

# Holleybrooke Homeowners Association, Inc.

November 5, 2025 • Spotsylvania, VA

RESERVE STUDY



Holleybrooke Homeowners Association, Inc.  
Spotsylvania, Virginia

Dear Board of Directors of Holleybrooke Homeowners Association, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Reserve Study* of Holleybrooke Homeowners Association, Inc. in Spotsylvania, Virginia and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, November 5, 2025.

This *Reserve Study* exceeds the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a “Level II Reserve Study Update.”

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. We look forward to continuing to help Holleybrooke Homeowners Association, Inc. plan for a successful future.

As part of our long-term thinking and everyday commitment to our clients, we are available to answer any questions you may have regarding this study.

Respectfully submitted on February 13, 2026 by

*Reserve Advisors, LLC*

Visual Inspection and Report by: Stephen E. Breski, RS<sup>1</sup>  
Review by: Alan M. Ebert, RS, PRA<sup>2</sup>, Director of Quality Assurance



<sup>1</sup> RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.

<sup>2</sup> PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at <http://www.apra-usa.com>.



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# 1. RESERVE STUDY EXECUTIVE SUMMARY

**Client:** Holleybrooke Homeowners Association, Inc. (Holleybrooke Homeowners)

**Location:** Spotsylvania, Virginia

**Reference:** 190638

**Property Basics:** Holleybrooke Homeowners Association, Inc. is responsible for the common elements shared by 600 single family homes. The community was built from 1988 to 1990.

**Reserve Components Identified:** 28 Reserve Components.

**Inspection Date:** November 5, 2025. We conducted the original inspection on November 5, 2019.

**Funding Goal:** The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes this threshold funding year in 2044 due to the replacement of the pool structures and deck.

**Methodology:** We use the Cash Flow Method to compute the Reserve Funding Plan. This method offsets future variable Reserve Expenditures with existing and future stable levels of reserve funding. Our application of this method also considers:

- Current and future local costs of replacement
- 2.6% anticipated annual rate of return on invested reserves
- 3.0% future Inflation Rate for estimating Future Replacement Costs

**Sources for Local Costs of Replacement:** Our proprietary database, historical costs and published sources, i.e., R.S. Means, Incorporated.

**Unaudited Cash Status of Reserve Fund:**

- \$336,559 as of November 30, 2025
- 2025 budgeted Reserve Contributions of \$51,700
- 2026 budgeted Reserve Contributions of \$44,100

**Project Prioritization:** We note anticipated Reserve Expenditures for the next 30 years in the **Reserve Expenditures** tables and include a **Five-Year Outlook** table following the **Reserve Funding Plan** in Section 3. We recommend the Association prioritize the following projects in the next five years based on the conditions identified:

- Replacement of the vinyl fences
- Replacement of the light poles and fixtures
- Replacement of a portion of the site furniture
- Planned clean-up of the detention basin
- Replacement of the pool covers
- Replacement of a portion of the pool furniture
- Replacement of a portion of the pool mechanical equipment
- Replacement of the asphalt shingle roof assemblies at the pool house and storage sheds

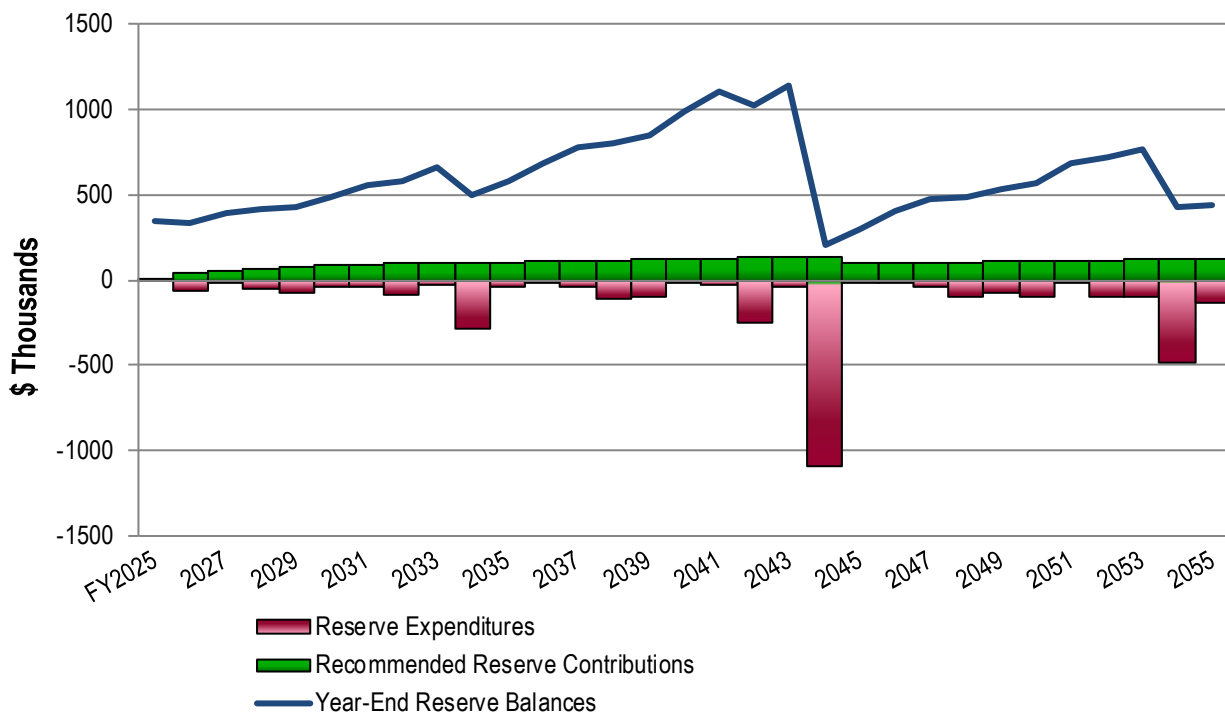


**Recommended Reserve Funding:** We recommend the following in order to achieve a stable and equitable Cash Flow Methodology Funding Plan:

- Phased increases of \$10,000 each year, from 2027 through 2031
- Inflationary increases from 2032 through 2044
- Decrease to \$95,000 by 2045 due to fully funding for replacement of the pool structures and deck
- Inflationary increases thereafter through 2055, the limit of this study's Cash Flow Analysis
- Initial recommended adjustment in Reserve Contributions of \$10,000 represents an average monthly increase of \$1.39 per owner and about a three percent (3.4%) adjustment in the 2026 Total Budget of \$294,000.

Holleybrooke Homeowners  
Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2026	44,100 (Budgeted)	336,034	2036	109,100	685,358	2046	97,900	399,482
2027	54,100	394,846	2037	112,400	782,808	2047	100,800	476,070
2028	64,100	417,738	2038	115,800	806,337	2048	103,800	490,326
2029	74,100	427,569	2039	119,300	851,314	2049	106,900	534,267
2030	84,100	482,543	2040	122,900	985,707	2050	110,100	566,154
2031	94,100	554,729	2041	126,600	1,109,508	2051	113,400	686,136
2032	96,900	580,849	2042	130,400	1,020,974	2052	116,800	725,761
2033	99,800	663,171	2043	134,300	1,145,625	2053	120,300	772,629
2034	102,800	499,505	2044	138,300	210,072	2054	123,900	430,571
2035	105,900	576,884	2045	95,000	303,719	2055	127,600	437,019





## 2. RESERVE STUDY REPORT

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Reserve Study* of

**Holleybrooke Homeowners Association, Inc.**

**Spotsylvania, Virginia**

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, November 5, 2025. We conducted the original inspection on November 5, 2019.

We present our findings and recommendations in the following report sections and spreadsheets:

- **Identification of Property** - Segregates all property into several areas of responsibility for repair or replacement
- **Reserve Expenditures** - Identifies reserve components and related quantities, useful lives, remaining useful lives and future reserve expenditures during the next 30 years
- **Reserve Funding Plan** - Presents the recommended Reserve Contributions and year-end Reserve Balances for the next 30 years
- **Five-Year Outlook** - Identifies reserve components and anticipated reserve expenditures during the first five years
- **Reserve Component Detail** - Describes the reserve components, includes photographic documentation of the condition of various property elements, describes our recommendations for repairs or replacement, and includes detailed solutions and procedures for replacements for the benefit of current and future board members
- **Methodology** - Lists the national standards, methods and procedures used to develop the Reserve Study
- **Definitions** - Contains definitions of terms used in the Reserve Study, consistent with national standards
- **Professional Service Conditions** - Describes Assumptions and Professional Service Conditions
- **Credentials and Resources**

## IDENTIFICATION OF PROPERTY



Our investigation includes Reserve Components or property elements as set forth in your Declaration or which were identified as part of your request for proposed services. The Expenditure tables in Section 3 list the elements contained in this study. Our analysis begins by segregating the property elements into several areas of responsibility for repair and replacement.

