

RESERVE FUND STUDY

**Meadowlake Village
7410 Breda Dr.
Baytown, TX 77521**

Prepared for:

**Meadowlake Village Homeowners' Association
c/o Regina Real
Real Property Management
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Final Report

December 20, 2015

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RESERVE FUND ANALYSIS
PHOTOGRAPHS

1.0 INTRODUCTION

Regina Real, of Real Property Management, authorized Criterium–Farrell Engineers to conduct a Reserve Fund Study for Meadowlake Village. The Meadowlake Village community is located at 7410 Breda Drive, Baytown, TX 77521. Studies of this nature are important to ensure a community has sufficient funds for long-term, periodic capital expenditure requirements.

The goal of this study is to provide a full funding level throughout the term utilizing the cash flow method. The study will assume that the fiscal year will be annual starting in January, 2016. We will utilize the reserve fund starting balance supplied by the client contact as well as other meaningful information that is critical to the accuracy of the study. This information is assumed to be accurate and was not audited.

Anticipating large expenditures over an extended period of time through a structured analysis and scheduling process assists the Association in meeting financial requirements without increasing the service fees above permitted maximums, borrowing the funds, or levying special financial assessments to the home owners.

Typically, a community Association has two broad cash requirements: the general operating reserves and the capital repair and replacement reserves. In this report, we will focus on those items falling under the capital repair and replacement reserve criteria. This reserve analysis will include a site visit, and a review of all available documents pertaining to the property.

We have projected a capital repair and replacement reserve for twenty years. The first ten years are the most reliable. Such a study should be updated every three years.

This report is structured to analyze components of the community for which the Association is responsible and to assess a useful expected life and useful remaining life to those components. The anticipated scheduled repair or replacement of the component and the anticipated expense for the activity are then analyzed in conjunction with the current capital reserves funding program for the community. Funding program recommendations are made with the objective of limiting substantial cash excesses while minimizing financial burdens that can result from significant cash inadequacies.

This report is intended to be used as a tool to determine reserve fund allocation requirements for the community, to manage future Association obligations, and to inform the community of future financial needs in general.

The report that follows has been prepared from the perspective of what an owner of this property would benefit from knowing. Some items, beyond those of immediate concern, may be discussed. Therefore, the report should be read in its entirety in order to fully understand all of the information that has been obtained.

2.0 EXECUTIVE SUMMARY

In this section of the report, we will address those issues that, in our opinion, will require immediate repair or replacement. For a more detailed discussion of all of our findings and any other material deficiencies that will require repair or replacement over the term of this study, refer to the appropriate sections of this report.

Based on our observations, there were no significant material deficiencies in evidence around the property. There are, of course, other capital expenditures to be expected over the next ten to twenty years. Those items that will require attention are discussed in detail in this report and can be found in their appropriate sections.

It is our understanding that, based on information provided by the client representative, the 2016 reserve fund beginning balance is \$38,220. Additionally, there is a swimming pool reserve account with a current balance of \$15,000 and planned deposits for 2016 are \$7,500. For the purpose of this report, these two accounts were merged into one reserve account with a beginning balance of \$53,220 and a total planned deposit for 2016 of \$35,248.

Based on the current projects list, estimated life, remaining life and component replacement costs, the current level of funding for the Reserve Fund for this project is adequate.

The site visit was conducted on December 8-9, 2015 by Charles S. Jones, P.E.

In our report, we discuss many of the building systems. To fully understand all of the information we present, the report should be read in its entirety.

3.0 PURPOSE & SCOPE

3.1 Purpose

The purpose of this study is to perform a reserve fund analysis and to determine a capital needs plan. It is intended to be used as a tool for the Meadowlake Village HOA in determining the allocation requirements into the reserve fund in order to meet future anticipated capital expenditures for the Association.

This report forecasts obligations for the community twenty years into the future. It should be noted that events might occur that could have an effect on the underlying component or system useful life assumptions used in this study. Likewise, inevitable market fluctuations can have an impact on component or system replacement and repair costs. Therefore, a study such as this should be updated from time to time, usually on a three to five-year cycle, in order to reflect the most accurate needs and obligations of the Association.

3.2 Scope

This study has been performed according to the scope as generally defined by the standards of the Community Associations Institute. The findings and recommendations are based on interviews with the community's management personnel, a review of available documents, and an investigation of the buildings and site.

The report contains the following:

- A description of the overall condition of building components and systems that are the responsibility of the Association and conditions that may limit the expected useful life of the buildings and their components.
- Information about significant deficiencies, deferred maintenance items, and material code violations based on a visual survey of the building and grounds, research of documents, and conversations with people who have knowledge about the community.
- A reserve fund analysis including a component inventory, anticipated remaining component useful life, anticipated component repair or replacement costs, and forecasted fund levels as a result of those anticipated costs.

The statements in this report are opinions about the present condition of the subject community. They are based on visual evidence available during a diligent investigation of all reasonably accessible areas falling under the responsibility of the Association. We did not remove any surface materials, perform any destructive testing, or move any furnishings. This study is not an exhaustive technical evaluation. Such an evaluation would entail a significantly larger scope than this effort. For additional limitations, see Section 11.0.

3.3 Sources of Information

Onsite inspection of the property occurred on the following dates:

- December 8 and 9, 2015

The following people were interviewed during our study:

- Mr. Jerry Kinsell, Meadowlake Village Association board member

The following documents were made available to us and reviewed:

- Prior reserve study, Criterium – Farrell Engineers dated February 24, 2012
- Financial information provided by Regina Real, Meadowlake Village Account Manager

3.4 Standards of Reference

For your reference, the following definitions may be helpful:

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

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

Fair: Component or system falls into one or more of the following categories: a) Evidence of previous repairs not in compliance with commonly accepted practice, b) Workmanship not in compliance with commonly accepted standards, c) Component or system is obsolete, d) Component or system approaching end of expected performance. Repair or replacement is required to prevent further deterioration or to prolong expected life.

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

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

All ratings are determined by comparison to other buildings of similar age and construction type. Further, some details of workmanship and materials will be examined more closely in higher quality buildings where such details typically become more relevant.

All directions (left, right, rear, etc.), when used, are taken from the viewpoint of an observer standing in front of a building and facing it.

Repair/Replacement Reserves - Non-annual maintenance items that will require significant expenditure over the life of the asset. Included are items that will reach the end of their estimated useful life during the course of this forecast, or, in the opinion of the investigator, will require attention during that time.

4.0 DESCRIPTION

The Meadowlake Village HOA consists of 762 single-family homes and a community center located at 7410 Breda Drive. Construction of the community was begun in the 1980-82 time period. The Meadowlake Village community occupies an approximately 181 acre parcel on the north side of the East Freeway (I-10) between John Martin Road and Eastpoint Blvd. in Baytown, TX. The community center sits on an approximately 2.8 acre parcel.

The Meadowlake Village community is accessed by way of three entrance drives, one to the north off of the I-10 freeway service drive onto Breda Drive and the other two off of John Martin Road onto Pocahontas Drive and Sequoia St. Each entrance has community signage. There is a large masonry monument sign at the Breda Drive entrance.

