument Renovation (!)	1	deferrable	6.631	(\$6,541)
Playground Equipment (!)	1	deferrable	6.761	(\$15,665)
Exercise Stations (!)	1	deferrable	6.762	(\$7,746)
Total expenditures:				(\$29,953)
			Ending reserve balance:	\$1,115,973



2043

Hybrid Reserve Expenditures and Funding Plan

January 1, 2043 through December 31, 2043

Year of forecast: 20
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2043: 177.1%

Beginning reserve balance: \$1,115,973

Recommended reserve contribution: + \$46,900
 Estimated interest earned (2.0% PROJECTED yield rate): + \$22,788

Total contributions: = \$69,688

Community Association of Country Colony East

2043 Expenditures (inflated)

Total expenditures:

Number of phases Flexibility Engineering Data Section

\$0

Ending reserve balance: \$1,185,661



2044

Hybrid Reserve Expenditures and Funding Plan

January 1, 2044 through December 31, 2044

Year of forecast: 21
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2044: 182.3%

Beginning reserve balance: \$1,185,661

Recommended reserve contribution: + \$46,900
 Estimated interest earned (2.0% PROJECTED yield rate): + \$24,082

Total contributions: = \$70,982

Community Association of Country Colony East

2044 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Landscape (5% every 5 years)	1	discretionary	6.541	(\$10,025)
Total expenditures:				(\$10,025)
			Ending reserve balance:	<u>\$1,246,618</u>



2045

Hybrid Reserve Expenditures and Funding Plan

January 1, 2045 through December 31, 2045

Year of forecast: 22
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2045: 187.6%

Beginning reserve balance: \$1,246,618

Recommended reserve contribution: + \$46,900
 Estimated interest earned (2.0% PROJECTED yield rate): + \$25,401

Total contributions: = \$72,301

Community Association of Country Colony East

2045 Expenditures (inflated)

Total expenditures:

Number of phases Flexibility Engineering Data Section

\$0

Ending reserve balance: \$1,318,919



2046

Hybrid Reserve Expenditures and Funding Plan

January 1, 2046 through December 31, 2046

Year of forecast:	23
Annual CONSTRUCTION inflation rate (30 year average):	2.9%
Compounded CONSTRUCTION inflation in 2046:	193.0%

Beginning reserve balance: \$1,318,919

Recommended reserve contribution: + \$46,900

Estimated interest earned (2.0% PROJECTED yield rate): + \$26,847

Total contributions: = \$73,747

Community Association of Country Colony East

2046 Expenditures (inflated)

Total expenditures:

Number of phases	Flexibility	Engineering Data Section
------------------	-------------	--------------------------

\$0

Ending reserve balance: \$1,392,666



2047

Hybrid Reserve Expenditures and Funding Plan

January 1, 2047 through December 31, 2047

Year of forecast: 24
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2047: 198.6%

Beginning reserve balance: \$1,392,666

Recommended reserve contribution: + \$46,900
 Estimated interest earned (2.0% PROJECTED yield rate): + \$23,470

Total contributions: = \$70,370

Community Association of Country Colony East

2047 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Fences - Property Perimeter and Along Streets (!)	3	deferrable	6.281	(\$485,235)
Total expenditures:				(\$485,235)
			Ending reserve balance:	<u>\$977,802</u>



ENGINEERING & CONSULTING

2048

Hybrid Reserve Expenditures and Funding Plan

January 1, 2048 through December 31, 2048

Year of forecast:	25
Annual CONSTRUCTION inflation rate (30 year average):	2.9%
Compounded CONSTRUCTION inflation in 2048:	204.4%

Beginning reserve balance: \$977,802

Recommended reserve contribution: +	\$46,900
Estimated interest earned (2.0% PROJECTED yield rate): +	<u>\$15,032</u>

Total contributions: = \$61,932

Community Association of Country Colony East

2048 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Fences - Property Perimeter and Along Streets (!)	3	deferrable	6.281	<u>(\$499,306)</u>
Total expenditures:				<u>(\$499,306)</u>
			Ending reserve balance:	<u>\$540,427</u>



2049 (Threshold)

