

The Villas at Cattail Creek Condominiums, Inc.

Inspected on: August 12, 2025 • Revised on: March 18, 2026
Glenwood, MD

RESERVE STUDY



CATTAIL
CREEK



The Villas at Cattail Creek Condominiums, Inc.
Glenwood, Maryland

Dear Board of Directors of The Villas at Cattail Creek Condominiums, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Reserve Study* of The Villas at Cattail Creek Condominiums, Inc. in Glenwood, Maryland and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, August 12, 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 The Villas at Cattail Creek Condominiums, Inc. plan for a successful future.

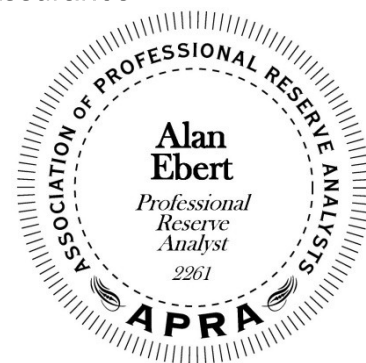
As part of our long-term thinking and everyday commitment to our clients, we are available to answer any questions you may have regarding this study.

Respectfully submitted on April 14, 2026 by

Reserve Advisors, LLC

Visual Inspection and Report by: Lisa Pham, RS¹

Review by: Alan M. Ebert, RS, PRA², Director of Quality Assurance



¹ 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.

² 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: The Villas at Cattail Creek Condominiums, Inc. (Villas at Cattail Creek)

Location: Glenwood, Maryland

Reference: 100090

Property Basics: The Villas at Cattail Creek Condominiums, Inc. is a mixed-style development consisting of 68 townhomes in 17 buildings and 25 single family homes. The community was built from 2003 to 2006.

Reserve Components Identified: 46 Reserve Components.

Inspection Date: August 12, 2025. We conducted previous inspections in 2010, 2013, 2018, 2022 and 2023.

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 these threshold funding years in 2028 due to the inspections and repairs to the masonry walls and in 2052 due to the subsequent replacement of the asphalt shingle roof assemblies.

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
- 2.1% anticipated net 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:

- \$1,356,395 as of July 31, 2025
- 2025 budgeted Reserve Contributions of \$220,700
- 2026 budgeted Reserve Contributions of \$236,800
- We are informed of additional Reserve Contributions from the operating fund budgeted between July 31, 2025 through December 31, 2029, totaling approximately \$46,000.

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:

- Inspections and repairs to the masonry pavers at the clubhouse and unit entrance walks
- Replacement of the asphalt shingle roof assemblies at the clubhouse, single family homes and townhomes
- Planned replacement of the water treatment plant repressurization pumps and wastewater treatment plant mixer
- Paint finish applications and capital repairs to the fiber cement siding at the buildings
- Inspections and repairs to the exterior masonry walls at the buildings

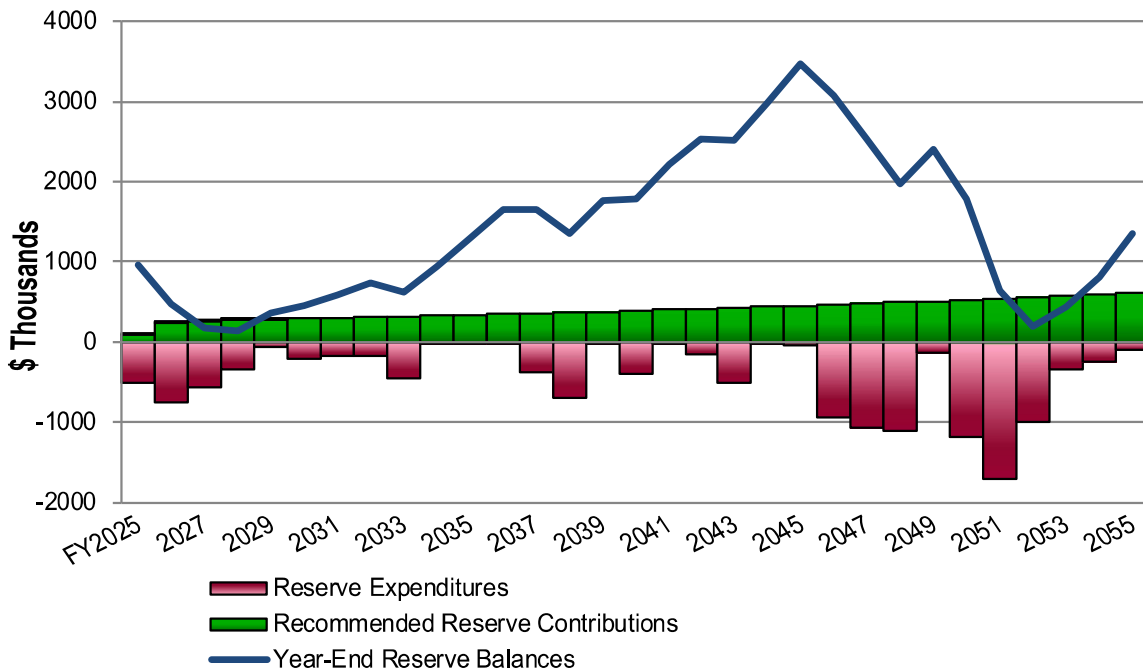


Recommended Reserve Funding: We recommend the following in order to achieve a stable and equitable Cash Flow Methodology Funding Plan:

- Phased increases of \$18,900 each year, from 2027 through 2028
- Inflationary increases thereafter through 2055, the limit of this study's Cash Flow Analysis
- Initial recommended adjustment in Reserve Contributions of \$18,900 represents an average monthly increase of \$16.94 per owner and about a three percent (2.6%) adjustment in the 2026 Total Budget of \$714,240.

The Villas at Cattail Creek
Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2026	236,800 (Budgeted)	477,621	2036	347,700	1,648,672	2046	467,200	3,069,075
2027	255,700	183,790	2037	358,100	1,655,505	2047	481,200	2,537,123
2028	274,600	130,128	2038	368,800	1,359,538	2048	495,600	1,972,522
2029	282,800	366,679	2039	379,900	1,769,671	2049	510,500	2,395,152
2030	291,300	453,963	2040	391,300	1,793,284	2050	525,800	1,783,394
2031	300,000	591,757	2041	403,000	2,219,514	2051	541,600	635,277
2032	309,000	737,647	2042	415,100	2,534,415	2052	557,800	200,326
2033	318,300	624,184	2043	427,600	2,509,601	2053	574,500	445,189
2034	327,800	941,437	2044	440,400	2,983,073	2054	591,700	813,110
2035	337,600	1,294,871	2045	453,600	3,467,455	2055	609,500	1,351,527



At the request of Management and the Board, we include an Alternate Funding Plan which exhibits variable average inflation rates of 9% from 2026 through 2030 followed by 5% thereafter through 2055.