The community center contains a clubhouse with kitchen, gathering room, equipment room, storage rooms, office, and restrooms. Amenities include a large pool, a wading pool, children's play area, tennis courts, basketball court, walking path with benches, and a small pavilion.

The property lies at an altitude of approximately 30 feet above sea level. A large retention pond maintained by the county is located at the southeast side of the property adjacent to the community center.

5.0 SITE IMPROVEMENTS

5.1 Topography

Description

The property is generally flat and sits at an altitude of approximately 30 feet above sea level.

Evaluation

No issues reported or noted.

Recommendations

- None.

5.2 Storm Drainage

Description

Storm drainage on the property consists of a system of catch basins in the streets and a large retention pond located at the southeast side of the property.

Evaluation

It is our understanding that maintenance of the storm water management system is the responsibility of the county Municipal Utility District.

Recommendations

- None.

5.3 Paving & Curbing

Description

The main entrance to the property is to the north off of the I-10 freeway service drive onto Breda Drive. Two other entrances are located at the west side of the property off of John Martin Road onto Pocahontas Drive and Sequoia Street.

The streets on the property are public and maintained by the local municipality.

The community center has a driveway located in front of the clubhouse and a small parking area at the left side of the driveway. The drive and parking area are paved in concrete and are the responsibility of the Association to maintain, repair and replace.

Evaluation

The driveway and parking area are in generally good condition requiring only routine maintenance. The left side parking area was installed in 2012.

It is our understanding that an expansion of the parking lot at the right side of the drive has been budgeted for completion in 2016. This project will also include the installation of a french drain under the sidewalk in front of the clubhouse.

Recommendations

- We have added a budgeted amount to the spreadsheet for the 2016 parking and french drain project. The budget amount was obtained from Jerry Kinsell.
- We anticipate driveway and parking area maintenance over the term and have added amounts to the spreadsheet to accommodate this on-going future year project.

5.4 Flatwork

Description

Flatwork on the community center property consists of a concrete sidewalk at the front of the clubhouse and an approximately ¼ mile walking path located at the rear and left side of the property.

Evaluation

The concrete flatwork is in good condition. The walking path was installed in 2012.

Recommendations

5.5 Landscaping & Appurtenances Description

- We anticipate repair and replacement of cracked and shifted sections of the flatwork over the 20 year term and have added amounts to the spreadsheet for this project.

Landscaping on the site is limited to the three entrances and trees and shrubs located around the clubhouse and walking path. It is our understanding that lawn irrigations systems are installed at the entrance signage areas.

Monument-style entrance signage is located at the Breda Drive entrance. A smaller entrance sign is located adjacent to the two west side entrances.

Chain link fencing is installed around the pool, tennis courts, and along the property boundaries. Metal fencing is installed around the children's play area.

Evaluation

The observed landscaping is in good condition.

The entrance signage including the large monument sign are in good condition requiring only routine maintenance. We understand that the entrance signage has been refurbished within the last three years.

The metal fencing around the children's play area is in generally good condition, however, we observed minor wear in a few locations.

The chain link fencing was installed in 2013 and is in good condition.

Recommendations

- We anticipate replacement of landscaping plantings over the term to be funded out of the annual operating budget.
- We anticipate repairs to the lawn irrigations systems including controller replacement over the term and have added amounts to the spreadsheet for this activity.
- We anticipate repairs to the landscape lighting components over the term and have added amounts to the spreadsheet for this activity.
- We anticipate routine repairs to the front and west side entrance signage over the term to be funded out of the annual operating budget.
- The chain link fencing is relatively new and in good condition requiring only routine maintenance over the term to be funded out of the annual operating budget.
- We anticipate replacement of the metal fence surrounding the children's play area over the term and have added an amount to the reserves for this activity.

6.0 STRUCTURE

6.1 Structure

Description

The clubhouse building is a wood framed slab on grade structure. It is our understanding that the building was originally constructed as an open air pavilion and was later converted to an enclosed structure.

Evaluation

The clubhouse structure appears to be in good condition. No evidence of exterior wall cracking or foundation settlement was observed.

Recommendations

- None.

6.2 Ventilation

Description

Ventilation of the clubhouse interior spaces is accomplished with large roof mounted dormer vents, small air conditioning equipment and natural ventilation.

Evaluation

Ventilation of the clubhouse interior spaces appeared to be good.

Ventilation of the pool filtration room and chemical storage appeared to be good to fair. We observed a buildup of crystallized chlorine on the pool pump and motor.

Recommendations

- We recommend installation of additional ventilation equipment in the pool equipment and pool storage spaces and have added an amount to the spreadsheet for this activity.

7.0 EXTERIOR SYSTEMS

7.1 Roofing Systems

Description

The roof of the clubhouse is surfaced with standing seam metal panels.

Evaluation

The standing seam metal roof on the clubhouse is in good condition. It is our understanding that the roof was replaced in 2014. A metal roof has a nominal life expectancy of 50+ years. We do not anticipate roof replacement over the 20 year term.

Recommendations

- None.

7.2 Exterior Finishes

Description

The exterior siding on the clubhouse building consists of brick veneer.

Two large metal manually operated rollup doors are located at the front and rear walls of the clubhouse.

Evaluation

In the prior Reserve Study completed in 2012, it was noted that there was evidence of deterioration of the brick veneer mortar joints especially at the front around the door to the chemical storage and around the outdoor showers. This deterioration has since been repaired. The present condition of the brick exterior is good.

The rollup doors are in good condition.

Recommendations

- We anticipate replacement of the rollup doors over the term and have added an amount to the spreadsheet for this project.

8.0 MECHANICAL/ELECTRICAL SYSTEMS

8.1 Electrical Systems

Description

Electricity is provided to the property by way of a pole mounted transformer located at the southeast corner of the community center property.

Electrical service provided to the clubhouse consists of an apparent 200 amps, 208/120VAC, 1 phase service. The main panel is located in the small room with the security equipment.

Evaluation

The clubhouse electrical panel appears to be in good condition.

The electrical service provided to the clubhouse appears to be adequate for the present needs.

Recommendations

- None.

8.2 Mechanical and Plumbing Systems

Description

Hot water supplied to the clubhouse is provided by a 12 gallon electric water heater located in the security equipment room.

Cooling for the clubhouse is limited to a wall mounted Friedrich air conditioner serving the kitchen and gathering room and a DeLonghi 10,000 btu portable air conditioner/dehumidifier serving the security room.

A drinking fountain is located on the exterior rear wall of the clubhouse adjacent to the pool area.

An outdoor shower area with two shower heads is located at the north wall of the clubhouse.

The large pool and wading pool are served by individual water filtration systems consisting of circulation pumps and sand filters.

The community center property is served by a closed circuit TV security system consisting of approximately 21 cameras. The system is monitored in the clubhouse security equipment room. The system is equipped with a digital video recorder.

Evaluation

The clubhouse hot water heater is approximately 7 years old and is in generally good condition.

The kitchen/gathering room window air conditioner and security room air conditioner appear to be in good condition.

The pool water fountain is in good condition. It is our understanding that the water fountain was replaced in 2015.

