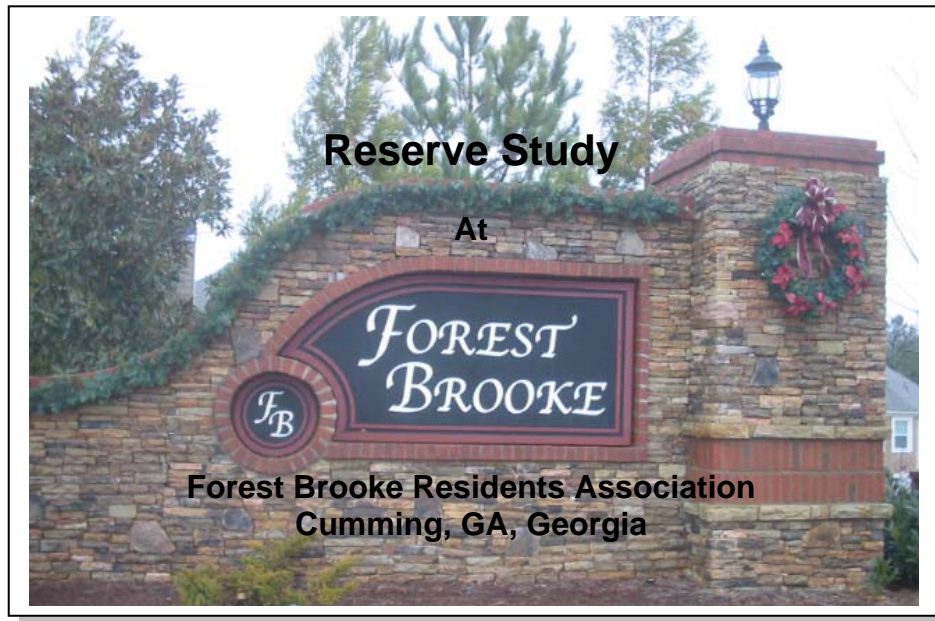


Prepared For

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Version 2.0

Project #: 011L-101

March 1, 2011



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Reserve Study Report

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Photographs

Appendix A

Exhibit 1 – Element Expense Summary

Exhibit 2 – Present Day Annual Expense Summary (6 pages)

Exhibit 3 – Inflated Annual Expense Summary (6 pages)

Exhibit 4 – Recommended Reserve Funding Plan (Expense Data Taken from Exhibit 3)

Exhibit 5 – Graphical Illustration of Exhibit 4

Exhibit 6 – Current Fund Status

1.0 EXECUTIVE SUMMARY

A Reserve Study was conducted for Forest Brooke Residents Association to determine a reasonable level of annual reserve fund contributions required to meet the future expenditures for the elements on the property that will likely require major repairs or replacements over the next 30-year period. The elements that have been included in the Reserve Study are considered common to the property as defined by the Association's declarations and bylaws, unless otherwise noted.

Part 1 - Field Assessment

Part 1 of the Reserve Study involved a visual inspection of the property to assess the general condition and obtain the necessary quantities and specifications of the major elements that will likely require repair or replacement over the next 30 years. A summary of the property data is as follows:

| Property Data | | | |
|---------------------|------------|----------------|---------------------|
| Building Style | # of Units | # of Buildings | Year(s) Constructed |
| Single Family Homes | 95 | 95 | 2005 |

Overall, the property appears to be in satisfactory condition. However, during the course of the field inspection, some specific deficiencies were observed such as:

- Areas of asphalt deterioration
- Loose boards on privacy fence
- Settled areas of pool deck

See the photograph section of this report for a detailed description of these and any other observed deficiencies.

Part 2 - Reserve Analysis

Part 2 of the Reserve Study involved an analysis based on a 30-year period. Generally, the Consultant uses the latest version of the R.S. Means *"Repair and Remodeling Cost Data"*, along with other reliable cost resources, were used to determine the present day repair or replacement expenses for each of the elements as illustrated in **Exhibit 1**. For a number of elements in this report, replacement costs provided by a local contractor were relied upon.

Normally, to determine the future repair or replacement expenses over the next 30-year period, the present day expenses would have been inflated at an annual rate of 3.82% to account for historical increases in construction costs. The inflation rate is the calculated average of the last 20 years of the RS Means Historical Cost Indexes for Atlanta, Georgia. However, at the client's request, we have set the inflation rate at 2.5%. Given the present day expense, the future expense is calculated using the "future value of a single amount formula" as follows:

$$F = P (1 + IR)^n$$

where

F = future expense
P = present day expense
IR = inflation rate expressed as a decimal
n = number of years until future expense occurs

The future repair or replacement expenses that are anticipated over the next 30 years are illustrated in **Exhibits 2 and 3**. The future expenses are aggregated on an annual basis to determine the recommended reserve funding plan as illustrated in tabular form in **Exhibit 4** and in graphical form in **Exhibit 5**.

The recommended reserve funding plan has been compiled using financial information provided by a representative of the property. The information has been deemed reliable and has not been verified. The following table summarizes this information.

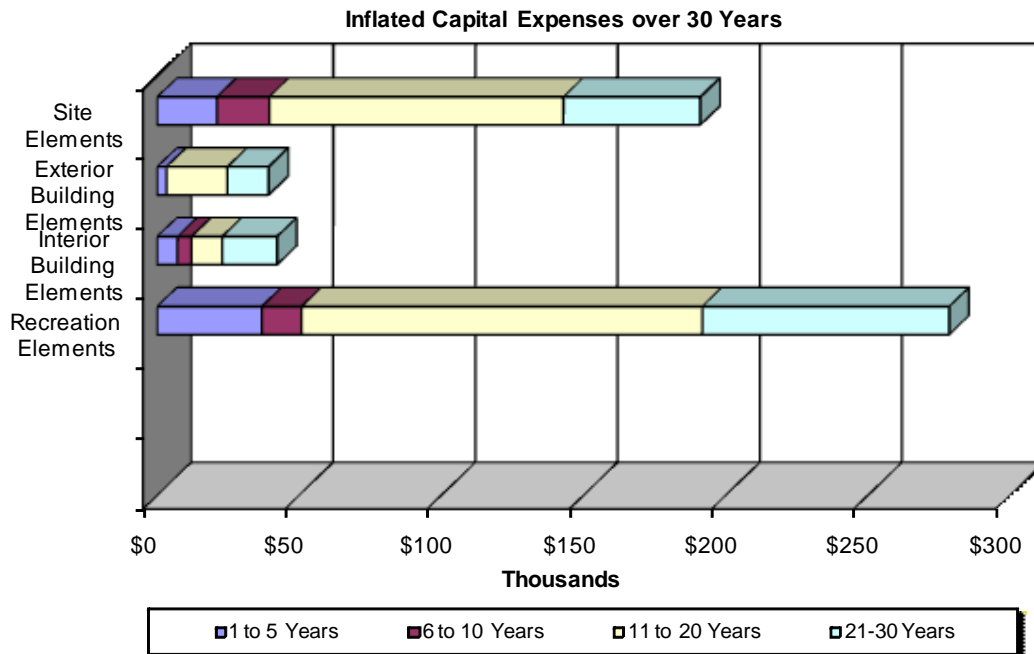
| Summary of Financial Information | |
|--|----------|
| Projected Year End Reserve Fund Balance (As of January 1, 2011) | \$17,972 |
| Current Annual Reserve Fund Contribution | \$7,300 |
| Reserve Fund Interest Rate | 1.5% |

Based on the projected year-end reserve fund balance, the current reserve fund interest rate, and the estimated inflation rate, an iterative procedure was used to determine a recommended reserve funding plan. The intent of the plan is to have adequate funds available for future expenditures required for major repairs or replacements so that the potential need of a loan or special assessment can be avoided, which ultimately preserves the market value of the property. **Based on the reserve analysis, it was concluded that the potential need for a loan or special assessment is not anticipated at this time; however an increase in the annual reserve fund contribution is recommended from the \$7,300 currently being contributed to the amounts shown in Exhibit 4 in order to avoid the potential of a future loan or special assessment.** The following table summarizes the recommended annual reserve fund contributions over the next 5 years.

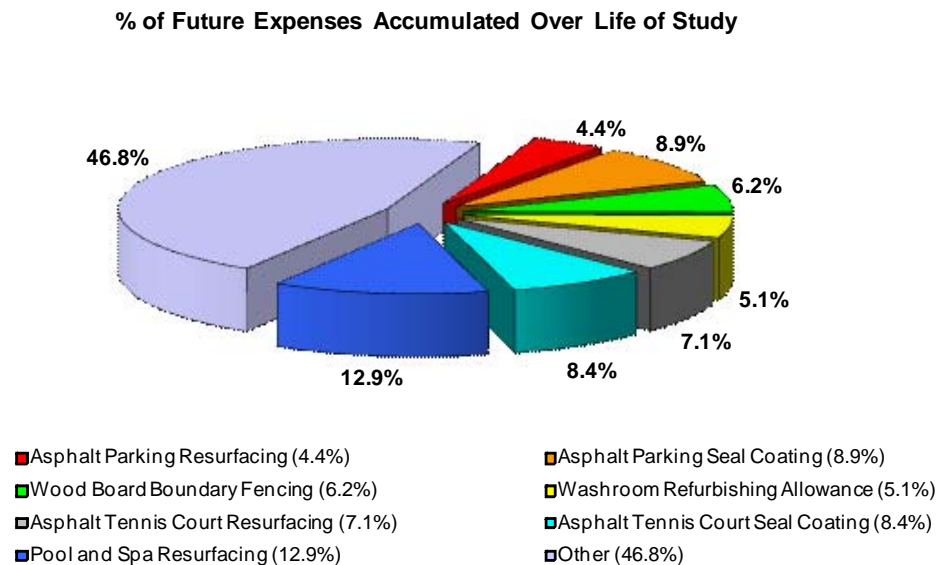
| Recommended Annual Reserve Contribution | | |
|---|---------------|---|
| Year | Calendar Year | Interest = 1.50% Inflation = 2.50% (Summary of Exhibit 4) |
| 1 | 2011 | \$7,300 |
| 2 | 2012 | \$18,250 |
| 3 | 2013 | \$18,250 |
| 4 | 2014 | \$18,250 |
| 5 | 2015 | \$18,250 |
| 6+ | 2016+ | See Exhibit 4 |

The status of the current funding plan as it relates to the recommended funding plan is illustrated in **Exhibit 6**, assuming that the current budgeted amount continues to be contributed to the reserve study.

The following chart illustrates the expenses that will be incurred for each of the element categories over the 30-year study period. These expenses are divided into five and ten-year segments to provide a graphical summary that assists the user in identifying the amount of funding that will be required for each category over a period of time, whether it is short-term or long-term.



The following chart illustrates the ratio of expenses that will be incurred over the 30-year study period for each of the elements that represent a majority of the future repair or replacement expenses.



The annual contributions made to the reserve fund are a means to compensate for the difference between the ongoing deterioration of a property and its finances. Since elements deteriorate at varying rates and the finances of the property are typically changing on an annual basis, the need to maintain balance between the two is an ongoing process. Therefore, to maintain this balance, periodic updates to the Reserve Study are recommended approximately every three years. Annual updates may be warranted depending on the age of the property and the amount of repair or replacement activity.

2.0 INTRODUCTION

A Reserve Study was conducted for Forest Brooke Residents Association to determine a reasonable level of annual reserve fund contributions required to meet the future expenditures for the elements on the property that will likely require major repairs or replacements over the next 30-year period. The elements that have been included in the Reserve Study are considered common to the property as defined by the Association's declarations and bylaws, unless otherwise noted.

3.0 GOALS

The goals of the Reserve Study are as follows:

1. Visually assess the general current condition and obtain the necessary quantities and specifications of the major elements that will likely require repair or replacement over the next 30 years.
2. Estimate the remaining useful life until major repair or replacement of the elements is considered necessary.
3. Estimate the future expense schedule for repair or replacement of the elements.
4. Analyze the annual reserve fund contributions needed to ensure that funds are available for the ongoing repair or replacement of the elements.
5. Provide a status of the current fund as it relates to the recommended funding plan, assuming that the current budgeted amount continues to be contributed to the reserve fund.

4.0 SCOPE OF WORK

To accomplish the Reserve Study goals, BPG Inc. performed a Level I, Full Reserve Study with site visit in the following two parts.

Field Assessment (Part 1)

Part 1 of the Reserve Study involved a visual inspection of the property to assess the general condition and obtain the necessary quantities and specifications of the major elements that will likely require repair or replacement over the next 30 years.

Reserve Analysis (Part 2)

Part 2 involved an analysis of the future repair or replacement expenses anticipated for each of the elements. Based on the general condition, age, and average life expectancy of each element, a long-term repair and replacement schedule was established. BPG Inc. has selected a 30-year period for the repair and replacement schedule to capture the long-term cyclic expenses associated with elements that exhibit longer life times.

Included in the report are the following exhibits that illustrate the results of the reserve analysis:

- **Exhibit 1:** A summary of the element quantities and total present day and inflated expenses incurred over the 30 year period of the study.
- **Exhibit 2:** The future repair or replacement expenses as shown in present day dollars that are anticipated over the next 30 years, presented on a year by year basis.
- **Exhibit 3:** The future repair or replacement expenses as shown in inflated dollars that are anticipated over the next 30 years, presented on a year by year basis.
- **Exhibit 4:** The recommended reserve funding plan as illustrated in tabular form.
- **Exhibit 5:** The recommended reserve funding plan as illustrated in graphical form.
- **Exhibit 6:** The status of the current funding plan as it relates to the recommended funding plan assuming that the current budgeted amount continues to be contributed to the reserve study.