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

The Villas at Cattail Creek Condominiums, Inc.

Glenwood, Maryland

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, August 12, 2025. We conducted previous inspections in 2010, 2013, 2018, 2022 and 2023 with annual reviews in 2011, 2012, 2014, 2016, 217 and 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 to 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:

- The Villas at Cattail Creek 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
**The Villas at Cattail Creek
 Condominiums, Inc.**
Glenwood, Maryland

Operating Budget Components
<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"> • Catch Basins, Landscape, Inspections, Repairs and Regrading • Chemical Tanks, Wastewater Treatment Building • Chlorination Tanks, Domestic Water Supply System • Concrete Flatwork • Doors, Wastewater Treatment Building • Electrical Systems, Common • Gates and Operators¹ • Infrastructures, Domestic Water Supply and Wastewater Treatment Systems, Repairs and Interim Maintenance (Incl. Leach Fields) • Landscape • Mailboxes, Single Family Homes² • Paint Finishes, Touch Up • Pumps, Chemical, Domestic Water Supply and Wastewater Treatment Systems • Pumps, Sump, Clubhouse • Signage • Wastewater Treatment System Building, Maintenance and Renovations • Water Treatment Plant and Wastewater Treatment Plant, Spare Parts
<p>¹ Abandoned</p> <p>² We note that the Association plans to fund replacements, repairs and paint finish applications of the mailboxes serving the single family homes through the operating budget on an as-needed basis based on conversations with Management and the Board during preparation of the Reserve Study dated August 30, 2023.</p>

Long-Lived Components		
	Useful Life	Estimated Cost
<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>		
• Fire Department Connections	Indeterminate	N/A
• Foundations	Indeterminate	N/A
• Pipes, Interior Building, Clubhouse	Indeterminate	N/A
• Pipes, Subsurface Utilities, Partial Replacements	to 85+	\$15,000
• Structural Frames	Indeterminate	N/A
• Well Casings	Indeterminate	N/A

Excluded Components

for
**The Villas at Cattail Creek
Condominiums, Inc.**
Glenwood, Maryland

Owners Responsibility Components

Certain items have been designated as the responsibility of the Owners to repair or replace at their cost, including items billed back.

- Balconies
- Decks
- Driveways, Seal Coat Applications
- Electrical Systems (Including Circuit Protection Panels)
- Heating, Ventilating and Air Conditioning (HVAC) Units
- Interiors
- Light Fixtures atop Light Poles, Single Family Homes
- Patios
- Pipes (Within Units)
- Windows and Doors

Others Responsibility Components

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

- Light Poles and Fixtures, Streets¹
- Mailbox Stations, Clusters²

¹ Baltimore Gas and Electric

² United States Postal Service

Excluded Components

for
The Villas at Cattail Creek
Condominiums, Inc.
Glenwood, Maryland

Excluded Component Images



Fire department connections -- Note: We do not anticipate total replacement during the next 30 years.



Landscape catch basin -- Note: We recommend the Association budget for inspections, repairs and regrading around these basins through the operating budget as needed.



Cluster mailbox station maintained by the United States Postal Service

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**The Villas at Cattail Creek
Condominiums, Inc.**

Glenwood, Maryland

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Unit (2025)	Costs, \$ Per Phase (2025)	Total (2025)	Percentage of Future Expenditures	FY2025	2026	2027	2028	2029
						Useful	Remaining									
Exterior Building Elements																
1.275	1	1	Allowance	Lightning Rods, Wastewater Treatment Building	2045	to 25	20	7,000.00	7,000	7,000	0.1%					
1.280	35	35	Squares	Roof Assemblies, Asphalt Shingles, Clubhouse	2026	20 to 25	1	550.00	19,250	19,250	0.5%		19,719			
1.281	750	375	Squares	Roof Assemblies, Asphalt Shingles, Single Family Homes, Phased	2026	20 to 25	1 to 2	565.00	211,875	423,750	10.3%		209,018	232,751		
1.282	1,640	820	Squares	Roof Assemblies, Asphalt Shingles, Townhomes, Phased (Near Term is Planned)	2025	20 to 25	0 to 1	585.00	479,700	959,400	22.6%	452,594	517,560			
1.283	25	25	Squares	Roof Assemblies, Asphalt Shingles, Wastewater Treatment Building	2048	20 to 25	23	640.00	16,000	16,000	0.2%					
1.460	41	41	Each	Roofs, Metal	2033	to 35	8	2,500.00	102,500	102,500	1.0%					
1.820	104,200	104,200	Square Feet	Walls, Masonry, Inspections and Repairs	2028	to 15	3	1.90	197,980	197,980	4.2%					216,338
1.840	1	1	Allowance	Walls, Siding, Fiber Cement, Paint Applications and Capital Repairs (Incl. Trim)	2027	8 to 10	2	230,000.00	230,000	230,000	4.3%			244,007		
1.845	124,500	41,500	Square Feet	Walls, Siding, Fiber Cement, Replacement, Phased (Incl. Trim)	2046	to 50	21 to 23	11.50	477,250	1,431,750	20.6%					
1.850	1	1	Allowance	Walls, Siding, Fiber Cement, Soft Washing	2032	to 5	7	55,000.00	55,000	55,000	2.1%					
Property Site Elements																
4.020	17,400	17,400	Square Yards	Asphalt Pavement, Crack Repair and Patch	2028	3 to 5	3	0.70	12,180	12,180	0.8%					13,309
4.030	5,950	1,983	Square Yards	Asphalt Pavement, Driveways, Total Replacement, Phased	2030	15 to 20	5 to 7	40.00	79,333	238,000	6.0%					
4.040	11,450	11,450	Square Yards	Asphalt Pavement, Streets and Parking Areas, Mill and Overlay	2040	15 to 20	15	19.00	217,550	217,550	2.5%					
4.260	1,000	1,000	Linear Feet	Fences, Vinyl	2033	15 to 20	8	65.00	65,000	65,000	1.7%					
4.500	1	1	Allowance	Landscape, Partial Replacements	2028	to 5	3	20,000.00	20,000	20,000	1.5%					21,855
4.560	25	25	Each	Light Poles	2031	to 25	6	1,000.00	25,000	25,000	0.2%					
4.620	8,400	8,400	Square Feet	Pavers, Masonry, Inspections and Repairs (Incl. Stoops) (2025 is Budgeted)	2025	3 to 5	0	2.00	16,800	16,800	2.3%	29,325				18,358
4.650	1	1	Allowance	Pipes, Subsurface Utilities, Partial Replacements	2058	to 85+	33	15,000.00	15,000	15,000	0.0%					
4.732	540	540	Linear Feet	Railings, Metal, Refinishing and Repairs	2031	6 to 8	6	14.00	7,560	7,560	0.3%					
4.733	540	540	Linear Feet	Railings, Metal, Replacement	2038	to 35	13	75.00	40,500	40,500	0.4%					
Clubhouse Elements																
5.070	4	4	Each	Air Handling and Condensing Units, Split Systems	2043	15 to 20	18	11,000.00	44,000	44,000	0.6%					
5.400	1	1	Allowance	Kitchen and Foyer, Renovation	2030	to 25	5	35,000.00	35,000	35,000	0.9%					
5.450	1	1	Allowance	Library and Hallway, Renovation	2030	to 15	5	8,000.00	8,000	8,000	0.3%					
5.500	1	1	Allowance	Life Safety System, Control Panels and Emergency Devices	2031	to 25	6	9,000.00	9,000	9,000	0.1%					
5.550	1	1	Allowance	Party Room, Renovation	2030	to 15	5	26,000.00	26,000	26,000	1.0%					
5.570	1	1	Each	Pump, Fire Suppression, 30-HP (Incl. Controller and Jockey Pump)	2052	to 50	27	65,000.00	65,000	65,000	1.1%					
5.600	1	1	Allowance	Rest Rooms, Renovation	2030	to 25	5	30,000.00	30,000	30,000	0.8%					
5.620	1	1	Allowance	Security System, Access System	2029	10 to 15	4	6,500.00	6,500	6,500	0.2%					