The outdoor shower area and fixtures are in good condition.

The large pool and wading pool water filtration equipment appears to be in generally good condition.

Recommendations

The community security and control system appears to be in good condition.

- We anticipate the replacement of the clubhouse hot water heater over the term and have added an amount to the spreadsheet for this project.
- We anticipate replacement of the clubhouse air conditioning equipment over the term and have added amounts to the spreadsheet for this project.
- We do not anticipate replacement of the water fountain over the term.
- We anticipate replacement of the exterior shower fixtures over the term and have added an amount to the spreadsheet for this activity.
- We anticipate replacement of the large and wading pool water filtration systems over the term and have added amounts to the spreadsheet for these projects.
- We anticipate replacement/upgrades to the security equipment and have included funds for this activity.

9.0 MISCELLANEOUS AMENITIES

Description

The community center area includes a clubhouse, large swimming pool and small wading pool, children's play area including a cushioned play surface, large playset, small spring rockers, swing set, benches, picnic tables and small pavilion.

The pool area includes pool furniture and three shade structures with sun shade fabric covers.

The clubhouse interior contains a kitchen with appliances, gathering room, small office, security system room, restrooms, pool equipment room, and storage rooms. Interior finishes consist of ceramic tile, painted drywall, and recessed lighting.

Evaluation

The children's play set, swing set and spring rockers are in good condition.

The play area cushioning mulch appears to be in generally good condition. It is our understanding that the mulch will be replaced with rubber matting in 2016.

The benches and picnic tables are in good condition.

The small pavilion is in good condition.

The swimming pools are in good condition. It is our understanding that the pools were resurfaced and deco seal replaced in 2012.

The pool deck appears to be in generally good condition.

The lifeguard chairs and diving board all appear to be in good condition.

Recommendations

The pool furniture appears to be in good condition.

The pool shade structures appear to be in good condition.

The tennis courts including lighting are in good condition. It is our understanding that the tennis courts were resurfaced in 2013.

The basketball court appears to be in generally good condition.

The clubhouse furniture including gathering room and office are in good condition.

The clubhouse kitchen cabinets and appliances are in generally good condition.

- We anticipate replacement of the large children's play set over the term and have added an amount to the reserves spreadsheet for this item.
- We anticipate replacement of the small spring rocker children's play sets over the term and have added an amount to the reserves spreadsheet for these items.
- We have added amounts to the spreadsheet for the replacement of the cushioning mulch installed around the children's play area.
- We anticipate replacement of the children's swing set over the term and have added an amount to the reserves spreadsheet for this item.
- We anticipate replacement of the picnic tables over the term and have added an amount to the reserves spreadsheet for this item.
- We anticipate replacement of the metal benches over the term and have added an amount to the reserves spreadsheet for this item.
- We anticipate an additional resurfacing of the swimming and wading pools over the term and have added an amount to the spreadsheet for this activity.
- The metal framed pavilion was recently constructed (2012) and is in good condition. We do not anticipate replacement of this structure over the term.
- The pool furniture appears to be in good condition. We anticipate replacement of the pool furniture over the term and have added an amount to the spreadsheet for this activity.
- We anticipate an additional resurfacing of the tennis courts including replacement of nets over the term and have added an amount to the spreadsheet for this activity.
- We anticipate replacement of the tennis court lights over the term and have added an amount to the spreadsheet for this activity.

- We anticipate refurbishment of the clubhouse interior including the restrooms and interior finishes over the term and have added an amount to the spreadsheet for this activity.
- We anticipate refurbishment of the basketball court over the term and have added an amount to the spreadsheet for this activity.
- We anticipate replacement of the pool diving board and lifeguard chairs over the term and have added amounts to the spreadsheet for this activity.
- We anticipate repair/replacement of the concrete pool deck over the term and have added an amount to the spreadsheet for this activity.
- We anticipate replacement of the pool sunshade fabric covers over the term and have added amounts to the spreadsheet for this activity.
- The clubhouse office and gathering room furniture will require replacement over the term. We have added an amount to the spreadsheet for this project.
- The clubhouse kitchen appliances and cabinets will require replacement over the term. We have added amounts to the spreadsheet for these projects.

10.0 CONCLUSION

In Summary, we consider the items that the Association is responsible for to be in generally good condition when compared to others of similar age and construction type.

Based on the current projects, estimated life, remaining life and component replacement costs, the current reserve funding plan is adequate and will provide for a positive fund balance over the term. Please note that any additions of capital expenditures will necessitate a revision to your reserve fund. Since the current funding plan is adequate for the anticipated needs, additional funding alternatives are not required at this time.

Please note that the Reserve Fund Study does not include typical annual maintenance items. Our assumption is that you already have an annual operating budget that provides for these typical, repetitive items. This includes miscellaneous repairs, lawn and grounds maintenance, routine, minor painting, etc. We have focused on those significant, non-annual items, where careful financial planning is important.

As time passes, it may become necessary to re-establish financial priorities and capital expenditure schedules as the needs of the community change. We recommend that an updated reserve study be completed every 3 years in order to confirm that the funding plan remains adequate.

- A reserve study should be updated on a three-year cycle. Funds have been included in the spreadsheet for this activity.

11.0 LIMITATIONS

The observations described in this study are valid on the date of the investigation and have been made under the conditions noted in the report.

We prepared this study for the exclusive use of the client. Criterium–Farrell Engineers does not intend any other individual or party to rely upon this study without our express written consent. If another individual or party relies on this study, they shall indemnify and hold Criterium–Farrell Engineers harmless for any damages, losses, or expenses they may incur as a result of its use.

This study is limited to the visual observations made during our inspection of all common areas and all items that are the responsibility of the Association. We did not remove surface materials, conduct any destructive or invasive testing, move furnishings or equipment, or undertake any digging or excavation. Accordingly, we cannot comment on the condition of systems that we could not see, such as buried structures and utilities, nor are we responsible for conditions that could not be seen or were not within the scope of our services at the time of the investigation.

We did not undertake to completely assess the stability of the buildings or the underlying foundation soil since this effort would require excavation and destructive testing. Likewise, this is not a seismic assessment.

We did not investigate the following areas:

- Buried utilities or infrastructure
- Individual homes
- Concealed structural members or systems
- Clubhouse attic areas

We do not render an opinion on uninvestigated portions of the community.

We did not perform any computations or other engineering analysis as part of this evaluation, nor did we conduct a comprehensive code compliance investigation. This study is not to be considered a warranty of condition, and no warranty is implied. The appendices are an integral part of this report and must be included in any review.

In our Reserve Fund Analysis, we have provided estimated costs. These costs are based on our general knowledge of building systems and the contracting and construction industry. When appropriate, we have relied on standard sources, such as Means Building Construction Cost Data, to develop estimates. However, for items that we have developed costs (e.g.: structural repairs), no standard guide for developing such costs exists. Actual costs can vary significantly, based on the availability of qualified contractors to do the work, as well as many other variables. We cannot be responsible for the specific cost estimates provided.

