FULL RESERVE STUDY

Fairways Condominium Association
Troy, Michigan

January 1, 2016 to December 31, 2016

Photo: View of entry area

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September 17, 2015

Board of Directors
Fairways Condominium Association
2391 Pontiac Road
Auburn Hills, MI 48326

Re: "Full" Reserve Study
Fairways Condominium Association
Troy, Michigan

Dear Board of Directors:

In fulfillment of our agreement as outlined in the letter of engagement dated June 3, 2015, we are pleased to transmit this "Full" Reserve Study for the Fairways Condominium Association. This report details the development of our study and sets forth our conclusions, along with supporting data and reasoning which forms the basis of our conclusions.

The conclusions in this Reserve Study are qualified by certain definitions, assumptions, limiting conditions, and certifications which are set forth in the attached report.

The intended user of this report is the Fairways Condominium Association. This study is to be used by the intended user for the purpose of budgeting and long-term major repair and replacement planning. The scope of work included in this study is unique to the intended use and intended user, and this report may not be utilized for any other use or user.

This study complies with the standards promulgated by the Community Associations Institute (CAI) for a "Full" Reserve Study. In addition, this study adheres to the applicable sections of the *Uniform Standards of Professional Appraisal Practice* of the Appraisal Foundation, as well as the *Code of Professional Ethics* of the Appraisal Institute.

This letter must remain attached to the report in order for the opinion set forth to be considered valid.

Respectfully submitted,

Paul K.T. Conahan, MBA, RS
State Certified General Real Estate Appraiser
License No. 1201002454

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SUMMARY AND RECOMMENDED FUNDING PLAN

INTRODUCTION

A Reserve Study is a tool which anticipates major common area repair and replacement expenses and develops a prudent Reserve Funding Plan to pay for these expenses. By its nature, a Reserve Study must make assumptions about the future, which can sometimes be unpredictable. However, by using meticulous research and analysis together with proven methodologies, a well-executed Reserve Study provides condominium associations with valuable budget planning information and guidance on upcoming long-term maintenance and repairs.

In addition, a Reserve Study is a key marketing component for well-run condominium associations, since potential buyers can be assured that common elements will be cared for, and that association fees will not increase dramatically due to a lack of foresight and planning.

Fairways Condominium Association (Fairways) directed Michigan Reserve Associates to do a "Full" Reserve Study. On August 14, 2015 we performed an on-site noninvasive inspection.

A Reserve Study consists of two major components.

Physical Analysis	Financial Analysis
• Component Survey and Inventory	• Current Reserve Fund Status
• Assessment of Component Condition	• Recommended Funding Plan
• Estimate of Useful Life, Effective Age, Remaining Useful Life, and Replacement Cost	

Fairways consists of 100 units. The project was built in several phases spanning 1989 to 1993.

The Reserve Components were established based on our review of the governing documents (e.g., master deed and bylaws for condominiums, declaration of covenants and restrictions and/or bylaws for homeowners associations, or occupancy agreement in a cooperative association), and interviews with representatives of LandArc. The following table provides an inventory of the reserve components:

Inventory of Reserve Components

Reserve Component Inventory	Quantities Total	First Year of Replacement	Life Analysis (Yrs.) Normal	Remaining
Building Components				
Asphalt Roof Shingles+Partial Gutters/Downspouts; Phased Replace.	185,293 SF	2026	22	10
Exterior Garage Lights; Replacement	200 UNITS	2039	25	23
Front Entry Doors; Phased Replacement	100 UNITS	2029	35	13
Rear Entry Doors; Phased Replacement	26 UNITS	2024	35	8
Doorwalls; Phased Replacement	100 UNITS	2024	35	8
Chimney Chase Covers and Caps; Phased Replacement	100 UNITS	2019	30	3
Wood Decks; Phased Replacement (Excludes Vinyl Railings)	10,416 SF	2021	25	5
Garage Doors; Original Units; Phased Replacement	52 UNITS	2019	25	3
Garage Doors; Newer Units; Phased Replacement	48 UNITS	2033	25	17
Site Components				
Concrete Streets; Phased Replacement	79,864 SF	2035	30-50	19
Concrete Sidewalks+Stoops; Partial Replacement	30,437 SF	2019	30-50	3
Asphalt driveway RUL 10; Mill and Overlay	65,159 SF	2026	18	10
Asphalt driveway RUL 5; Mill and Overlay	51,612 SF	2021	18	5
Asphalt Guest Parking; Mill and Overlay	5,292 SF	2026	18	10
Wood Street Signs; Replacement	16 UNITS	2040	25	24
Pond; Center; Dredging	1 LOT	2039	25	23
Ponds; Entry Areas; Asphalt and Liner Replacement	4,800 SF	2024	15	8
Catch Basins; Capital Repairs	18 UNITS	2019	20	3
Pole Lights; Phased Replacement	6 UNITS	2023	25	7
Mail Stations (Metal); Replacement	4 UNITS	2016	25	0
Boulder Wall (To Replace Wood Retaining Wall Behind 5960 Creekside)	1 LOT	2026	30	10
Wood Retaining Walls; Replacement (Assumed Replaced w/Masonry)	2,867 SF	2021	25	5
Fountains; Replacement	4 UNITS	2021	10	5
Tennis Court - Overlay	7,200 SF	2032	20	16
Tennis Court - Recolor	7,200 SF	2022	10	6
Tennis; Deck; Replacement	320 SF	2026	25	10
Clubhouse And Pool Components				
Asphalt Roof Shingles+Partial Gutters/Downspouts; Included Above	N/A	N/A	N/A	N/A
Interior Renovations; Partial Flooring Replacement; Partial Painting	720 SF	2023	13	7
Changing Rooms; Renovations	1 LOT	2025	15	9
Windows; Replacement	255 SF	2024	35	8
Exterior Doors; Phased Replacement	6 UNITS	2029	35	13
Forced-Air Furnace With Split System Cooling	1 LOT	2025	20	9
Marcite; Replacement (Includes Hot Tub)	1 LOT	2018	12	2
Coping and Tile; Replacement (Includes Hot Tub)	162 LF	2031	25	15
Waterfall; Capital Repairs	1 LOT	2025	15	9
Pool Pumps; 2 HP; Replacement	5 UNITS	2021	15	5
Pool Filters; Replacement	2 UNITS	2029	40	13
Sump Pump; Replacement	1 UNIT	2039	25	23
Pool/Spa Plumbing Renovation	1 LOT	2016	25	0
Heater; Replacement	1 UNIT	2026	15	10
Pool Furniture; Lounges; Replacement	18 UNITS	2024	10	8
Pool Furniture; Chairs and Tables; Replacement	14 UNITS	2024	10	8
Replacement of Wood Deck Under Gazebo	1 LOT	2016	25	0
South Deck; Replacement	404 SF	2024	25	8
Other Components				
Reserve Study; Update	1 UNIT	2020	5	4

RECOMMENDED FUNDING PLAN

According to information provided by LandArc, the Fairways reserve fund balance as of January 1, 2016 will be $247,180. This balance was calculated by taking the reserve balance of $221,197 as of May 21, 2015, adding $25,776 in anticipated reserve income until the end of the fiscal year, then adding $207 in earned interest until the end of the fiscal year, and deducting $0 in anticipated reserve expenditures until the end of the fiscal year. Using the current Reserve Contribution amount plus a typical 0% annual increase, the projected Reserve Balance will remain positive until the year 2024, at which time there will be a negative balance of $142,217. By the year 2040, the Reserve Balance will be negative $2,670,463. This indicates that the current Reserve Balance and annual Reserve Contributions will be inadequate to fund the anticipated Reserve Expenditures (see 3rd Tab titled "Reserve Funding Plan Graphs" for a graph showing the reserve balance using the current and recommended funding plans).

This Reserve Study calculates Reserve Expenditures based on local costs, estimated interest which will accrue to the Reserve Funds collected, and accounting for projected future inflation for materials and workmanship.

The following is our recommend Reserve Funding Plan Contributions for the duration of the projection period, along with a snapshot of the current and Recommended Reserve Contribution.

Recommended Annual Reserve Contributions

Year	Recommended Reserve Contrib.	Recommended Assessment	Year	Recommended Reserve Contrib.	Recommended Assessment
2016	$ 91,500	$ 50,000	2029	$ 134,400	$ -
2017	94,200	75,000	2030	138,400	-
2018	97,000	100,000	2031	142,600	-
2019	99,900	100,000	2032	146,900	-
2020	102,900	110,000	2033	151,300	-
2021	106,000	100,000	2034	155,800	-
2022	109,200	-	2035	160,500	-
2023	112,500	-	2036	165,300	-
2024	115,900	-	2037	170,300	-
2025	119,400	-	2038	175,400	-
2026	123,000	-	2039	180,700	-
2027	126,700	-	2040	186,100	-
2028	130,500	-			

Snapshot of Current and Recommended Reserve Contribution

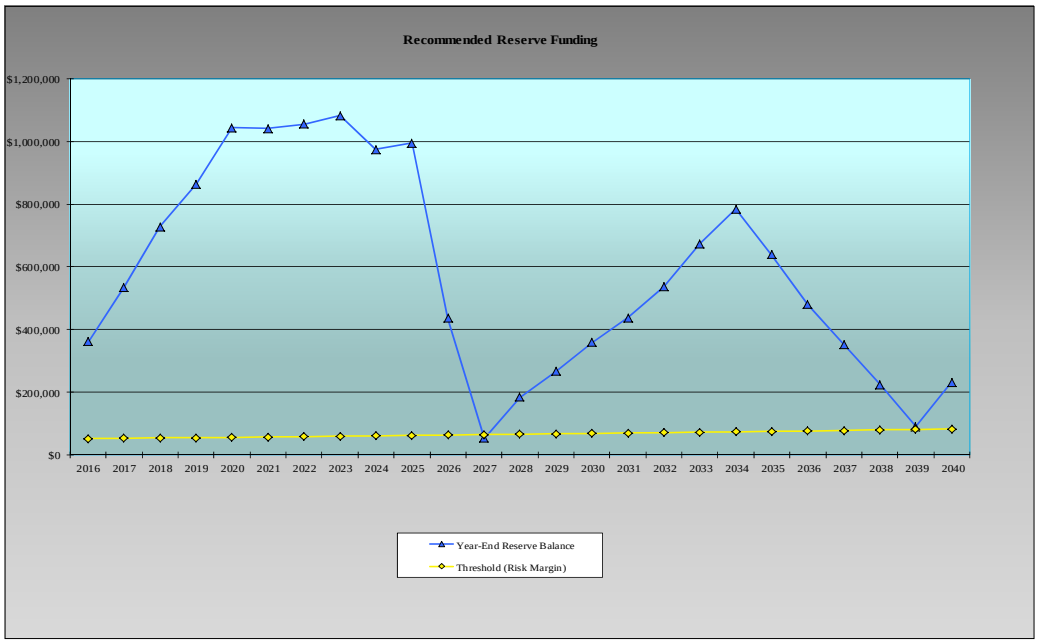
	Annual Amount	Per Unit Per Month (Average)
Current Reserve Contribution	$ 44,187	$ 36.82
Recommended Reserve Contribution	$ 91,500	$ 76.25
Amount of Increase/(Decrease) Current vs. Recommended	$ 47,313	$ 39.43
Recommended Additional Assessment (Years 1)	$ 50,000	$ 41.67

The recommended year 2016 Reserve Contribution of $91,500 ($76.25 per unit per month) reflects an increase of $47,313, relative to the prior year's Reserve Contribution, or an increase of $39.43 per unit per month. Because the Association's current reserve fund balance is nominal, and since there will be significant reserve expenditures in the near term, an additional assessment for years 1-6 is required. Starting with the 2016 Recommended Reserve Contribution of $91,500 per annum, plus the additional assessment shown for years 1-6, and then increasing the Recommended Reserve Contribution by 3.0% per year, the Association's Reserves will typically remain above zero as well as above the Threshold for all years shown ("Threshold" is discussed in the next paragraph).

By following the recommended Reserve Contributions, the Association will gradually accrue a Reserve Fund which will provide the financial means to address the major Reserve Component Expenditures which will arise in the future. The recommended Reserve

Contribution amount will provide adequate, but not excessive, levels of Reserves, while still maintaining a reasonable Threshold Margin which suits the particular needs of the Association and will provide a "safety buffer" for unanticipated Reserve Expenditures which are unpredictable but inevitable.