5.0 ASSUMPTIONS

Several general assumptions have been made for the completion of this study, which are as follows:

1. The elements will be replaced with like kind unless otherwise noted or directed by a representative of the property to use alternate materials.
2. All new installations will comply with current city, state and local building code requirements.
3. The building structure has a remaining useful life greater than 30 years.
4. A maintenance program will be implemented to ensure that all building components, systems, and equipment are maintained and operated at or near optimum capacities.
5. Since cash flow takes place at frequent and varying time intervals within an interest period, a simplified method of assuming that all cash flow occurs at the midpoint of the interest period is used in the reserve analysis.
6. The reserve analysis was performed using the baseline funding method. By definition, the baseline funding method maintains a reserve fund balance above zero for each year of the study.
7. The study is limited to the elements of the property that likely require major repair or replacement during the study period and that have a significant impact on the reserve contributions. Elements that require minor repairs or replacements and are relatively insignificant in cost when compared to the property in its totality are assumed to be funded from the operating and maintenance budget.
8. The following recurring expenses are considered to be maintenance items; therefore, adequate funding for such expenses should be allocated in the operating and maintenance budget, but not limited to the following:
 - Painting of exterior walls, exterior facade, and fencing.
 - Striping of asphalt pavement.
 - Replacing sealants around windows, doors, and between dissimilar materials.
 - Minor localized tuckpointing that may be required for areas of severe distress.
9. Elements such as electrical, water supply, and waste water systems for the building are considered to have an extensive lifetime that make it very difficult to predict or establish major repair or replacement expenses. These elements can function indefinitely with ongoing maintenance and repairs which are considered minor when compared to wholesale replacement expenses; therefore, we assume that future minor ongoing maintenance and repair expenses incurred will be funded from the operating and maintenance budget. This assumption is based on the premise that a reserve study is to include elements that have a definable remaining useful life; therefore, incorporating replacement expenses for elements that do not have a predictable useful life into the study can significantly impact the accuracy and validity of the results.

6.0 DISCLOSURES

This study and report is based on observations of the visible and apparent conditions of a reasonable representative sampling of the property's elements at the time of inspection. Although due diligence was performed during the inspection phase, BPG Inc. makes no representations regarding latent or concealed defects that may exist. The inspection did not constitute any invasive investigations and was not intended to determine whether applicable building components, systems, or equipment are adequate or in compliance with any specific or commonly accepted design requirement, building code, or specification. Such tasks as material testing, engineering analysis, destructive testing, or performance testing of building systems, components, or equipment are not considered as part of the scope of work, nor are they considered by the reserve study industry standard.

Judgments in this study are based on estimates of the age and typical useful life of the various elements included in this study. The predictions of useful life and remaining useful life are based on industry and/or statistical comparisons, along with sound engineering judgment. It is necessary to recognize that the actual conditions can alter the useful life of any element. The methods of installation, deferral of maintenance, or other unforeseen conditions make it virtually impossible to predict precisely when each element will require major repair or replacement. The tabulated values for expected useful life and remaining useful life are estimates, as noted, and should not be construed as a guarantee or warranty, either expressed or implied, as to the performance of products, materials, or workmanship.

If the property representative has not disclosed any known issues or problems with materials, components, or systems, it is noted that the validity of this study may be impacted. Where applicable, comments regarding the general condition of the property and any significant deficiencies as observed at the time of inspection have been documented. A qualified contractor or building engineer should be retained to repair, replace, or adjust defective components to ensure optimum performance or efficiency.

Except for the values of elements provided by the client, pricing used for the repair or replacement costs indicated in this report are derived from the R.S. Means "Repair and Remodeling Cost Data" publication in conjunction with other reliable resources such as individual material and equipment suppliers and sound engineering judgment. The material and labor pricing provided are **estimates** and have been augmented, as necessary, to account for specific site conditions (i.e. material handling, scaffolding, etc.). The total expenses represent a useful guideline whereby reserve funds can be accumulated for future repairs and replacements. The estimated repair and replacement expenses, unless otherwise noted, do not include allowances for architectural, engineering, or permitting fees.

The information provided by a property representative regarding the financial, physical, or historical data is deemed reliable. The reserve study is intended to be a reflection of the information provided and is not for the purpose of performing an audit, quality analysis, forensic analysis, or background check of historical records.


By review of the property representative, the elements listed in the Appendix A of this report have been identified as the elements for which the property has long-term responsibility for repair and replacement. The property representative assumes full responsibility for determining that the list of elements is complete. BPG Inc. has not reviewed any documents or declarations as part of this Reserve Study and assumes no responsibility for the completeness of the inventory.


This report is intended solely for the use of the Forest Brooke Residents Association in connection with funding for major repairs and replacements, and may not be used by any other party for any purpose.


7.0 FIELD ASSESSMENT (Part 1)


The contract to perform a Reserve Study for Forest Brooke Residents Association required an on-site, visual inspection of the property and a report on the general condition of the elements. The definitions below summarize the method used to determine the condition of each element included in this study. The colors shown below correspond to the general condition column of each of the following element tables.


Condition Definitions

 **Poor** – a major deficiency of a component in which the function or operation is affected, is at or beyond its typical useful life, or whose remaining useful life should not be relied upon as a result of the information gathered regarding actual or effective age or evidence of abuse, excessive wear and tear, exposure to the elements, lack of proper maintenance, etc. This definition specifically excludes deficiencies that may be remedied with routine maintenance, miscellaneous minor repairs, normal operating maintenance, etc., however it may include components that are governed by aesthetics as opposed to performance.

 **Marginal** – no major component deficiencies observed or evidence that would suggest that a major deficiency may exist. The component remains functional and operational, as it exists, however there is evidence that it is nearing its typical useful life.

 **Satisfactory** – no major component deficiencies observed, or evidence that the component is nearing its typical useful life, however it is apparent that the component has not been recently replaced or repaired to its original condition.

 **Good** – no major component deficiencies observed and it is apparent that the component has been recently replaced or repaired to its original condition.

 **Varies** – the general condition of an element cannot be generally defined by one of the above mentioned definitions.

During the course of our inspection, several general observations were made regarding the construction and maintenance of the property. In general, a diligent effort was made to distribute the repair and replacement expenses over a number of years to create a more uniform expense report. The following discussions relate to the general features of the elements.

7.1 ASPHALT PAVEMENT

General Description

The amenity center parking lot and drive is constructed of asphalt pavement. Asphalt pavement is constructed of two layers of material consisting of an asphalt-wearing course and granular base course. The asphalt-wearing course for a parking lot is typically constructed of two layers consisting of a thin surface course and a thicker binder course, which provides a bond between the surface course and granular base course. The granular base course usually ranges from 6" to 18" in thickness depending on sub-base (i.e. soil) conditions and loading requirements. Compaction of the sub-base (i.e. soil) and granular base course is one of the most important procedures to ensure proper performance of the pavement. The single most significant cause of asphalt pavement failure is poor drainage. Water that ponds on the surface accelerates the deterioration process by causing breakdown of the asphalt, sub-base and oils, thus contributing to a reduction in the flexibility of the pavement and causing the development of cracks. In addition, surface water that is not adequately drained will cause the substrate to lose strength and will no longer be capable of supporting the induced wheel loads. Based on the observed conditions and the estimated age and condition of the paving, we have included funding for replacement over the 30-year period of this study as illustrated in the chart below and Exhibit 2.

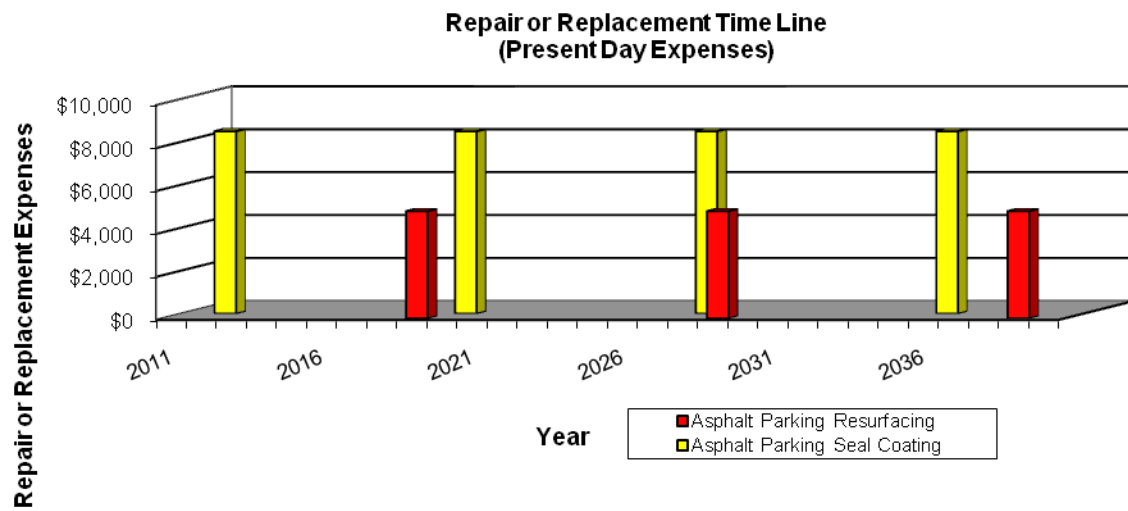
Periodic seal coating and crack sealing approximately every 5 to 6 years is the most important preventative maintenance that can be done to extend the life of asphalt pavement. Seal coating minimizes oils from evaporating, reduces the degradation that occurs from ultraviolet light, and prevents water from penetrating the pavement. Random cracks that are greater than 1/8" in width should be routed out, cleaned, and filled with a rubberized hot tar crack sealant to prevent water from penetrating the pavement. Based on the observed conditions and the estimated age and condition of the coating, we have included funding for replacement over the 30-year period of this study as illustrated in the chart below and Exhibit 2.

Deficiencies Noted

See photograph section of this report for any observed deficiencies.

| Element Condition Key | Poor | Marginal | Satisfactory | Good | Varies |
|--------------------------|------|----------|--------------|------|--------|
| | | | | | |

| Element / Sub Element | General Condition | Typical Useful Life | Remaining Useful Life | Quantities | | Present Day Expense |
|------------------------------|----------------------|------------------------|--------------------------|------------|--------------|------------------------|
| | | | | Total | Units | |
| Asphalt Parking Resurfacing | | 20-25 | 9 | 12,300 | Square Feet | \$20,000 |
| Asphalt Parking Seal Coating | | 5-10 | 2 | 12,300 | Square Feet | \$8,500 |
| | | | | | Total | \$28,500 |



7.2 FENCING

General Description

A three-rail wood rail fence is located along each end of the entry monuments. A portion of the children's playground has a 4' high wood picket fence. Replacement of wood fencing is periodically necessary due to lateral displacement of the vertical support posts, wood rot, termite damage, and mechanical damage to the pickets or rails, etc.

The 6' high wood privacy fencing located along Bethelview Road is original. Some loose pickets are present. At the time of the inspection, the fencing did not appear to have a protective coating applied to it. Therefore, we recommend that a protective coating be applied to it to prolong its useful life. Replacement of the wood fencing is periodically necessary due to lateral displacement of the vertical support posts, wood rot, termite damage, and mechanical damage to the pickets or rails, etc. Based on the observed conditions, funding has been allocated for wholesale replacement of the wood fencing as illustrated in the chart below and Exhibit 2. The recurring expense of applying a protective coating to the fencing is considered to be a maintenance item; therefore, adequate funding should be allocated to the operating and maintenance budget for such an expense.

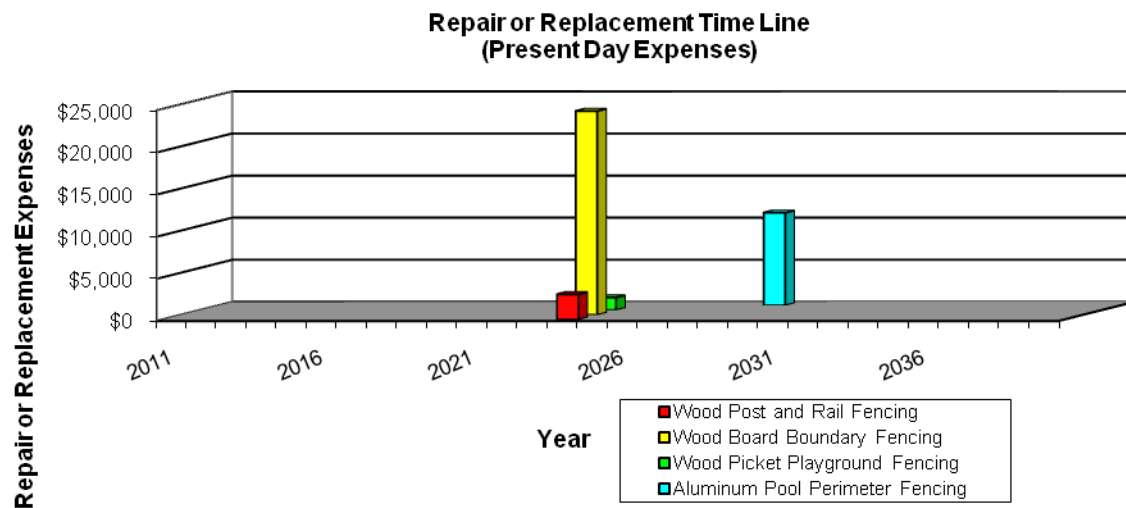
The 5' high aluminum fence around the pool perimeter should last indefinitely if properly maintained. However, minor replacements may be necessary due to damage or lack of maintenance. Based on the observed conditions, funding has been allocated for replacement of the fencing as illustrated in the chart below and Exhibit 2.

Deficiencies Noted

See photograph section of this report for any observed deficiencies.

| Element Condition Key | Poor | Marginal | Satisfactory | Good | Varies |
|--------------------------|------|----------|--------------|------|--------|
| | | | | | |

| Element / Sub Element | General Condition | Typical Useful Life | Remaining Useful Life | Quantities | | Present Day Expense |
|---------------------------------|----------------------|------------------------|--------------------------|------------|--------------|------------------------|
| | | | | Total | Units | |
| Wood Post and Rail Fencing | | 15-20 | 14 | 130 | Linear Feet | \$3,000 |
| Wood Board Boundary Fencing | | 15-20 | 14 | 1,300 | Linear Feet | \$24,200 |
| Wood Picket Playground Fencing | | 15-20 | 14 | 70 | Linear Feet | \$1,500 |
| Aluminum Pool Perimeter Fencing | | 25-30 | 19 | 360 | Linear Feet | \$11,000 |
| | | | | | Total | \$39,700 |



7.3 SITE LIGHTING

General Description

Located in the parking and amenity area are 12' high metal pole street lights with glass globe fixtures. Often, the need for replacement is determined by the extent of damage to the lighting such as corrosion or movement of the poles, the frequency and costs of repairs due to the age of the lighting, or merely the desire to change the aesthetic appearance of the lighting to maintain the market value of the property. Based on the observed conditions, funding has been allocated for wholesale replacement of the site lighting as illustrated in the chart below and Exhibit 2. For the purpose of this study, we assume the wiring and concrete foundations have a useful life that is beyond this study period; therefore, the expenses associated with replacement of these elements have not been included in this study. Future updates to this study should include the expense to replace the wiring and concrete foundations if so warranted.