We have performed no design work as part of this study, nor have we obtained competitive quotations or estimates from contractors as this also is beyond the scope of the project. The actual cost to remedy deficiencies and deferred maintenance items that we have identified may vary significantly from estimates and competitive quotations from contractors.

Finally, please note that the estimates we have developed are based on 2015 dollars. Our reserve fund study provides for an estimated annual inflation rate and a percentage return on investment assuming that the indicated fund balances are maintained.

If you have any questions about this study or the reserve fund analysis, please feel free to contact us. Thank-you for the opportunity to be of assistance to you.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Charles Jones", written over a horizontal line.

Charles Jones, P.E.
Criterium-Farrell Engineers

Reserve Study Worksheet - Existing Funding Levels



General Information:

1 Organization: **Meadowlake Village HOA**
 2 Address: **7410 Breda Drive**
Baytown, TX

3	Number of Units	762
4	Age of Building (in years)	33
5a	Study Period (in years)	20
5b	Normal Fiscal Year starts:	January 1, 2016
5c	Partial Fiscal Year starts:	January 1, 2016
5d	Partial Year Length:	12 months
6	Site Inspection Date	December 9, 2015
7	Reserve Funds at start	\$53,220
8	Rate of Return on invested Reserve Funds (%)	0.4%
9	Inflation Rate (%)	2.00%

	Total/Month	Total Annual	Per Unit/Month	Per Unit/Year	Special Assessments		
					Years Out	Total/Year	Per Unit
Res. Fund Contrib. (First Year).....	\$2,937	\$35,248	\$3.85	\$46.26			
Res. Fund Contrib. (Remaining Years).....	\$2,937	\$35,248	\$3.85	\$46.26			
Final Balance Computed.....	\$384,412						
Average Capital Expenditure per year.....	\$19,612						

Fiscal Years:

Normal: Jan 2016	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Partial: Jan 2016 (12 months)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Beginning Reserve Fund Balance:	\$53,220	\$88,822	\$80,019	\$107,894	\$139,186	\$159,917	\$193,174	\$208,701	\$244,925	\$228,946	\$209,757	\$214,776	\$234,297	\$245,475	\$278,079
Revenue:	\$35,248	\$35,248	\$35,248	\$35,248	\$35,248	\$35,248	\$35,248	\$35,248	\$35,248	\$35,248	\$35,248	\$35,248	\$35,248	\$35,248	\$35,248
Special Assessments:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Investment Earnings:	\$354	\$319	\$430	\$555	\$637	\$770	\$831	\$976	\$912	\$836	\$856	\$933	\$978	\$1,108	\$1,190
Capital Expenditures:	\$0	\$44,370	\$7,803	\$4,510	\$15,154	\$2,760	\$20,552	\$0	\$52,139	\$55,273	\$31,084	\$16,661	\$25,048	\$3,751	\$15,834
Ending Reserve Balance:	\$88,822	\$80,019	\$107,894	\$139,186	\$159,917	\$193,174	\$208,701	\$244,925	\$228,946	\$209,757	\$214,776	\$234,297	\$245,475	\$278,079	\$298,684
Percent Funded:	74.84%	58.68%	97.62%	115.32%	119.24%	140.21%	136.45%	159.70%	134.65%	145.46%	180.68%	207.27%	221.04%	239.26%	233.36%
Special Assessment Cost per Unit:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Fiscal Years:

Normal: Jan 2016	2031	2032	2033	2034	2035
Partial: Jan 2016 (12 months)	16	17	18	19	20
Beginning Reserve Fund Balance:	\$298,684	\$319,390	\$307,610	\$342,824	\$350,546
Revenue:	\$35,248	\$35,248	\$35,248	\$35,248	\$35,248
Special Assessments:	\$0	\$0	\$0	\$0	\$0
Investment Earnings:	\$1,272	\$1,226	\$1,366	\$1,397	\$1,532
Capital Expenditures:	\$15,814	\$48,253	\$1,400	\$28,922	\$2,914
Ending Reserve Balance:	\$319,390	\$307,610	\$342,824	\$350,546	\$384,412
Percent Funded:	237.62%	210.94%	259.03%	256.78%	258.54%
Special Assessment Cost per Unit:	\$0	\$0	\$0	\$0	\$0