Explanatory Notes:

- 1) **3.0%** is the estimated Inflation
- 2) **FY2025** is Fiscal Year beginning
- 3) **2056+** indicates a component w

RESERVE EXPENDITURES**The Villas at Cattail Creek
Condominiums, Inc.**

Glenwood, Maryland

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Unit (2025)	Costs, \$ Per Phase (2025)	Total (2025)	Percentage of Future Expenditures			
						Useful	Remaining				17 2042	18 2043	19 2044	20 2045
Exterior Building Elements														
1.275	1	1	Allowance	Lightning Rods, Wastewater Treatment Building	2045	to 25	20	7,000.00	7,000	7,000	0.1%			
1.280	35	35	Squares	Roof Assemblies, Asphalt Shingles, Clubhouse	2026	20 to 25	1	550.00	19,250	19,250	0.5%			
1.281	750	375	Squares	Roof Assemblies, Asphalt Shingles, Single Family Homes, Phased	2026	20 to 25	1 to 2	565.00	211,875	423,750	10.3%			
1.282	1,640	820	Squares	Roof Assemblies, Asphalt Shingles, Townhomes, Phased (Near Term is Planned)	2025	20 to 25	0 to 1	585.00	479,700	959,400	22.6%			
1.283	25	25	Squares	Roof Assemblies, Asphalt Shingles, Wastewater Treatment Building	2048	20 to 25	23	640.00	16,000	16,000	0.2%			
1.460	41	41	Each	Roofs, Metal	2033	to 35	8	2,500.00	102,500	102,500	1.0%			
1.820	104,200	104,200	Square Feet	Walls, Masonry, Inspections and Repairs	2028	to 15	3	1.90	197,980	197,980	4.2%			337,048
1.840	1	1	Allowance	Walls, Siding, Fiber Cement, Paint Applications and Capital Repairs (Incl. Trim)	2027	8 to 10	2	230,000.00	230,000	230,000	4.3%			
1.845	124,500	41,500	Square Feet	Walls, Siding, Fiber Cement, Replacement, Phased (Incl. Trim)	2046	to 50	21 to 23	11.50	477,250	1,431,750	20.6%			
1.850	1	1	Allowance	Walls, Siding, Fiber Cement, Soft Washing	2032	to 5	7	55,000.00	55,000	55,000	2.1%			90,907
Property Site Elements														
4.020	17,400	17,400	Square Yards	Asphalt Pavement, Crack Repair and Patch	2028	3 to 5	3	0.70	12,180	12,180	0.8%			21,358
4.030	5,950	1,983	Square Yards	Asphalt Pavement, Driveways, Total Replacement, Phased	2030	15 to 20	5 to 7	40.00	79,333	238,000	6.0%			
4.040	11,450	11,450	Square Yards	Asphalt Pavement, Streets and Parking Areas, Mill and Overlay	2040	15 to 20	15	19.00	217,550	217,550	2.5%			
4.260	1,000	1,000	Linear Feet	Fences, Vinyl	2033	15 to 20	8	65.00	65,000	65,000	1.7%			
4.500	1	1	Allowance	Landscape, Partial Replacements	2028	to 5	3	20,000.00	20,000	20,000	1.5%			34,049
4.560	25	25	Each	Light Poles	2031	to 25	6	1,000.00	25,000	25,000	0.2%			
4.620	8,400	8,400	Square Feet	Pavers, Masonry, Inspections and Repairs (Incl. Stoops) (2025 is Budgeted)	2025	3 to 5	0	2.00	16,800	16,800	2.3%			28,601
4.650	1	1	Allowance	Pipes, Subsurface Utilities, Partial Replacements	2058	to 85+	33	15,000.00	15,000	15,000	0.0%			
4.732	540	540	Linear Feet	Railings, Metal, Refinishing and Repairs	2031	6 to 8	6	14.00	7,560	7,560	0.3%			
4.733	540	540	Linear Feet	Railings, Metal, Replacement	2038	to 35	13	75.00	40,500	40,500	0.4%			
Clubhouse Elements														
5.070	4	4	Each	Air Handling and Condensing Units, Split Systems	2043	15 to 20	18	11,000.00	44,000	44,000	0.6%			74,907
5.400	1	1	Allowance	Kitchen and Foyer, Renovation	2030	to 25	5	35,000.00	35,000	35,000	0.9%			
5.450	1	1	Allowance	Library and Hallway, Renovation	2030	to 15	5	8,000.00	8,000	8,000	0.3%			13,223
5.500	1	1	Allowance	Life Safety System, Control Panels and Emergency Devices	2031	to 25	6	9,000.00	9,000	9,000	0.1%			
5.550	1	1	Allowance	Party Room, Renovation	2030	to 15	5	26,000.00	26,000	26,000	1.0%			42,974
5.570	1	1	Each	Pump, Fire Suppression, 30-HP (Incl. Controller and Jockey Pump)	2052	to 50	27	65,000.00	65,000	65,000	1.1%			
5.600	1	1	Allowance	Rest Rooms, Renovation	2030	to 25	5	30,000.00	30,000	30,000	0.8%			
5.620	1	1	Allowance	Security System, Access System	2029	10 to 15	4	6,500.00	6,500	6,500	0.2%			10,431