At the request of the HOA, lighting fixtures at the entry monuments and fence columns have not been included in this study.

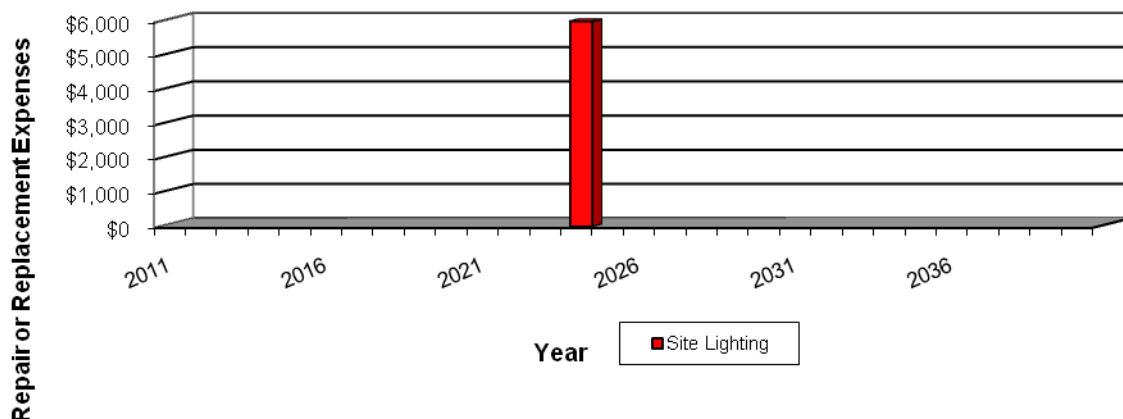
Deficiencies Noted

See photograph section of this report for any observed deficiencies.

| Element Condition Key | Poor | Marginal | Satisfactory | Good | Varies |
|--------------------------|------|----------|--------------|------|--------|
| | | | | | |

| Element / Sub Element | General Condition | Typical Useful Life | Remaining Useful Life | Quantities | | Present Day Expense |
|-----------------------|----------------------|------------------------|--------------------------|------------|--------------|------------------------|
| | | | | Total | Units | |
| Site Lighting | | 20-25 | 14 | 4 | Each | \$6,000 |
| | | | | | Total | \$6,000 |

**Repair or Replacement Time Line
 (Present Day Expenses)**



7.4 SITE FURNISHINGS

General Description

There are three 6' wood picnic tables and benches located behind the pool area. Replacement of such furnishings is often considered necessary as a result of physical damage, a loss of finish, the fixtures becoming worn or outdated, and to maintain the aesthetics of the property. Based on the observed conditions, funding has been allocated for an allowance for periodic replacement as illustrated in the chart below and Exhibit 2.

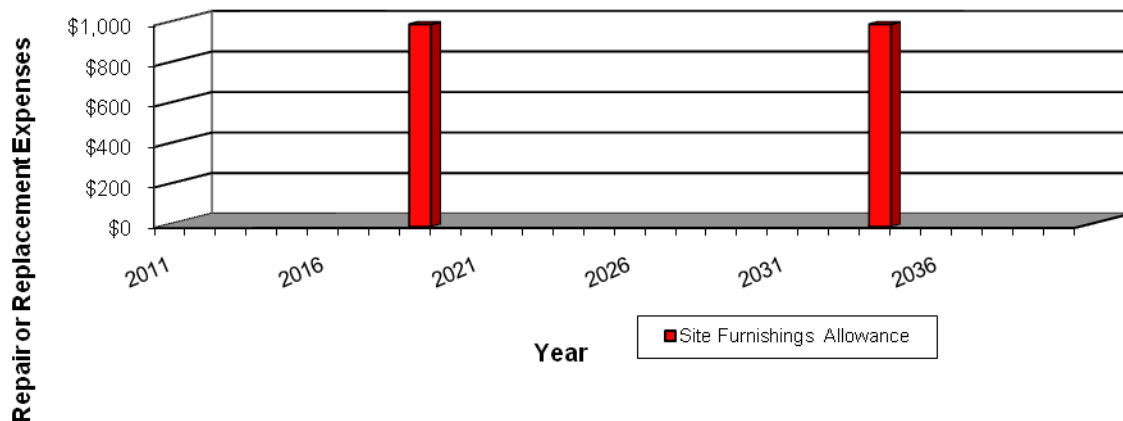
Deficiencies Noted

See photograph section of this report for any observed deficiencies.

| Element Condition Key | Poor | Marginal | Satisfactory | Good | Varies |
|--------------------------|------|----------|--------------|------|--------|
| | | | | | |

| Element / Sub Element | General Condition | Typical Useful Life | Remaining Useful Life | Quantities | | Present Day Expense |
|----------------------------|----------------------|------------------------|--------------------------|------------|--------------|------------------------|
| | | | | Total | Units | |
| Site Furnishings Allowance | | 10-15 | 9 | 1 | Allowance | \$1,000 |
| | | | | | Total | \$1,000 |

**Repair or Replacement Time Line
 (Present Day Expenses)**



7.5 ENTRANCE MONUMENTS AND SIGNAGE

General Description

Located at the entrance to the property are two identical CMU monument walls with stone and brick veneer and a brick coping. Along the rail fence on either side of the monuments are fence columns that are faced with masonry veneer. Tuckpointing the entrance monuments is periodically necessary to prevent costly and extensive damage such as deterioration of mortar joints, cracking and spalling of brick, etc., that is caused by moisture penetration. Based on the observed conditions, funding has been allocated for maintenance repair of the entrance monuments as illustrated in the chart below and Exhibit 2.

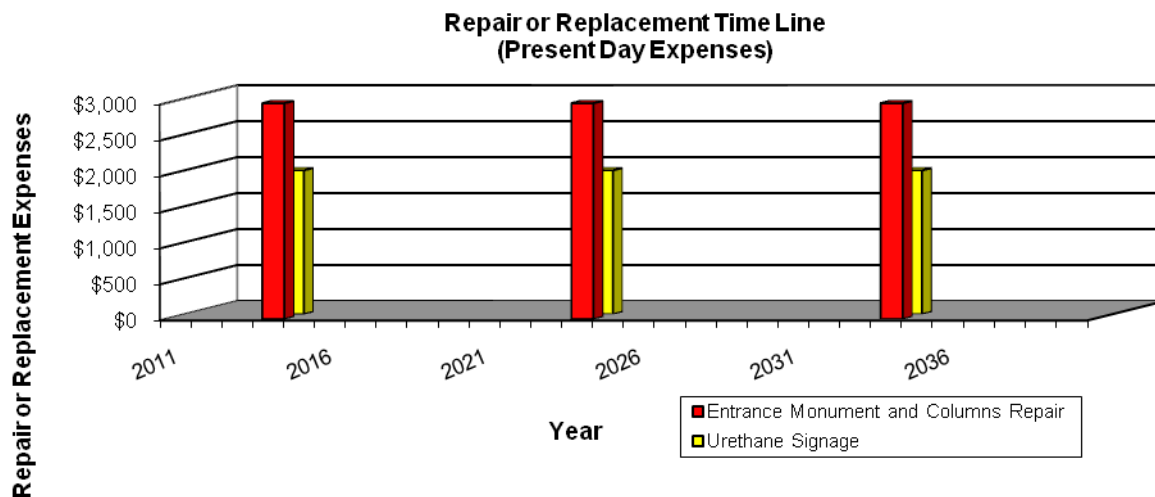
Mounted on the entrance monuments are urethane signs. At the time of the inspection, one of the signs was noted to be loose. Over time, signage of this type can become warped, damaged, or experience deterioration that necessitates replacement. Based on the observed conditions, funding has been allocated for wholesale replacement of the signage to maintain the aesthetics of the property as illustrated in the chart below and Exhibit 2.

Deficiencies Noted

See photograph section of this report for any observed deficiencies.

| Element Condition Key | Poor | Marginal | Satisfactory | Good | Varies |
|--------------------------|------|----------|--------------|------|--------|
| | | | | | |

| Element / Sub Element | General Condition | Typical Useful Life | Remaining Useful Life | Quantities | | Present Day Expense |
|--------------------------------------|-------------------|---------------------|-----------------------|------------|--------------|---------------------|
| | | | | Total | Units | |
| Entrance Monument and Columns Repair | | 20-30 | 4 | 1 | Allowance | \$3,000 |
| Urethane Signage | | 15-20 | 4 | 65 | Square Feet | \$2,000 |
| | | | | | Total | \$5,000 |



7.6 LANDSCAPING AND IRRIGATION

General Description

Landscaping for which the HOA is responsible is located at the main entry and at the amenity center. It is very difficult to predict the expenses associated with the replacement of plant material. The day-to-day care of the plants will have a significant impact on how each will endure throughout this study period. Life-limiting factors include cultural problems, insects, disease and physical damage. The property also has extensive irrigation piping and features that have an indeterminate life cycle. The irrigation system is reported as connected to public water, rather than private wells, thus pumps are not relevant.

The property has an irrigation system for the landscaped areas, controlled by control boxes at the poolhouse and behind one entry monument. Such features have an indeterminate life cycle. The irrigation system is reported as connected to public water rather than private wells, thus pumps are not relevant. Small repairs such as for leaks and damaged spray heads are typically paid from operating funds.

Due to the amount of landscaping and irrigation piping, it is appropriate that an allowance be included in this study to insure that funding is set aside for needed replacements as illustrated in the chart below and Exhibit 2.

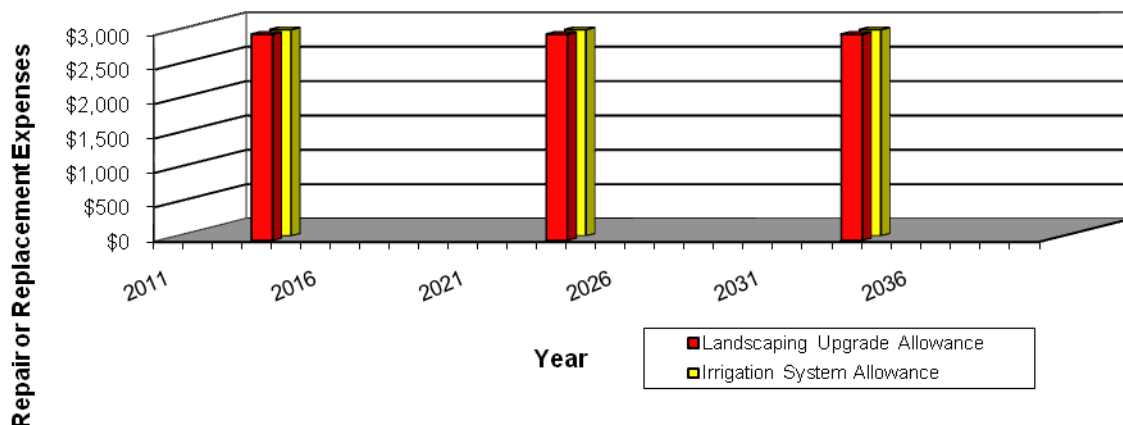
Deficiencies Noted

See photograph section of this report for any observed deficiencies.

| Element Condition Key | Poor | Marginal | Satisfactory | Good | Varies |
|--------------------------|------|----------|--------------|------|--------|
| | | | | | |

| Element / Sub Element | General Condition | Typical Useful Life | Remaining Useful Life | Quantities | | Present Day Expense |
|-------------------------------|----------------------|------------------------|--------------------------|------------|--------------|------------------------|
| | | | | Total | Units | |
| Landscaping Upgrade Allowance | | 5-10 | 4 | 1 | Allowance | \$3,000 |
| Irrigation System Allowance | | 5-10 | 4 | 1 | Allowance | \$3,000 |
| | | | | | Total | \$6,000 |

**Repair or Replacement Time Line
(Present Day Expenses)**



7.7 ASPHALT SHINGLES

General Description

The poolhouse roof is covered with a single layer of a laminated architectural asphalt shingle. There are small areas of standing seam metal roofing on the eave returns at the front and rear gables. The metal roofing can be expected to outlast the 30-year period of this study, although minor replacements may be necessary periodically due to damage or other factors beyond normal wear, which are assumed to be performed on an as needed basis and be funded from the maintenance budget. Replacement of the asphalt roofing is eventually necessary due to chronic problems with moisture penetration and the degradation of shingles as evident by curling, torn shingle tabs, excessive granule loss, etc. The building has no rain gutters.

Adequate attic ventilation is imperative to prolong the useful life of the roofs. Without proper ventilation, warm air trapped in the attic space can heat the roof decking causing premature shingle failure. For the purpose of this analysis, we assume that the roof covering will be torn off and replaced with a similar shingle style, rather than recovered. Recovering a roof is not the preferred method due to the reduced useful life of the new roof that is caused by the underlying shingle layers absorbing additional heat causing accelerated degradation. A recover also restricts the repair of delaminated or decayed roof sheathing and flashing deficiencies. The flashing, felt paper, and vents are integral with the entire roof system; therefore, they are considered as part of the overall roof replacement. Based on the observed conditions, funding has been allocated for wholesale replacement of the roofing as illustrated in the chart below and Exhibit 2.