Reserve Study Worksheet - Itemized Worksheet



Capital Item To Be Replaced	Quantity	Unit cost	Reserve Requirement (*)	Beginning Balance	Frequency (yrs**)	Percent Funded Amount Per Year	Remaining Life (yrs)	Reserve Funding Monthly	Required Annual	Full Funding Balance
Site										
Install new clubhouse parking area and french drain	1 lot	\$30,000.00	\$30,000.00	\$12,779.71	20	\$1,500.00	1	\$1,435.02	\$17,220.29	\$28,500.00
Repair/replace concrete pavement	1 lot	\$1,000.00	\$1,000.00	\$0.00	2	\$500.00	2	\$41.67	\$500.00	\$0.00
Repair/replace concrete sidewalks and flatwork	1 lot	\$1,000.00	\$1,000.00	\$0.00	3	\$333.33	3	\$27.78	\$333.33	\$0.00
Replace metal play area fencing	275 lin. Ft.	\$40.00	\$11,000.00	\$2,959.51	20	\$550.00	8	\$83.76	\$1,005.06	\$6,600.00
Building Exterior										
Replace overhead doors	2 ea	\$2,000.00	\$4,000.00	\$1,255.55	20	\$200.00	6	\$38.12	\$457.41	\$2,800.00
Building Interior										
Replace kitchen cabinets	1 lot	\$5,500.00	\$5,500.00	\$986.50	25	\$220.00	15	\$25.07	\$300.90	\$2,200.00
Replace kitchen appliances	1 lot	\$2,000.00	\$2,000.00	\$0.00	15	\$133.33	15	\$11.11	\$133.33	\$0.00
Replace clubhouse/office furniture	1 lot	\$4,500.00	\$4,500.00	\$1,008.92	20	\$225.00	10	\$29.09	\$349.11	\$2,250.00
Mechanical										
Install ventilation equipment in pool storage and equipment spaces	1 lot	\$1,000.00	\$1,000.00	\$418.52	15	\$66.67	1	\$48.46	\$581.48	\$933.33
Replace pool filtration equipment	1 lot	\$6,500.00	\$6,500.00	\$2,331.74	10	\$650.00	2	\$173.68	\$2,084.13	\$5,200.00
Replace air conditioning units	1 lot	\$1,500.00	\$1,500.00	\$252.23	8	\$187.50	5	\$20.80	\$249.55	\$562.50
Repair/replace lawn irrigation system including controllers	1 lot	\$2,000.00	\$2,000.00	\$179.36	5	\$400.00	4	\$37.93	\$455.16	\$400.00
Replace water heater	1 ea	\$1,000.00	\$1,000.00	\$261.57	12	\$83.33	5	\$12.31	\$147.69	\$583.33
Replace exterior shower fixtures	1 lot	\$2,000.00	\$2,000.00	\$717.46	20	\$100.00	4	\$26.72	\$320.64	\$1,600.00
Replace landscape lighting	1 lot	\$2,500.00	\$2,500.00	\$224.21	15	\$166.67	12	\$15.80	\$189.65	\$500.00
Replace/upgrade security camera system	1 lot	\$5,000.00	\$5,000.00	\$1,345.23	15	\$333.33	6	\$50.76	\$609.13	\$3,000.00
Amenities										
Replace children's playset	1 ea	\$30,000.00	\$30,000.00	\$2,690.46	20	\$1,500.00	16	\$142.24	\$1,706.85	\$6,000.00
Replace swing set	1 ea	\$2,150.00	\$2,150.00	\$192.82	20	\$107.50	16	\$10.19	\$122.32	\$430.00
Replace picnic tables	2 ea	\$700.00	\$1,400.00	\$83.70	15	\$93.33	13	\$8.44	\$101.25	\$186.67
Replace metal benches	2 ea	\$450.00	\$900.00	\$107.62	15	\$60.00	11	\$6.00	\$72.03	\$240.00
Replace matting around children's play equipment	1 lot	\$12,500.00	\$12,500.00	\$5,044.62	10	\$1,250.00	1	\$621.28	\$7,455.38	\$11,250.00
Replace small spring rocker playsets	2 ea	\$500.00	\$1,000.00	\$89.68	20	\$50.00	16	\$4.74	\$56.89	\$200.00
Resurface swimming pools	1 lot	\$25,000.00	\$25,000.00	\$2,802.57	12	\$2,083.33	9	\$205.53	\$2,466.38	\$6,250.00
Replace pool furniture	1 lot	\$5,500.00	\$5,500.00	\$493.25	15	\$366.67	12	\$34.77	\$417.23	\$1,100.00
Resurface tennis courts	1 lot	\$15,000.00	\$15,000.00	\$1,345.23	10	\$1,500.00	8	\$142.24	\$1,706.85	\$3,000.00
Replace tennis court lighting	1 lot	\$15,000.00	\$15,000.00	\$4,573.79	25	\$600.00	8	\$108.61	\$1,303.28	\$10,200.00
Refurbish basketball court	1 lot	\$5,000.00	\$5,000.00	\$1,345.23	10	\$500.00	4	\$76.14	\$913.69	\$3,000.00
Repair swimming pool deck	1 lot	\$20,000.00	\$20,000.00	\$4,484.11	20	\$1,000.00	10	\$129.30	\$1,551.59	\$10,000.00
Replace pool shade fabric covers	1 lot	\$4,000.00	\$4,000.00	\$448.41	8	\$500.00	6	\$49.33	\$591.93	\$1,000.00
Replace lifeguard stands	2 ea	\$2,000.00	\$4,000.00	\$1,434.91	20	\$200.00	4	\$53.44	\$641.27	\$3,200.00
Replace diving board	1 ea	\$2,500.00	\$2,500.00	\$672.62	20	\$125.00	8	\$19.04	\$228.42	\$1,500.00
Refurbish clubhouse	1 lot	\$15,000.00	\$15,000.00	\$2,690.46	15	\$1,000.00	9	\$113.98	\$1,367.73	\$6,000.00
Other										
Reserve study update	1 ea	\$3,250.00	\$3,250.00	\$0.00	3	\$1,083.33	3	\$90.28	\$1,083.33	\$0.00
Totals			\$242,700.00	\$53,220.00		\$17,668.33		\$3,893.61	\$46,723.30	\$118,685.83
Total Over Term			\$324,450.00							

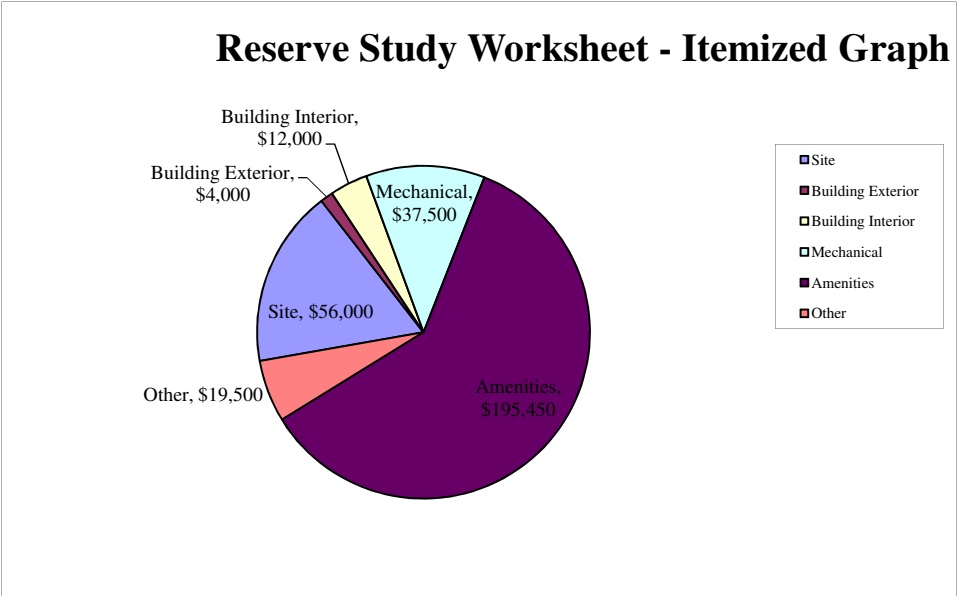
* Costs are typically 10%±

** Reserve study is based on a 20 year projection of non-annual maintenance

Reserve Study Worksheet - Itemized Graph



Categories	Totals
Site	\$56,000
Building Exterior	\$4,000
Building Interior	\$12,000
Mechanical	\$37,500
Amenities	\$195,450
Other	\$19,500
Total	\$324,450



Reserve Study Worksheet - Itemized Funding



Categories	Reserve Requirement	Beginning Balance	Balance Requiring Funding	Monthly Reserve Funding Required	Annual Reserve Funding Required	Full Funding Balance	Percent Funded
Site	\$43,000	\$15,739	\$27,261	\$1,588	\$19,059	\$35,100	
Building Exterior	\$4,000	\$1,256	\$2,744	\$38	\$457	\$2,800	
Building Interior	\$12,000	\$1,995	\$10,005	\$65	\$783	\$4,450	
Mechanical	\$21,500	\$5,730	\$15,770	\$386	\$4,637	\$12,779	
Amenities	\$158,950	\$28,499	\$130,451	\$1,725	\$20,703	\$63,557	
Other	\$3,250	\$0	\$3,250	\$90	\$1,083	\$0	
Totals	\$242,700	\$53,220	\$189,480	\$3,894	\$46,723	\$118,686	44.8%