The following graph illustrates the year-end Reserve Fund balance using the Recommended Reserve Funding Plan for the next 25 years.



In order to insure that significant overfunding or underfunding does not occur, we recommend that the Fairways Condominium Association update this Reserve Study every three to five years, or when any major changes in the Physical or Financial analysis occur. Such changes include accelerated Reserve Component Expenditures undertaken at the client's discretion, addition (construction) or demolition of Reserve Components, interest rate changes on reserve investments, and changes in local building costs.

Respectfully submitted,

Paul Conahan

Paul Conahan, MBA, RS
Michigan Reserve Associates LLC

INTRODUCTION AND METHODOLOGY

INTRODUCTION

A Reserve Study is a tool which anticipates major common area repair and replacement expenses and develops a prudent Reserve Funding Plan to pay for these expenses. By its nature, a Reserve Study must make assumptions about the future, which can sometimes be unpredictable. However, by using meticulous research and analysis together with proven methodologies, a well-executed Reserve Study provides condominium associations with valuable budget planning information, and guidance on upcoming long-term maintenance and repairs.

In addition, a Reserve Study is a key marketing component for well-run condominium associations, since potential buyers can be assured that common elements will be cared for, and that association fees will not increase dramatically due to a lack of foresight and planning.

There are three levels of service for Reserve Studies as espoused by the Community Associations Institute.[1]

I) **Full:** A Full Reserve Study consists of the following:

- Component Inventory
- Condition Assessment (based upon on-site visual observation)
- Life and Valuation Estimates
- Reserve Fund Status
- Recommended Reserve Funding Plan

II) **Update, With-Site-Visit/On-Site Review**, consists of:

- Component Inventory (verification only, not quantification)
- Condition Assessment (based upon on-site visual observation)

[1] "RS National Reserve Study Standards," Community Associations Institute, April 2009, p. 2.

- Life and Valuation Estimates
- Reserve Fund Status
- Recommended Reserve Funding Plan

III) **Update, No-Site-Visit/Off-Site Review**, consists of:

- Life and Valuation Estimates
- Reserve Fund Status
- Recommended Reserve Funding Plan

This is a "Full" Reserve Study. For simplicity, the terms "Full" Reserve Study and "Reserve Study" will be used interchangeably following this section.

Typically, the Level I (Full Reserve Study) option is only required for an association's first Reserve Study. This is our most comprehensive offering and should be used by associations which are ordering their first reserve study, or whose previous reserve study is so dated and/or inaccurate as to require a "blank slate" approach to re-survey the various common element components and their conditions. As part of our scope of work, we will thoroughly review your governing documents, maintenance schedule, and interview Board members and/or property management representatives to determine what items should be included in the list of reserve components. We will then estimate Useful Life, Remaining Useful Life, and Replacement Cost, all documented and supported with color photographs. From this Physical Analysis we will then perform a Financial Analysis which will account for your current reserve funding situation and recommend an ongoing Reserve Funding Plan.

Level II (Update, With-Site-Visit/On-Site Review) reserve studies are recommended if the association is confident that the Reserve Components have been accurately surveyed, and no major changes have occurred since the last Full Reserve Study. The scope of work includes an on-site inspection to update Useful Life, Remaining Useful Life, Cost Figures, and Financial Assumptions, but component quantities will not be re-surveyed.

When doing an "Update With Site Visit" assignment, the Reserve Component inventory is not quantified, although minor additions/deletions of the component inventory, along with their quantities and install dates, as reported by the client, will be accounted for. Excluding any changes reported by the client, the quantification of reserve components as determined by the previous reserve study will be assumed to be accurate.

Level III (Update, No-Site-Visit/Off-Site Review) reserve studies are useful when the association is confident that the Reserve Components have been accurately identified and surveyed, but due to the minimal number of Reserve Components, and short-time period elapsed since the last Reserve Study, the association does not feel an on-site inspection would be required. In order to provide a credible reserve study, we only provide this type of reserve study for existing clients, and our previous reserve study (with site visit) is less than five years old. Narrative content of this type of Reserve Study is extremely limited, with most communication occurring via an Executive Summary, charts and graphs (Reserve Expenditures and Reserve Funding Plan).

When doing an "Update Without Site Visit" assignment, the Reserve Component conditions are not visually confirmed and updated, and the Remaining Useful Lives of the Reserve Components will be calculated based on the assumption that the actual time elapsed since the previous reserve study is added to the effective age as determined in the previous reserve study. However, minor additions/deletions of the Reserve Components, along with their quantities and dates of installation, as reported by the client, will be accounted for. Excluding any changes reported by the client, the quantification of Reserve Components as determined by the previous reserve study will be assumed to be accurate.

Fairways Condominium Association (Fairways) directed Michigan Reserve Associates to do a "Full" Reserve Study. On August 14, 2015 we performed an on-site noninvasive inspection.

METHODOLOGY

The Physical Analysis precedes the Financial Analysis since we must first determine the projected expenses before evaluating the Association's financial status to develop a Recommended Reserve Funding Plan.

The Physical Analysis therefore starts with an inventory of Reserve Components. To establish what items to include in our inventory, we reviewed the Association's governing documents, recent Reserve expenditures, and conducted interviews with the Association's representatives to determine if there are historical precedents which warrant inclusion in the Reserve Component Inventory. Please see Reserve Expenditures (2nd Tab) for a listing of individual line items, estimates for Useful Life, Remaining Useful Life, and current Replacement Cost for each component.

What Physical Assets Should be Included in an inventory of Reserve Components?

Reserves are large items that require advance planning to repair or replace. Operating expenses are ongoing, predictable expenses that repeat throughout the year or from year-to-year, with modest unanticipated items typically covered by a maintenance contingency in the budget, whereas larger items may be covered by additional assessments or insurance.

There is a national standard five-part test to establish whether an item should be funded through reserves. First, the item must be a common element maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable. Fourth, the item must be above a threshold cost. Fifth, the item is required by local codes. A sixth criteria is not part of the national standard but is inherent in the methodology used in this Reserve Study. Only Reserve Components which fall within the 25-year time horizon are included in our analysis. Therefore, Reserve Components presented in this Reserve Study are association responsibilities, major items, with limited and predictable lives which fall within the 25-year projection period. Items such as foundations and major infrastructure components are not included in reserves since they do not have limited useful life expectancies which can be predicted. Small items, such as metal street signs are not

considered Reserve Components due to their nominal costs (i.e., they do not pass Test # 4 above).[2]

As it relates to the Association, we suggested that items costing more than $3,000 and that have a minimum predictable Useful Life of at least three years be considered Reserve Components. The reason for this is that there should be a firewall between the reserve and operating accounts so that reserve funds do not get treated as an extension of operating funds. Our reading of the 1978 Michigan Condominium Act (the "Act") is that reserves can only be used for major repairs and replacements. (the Act does not provide further definitions of "major repairs" or "replacements," nor are these terms satisfactorily clarified by any administrative rulings). We are not lawyers, but we do recommend that the Association adopt a clear definition of what constitutes a Reserve Component which will be funded via Reserve Funds. We recommend that the Association consult with an experienced community association attorney to develop such a definition of Reserve Components.

How are Useful Life and Remaining Useful Life Established?

Useful Life is estimated based on our experience with the Reserve Component, after accounting for quality, expected maintenance, and weather exposure. Remaining Useful Life is primarily a function of the current noninvasive observed condition. The complement of Remaining Useful Life is Effective Age. Typically, Effective Age does not equal Actual Age due to differences in quality, rate of wear, and degree of maintenance attention a particular item receives. For Reserve Components where age characteristics are not readily visible (e.g., complex heating/cooling systems, elevators, security systems, etc.), we rely on interviews with the Association's service vendor. If the vendor is no longer available, we use national benchmarks, primarily from the *Marshall & Swift* cost estimating service.

How are Cost Estimates Established?

Whenever possible, we use recent historical information for Reserve Components which have been replaced or repaired, since this gives an actual localized data point from which to estimate future costs. Additional sources of information are comparisons with other

[2] *Ibid.*, p. 2.

condominium and homeowners associations for which we have performed work, as well as interviews with local vendors. Costs are also compared with those published by *Marshall & Swift* to provide a feedback mechanism to verify local vendor costs against national and regional cost data.

How Much Reserves Should We Contribute?

We utilize four principles when developing a Recommended Reserve Funding Plan. First, there must be sufficient cash on hand to handle the Reserve projects which arise. Second, we seek to provide a stable rate of contribution since this makes it easier for the Association and Association residents to plan their budgets year-to-year. Third, the Reserve Funding Recommendation attempts to evenly distribute the contributions over the years so that owners pay their fair share in proportion to the time that they have owned their unit. Finally, the Recommended Reserve Funding Plan must be fiscally responsible using reasonable and prudent financial assumptions with a risk profile tailored to the client.[3]

What is Our Funding Goal?

There are four different funding goals which are independent of the methodology utilized. These goals are:

1) Baseline Funding: Anticipated costs and their expected timing over the projection period are calculated. The reserve contribution is then set to keep the reserve cash balance above zero.

2) Full Funding: Setting a reserve funding goal of attaining and maintaining reserves at or near 100% funded. For example, an association would set aside $10,000 per year for a component (e.g., roof) which will cost $100,000 to replace in 10 years. Full funding is considered the most expensive (and therefore conservative) funding formula since money for all reserve components is set aside and accounted for.

[3] *Ibid.*, p. 4.

3) Statutory Funding: Establishing a reserve funding goal of setting aside the specific minimum or regulatory amount of reserves requires by local statutes. In Michigan, the minimum amount to be set aside for Reserves is 10% of the annual association budget on a non-accumulating basis.

4) Threshold Funding: Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold, this funding goal may be more or less conservative than Full Funding.

With Baseline Funding, there is no margin for error, and if expenses are higher than budgeted, or projects occur earlier than planned, additional assessments can occur, although this risk can be somewhat alleviated by regular updates to the Reserve Study.

Statutory Funding is not recommended because there is no direct correlation between the statutory minimum and the association's actual financial needs. For example, a 10% minimum for the reserve contribution might be acceptable for a newer development with relatively few common elements, and a properly developed maintenance and overall budget plan. However, the 10% minimum might be wildly off the mark for an older development with extensive common element obligations and a maintenance and overall budget that are themselves underfunded.

In our opinion, Full Funding provides an excessive level of funding since the association is typically setting aside money that it will not be using for decades. On the other hand, this funding goal has the distinction of typically being the most conservative funding formula which may be seen as a virtue by some associations.

We recommend using Threshold Funding with a safety margin set above 100% of Baseline Funding. Although the safety margin is arbitrary, it should be customized to the client's risk profile. As a rule of thumb, we suggest a safety margin of $500 per unit as prudent for associations similar to the subject. When an association is considering what their threshold safety margin should be, a good question to ask is "What is a reasonable level of money to

have on hand due to unpredictable events?" Small amounts can usually be covered by maintenance contingency funds or short-term loans, while very large unplanned events are typically covered by insurance.[4]

An added benefit of using Threshold Funding as recommended above is that it provides a layer of global risk management against the many future unknowns which must be assumed for the purposes of a reserve study. For example, reserve studies must make assumptions about future rates of inflation, rates of return on reserve investments, and the Useful Lives of Reserve Components. One way of accounting for the many different risk factors inherent in reserve study assumptions would be to attempt to individually forecast the future replacement cost for each Reserve Component. For example, certain Reserve Components which depend on petroleum-based commodity materials (such as paving and roof shingles) have recently been increasing at a rate significantly greater than inflation. However, not only would it be impractical to forecast future Replacement Costs for potentially dozens of Reserve Components (some of which may actually experience deflation over time), it is more straightforward to concede that future risk can realistically only be managed at a macro, rather than micro, level.

[4] *Ibid.*, p. 3.

PHYSICAL ANALYSIS

IDENTIFICATION OF RESERVE COMPONENTS

Fairways consists of 100 units. Project was completed in several phases spanning 1989 to 1993. The following graphic provides an aerial view of the project.