Our process of identification helps assure that future boards and the management team understand whether reserves, the operating budget or Owners fund certain replacements and assists in preparation of the annual budget. We derive these segregated classes of property from our review of the information provided by the Association and through conversations with Management and the Board. These classes of property include:

- Reserve Components
- Long-Lived Property Elements
- Operating Budget Funded Repairs and Replacements
- Property Maintained by Owners
- Property Maintained by Others

We advise the Board conduct an annual review of these classes of property to confirm its policy concerning the manner of funding, i.e., from reserves or the operating budget. Reserve Components are defined by CAI as property elements with:

- Holleybrooke Homeowners responsibility
- Limited useful life expectancies
- Predictable remaining useful life expectancies
- Replacement cost above a minimum threshold

The following tables depict the items excluded from the Reserve Expenditure plan:

## Excluded Components

for  
**Holleybrooke Homeowners  
 Association, Inc.**  
Spotsylvania, Virginia

<b>Operating Budget Components</b>
<p>Repairs normally funded through the Operating Budget and Expenditures less than \$4,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)</p> <p>The operating budget provides money for the repair and replacement of certain Reserve Components. The Association may develop independent criteria for use of operating and reserve funds.</p>
<ul style="list-style-type: none"> <li>• Bike Rack</li> <li>• Concrete Walkways, Storage Houses</li> <li>• Detention Basin, General Maintenance</li> <li>• Irrigation System, Community Entrance</li> <li>• Landscape</li> <li>• Light Fixtures, Pool House and Storage Houses</li> <li>• Paint Finishes, Touch Up</li> <li>• Shutters, Pool House</li> <li>• Walkway, Composite, Pool Area</li> </ul>

<b>Long-Lived Components</b>		
<p>These elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the scope of this study. The operating budget should fund infrequent repairs. Funding untimely or unexpected replacements from reserves will necessitate increases to Reserve Contributions. Periodic updates of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan.</p>	<b>Useful Life</b>	<b>Estimated Cost</b>
• Electrical Systems, Common	to 70+	N/A
• Foundation, Pool House	Indeterminate	N/A
• Structural Frame, Pool House	Indeterminate	N/A

<b>Owners Responsibility Components</b>
<p>Certain items have been designated as the responsibility of the Owners to repair or replace at their cost, including items billed back.</p>
<ul style="list-style-type: none"> <li>• Homes and Lots</li> </ul>

## **Excluded Components**

for  
**Holleybrooke Homeowners  
Association, Inc.**  
Spotsylvania, Virginia

### **Others Responsibility Components**

Certain items have been designated as the responsibility of Others to repair or replace.

• Street Systems<sup>1</sup>

<sup>1</sup> Municipality

### **Excluded Component Images**



Electrical system main panel at pool house

### 3. RESERVE EXPENDITURES and FUNDING PLAN

The tables following this introduction present:

#### Reserve Expenditures

- Line item numbers
- Total quantities
- Quantities replaced per phase (in a single year)
- Reserve component inventory
- Estimated first year of event (i.e., replacement, application, etc.)
- Life analysis showing
  - useful life
  - remaining useful life
- 2025 local cost of replacement
  - Per unit
  - Per phase
  - Replacement of total quantity
- Percentage of future expenditures anticipated during the next 30 years
- Schedule of estimated future costs for each reserve component including inflation

#### Reserve Funding Plan

- Reserves at the beginning of each year
- Total recommended reserve contributions
- Estimated interest earned from invested reserves
- Anticipated expenditures by year
- Anticipated reserves at year end

#### Five-Year Outlook

- Line item numbers
- Reserve component inventory of only the expenditures anticipated to occur within the first five years
- Schedule of estimated future costs for each reserve component anticipated to occur within the first five years

The purpose of a Reserve Study is to provide an opinion of reasonable annual Reserve Contributions. Prediction of exact timing and costs of minor Reserve Expenditures typically will not significantly affect the 30-year cash flow analysis. Adjustments to the times and/or costs of expenditures may not always result in an adjustment in the recommended Reserve Contributions.

Financial statements prepared by your association, by you or others might rely in part on information contained in this section. For your convenience, we have provided an electronic data file containing the tables of **Reserve Expenditures** and **Reserve Funding Plan**.

# RESERVE EXPENDITURES

Holleybrooke Homeowners Association, Inc.  
Spotsylvania, Virginia

**Explanatory Notes:**

- 1) 3.0% is the estimated Inflation Rate for estimating Future Replacement Costs.
- 2) FY2025 is Fiscal Year beginning January 1, 2025 and ending December 31, 2025.
- 3) 2056+ indicates a component which is considered long-lived

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	RUL = 0 FY2025	1 2026	2 2027	3 2028	4 2029	5 2030	6 2031	7 2032	8 2033	9 2034	10 2035	11 2036	12 2037	13 2038	14 2039	15 2040
						Useful	Remaining	Unit (2025)	Per Phase (2025)	Total (2025)																	
<b>Property Site Elements</b>																											
4.020	1,650	1,650	Square Yards	Asphalt Pavement, Parking Area, Crack Repair, Patch, Seal Coat and Striping	2028	3 to 5	3	4.70	7,755	7,755	1.7%				8,474								10,735				12,082
4.040	1,650	1,650	Square Yards	Asphalt Pavement, Parking Area, Repaving	2032	15 to 20	7	26.00	42,900	42,900	4.2%								52,762								
4.260	230	230	Linear Feet	Fences, Vinyl, Panel	2029	15 to 20	4	48.00	11,040	11,040	1.0%				12,426												
4.262	800	800	Linear Feet	Fences, Vinyl, Three Rail	2029	15 to 20	4	23.00	18,400	18,400	1.7%				20,709												
4.285	355	355	Linear Feet	Fences, Wood, Rail	2044	15 to 20	19	34.00	12,070	12,070	0.6%																
4.287	260	260	Linear Feet	Fences, Wood, Stockade	2038	15 to 20	13	72.00	18,720	18,720	0.8%														27,491		
4.560	11	11	Each	Light Poles and Fixtures	2030	to 25	5	2,800.00	30,800	30,800	3.1%						35,706										
4.625	1	1	Each	Pavilion, Renovation	2031	20 to 25	6	29,500.00	29,500	29,500	3.0%							35,225									
4.660	1	1	Allowance	Playground Equipment, 2019	2037	15 to 20	12	23,700.00	23,700	23,700	2.6%													33,791			
4.662	1	1	Allowance	Playground Equipment, 2024	2042	15 to 20	17	127,000.00	127,000	127,000	6.0%																
4.705	4	1	Allowance	Security System, Phased	2027	10 to 15	2 to 11	4,400.00	4,400	17,600	2.0%			4,668		5,101			5,574			6,091				6,655	
4.800	1	1	Allowance	Signage, Entrance Monuments, Renovation	2034	15 to 20	9	6,500.00	6,500	6,500	0.7%									8,481							
4.810	1	1	Allowance	Signage, Traffic and Property Identification	2026	15 to 20	1	6,000.00	6,000	6,000	0.5%	6,180															
4.820	2	1	Allowance	Site Furniture, Phased	2028	15 to 25	3 to 13	17,500.00	17,500	35,000	2.3%				19,123										25,699		
4.884	1	1	Allowance	Stormwater Management, Detention Basin (2026 is Planned Clean-up)	2026	N/A	1	15,000.00	15,000	15,000	0.4%	15,000															
<b>Pool and Pool House Elements</b>																											
6.200	6,300	6,300	Square Feet	Concrete Deck, Inspections, Partial Replacements and Repairs	2034	8 to 12	9	11.60	73,080	73,080	7.6%															95,353	
6.300	4,000	4,000	Square Feet	Covers, Vinyl	2026	6 to 8	1	4.40	17,600	17,600	3.0%	18,128														22,964	
6.400	520	520	Linear Feet	Fences, Aluminum	2034	to 25	9	74.00	38,480	38,480	1.4%															50,208	
6.500	4	1	Allowance	Furniture, Phased	2026	to 12	1 to 10	18,500.00	18,500	74,000	8.3%	19,055			20,822			22,753						24,862		27,168	
6.600	3	1	Allowance	Mechanical Equipment, Phased	2028	to 15	3 to 13	22,000.00	22,000	66,000	6.1%				24,040				27,869							32,308	
6.800	3,600	3,600	Square Feet	Pool Finish, Plaster	2034	8 to 12	9	20.00	72,000	72,000	7.5%														93,944		
6.801	390	390	Linear Feet	Pool Finishes, Coping and Tile	2064	15 to 25	39	135.00	52,650	52,650	0.0%																
6.875	1	1	Allowance	Pool Pass Equipment	2029	to 5	4	8,000.00	8,000	8,000	2.3%					9,004							10,438			12,101	
6.900	3,600	3,600	Square Feet	Pool Structures and Deck, Total Replacement	2044	to 60	19	160.00	576,000	576,000	28.7%																
6.910	2	2	Each	Rest Rooms, Renovation	2035	to 25	10	6,500.00	13,000	13,000	0.5%														17,471		
6.912	15	15	Squares	Roof Assemblies, Asphalt Shingles	2029	20 to 25	4	720.00	10,800	10,800	1.1%				12,156												
6.914	3,100	3,100	Square Feet	Walls, Siding, Vinyl	2039	to 35	14	7.50	23,250	23,250	1.0%															35,168	
6.916	1	1	Each	Water Heater	2032	15 to 20	7	8,000.00	8,000	8,000	0.8%								9,839								
6.918	290	290	Square Feet	Windows and Doors	2039	to 35	14	95.00	27,550	27,550	1.2%															41,672	
<b>Anticipated Expenditures, By Year (\$3,520,031 over 30 years)</b>												0	58,363	4,668	51,637	75,116	40,806	35,225	85,353	33,443	281,387	42,333	16,825	33,791	112,666	95,596	12,082