Reserve Study Worksheet - Annual Expense By Year



	Year:	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Year Number:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Site																
Install new clubhouse parking area and french drain			30,000													
Repair/replace concrete pavement				1,000		1,000		1,000		1,000		1,000		1,000		1,000
Repair/replace concrete sidewalks and flatwork					1,000			1,000			1,000			1,000		
Replace metal play area fencing										11,000						
Building Exterior																
Replace overhead doors								4,000								
Building Interior																
Replace kitchen cabinets																
Replace kitchen appliances																
Replace clubhouse/office furniture												4,500				
Mechanical																
Install ventilation equipment in pool storage and equipment spaces			1,000													
Replace pool filtration equipment				6,500										6,500		
Replace air conditioning units							1,500								1,500	
Repair/replace lawn irrigation system including controllers						2,000					2,000					2,000
Replace water heater							1,000									
Replace exterior shower fixtures						2,000										
Replace landscape lighting														2,500		
Replace/upgrade security camera system								5,000								
Amenities																
Replace children's playset																
Replace swing set																
Replace picnic tables															1,400	
Replace metal benches													900			
Replace matting around children's play equipment			12,500										12,500			
Replace small spring rocker playsets																
Resurface swimming pools											25,000					
Replace pool furniture														5,500		
Resurface tennis courts										15,000						
Replace tennis court lighting										15,000						
Refurbish basketball court						5,000										5,000
Repair swimming pool deck																
Replace pool shade fabric covers								4,000					20,000			4,000
Replace lifeguard stands						4,000										
Replace diving board										2,500						
Refurbish clubhouse											15,000					
Other																
Reserve study update				3,250				3,250			3,250			3,250		
Total Costs			43,500	7,500	4,250	14,000	2,500	18,250		44,500	46,250	25,500	13,400	19,750	2,900	12,000
Total Costs Adjusted For 2% Inflation			44,370	7,803	4,510	15,154	2,760	20,552		52,139	55,273	31,084	16,661	25,048	3,751	15,834

	Year:	2031	2032	2033	2034	2035	
	Year Number:	16	17	18	19	20	
Site							
Install new clubhouse parking area and french drain							
Repair/replace concrete pavement			1,000		1,000		
Repair/replace concrete sidewalks and flatwork		1,000			1,000		
Replace metal play area fencing							
Building Exterior							
Replace overhead doors							
Building Interior							
Replace kitchen cabinets		5,500					
Replace kitchen appliances		2,000					
Replace clubhouse/office furniture							
Mechanical							
Install ventilation equipment in pool storage and equipment spaces			1,000				
Replace pool filtration equipment							
Replace air conditioning units							
Repair/replace lawn irrigation system including controllers						2,000	
Replace water heater				1,000			
Replace exterior shower fixtures							
Replace tennis court lighting							
Replace landscape lighting							
Replace/upgrade security camera system							
Amenities							
Replace children's playset			30,000				
Replace swing set			2,150				
Replace picnic tables							
Replace metal benches							
Replace matting around children's play equipment							
Replace small spring rocker playsets			1,000				
Resurface swimming pools							
Replace pool furniture							
Resurface tennis courts					15,000		
Refurbish basketball court							
Repair swimming pool deck							
Replace pool shade fabric covers							
Replace lifeguard stands							
Replace diving board							
Refurbish clubhouse							
Other							
Reserve study update		3,250			3,250		
Total Costs		11,750	35,150	1,000	20,250	2,000	324,450
Total Costs Adjusted For 2% Inflation		15,814	48,253	1,400	28,922	2,914	392,243

Reserve Study Worksheet - Current Funding Levels



Year	Year Number	Beginning Reserve Fund Balance	Fee Revenue	Special Assessments	Investment Earnings	Total Revenue	Capital Expenditures	Ending Balance
2016	1	\$53,220	\$35,248	\$0	\$354	\$35,602	\$0	\$88,822
2017	2	\$88,822	\$35,248	\$0	\$319	\$35,567	\$44,370	\$80,019
2018	3	\$80,019	\$35,248	\$0	\$430	\$35,678	\$7,803	\$107,894
2019	4	\$107,894	\$35,248	\$0	\$555	\$35,803	\$4,510	\$139,186
2020	5	\$139,186	\$35,248	\$0	\$637	\$35,885	\$15,154	\$159,917
2021	6	\$159,917	\$35,248	\$0	\$770	\$36,018	\$2,760	\$193,174
2022	7	\$193,174	\$35,248	\$0	\$831	\$36,079	\$20,552	\$208,701
2023	8	\$208,701	\$35,248	\$0	\$976	\$36,224	\$0	\$244,925
2024	9	\$244,925	\$35,248	\$0	\$912	\$36,160	\$52,139	\$228,946
2025	10	\$228,946	\$35,248	\$0	\$836	\$36,084	\$55,273	\$209,757
2026	11	\$209,757	\$35,248	\$0	\$856	\$36,104	\$31,084	\$214,776
2027	12	\$214,776	\$35,248	\$0	\$933	\$36,181	\$16,661	\$234,297
2028	13	\$234,297	\$35,248	\$0	\$978	\$36,226	\$25,048	\$245,475
2029	14	\$245,475	\$35,248	\$0	\$1,108	\$36,356	\$3,751	\$278,079
2030	15	\$278,079	\$35,248	\$0	\$1,190	\$36,438	\$15,834	\$298,684
2031	16	\$298,684	\$35,248	\$0	\$1,272	\$36,520	\$15,814	\$319,390
2032	17	\$319,390	\$35,248	\$0	\$1,226	\$36,474	\$48,253	\$307,610
2033	18	\$307,610	\$35,248	\$0	\$1,366	\$36,614	\$1,400	\$342,824
2034	19	\$342,824	\$35,248	\$0	\$1,397	\$36,645	\$28,922	\$350,546
2035	20	\$350,546	\$35,248	\$0	\$1,532	\$36,780	\$2,914	\$384,412

Reserve Study Worksheet - Current Funding Levels

Beginning Balance as of start of year beginning Jan 2016: \$53,220

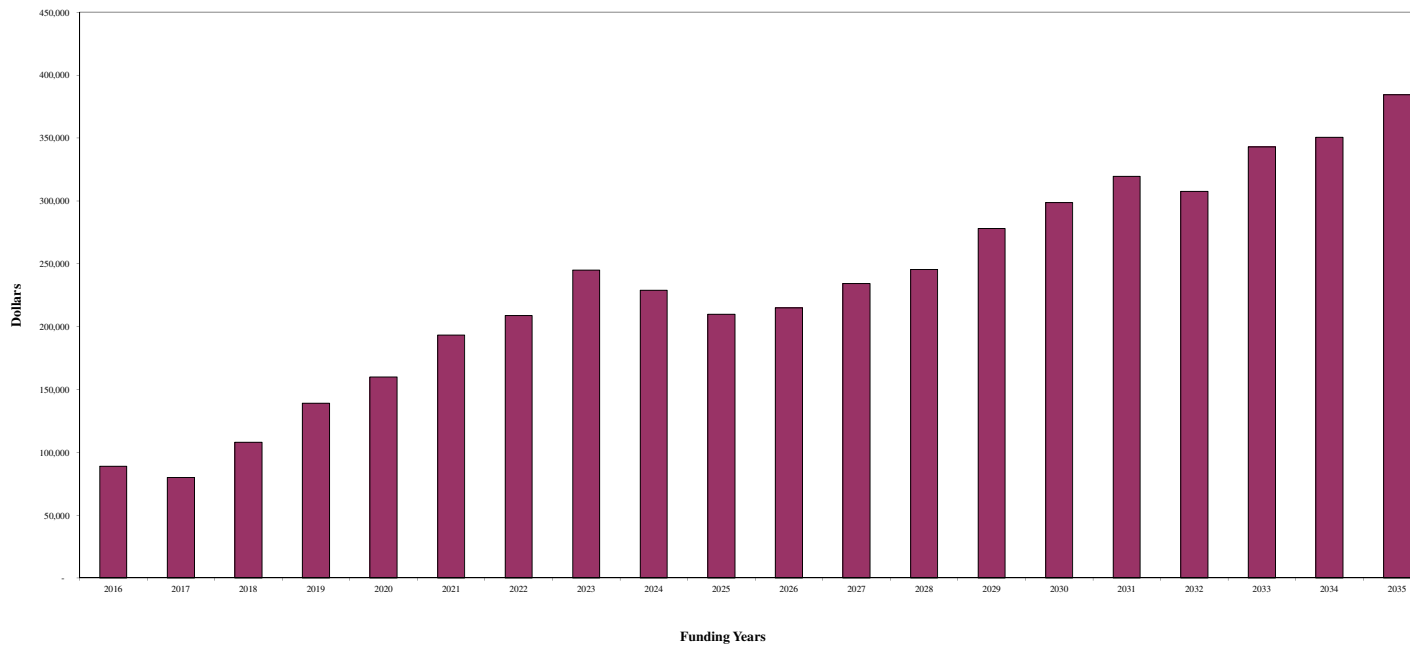
CONTRIBUTIONS	
FIRST YR	REM YRS
\$35,248.00	\$35,248.00 per year
\$46.26	\$46.26 per unit per year
\$2,937.33	\$2,937.33 per month
\$3.85	\$3.85 per unit per month
Threshold: \$0.00	