RESERVE EXPENDITURES

The Villas at Cattail Creek
Condominiums, Inc.
Glenwood, Maryland

- Explanatory Notes:**
 1) **3.0%** is the estimated Inflation
 2) **FY2025** is Fiscal Year beginning
 3) **2056+** indicates a component w

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Unit (2025)	Costs, \$ Per Phase (2025)	Total (2025)	Percentage of Future Expenditures	RUI = 0				
						Useful	Remaining					FY2025	2026	2027	2028	2029
6.006	2	1	Each	Pumps, Well, 0.5- to 1-HP, Phased	2028	to 10	3 to 8	3,000.00	3,000	6,000	0.2%					3,278
Wastewater Treatment Plant Elements																
7.001	3	3	Each	Blowers	2029	to 20	4	15,000.00	45,000	45,000	1.1%					50,000
7.002	1	1	Allowance	Controls	2027	15 to 20	2	36,000.00	36,000	36,000	0.8%			38,192		
7.003	2	2	Each	Decanters	2027	to 10	2	6,000.00	12,000	12,000	0.4%			12,731		
7.004	1	1	Each	Dehumidifier	2028	5 to 10	3	5,000.00	5,000	5,000	0.2%					5,464
7.005	1	1	Each	Generator, Emergency, 150-kW (Incl. Transfer Switch)	2033	to 30	8	91,000.00	91,000	91,000	0.9%					
7.006	1,300	1,300	Square Yards	Leach Fields, Rebuild (Incl. Tanks)	2038	to 35	13	200.00	260,000	260,000	2.9%					
7.007	2	1	Each	Mixers, Phased (2025 is Budgeted)	2025	to 20	0 to 13	14,000.00	14,000	28,000	0.9%			13,946		
7.008	2	2	Each	Pumps, Effluent Dosing, 20-HP	2028	to 10	3	13,000.00	26,000	26,000	0.9%					28,411
7.009	2	1	Each	Pumps, Influent, 2-HP, Phased	2030	to 10	5 to 6	3,500.00	3,500	7,000	0.3%					
7.010	2	2	Each	Pumps, Sludge Wasting, 0.5-HP	2027	to 10	2	2,200.00	4,400	4,400	0.1%			4,668		
7.011	1	1	Allowance	Wastewater Treatment System, Clean-Out	2033	to 10	8	11,000.00	11,000	11,000	0.4%					
1	1	1	Allowance	Reserve Study Update, Annual Review	2026	ongoing	1	1,500.00	1,500	1,500	0.4%			1,500	1,600	
1	1	1	Allowance	Reserve Study Update, Site Visit (2025 is Budgeted)	2025	to 3	0	4,100.00	4,100	4,100	0.5%			3,850	4,100	4,100

Anticipated Expenditures, By Year (\$13,316,152 over 30 years)

503,163 751,917 563,654 339,523 59,000

RESERVE EXPENDITURES

The Villas at Cattail Creek
Condominiums, Inc.
Glenwood, Maryland

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Unit (2025)	Costs, \$ Per Phase (2025)	Total (2025)	Percentage of Future Expenditures				
						Useful	Remaining				2041	2044			
6.006	2	1	Each	Pumps, Well, 0.5- to 1-HP, Phased	2028	to 10	3 to 8	3,000.00	3,000	6,000	0.2%	0.2%			
Wastewater Treatment Plant Elements															
7.001	3	3	Each	Blowers	2029	to 20	4	15,000.00	45,000	45,000	1.1%	1.1%			
7.002	1	1	Allowance	Controls	2027	15 to 20	2	36,000.00	36,000	36,000	0.8%	0.8%			
7.003	2	2	Each	Decanters	2027	to 10	2	6,000.00	12,000	12,000	0.4%	0.4%			
7.004	1	1	Each	Dehumidifier	2028	5 to 10	3	5,000.00	5,000	5,000	0.2%	0.2%			
7.005	1	1	Each	Generator, Emergency, 150-kW (Incl. Transfer Switch)	2033	to 30	8	91,000.00	91,000	91,000	0.9%	0.9%			
7.006	1,300	1,300	Square Yards	Leach Fields, Rebuild (Incl. Tanks)	2038	to 35	13	200.00	260,000	260,000	2.9%	2.9%			
7.007	2	1	Each	Mixers, Phased (2025 is Budgeted)	2025	to 20	0 to 13	14,000.00	14,000	28,000	0.9%	0.9%			
7.008	2	2	Each	Pumps, Effluent Dosing, 20-HP	2028	to 10	3	13,000.00	26,000	26,000	0.9%	0.9%			
7.009	2	1	Each	Pumps, Influent, 2-HP, Phased	2030	to 10	5 to 6	3,500.00	3,500	7,000	0.3%	5.616			
7.010	2	2	Each	Pumps, Sludge Wasting, 0.5-HP	2027	to 10	2	2,200.00	4,400	4,400	0.1%	0.1%			
7.011	1	1	Allowance	Wastewater Treatment System, Clean-Out	2033	to 10	8	11,000.00	11,000	11,000	0.4%	0.4%			
1	1	1	Allowance	Reserve Study Update, Annual Review	2026	ongoing	1	1,500.00	1,500	1,500	0.4%	2,420			
1	1	1	Allowance	Reserve Study Update, Site Visit (2025 is Budgeted)	2025	to 3	0	4,100.00	4,100	4,100	0.5%	6,388			
Anticipated Expenditures, By Year (\$13,316,152 over 30 years)											18,467	149,596	504,826	24,002	36,2

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS
The Villas at Cattail Creek
Condominiums, Inc.
Glenwood, Maryland

Individual Reserve Budgets & Cash Flows for the Next 30 Years

	FY2025	2026	2027	2028	2029	2030	2031	2032	2033
Reserves at Beginning of Year		961,286	477,621	183,790	130,128	366,679	453,963	591,757	737,611
Recommended Reserve Contributions	(Note 1)	1,356,395	255,700	274,600	282,800	291,300	300,000	309,000	318,300
Additional Reserve Contributions from Operating Fund		6,000	7,250	8,000	8,250				
Total Recommended Reserve Contributions	(Note 2)	97,958	262,950	282,600	291,050	291,300	300,000	309,000	318,300
Estimated Interest Earned, During Year	(Note 3)	10,096	6,873	3,262	5,162	8,527	10,866	13,814	14,100
Anticipated Expenditures, By Year		(503,163)	(563,654)	(339,523)	(59,661)	(212,543)	(173,072)	(176,924)	(445,900)
Anticipated Reserves at Year End		\$961,286	\$477,621	\$183,790	\$130,128	\$453,963	\$591,757	\$737,611	\$624,100