AERIAL AND LOCATION MAP

The Physical Analysis starts with an inventory of Reserve Components. To establish what items to include in our inventory, we reviewed the Association's governing documents, recent Reserve expenditures, and conducted interviews with the Association's representatives. Please see Reserve Expenditures (2nd Tab) for a listing of individual line items, estimates for Useful Life, Remaining Useful Life, and current Replacement Cost for each component.

For our on-site observations, we:

- Inspected all common areas
- Field measured a representative sample of each unique building type to cross-check against the master deed building drawings

- Utilized drawing take-offs from the master deed for the following included reserve components
    - Roofs

Based on the national five-part test described on page 11, there are certain items which have not been included in this reserve study.

Items which may pass the five-part inclusion test as a Reserve Component discussed on page 11 but were specifically excluded in this Reserve Study at the direction of the client are:

- Asphalt seal coating – The primary function of the seal coat is an aesthetic one. Although co-owners typically find the uniform appearance of the roadways appealing, the sealcoat does not penetrate the asphalt and provides little rejuvenative effect. An annual crack filling maintenance program should still be implemented regardless of whether there is a seal coating program in place or not.

  In addition, there is growing concern that coal tar sealants, which are commonly used in seal coating applications, pose a cancer risk to humans, and may also appear in runoff which can adversely impact the environment. Asphalt-based products typically cost about the same as coal tar products and contain significantly lower levels of cancer-linked chemicals, although there is some debate on whether asphalt-based sealants perform as well as coal tar sealants.
- Underground sprinkler equipment (sprinkler head repair and replacement; sprinkler valve repair and replacement; sprinkler control box repair and replacement) – This item is assumed to be funded "as needed" from operating funds.
- Clubhouse; exercise equipment; replacement – At the client's direction, exercise equipment was assumed to be funded "as needed" from operating funds.

Items which may fail the five-part inclusion test as a Reserve Component discussed on page 11 but were specifically included in this Reserve Study at the direction of the Client are:

- None noted

Noteworthy items which did not meet the criteria (see page 11) for inclusion as Reserve Components are broken down by category below:

Item failed test #1 (Not an association common element maintenance responsibility)

- Units; front and rear exterior light fixtures; replacement (co-owner responsibility)
- Units; windows; replacement (co-owner responsibility)
- Units; interiors (co-owner responsibility)
- Units; exterior mechanical equipment; replacement (co-owner responsibility)

Item failed test #2 (No limited life)

- None noted

Item failed test #3 (No Predictable Limited Life)

- Site; electrical power distribution systems; replacement
- Site; sewer and water mains; replacement
- Site; tree and shrub replacement
- Units; foundations; replacement
- Units; structural framing; replacement
- Club house; fire suppression system; replacement

Item failed test #4 (Cost is Below the Assumed Threshold Amount of $3,000)

- Items in this category which are assumed to be funded (either on an "as needed" or scheduled basis) by the Association's operating budget are:
  - Site; routine asphalt crack filling and repair
  - Site; flag pole; replacement
  - Site; entry signage; replacement
  - Pool; routine maintenance
  - Clubhouse; furniture; partial replacement
  - Clubhouse; refrigerator; replacement
  - Clubhouse; domestic water heater; replacement

- Guard house; doors; replacement
- Guard house; windows; replacement

Item failed test #5 (Not Required by Local Code)

- None noted

Noteworthy items which passed Tests 1-5 on page 11, and are thus considered Reserve Components, but were not explicitly accounted for in this Reserve Study because the Remaining Useful Life is beyond the 25-year time horizon:

- Site; masonry retaining walls; replacement
- Site; metal street signs; replacement
- Units; vinyl deck railings; replacement
- Units; vinyl siding; replacement (last replaced in 2001-2003)
- Units; brick siding; replacement
- Units; brick tuck pointing – Tuck pointing costs depend largely on the condition of the existing installation and overall accessibility. For this reason, it is typical for tuck pointing to be bid on a time and materials basis. The Useful Life for tuck pointing ranges from 25 to 50 years, and not all of the brick veneer will require tuck pointing depending on location and orientation to the elements.
- Pool; pool shotcrete ("Gunite") shell; replacement
- Pool area; brick walls; replacement
- Tennis court; chain-link fence; replacement

CONDITION ASSESSMENT

The following narrative details the condition assessment of the significant Reserve Components, along with relevant commentary and cost source, if applicable.

BUILDING COMPONENTS

Asphalt Roof Shingles (Including Partial Gutter and Downspout Replacement): Asphalt shingles were observed to be in average condition. We note that the claimed

shingle life of 25-30 years is typically based on moderate weather conditions compared to Michigan, and the claimed life is not typically realized. We therefore used a more realistic 22-year Useful Life. At time of replacement, existing roofing is assumed to be completely removed and then replaced using 30-year shingles. Replacement cost was estimated using the *Marshall and Swift Valuation Service* as well as actual costs obtained from roofing projects performed at several condominium associations. We recommend that the Association implement a regular annual inspection program to insure that trees are not rubbing against roof shingles, since constant friction can dramatically shorten the Useful Life of the asphalt shingles.

When evaluating roof shingles, the following are the primary indicators that it is time for a roof replacement:

Granule Loss: Asphalt shingles are made-up of a base supporting material, asphalt, and mineral granules. The granules protect against ultra-violet degradation and physical damage. Excessive granule loss leads to bald patches, and these areas lead to drying out and splitting.

Lifting and Curling: As shingles near the end of their useful life, the most obvious physical indicator is lifting and curling, which telegraph that the shingles are drying out. At this stage, roof failure is imminent, and a roof replacement, or a reroofing will need to be completed.

A roof replacement involves removing the existing shingles down to the sheathing, and replacing with new shingles. A reroofing is installation of new shingles over the old shingles, assuming there is only one layer of old shingles and no curling. In general, a roof replacement is the preferred roofing method since most roofing manufacturer warranties only apply to full replacements. In addition, reroofs typically have a shorter useful life since the new shingles are installed on an uneven surface and do not lay flat,

making them prone to blow offs and cracks forming over the uneven surfaces, similar to street reflective cracking in asphalt overlays.

Doorwalls/Sliding Glass Doors: Useful life can vary widely depending on usage patterns and orientation to the elements. A 35-year Useful Life was selected based on the current condition of the units.

Wood Decks: The exterior decks are made of treated wood which has an expected Useful Life of 25 years. Per square foot cost includes adjustments made for railings and deck height, as well as the greater expense for treated wood versus non-treated wood. Wood decks were assumed to be replaced with similar decks made of treated wood. Much of these maintenance costs could be avoided by using a polymer composite building material (e.g., "Trex"), although the Useful Life of composites is similar to that of well-maintained wood decks.

Garage Doors: Garage doors were generally observed to be in average condition. This type of garage door has a Useful Life of 25 years. Cost source was provided by Lowe's Home Improvement Centers, which also provided labor quotes for removal of the existing garage doors, and installation of the new doors. Lowe's data points were cross-checked with the *Marshall and Swift Valuation Service.*

SITE COMPONENTS

Concrete Sidewalks: This item has a Useful Life which can range from 30 to 50 years. Observed condition is average. Replacement will be 4" of concrete. Since sections of concrete can be selectively replaced, and since concrete can vary significantly in wear and tear, only partial replacement of the concrete sidewalks was assumed, with the remainder being easily repaired or simply used for an extended period. It was assumed that approximately 5-10% of concrete sidewalks would require replacement after 15-20 years of original installation, and then an additional 5-10% of concrete sidewalks would be replaced every five years thereafter. Since sidewalks are subject to less wear and turn relative to load

bearing streets, the concrete sidewalks were projected to need only partial replacements for the duration of the projection period.

We recommend that any weeds that are growing between or through the concrete slabs be immediately treated with an herbicide such as Roundup. If the Association wishes to limit the use of herbicides, application of a vinegar solution (20% acetic acid) and water has been shown to be effective for approximately two months (these results are comparable to the use of Roundup). Failure to implement a regular weed abatement program can dramatically shorten the Useful Life of the concrete sidewalks.

Concrete Street: This item has a Useful Life which can range from 30 to 50 years. Observed condition is average. Replacement will be a minimum of 6" of concrete.

As with the concrete sidewalks, we recommend that any weeds that are growing between or through the concrete slabs be immediately treated with an herbicide such as Roundup or acetic acid solution (see prior discussion).

Asphalt (Mill and Overlay): This item has a Useful Life of 18-24 years. Replacement will consist of milling out the existing asphalt, with a minimum 1½" overlay. Current observed condition is average. Cost source for this item was obtained via review of information from Michigan-based vendors, and was cross-checked for reasonableness using the *Marshall and Swift Valuation Service.* We recommend that any weeds that are growing between or through the asphalt be immediately treated with an herbicide such as Roundup. If the Association wishes to limit the use of herbicides, application of a vinegar solution (20% acetic acid) and water has been shown to be effective for approximately two months (these results are comparable to the use of Roundup). Failure to implement a regular weed abatement program can dramatically shorten the Useful Life of the asphalt surfacing.

Total replacement is an alternative to a mill and overlay project. For total replacement, the entire asphalt layer is removed, and the underlying base is typically repaired and recompacted where needed. Total replacement is recommended when asphalt is structurally

failing due to defects or a poorly installed base, which is usually indicated by a shortened useful life. However, total replacement is significantly more expensive than mill and overlay due to the greater scope of work involved.

For most associations without asphalt defects or base issues, a mill and overlay usually provides the optimum balance of cost versus benefit.

Pond Dredging: This cost was based on the actual cost for the dredging of the center pond which occurred in 2014.

Boulder Retaining Wall: This cost was provides by U&S Companies.

POOL COMPONENTS

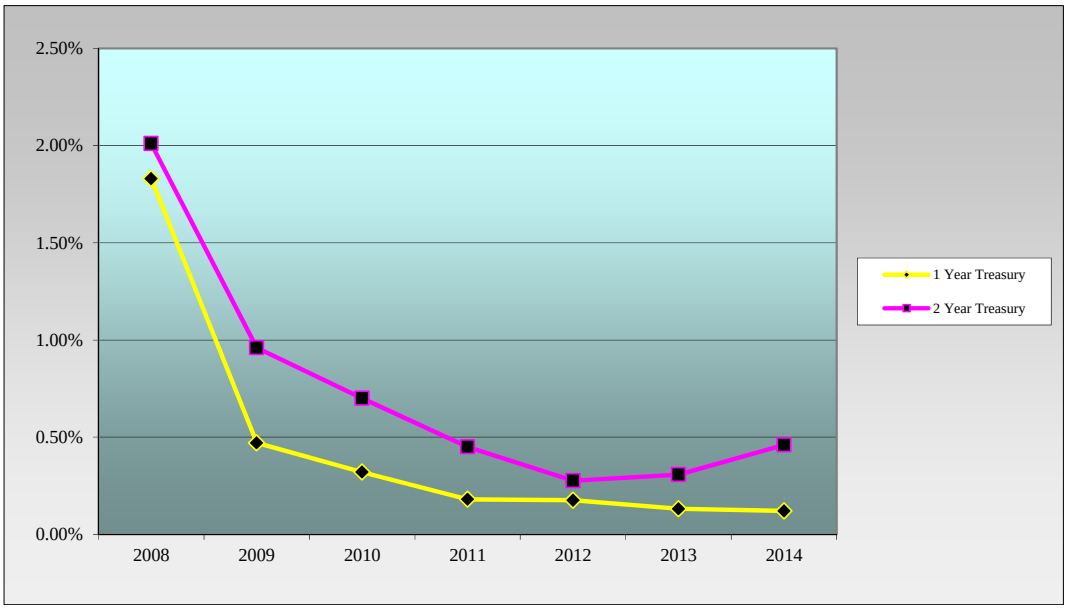
Estimated costs and Useful Lives were provided by Mr. Daniel Martin of B&B Pools, as well as Mr. Dennis Scherdt of Ann Arbor Pool Builders. Remaining costs were estimated using the *Marshall & Swift Cost Guide.*

Cost of the deck replacement under the gazebo was provided by U&S Companies. Cost for the pool/spa plumbing renovation was provided by Pristine Pools.