## RESERVE EXPENDITURES

**Holleybrooke Homeowners  
Association, Inc.**  
Spotsylvania, Virginia

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	16 2041	17 2042	18 2043	19 2044	20 2045	21 2046	22 2047	23 2048	24 2049	25 2050	26 2051	27 2052	28 2053	29 2054	30 2055
						Useful	Remaining	Unit (2025)	Per Phase (2025)	Total (2025)																
<b>Property Site Elements</b>																										
4.020	1,650	1,650	Square Yards	Asphalt Pavement, Parking Area, Crack Repair, Patch, Seal Coat and Striping	2028	3 to 5	3	4.70	7,755	7,755	1.7%				13,598			15,305								
4.040	1,650	1,650	Square Yards	Asphalt Pavement, Parking Area, Repaving	2032	15 to 20	7	26.00	42,900	42,900	4.2%											95,293				
4.260	230	230	Linear Feet	Fences, Vinyl, Panel	2029	15 to 20	4	48.00	11,040	11,040	1.0%									22,442						
4.262	800	800	Linear Feet	Fences, Vinyl, Three Rail	2029	15 to 20	4	23.00	18,400	18,400	1.7%									37,403						
4.285	355	355	Linear Feet	Fences, Wood, Rail	2044	15 to 20	19	34.00	12,070	12,070	0.6%				21,165											
4.287	260	260	Linear Feet	Fences, Wood, Stockade	2038	15 to 20	13	72.00	18,720	18,720	0.8%															
4.560	11	11	Each	Light Poles and Fixtures	2030	to 25	5	2,800.00	30,800	30,800	3.1%															74,760
4.625	1	1	Each	Pavilion, Renovation	2031	20 to 25	6	29,500.00	29,500	29,500	3.0%															69,519
4.660	1	1	Allowance	Playground Equipment, 2019	2037	15 to 20	12	23,700.00	23,700	23,700	2.6%															57,526
4.662	1	1	Allowance	Playground Equipment, 2024	2042	15 to 20	17	127,000.00	127,000	127,000	6.0%		209,912													
4.705	4	1	Allowance	Security System, Phased	2027	10 to 15	2 to 11	4,400.00	4,400	17,600	2.0%		7,273		7,947				8,684		9,489				10,369	
4.800	1	1	Allowance	Signage, Entrance Monuments, Renovation	2034	15 to 20	9	6,500.00	6,500	6,500	0.7%															15,318
4.810	1	1	Allowance	Signage, Traffic and Property Identification	2026	15 to 20	1	6,000.00	6,000	6,000	0.5%						11,162									
4.820	2	1	Allowance	Site Furniture, Phased	2028	15 to 25	3 to 13	17,500.00	17,500	35,000	2.3%									34,538						
4.884	1	1	Allowance	Stormwater Management, Detention Basin (2026 is Planned Clean-up)	2026	N/A	1	15,000.00	15,000	15,000	0.4%															
<b>Pool and Pool House Elements</b>																										
6.200	6,300	6,300	Square Feet	Concrete Deck, Inspections, Partial Replacements and Repairs	2034	8 to 12	9	11.60	73,080	73,080	7.6%															172,218
6.300	4,000	4,000	Square Feet	Covers, Vinyl	2026	6 to 8	1	4.40	17,600	17,600	3.0%		29,090							36,850						
6.400	520	520	Linear Feet	Fences, Aluminum	2034	to 25	9	74.00	38,480	38,480	1.4%															
6.500	4	1	Allowance	Furniture, Phased	2026	to 12	1 to 10	18,500.00	18,500	74,000	8.3%	29,687			32,440		35,448				38,735				42,327	
6.600	3	1	Allowance	Mechanical Equipment, Phased	2028	to 15	3 to 13	22,000.00	22,000	66,000	6.1%			37,454					43,419						50,334	
6.800	3,600	3,600	Square Feet	Pool Finish, Plaster	2034	8 to 12	9	20.00	72,000	72,000	7.5%															169,673
6.801	390	390	Linear Feet	Pool Finishes, Coping and Tile	2064	15 to 25	39	135.00	52,650	52,650	0.0%															
6.875	1	1	Allowance	Pool Pass Equipment	2029	to 5	4	8,000.00	8,000	8,000	2.3%					14,028				16,262						18,853
6.900	3,600	3,600	Square Feet	Pool Structures and Deck, Total Replacement	2044	to 60	19	160.00	576,000	576,000	28.7%				1,010,019											
6.910	2	2	Each	Rest Rooms, Renovation	2035	to 25	10	6,500.00	13,000	13,000	0.5%															
6.912	15	15	Squares	Roof Assemblies, Asphalt Shingles	2029	20 to 25	4	720.00	10,800	10,800	1.1%															25,451
6.914	3,100	3,100	Square Feet	Walls, Siding, Vinyl	2039	to 35	14	7.50	23,250	23,250	1.0%															
6.916	1	1	Each	Water Heater	2032	15 to 20	7	8,000.00	8,000	8,000	0.8%									16,750						
6.918	290	290	Square Feet	Windows and Doors	2039	to 35	14	95.00	27,550	27,550	1.2%															
<b>Anticipated Expenditures, By Year (\$3,520,031 over 30 years)</b>												29,687	246,274	37,454	1,091,251	7,947	11,162	35,448	101,946	76,108	92,336	9,489	95,293	92,661	481,399	132,286

## **RESERVE FUNDING PLAN**

**CASH FLOW ANALYSIS**  
**Holleybrooke Homeowners**  
**Association, Inc.**  
 Spotsylvania, Virginia

		Individual Reserve Budgets & Cash Flows for the Next 30 Years															
		FY2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Reserves at Beginning of Year	(Note 1)	336,559	341,601	336,034	394,846	417,738	427,569	482,543	554,729	580,849	663,171	499,505	576,884	685,358	782,808	806,337	851,314
Total Recommended Reserve Contributions	(Note 2)	4,308	44,100	54,100	64,100	74,100	84,100	94,100	96,900	99,800	102,800	105,900	109,100	112,400	115,800	119,300	122,900
Estimated Interest Earned, During Year	(Note 3)	734	8,696	9,380	10,428	10,848	11,680	13,311	14,573	15,965	14,921	13,813	16,199	18,841	20,394	21,273	23,575
Anticipated Expenditures, By Year		0	(58,363)	(4,668)	(51,637)	(75,116)	(40,806)	(35,225)	(85,353)	(33,443)	(281,387)	(42,333)	(16,825)	(33,791)	(112,666)	(95,596)	(12,082)
Anticipated Reserves at Year End		<u>\$341,601</u>	<u>\$336,034</u>	<u>\$394,846</u>	<u>\$417,738</u>	<u>\$427,569</u>	<u>\$482,543</u>	<u>\$554,729</u>	<u>\$580,849</u>	<u>\$663,171</u>	<u>\$499,505</u>	<u>\$576,884</u>	<u>\$685,358</u>	<u>\$782,808</u>	<u>\$806,337</u>	<u>\$851,314</u>	<u>\$985,707</u>

(continued)

		Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued														
		2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Reserves at Beginning of Year		985,707	1,109,508	1,020,974	1,145,625	210,072	303,719	399,482	476,070	490,326	534,267	566,154	686,136	725,761	772,629	430,571
Total Recommended Reserve Contributions		126,600	130,400	134,300	138,300	95,000	97,900	100,800	103,800	106,900	110,100	113,400	116,800	120,300	123,900	127,600
Estimated Interest Earned, During Year		26,888	27,341	27,804	17,398	6,594	9,024	11,236	12,402	13,149	14,122	16,071	18,119	19,229	15,441	11,134
Anticipated Expenditures, By Year		(29,687)	(246,274)	(37,454)	(1,091,251)	(7,947)	(11,162)	(35,448)	(101,946)	(76,108)	(92,336)	(9,489)	(95,293)	(92,661)	(481,399)	(132,286)
Anticipated Reserves at Year End		<u>\$1,109,508</u>	<u>\$1,020,974</u>	<u>\$1,145,625</u>	<u>\$210,072</u>	<u>\$303,719</u>	<u>\$399,482</u>	<u>\$476,070</u>	<u>\$490,326</u>	<u>\$534,267</u>	<u>\$566,154</u>	<u>\$686,136</u>	<u>\$725,761</u>	<u>\$772,629</u>	<u>\$430,571</u>	<u>\$437,019</u>

(NOTE 5)

(NOTE 4)

**Explanatory Notes:**

- 1) Year 2025 starting reserves are as of November 30, 2025; FY2025 starts January 1, 2025 and ends December 31, 2025.
- 2) Reserve Contributions for 2025 are the remaining budgeted 1 month; 2026 is budgeted; 2027 is the first year of recommended contributions.
- 3) 2.6% is the estimated annual rate of return on invested reserves; 2025 is a partial year of interest earned.
- 4) Accumulated year 2055 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Year (reserve balance at critical point).

## FIVE-YEAR OUTLOOK

**Holleybrooke Homeowners  
Association, Inc.**  
Spotsylvania, Virginia

Line Item	Reserve Component Inventory	RUL = 0 FY2025	1 2026	2 2027	3 2028	4 2029	5 2030
<b>Property Site Elements</b>							
4.020	Asphalt Pavement, Parking Area, Crack Repair, Patch, Seal Coat and Striping				8,474		
4.260	Fences, Vinyl, Panel					12,426	
4.262	Fences, Vinyl, Three Rail					20,709	
4.560	Light Poles and Fixtures						35,706
4.705	Security System, Phased			4,668			5,101
4.810	Signage, Traffic and Property Identification		6,180				
4.820	Site Furniture, Phased				19,123		
4.884	Stormwater Management, Detention Basin (2026 is Planned Clean-up)		15,000				
<b>Pool and Pool House Elements</b>							
6.300	Covers, Vinyl		18,128				
6.500	Furniture, Phased		19,055			20,822	
6.600	Mechanical Equipment, Phased				24,040		
6.875	Pool Pass Equipment					9,004	
6.912	Roof Assemblies, Asphalt Shingles					12,156	
<b>Anticipated Expenditures, By Year (\$230,591 over 5 years)</b>		0	58,363	4,668	51,637	75,116	40,806

## 4. RESERVE COMPONENT DETAIL

The Reserve Component Detail of this *Reserve Study* includes enhanced solutions and procedures for select significant components. This section describes the Reserve Components, documents specific problems and condition assessments, and may include detailed solutions and procedures for necessary capital repairs and replacements for the benefit of current and future board members. We advise the Board use this information to help define the scope and procedures for repair or replacement when soliciting bids or proposals from contractors. *However, the Report in whole or part is not and should not be used as a design specification or design engineering service.*

### Property Site Elements

#### Asphalt Pavement

---

**Line Items:** 4.020 and 4.040

**Quantity:** Approximately 1,650 square yards at the parking area

**History:**

- Repaving: Repaved in 2016.
- Repairs: Seal coating and repairs conducted in 2024