Hybrid Reserve Expenditures and Funding Plan

January 1, 2049 through December 31, 2049

Year of forecast:	26
Annual CONSTRUCTION inflation rate (30 year average):	2.9%
Compounded CONSTRUCTION inflation in 2049 (Threshold):	210.3%

Beginning reserve balance: \$540,427

Recommended reserve contribution: + \$46,900

Estimated interest earned (2.0% PROJECTED yield rate): + \$6,024

Total contributions: = \$52,924

Community Association of Country Colony East

2049 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Fences - Property Perimeter and Along Streets (!)	3	deferrable	6.281	(\$513,786)
Landscape (5% every 5 years)	1	discretionary	6.541	(\$11,565)
Total expenditures:				(\$525,352)

Ending reserve balance: \$68,000



2050

Hybrid Reserve Expenditures and Funding Plan

January 1, 2050 through December 31, 2050

Year of forecast: 27
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2050: 216.4%

Beginning reserve balance: \$68,000

Recommended reserve contribution: + \$46,900
 Estimated interest earned (2.0% PROJECTED yield rate): + \$1,829

Total contributions: = \$48,729

Community Association of Country Colony East

2050 Expenditures (inflated)

Total expenditures:

Number of phases

Flexibility

Engineering Data Section

\$0

Ending reserve balance: \$116,729



2051

Hybrid Reserve Expenditures and Funding Plan

January 1, 2051 through December 31, 2051

Year of forecast: 28
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2051: 222.7%

Beginning reserve balance: \$116,729

Recommended reserve contribution: + \$46,900
 Estimated interest earned (2.0% PROJECTED yield rate): + \$2,804

Total contributions: = \$49,704

Community Association of Country Colony East

2051 Expenditures (inflated)

Total expenditures:

Number of phases	Flexibility	Engineering Data Section
------------------	-------------	--------------------------

\$0

Ending reserve balance: \$166,433



2052

Hybrid Reserve Expenditures and Funding Plan

January 1, 2052 through December 31, 2052

Year of forecast: 29
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2052: 229.1%

Beginning reserve balance: \$166,433

Recommended reserve contribution: + \$46,900
 Estimated interest earned (2.0% PROJECTED yield rate): + \$3,798

Total contributions: = \$50,698

Community Association of Country Colony East

2052 Expenditures (inflated)

Total expenditures:

Number of phases Flexibility Engineering Data Section

\$0

Ending reserve balance: \$217,131



2053

Hybrid Reserve Expenditures and Funding Plan

January 1, 2053 through December 31, 2053

Year of forecast: 30
 Annual CONSTRUCTION inflation rate (30 year average): 2.9%
 Compounded CONSTRUCTION inflation in 2053: 235.8%

Beginning reserve balance: \$217,131

Recommended reserve contribution: + \$46,900
 Estimated interest earned (2.0% PROJECTED yield rate): + \$4,812

Total contributions: = \$51,712

Community Association of Country Colony East

2053 Expenditures (inflated)

Total expenditures:

Number of phases Flexibility Engineering Data Section

\$0

Ending reserve balance: \$268,843

**COUNTRY COLONY EAST
2023 Approved Budget**

1.501

	2023 Approved Budget
Annual Operating Assessment	\$750
Total Owner Lots	285
Total Builder Lots	0
Total Estimated Developer Lots	0
	285

REVENUE

Revenues:	
Owner Assessments	213,750
Assessment Penalties/Late Fees	1,500
Collection Costs	1,500
Interest Income	60
DRV Enforcement Expenses	-
Reserve for Doubtful Accounts	(10,688)
Total Revenues	206,123

EXPENSES

Administrative	
Administrative Contract	11,550
Meeting Notice Compliance	200
Copies	1,845
Postage	1,589
Bank Charges	15
Administrative Notices	858
Meeting Expenses	-
Other Administrative	2,850
DRV Enforcement	1,000
ACC Charges	500
Record Storage	60
Total Administrative	20,467

Professional Services	
Insurance	4,816
Legal - Corporate	250
Legal - Collections	2,000
Legal - Deed Restrictions	500
Tax Preparation & Audit	300
Total Professional Services	7,866

Grounds Maintenance	
Landscape Contract	58,463
Landscape Imp & Replace	13,000
Irrigation Repairs	12,964
Backflow Certifications	2,000
Force Mows	1,000
Total Grounds Maintenance	87,426