FINANCIAL ASSUMPTIONS

The following chart details the historical trend for typical savings investment vehicles (one- and two-year Treasuries) as published by the U.S. Treasury Department.

Trend for Sample Investment Types



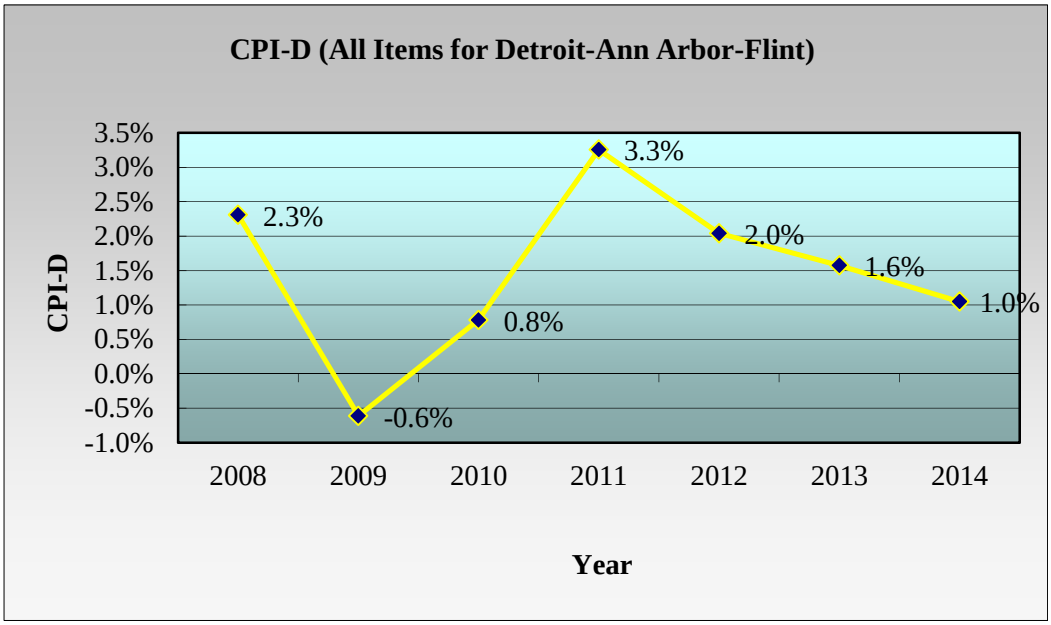
Treasuries provide a good investment benchmark since they reflect a very safe investment whose risk profile matches that of most condominium associations. By using "laddering" in which maturities are staggered over time, an Association can often gain some of the higher yield of a longer-term investment, while still having access to liquid funds as the various investments mature in series.

A broad-based analysis of rates is required since the investment yield-rate selected will be utilized for the entire 25-year projection period, and the rate selected should therefore reflect what can be expected during a 25-year time period, with nominal attention paid to current investment rates.

For the purposes of this Reserve Study, we will use a Reserve savings yield rate of 1.0%. We did not make any adjustments to account for the impact of Federal Income Tax on investment income since the Association's tax situation can change over time. We advise the client to consult with its accountant and/or professional investment advisor to develop or refine an investment strategy consistent with the Association's risk profile and Reserve investment profile.

ESTIMATION OF INFLATION RATE

The following graph illustrates the five-year historical trend for the Consumer Price Index (CPI-D; all Items for Detroit-Ann Arbor-Flint) as published by the U.S. Bureau of Labor Statistics.



As discussed for Reserve savings, a broad-based analysis of rates is required since the inflation rate selected will be utilized for the entire 25-year projection period. In addition, the CPI-D measures inflation for a wide-range of goods, and therefore does not correlate directly with changes in the cost of materials and labor for repair/replacement of Reserve Components.

For the purposes of this Reserve Study, we will use a 2.0% annual inflation rate. Although inflation may be above or below a 2.0% annual inflation rate during any particular year of the 25-year projection period, we anticipate a 2.0% annual inflation rate to represent the average rate over time.

SUMMARY AND CONCLUSION OF SELECTED RATES

Having the Reserve savings yield rate equal the expected long-term inflation rate is a relatively conservative assumption since most investments are made for the sole purpose of exceeding inflation, rather than simply keeping pace. However, associations typically follow a reserve investment policy which strongly emphasizes safety and preservation of capital. Since risk and reward are directly related, the lower risk profile utilized by associations typically results in a lower rate of return, and therefore having the reserve savings investment yield simply achieve parity with the expected inflation rate was considered reasonable.

RECOMMENDED FUNDING PLAN

According to information provided by LandArc, the Fairways reserve fund balance as of January 1, 2016 will be $247,180. This balance was calculated by taking the reserve balance of $221,197 as of May 21, 2015, adding $25,776 in anticipated reserve income until the end of the fiscal year, then adding $207 in earned interest until the end of the fiscal year, and deducting $0 in anticipated reserve expenditures until the end of the fiscal year. Using the current Reserve Contribution amount plus a typical 0% annual increase, the projected Reserve Balance will remain positive until the year 2024, at which time there will be a negative balance of $142,217. By the year 2040, the Reserve Balance will be negative $2,670,463. This indicates that the current Reserve Balance and annual Reserve Contributions will be inadequate to fund the anticipated Reserve Expenditures (see 3rd Tab titled “Reserve Funding Plan Graphs” for a graph showing the reserve balance using the current and recommended funding plans).

This Reserve Study calculates Reserve Expenditures based on local costs, estimated interest which will accrue to the Reserve Funds collected, and accounting for projected future inflation for materials and workmanship.

The following is our recommend Reserve Funding Plan Contributions for the duration of the projection period, along with a snapshot of the current and Recommended Reserve Contribution.

Recommended Annual Reserve Contributions

Year	Recommended Reserve Contrib.	Recommended Assessment	Year	Recommended Reserve Contrib.	Recommended Assessment
2016	$ 91,500	$ 50,000	2029	$ 134,400	$ -
2017	94,200	75,000	2030	138,400	-
2018	97,000	100,000	2031	142,600	-
2019	99,900	100,000	2032	146,900	-
2020	102,900	110,000	2033	151,300	-
2021	106,000	100,000	2034	155,800	-
2022	109,200	-	2035	160,500	-
2023	112,500	-	2036	165,300	-
2024	115,900	-	2037	170,300	-
2025	119,400	-	2038	175,400	-
2026	123,000	-	2039	180,700	-
2027	126,700	-	2040	186,100	-
2028	130,500	-			

Snapshot of Current and Recommended Reserve Contribution

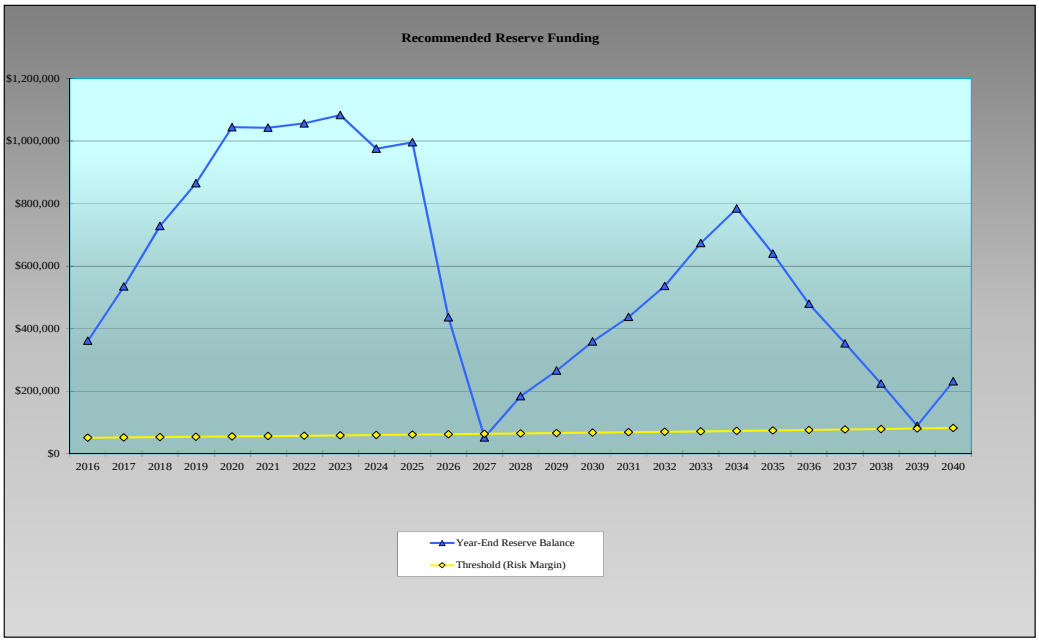
	Annual Amount	Per Unit Per Month (Average)
Current Reserve Contribution	$ 44,187	$ 36.82
Recommended Reserve Contribution	$ 91,500	$ 76.25
Amount of Increase/(Decrease) Current vs. Recommended	$ 47,313	$ 39.43
Recommended Additional Assessment (Years 1)	$ 50,000	$ 41.67

The recommended year 2016 Reserve Contribution of $91,500 ($76.25 per unit per month) reflects an increase of $47,313, relative to the prior year's Reserve Contribution, or an increase of $39.43 per unit per month. Because the Association's current reserve fund balance is nominal, and since there will be significant reserve expenditures in the near term, an additional assessment for years 1-6 is required. Starting with the 2016 Recommended

Reserve Contribution of $91,500 per annum, plus the additional assessment shown for years 1-6, and then increasing the Recommended Reserve Contribution by 3.0% per year, the Association's Reserves will typically remain above zero as well as above the Threshold for all years shown ("Threshold" is discussed in the next paragraph).

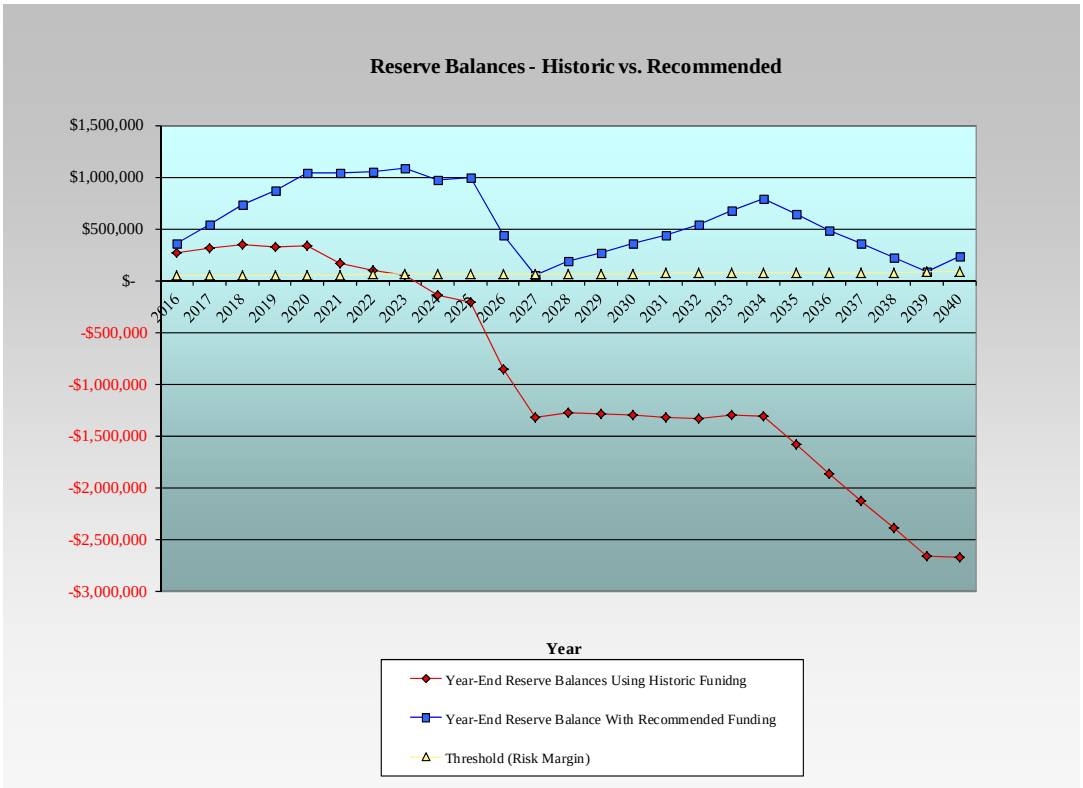
By following the recommended Reserve Contributions, the Association will gradually accrue a Reserve Fund which will provide the financial means to address the major Reserve Component Expenditures which will arise in the future. The recommended Reserve Contribution amount will provide adequate, but not excessive, levels of Reserves, while still maintaining a reasonable Threshold Margin which suits the particular needs of the Association and will provide a "safety buffer" for unanticipated Reserve Expenditures which are unpredictable but inevitable.