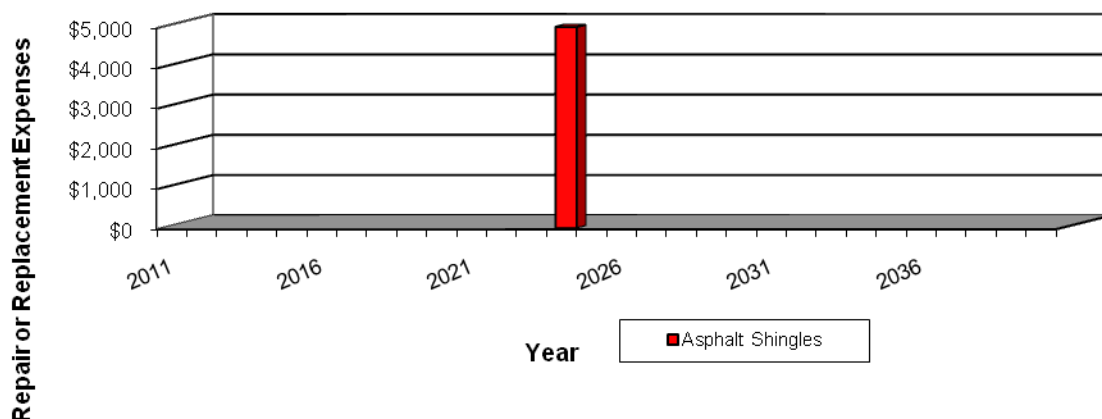
Deficiencies Noted

See photograph section of this report for any observed deficiencies.

| Element Condition Key | Poor | Marginal | Satisfactory | Good | Varies |
|-----------------------|------|----------|--------------|------|--------|
| | | | | | |

| Element / Sub Element | General Condition | Typical Useful Life | Remaining Useful Life | Quantities | | Present Day Expense |
|-----------------------|-------------------|---------------------|-----------------------|------------|--------------|---------------------|
| | | | | Total | Units | |
| Asphalt Shingles | | 15-20 | 14 | 1,700 | Square Feet | \$5,000 |
| | | | | | Total | \$5,000 |

**Repair or Replacement Time Line
(Present Day Expenses)**



7.8 STONE FACADE

General Description

The lower skirt and front of the pool building's facade has a stone veneer. The quantities herein also include the stone veneer on the planter in the pool area and the spa. In general, the stone should last the life of the property; however, shear cracks, shrinkage cracks, separation cracks, dislodged mortar, holes, unfilled joints, erosion, and other forms of deterioration occur to the mortar joints. Occasional repair is considered necessary to prevent the potential of moisture penetration that can lead to more costly repairs such as spalling or cracking of stone, or interior moisture damage, etc. Based on the observed conditions, funding has been allocated for periodic repair of the masonry as illustrated in the chart below and Exhibit 2.

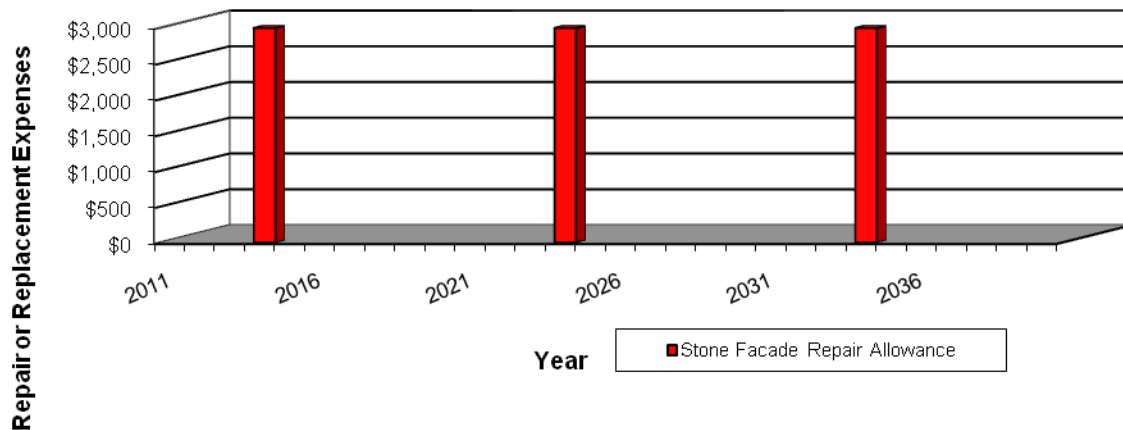
Deficiencies Noted

See photograph section of this report for any observed deficiencies.

| Element Condition Key | Poor | Marginal | Satisfactory | Good | Varies |
|--------------------------|------|----------|--------------|------|--------|
| | | | | | |

| Element / Sub Element | General Condition | Typical Useful Life | Remaining Useful Life | Quantities | | Present Day Expense |
|-------------------------------|----------------------|------------------------|--------------------------|------------|--------------|------------------------|
| | | | | Total | Units | |
| Stone Facade Repair Allowance | | 40-50 | 4 | 1 | Allowance | \$3,000 |
| | | | | | Total | \$3,000 |

Repair or Replacement Time Line
 (Present Day Expenses)



7.9 WINDOWS AND DOORS

General Description

The poolhouse features two sets of double and two single fiberglass doors. Due to the exposed exterior location, over time the doors can be expected to deteriorate with the exposure to humidity, and particularly the effect of being wetted by the sanitizing agents for the pool water. Heavy use of the restroom doors often results in accelerated wear and tear.

The poolhouse windows are vinyl, double glazed, single hung windows, original to the time the building was constructed. Conditions that may necessitate the replacement of a window can include problems with water penetration, excessive air infiltration, poor thermal performance, material deterioration, or structural failure. These conditions can occur as a result of the aging process, lack of maintenance, poor window design, poor fabrication, or poor installation. It is also not uncommon for windows to be replaced merely to change the aesthetic appearance of the building.

For replacement of the doors and windows, a funding allowance has been included for regular replacement schedule over the duration of the study period as illustrated in the chart below and Exhibit 2.

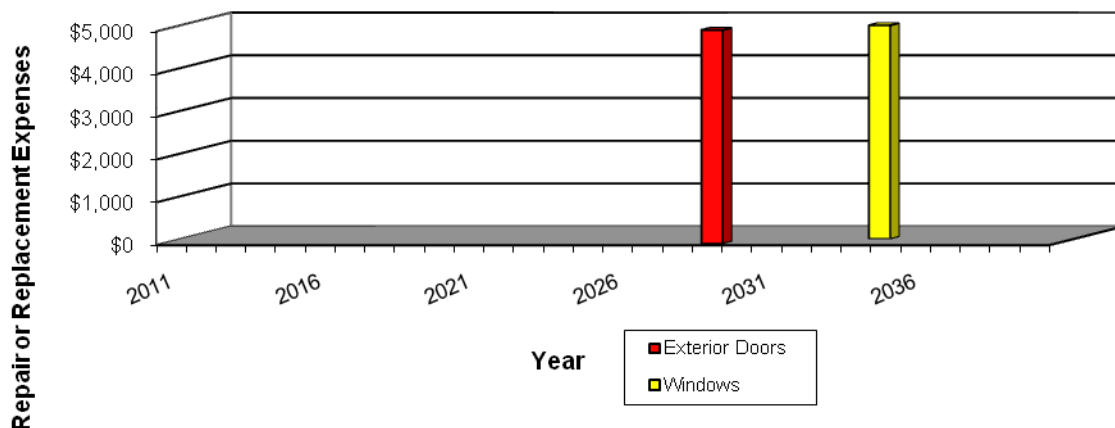
Deficiencies Noted

See photograph section of this report for any observed deficiencies.

| Element Condition Key | Poor | Marginal | Satisfactory | Good | Varies |
|--------------------------|------|----------|--------------|------|--------|
| | | | | | |

| Element / Sub Element | General Condition | Typical Useful Life | Remaining Useful Life | Quantities | | Present Day Expense |
|-----------------------|----------------------|------------------------|--------------------------|------------|--------------|------------------------|
| | | | | Total | Units | |
| Exterior Doors | | 20-25 | 19 | 6 | Each | \$5,000 |
| Window s | | 25-30 | 24 | 5 | Each | \$5,000 |
| | | | | | Total | \$10,000 |

**Repair or Replacement Time Line
 (Present Day Expenses)**



7.10 EXTERIOR BUILDING LIGHTING

General Description

The exterior building lighting consists of recessed lights in the breezeway area and floodlights on the building corners. Often, the need for lighting replacement is determined by the extent of damage to the lighting such as corrosion or broken lenses, the frequency and costs of repairs due to the age of the lighting, or the desire to change the aesthetic appearance of the lighting to maintain the market value of the property. Based on the observed conditions, funding has been allocated for wholesale replacement of the lighting fixtures as illustrated in the chart below and Exhibit 2.

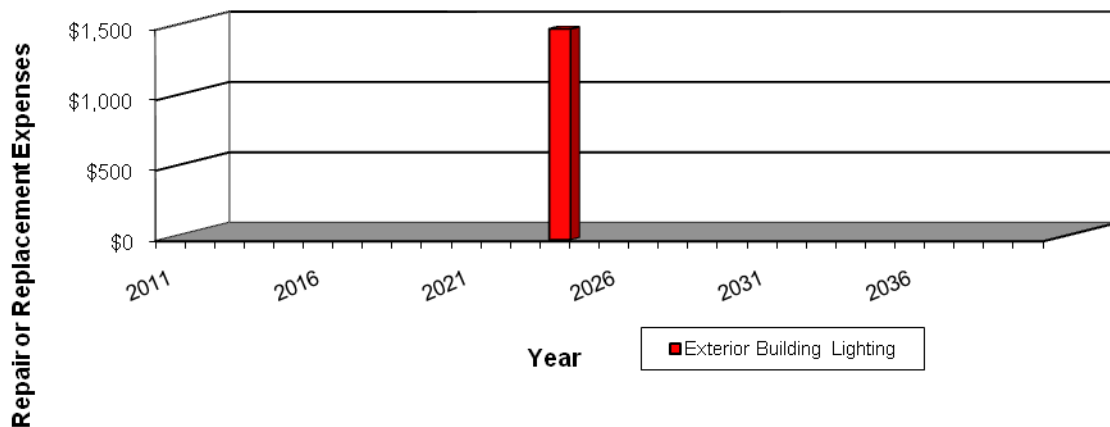
Deficiencies Noted

See photograph section of this report for any observed deficiencies.

| Element Condition Key | Poor | Marginal | Satisfactory | Good | Varies |
|--------------------------|------|----------|--------------|------|--------|
| | | | | | |

| Element / Sub Element | General Condition | Typical Useful Life | Remaining Useful Life | Quantities | | Present Day Expense |
|----------------------------|-------------------|---------------------|-----------------------|------------|--------------|---------------------|
| | | | | Total | Units | |
| Exterior Building Lighting | | 5-10 | 14 | 11 | Each | \$1,500 |
| | | | | | Total | \$1,500 |

**Repair or Replacement Time Line
(Present Day Expenses)**



7.11 BUILDING INTERIORS

General Description

The poolhouse features a separate men's and women's restroom each finished with painted floors, walls, ceilings, 4" tile baseboard, an electric ceiling heater with fan and thermostat, two wall-hung sinks, two toilets with metal partitions, two showers with tile walls, two exhaust fans, three recessed lights, two vanity lights, one exit lights. The pump and storage rooms are unfinished, but do have a total of four 2' fluorescent lights. There is a domestic electric water heater located in the storage room. There are two electrically-cooled water fountains in the poolhouse breezeway.

Due to heavy physical use, periodic refurbishing is needed to maintain aesthetics. Costs of routine maintenance and minor section replacement are commonly expensed to operating funds. However, an overall allowance has been provided in this study for more significant renovations or upgrades as deemed necessary or desired for aesthetic changes. Based on the observed conditions, funding for refurbishing or replacement of these elements is provided as illustrated in the chart below and Exhibit 2.

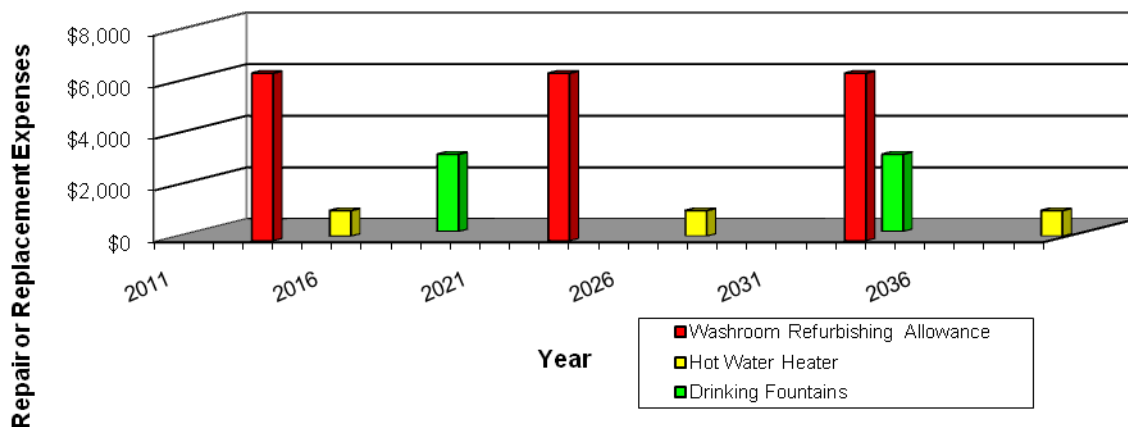
Deficiencies Noted

See photograph section of this report for any observed deficiencies.

| Element Condition Key | Poor | Marginal | Satisfactory | Good | Varies |
|-----------------------|------|----------|--------------|------|--------|
| | | | | | |

| Element / Sub Element | General Condition | Typical Useful Life | Remaining Useful Life | Quantities | | Present Day Expense |
|---------------------------------|-------------------|---------------------|-----------------------|------------|--------------|---------------------|
| | | | | Total | Units | |
| Washroom Refurbishing Allowance | | 10-15 | 4 | 1 | Allowance | \$6,500 |
| Hot Water Heater | | 8-12 | 6 | 1 | Each | \$1,000 |
| Drinking Fountains | | 10-15 | 9 | 2 | Each | \$3,000 |
| | | | | | Total | \$10,500 |

**Repair or Replacement Time Line
(Present Day Expenses)**



7.12 TENNIS COURTS

General Description

The tennis courts are original with asphalt base, and original surface coating. The single most significant cause of asphalt pavement failure is poor drainage. Water that ponds on the surface accelerates the deterioration process by causing breakdown of the asphalt, sub-base and oils, thus contributing to a reduction in the flexibility of the pavement and causing the development of cracks. In addition, subsurface water that is not adequately drained will cause the substrate to lose strength and will no longer be capable of supporting the loads imparted on the pavement. Periodic sealing of the surface (approximately every 5 years) is the most important preventative maintenance that can be done to extend the life of the asphalt.