(NOTE 5)

(continued)

Individual Reserve Budgets & Cash Flows for the Next 30 Years. Continued

	2041	2042	2043	2044	2045	2046	2047	2048	2049
Reserves at Beginning of Year	1,793,284	2,219,514	2,534,415	2,509,601	2,983,073	3,467,455	3,069,075	2,537,100	2,000,000
Total Recommended Reserve Contributions	403,000	415,100	427,600	440,400	453,600	467,200	481,200	495,600	468,000
Estimated Interest Earned, During Year	41,697	49,398	52,412	57,074	67,027	67,920	58,253	46,800	46,800
Anticipated Expenditures, By Year	(18,467)	(149,596)	(504,826)	(24,002)	(36,245)	(933,500)	(1,071,405)	(1,107,000)	(1,107,000)
Anticipated Reserves at Year End	\$2,219,514	\$2,534,415	\$2,509,601	\$2,983,073	\$3,467,455	\$3,069,075	\$2,537,100	\$2,000,000	\$1,972,000

Explanatory Notes:

1) Year 2025 starting reserves are as of July 31, 2025; FY2025 starts January 1, 2025 and ends December 31, 2025.

FIVE-YEAR OUTLOOK

**The Villas at Cattail Creek
Condominiums, Inc.**
Glenwood, Maryland

Line Item	Reserve Component Inventory	RUL = 0 FY2025	1 2026	2 2027	3 2028	4 2029	5 2030
Exterior Building Elements							
1.280	Roof Assemblies, Asphalt Shingles, Clubhouse		19,719				
1.281	Roof Assemblies, Asphalt Shingles, Single Family Homes, Phased		209,018	232,751			
1.282	Roof Assemblies, Asphalt Shingles, Townhomes, Phased (Near Term is Planned)	452,594	517,560				
1.820	Walls, Masonry, Inspections and Repairs				216,338		
1.840	Walls, Siding, Fiber Cement, Paint Applications and Capital Repairs (Incl. Trim)			244,007			
Property Site Elements							
4.020	Asphalt Pavement, Crack Repair and Patch				13,309		
4.030	Asphalt Pavement, Driveways, Total Replacement, Phased						91,969
4.500	Landscape, Partial Replacements				21,855		
4.620	Pavers, Masonry, Inspections and Repairs (Incl. Stoops) (2025 is Budgeted)	29,325			18,358		
Clubhouse Elements							
5.400	Kitchen and Foyer, Renovation						40,575
5.450	Library and Hallway, Renovation						9,274
5.550	Party Room, Renovation						30,141
5.600	Rest Rooms, Renovation						34,778
5.620	Security System, Access System					7,316	
Water Treatment Plant Elements							
6.001	Air Stripper (Aeration Tank, Blower and Controls)				28,411		
6.002	Controls			29,705			
6.005	Pumps, Re-pressurization, 3-HP, Phased (2025 is Budgeted)	3,448	4,120				
6.006	Pumps, Well, 0.5- to 1-HP, Phased				3,278		
Wastewater Treatment Plant Elements							
7.001	Blowers					50,648	
7.002	Controls			38,192			
7.003	Decanters			12,731			
7.004	Dehumidifier				5,464		
7.007	Mixers, Phased (2025 is Budgeted)	13,946					
7.008	Pumps, Effluent Dosing, 20-HP				28,411		
7.009	Pumps, Influent, 2-HP, Phased						4,057
7.010	Pumps, Sludge Wasting, 0.5-HP			4,668			
	Reserve Study Update, Annual Review		1,500	1,600		1,697	1,748
	Reserve Study Update, Site Visit (2025 is Budgeted)	3,850			4,100		
Anticipated Expenditures, By Year (\$2,430,462 over 5 years)		503,163	751,917	563,654	339,523	59,661	212,543

Alternate RESERVE EXPENDITURES

**The Villas at Cattail Creek
Condominiums, Inc.**
Glenwood, Maryland

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Unit (2025)	Costs, \$ Per Phase (2025)	Total (2025)	Percentage of Future Expenditures	FY2025	2026	2027	2028	2029
						Useful	Remaining									
Exterior Building Elements																
1.275	1	1	Allowance	Lightning Rods, Wastewater Treatment Building	2045	to 25	20	7,000.00	7,000	7,000	0.1%					
1.280	35	35	Squares	Roof Assemblies, Asphalt Shingles, Clubhouse	2026	20 to 25	1	550.00	19,250	19,250	0.5%	20,868				
1.281	750	375	Squares	Roof Assemblies, Asphalt Shingles, Single Family Homes, Phased	2026	20 to 25	1 to 2	565.00	211,875	423,750	10.6%	221,194	260,657			
1.282	1,640	820	Squares	Roof Assemblies, Asphalt Shingles, Townhomes, Phased (Near Term is Planned)	2025	20 to 25	0 to 1	585.00	479,700	959,400	22.6%	452,594	547,709			
1.283	25	25	Squares	Roof Assemblies, Asphalt Shingles, Wastewater Treatment Building	2048	20 to 25	23	640.00	16,000	16,000	0.3%					
1.460	41	41	Each	Roofs, Metal	2033	to 35	8	2,500.00	102,500	102,500	0.8%					
1.820	104,200	104,200	Square Feet	Walls, Masonry, Inspections and Repairs	2028	to 15	3	1.90	197,980	197,980	3.8%					256,390
1.840	1	1	Allowance	Walls, Siding, Fiber Cement, Paint Applications and Capital Repairs (Incl. Trim)	2027	8 to 10	2	230,000.00	230,000	230,000	3.6%					273,263
1.845	124,500	41,500	Square Feet	Walls, Siding, Fiber Cement, Replacement, Phased (Incl. Trim)	2046	to 50	21 to 23	11.50	477,250	1,431,750	21.9%					
1.850	1	1	Allowance	Walls, Siding, Fiber Cement, Soft Washing	2032	to 5	7	55,000.00	55,000	55,000	2.1%					
Property Site Elements																
4.020	17,400	17,400	Square Yards	Asphalt Pavement, Crack Repair and Patch	2028	3 to 5	3	0.70	12,180	12,180	0.8%					15,773
4.030	5,950	1,983	Square Yards	Asphalt Pavement, Driveways, Total Replacement, Phased	2030	15 to 20	5 to 7	40.00	79,333	238,000	6.2%					
4.040	11,450	11,450	Square Yards	Asphalt Pavement, Streets and Parking Areas, Mill and Overlay	2040	15 to 20	15	19.00	217,550	217,550	2.4%					
4.260	1,000	1,000	Linear Feet	Fences, Vinyl	2033	15 to 20	8	65.00	65,000	65,000	1.8%					
4.500	1	1	Allowance	Landscape, Partial Replacements	2028	to 5	3	20,000.00	20,000	20,000	1.5%					25,901
4.560	25	25	Each	Light Poles	2031	to 25	6	1,000.00	25,000	25,000	0.2%					
4.620	8,400	8,400	Square Feet	Pavers, Masonry, Inspections and Repairs (Incl. Stoops) (2025 is Budgeted)	2025	3 to 5	0	2.00	16,800	16,800	2.3%	29,325				
4.650	1	1	Allowance	Pipes, Subsurface Utilities, Partial Replacements	2058	to 85+	33	15,000.00	15,000	15,000	0.0%					
4.732	540	540	Linear Feet	Railings, Metal, Refinishing and Repairs	2031	6 to 8	6	14.00	7,560	7,560	0.3%					
4.733	540	540	Linear Feet	Railings, Metal, Replacement	2038	to 35	13	75.00	40,500	40,500	0.4%					
Clubhouse Elements																
5.070	4	4	Each	Air Handling and Condensing Units, Split Systems	2043	15 to 20	18	11,000.00	44,000	44,000	0.6%					
5.400	1	1	Allowance	Kitchen and Foyer, Renovation	2030	to 25	5	35,000.00	35,000	35,000	1.0%					
5.450	1	1	Allowance	Library and Hallway, Renovation	2030	to 15	5	8,000.00	8,000	8,000	0.3%					
5.500	1	1	Allowance	Life Safety System, Control Panels and Emergency Devices	2031	to 25	6	9,000.00	9,000	9,000	0.1%					
5.550	1	1	Allowance	Party Room, Renovation	2030	to 15	5	26,000.00	26,000	26,000	1.1%					
5.570	1	1	Each	Pump, Fire Suppression, 30-HP (Incl. Controller and Jockey Pump)	2052	to 50	27	65,000.00	65,000	65,000	1.3%					
5.600	1	1	Allowance	Rest Rooms, Renovation	2030	to 25	5	30,000.00	30,000	30,000	0.9%					
5.620	1	1	Allowance	Security System, Access System	2029	10 to 15	4	6,500.00	6,500	6,500	0.3%					