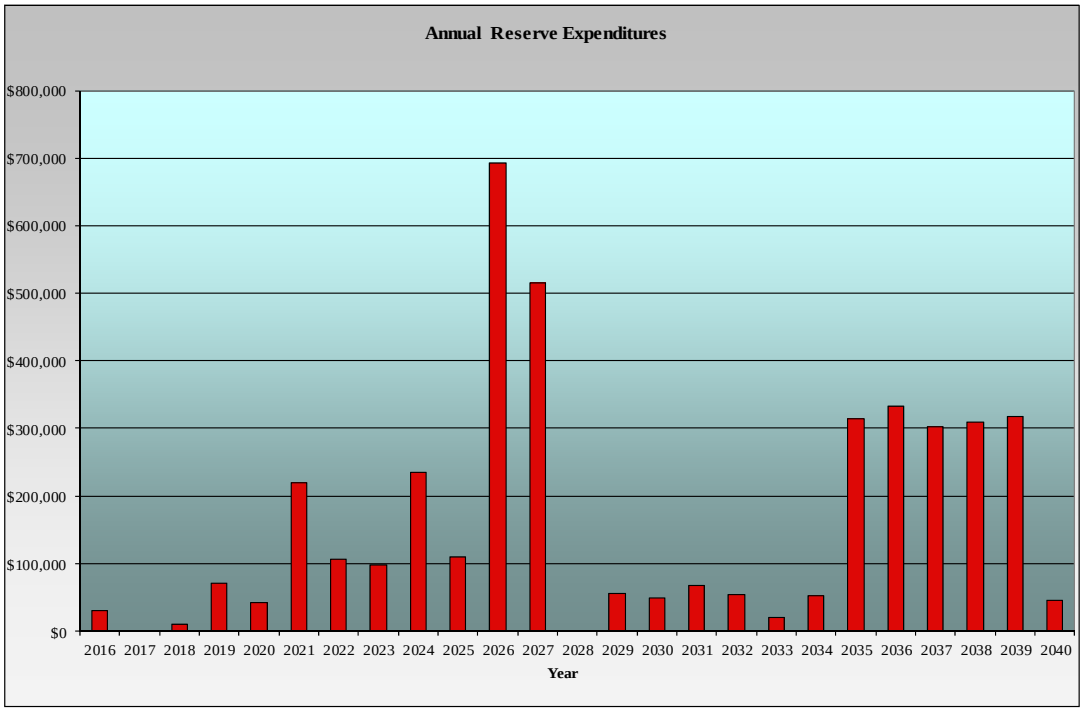
The following graph illustrates the year-end Reserve Fund balance using the Recommended Reserve Funding Plan for the next 25 years.



In order to insure that significant overfunding or underfunding does not occur, we recommend that the Fairways Condominium Association update this Reserve Study every three to five years, or when any major changes in the Physical or Financial analysis occur. Such changes include accelerated Reserve Component Expenditures undertaken at the

client's discretion, addition (construction) or demolition of Reserve Components, interest rate changes on reserve investments, and changes in local building costs.


Reserve Balances - Historic vs. Recommended
$1,500,000
$1,000,000
$500,000
$-
-$500,000
-$1,000,000
-$1,500,000
-$2,000,000
-$2,500,000
-$3,000,000
2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040
Year
Year-End Reserve Balances Using Historic Funidng
Year-End Reserve Balance With Recommended Funding
Threshold (Risk Margin)


Annual Reserve Expenditures
$800,000
$700,000
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$0
2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040
Year

ADDENDA

PHOTOGRAPHS

Photograph 1: View of entry area pond

Photograph 2: Typical view of clubhouse interior

Photograph 3: Typical view of clubhouse changing room

Photograph 4: Typical view of clubhouse forced-air furnace

Photograph 5: Typical view of pool/spa pumps

Photograph 6: Typical view of pool heater

Photograph 7: Typical view of pool filter

Photograph 8: Typical view of pool area

Photograph 9: Typical view of gazebo area

Photograph 10: Typical view of pool waterfall feature

Photograph 11: Typical view of wood signage

Photograph 12: Typical view of entry area pond and fountain

Photograph 13: Typical view of pole light fixture

Photograph 14: Typical view of wood deck

Photograph 15: Typical view of wood retaining wall

Photograph 16: Typical view of exterior building elevation

Photograph 17: Typical view of exterior building elevation

Photograph 18: Typical view of wood retaining wall

Photograph 19: Typical view of entry area pond and fountain

Photograph 20: Typical view of roof shingles and chimney chase cover/cap

Photograph 21: Typical view of window well wood retaining wall

Photograph 22: Typical view of roof shingles

Photograph 23: Typical view of metal mail station area

Photograph 24: Typical view of catchment basin

Photograph 25: Typical view of asphalt driveway

Photograph 26: Typical view of tennis court

Photograph 27: Typical view of tennis court gazebo area

RESERVE EXPENDITURES AND RESERVE FUNDING PLAN

Assumptions

2.0% annual inflation rate

2016 year of analysis

Reserve Component Inventory	Quantities Total	First Year of Replacement	Life Analysis (Yrs.) Normal	Remaining	Unit Cost ($)	Remaining Useful Lives and Estimated Future Replacements Costs RUL= 0 2016	1 2017	2 2018	3 2019	4 2020	5 2021	6 2022	7 2023	8 2024	9 2025	10 2026	11 2027	12 2028	13 2029	14 2030	15 2031	16 2032	17 2033	18 2034	19 2035	20 2036	21 2037	22 2038	23 2039	24 2040
Building Components																														
Asphalt Roof Shingles+Partial Gutters/Downspouts; Phased Replace.	185,293 SF	2026	22	10	4.10 PSF	-	-	-	-	-	-	-	-	-	-	463,035	472,296	-	-	-	-	-	-	-	-	-	-	-	-	-
Exterior Garage Lights; Replacement	200 UNITS	2039	25	23	45 /UNIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,192	-
Front Entry Doors; Phased Replacement	100 UNITS	2029	35	13	950 /UNIT	-	-	-	-	-	-	-	-	-	-	-	-	-	30,723	31,338	31,964	32,604	-	-	-	-	-	-	-	-
Rear Entry Doors; Phased Replacement	26 UNITS	2024	35	8	950 /UNIT	-	-	-	-	-	-	-	-	14,470	14,759	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Doorwalls; Phased Replacement	100 UNITS	2024	35	8	1,400 /UNIT	-	-	-	-	-	-	-	-	41,008	41,828	42,665	43,518	-	-	-	-	-	-	-	-	-	-	-	-	-
Chimney Chase Covers and Caps; Phased Replacement	100 UNITS	2019	30	3	450 /UNIT	-	-	-	23,877	24,355	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wood Decks; Phased Replacement (Excludes Vinyl Railings)	10,416 SF	2021	25	5	22.00 PSF	-	-	-	-	-	63,251	64,516	65,806	67,122	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Garage Doors; Original Units; Phased Replacement	52 UNITS	2019	25	3	1,200 /UNIT	-	-	-	16,555	16,886	17,224	17,568	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Garage Doors; Newer Units; Phased Replacement	48 UNITS	2033	25	17	1,200 /UNIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,163	20,567	20,978	21,398	-	-	-	-
Site Components																														
Concrete Streets; Phased Replacement	79,864 SF	2035	30-50	19	10.00 /SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	290,867	296,684	302,618	308,670	-	-
Concrete Sidewalks+Stoops; Partial Replacement	30,437 SF	2019	30-50	3	8.22 PSF	-	-	-	13,275	-	-	-	-	14,657	-	-	-	-	16,183	-	-	-	-	17,867	-	-	-	-	19,726	-
Asphalt driveway RUL 10; Mill and Overlay	65,159 SF	2026	18	10	1.65 /SF	-	-	-	-	-	-	-	-	-	-	131,057	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Asphalt driveway RUL 5; Mill and Overlay	51,612 SF	2021	18	5	1.65 /SF	-	-	-	-	-	94,023	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	134,288	-
Asphalt Guest Parking; Mill and Overlay	5,292 SF	2026	18	10	1.65 /SF	-	-	-	-	-	-	-	-	-	-	10,644	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wood Street Signs; Replacement	16 UNITS	2040	25	24	450 /UNIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,581
Pond; Center; Dredging	1 LOT	2039	25	23	42,000 /LOT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	66,230	-
Ponds; Entry Areas; Asphalt and Liner Replacement	4,800 SF	2024	15	8	7.00 /SF	-	-	-	-	-	-	-	-	39,368	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52,984	-
Catch Basins; Capital Repairs	18 UNITS	2019	20	3	900 /UNIT	-	-	-	17,192	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,546	-
Pole Lights; Phased Replacement	6 UNITS	2023	25	7	1,700 /UNIT	-	-	-	-	-	-	-	5,858	5,975	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mail Stations (Metal); Replacement	4 UNITS	2016	25	0	2,000 /UNIT	8,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Boulder Wall (To Replace Wood Retaining Wall Behind 5960 Creekside)	1 LOT	2026	30	10	28,000 /LOT	-	-	-	-	-	-	-	-	-	-	34,132	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wood Retaining Walls; Replacement (Assumed Replaced w/Masonry)	2,867 SF	2021	25	5	30.00 /SF	-	-	-	-	-	18,992	19,372	19,760	20,155	20,558	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fountains; Replacement	4 UNITS	2021	10	5	4,500 /UNIT	-	-	-	-	-	19,873	-	-	-	-	-	-	-	-	-	24,226	-	-	-	-	-	-	-	-	-
Tennis Court - Overlay	7,200 SF	2032	20	16	1.50 /SF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,826	-	-	-	-	-	-	-	-
Tennis Court - Recolor	7,200 SF	2022	10	6	0.60 /SF	-	-	-	-	-	-	4,865	-	-	-	-	-	-	-	-	-	5,930	-	-	-	-	-	-	-	-
Tennis; Deck; Replacement	320 SF	2026	25	10	15.00 /SF	-	-	-	-	-	-	-	-	-	-	5,851	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Clubhouse And Pool Components																														
Asphalt Roof Shingles+Partial Gutters/Downspouts; Included Above	N/A	N/A	N/A	N/A	N/A	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interior Renovations; Partial Flooring Replacement; Partial Painting	720 SF	2023	13	7	7.00 /SF	-	-	-	-	-	-	-	5,789	-	-	-	-	-	-	-	-	-	-	-	-	7,489	-	-	-	-
Changing Rooms; Renovations	1 LOT	2025	15	9	15,000 /LOT	-	-	-	-	-	-	-	-	-	17,926	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,127
Windows; Replacement	255 SF	2024	35	8	45.00 /SF	-	-	-	-	-	-	-	-	13,445	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exterior Doors; Phased Replacement	6 UNITS	2029	35	13	950 /UNIT	-	-	-	-	-	-	-	-	-	-	-	-	-	3,687	3,761	-	-	-	-	-	-	-	-	-	-
Forced-Air Furnace With Split System Cooling	1 LOT	2025	20	9	5,500 /LOT	-	-	-	-	-	-	-	-	-	6,573	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marcite; Replacement (Includes Hot Tub)	1 LOT	2018	12	2	9,000 /LOT	-	-	9,364	-	-	-	-	-	-	-	-	-	-	-	11,875	-	-	-	-	-	-	-	-	-	-
Coping and Tile; Replacement (Includes Hot Tub)	162 LF	2031	25	15	55.50 PLF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,101	-	-	-	-	-	-	-	-	-
Waterfall; Capital Repairs	1 LOT	2025	15	9	5,000 /LOT	-	-	-	-	-	-	-	-	-	5,975	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,042
Pool Pumps; 2 HP; Replacement	5 UNITS	2021	15	5	1,000 /UNIT	-	-	-	-	-	5,520	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,430	-	-	-	-
Pool Filters; Replacement	2 UNITS	2029	40	13	1,700 /UNIT	-	-	-	-	-	-	-	-	-	-	-	-	-	4,398	-	-	-	-	-	-	-	-	-	-	-
Sump Pump; Replacement	1 UNIT	2039	25	23	3,500 /UNIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,519	-
Pool/Spa Plumbing Renovation	1 LOT	2016	25	0	14,606 /LOT	14,606	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Heater; Replacement	1 UNIT	2026	15	10	5,000 /UNIT	-	-	-	-	-	-	-	-	-	-	6,095	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pool Furniture; Lounges; Replacement	18 UNITS	2024	10	8	350 /UNIT	-	-	-	-	-	-	-	-	7,381	-	-	-	-	-	-	-	-	-	8,998	-	-	-	-	-	-
Pool Furniture; Chairs and Tables; Replacement	14 UNITS	2024	10	8	250 /UNIT	-	-	-	-	-	-	-	-	4,101	-	-	-	-	-	-	-	-	-	4,999	-	-	-	-	-	-
Replacement of Wood Deck Under Gazebo	1 LOT	2016	25	0	7,800 /LOT	7,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
South Deck; Replacement	404 SF	2024	25	8	15.00 /SF	-	-	-	-	-	-	-	-	7,100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Components																														
Reserve Study; Update	1 UNIT	2020	5	4	1,360 /UNIT	-	-	-	-	1,472	-	-	-	-	1,625	-	-	-	-	1,794	-	-	-	-	1,981	-	-	-	-	2,187
						30,406	-	9,364	70,899	42,713	218,884	106,321	97,213	234,783	109,246	693,479	515,814	-	54,991	48,768	68,291	53,360	20,163	52,430	313,826	333,001	302,618	308,670	318,485	45,937