The two tennis courts are surrounded by 10' high vinyl-coated chain link fence with access gates, with one 60' section of four-foot high fence along one side. Replacement of chain link fencing eventually becomes necessary due to deterioration and damage that will occur over time. For the purpose of this study, it is assumed that minor repairs and replacements to the chain link fencing will be funded from the operating and maintenance budget.

The tennis court lighting consists of six single and three double pole-mounted fixtures. Often, the need for replacement is determined by the extent of damage to the lighting such as corrosion or movement of the poles, the frequency and costs of repairs due to the age of the lighting, failure of the bulbs, or merely the desire to change the aesthetic appearance of the lighting to maintain the market value of the property. For the purpose of this study, we assume the wiring and concrete foundations have a useful life that is beyond this study period; therefore, the expenses associated with replacement of these elements have not been included in this study. Future updates to this study should include the expense to replace the wiring and concrete foundations if so warranted.

There is a 21-foot 3-row aluminum bleacher located to the tennis courts. Weathering and physical damage from use is the common impetus for replacement of such features.

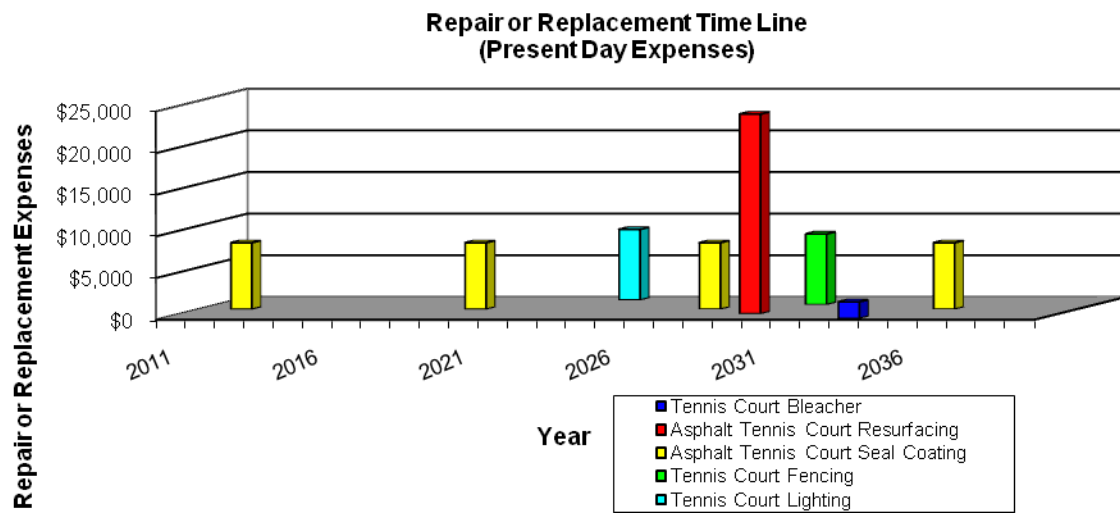
Based on the observed conditions, funding has been allocated for replacement of the tennis features as illustrated in the chart below and Exhibit 2.

Deficiencies Noted

See photograph section of this report for any observed deficiencies.

| Element Condition Key | Poor | Marginal | Satisfactory | Good | Varies |
|--------------------------|------|----------|--------------|------|--------|
| | | | | | |

| Element / Sub Element | General Condition | Typical Useful Life | Remaining Useful Life | Quantities | | Present Day Expense |
|-----------------------------------|----------------------|------------------------|--------------------------|------------|--------------|------------------------|
| | | | | Total | Units | |
| Asphalt Tennis Court Resurfacing | | 20-25 | 20 | 13,200 | Square Feet | \$24,000 |
| Asphalt Tennis Court Seal Coating | | 5-10 | 2 | 13,200 | Square Feet | \$8,000 |
| Tennis Court Fencing | | 20-30 | 21 | 460 | Linear Feet | \$8,500 |
| Tennis Court Lighting | | 20-25 | 14 | 9 | Each | \$8,500 |
| Tennis Court Bleacher | | 20-25 | 24 | 1 | Each | \$2,000 |
| | | | | | Total | \$51,000 |



7.13 PLAYGROUND EQUIPMENT

General Description

The playground equipment is adjacent to the amenity area parking lot and is generally in satisfactory condition. It is constructed on steel support posts and composite horizontal features. There are two slides, one plastic roof "fort" and various interactive features. A 2-seat swing set is also present. Over time, the effect of weathering and use eventually necessitates replacement of the equipment. Refer to the chart below in conjunction with Exhibit 2 for the estimated playground equipment replacement schedule.

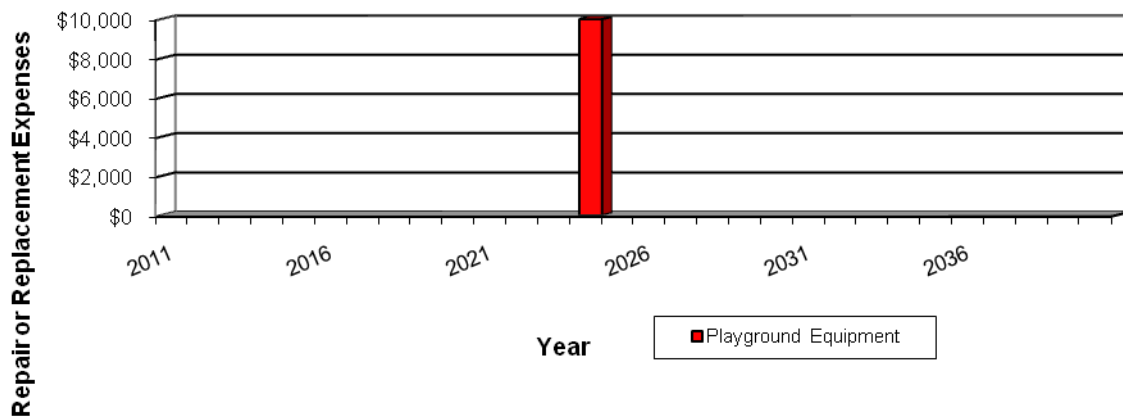
Deficiencies Noted

See photograph section of this report for any observed deficiencies.

| Element Condition Key | Poor | Marginal | Satisfactory | Good | Varies |
|--------------------------|------|----------|--------------|------|--------|
| | | | | | |

| Element / Sub Element | General Condition | Typical Useful Life | Remaining Useful Life | Quantities | | Present Day Expense |
|-----------------------|----------------------|------------------------|--------------------------|------------|--------------|------------------------|
| | | | | Total | Units | |
| Playground Equipment | | 10-15 | 14 | 1 | Each | \$10,000 |
| | | | | | Total | \$10,000 |

**Repair or Replacement Time Line
 (Present Day Expenses)**



7.14 POOL AND SPA

General Description

The pool and spa is constructed of concrete with a plaster finish. The winter cover for the pool and spa was in place and was not removed for inspection at the time of the field work and we assume that the pool liner is in satisfactory condition. We understand the pool and spa plaster is original. It is imperative that the plaster finish be regularly maintained such as repairing cracks that form in order to prolong the life of the concrete liner. The pool is surrounded by a concrete deck. A section of the deck adjacent to the planter has settled somewhat. The joint between the pool liner and the concrete deck sections should be regularly maintained in order to prevent water penetration, which can promote deterioration of the concrete pool structure. Cracked or settled concrete decking should also be repaired or replaced to prevent water penetration and also to provide a safe environment for the residents.

The pool furnishings consist of approximately 12 strap arm chairs, 14 strap chaise lounge chairs, 3 each 4' Plexiglas tables, 3 umbrellas with stands, 3 each 18" side tables and 2 plastic trash cans.

Included in these projections is an allowance for replacement of the winter pool and spa covers. Pool covers are typically fabricated of nylon or other synthetic materials which over time deteriorate from the effects of sunlight and pool chemicals. Fastening devices often fail due to stresses imposed on them.

The pool area also includes a wood structure arbor constructed of stained wood posts and open roof structure. Due to weather exposure, these structures have a limited life expectancy.

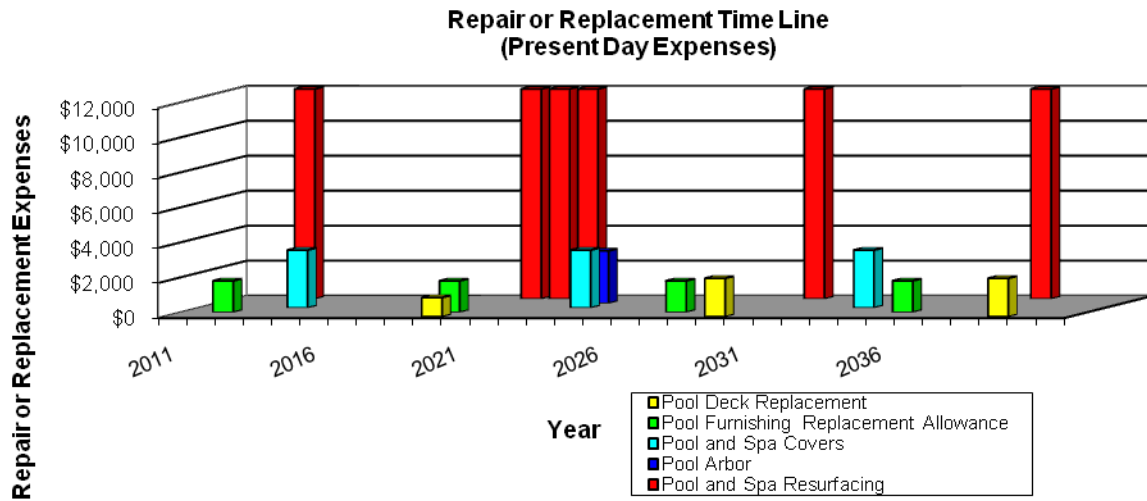
Based on the observed conditions, funding has been allocated for wholesale re-plastering of the pool and spa liners, partial replacement of the concrete deck, and wholesale replacement of the pool furnishings, covers and arbor as illustrated in the chart below and Exhibit 2. The recurring expenses of repairing cracks in the pool liners and making minor repairs to the concrete deck and arbor are considered to be maintenance expenses; therefore, adequate funding should be allocated in the operating and maintenance budget for such expenses.

Deficiencies Noted

See photograph section of this report for any observed deficiencies.

| Element Condition Key | Poor | Marginal | Satisfactory | Good | Varies |
|--------------------------|------|----------|--------------|------|--------|
|--------------------------|------|----------|--------------|------|--------|

| Element / Sub Element | General Condition | Typical Useful Life | Remaining Useful Life | Quantities | | Present Day Expense |
|---------------------------------------|----------------------|------------------------|--------------------------|------------|--------------|------------------------|
| | | | | Total | Units | |
| Pool and Spa Resurfacing | | 5-10 | 3 | 4,000 | Square Feet | \$12,000 |
| Pool Deck Replacement | | 30-40 | Ongoing | 6,200 | Square Feet | \$22,000 |
| Pool Furnishing Replacement Allowance | | 5-10 | 2 | 1 | Allowance | \$1,800 |
| Pool and Spa Covers | | 5-10 | 4 | 3,200 | Square Feet | \$3,300 |
| Pool Arbor | | 15-20 | 14 | 250 | Square Feet | \$3,000 |
| | | | | | Total | \$42,100 |



7.15 POOL MECHANICALS

General Description

The mechanical systems for the pool consist of two diatomaceous earth filters, three 2HP circulation pumps, and two erosion feed chlorinators. Due to constant year-round operation, pumps have a limited life due to wear and tear on components and bearings and corrosion. Filters eventually fail due to accumulated debris that cannot be removed with the normal backflush process. Based on the observed conditions, funding has been allocated for replacement of the pool mechanicals as illustrated in the chart below and Exhibit 2.

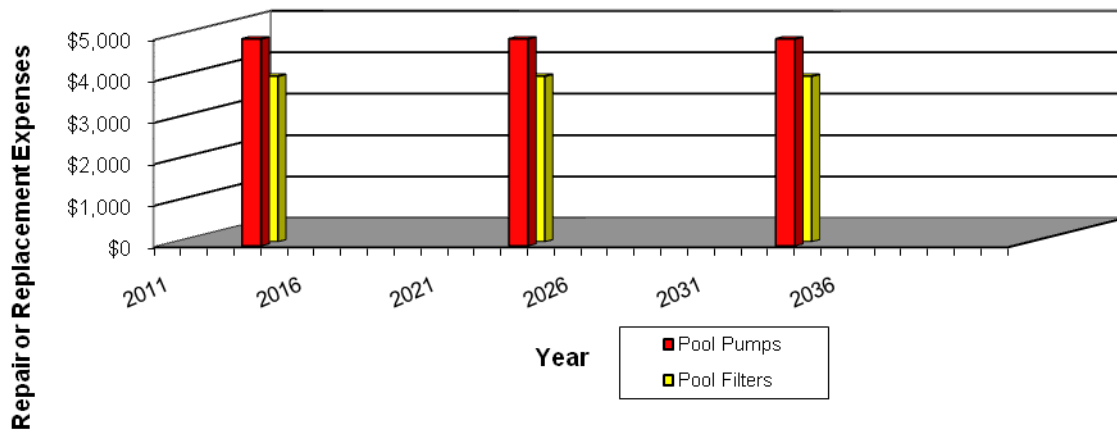
Deficiencies Noted

See photograph section of this report for any observed deficiencies.

| Element Condition Key | Poor | Marginal | Satisfactory | Good | Varies |
|--------------------------|------|----------|--------------|------|--------|
| | | | | | |

| Element / Sub Element | General Condition | Typical Useful Life | Remaining Useful Life | Quantities | | Present Day Expense |
|-----------------------|-------------------|---------------------|-----------------------|------------|--------------|---------------------|
| | | | | Total | Units | |
| Pool Pumps | | 10-15 | 4 | 3 | Each | \$5,000 |
| Pool Filters | | 10-15 | 4 | 2 | Each | \$4,000 |
| | | | | | Total | \$9,000 |

**Repair or Replacement Time Line
(Present Day Expenses)**



8.0 RESERVE ANALYSIS (Part 2)

Repair and Replacement Expenses

At the time of inspection, the necessary quantities of the major elements that will likely require repair or replacement over the next 30 years were determined. The repair or replacement quantities for each element are compiled and presented in **Exhibit 1**.