General Maintenance	
Maintenance & Repairs	3,000
Maintenance - Electrical	500
Pest Control	-
Total General Maintenance	3,500

Utilities	
Electricity - Common Area	6,500
Water & Sewer - Irrigation	25,000
Total Utilities	31,500

Taxes	
Federal Income Tax	25
Taxes - Property	100
Total Taxes	125

Bad Debts/Uncollected	
Bad Debts/Uncollected	1,069
Total Bad Debts/Uncollected	1,069

Other Expenses	
Website Update	100
Community Events	500
Holiday Decorations	1,642
Miscellaneous	-
Total Other Expenses	2,242

Reserves	
Reserve Study	4,000
Reserve Contribution	47,927
Total Reserves	51,927

Total Expenses	206,122
Profit (Loss)	0

Balance Sheet

Period Through 12/31/2022

AssetsCash

CIT Operating 80,103.70

Total Cash 80,103.70Reserves

CIT Reserve 20,000.00

Total Reserves 20,000.00Accounts Receivables

2020 Assessments 800.00

2021 Assessments 2,393.50

2022 Assessments 9,257.27

Finance Charges 1,040.74

Collection Costs 2,184.66

Legal Fees - Collections 2,696.08

DRV Enforcement Expenses 1,700.12

Total Accounts Receivables 20,072.37Prepaid Expenses

Prepaid Insurance 4,921.59

Total Prepaid Expenses 4,921.59*Total Assets*125,097.66**Liabilities & Equity**Liability

Prepaid Assessments 59,057.63

Total Liability 59,057.63Equity

P/Y Surplus/(Deficit) 51,270.26

CY Profit (Loss) (5,230.23)

Total Equity 46,040.03Reserves

Reserve Fund 20,000.00

Total Reserves 20,000.00*Total Liabilities & Equity*125,097.66

Summary of Qualifications

Justin J. Maier, P.E., RS
Partner

Services

Justin J. Maier is a partner and co-founder of Superior Reserve Engineering and Consulting. Justin J. Maier provides *expert* reserve and transition studies, and property engineering reviews. Properties that have benefited from his experience include townhome associations, condominium associations, planned unit developments, marinas, resorts, hotels, churches and country clubs. These properties vary from complex high rise buildings to vintage buildings of historical significance. He has provided these services to *more than 2,100* properties throughout the United States and worldwide.



Prior Experience

Prior to co-founding Superior Reserve with Nik J. Clark, Mr. Maier had conducted reserve and transition studies with Reserve Advisors for 14 years. During this time, he was the Director of Product Development where he oversaw the development, improvement and production efficiency of reserve and transition studies for the firm. He was the leading producer of reserve and transition studies. Mr. Maier was instrumental in improving the quality of reports both in content, clarity and appearance. Reserve Advisors experienced tremendous success based on the standard of reserve and transition study quality that he implemented.

Mr. Maier was a structural engineer for Wausau Window and Wall Systems. There he analyzed stresses in horizontal and vertical components of aluminum frame curtain wall window systems in projects throughout the United States for both wind pressure and suction loads. He was involved in field work to correct improperly installed system components.

Mr. Maier was an Assistant Engineer for Crest Consulting Engineers. His services required on-site field investigation of architectural and structural failures, analysis of the preexisting design and conditions, and determination of the design shortfalls or owner modifications that caused the failures. He designed remedial repairs, produced cost estimates for the repairs, prepared the specifications and oversaw the implementation of the repairs.

Expert Witness

Through the expert witness of Mr. Maier, the Villages at Cumberland Trail in Columbus, Ohio and The Retreat Homeowners Association in Indianapolis, Indiana were able to successfully negotiate a settlement for their construction defects.