**Condition:** Fair overall with cracks evident



Pavement overview



Pavement cracks



**Pavement cracks**

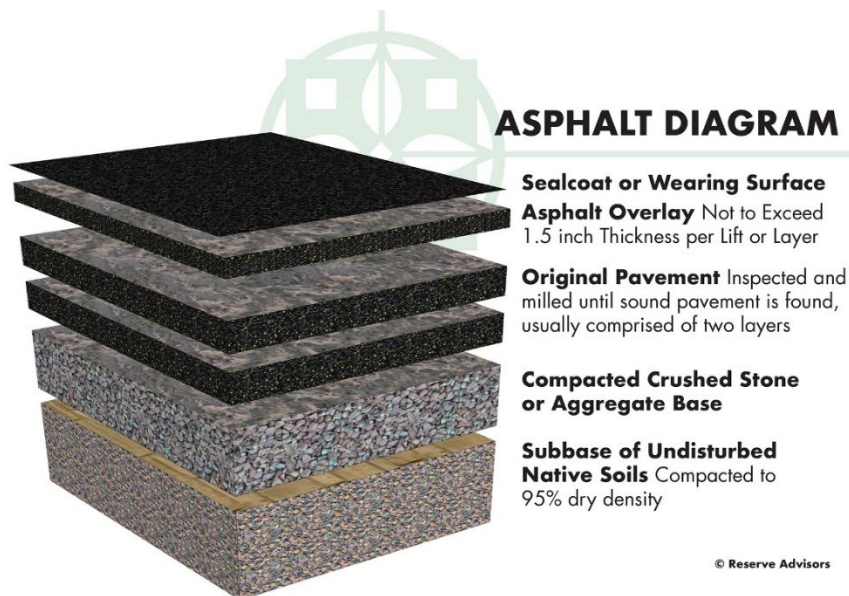


**Pavement cracks**

**Useful Life:** 15- to 20-years with the benefit of crack repairs, patch, seal coat and striping every three- to five-years

**Component Detail Notes:** Proposals should include mechanically routing and filling all cracks with hot emulsion. Repairs should also include patching at areas exhibiting settlement, potholes, or excessive cracking. The contractor should only apply seal coat applications after repairs are completed. A seal coat does not bridge or close cracks, therefore, unrepaired cracks render the seal coat applications useless. These activities minimize the damaging effects of vehicle fluids, maintain a uniform and positive appearance, and maximize the useful life of the pavement.

The initial installation of asphalt uses at least two lifts, or two separate applications of asphalt, over the base course. The first lift is the binder course. The second lift is the wearing course. The wearing course comprises a finer aggregate for a smoother, more watertight finish. The following diagram depicts the typical components although it may not reflect the actual configuration at Holleybrooke Homeowners:



**Preventative Maintenance Notes:** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
  - Inspect for settlement, large cracks and trip hazards, and ensure proper drainage
  - Repair areas which could cause vehicular damage such as potholes
- As needed:
  - Perform crack repairs and patching

**Priority:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

## Fences, Vinyl

---

**Line Items:** 4.260 and 4.262

**Quantity:** 230 linear feet of vinyl panel fencing located at the south perimeter of the pool house and 800 linear feet of three rail vinyl fence located along Smith Station Road.

**History:** The vinyl fences were all installed in 2009

**Condition:** Good to fair overall condition with stains, damage and isolated missing post caps evident.



Vinyl panel fence overview



Fence damage



**Fence damage**



**Fence damage**



**Vinyl rail fence overview**



**Vinyl rail fence overview**



**Fence damage**



**Stains**



**Missing post cap**



**Fence damage**



**Fence damage**

**Useful Life:** 15- to 20-years

**Preventative Maintenance Notes:** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
  - Inspect and repair loose panels, and damage
  - Repair leaning sections and clear vegetation from fence areas which could cause damage
  - Periodically clean vinyl fence as needed

**Priority:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

## Fences, Wood

---

**Line Items:** 4.285 and 4.287

**Quantity:** 355 linear feet of wood rail fencing around the parking area and 260 linear feet of wood stockade fencing located near the playground.

**History:** The rail fencing was installed in 2024 and the stockade fencing was installed in 2018.

**Condition:** The rail fencing is in good overall condition and the stockade fencing is in good to fair overall condition with board displacement evident.



**Wood rail fence overview**



**Wood rail fence overview**



**Wood stockade fence overview**



**Board displacement**

**Useful Life:** 15- to 20-years

**Preventative Maintenance Notes:** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:

- Inspect and repair loose sections, finish deterioration and damage
- Repair leaning sections and clear vegetation from fence areas which could cause damage

**Priority:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We base our estimate of cost for replacement on historical information provided by the Association. The Association should anticipate periodic partial replacements due to the non-uniform nature of wood deterioration.

## **Light Poles and Fixtures**

---

**Line Item:** 4.560

**Quantity:** 11 light poles and fixtures around the playground and pool areas.

**History:** Replaced from 2004 through 2007.

**Condition:** Fair overall with wear and rust evident



**Light pole and fixtures**



**Light poles and fixtures**



**Pole rust**

**Useful Life:** Up to 25 years

**Preventative Maintenance Notes:** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- As-needed:
  - Inspect and repair broken or dislodged fixtures, and leaning or damaged poles
  - Replaced burned out bulbs as needed

**Priority:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

## **Pavilion**

---

**Line Item:** 4.625

**Quantity:** One pavilion

**History:** Unknown age

**Condition:** Good to fair overall with wood post split evident



**Pavilion overview**



**Pavilion roof**



**Soffit and light fixtures at pavilion**



**Wood post split**

**Useful Life:** Up to 25 years with periodic maintenance

**Preventative Maintenance Notes:** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
  - Inspect for wood deterioration, and loose or missing fasteners
- Every three years:
  - Power wash with algaecide and application of sealer/stain

**Priority:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of cost for renovation includes replacement of the asphalt shingle roof, soffit, light fixtures and repairs to the wood structure as needed. We recommend the Association budget for paint applications and repairs through the operating budget.

## Playground Equipment

---

**Line Items:** 4.660 and 4.662

**Quantity:** Playground equipment includes the following elements:

- Playsets
- Swings
- Rubber mulch play surface with a plastic border

**History:** A portion of the equipment was replaced in 2019 and the majority of the equipment was replaced in 2024.

**Condition:** The equipment is in good overall condition with safety surface depletion and border finish deterioration evident.



**Playground equipment overview**



**Safety surface depletion**



**Safety surface depletion**



**Border finish deterioration**

**Useful Life:** 15- to 20-years

**Component Detail Notes:** Safety is the major purpose for maintaining playground equipment. We recommend an annual inspection of the playground equipment to identify

and repair as normal maintenance loose connections and fasteners or damaged elements. We suggest the Association learn more about the specific requirements of playground equipment at [PlaygroundSafety.org](http://PlaygroundSafety.org). We recommend the use of a specialist for the design or replacement of the playground equipment environment.

**Preventative Maintenance Notes:** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
  - Inspect and repair loose connections and fasteners or damaged elements
  - Inspect for safety hazards and adequate coverage of ground surface cover

**Priority:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimates of cost are based on information provided to us by the Association.

## Security System

---

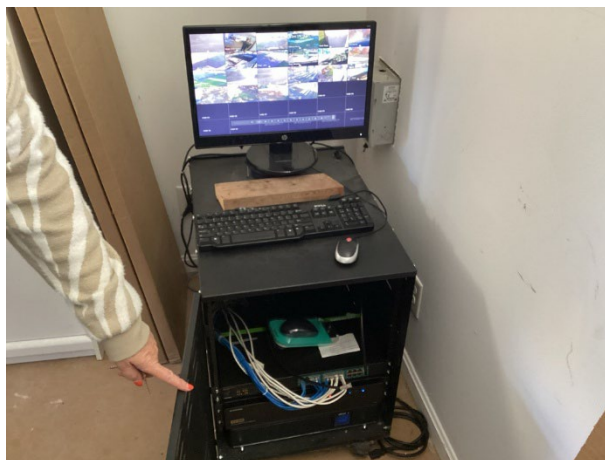
**Line Item:** 4.705

**Quantity:** Holleybrooke Homeowners utilizes the following security system components:

- Cameras
- Monitor
- Recorder

**History:** Varied ages of 6- to 11-years of age

**Condition:** Reported in varied good to fair operational condition



**Security system components**

**Useful Life:** Replacement every 10- to 15-years

**Preventative Maintenance Notes:** We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Monthly:
  - Check cameras for proper focus, fields of view are unobstructed and camera and lenses are clean and dust-free
  - Check recording equipment for proper operation
  - Verify monitors are free from distortion with correct brightness and contrast
- Annually:
  - Check exposed wiring and cables for wear, proper connections and signal transmission
  - Check power connections, and if applicable, functionality of battery power supply systems

**Priority:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association budget for replacement of up to fifty percent (50%) of the components during each event.

## **Signage, Entrance Monuments, Renovation**

---

**Line Item:** 4.800

**Quantity:** The property identification signage includes the following elements:

- Landscaping
- Light fixtures
- Masonry signage

**History:** Renovated in 2014.

**Condition:** Good to fair overall with cracks and retaining wall movement evident.



**Entrance monument**



**Entrance monument**



**Minor retaining wall movement**



**Cracks at concrete coping**

**Useful Life:** 15- to 20-years

**Component Detail Notes:** Community signage contributes to the overall aesthetic appearance of the property to owners and potential buyers. Renovation or replacement of community signs is often predicated upon the desire to "update" the perceived identity of the community rather than for utilitarian concerns. Therefore, the specific times for replacement or renovation are discretionary.

**Preventative Maintenance Notes:** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
  - Inspect and repair damage, vandalism and loose components
  - Verify lighting is working properly
  - Touch-up paint finish applications if applicable

**Priority:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost for renovation includes repairs to the masonry and concrete coping, replacement of light fixtures and landscaping as needed.

## Signage, Traffic and Property Identification, Replacement

---

**Line Item:** 4.810

**Quantity:** The Association is responsible for 12 signs located throughout the common areas.

**History:** Unknown ages; the Board informs us of the desire to replace the signage in the near term.

**Condition:** Fair overall with wood post split, frame finish deterioration and rust evident.



Signage



Signage



Signage



Wood post split



**Frame finish deterioration and rust**

**Useful Life:** 15- to 20-years

**Component Detail Notes:** The community signs contribute to the overall aesthetic appearance of the property to owners and potential buyers. Replacement of community signs is often predicated upon the desire to "update" the perceived identity of the community rather than for utilitarian concerns. Therefore, the specific time for replacement of the signs is discretionary.