Also, information was gathered regarding the material, component, or system specifications of each of the elements. These specifications were matched with the specifications in the national cost data source and a present-day expense for materials, labor, overhead and profit for each element was established. The sources used provide costs based on the unit price for each element.

The total present-day expenses are the product of multiplying the total units by the unit expenses as indicated in **Exhibit 1**. Having determined the present-day expenses for repairing or replacing each of the elements, the future costs were evaluated. The future costs are based on the fact that commercial and residential construction costs have historically increased with time and can be expected to increase in the future. To determine the future repair or replacement expenses over the next 30-year period, the present day expenses have been inflated at an annual rate of 3.82%. The inflation rate was determined using the average of the last 20 years of the RS Means Historical Cost Indexes for Atlanta, Georgia. Given the present day expense, the future expense is calculated using the "future value of a single amount formula" as follows:

$$F = P (1 + IR)^n$$

where

F = future expense
P = present day expense
IR = inflation rate expressed as a decimal
n = number of years until future expense occurs

The future repair or replacement expenses for each of the elements were calculated from the present day expenses accounting for the year in which the element is to be repaired or replaced. This information is provided in **Exhibits 2 and 3** and is listed by each element and each year of the analysis.

The sum of the expenditures for all of the elements in any given year equals the total expenditures for that year. This value is the basis for determining the future reserve requirements for each year of the analysis. In other words, the reserve funds that must be on hand in any given year are equal to the total expenses projected for that year.

Recommended Reserve Funding Plan

For each year that future expenses are incurred, there is an annual levelized series of contributions that can be placed in an interest bearing account that will ensure that the future reserves are available when needed. These annual contributions represent the recommended contribution to the reserve fund to meet the future reserve needs.

Exhibit 4 presents a compilation of the reserve fund balance, contributions, and expenses for each year of the analysis that satisfy the future reserve funding plan based on the current reserve fund interest rate and inflation rate.

It is emphasized that the recommended reserve funding plan presented in **Exhibit 4** is only one of many possible schedules that can be employed to meet the future reserve requirements. **Exhibit 5** is a graphical representation of the information in **Exhibit 4**. This illustrates how the leveled reserve fund contributions are utilized to meet the annual expenses, and how the reserves build over time.

The status of the current funding plan as it relates to the recommended funding plan is illustrated in **Exhibit 6**, assuming that the current budgeted amount continues to be contributed to the reserve study.

9.0 LONG TERM REVIEW

The annual contributions made to the reserve fund are a means to compensate for the difference between the ongoing deterioration of a property and its finances. Since elements deteriorate at varying rates and the finances are typically changing on an annual basis, the need to maintain balance between the two is an ongoing process. In order to maintain this balance, it may be appropriate to have the reserve study updated.

When considering an update to a study, the following questions should be considered:

- Has there been a significant departure (i.e. 2% to 3%) from the anticipated rates for interest, inflation, and construction cost increases previously assumed?
- Have any major elements been added or replaced since the previous study?
- Have any elements sustained premature deterioration due to unseasonable weather or lack of maintenance since the previous study?
- Have any repairs or replacements been accelerated or deferred from the estimated schedule previously generated?

If the answer is “yes” to one or more of the above questions, then an update to the reserves study should be strongly considered.

Generally, a property that is relatively new in age and is not undergoing any major repairs or replacements should have the reserve study updated approximately every 3 years to maintain the validity of the estimates. However, if the property is older and is experiencing major repairs or replacements, then the study should be updated on an annual basis.

An update to a previous reserve study can typically be performed for a percentage of the original cost of the study. The re-evaluation can include a field walk down of the property, or simply an update to the tables.



Example of asphalt alligating at amenity entry



Example of asphalt alligating near poolhouse



Example of concrete curbing



View of 3-rail fence



View of privacy fence along Bethelview Road



Picket fence at playground



View of pool fence



Example of parking area general lighting



View of picnic tables behind pool area



Example of entry monument and signage (1 of 2)



Example of fence columns



Example of irrigation control board (1 of 2)



View of poolhouse shingle system and eaves



Poolhouse front elevation. Note stone veneer and shingle siding at gable, windows.



Poolhouse rear elevation. Note siding materials, metal roofing on eave return, window



Example of double doors



Restroom doors



Eave detail. Note floodlight



Restroom view, typical



Restroom view, typical



Restroom view, typical



View of water heater



View of water fountains in breezeway



View of tennis courts. Note fence, lights



Detail view of tennis lights



Aluminum bleacher at tennis courts



View of children's play equipment



View of spa, winter cover in place



View of pool area, winter cover in place



View of pool pumps



View of pool filters



View of pool furniture, stored for winter



View of pool arbor structure



View of planter at pool deck



Example of monument lighting not included in this study



Exhibit 1

Element Expense Summary

Forest Brooke Residential Association

Project #: 011L-101

Version #: 1.0

| Version # 1.0 | | | | | | | | | | | |
|---------------------|---------------------------------------|------------|-------------|---------------------------------|----------------------------------|--|---|--|------------------------|--------------------------|------------------------------|
| Report Section # | Element | Quantities | | Expenses | | | | | Life Analysis (years) | | General Current Condition |
| | | Total | Units | Present Day Unit Expenses | Total Present Day Expenses | Present Day Expenses for 30 Year Period | Inflated Expenses for 30 Year Period | % of Total Inflated Expenses For 30 Year Period | Typical Useful Life | Remaining Useful Life | |
| | Site Elements | | | | | | | | | | |
| 7.1 | Asphalt Parking Resurfacing | 12,300 | Square Feet | \$1.63 | \$20,000 | \$15,000 | \$24,469 | 4.4% | 20-25 | 9 | Satisfactory |
| 7.1 | Asphalt Parking Seal Coating | 12,300 | Square Feet | \$0.69 | \$8,500 | \$34,000 | \$49,220 | 8.9% | 5-10 | 2 | Satisfactory |
| | | | | | | | | | | | |
| 7.2 | Wood Post and Rail Fencing | 130 | Linear Feet | \$23.08 | \$3,000 | \$3,000 | \$4,239 | 0.8% | 15-20 | 14 | Satisfactory |
| 7.2 | Wood Board Boundary Fencing | 1,300 | Linear Feet | \$18.62 | \$24,200 | \$24,200 | \$34,194 | 6.2% | 15-20 | 14 | Satisfactory |
| 7.2 | Wood Picket Playground Fencing | 70 | Linear Feet | \$21.43 | \$1,500 | \$1,500 | \$2,119 | 0.4% | 15-20 | 14 | Satisfactory |
| 7.2 | Aluminum Pool Perimeter Fencing | 360 | Linear Feet | \$30.56 | \$11,000 | \$11,000 | \$17,585 | 3.2% | 25-30 | 19 | Satisfactory |
| 7.3 | Site Lighting | 4 | Each | \$1,500.00 | \$6,000 | \$6,000 | \$8,478 | 1.5% | 20-25 | 14 | Satisfactory |
| 7.4 | Site Furnishings Allowance | 1 | Allowance | \$1,000.00 | \$1,000 | \$2,000 | \$3,058 | 0.6% | 10-15 | 9 | Satisfactory |
| 7.5 | Entrance Monument and Columns Repair | 1 | Allowance | \$3,000.00 | \$3,000 | \$9,000 | \$12,976 | 2.4% | 20-30 | 4 | Satisfactory |
| 7.5 | Urethane Signage | 65 | Square Feet | \$30.77 | \$2,000 | \$6,000 | \$8,651 | 1.6% | 15-20 | 4 | Satisfactory |
| 7.6 | Landscaping Upgrade Allowance | 1 | Allowance | \$3,000.00 | \$3,000 | \$9,000 | \$12,976 | 2.4% | 5-10 | 4 | Satisfactory |
| 7.6 | Irrigation System Allowance | 1 | Allowance | \$3,000.00 | \$3,000 | \$9,000 | \$12,976 | 2.4% | 5-10 | 4 | Satisfactory |
| | | | | | | | | | | | |
| | Exterior Building Elements | | | | | | | | | | |
| 7.7 | Asphalt Shingles | 1,700 | Square Feet | \$2.94 | \$5,000 | \$5,000 | \$7,065 | 1.3% | 15-20 | 14 | Satisfactory |
| | | | | | | | | | | | |
| 7.8 | Stone Facade Repair Allowance | 1 | Allowance | \$3,000.00 | \$3,000 | \$9,000 | \$12,976 | 2.4% | 40-50 | 4 | Satisfactory |
| | | | | | | | | | | | |
| 7.9 | Exterior Doors | 6 | Each | \$833.33 | \$5,000 | \$5,000 | \$7,993 | 1.5% | 20-25 | 19 | Satisfactory |
| 7.9 | Windows | 5 | Each | \$1,000.00 | \$5,000 | \$5,000 | \$9,044 | 1.6% | 25-30 | 24 | Satisfactory |
| 7.10 | Exterior Building Lighting | 11 | Each | \$136.36 | \$1,500 | \$1,500 | \$2,119 | 0.4% | 5-10 | 14 | Satisfactory |
| | | | | | | | | | | | |
| | Interior Building Elements | | | | | | | | | | |
| 7.11 | Washroom Refurbishing Allowance | 1 | Allowance | \$6,500.00 | \$6,500 | \$19,500 | \$28,116 | 5.1% | 10-15 | 4 | Satisfactory |
| 7.11 | Hot Water Heater | 1 | Each | \$1,000.00 | \$1,000 | \$3,000 | \$4,818 | 0.9% | 8-12 | 6 | Satisfactory |
| 7.11 | Drinking Fountains | 2 | Each | \$1,500.00 | \$3,000 | \$6,000 | \$9,173 | 1.7% | 10-15 | 9 | Satisfactory |
| | | | | | | | | | | | |
| | Recreation Elements | | | | | | | | | | |
| 7.12 | Asphalt Tennis Court Resurfacing | 13,200 | Square Feet | \$1.82 | \$24,000 | \$24,000 | \$39,327 | 7.1% | 20-25 | 20 | Satisfactory |
| 7.12 | Asphalt Tennis Court Seal Coating | 13,200 | Square Feet | \$0.61 | \$8,000 | \$32,000 | \$46,325 | 8.4% | 5-10 | 2 | Satisfactory |
| 7.12 | Tennis Court Fencing | 460 | Linear Feet | \$18.48 | \$8,500 | \$8,500 | \$14,276 | 2.6% | 20-30 | 21 | Satisfactory |
| 7.12 | Tennis Court Lighting | 9 | Each | \$944.44 | \$8,500 | \$8,500 | \$12,010 | 2.2% | 20-25 | 14 | Satisfactory |
| 7.12 | Tennis Court Bleacher | 1 | Each | \$2,000.00 | \$2,000 | \$2,000 | \$3,617 | 0.7% | 20-25 | 24 | Satisfactory |
| 7.13 | Playground Equipment | 1 | Each | \$10,000.00 | \$10,000 | \$10,000 | \$14,130 | 2.6% | 10-15 | 14 | Satisfactory |
| 7.14 | Pool and Spa Resurfacing | 4,000 | Square Feet | \$3.00 | \$12,000 | \$48,000 | \$71,226 | 12.9% | 5-10 | 3 | Satisfactory |
| 7.14 | Pool Deck Replacement | 6,200 | Square Feet | \$3.55 | \$22,000 | \$5,500 | \$9,628 | 1.7% | 30-40 | Ongoing | Satisfactory |
| 7.14 | Pool Furnishing Replacement Allowance | 1 | Allowance | \$1,800.00 | \$1,800 | \$7,200 | \$10,423 | 1.9% | 5-10 | 2 | Satisfactory |
| 7.14 | Pool and Spa Covers | 3,200 | Square Feet | \$1.03 | \$3,300 | \$9,900 | \$14,275 | 2.6% | 5-10 | 4 | Satisfactory |
| 7.14 | Pool Arbor | 250 | Square Feet | \$12.00 | \$3,000 | \$3,000 | \$4,239 | 0.8% | 15-20 | 14 | Satisfactory |
| 7.15 | Pool Pumps | 3 | Each | \$1,666.67 | \$5,000 | \$15,000 | \$21,628 | 3.9% | 10-15 | 4 | Satisfactory |
| 7.15 | Pool Filters | 2 | Each | \$2,000.00 | \$4,000 | \$12,000 | \$17,302 | 3.1% | 10-15 | 4 | Satisfactory |
| | | | | | | | | | | | |
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Present Day Annual Expense Summary (Years 1 thru 5)

Forest Brooke Residential Association

Project #: 011L-101

Version #: 1.0

[illegible]

| | | | | | | | |
|--|--------|----------|----------|----------|--------|----------|--------|
| Inflation Rate (1+IR) ⁿ | 1.0250 | 1.0506 | 1.0769 | 1.1038 | 1.1314 | | |
| Inflated Expense Totals (From Exhibit 3) | | \$19,226 | \$12,923 | \$36,204 | | \$68,353 | 100.0% |

Present Day Annual Expense Summary (Years 6 thru 10)

Forest Brooke Residential Association

Project #: 011L-101

Version #: 1.0

[illegible]

| | | | | | | | |
|--|---------|--------|--------|----------|----------|----------|--------|
| Inflation Rate (1+IR) ⁿ | 1.1597 | 1.1887 | 1.2184 | 1.2489 | 1.2801 | | |
| Inflated Expense Totals (From Exhibit 3) | \$1,160 | | | \$11,240 | \$24,834 | \$37,234 | 100.0% |

Present Day Annual Expense Summary (Years 11 thru 15)