Projected Annual Funding and Expenditures:

Year:	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Year Number:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
End of Year Reserve Fund Balance	88,822	80,019	107,894	139,186	159,917	193,174	208,701	244,925	228,946	209,757	214,776	234,297	245,475	278,079	298,684
Capital Expenditures:	-	44,370	7,803	4,510	15,154	2,760	20,552	-	52,139	55,273	31,084	16,661	25,048	3,751	15,834
Special Assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (all sources)	35,602	35,567	35,678	35,803	35,885	36,018	36,079	36,224	36,160	36,084	36,104	36,181	36,226	36,356	36,438
Target Funding Requirement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

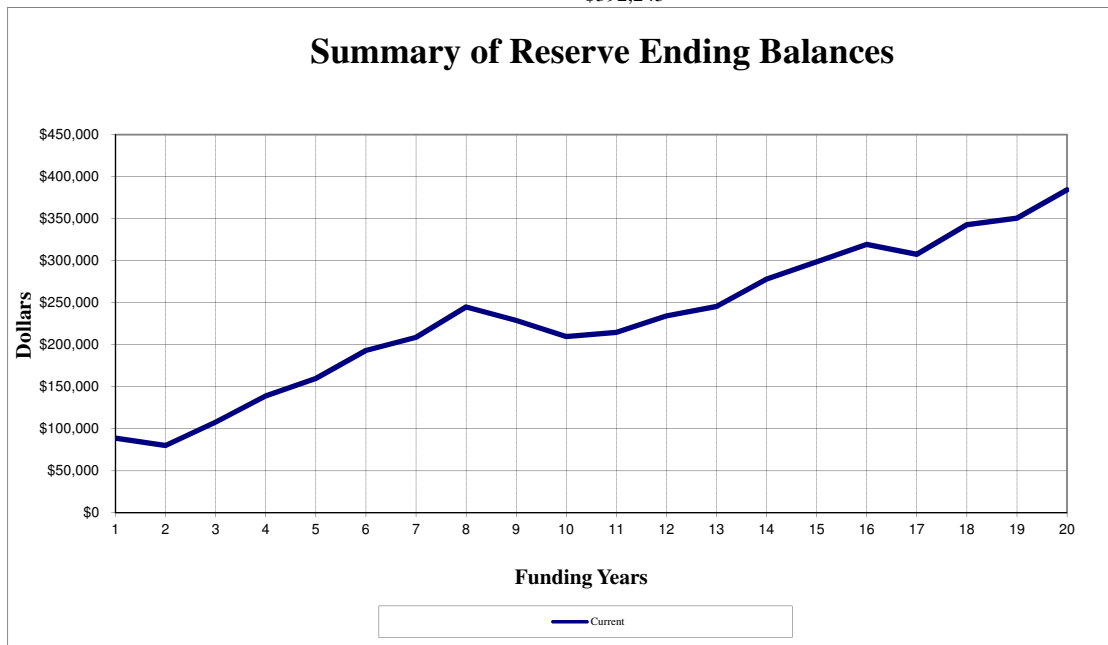
Year:	2031	2032	2033	2034	2035
Year Number:	16	17	18	19	20
End of Year Reserve Fund Balance	319,390	307,610	342,824	350,546	384,412
Capital Expenditures:	15,814	48,253	1,400	28,922	2,914
Special Assessment	-	-	-	-	-
Total Revenue (all sources)	36,520	36,474	36,614	36,645	36,780
Target Funding Requirement	-	-	-	-	-

Reserve Study Worksheet - Current Funding Levels



Summary of Reserve Ending Balances

<u>Year</u>	<u>Year Number</u>	<u>Yearly Expenditures</u>	<u>Current</u>
2016	1	\$0	\$88,822
2017	2	\$44,370	\$80,019
2018	3	\$7,803	\$107,894
2019	4	\$4,510	\$139,186
2020	5	\$15,154	\$159,917
2021	6	\$2,760	\$193,174
2022	7	\$20,552	\$208,701
2023	8	\$0	\$244,925
2024	9	\$52,139	\$228,946
2025	10	\$55,273	\$209,757
2026	11	\$31,084	\$214,776
2027	12	\$16,661	\$234,297
2028	13	\$25,048	\$245,475
2029	14	\$3,751	\$278,079
2030	15	\$15,834	\$298,684
2031	16	\$15,814	\$319,390
2032	17	\$48,253	\$307,610
2033	18	\$1,400	\$342,824
2034	19	\$28,922	\$350,546
2035	20	\$2,914	\$384,412
		\$392,243	