Education

Milwaukee School of Engineering (MSOE) - Bachelors of Science in Architectural Engineering

Professional Affiliations

Professional Engineer (P.E.) - licenses held in WI, IL, OH, NY, TX, DC, VA, MD, MI, MN, PA
Reserve Specialist (RS) - credential awarded by Community Association's Institute (CAI)
Certified Pool / Spa Operator - issued by the National Swimming Pool Foundation

Terms, Conditions and Limitations

- 1) Superior Reserve Engineering & Consulting (SREC) will perform a visual inspection of the property. While due diligence will be exercised during the onsite inspection, we make no representations regarding latent or hidden defects not observable from a visual inspection. We do not conduct invasive or destructive testing nor provide an exhaustive review of building code compliance. Material testing, core sampling, performance testing of building or site elements and equipment is not part of the scope of work.
- 2) 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.
- 3) SREC may rely on information provided to us, by the client named in this contract, in our report. We assume information provided to us by the client to be correct and assume no liability for the accuracy of information provided to us by the client. 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.
- 4) Our Reserve Study Report in whole or part is not and cannot be used as a design specification, design engineering services or an appraisal.
- 5) 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.
- 6) In the event of errors in our report, SREC's liability is limited to the cost of this study.

Fences - Property Perimeter and Along Streets

Fence age: original Useful life: 30 Replacement year: 2047

Material:	wood (cedar)
Locations:	property perimeter and along streets
Fence profile:	board on board
Picket fastener type:	nails
Post type:	wood
Frame connection type:	toe-nailed (high maintenance)
Overall condition:	good to fair
Specific condition:	weathering, isolated damage and overgrown landscape
Quantity (linear feet):	15,500
Cost (\$/linear foot):	\$47
Current total cost:	\$733,000 (\$2,572 per home)
Homeowner responsibility:	fences connected to homes and between homes
Replacement cost includes:	remove existing replace with no. 1 cedar

Actionable recommendations: Trees are overgrowing the fences which increases the potential for damage. The property should trim back the trees.

Engineering solutions: The fences were built with toe-nailed connections (nails driven at an angle into the weakest part of the wood result in an increased potential for failed connections). The property should anticipate frequent repairs to these connections.



fence along street



loose trim piece



landscape overgrowing fence



rear of fence

Irrigation System

Age: original Useful life: 40 Replacement year: 2057

Locations served:	playground and exercise stations, common areas, along Ricewood and along common portions of common fences
Operational condition:	satisfactory
Specific condition:	history of repairs
Water source:	municipality
Control panel location:	Ricewood near N. Lake Houston
Control panel manufacturer:	<i>Hunter</i>
Irrigated acreage:	2.8
Area (square feet):	121,000
Cost (\$/square foot):	\$1.10
Current total cost:	\$133,000 (\$467 per home)
Operating expenses:	interim component and small section replacements
Anticipated costs:	<ul style="list-style-type: none"> pipes heads valves control panels rain sensors



irrigation system head



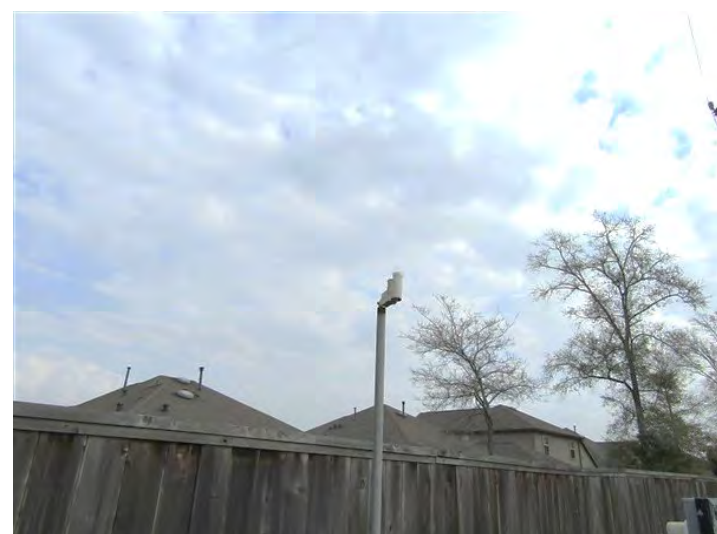
irrigation system head



control panel

Green ideas: For water conservation, the property could consider replacing the existing irrigation system rain sensor with a smart controller that utilizes weather-based scheduling, suspends irrigation during rain, measures instantaneous rainfall data, determines effective rainfall, calculate a net replacement value and provides zone-specific water calculations.