Explanatory Notes:

- 1) **9.0%** is the estimated Inflation
- 2) **FY2025** is Fiscal Year beginning
- 3) **2056+** indicates a component w

Alternate RESERVE EXPENDITURES

The Villas at Cattail Creek Condominiums, Inc.

Glenwood, Maryland

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Unit (2025)	Costs, \$ Per Phase (2025)	Total (2025)	Percentage of Future Expenditures			
						Useful	Remaining				17 2042	18 2043	19 2044	20 2045
Exterior Building Elements														
1.275	1	1	Allowance	Lightning Rods, Wastewater Treatment Building	2045	to 25	20	7,000.00	7,000	7,000	0.1%			
1.280	35	35	Squares	Roof Assemblies, Asphalt Shingles, Clubhouse	2026	20 to 25	1	550.00	19,250	19,250	0.5%			
1.281	750	375	Squares	Roof Assemblies, Asphalt Shingles, Single Family Homes, Phased	2026	20 to 25	1 to 2	565.00	211,875	423,750	10.6%			
1.282	1,640	820	Squares	Roof Assemblies, Asphalt Shingles, Townhomes, Phased (Near Term is Planned)	2025	20 to 25	0 to 1	585.00	479,700	959,400	22.6%			
1.283	25	25	Squares	Roof Assemblies, Asphalt Shingles, Wastewater Treatment Building	2048	20 to 25	23	640.00	16,000	16,000	0.3%			
1.460	41	41	Each	Roofs, Metal	2033	to 35	8	2,500.00	102,500	102,500	0.8%			
1.820	104,200	104,200	Square Feet	Walls, Masonry, Inspections and Repairs	2028	to 15	3	1.90	197,980	197,980	3.8%			476,462
1.840	1	1	Allowance	Walls, Siding, Fiber Cement, Paint Applications and Capital Repairs (Incl. Trim)	2027	8 to 10	2	230,000.00	230,000	230,000	3.6%			
1.845	124,500	41,500	Square Feet	Walls, Siding, Fiber Cement, Replacement, Phased (Incl. Trim)	2046	to 50	21 to 23	11.50	477,250	1,431,750	21.9%			
1.850	1	1	Allowance	Walls, Siding, Fiber Cement, Soft Washing	2032	to 5	7	55,000.00	55,000	55,000	2.1%		126,061	
Property Site Elements														
4.020	17,400	17,400	Square Yards	Asphalt Pavement, Crack Repair and Patch	2028	3 to 5	3	0.70	12,180	12,180	0.8%			30,778
4.030	5,950	1,983	Square Yards	Asphalt Pavement, Driveways, Total Replacement, Phased	2030	15 to 20	5 to 7	40.00	79,333	238,000	6.2%			
4.040	11,450	11,450	Square Yards	Asphalt Pavement, Streets and Parking Areas, Mill and Overlay	2040	15 to 20	15	19.00	217,550	217,550	2.4%			
4.260	1,000	1,000	Linear Feet	Fences, Vinyl	2033	15 to 20	8	65.00	65,000	65,000	1.8%			
4.500	1	1	Allowance	Landscape, Partial Replacements	2028	to 5	3	20,000.00	20,000	20,000	1.5%			48,132
4.560	25	25	Each	Light Poles	2031	to 25	6	1,000.00	25,000	25,000	0.2%			
4.620	8,400	8,400	Square Feet	Pavers, Masonry, Inspections and Repairs (Incl. Stoops) (2025 is Budgeted)	2025	3 to 5	0	2.00	16,800	16,800	2.3%			40,431
4.650	1	1	Allowance	Pipes, Subsurface Utilities, Partial Replacements	2058	to 85+	33	15,000.00	15,000	15,000	0.0%			
4.732	540	540	Linear Feet	Railings, Metal, Refinishing and Repairs	2031	6 to 8	6	14.00	7,560	7,560	0.3%			
4.733	540	540	Linear Feet	Railings, Metal, Replacement	2038	to 35	13	75.00	40,500	40,500	0.4%			
Clubhouse Elements														
5.070	4	4	Each	Air Handling and Condensing Units, Split Systems	2043	15 to 20	18	11,000.00	44,000	44,000	0.6%			105,891
5.400	1	1	Allowance	Kitchen and Foyer, Renovation	2030	to 25	5	35,000.00	35,000	35,000	1.0%			
5.450	1	1	Allowance	Library and Hallway, Renovation	2030	to 15	5	8,000.00	8,000	8,000	0.3%			18,336
5.500	1	1	Allowance	Life Safety System, Control Panels and Emergency Devices	2031	to 25	6	9,000.00	9,000	9,000	0.1%			
5.550	1	1	Allowance	Party Room, Renovation	2030	to 15	5	26,000.00	26,000	26,000	1.1%			59,592
5.570	1	1	Each	Pump, Fire Suppression, 30-HP (Incl. Controller and Jockey Pump)	2052	to 50	27	65,000.00	65,000	65,000	1.3%			
5.600	1	1	Allowance	Rest Rooms, Renovation	2030	to 25	5	30,000.00	30,000	30,000	0.9%			
5.620	1	1	Allowance	Security System, Access System	2029	10 to 15	4	6,500.00	6,500	6,500	0.3%			14,189