**Preventative Maintenance Notes:** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
  - Inspect and repair damage, vandalism and loose components
  - Touch-up paint finish applications if applicable

**Priority:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

## Site Furniture

---

**Line Item:** 4.820

**Quantity:** The Association maintains the following types of site furniture:

- Benches
- Picnic Tables
- Trash Receptacles

**History:** Varied ages.

**Condition:** Fair overall condition with finish deterioration and rust evident



Site furniture



Site furniture



Finish deterioration and rust

**Useful Life:** 15- to 25-years

**Priority:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

## Stormwater Management, Detention Basin

---

**Line Item:** 4.884

**Quantity, History and Condition:** The Association informs us of plans to conduct a clean-up of the basin in 2026.

**Useful Life:** Future updates to this reserve study will consider the need for subsequent reserve expenditures related to the detention basin.

**Priority:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of cost is based on information provided to us by the Association.

## Pool and Pool House Elements

### Concrete Deck

---

**Line Item:** 6.200

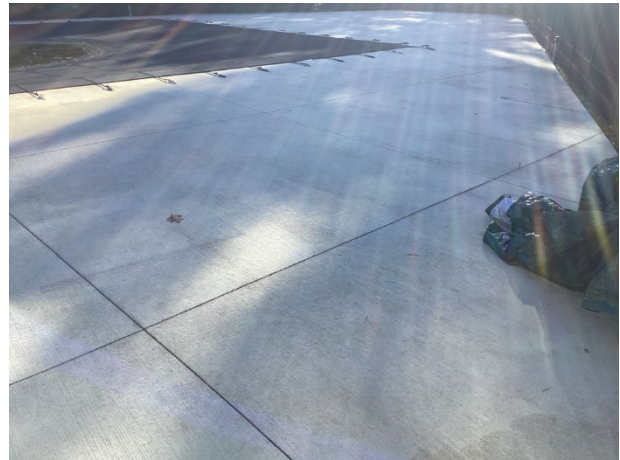
**Quantity:** 6,300 square feet

**History:** The deck was repaired in 2024

**Condition:** Good overall



Concrete pool deck overview



Concrete pool deck overview

**Useful Life:** The useful life of a concrete pool deck is up to 60 years or more with timely repairs. We recommend the Association conduct inspections, partial replacements and repairs to the concrete deck every 8- to 12-years.

**Preventative Maintenance Notes:** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
  - Inspect and repair large cracks, trip hazards, and possible safety hazards
  - Inspect and repair pool coping for cracks, settlement, heaves or sealant deterioration
  - Repair concrete spalling
  - Schedule periodic pressure cleanings as needed

**Priority:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association budget for the following per event:

- Selective cut out and replacements of up to ten percent (10%) of concrete
- Crack repairs as needed
- Mortar joint repairs
- Caulk replacement

## Covers, Vinyl

---

**Line Item:** 6.300

**Quantity:** 4,000 square feet

**History:** The age was unavailable at the time of our inspection.

**Condition:** Fair overall with rips evident



Pool cover



Pool cover



Pool cover rips



Pool cover rips



**Pool cover rips**

**Useful Life:** Six- to eight-years

**Priority:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the *Reserve Expenditures* table in Section 3.

## **Fence, Aluminum**

---

**Line Item:** 6.400

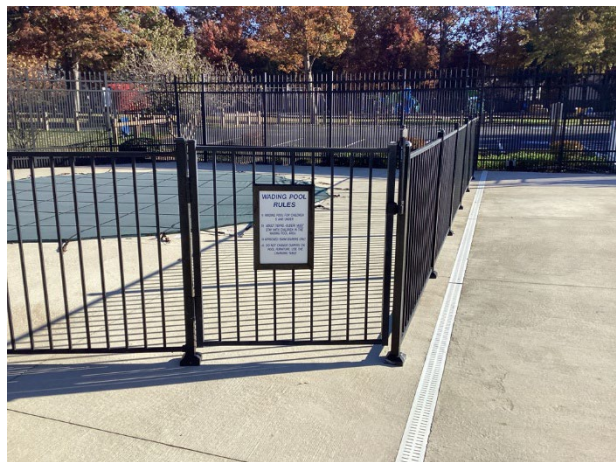
**Quantity:** 520 linear feet

**History:** Replaced in 2009.

**Condition:** Good to fair overall with finish deterioration evident



**Aluminum pool fence**



**Aluminum pool fence**



**Fence finish deterioration**

**Useful Life:** Up to 25 years

**Preventative Maintenance Notes:** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
  - Inspect and repair loose fasteners or sections, and damage
  - Repair leaning sections and clear vegetation from fence areas which could cause damage

**Priority:** Not recommended to defer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

## **Furniture**

---

**Line Item:** 6.500

**Quantity:** The pool furniture includes the following:

- Chairs
- Lounges
- Tables
- Umbrellas
- Lifeguard chairs
- Ladders and life safety equipment

**History:** Varied ages.

**Condition:** Fair overall with finish deterioration evident



**Pool furniture overview**



**Finish deterioration**

**Useful Life:** Up to 12 years

**Priority:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend interim re-strapping, refinishing, cushion replacements, reupholstering and other repairs to the furniture as normal maintenance to maximize its useful life.

## **Mechanical Equipment**

---

**Line Item:** 6.600

**Quantity:** The mechanical equipment includes the following:

- Automatic chlorinator and controls
- Electrical panels
- Interconnected pipe, fittings and valves
- Pumps, filters and heater

**History:** Varied ages.

**Condition:** Reported satisfactory without operational deficiencies.



Pool filter



Pool mechanical equipment

**Useful Life:** Up to 15 years

**Preventative Maintenance Notes:** We recommend the Association maintain a maintenance contract with a qualified professional and follow the manufacturer's specific recommended maintenance and local, state and/or federal inspection guidelines.

**Priority:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the Reserve Expenditures table in Section 3. Failure of the pool mechanical equipment as a single event is unlikely. Therefore, we include replacement of up to thirty-three percent (33%) of the equipment per event. We consider interim replacement of motors and minor repairs as normal maintenance.

## Pool Finishes

---

**Line Items:** 6.800 and 6.801

**Quantity:** 3,600 square feet of plaster based on the horizontal surface area and approximately 390 linear feet of tile and coping

**History:**

- Plaster finish: Replaced in 2024.
- Tile and coping: Replaced in 2024.

**Condition:** Good overall reported condition. We were unable to inspect the pool due to the cover.

**Useful Life:** 8- to 12-years for the plaster and 15- to 25-years for the tile and coping

**Preventative Maintenance Notes:** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:

- Inspect and patch areas of significant plaster delamination, coping damage and structure cracks
- Inspect main drain connection and anti-entrapment covers, pressure test circulation piping and valves
- Test handrails and safety features for proper operation

**Priority:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association budget for full tile and coping replacement every other plaster replacement event. Removal and replacement provides the opportunity to inspect the pool structures and to allow for partial repairs of the underlying concrete surfaces as needed. To maintain the integrity of the pool structures, we recommend the Association budget for the following:

- Removal and replacement of the plaster finishes
- Partial replacements of the scuppers as needed
- Replacement of tiles and coping as needed
- Replacement of joint sealants as needed
- Concrete structure repairs as needed

## Pool Pass Equipment

---

**Line Item:** 6.875

**Quantity:** The Association maintains various components related to the pool pass system

**History:** Replaced in 2024

**Condition:** Reported satisfactory overall



**Pool pass equipment**

**Useful Life:** Replacement of the components every five years



**Priority:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of cost is based on information provided to us by the Association.

## **Pool Structures and Deck**

---

**Line Item:** 6.900

**Quantity:** 3,600 square feet of horizontal surface area

**History:** Original

**Conditions:** Visually appears in good overall condition. The concrete structures and walls have a plaster finish. This finish makes it difficult to thoroughly inspect the concrete structures during a non-invasive visual inspection.

**Useful Life:** Up to 60 years

**Component Detail Notes:** The need to replace a pool structure depends on the condition of the concrete structure, the condition of the embedded or concealed water circulation piping, possible long term uneven settlement of the structure, and the increasing cost of repair and maintenance. Deterioration of any one of these component systems could result in complete replacement of the pool. For example, deferral of a deteriorated piping system could result in settlement and cracks in the pool structure. This mode of failure is more common as the system ages and deterioration of the piping system goes undetected. For reserve budgeting purposes, we recommend Holleybrooke Homeowners plan to replace the following components:

- Concrete deck
- Pool structures
- Subsurface piping

**Priority:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

## **Rest Rooms, Renovation**

---

**Line Item:** 6.910

**Quantity:** The rest room components include:

- Floor coverings: Concrete
- Wall finishes: Paint
- Ceiling finishes: Paint

- Light fixtures
- Plumbing fixtures

**History:** Last renovated in 2011

**Condition:** Good to fair overall; with the pool furniture stored in these areas it is difficult to fully inspect the entire restroom areas.



**Rest room overview**

**Useful Life:** Renovation up to every 25 years

**Priority:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Renovations should include coating of the concrete floors, paint finishes to the walls and ceilings and replacement of the light fixtures and plumbing fixtures.

## **Roof Assemblies, Asphalt Shingles**

---

**Line Item:** 6.912

**Quantity:** Approximately 15 squares<sup>1</sup> at the pool house and storage sheds.

**History:** The roofs date to 2004

**Condition:** Good to fair overall based on our visual inspection from the ground with shingle lift and wear evident.

<sup>1</sup> We quantify the roof area in squares where one square is equal to 100 square feet of surface area.



**Roof overview**



**Shed roof overview**



**Shed roof overview**



**Shingle lift and wear**

**Useful Life:** 20- to 25-years

**Component Detail Notes:** Contractors use one of two methods for replacement of sloped roofs, either an overlayment or a tear-off. Overlayment is the application of new shingles over an existing roof. However, there are many disadvantages to overlayment including hidden defects of the underlying roof system, absorption of more heat resulting in accelerated deterioration of the new and old shingles, and an uneven visual appearance. Therefore, we recommend only the tear-off method of replacement. The tear-off method of replacement includes removal of the existing shingles, flashings if required and underlayments.