HISTORIC AND RECOMMENDED RESERVE FUNDING PLAN

Assumptions

1.0%		Average Interest Rate Earned on Invested Reserves
0.0%		Annual Increase in Collected Reserve Funds for Historic Projection
3.0%		Annual Increase in Collected Reserve Funds for Recommended Funding Plan
$	500	Per Unit; Threshold For 1st Year
	100	Number of Units
	No	Autocalculate Reserve Contributions

Historic Reserve Funding Projection

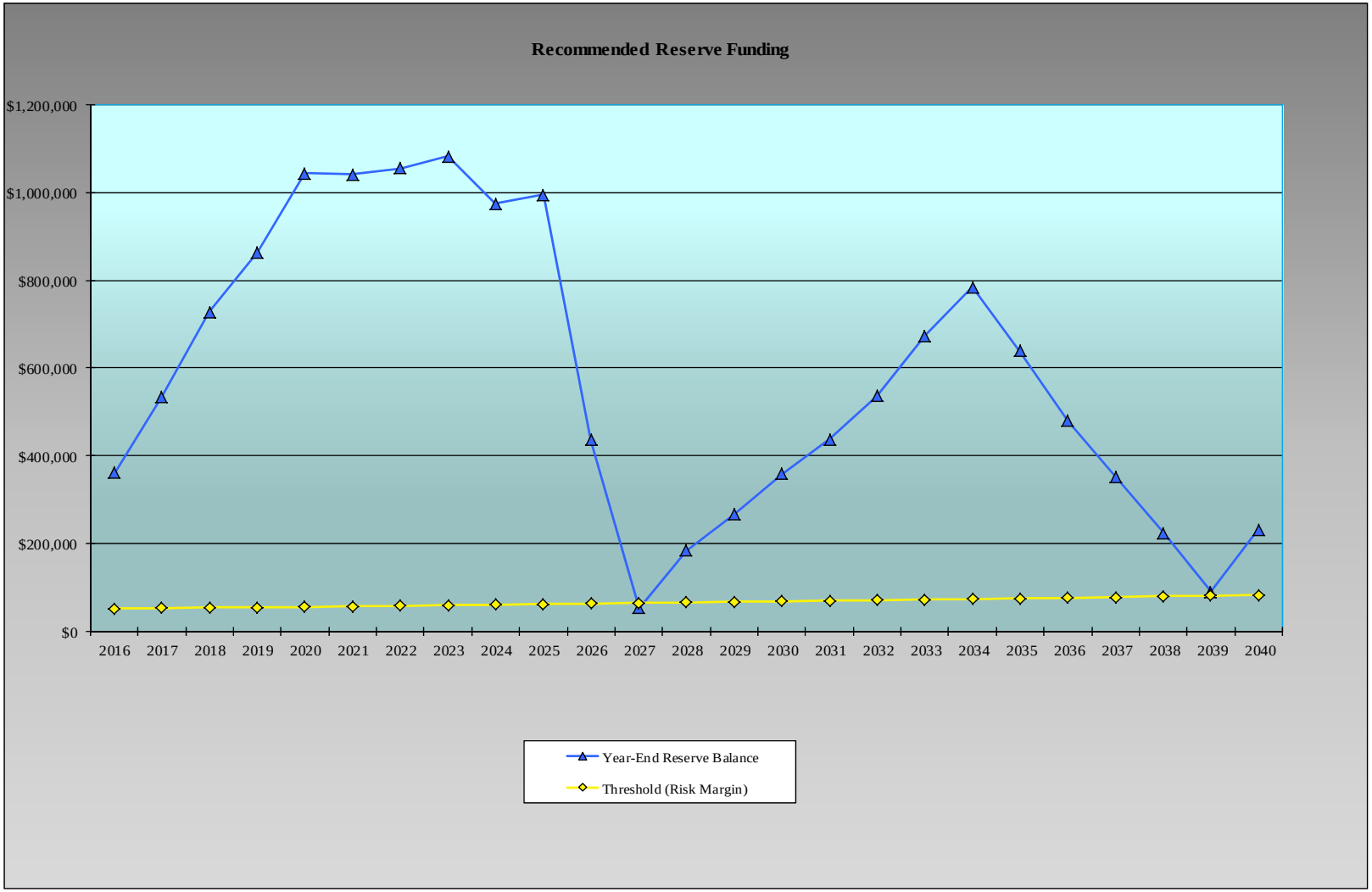
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
	Reserve Balance at Beginning of Year	$ 247,180	$ 263,672	$ 310,736	$ 348,907	$ 325,924	$ 330,898	$ 159,750	$ 99,454	$ 47,662	$ (142,217)	$ (207,035)	$ (856,087)	$ (1,327,474)	$ (1,283,047)	$ (1,293,611)	$ (1,297,952)	$ (1,321,815)	$ (1,330,749)	$ (1,306,485)	$ (1,314,488)	$ (1,583,887)	$ (1,872,461)	$ (2,130,652)	$ (2,394,895)	$ (2,668,954)
Plus	Reserve Monies Collecting During Year	44,187	44,187	44,187	44,187	44,187	44,187	44,187	44,187	44,187	44,187	44,187	44,187	44,187	44,187	44,187	44,187	44,187	44,187	44,187	44,187	44,187	44,187	44,187	44,187	44,187
Plus	Additional Assessments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equals	Interim Reserve Balance	291,367	307,859	354,923	393,094	370,111	375,085	203,937	143,641	91,849	(98,030)	(162,848)	(811,900)	(1,283,287)	(1,238,860)	(1,249,424)	(1,253,765)	(1,277,628)	(1,286,562)	(1,262,298)	(1,270,301)	(1,539,700)	(1,828,274)	(2,086,465)	(2,350,708)	(2,624,767)
Plus	Estimated Interest Earned, During Year[1]	2,712	2,877	3,347	3,729	3,499	3,549	1,838	1,235	717	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240
Equals	New Reserve Balance	294,078	310,736	358,271	396,823	373,611	378,634	205,775	144,875	92,566	(97,790)	(162,608)	(811,660)	(1,283,047)	(1,238,620)	(1,249,184)	(1,253,525)	(1,277,388)	(1,286,321)	(1,262,058)	(1,270,061)	(1,539,460)	(1,828,034)	(2,086,225)	(2,350,468)	(2,624,526)
Less	Anticipated Expenditures, By Year	(30,406)	-	(9,364)	(70,899)	(42,713)	(218,884)	(106,321)	(97,213)	(234,783)	(109,246)	(693,479)	(515,814)	-	(54,991)	(48,768)	(68,291)	(53,360)	(20,163)	(52,430)	(313,826)	(333,001)	(302,618)	(308,670)	(318,485)	(45,937)
Equals	Anticipated Balance of Reserve Fund at Year End	$ 263,672	$ 310,736	$ 348,907	$ 325,924	$ 330,898	$ 159,750	$ 99,454	$ 47,662	-$142,217	-$207,035	-$856,087	-$1,327,474	-$1,283,047	-$1,293,611	-$1,297,952	-$1,321,815	-$1,330,749	-$1,306,485	-$1,314,488	-$1,583,887	-$1,872,461	-$2,130,652	-$2,394,895	-$2,668,954	-$2,670,463
Threshold Target	$50,000	$ 51,000	$ 52,020	$ 53,060	$ 54,122	$ 55,204	$ 56,308	$ 57,434	$ 58,583	$ 59,755	$ 60,950	$ 62,169	$ 63,412	$ 64,680	$ 65,974	$ 67,293	$ 68,639	$ 70,012	$ 71,412	$ 72,841	$ 74,297	$ 75,783	$ 77,299	$ 78,845	$ 80,422	$ 82,030