Forest Brooke Residential Association

Project #: 011L-101

Version #: 1.0

[illegible]

| | | | | | | | |
|--|----------|--------|--------|-----------|--------|-----------|--------|
| Inflation Rate (1+IR) ⁿ | 1.3121 | 1.3449 | 1.3785 | 1.4130 | 1.4483 | | |
| Inflated Expense Totals (From Exhibit 3) | \$15,745 | | | \$134,939 | | \$150,684 | 100.0% |

Present Day Annual Expense Summary (Years 16 thru 20)

Forest Brooke Residential Association

Project #: 011L-101

Version #: 1.0

[illegible]

| | | | | | | | |
|--|--------|--------|----------|----------|----------|-----------|--------|
| Inflation Rate (1+IR) ⁿ | 1.4845 | 1.5216 | 1.5597 | 1.5987 | 1.6386 | | |
| Inflated Expense Totals (From Exhibit 3) | | | \$30,101 | \$52,755 | \$42,932 | \$125,788 | 100.0% |

Present Day Annual Expense Summary (Years 21 thru 25)

Forest Brooke Residential Association

Project #: 011L-101

Version #: 1.0

[illegible]

| | | | | | | | |
|--|----------|--------|--------|----------|--------|----------|--------|
| Inflation Rate (1+IR) ⁿ | 1.6796 | 1.7216 | 1.7646 | 1.8087 | 1.8539 | | |
| Inflated Expense Totals (From Exhibit 3) | \$14,276 | | | \$79,222 | | \$93,498 | 100.0% |

Present Day Annual Expense Summary (Years 26 thru 30)

Forest Brooke Residential Association

Project #: 011L-101

Version #: 1.0

[illegible]

| | | | | | | | | | |
|--|----------|----------|--------|----------|---------|----------|--------|-----------|--------|
| Inflation Rate (1+IR) ⁿ | 1.9003 | 1.9478 | 1.9965 | 2.0464 | 2.0976 | | | | |
| Inflated Expense Totals (From Exhibit 3) | \$34,775 | \$23,374 | | \$10,232 | \$6,713 | \$75,094 | 100.0% | \$550,651 | 100.0% |

Inflated Annual Expense Summary (Years 1 thru 5)

Forest Brooke Residential Association

Project #: 011L-101

Version #: 1.0

| Element | 1 | 2 | 3 | 4 | 5 | Years 1 thru 5 | |
|---------------------------------------|------|----------|----------|----------|------|----------------|-------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | Totals | % of Totals |
| Site Elements | | | | | | | |
| Asphalt Parking Resurfacing | | | | | | | |
| Asphalt Parking Seal Coating | | \$8,930 | | | | \$8,930 | 13.1% |
| | | | | | | | |
| Wood Post and Rail Fencing | | | | | | | |
| Wood Board Boundary Fencing | | | | | | | |
| Wood Picket Playground Fencing | | | | | | | |
| Aluminum Pool Perimeter Fencing | | | | | | | |
| Site Lighting | | | | | | | |
| Site Furnishings Allowance | | | | | | | |
| Entrance Monument and Columns Repair | | | | \$3,311 | | \$3,311 | 4.8% |
| Urethane Signage | | | | \$2,208 | | \$2,208 | 3.2% |
| Landscaping Upgrade Allowance | | | | \$3,311 | | \$3,311 | 4.8% |
| Irrigation System Allowance | | | | \$3,311 | | \$3,311 | 4.8% |
| | | | | | | | |
| Exterior Building Elements | | | | | | | |
| Asphalt Shingles | | | | | | | |
| | | | | | | | |
| Stone Facade Repair Allowance | | | | \$3,311 | | \$3,311 | 4.8% |
| | | | | | | | |
| Exterior Doors | | | | | | | |
| Windows | | | | | | | |
| Exterior Building Lighting | | | | | | | |
| | | | | | | | |
| Interior Building Elements | | | | | | | |
| Washroom Refurbishing Allowance | | | | \$7,175 | | \$7,175 | 10.5% |
| Hot Water Heater | | | | | | | |
| Drinking Fountains | | | | | | | |
| | | | | | | | |
| Recreation Elements | | | | | | | |
| Asphalt Tennis Court Resurfacing | | | | | | | |
| Asphalt Tennis Court Seal Coating | | \$8,405 | | | | \$8,405 | 12.3% |
| Tennis Court Fencing | | | | | | | |
| Tennis Court Lighting | | | | | | | |
| Tennis Court Bleacher | | | | | | | |
| Playground Equipment | | | | | | | |
| Pool and Spa Resurfacing | | | \$12,923 | | | \$12,923 | 18.9% |
| Pool Deck Replacement | | | | | | | |
| Pool Furnishing Replacement Allowance | | \$1,891 | | | | \$1,891 | 2.8% |
| Pool and Spa Covers | | | | \$3,643 | | \$3,643 | 5.3% |
| Pool Arbor | | | | | | | |
| Pool Pumps | | | | \$5,519 | | \$5,519 | 8.1% |
| Pool Filters | | | | \$4,415 | | \$4,415 | 6.5% |
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| Inflated Expense Totals | | \$19,226 | \$12,923 | \$36,204 | | \$68,353 | 100.0% |

| | | | | | | | |
|--|--------|----------|----------|----------|--------|----------|--------|
| Inflation Rate Reciprocal (1/(1+IR) ⁿ) | 0.9756 | 0.9518 | 0.9286 | 0.9060 | 0.8839 | \$63,100 | 100.0% |
| Present Day Expense Totals (From Exhibit 2) | | \$18,300 | \$12,000 | \$32,800 | | | |

Inflated Annual Expense Summary (Years 6 thru 10)

Forest Brooke Residential Association

Project #: 011L-101

Version #: 1.0

[illegible]

| | | | | | | | |
|--|---------|--------|--------|---------|----------|----------|--------|
| Inflation Rate Reciprocal (1/(1+IR) ⁿ) | 0.8623 | 0.8413 | 0.8207 | 0.8007 | 0.7812 | \$29,400 | 100.0% |
| Present Day Expense Totals (From Exhibit 2) | \$1,000 | | | \$9,000 | \$19,400 | | |

Inflated Annual Expense Summary (Years 11 thru 15)

Forest Brooke Residential Association

Project #: 011L-101

Version #: 1.0

| Element | 11 | 12 | 13 | 14 | 15 | Years 11 thru 15 | |
|---------------------------------------|----------|------|------|-----------|------|------------------|-------------|
| | 2021 | 2022 | 2023 | 2024 | 2025 | Totals | % of Totals |
| Site Elements | | | | | | | |
| Asphalt Parking Resurfacing | | | | | | | |
| Asphalt Parking Seal Coating | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Wood Post and Rail Fencing | | | | \$4,239 | | \$4,239 | 2.8% |
| Wood Board Boundary Fencing | | | | \$34,194 | | \$34,194 | 22.7% |
| Wood Picket Playground Fencing | | | | \$2,119 | | \$2,119 | 1.4% |
| Aluminum Pool Perimeter Fencing | | | | | | | |
| Site Lighting | | | | \$8,478 | | \$8,478 | 5.6% |
| Site Furnishings Allowance | | | | | | | |
| Entrance Monument and Columns Repair | | | | \$4,239 | | \$4,239 | 2.8% |
| Urethane Signage | | | | \$2,826 | | \$2,826 | 1.9% |
| Landscaping Upgrade Allowance | | | | \$4,239 | | \$4,239 | 2.8% |
| Irrigation System Allowance | | | | \$4,239 | | \$4,239 | 2.8% |
| | | | | | | | |
| Exterior Building Elements | | | | | | | |
| Asphalt Shingles | | | | \$7,065 | | \$7,065 | 4.7% |
| | | | | | | | |
| Stone Facade Repair Allowance | | | | \$4,239 | | \$4,239 | 2.8% |
| | | | | | | | |
| Exterior Doors | | | | | | | |
| Windows | | | | | | | |
| Exterior Building Lighting | | | | \$2,119 | | \$2,119 | 1.4% |
| | | | | | | | |
| Interior Building Elements | | | | | | | |
| Washroom Refurbishing Allowance | | | | \$9,184 | | \$9,184 | 6.1% |
| Hot Water Heater | | | | | | | |
| Drinking Fountains | | | | | | | |
| | | | | | | | |
| Recreation Elements | | | | | | | |
| Asphalt Tennis Court Resurfacing | | | | | | | |
| Asphalt Tennis Court Seal Coating | | | | | | | |
| Tennis Court Fencing | | | | | | | |
| Tennis Court Lighting | | | | \$12,010 | | \$12,010 | 8.0% |
| Tennis Court Bleacher | | | | | | | |
| Playground Equipment | | | | \$14,130 | | \$14,130 | 9.4% |
| Pool and Spa Resurfacing | \$15,745 | | | | | \$15,745 | 10.4% |
| Pool Deck Replacement | | | | | | | |
| Pool Furnishing Replacement Allowance | | | | | | | |
| Pool and Spa Covers | | | | \$4,663 | | \$4,663 | 3.1% |
| Pool Arbor | | | | \$4,239 | | \$4,239 | 2.8% |
| Pool Pumps | | | | \$7,065 | | \$7,065 | 4.7% |
| Pool Filters | | | | \$5,652 | | \$5,652 | 3.8% |
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| Inflated Expense Totals | \$15,745 | | | \$134,939 | | \$150,684 | 100.0% |

| | | | | | | | |
|--|----------|--------|--------|----------|--------|-----------|--------|
| Inflation Rate Reciprocal (1/(1+IR) ⁿ) | 0.7621 | 0.7436 | 0.7254 | 0.7077 | 0.6905 | \$107,500 | 100.0% |
| Present Day Expense Totals (From Exhibit 2) | \$12,000 | | | \$95,500 | | | |

Inflated Annual Expense Summary (Years 16 thru 20)

Forest Brooke Residential Association

Project #: 011L-101

Version #: 1.0

| Element | 16 | 17 | 18 | 19 | 20 | Years 16 thru 20 | |
|---------------------------------------|------|------|----------|----------|----------|------------------|-------------|
| | 2026 | 2027 | 2028 | 2029 | 2030 | Totals | % of Totals |
| Site Elements | | | | | | | |
| Asphalt Parking Resurfacing | | | | \$7,993 | | \$7,993 | 6.4% |
| Asphalt Parking Seal Coating | | | \$13,257 | | | \$13,257 | 10.5% |
| | | | | | | | |
| | | | | | | | |
| Wood Post and Rail Fencing | | | | | | | |
| Wood Board Boundary Fencing | | | | | | | |
| Wood Picket Playground Fencing | | | | | | | |
| Aluminum Pool Perimeter Fencing | | | | \$17,585 | | \$17,585 | 14.0% |
| Site Lighting | | | | | | | |
| Site Furnishings Allowance | | | | | | | |
| Entrance Monument and Columns Repair | | | | | | | |
| Urethane Signage | | | | | | | |
| Landscaping Upgrade Allowance | | | | | | | |
| Irrigation System Allowance | | | | | | | |
| Exterior Building Elements | | | | | | | |
| Asphalt Shingles | | | | | | | |
| | | | | | | | |
| Stone Facade Repair Allowance | | | | | | | |
| | | | | | | | |
| Exterior Doors | | | | \$7,993 | | \$7,993 | 6.4% |
| Windows | | | | | | | |
| Exterior Building Lighting | | | | | | | |
| Interior Building Elements | | | | | | | |
| Washroom Refurbishing Allowance | | | | | | | |
| Hot Water Heater | | | \$1,560 | | | \$1,560 | 1.2% |
| Drinking Fountains | | | | | | | |
| Recreation Elements | | | | | | | |
| Asphalt Tennis Court Resurfacing | | | | | \$39,327 | \$39,327 | 31.3% |
| Asphalt Tennis Court Seal Coating | | | \$12,477 | | | \$12,477 | 9.9% |
| Tennis Court Fencing | | | | | | | |
| Tennis Court Lighting | | | | | | | |
| Tennis Court Bleacher | | | | | | | |
| Playground Equipment | | | | | | | |
| Pool and Spa Resurfacing | | | | \$19,184 | | \$19,184 | 15.3% |
| Pool Deck Replacement | | | | | \$3,605 | \$3,605 | 2.9% |
| Pool Furnishing Replacement Allowance | | | \$2,807 | | | \$2,807 | 2.2% |
| Pool and Spa Covers | | | | | | | |
| Pool Arbor | | | | | | | |
| Pool Pumps | | | | | | | |
| Pool Filters | | | | | | | |
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| Inflated Expense Totals | | | \$30.101 | \$52.755 | \$42.932 | \$125.788 | 100.0% |

| | | | | | | | |
|--|--------|--------|----------|----------|----------|----------|--------|
| Inflation Rate Reciprocal (1/(1+IR) ⁿ) | 0.6736 | 0.6572 | 0.6412 | 0.6255 | 0.6103 | \$78,500 | 100.0% |
| Present Day Expense Totals (From Exhibit 2) | | | \$19,300 | \$33,000 | \$26,200 | | |

Inflated Annual Expense Summary (Years 21 thru 25)

Forest Brooke Residential Association

Project #: 011L-101

Version #: 1.0

[illegible]

| | | | | | | | |
|--|---------|--------|--------|----------|--------|----------|--------|
| Inflation Rate Reciprocal (1/(1+IR) ⁿ) | 0.5954 | 0.5809 | 0.5667 | 0.5529 | 0.5394 | \$52,300 | 100.0% |
| Present Day Expense Totals (From Exhibit 2) | \$8,500 | | | \$43,800 | | | |

Inflated Annual Expense Summary (Years 26 thru 30)