**Preventative Maintenance Notes:** We recommend the Association maintain a service and inspection contract with a qualified professional and record all documentation of repairs conducted. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
  - Record any areas of water infiltration, flashing deterioration, damage or loose shingles
  - Implement repairs as needed if issues are reoccurring

- Trim tree branches that are near or in contact with roof
- As-needed:
  - Ensure proper ventilation and verify vents are clear of debris and not blocked from attic insulation

**Priority:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

## Wall, Siding, Vinyl

---

**Line Item:** 6.914

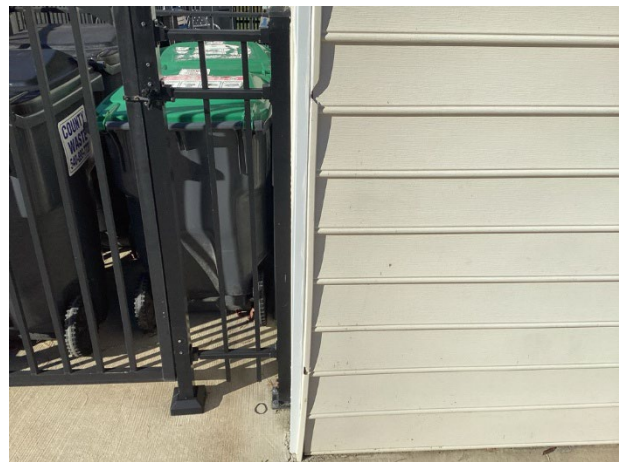
**Quantity:** Approximately 3,100 square feet of vinyl siding at the pool house and storage sheds.

**History:** Replaced in 2004

**Condition:** Good to fair overall with damage evident



**Vinyl siding overview**



**Siding damage**

**Useful Life:** Up to 35 years

**Preventative Maintenance Notes:** We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
  - Inspect and repair loose siding, warping or damage from wind driven objects or lawn care equipment
  - Periodically clean siding as necessary at areas of organic growth. A non-abrasive household cleaner or manufacturer specified vinyl siding cleaner will remove more intense stains. We do not

recommend pressure cleaning at vinyl siding due to the siding's brittle nature.

**Priority:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

## Water Heater

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**Line Item:** 6.916

**Quantity:** One water heater

**History:** Installed in 2014

**Condition:** Reported satisfactory



**Water heater**

**Useful Life:** 15- to 20-years

**Preventative Maintenance Notes:** The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Weekly:
  - Inspect for leaking water around boilers
  - Check temperature readings
  - Verify vent is unobstructed
  - Conduct boiler blowdown to minimize corrosion and remove suspended solids in system
  - Clean pilot and burner assemblies
- Monthly:
  - Check water and pressure levels

- Check controls and switches for proper operating
- Check and inspect condensate drain
- Check all gaskets for tight sealing
- Annually:
  - Conduct full inspection of burners and flues
  - Clean and inspect tubes to reduce scaling
  - Inspect any pressure relief valves
  - Inspect electrical terminals and controls

**Priority:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of cost includes an allowance for replacement of controls.

## Windows and Doors

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**Line Item:** 6.918

**Quantity:** 290 square feet of windows and doors at the pool house and storage sheds

**History:** Installed in 2004

**Condition:** Fair overall with deterioration and damage evident



**Doors**



**Windows**



**Door deterioration**



**Window damage**

**Useful Life:** Up to 35 years

**Priority:** Not recommended to defer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

## Reserve Study Update

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. Many variables change after the study is conducted that may result in significant overfunding or underfunding the reserve account. Variables that may affect the Reserve Funding Plan include, but are not limited to:

- Deferred or accelerated capital projects based on Board discretion
- Changes in the interest rates on reserve investments
- Changes in the *local* construction inflation rate
- Additions and deletions to the Reserve Component Inventory
- The presence or absence of maintenance programs
- Unusually mild or extreme weather conditions
- Technological advancements

Periodic updates incorporate these variable changes since the last Reserve Study or Update. We recommend the Board budget for an Update to this Reserve Study every three years. Budgeting for an Update demonstrates the Board's objective to continue fulfilling its fiduciary responsibility to maintain the commonly owned property and to fund reserves appropriately.

## 5. METHODOLOGY

Reserves for replacement are the amounts of money required for future expenditures to repair or replace Reserve Components that wear out before the entire facility or project wears out. Reserving funds for future repair or replacement of the Reserve Components is also one of the most reliable ways of protecting the value of the property's infrastructure and marketability.

Holleybrooke Homeowners can fund capital repairs and replacements in any combination of the following:

1. Increases in the operating budget during years when the shortages occur
2. Loans using borrowed capital for major replacement projects
3. Level monthly reserve assessments annually adjusted upward for inflation to increase reserves to fund the expected major future expenditures
4. Special assessments

We do not advocate special assessments or loans unless near term circumstances dictate otherwise. Although loans provide a gradual method of funding a replacement, the costs are higher than if the Association were to accumulate reserves ahead of the actual replacement. Interest earnings on reserves also accumulate in this process of saving or reserving for future replacements, thereby defraying the amount of gradual reserve collections. We advocate the third method of *Level Monthly Reserve Assessments* with relatively minor annual adjustments. The method ensures that Owners pay their "fair share" of the weathering and aging of the commonly owned property each year. Level reserve assessments preserve the property and enhance the resale value of the homes.

This Reserve Study is in compliance with and exceeds the National standards<sup>1</sup> set forth by the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Level II Reserve Study Update." These standards require a Reserve Component to have a "predictable remaining Useful Life." Estimating Remaining Useful Lives and Reserve Expenditures beyond 30 years is often indeterminate. Long-Lived Property Elements are necessarily excluded from this analysis. We considered the following factors in our analysis:

- The Cash Flow Method to compute, project and illustrate the 30-year Reserve Funding Plan
- Local<sup>2</sup> costs of material, equipment and labor
- Current and future costs of replacement for the Reserve Components
- Costs of demolition as part of the cost of replacement
- Local economic conditions and a historical perspective to arrive at our estimate of long-term future inflation for construction costs in Spotsylvania, Virginia at an annual inflation rate<sup>3</sup>. Isolated or regional markets of greater

<sup>1</sup> Identified in the APRA "Standards - Terms and Definitions" and the CAI "Terms and Definitions".

<sup>2</sup> See Credentials for additional information on our use of published sources of cost data.

<sup>3</sup> Derived from Marshall & Swift, historical costs and the Bureau of Labor Statistics.

construction (development) activity may experience slightly greater rates of inflation for both construction materials and labor.

- The past and current maintenance practices of Holleybrooke Homeowners and their effects on remaining useful lives
- Financial information provided by the Association pertaining to the cash status of the reserve fund and budgeted reserve contribution
- The anticipated effects of appreciation of the reserves over time in accord with a return or yield on investment of your cash equivalent assets. (We did not consider the costs, if any, of Federal and State Taxes on income derived from interest and/or dividend income).
- The Funding Plan excludes necessary operating budget expenditures. It is our understanding that future operating budgets will provide for the ongoing normal maintenance of Reserve Components.

Updates to this Reserve Study will continue to monitor historical facts and trends concerning the external market conditions.



## 6. CREDENTIALS

### HISTORY AND DEPTH OF SERVICE

Founded in 1991, Reserve Advisors is the leading provider of reserve studies, insurance appraisals, developer turnover transition studies, expert witness services, and other engineering consulting services. Clients include community associations, resort properties, hotels, clubs, non-profit organizations, apartment building owners, religious and educational institutions, and office/commercial building owners in 48 states, Canada and throughout the world.

The **architectural engineering consulting firm** was formed to take a leadership role in helping fiduciaries, boards, and property managers manage their property like a business with a long-range master plan known as a Reserve Study.

Reserve Advisors employs the **largest staff of Reserve Specialists** with bachelor's degrees in engineering dedicated to Reserve Study services. Our founders are also founders of Community Associations Institute's (CAI) Reserve Committee that developed national standards for reserve study providers. One of our founders is a Past President of the Association of Professional Reserve Analysts (APRA). Our vast experience with a variety of building types and ages, on-site examination and historical analyses are keys to determining accurate remaining useful life estimates of building components.

**No Conflict of Interest** - As consulting specialists, our **independent opinion** eliminates any real or perceived conflict of interest because we do not conduct or manage capital projects.

### TOTAL STAFF INVOLVEMENT

Several staff members participate in each assignment. The responsible advisor involves the staff through a Team Review, exclusive to Reserve Advisors, and by utilizing the experience of other staff members, each of whom has served hundreds of clients. We conduct Team Reviews, an internal quality assurance review of each assignment, including: the inspection; building component costing; lifing; and technical report phases of the assignment. Due to our extensive experience with building components, we do not have a need to utilize subcontractors.

### OUR GOAL

To help our clients fulfill their fiduciary responsibilities to maintain property in good condition.

### VAST EXPERIENCE WITH A VARIETY OF BUILDINGS

Reserve Advisors has conducted reserve studies for a multitude of different communities and building types. We've analyzed thousands of buildings, from as small as a 3,500-square foot day care center to a 2,600,000-square foot 98-story highrise. We also routinely inspect buildings with various types of mechanical systems such as simple electric heat, to complex systems with air handlers, chillers, boilers, elevators, and life safety and security systems.

We're familiar with all types of building exteriors as well. Our well-versed staff regularly identifies optimal repair and replacement solutions for such building exterior surfaces such as adobe, brick, stone, concrete, stucco, EIFS, wood products, stained glass and aluminum siding, and window wall systems.

### OLD TO NEW

Reserve Advisors' experience includes ornate and vintage buildings as well as modern structures. Our specialists are no strangers to older buildings. We're accustomed to addressing the unique challenges posed by buildings that date to the 1800's. We recognize and consider the methods of construction employed into our analysis. We recommend appropriate replacement programs that apply cost effective technologies while maintaining a building's character and appeal.

**STEPHEN E. BRESKI, P.E., RS**  
**Director of Engineering Training and Development**  
**Responsible Advisor**

**CURRENT CLIENT SERVICES**

Stephen E. Breski, a Senior Civil Engineer, is a Director for Reserve Advisors. Mr. Breski is responsible for the inspection and analysis of the condition of clients' properties, and recommending engineering solutions to prolong the lives of the components. He also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. He is responsible for conducting Life Cycle Cost Analyses and Capital Replacement Forecast services and the preparation of Reserve Study Reports for condominiums, townhomes, planned unit developments and homeowner associations.