Alternate
RESERVE EXPENDITURES

The Villas at Cattail Creek
Condominiums, Inc.
Glenwood, Maryland

- Explanatory Notes:**
 1) **9.0%** is the estimated Inflation
 2) **FY2025** is Fiscal Year beginning
 3) **2056+** indicates a component w

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Unit (2025)	Costs, \$ Per Phase (2025)	Total (2025)	Percentage of Future Expenditures	RUI = 0				
						Useful	Remaining					FY2025	2026	2027	2028	2029
6.006	2	1	Each	Pumps, Well, 0.5- to 1-HP, Phased	2028	to 10	3 to 8	3,000.00	3,000	6,000	0.2%					3,885
Wastewater Treatment Plant Elements																
7.001	3	3	Each	Blowers	2029	to 20	4	15,000.00	45,000	45,000	1.1%					63,000
7.002	1	1	Allowance	Controls	2027	15 to 20	2	36,000.00	36,000	36,000	0.8%			42,772		
7.003	2	2	Each	Decanters	2027	to 10	2	6,000.00	12,000	12,000	0.4%			14,257		
7.004	1	1	Each	Dehumidifier	2028	5 to 10	3	5,000.00	5,000	5,000	0.2%					6,475
7.005	1	1	Each	Generator, Emergency, 150-kW (Incl. Transfer Switch)	2033	to 30	8	91,000.00	91,000	91,000	0.7%					
7.006	1,300	1,300	Square Yards	Leach Fields, Rebuild (Incl. Tanks)	2038	to 35	13	200.00	260,000	260,000	2.6%					
7.007	2	1	Each	Mixers, Phased (2025 is Budgeted)	2025	to 20	0 to 13	14,000.00	14,000	28,000	1.0%			13,946		
7.008	2	2	Each	Pumps, Effluent Dosing, 20-HP	2028	to 10	3	13,000.00	26,000	26,000	0.8%					33,671
7.009	2	1	Each	Pumps, Influent, 2-HP, Phased	2030	to 10	5 to 6	3,500.00	3,500	7,000	0.3%					
7.010	2	2	Each	Pumps, Sludge Wasting, 0.5-HP	2027	to 10	2	2,200.00	4,400	4,400	0.1%			5,228		
7.011	1	1	Allowance	Wastewater Treatment System, Clean-Out	2033	to 10	8	11,000.00	11,000	11,000	0.4%					
1	1	1	Allowance	Reserve Study Update, Annual Review	2026	ongoing	1	1,500.00	1,500	1,500	0.3%			1,500		1,600
1	1	1	Allowance	Reserve Study Update, Site Visit (2025 is Budgeted)	2025	to 3	0	4,100.00	4,100	4,100	0.4%			3,850		4,100

Anticipated Expenditures, By Year (\$19,129,347 over 30 years)

503,163 795,631 631,044 401,622 74,3

Alternate
RESERVE EXPENDITURES

The Villas at Cattail Creek
Condominiums, Inc.
Glenwood, Maryland

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Unit (2025)	Costs, \$ Per Phase (2025)	Total (2025)	Percentage of Future Expenditures	
						Useful	Remaining				2041	2044
6.006	2	1	Each	Pumps, Well, 0.5- to 1-HP, Phased	2028	to 10	3 to 8	3,000.00	3,000	6,000	0.2%	7,220
Wastewater Treatment Plant Elements												
7.001	3	3	Each	Blowers	2029	to 20	4	15,000.00	45,000	45,000	1.1%	
7.002	1	1	Allowance	Controls	2027	15 to 20	2	36,000.00	36,000	36,000	0.8%	
7.003	2	2	Each	Decanters	2027	to 10	2	6,000.00	12,000	12,000	0.4%	
7.004	1	1	Each	Dehumidifier	2028	5 to 10	3	5,000.00	5,000	5,000	0.2%	
7.005	1	1	Each	Generator, Emergency, 150-kW (Incl. Transfer Switch)	2033	to 30	8	91,000.00	91,000	91,000	0.7%	
7.006	1,300	1,300	Square Yards	Leach Fields, Rebuild (Incl. Tanks)	2038	to 35	13	200.00	260,000	260,000	2.6%	
7.007	2	1	Each	Mixers, Phased (2025 is Budgeted)	2025	to 20	0 to 13	14,000.00	14,000	28,000	1.0%	
7.008	2	2	Each	Pumps, Effluent Dosing, 20-HP	2028	to 10	3	13,000.00	26,000	26,000	0.8%	
7.009	2	1	Each	Pumps, Influent, 2-HP, Phased	2030	to 10	5 to 6	3,500.00	3,500	7,000	0.3%	7,640
7.010	2	2	Each	Pumps, Sludge Wasting, 0.5-HP	2027	to 10	2	2,200.00	4,400	4,400	0.1%	
7.011	1	1	Allowance	Wastewater Treatment System, Clean-Out	2033	to 10	8	11,000.00	11,000	11,000	0.4%	26,473
1	1	1	Allowance	Reserve Study Update, Annual Review	2026	ongoing	1	1,500.00	1,500	1,500	0.3%	2,420
1	1	1	Allowance	Reserve Study Update, Site Visit (2025 is Budgeted)	2025	to 3	0	4,100.00	4,100	4,100	0.4%	6,388

Anticipated Expenditures, By Year (\$19,129,347 over 30 years)

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
	24,249																	206,482	710,998	33,423	51,9

RESERVE FUNDING PLAN

Alternate

CASH FLOW ANALYSIS
 The Villas at Cattail Creek
 Condominiums, Inc.
 Glenwood, Maryland

This Alternate Funding Plan is provided at the request of Management and the Board and does not represent the recommendation of Reserve Advisors