Green ideas: The property could consider replacement plants that are drought tolerant to minimize water usage. Also, consider coniferous trees for replacement to minimize expenses for leaf removal in the fall.



rain sensor

Landscape

Age: original Frequency: 5 Replacement year: 2024

Locations served:	playground and exercise stations, common areas, wooded areas, along Ricewood and along common portions of common fences
Landscaped acreage:	3.6
Overall condition:	good
Specific condition:	isolated dead/dying trees
Estimated cost (note 1):	\$110,000 (\$386 per home)
Operating expenses:	mowing, trimming, flowers, sod, mulch, etc.
Assumptions:	We base our tree replacement cost on removal of the existing tree and replacement with a balled and burlapped tree, 8'-10' in height, 1" caliper.
Components:	trees bushes

Green ideas: The property maintains multiple deciduous trees and bushes. Rather than raking leaves in the fall and hauling them to the landfill, the property should mulch the leaves and allow them to decompose into the ground. The majority of the leaves will decompose during the fall and winter. Once the leaf particles settle in, microbes and worms begin to recycle the debris (the application of nitrogen-rich fertilizer can help speed up the decomposition process). Whatever remains in the spring can be cleaned up and either used in planting beds or removed from the site. Mulching leaves will eliminate costs associated with hauling the leaves off the property and ease the burden placed on landfills. Mulching leaves will minimize weed control and nutrient application costs. Mulching leaves recycles a natural resource and provides a richer soil at no cost. The following website provides additional information:
https://www.canr.msu.edu/news/smart_gardeners_mulch_fallen_leaves_into_la_wn_to_save_money.

Engineering solutions: Landscape replacement timing is discretionary. Annual operating budgets should include funds for mowing, trimming, flowers and replacement of a limited amount of dead landscape. We include an allowance for periodic partial replacements of landscape to include replacement of overgrown bushes or trees as the property sees necessary. Overgrown bushes and trees can cause damage to adjacent components. Although unpredictable, this allowance could also be used for any landscape that has died from drought, disease, etc.



landscape at entrance monument



landscape in common area



overview of landscape



wooded area

(note 1) Replacement of all the landscape in a single event is unlikely. Instead, we include an allowance for periodic partial replacements.

Monument Renovation

Renovation age: original **Useful life:** 25 **Renovation year:** 2042

Material: masonry

Location: main entrance

Overall condition: good

Specific condition: no visible deterioration

Quantity (each): 1

Current total cost: \$3,800 (\$13 per home)

Anticipated costs: masonry repairs
lighting
lettering

Green ideas: The property could consider the installation of solar lights to illuminate the monument. The following website provides solar lights for monuments: <http://www.lightinguup.com/EmberLED>.



monument



lighting



rear of monument

Playground Equipment

Age: original **Useful life:** 25 **Replacement year:** 2042

Playground quantity (each): 1

Material: metal

Manufacturer: *Miracle*

Play surface condition: surface needs augmentation (fund this expense through the operating budget)

Overall condition: good to fair

Specific condition: low mulch level

Current total cost: \$9,100 (\$32 per home)

Operating expenses: play surface maintenance

Equipment included: see-saw
swings
benches
trash receptacle

Actionable recommendations: Mulch provides a safety cushion under playground equipment. Low mulch levels present a safety concern and potential increased liability issue. For safety reasons, augment the mulch at the playground in the near term to a thickness of 12 inches and fund this expense through the operating budget.

Actionable recommendations: The property should conduct periodic inspections of the playground per the manufacturer's recommendation, log each inspection and react to those conditions as necessary to minimize hazards and liability. The following website provides guidelines for these inspections: <https://www.cpsc.gov/safety-education/safety-guides/playgrounds/public-playground-safety-checklist>.



swings



benches



see-saw



low mulch level

Exercise Stations

Age: original Useful life: 25 Replacement year: 2042

Manufacturer: *Miracle*

Overall condition: good

Specific condition: normal weathering

Quantity (each): 3

Cost (\$/each): \$1,500

Current total cost: \$4,500 (\$16 per home)

Operating expenses: mulch

Actionable recommendations: The property should conduct periodic inspections of the exercise stations per the manufacturer's recommendation, log each inspection and react to those conditions as necessary to minimize hazards and liability. The following website provides guidelines for these inspections: <https://www.cpsc.gov/safety-education/safety-guides/playgrounds/public-playground-safety-checklist>.



exercise station



exercise station



broken glass near exercise station



weathering