The following is a partial list of clients served by Stephen Breski demonstrating the breadth of experiential knowledge of community associations in construction and related systems.

**30 Park Place** - Located in downtown Manhattan in New York City, this 82-story luxury tower offers 157 private residences and 189 hotel guest suites. The building was designed by renowned architect Robert A.M. Stern and is operated by the Four Seasons staff. On the 37<sup>th</sup> floor the residences enjoy their private amenity area complete with a fitness center and film screening room. The hotel includes a spa and indoor swimming pool.

**Merion Golf Club** - Located in the suburbs of Philadelphia, PA, this club was founded in 1865 as the Merion Cricket Club. Later, the Merion Cricket Club founded the Merion Golf Club in 1896 and has been an iconic golf club since. Merion Golf Club's East Course is consistently ranked as one of the top golf courses and has hosted five U.S. Opens featuring champions Ben Hogan (1950), Lee Trevino and his playoff victory over Jack Nicklaus (1971) and, most recently, Justin Rose (2013).

**Saint Sophia Greek Orthodox Cathedral** - Located in Northwest Washington, D.C., the cornerstone of this cathedral was laid by President Dwight D. Eisenhower in 1956. A second building was constructed in addition to the cathedral in 2004. This building, known as the Education and Activities Center, includes classrooms and a library.

**Big Bass Lake Community Association, Inc.** - Located in Gouldsboro, Pennsylvania, this community features three dams which provide the 1,655 single family homes with over 850,000 square yards of surface area for boating and recreation. Residents enjoy a clubhouse, a recreational center, a ski hill, docks, recreational courts, beaches and playgrounds. The Association also maintains an administration building, maintenance shop, sales office and library.

**Woodmont Country Club** - This exclusive club was established more than 100 years ago. The elegant design of Woodmont's 125,000 square foot clubhouse, incorporates several dining venues, a grand ballroom and an expansive fitness and wellness center. The clubhouse overlooks Woodmont's two premiere golf courses, swimming complex and 22 tennis courts comprising *Har-Tru*, Italian Red-Clay and Asphalt surfaces.

**PRIOR RELEVANT EXPERIENCE**

Before joining Reserve Advisors, Mr. Breski worked for a private construction management company in Pittsburgh, Pennsylvania, where he was working as a cost estimator. Prior to working as an estimator, Mr. Breski also worked for the nation's largest provider of wireless infrastructure, where he assisted in the structural analysis of cell phone towers. Mr. Breski attended the Swanson School of Engineering at the University of Pittsburgh where he attained his Bachelor of Science degree in Civil and Environmental Engineering. His studies focused on Structural Engineering.

**EDUCATION**

University of Pittsburgh - B.S. Civil and Environmental Engineering

**PROFESSIONAL AFFILIATIONS**

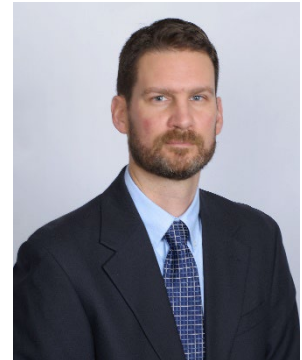
*Professional Engineer (P.E.) – District of Columbia*

*Reserve Specialist (RS) – Community Association Institute*

**ALAN M. EBERT, P.E., PRA, RS**  
**Director of Quality Assurance**

**CURRENT CLIENT SERVICES:**

Alan M. Ebert is the Director of Quality Assurance at Reserve Advisors and a direct, accessible resource to client boards, community managers, and stakeholders. Since entering the reserve study industry in 2007, he has conducted or personally reviewed approximately 20,000 reserve studies across the United States and internationally. He continues to perform hands-on technical reviews while leading the firm's Quality Assurance Engineers and production team to ensure accurate, consistent, and timely delivery of reports. Clients rely on Mr. Ebert for clear explanations, practical recommendations, and ongoing support before, during, and after report delivery.



**SCOPE OF EXPERIENCE:**

Mr. Ebert has directed and reviewed reserve studies for a wide range of properties and building systems, including:

- High-rise and mid-rise condominium buildings with complex façades, balconies, structured parking, elevators, and life-safety systems
- Garden-style condominiums and townhome communities with extensive roofing portfolios, exterior cladding, and common-area infrastructure
- Master-planned and large-scale HOAs with private roadways, stormwater systems, lakes and water features, irrigation networks, and recreational amenities (pools, clubhouses, courts, fitness facilities)
- Historic and legacy properties with specialized envelope, structural and accessibility
- Coastal and cold-climate communities subject to salt exposure, wind-driven rain, and freeze-thaw durability demands
- Properties with on-site utilities and site structures, such as septic and wastewater systems, retaining walls, slope stabilization, bridges, and extensive hardscapes
- Mixed-use and commercial association components, including central HVAC plants and building automation systems

**LEADERSHIP, QUALITY ASSURANCE, AND CLIENT SERVICE**

- Oversees Quality Assurance Engineers and the Production Team to align standards, workflows, and schedules for on-time, high-quality reserve study reports
- Conducts in-depth technical reviews; standardizes methodologies, cost databases, and component life modeling to drive consistency and accuracy
- Serves as a personal resource to clients—available for planning discussions, board presentations, and Q&A to ensure clarity of findings and funding recommendations
- Tailors analyses to community goals, governing documents, and statutory requirements; collaborates with clients on phasing strategies and budget alignment

His background in geological engineering includes analysis of foundations, retaining walls, and slope stability—critical components that inform his assessment of building systems and site infrastructure.

**EDUCATION**

- University of Wisconsin–Madison, B.S., Geological Engineering

**LICENSES AND CREDENTIALS**

- Licensed Professional Engineer (PE): Illinois, Colorado, North Carolina, Wisconsin (since 2012)
- Reserve Specialist (RS), Community Associations Institute (CAI)
- Professional Reserve Analyst (PRA), Association of Professional Reserve Analysts (APRA)



## RESOURCES

Reserve Advisors utilizes numerous resources of national and local data to conduct its Professional Services. A concise list of several of these resources follows:

**Association of Construction Inspectors**, (ACI) the largest professional organization for those involved in construction inspection and construction project management. ACI is also the leading association providing standards, guidelines, regulations, education, training, and professional recognition in a field that has quickly become important procedure for both residential and commercial construction, found on the web at [www.iami.org](http://www.iami.org).

**American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc.**, (ASHRAE) the American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., devoted to the arts and sciences of heating, ventilation, air conditioning and refrigeration; recognized as the foremost, authoritative, timely and responsive source of technical and educational information, standards and guidelines, found on the web at [www.ashrae.org](http://www.ashrae.org). Reserve Advisors actively participates in its local chapter and holds individual memberships.

**Community Associations Institute**, (CAI) America's leading advocate for responsible communities noted as the only national organization dedicated to fostering vibrant, responsive, competent community associations. Their mission is to assist community associations in promoting harmony, community, and responsible leadership.

**Marshall & Swift / Boeckh**, (MS/B) the worldwide provider of building cost data, co-sourcing solutions, and estimating technology for the property and casualty insurance industry found on the web at [www.marshallswift.com](http://www.marshallswift.com).

**R.S. Means CostWorks**, North America's leading supplier of construction cost information. As a member of the Construction Market Data Group, Means provides accurate and up-to-date cost information that helps owners, developers, architects, engineers, contractors and others to carefully and precisely project and control the cost of both new building construction and renovation projects found on the web at [www.rsmeans.com](http://www.rsmeans.com).

Reserve Advisors' library of numerous periodicals relating to reserve studies, condition analyses, chapter community associations, and historical costs from thousands of capital repair and replacement projects, and product literature from manufacturers of building products and building systems.

## 7. DEFINITIONS

Definitions are derived from the standards set forth by the Community Associations Institute (CAI) representing America's 305,000 condominium and homeowners associations and cooperatives, and the Association of Professional Reserve Analysts, setting the standards of care for reserve study practitioners.

**Cash Flow Method** - A method of calculating Reserve Contributions where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

**Component Method** - A method of developing a Reserve Funding Plan with the total contribution is based on the sum of the contributions for individual components.

**Current Cost of Replacement** - That amount required today derived from the quantity of a *Reserve Component* and its unit cost to replace or repair a Reserve Component using the most current technology and construction materials, duplicating the productive utility of the existing property at current *local* market prices for *materials*, *labor* and manufactured equipment, contractors' overhead, profit and fees, but without provisions for building permits, overtime, bonuses for labor or premiums for material and equipment. We include removal and disposal costs where applicable.

**Fully Funded Balance** - The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost similar to Total Accrued Depreciation.

**Funding Goal (Threshold)** - The stated purpose of this Reserve Study is to determine the adequate, not excessive, minimal threshold reserve balances.

**Future Cost of Replacement** - *Reserve Expenditure* derived from the inflated current cost of replacement or current cost of replacement as defined above, with consideration given to the effects of inflation on local market rates for materials, labor and equipment.

**Long-Lived Property Component** - Property component of Holleybrooke Homeowners responsibility not likely to require capital repair or replacement during the next 30 years with an unpredictable remaining Useful Life beyond the next 30 years.

**Percent Funded** - The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

**Remaining Useful Life** - The estimated remaining functional or useful time in years of a *Reserve Component* based on its age, condition and maintenance.

**Reserve Component** - Property elements with: 1) Holleybrooke Homeowners responsibility; 2) limited Useful Life expectancies; 3) predictable Remaining Useful Life expectancies; and 4) a replacement cost above a minimum threshold.

**Reserve Component Inventory** - Line Items in *Reserve Expenditures* that identify a *Reserve Component*.

**Reserve Contribution** - An amount of money set aside or *Reserve Assessment* contributed to a *Reserve Fund* for future *Reserve Expenditures* to repair or replace *Reserve Components*.

**Reserve Expenditure** - Future Cost of Replacement of a Reserve Component.

**Reserve Fund Status** - The accumulated amount of reserves in dollars at a given point in time, i.e., at year end.

**Reserve Funding Plan** - The portion of the Reserve Study identifying the *Cash Flow Analysis* and containing the recommended Reserve Contributions and projected annual expenditures, interest earned and reserve balances.