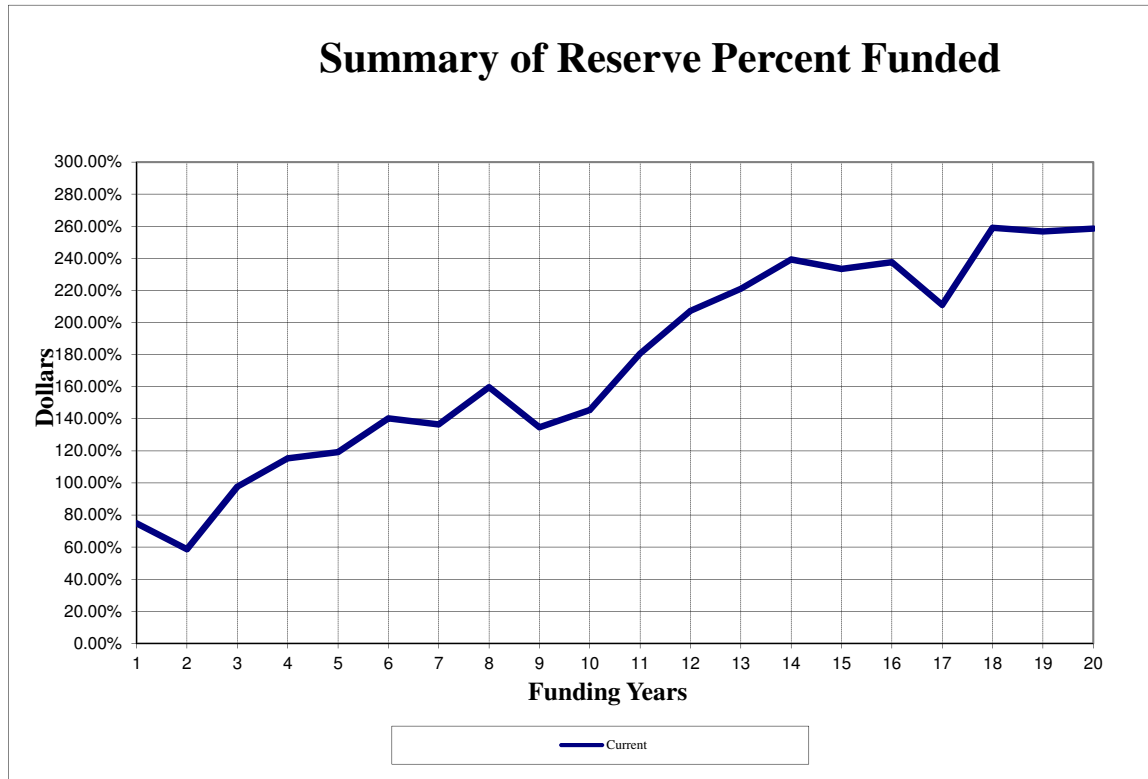


Summary of Reserve Percent Funded



<u>Year</u>	<u>Year</u> <u>Number</u>	<u>Current</u>
2016	1	74.84%
2017	2	58.68%
2018	3	97.62%
2019	4	115.32%
2020	5	119.24%
2021	6	140.21%
2022	7	136.45%
2023	8	159.70%
2024	9	134.65%
2025	10	145.46%
2026	11	180.68%
2027	12	207.27%
2028	13	221.04%
2029	14	239.26%
2030	15	233.36%
2031	16	237.62%
2032	17	210.94%
2033	18	259.03%
2034	19	256.78%
2035	20	258.54%

Summary of Reserve Percent Funded



Location:
Meadowlake Village HOA
7410 Breda Drive
Baytown, TX 77521

Photo Taken by: Charles Jones, PE
Date: December 8-9, 2015



Description:
Breda Drive
monument signage

Photo Number
1



Description:
Community
signage at west
side entrances

Photo Number
2

Location:
Meadowlake Village HOA
7410 Breda Drive
Baytown, TX 77521

Photo Taken by: Charles Jones, PE
Date: December 8-9, 2015



Description:
Community center
entrance drive

Photo Number
3



Description:
Pavilion at left side
of clubhouse

Photo Number
4

Location:
Meadowlake Village HOA
7410 Breda Drive
Baytown, TX 77521

Photo Taken by: Charles Jones, PE
Date: December 8-9, 2015



Description:
Large children's
play set

Photo Number
5



Description:
New recycled
plastic benches
being installed
around walking
path

Photo Number
6

Location:
Meadowlake Village HOA
7410 Breda Drive
Baytown, TX 77521

Photo Taken by: Charles Jones, PE
Date: December 8-9, 2015



Description:
Large swimming
pool

Photo Number
7



Description:
Small wading pool

Photo Number
8

Location:
Meadowlake Village HOA
7410 Breda Drive
Baytown, TX 77521

Photo Taken by: Charles Jones, PE
Date: December 8-9, 2015



Description:
Clubhouse, pool
deck, and shade
structures

Photo Number
9



Description:
Outdoor showers
at north side of
clubhouse

Photo Number
10

Location:
Meadowlake Village HOA
7410 Breda Drive
Baytown, TX 77521

Photo Taken by: Charles Jones, PE
Date: December 8-9, 2015



Description:
View of tennis
courts and practice
backboards

Photo Number
11



Description:
View of walking
path, tennis courts,
and clubhouse
from rear of
property

Photo Number
12

Location:
Meadowlake Village HOA
7410 Breda Drive
Baytown, TX 77521

Photo Taken by: Charles Jones, PE
Date: December 8-9, 2015



Description:
Front drive and left
side parking

Photo Number
13



Description:
Site of new right
side parking area.

Photo Number
14

Location:
Meadowlake Village HOA
7410 Breda Drive
Baytown, TX 77521

Photo Taken by: Charles Jones, PE
Date: December 8-9, 2015



Description:
Pool chemical
storage room at
left side of
clubhouse.

Photo Number
15



Description:
Repaired brick
mortar joints at
front of clubhouse

Photo Number
16

Location:
Meadowlake Village HOA
7410 Breda Drive
Baytown, TX 77521

Photo Taken by: Charles Jones, PE
Date: December 8-9, 2015



Description:

Right side of clubhouse looking to the rear along the right side lot line.

Photo Number
17



Description:

Basketball court

Photo Number
18

Location:
Meadowlake Village HOA
7410 Breda Drive
Baytown, TX 77521

Photo Taken by: Charles Jones, PE
Date: December 8-9, 2015



Description:
Play area swing set

Photo Number
19



Description:
One of two metal sectional rollup doors installed in clubhouse

Photo Number
20

Location:
Meadowlake Village HOA
7410 Breda Drive
Baytown, TX 77521

Photo Taken by: Charles Jones, PE
Date: December 8-9, 2015



Description:
View of security
equipment room
showing main
electrical panel

Photo Number
21



Description:
Security camera
and DVR

Photo Number
22

Location:
Meadowlake Village HOA
7410 Breda Drive
Baytown, TX 77521

Photo Taken by: Charles Jones, PE
Date: December 8-9, 2015



Description:
Domestic hot
water heater
located in security
room

Photo Number
23



Description:
Small air
conditioner serving
security equipment
room

Photo Number
24

Location:
Meadowlake Village HOA
7410 Breda Drive
Baytown, TX 77521

Photo Taken by: Charles Jones, PE
Date: December 8-9, 2015



Description:
Main electrical
panel

Photo Number
25



Description:
Clubhouse
restroom

Photo Number
26

Location:
Meadowlake Village HOA
7410 Breda Drive
Baytown, TX 77521

Photo Taken by: Charles Jones, PE
Date: December 8-9, 2015



Description:
Pool filtration
equipment

Photo Number
27



Description:
Clubhouse kitchen

Photo Number
28

Location:
Meadowlake Village HOA
7410 Breda Drive
Baytown, TX 77521

Photo Taken by: Charles Jones, PE
Date: December 8-9, 2015



Description:
Pool furniture

Photo Number
29



Description:
Minor amount of
drywall
deterioration in
pool filtration
room.

Photo Number
30