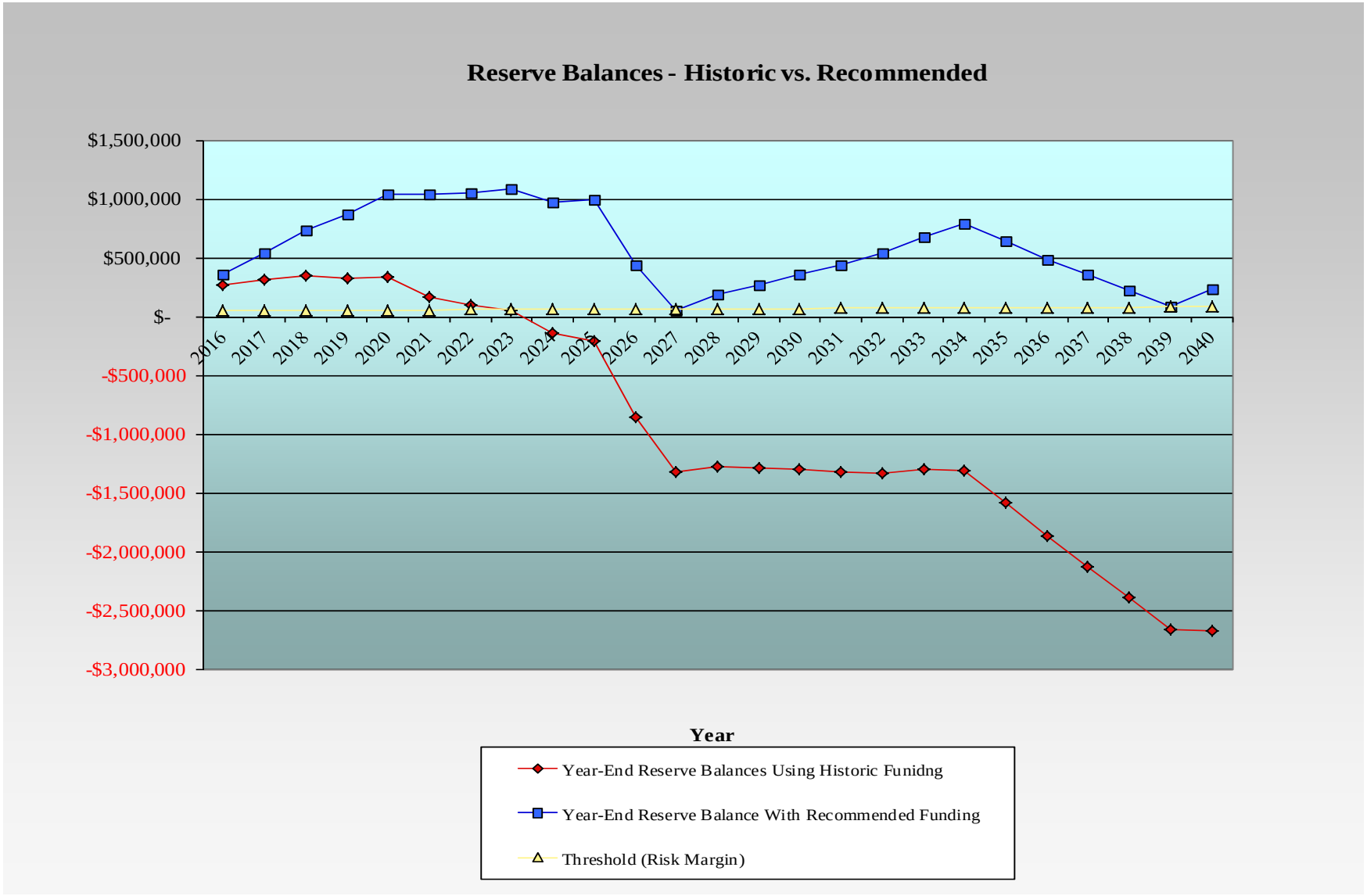
Recommended Funding Plan

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
	Reserve Balance at Beginning of Year	$ 247,180	$ 361,243	$ 534,567	$ 728,076	$ 864,901	$ 1,044,296	$ 1,042,431	$ 1,056,328	$ 1,082,789	$ 975,364	$ 995,920	$ 436,069	$ 52,004	$ 183,733	$ 265,710	$ 358,751	$ 437,423	$ 536,135	$ 673,455	$ 784,405	$ 639,795	$ 479,390	$ 352,792	$ 224,002	$ 89,439
Plus	Total Recommended Recurring Reserve Contributions	91,500	94,200	97,000	99,900	102,900	106,000	109,200	112,500	115,900	119,400	123,000	126,700	130,500	134,400	138,400	142,600	146,900	151,300	155,800	160,500	165,300	170,300	175,400	180,700	186,100
Plus	Additional Assessments	50,000	75,000	100,000	100,000	110,000	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equals	Interim Reserve Balance	388,680	530,443	731,567	927,976	1,077,801	1,250,296	1,151,631	1,168,828	1,198,689	1,094,764	1,118,920	562,769	182,504	318,133	404,110	501,351	584,323	687,435	829,255	944,905	805,095	649,690	528,192	404,702	275,539
Plus	Estimated Interest Earned, During Year[1]	2,969	4,124	5,873	7,824	9,208	11,019	11,018	11,175	11,458	10,402	10,627	5,049	1,229	2,568	3,409	4,362	5,172	6,183	7,581	8,716	7,296	5,719	4,481	3,222	1,906
Equals	New Reserve Balance	391,649	534,567	737,439	935,799	1,087,009	1,261,315	1,162,649	1,180,002	1,210,146	1,105,166	1,129,548	567,818	183,733	320,701	407,519	505,713	589,495	693,618	836,836	953,621	812,391	655,410	532,673	407,924	277,444
Less	Anticipated Expenditures, By Year	(30,406)	-	(9,364)	(70,899)	(42,713)	(218,884)	(106,321)	(97,213)	(234,783)	(109,246)	(693,479)	(515,814)	-	(54,991)	(48,768)	(68,291)	(53,360)	(20,163)	(52,430)	(313,826)	(333,001)	(302,618)	(308,670)	(318,485)	(45,937)
Equals	Anticipated Balance of Reserve Fund at Year End	$ 361,243	$ 534,567	$ 728,076	$ 864,901	$ 1,044,296	$ 1,042,431	$ 1,056,328	$ 1,082,789	$ 975,364	$ 995,920	$ 436,069	$ 52,004	$ 183,733	$ 265,710	$ 358,751	$ 437,423	$ 536,135	$ 673,455	$ 784,405	$ 639,795	$ 479,390	$ 352,792	$ 224,002	$ 89,439	$ 231,507
Amount Over/Under Threshold		$ 310,243	$ 482,547	$ 675,015	$ 810,779	$ 989,092	$ 986,123	$ 998,893	$ 1,024,206	$ 915,609	$ 934,971	$ 373,900	-$11,408	$ 119,053	$ 199,736	$ 291,458	$ 368,783	$ 466,123	$ 602,042	$ 711,565	$ 565,498	$ 403,607	$ 275,493	$ 145,157	$ 9,017	$ 149,477

[1] Assuming reserves are invested monthly during the course of the year

RESERVE FUNDING PLAN GRAPHS




Reserve Balances - Historic vs. Recommended
$1,500,000
$1,000,000
$500,000
$-
-$500,000
-$1,000,000
-$1,500,000
-$2,000,000
-$2,500,000
-$3,000,000
2016
2017
2018
2019
2020
2021
2022
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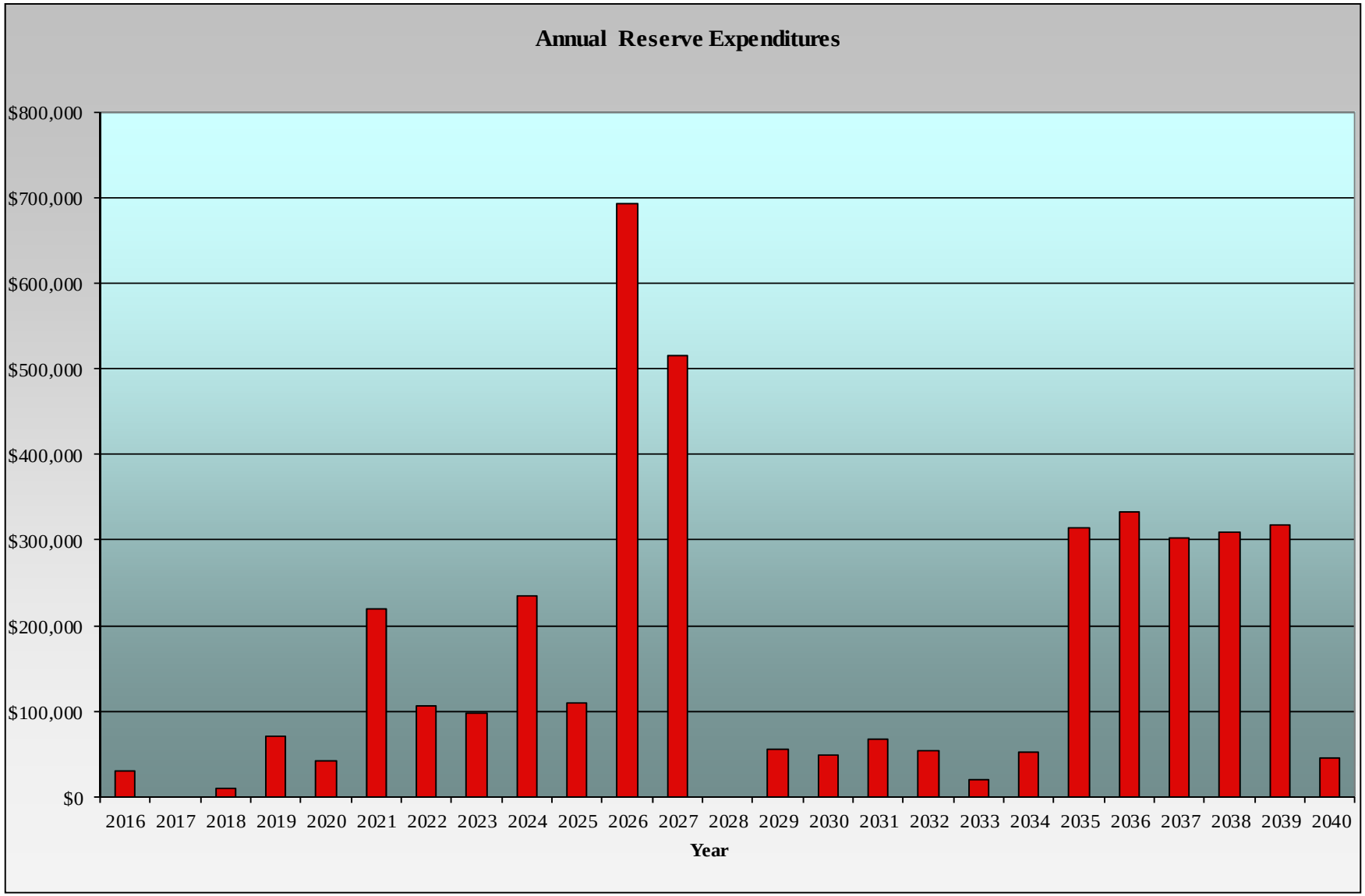
2038
2039
2040
Year
Year-End Reserve Balances Using Historic Funidng
Year-End Reserve Balance With Recommended Funding
Threshold (Risk Margin)


Annual Reserve Expenditures
$800,000
$700,000
$600,000
$500,000
$400,000
$300,000
$200,000
$100,000
$0
2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030 2031 2032 2033 2034 2035 2036 2037 2038 2039 2040
Year

Certifications

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined outcome that favors the cause of the client, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions are developed, and this report has been prepared, in conformity with the relevant sections of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Code of Professional Ethics of the Appraisal Institute.
- I have made a non-invasive inspection of the property that is the subject of this report.
- No one provided significant professional assistance to the person signing this report.
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- In Michigan, appraisers are required to be licensed/certified and are regulated by the Michigan Department of Consumer and Industry Services, Licensing Division, P.O. Box 30018, Lansing, Michigan 48909.

Paul K.T. Conahan, MBA, RS
State Certified General Real Estate Appraiser
License No. 1201002454

Assumptions and Limiting Conditions

Assumptions

- When doing an "Update With Site Visit" assignment, the Reserve Component inventory was not quantified, although minor additions/deletions of the component inventory, along with their quantities and install dates, were accounted for. The quantification of Reserve Components as determined by the previous reserve study were assumed to be accurate.

- When doing an "Update Without Site Visit" assignment, the Reserve Component conditions were not visually confirmed and updated, and the Remaining Useful Lives of the Reserve Components were calculated based on the assumption that the actual time elapsed since the previous reserve study was added to the effective age as determined in the previous reserve study. However, minor additions/deletions of the Reserve Components, along with their quantities and dates of installation, as reported by the client, were accounted for. Excluding any changes reported by the client, the quantification of Reserve Components as determined by the previous reserve study were assumed to be accurate.

- Responsible and competent property management are assumed. This includes not only responsible and competent oversight with regard to the repair and replacement of the Reserve Components, but also responsible and competent financial management, with particular regard to prudent investment of the Association's reserve funds.

- Information furnished by representatives of the association regarding financial, physical, quantity, or historical issues were assumed reliable. However, no warranty is given for the accuracy of this information. The actual or projected total reserve balance presented in the Reserve Study is based upon information provided but was not audited. Client's receipt of the final reserve study will serve as verification that the client has reviewed the reserve study and confirmed that all information provided by the association has been accurately represented in the final reserve study.

- It is assumed that there are no hidden or unapparent conditions on the property, subsoil or structure. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

- Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the author of this report. The author has no knowledge of the existence of such materials on or in the property. The author, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, lead-based paint, or other potentially hazardous materials may adversely affect the property and require remediation. We assumed that there are no such materials on the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

- It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws, and all other applicable laws and regulations.

- It is assumed that all required licenses, certificates of occupancy, consents or other legislative or administrative authority from any local, state or national government or private entity or organization have been obtained.

- The client is assumed to have deemed previously developed component quantities as accurate and reliable (for update reports only).

- The current work is reliant on the validity of prior Reserve Studies (for update reports only).

Limiting Conditions

- By its nature, a reserve study must make assumptions about the future. Michigan Reserve Associates LLC cannot be held responsible for unforeseeable events that dramatically alter future costs from those projected in the reserve study.

- Reserve Studies do not typically include the repair or replacement of plumbing, electrical wiring, or telephone lines.

- Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project audit or quality inspection.

- For mechanical systems, we have observed those parts of the mechanical equipment and systems that constitute an integral part of the property and that are generally visible. From such observation, we have reported any apparent conditions that we believe might bear on the conclusions of this report. We have not, however, extensively tested such mechanical systems and equipment, and we assume no responsibility for their operating performance.