**Reserve Study** - A budget planning tool that identifies the current status of the reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.

**Useful Life** - The anticipated total time in years that a *Reserve Component* is expected to serve its intended function in its present application or installation.



## 8. PROFESSIONAL SERVICE CONDITIONS

**Our Services** - Reserve Advisors, LLC ("RA") performs its services as an independent contractor in accordance with our professional practice standards and its compensation is not contingent upon our conclusions. The purpose of our reserve study is to provide a budget planning tool that identifies the current status of the reserve fund, and an opinion recommending an annual funding plan, to create reserves for anticipated future replacement expenditures of the subject property. The purpose of our energy benchmarking services is to track, collect and summarize the subject property's energy consumption over time for your use in comparison with other buildings of similar size and establishing a performance baseline for your planning of long-term energy efficiency goals. The purpose of our Milestone Phase I is to evaluate the structural integrity of the building on the subject property and provide an inspection report summarizing our findings related to structural issues, or lack thereof.

In each case, our inspection and analysis of the subject property is limited to visual observations, is noninvasive and is not meant to nor does it include investigation into statutory, regulatory or code compliance. RA inspects sloped roofs from the ground and inspects flat roofs where safe access (stairs or ladder permanently attached to the structure) is available. Our energy benchmarking services with respect to the subject property is limited to collecting energy and utility data and summarizing such data in the form of an Energy Star Portfolio Manager Report or any other similar report, and hereby expressly excludes any recommendations with respect to the results of such energy benchmarking services or the accuracy of the energy information obtained from utility companies and other third-party sources with respect to the subject property. Our Milestone Phase I inspections are limited to a visual examination of habitable and uninhabitable areas of the building, including the primary structural members and systems. The inspection aims to determine the presence of substantial structural deterioration, and unsafe or dangerous conditions with the structure. The reserve report, Milestone Phase 1 report, and any energy benchmarking report (i.e., any Energy Star Portfolio Manager Report) (including any subsequent revisions thereto pursuant to the terms hereof, collectively, the "Report") are based upon a "snapshot in time" at the moment of inspection. RA may note visible physical defects in the Report. The inspection is made by employees generally familiar with real estate and building construction. Except to the extent readily apparent to RA, RA cannot and shall not opine on the structural integrity of or other physical defects in the property under any circumstances. Without limitation to the foregoing, RA cannot and shall not opine on, nor is RA responsible for, the property's conformity to specific governmental code requirements for fire, building, earthquake, occupancy or otherwise.

RA is not responsible for conditions that have changed between the time of inspection and the issuance of the Report. RA does not provide invasive testing on any mechanical systems that provide energy to the property, nor can RA opine on any system components that are not easily accessible during the inspection. RA does not investigate, nor assume any responsibility for any existence or impact of any hazardous materials, such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, environmental mold or other potentially hazardous materials or structural defects that are latent or hidden defects which may or may not be present on or within the property. RA does not make any soil analysis or geological study as part of its services, nor does RA investigate vapor, water, oil, gas, coal, or other subsurface mineral and use rights or such hidden conditions, and RA assumes no responsibility for any such conditions. The Report contains opinions of estimated replacement costs or deferred maintenance expenses and remaining useful lives, which are neither a guarantee of the actual costs or expenses of replacement or deferred maintenance nor a guarantee of remaining useful lives of any property element.

RA assumes, without independent verification, the accuracy of all data provided to it. Except to the extent resulting from RA's willful misconduct in connection with the performance of its obligations under this agreement, you agree to indemnify, defend, and hold RA and its affiliates, officers, managers, employees, agents, successors and assigns (each, an "RA Party") harmless from and against (and promptly reimburse each RA Party for) any and all losses, claims, actions, demands, judgments, orders, damages, expenses or liabilities, including, without limitation, reasonable attorneys' fees, asserted against or to which any RA Party may become subject in connection with this engagement, including, without limitation, as a result of any false, misleading or incomplete information which RA relied upon that was supplied by you or others under your direction, or which may result from any improper use or reliance on the Report by you or third parties under your control or direction or to whom you provided the Report. NOTWITHSTANDING ANY OTHER PROVISION HEREIN TO THE CONTRARY, THE AGGREGATE LIABILITY (IF ANY) OF RA WITH RESPECT TO THIS AGREEMENT AND RA'S OBLIGATIONS HEREUNDER IS LIMITED TO THE AMOUNT OF THE FEES ACTUALLY RECEIVED BY RA FROM YOU FOR THE SERVICES AND REPORT PERFORMED BY RA UNDER THIS AGREEMENT, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. YOUR REMEDIES SET FORTH HEREIN ARE EXCLUSIVE AND ARE YOUR SOLE REMEDIES FOR ANY FAILURE OF RA TO COMPLY WITH ITS OBLIGATIONS HEREUNDER OR OTHERWISE. RA SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, ANY LOST PROFITS AND LOST SAVINGS, LOSS OF USE OR INTERRUPTION OF BUSINESS, HOWEVER CAUSED, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), BREACH OF WARRANTY, STRICT LIABILITY OR OTHERWISE, EVEN IF RA HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT WILL RA BE LIABLE FOR THE COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES. RA DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED OR OF ANY NATURE, WITH REGARD TO THE SERVICES AND THE REPORT, INCLUDING, WITHOUT LIMITATION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.



**Report** - RA will complete the services in accordance with the Proposal. The Report represents a valid opinion of RA's findings and recommendations with respect to the reserve study or Milestone Phase I, as applicable, and is deemed complete. RA will consider any additional information made available to RA within 6 months of issuing the Report and issue a revised Report based on such additional information if a timely request for a revised Report is made by you. RA retains the right to withhold a revised Report if payment for services was not tendered in a timely manner. All information received by RA and all files, work papers or documents developed by RA during the course of the engagement shall remain the property of RA and may be used for whatever purpose it sees fit. RA reserves the right to, and you acknowledge and agree that RA may, use any data provided by you in connection with the services, or gathered as a result of providing such services, including in connection with creating and issuing any Report, in a de-identified and aggregated form for RA's business purposes.

**Your Obligations** - You agree to provide us access to the subject property for an inspection. You agree to provide RA all available, historical and budgetary information, the governing documents, and other information that we request and deem necessary to complete the Report. Additionally, you agree to provide historical replacement schedules, utility bills and historical energy usage files that RA requests and deems necessary to complete the energy benchmarking services, and you agree to provide any utility release(s) reasonably requested by RA permitting RA to obtain any such data and/or information from any utility representative or other third party. You agree to pay actual attorneys' fees and any other costs incurred to collect on any unpaid balance for RA's services.

**Use of Our Report and Your Name** - Use of the Report is limited to only the purpose stated herein. You acknowledge that RA is the exclusive owner of all intellectual property rights in and relating to the Report. You hereby acknowledge that any use or reliance by you on the Report for any unauthorized purpose is at your own risk and that you will be liable for the consequences of any unauthorized use or distribution of the Report. Use or possession of the Report by any unauthorized third party is prohibited. The Report in whole or in part ***is not and cannot be used as a design specification for design engineering purposes or as an appraisal.*** You may show the Report in its entirety to the following third parties: members of your organization (including your directors, officers, tenants and prospective purchasers), your accountants, attorneys, financial institutions and property managers who need to review the information contained herein, and any other third party who has a right to inspect the Report under applicable law including, but not limited to, any government entity or agency, or any utility companies. Without the written consent of RA, you shall not disclose the Report to any other third party. By engaging our services, you agree that the Report contains intellectual property developed (and owned solely) by RA and agree that you will not reproduce or distribute the Report ***to any party that conducts reserve studies without the written consent of RA.***

RA will include (and you hereby agree that RA may include) your name in our client lists. RA reserves the right to use (and you hereby agree that RA may use) property information to obtain estimates of replacement costs, useful life of property elements or otherwise as RA, in its sole discretion, deems appropriate.

**Payment Terms, Due Dates and Interest Charges** - The retainer payment for any reserve study, Milestone Phase I inspection, and/or combined services is due upon execution of this agreement and prior to the inspection by RA, and any balance is due net 30 days from the Report shipment date. If only energy benchmarking services are performed by RA, then the retainer payment is due upon execution of this agreement and any balance is due net 30 days from the Report shipment date. In any case, any balance remaining 30 days after delivery of the Report shall accrue an interest charge of 1.5% per month. Unless this agreement is earlier terminated by RA in the event you breach or otherwise fail to comply with your obligations under this agreement, RA's obligations under this agreement shall commence on the date you execute and deliver this agreement and terminate on the date that is 6 months from the date of delivery of the Report by RA. Notwithstanding anything herein to the contrary, each provision that by its context and nature should survive the expiration or early termination of this agreement shall so survive, including, without limitation, any provisions with respect to payment, intellectual property rights, limitations of liability and governing law. We reserve the right to limit or decline refunds in our sole discretion. Refunds vary based on the applicable facts and circumstances.

**Miscellaneous** – Neither party shall be liable for any failures or delays in performance due to fire, flood, strike or other labor difficulty, act of God, act of any governmental authority, riot, embargo, fuel or energy shortage, pandemic, wrecks or delays in transportation, or due to any other cause beyond such party's reasonable control; provided, however, that you shall not be relieved from your obligations to make any payment(s) to RA as and when due hereunder. In the event of a delay in performance due to any such cause, the time for completion or date of delivery will be extended by a period of time reasonably necessary to overcome the effect of such delay. You may not assign or otherwise transfer this agreement, in whole or in part, without the prior written consent of RA. RA may freely assign or otherwise transfer this agreement, in whole or in part, without your prior consent. This agreement shall be governed by the laws of the State of Wisconsin without regard to any principles of conflicts of law that would apply the laws of another jurisdiction. Any dispute with respect to this agreement shall be exclusively venued in Milwaukee County Circuit Court or in the United States District Court for the Eastern District of Wisconsin. Each party hereto agrees and hereby waives the right to a trial by jury in any action, proceeding or claim brought by or on behalf of the parties hereto with respect to any matter related to this agreement.