Forest Brooke Residential Association

Project #: 011L-101

Version #: 1.0

| Element | 26 | 27 | 28 | 29 | 30 | Years 26 thru 30 | | Years 1 thru 30 | |
|---------------------------------------|----------|----------|------|----------|---------|------------------|-------------|-----------------|-------------|
| | 2036 | 2037 | 2038 | 2039 | 2040 | Totals | % of Totals | Totals | % of Totals |
| Site Elements | | | | | | | | | |
| Asphalt Parking Resurfacing | | | | \$10,232 | | \$10,232 | 13.6% | \$24,469 | 4.4% |
| Asphalt Parking Seal Coating | \$16,152 | | | | | \$16,152 | 21.5% | \$49,220 | 8.9% |
| | | | | | | | | | |
| | | | | | | | | | |
| Wood Post and Rail Fencing | | | | | | | | \$4,239 | 0.8% |
| Wood Board Boundary Fencing | | | | | | | | \$34,194 | 6.2% |
| Wood Picket Playground Fencing | | | | | | | | \$2,119 | 0.4% |
| Aluminum Pool Perimeter Fencing | | | | | | | | \$17,585 | 3.2% |
| Site Lighting | | | | | | | | \$8,478 | 1.5% |
| Site Furnishings Allowance | | | | | | | | \$3,058 | 0.6% |
| Entrance Monument and Columns Repair | | | | | | | | \$12,976 | 2.4% |
| Urethane Signage | | | | | | | | \$8,651 | 1.6% |
| Landscaping Upgrade Allowance | | | | | | | | \$12,976 | 2.4% |
| Irrigation System Allowance | | | | | | | | \$12,976 | 2.4% |
| Exterior Building Elements | | | | | | | | | |
| Asphalt Shingles | | | | | | | | \$7,065 | 1.3% |
| | | | | | | | | | |
| Stone Facade Repair Allowance | | | | | | | | \$12,976 | 2.4% |
| | | | | | | | | | |
| Exterior Doors | | | | | | | | \$7,993 | 1.5% |
| Windows | | | | | | | | \$9,044 | 1.6% |
| Exterior Building Lighting | | | | | | | | \$2,119 | 0.4% |
| Interior Building Elements | | | | | | | | | |
| Washroom Refurbishing Allowance | | | | | | | | \$28,116 | 5.1% |
| Hot Water Heater | | | | | \$2,098 | \$2,098 | 2.8% | \$4,818 | 0.9% |
| Drinking Fountains | | | | | | | | \$9,173 | 1.7% |
| Recreation Elements | | | | | | | | | |
| Asphalt Tennis Court Resurfacing | | | | | | | | \$39,327 | 7.1% |
| Asphalt Tennis Court Seal Coating | \$15,202 | | | | | \$15,202 | 20.2% | \$46,325 | 8.4% |
| Tennis Court Fencing | | | | | | | | \$14,276 | 2.6% |
| Tennis Court Lighting | | | | | | | | \$12,010 | 2.2% |
| Tennis Court Bleacher | | | | | | | | \$3,617 | 0.7% |
| Playground Equipment | | | | | | | | \$14,130 | 2.6% |
| Pool and Spa Resurfacing | | \$23,374 | | | | \$23,374 | 31.1% | \$71,226 | 12.9% |
| Pool Deck Replacement | | | | | \$4,615 | \$4,615 | 6.1% | \$9,628 | 1.7% |
| Pool Furnishing Replacement Allowance | \$3,421 | | | | | \$3,421 | 4.6% | \$10,423 | 1.9% |
| Pool and Spa Covers | | | | | | | | \$14,275 | 2.6% |
| Pool Arbor | | | | | | | | \$4,239 | 0.8% |
| Pool Pumps | | | | | | | | \$21,628 | 3.9% |
| Pool Filters | | | | | | | | \$17,302 | 3.1% |
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| Inflated Expense Totals | \$34,775 | \$23,374 | | \$10,232 | \$6,713 | \$75,094 | 100.0% | \$550,651 | 100.0% |

| | | | | | | | | | |
|--|----------|----------|--------|---------|---------|----------|--------|-----------|--------|
| Inflation Rate Reciprocal (1/(1+IR) ⁿ) | 0.5262 | 0.5134 | 0.5009 | 0.4887 | 0.4767 | \$38,500 | 100.0% | \$369,300 | 100.0% |
| Present Day Expense Totals (From Exhibit 2) | \$18,300 | \$12,000 | | \$5,000 | \$3,200 | | | | |



Exhibit 4

Recommended Reserve Funding Plan (1.50% Interest and 2.50% Inflation)

Forest Brooke Residential Association

Project #: 011L-101

Version #: 1.0

| Year | Calendar Year | Beginning Balance of Reserve Fund | Annual Reserve Fund Contribution | Annual Reserve Fund Increase | Annual Expenses | Annual Interest | Ending Balance of Reserve Fund |
|--------|---------------|-----------------------------------|----------------------------------|------------------------------|-----------------|-----------------|--------------------------------|
| 0 | 2010 | | | | | | \$17,972 |
| 1 | 2011 | \$17,972 | \$7,300 | 0% | \$0 | \$324 | \$25,596 |
| 2 | 2012 | \$25,596 | \$18,250 | 150% | \$19,226 | \$377 | \$24,997 |
| 3 | 2013 | \$24,997 | \$18,250 | 0% | \$12,923 | \$415 | \$30,739 |
| 4 | 2014 | \$30,739 | \$18,250 | 0% | \$36,204 | \$326 | \$13,111 |
| 5 | 2015 | \$13,111 | \$18,250 | 0% | \$0 | \$334 | \$31,695 |
| 6 | 2016 | \$31,695 | \$18,615 | 2% | \$1,160 | \$606 | \$49,756 |
| 7 | 2017 | \$49,756 | \$18,987 | 2% | \$0 | \$889 | \$69,632 |
| 8 | 2018 | \$69,632 | \$19,367 | 2% | \$0 | \$1,190 | \$90,189 |
| 9 | 2019 | \$90,189 | \$19,754 | 2% | \$11,240 | \$1,417 | \$100,120 |
| 10 | 2020 | \$100,120 | \$20,149 | 2% | \$24,834 | \$1,467 | \$96,902 |
| 11 | 2021 | \$96,902 | \$20,552 | 2% | \$15,745 | \$1,490 | \$103,199 |
| 12 | 2022 | \$103,199 | \$20,964 | 2% | \$0 | \$1,705 | \$125,868 |
| 13 | 2023 | \$125,868 | \$21,383 | 2% | \$0 | \$2,048 | \$149,299 |
| 14 | 2024 | \$149,299 | \$21,810 | 2% | \$134,939 | \$1,391 | \$37,561 |
| 15 | 2025 | \$37,561 | \$22,247 | 2% | \$0 | \$730 | \$60,538 |
| 16 | 2026 | \$60,538 | \$22,692 | 2% | \$0 | \$1,078 | \$84,308 |
| 17 | 2027 | \$84,308 | \$23,145 | 2% | \$0 | \$1,438 | \$108,891 |
| 18 | 2028 | \$108,891 | \$23,608 | 2% | \$30,101 | \$1,585 | \$103,983 |
| 19 | 2029 | \$103,983 | \$24,080 | 2% | \$52,755 | \$1,345 | \$76,653 |
| 20 | 2030 | \$76,653 | \$24,562 | 2% | \$42,932 | \$1,012 | \$59,295 |
| 21 | 2031 | \$59,295 | \$25,053 | 2% | \$14,276 | \$970 | \$71,042 |
| 22 | 2032 | \$71,042 | \$25,554 | 2% | \$0 | \$1,257 | \$97,853 |
| 23 | 2033 | \$97,853 | \$26,065 | 2% | \$0 | \$1,663 | \$125,581 |
| 24 | 2034 | \$125,581 | \$26,587 | 2% | \$79,222 | \$1,489 | \$74,435 |
| 25 | 2035 | \$74,435 | \$27,119 | 2% | \$0 | \$1,320 | \$102,874 |
| 26 | 2036 | \$102,874 | \$27,661 | 2% | \$34,775 | \$1,490 | \$97,250 |
| 27 | 2037 | \$97,250 | \$28,214 | 2% | \$23,374 | \$1,495 | \$103,585 |
| 28 | 2038 | \$103,585 | \$28,778 | 2% | \$0 | \$1,770 | \$134,133 |
| 29 | 2039 | \$134,133 | \$29,354 | 2% | \$10,232 | \$2,155 | \$155,410 |
| 30 | 2040 | \$155,410 | \$29,941 | 2% | \$6,713 | \$2,505 | \$181,143 |
| Totals | | | \$676,544 | | \$550,651 | \$37,281 | |

Projected Reserve Fund Balance of \$17,972 as of December 31, 2010.

Exhibit 5

Recommended Reserve Funding Plan

(1.50% Interest and 2.50% Inflation)
(Data from Exhibit 4)

Forest Brooke Residential Association
Project #: 011L-101

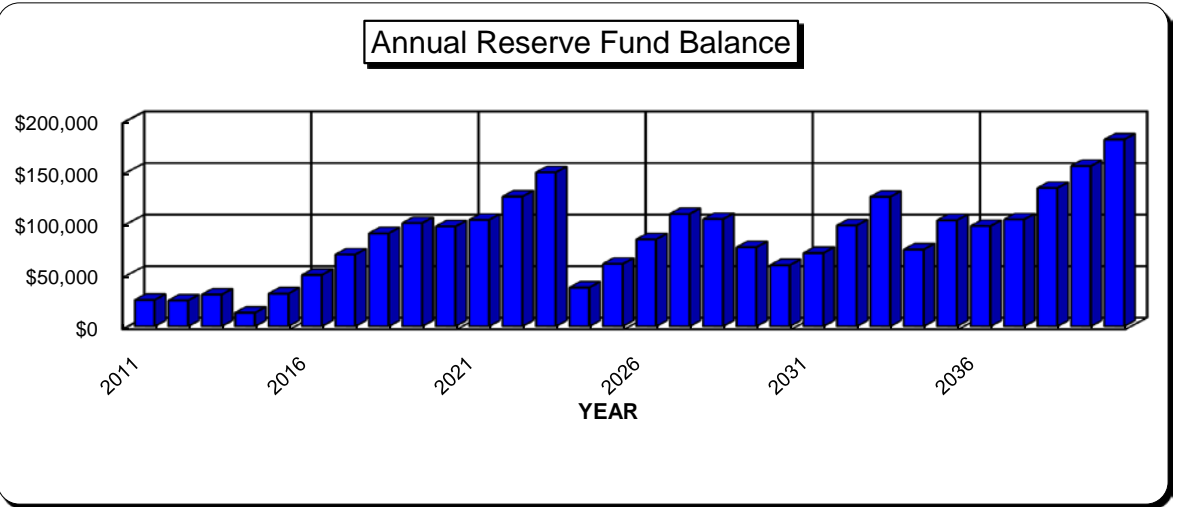
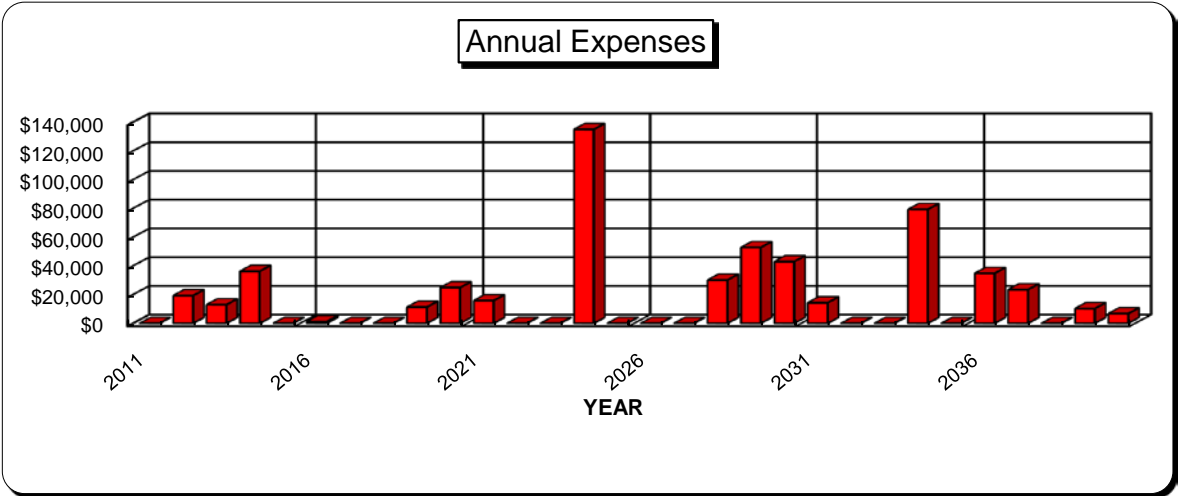
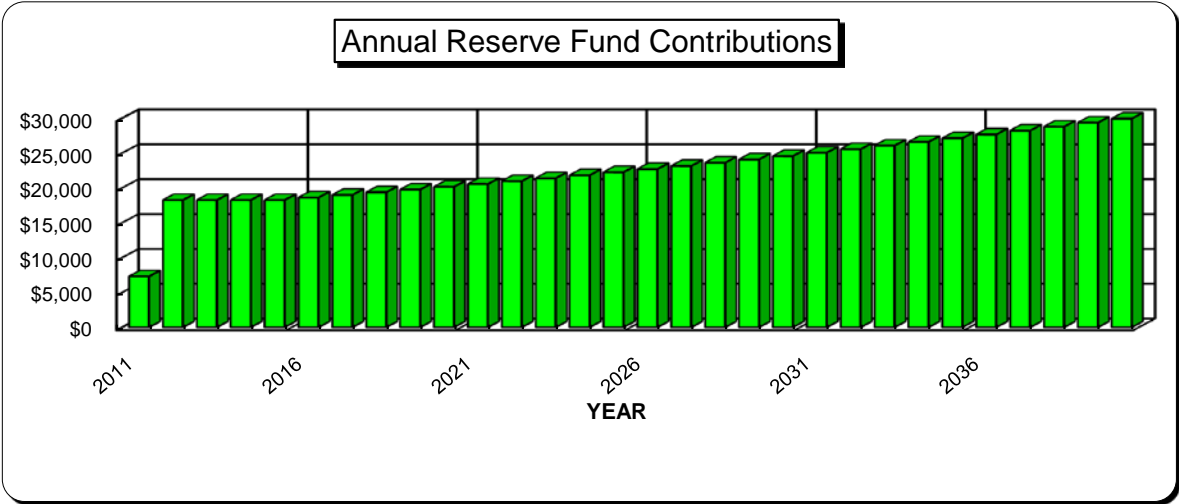


Exhibit 6
Current Fund Status
(1.50% Interest and 2.50% Inflation)
Forest Brooke Residential Association
Project #: 011L-101