- No invasive testing was performed on the Reserve Components. We render no opinion on the structural integrity of the property, nor do we offer an opinion as to conformity with governmental code requirements.

- Our opinion of Remaining Useful Life is not a guarantee or warranty of the Reserve Components.

- This study is to be used by the intended user for the purpose of budgeting and long-term major repair and replacement planning. The scope of work included in this study is unique to the intended use and intended user, and this report may not be utilized for any other use or user. Such other uses include, but are not limited to, performing an audit, quality/forensic analysis, or background checks of historical records. The client and its representatives may not transmit this reserve study in any fashion to persons or entities that perform reserve studies.

- Client agreed to furnish Michigan Reserve Associates LLC with a complete and up-to-date set of governing documents. Michigan Reserve Associates LLC cannot be held responsible for incomplete or incorrect documents. We are not attorneys and we cannot guarantee that all reserve components have been properly included or excluded in the reserve study. Client agrees to review the reserve study for accuracy during the review process, and seek legal counsel when necessary. Client agrees that all responsibility for the list of reserve components presented in the final reserve study shall be borne by the client.

- The Americans with Disabilities Act (ADA) became effective on January 26, 1992. We have not made a specific compliance survey and analysis of the subject property to determine whether or not it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more requirements of the ADA. If so, this fact could have a negative impact on the property and trigger compliance costs. We did not consider noncompliance with the ADA requirements for this assignment.

- Our inspection did not address or render an opinion on repairs or replacements arising from original construction defects or unpredictable acts of nature.

- We are not financial advisors, and we recommend that the client consult with its accountant and/or professional investment advisor(s) to develop and refine an investment strategy consistent with the Association's risk profile and Reserve investment profile.

- We are not attorneys, and we recommend that the client consult with its attorney regarding reserve requirements and any other interpretations of relevant law, such as, but not limited to, the Michigan Condominium Act, complementary legislation such as the Nonprofit Corporation Act, and Administrative Rulings.

- Roof areas were measured from the ground using generally accepted techniques which take into account the building footprint, roof overhang, roof pitch, and unique roofing characteristics.

- Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of Michigan Reserve Associates LLC, and in any event only with properly written qualifications and only in its entirety.

- Any illustrative material in this report is included only to assist the reader in visualizing the property and/or provide graphical support to the narrative text.

- We are not by reason of this report, required to give further in-person consultation, testimony or be in attendance in court with reference to the property in question unless prior arrangements have been made.

- Liability due to negligence is limited to the actual cost paid by the client for this engagement.

- Any dispute arising under this agreement will be arbitrated under the rules of the American Arbitration Association. Any arbitration award may be entered by any court of competent jurisdiction.

- Michigan Reserve Associates LLC reserves the right to include your Association's name in our client list. However, all information provided to us, as well as details of interviews, conversations, and the Reserve Study shall be strictly confidential and will not be disbursed to any third party.

CONTACT INFORMATION

Mail: 424 Little Lake Drive, Suite 23, Ann Arbor, Michigan 48103

Phone: (734) 661-1259

Fax: (734) 661-1259

E-mail: paul@MichiganReserveAssociates.com

Web: www.MichiganReserveAssocaites.com

EMPLOYMENT RECORD

President and Principal, Michigan Reserve Associates LLC, Ann Arbor, Michigan, 2005-Present

Vice President and Principal, Commercial and Residential Real Estate Appraiser, Davis M. Somers Company, Ann Arbor, Michigan, 1991-Present

REALTOR® Associate, Fee Simple Realty, Honolulu, Hawaii, 1985-1987

ADDITIONAL EXPERIENCE

Qualified as Expert Witness, Washtenaw County Circuit Court

Michigan Department of Transportation Approved Level II Appraiser

Approved Fee Appraiser for the United States Veterans Administration

EDUCATION AND DESIGNATIONS

Bachelor of Arts (BA), Biopsychology, Vassar College, Poughkeepsie, New York, Graduated in 1991

Master of Business Administration (MBA) With an Emphasis in Real Estate and Finance, Stephen M. Ross School of Business, University of Michigan, Graduated in 1999

Reserve Specialist (RS), Community Associations Institute, Alexandria, Virginia, Awarded in 2010

APPRAISAL EDUCATION (MOST RECENT SHOWN FIRST)

Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets (Course 833), Appraisal Institute, Instructor James Vernor, Ph.D., MAI, April 2012

Essential Elements of Disclosures and Disclaimers, McKissock, December 2011

2012-2013 7-Hour National USPAP Update Course, McKissock, December 2011

Michigan Law, McKissock, December 2011

Appraising Convenience Stores, Appraisal Institute, January 2011

7-Hour National USPAP Equivalent Course, 2011-2011, Appraisal Institute, January 2011

Michigan Law, McKissock, January 2011

GIS, The Executive Overview, Appraisal Institute, January 2011

Commercial/Residential Construction Inspection, Appraisal Institute, April 2009

Appraising from Blueprints and Specifications, Appraisal Institute, April 2009

Uniform Standards of Professional Appraisal Practice, Appraisal Institute, Flint, June 2008

Valuation of Detrimental Conditions, Appraisal Institute, Novi, December 2007

What Clients Would Like Their Appraisers to Know, Southfield, December 2006

Effective Appraisal Writing, Appraisal Institute, Ypsilanti, Michigan, October 2006

Appraising Local Retail Properties, Appraisal Institute, Southfield, Michigan, June 2004

Appraising the Tough Ones, Appraisal Institute, Ypsilanti, Michigan, December 2003

Highest & Best Use and Market Analysis (Course 520), Appraisal Institute, Troy, Michigan, April/May 2001

Advanced Sales Comparison and Cost Approaches (Course 530), Appraisal Institute, Flint, Michigan, November 2002

Highest & Best Use and Market Analysis (Course 520), Appraisal Institute, Troy, Michigan, April/May 2001

Appraisal of Nonconforming Uses, Appraisal Institute, Novi, Michigan, May 2000

The Appraisal of Partial Acquisitions (Course 401: 40 Hours), International Right of Way Association, Ann Arbor, Michigan, Instructor: Dave Burgoyne, May 1996

Other Relevant Courses Taken:

Advanced Applications (Course 550), Appraisal Institute
Report Writing and Valuation Analysis (Course 540), Appraisal Institute
Advanced Income Capitalization (Course 510), Appraisal Institute
Challenged and passed Appraisal Procedures (Course 120), Appraisal Institute
Capitalization Theory and Techniques Part A, Appraisal Institute
The Appraiser as an Expert Witness, Appraisal Institute

LICENSES

Certified General Real Estate Appraiser Number 1201002454, State of Michigan, Obtained in 1993

Active Real Estate Associate Broker License Number 6502139365, State of Michigan, Obtained in 2002 (Michigan Real Estate Salesperson License obtained in 1992)

Inactive Real Estate Sales License Number RS-36782, State of Hawaii, Obtained in 1985

ASSOCIATIONS

Member, Community Associations Institute, Since 2005

Member, United Condominium Owners of Michigan, Since 2005

General Associate Member, Candidate for the MAI designation, Appraisal Institute, Chicago, Illinois

Member, International Right of Way Association, Gardena, California, Since 1996

REGULATORY NOTES

In Michigan, appraisers are required to be licensed/certified and are regulated by the Michigan Department of Labor and Economic Growth, Licensing Division, P.O. Box 30018, Lansing, Michigan 48909.

PARTIAL LIST OF CLIENTS

Condominium/Homeowners Associations

1001 Covington Association (Detroit)

297 Condominium Owners Association (Muskegon)

Aberdeen at Hartford Association (Macomb)

Bellefontaine Meadows Homeowners Association (Dayton, Ohio)

Black Bear Farms Co-Owners' Association (Traverse City)

Breaker Cove (Bay City)

Brentwood Park Condominium Association (East Lansing)

Bridgewater Place Condominium Association (Bridgewater)

Byron Forest Condominium Association (Byron Center)

Chateau Vert Association (Ypsilanti)

Chapel Hill Condominium Association (Ann Arbor)

Chelsea Square Condominium Association (Canton)

Colony Farms Condominium Association (Plymouth)

Cornerstone Village Homeowners Association (Macomb)

Cottage Glens Owners Association (Williamsburg)

Creekwood Estates Association (Bay City)

Crossings at Irving Avenue Condominium Association (Royal Oak)

Crystal Village Manor (Marysville)

Douglas Harbor Village Condominium Association (Douglas)

Eaglecrest Condominium Association (Grand Rapids)

Fairlane Woods Association (Dearborn)

Fieldstone Village Condominium Association (Chelsea)

Fox Pointe Association (Ann Arbor)

Gallery Park Homeowners Association (Ann Arbor)

Great Oak Cohousing Association (Ann Arbor)

Grosse Pointe Gardens Association (Harper Woods)

Hampton Ridge North HOA (Canton)

Harbour Towne Condominium Association (Muskegon)

Haven Condominium Association (South Haven)

Heatherwood Condominium Association (Ann Arbor)

Hidden Glen Condominium Association (Canton)

Hidden Lake Community Association (South Lyon)

Hometown Village at Waterstone Association (Oxford)

Indian Village Condominium Association (Grand Rapids)

Island Lake of Novi Community Association (Novi)

Island Lake South Harbor Association (Novi)

Kirkway Homeowners Association (Canton)

Lake Village II (Walled Lake)

Lost Creek Condominium Association (East Lansing)

Marquette Village Condominium Association (Westland)

Meadowview Common Condominium Association (Elk Rapids)

Newberry Place Cohousing Condominium Association (Grand Rapids)

Northridge Estates Homeowners Association (Northville)

Northridge Villas Association (Northville)

Northville Hills Golf Club Homeowners Association (Northville)

Northville Hollow Condominium Association (Northville)

Parkway Condominium Association (Livonia)

Pinehurst Condominium Association (Trenton)

Pittsfield Village Condominium Association (Ann Arbor)

Plymouth Corners Condominium Association (Plymouth)

Plymouth Landing Association (Canton)

Pointe Park Homeowners Association (Grosse Point Park)

Reserve at Tull Lake Condominium Association (White Lake)

Rochester Park II Association (Rochester)

Sand Piper Condominium Association (Glen Arbor)

St. Lawrence Estates Condominium Association (Northville)

Scio Village Condominium Association (Ann Arbor)

Steeple Chase of Northville Owners Association (Northville)

Steeple Ridge Condominium Association (Clarkston)

Stone Lake Condominium Association (East Lansing)

Stonewater Homeowners Association (Northville)

Stratford Townhouses Consumer Housing Cooperative (Grand Rapids)

The Links of Northville Hills Golf Club Condominium Association (Northville)

The Maples of Novi, Maple Pointe Association (Novi)

The Ponds Cooperative Homes (Okemos)

The Preserve at Maple Lake Association (Milford)

The Residences at TPC Association (Dearborn)

The Willits Condominium Association (Birmingham)

Thornberry Condominium Association (Midland)

Tollgate Woods Homeowners Association (Novi)

Touchstone Cohousing Association (Ann Arbor)

University Commons Condominium Association (Ann Arbor)

Valley Wood Condominium Association (Livonia)

Venn Manor (Detroit)

Verndale Lakes Condominium Association (Lansing)

Village Oaks Common Areas Association (Novi)

Villa Capri Condominium Association (Warren)

Villas at Northville Hills Condominium Association (Northville)

Vistas of Central Park Condominium Association (Canton)

Walton Pond Condominium Association (Pontiac)

Wedgewood Village Association (Plymouth)

Whetherstone Condominium Association (White Lake)

Whitney Court of West Bloomfield (West Bloomfield)

Windward Court Condominium Association (Detroit)

Woodfield Square Association (Brighton)

Woodland Creek Condominium Association (Kentwood)

Woodland Ridge of Commerce Association (Commerce Township)

Woodland Trails Condominium Association (Okemos)

Woodlore Condominium Owners Association (Livonia)

Woods of Northville (Plymouth)

Woodside Meadows Condominium Association (Ann Arbor)

Woodward Place Association (Birmingham)

Woodwind Glen Condominium Association (South Lyon)

<u>Educational/Institutional Organizations</u>

Michigan Friends Center (Chelsea)

Rudolph Steiner School of Ann Arbor (Ann Arbor)

Chelsea District Library (Chelsea)