Individual Reserve Budgets & Cash Flows for the Next 30 Years

	FY2025	2026	2027	2028	2029	2030	2031	2032	2033
Reserves at Beginning of Year	1,356,395	961,286	433,449	108,183	65,364	352,563	428,154	611,767	809,180
Recommended Reserve Contributions	91,958	236,800	292,900	349,000	349,000	349,000	366,500	384,800	404,000
Additional Reserve Contributions from Operating Fund	6,000	16,500	7,250	8,000	8,250				
Total Recommended Reserve Contributions	97,958	253,300	300,150	357,000	357,250	349,000	366,500	384,800	404,000
Anticipated Interest Rate	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%	2.10%
Estimated Interest Earned, During Year	10,096	14,493	5,628	1,803	4,343	8,112	10,806	14,765	15,765
Anticipated Expenditures, By Year	(503,163)	(795,631)	(631,044)	(401,622)	(74,394)	(281,521)	(193,693)	(202,152)	(519,765)
Anticipated Reserves at Year End	<u>\$961,286</u>	<u>\$433,449</u>	<u>\$108,183</u>	<u>\$65,364</u>	<u>\$352,563</u>	<u>\$428,154</u>	<u>\$611,767</u>	<u>\$809,180</u>	<u>\$709,180</u>

(NOTE 5)

(continued)

Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued

	2041	2042	2043	2044	2045	2046	2047	2048	2049
Reserves at Beginning of Year	2,437,911	3,067,872	3,557,130	3,578,477	4,318,208	5,089,696	4,557,409	3,810,242	3,810,242
Total Recommended Reserve Contributions	597,000	626,900	658,200	691,100	725,700	762,000	800,100	840,100	840,100
Estimated Interest Earned, During Year	57,210	68,840	74,145	82,054	97,757	100,242	86,948	70,765	70,765
Anticipated Expenditures, By Year	(24,249)	(206,482)	(710,998)	(33,423)	(51,969)	(1,394,529)	(1,634,161)	(1,721,242)	(1,721,242)
Anticipated Reserves at Year End	<u>\$3,067,872</u>	<u>\$3,557,130</u>	<u>\$3,578,477</u>	<u>\$4,318,208</u>	<u>\$5,089,696</u>	<u>\$4,557,409</u>	<u>\$3,810,242</u>	<u>\$3,810,242</u>	<u>\$2,999,800</u>

Explanatory Notes:

1) Year 2025 starting reserves are as of July 24, 2025. FY2025 starts January 1, 2025 and ends December 31, 2025.

Alternate
FIVE-YEAR OUTLOOK

**The Villas at Cattail Creek
Condominiums, Inc.**
Glenwood, Maryland

Line Item	Reserve Component Inventory	RUL = 0 FY2025	1 2026	2 2027	3 2028	4 2029	5 2030
Exterior Building Elements							
1.280	Roof Assemblies, Asphalt Shingles, Clubhouse		20,868				
1.281	Roof Assemblies, Asphalt Shingles, Single Family Homes, Phased		221,194	260,657			
1.282	Roof Assemblies, Asphalt Shingles, Townhomes, Phased (Near Term is Planned)	452,594	547,709				
1.820	Walls, Masonry, Inspections and Repairs				256,390		
1.840	Walls, Siding, Fiber Cement, Paint Applications and Capital Repairs (Incl. Trim)			273,263			
Property Site Elements							
4.020	Asphalt Pavement, Crack Repair and Patch				15,773		
4.030	Asphalt Pavement, Driveways, Total Replacement, Phased						122,064
4.500	Landscape, Partial Replacements				25,901		
4.620	Pavers, Masonry, Inspections and Repairs (Incl. Stoops) (2025 is Budgeted)	29,325			21,756		
Clubhouse Elements							
5.400	Kitchen and Foyer, Renovation						53,852
5.450	Library and Hallway, Renovation						12,309
5.550	Party Room, Renovation						40,004
5.600	Rest Rooms, Renovation						46,159
5.620	Security System, Access System					9,175	
Water Treatment Plant Elements							
6.001	Air Stripper (Aeration Tank, Blower and Controls)				33,671		
6.002	Controls			33,267			
6.005	Pumps, Re-pressurization, 3-HP, Phased (2025 is Budgeted)	3,448	4,360				
6.006	Pumps, Well, 0.5- to 1-HP, Phased				3,885		
Wastewater Treatment Plant Elements							
7.001	Blowers					63,521	
7.002	Controls			42,772			
7.003	Decanters			14,257			
7.004	Dehumidifier				6,475		
7.007	Mixers, Phased (2025 is Budgeted)	13,946					
7.008	Pumps, Effluent Dosing, 20-HP				33,671		
7.009	Pumps, Influent, 2-HP, Phased						5,385
7.010	Pumps, Sludge Wasting, 0.5-HP			5,228			
	Reserve Study Update, Annual Review		1,500	1,600		1,697	1,748
	Reserve Study Update, Site Visit (2025 is Budgeted)	3,850			4,100		
Anticipated Expenditures, By Year (\$2,687,375 over 5 years)		503,163	795,631	631,044	401,622	74,394	281,521

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.*

Exterior Building Elements



Clubhouse front elevation overview



Wastewater treatment system building front elevation overview



Typical single family home front elevation overview



Townhome building front elevation overview

Lightning Rods, Wastewater Treatment Building

Line Item: 1.275

Quantity: The Association maintains four lightning rods located at the wastewater treatment building.

History: Replaced in conjunction with the roof in 2023.

Condition: Reported satisfactory overall.



Lightning rod overview

Useful Life: Up to 25 years

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

- Quarterly:
 - Inspect the rods for obvious damage, corrosion, or loose connections
 - Check bonding connections to down conductors to ensure they are tight and secure
 - Look for obstructions or debris near the rods that could interfere with grounding
 - Verify that down conductors are visible and intact along the building exterior
- Annually:
 - Inspect all connectors, clamps, and joints for corrosion or wear; tighten if necessary
 - Examine the grounding electrodes to ensure they are not corroded, disconnected, or exposed
 - Inspect bonding to metallic building components to ensure continuous grounding

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.

Roofs, Asphalt Shingles

Line Items: 1.280 through 1.283

Quantity: The Association maintains the asphalt shingle roof assemblies at the various buildings throughout the community including:

- 35 squares¹ of asphalt shingles with 180 linear feet of aluminum gutters and downspouts comprise the roof at the clubhouse
- 750 squares of asphalt shingles with 5,030 linear feet of aluminum gutters and downspouts comprise the roofs at the single-family homes
- 1,640 squares of asphalt shingles with 10,060 linear feet of aluminum gutters and downspouts comprise the roofs at the townhomes
- 25 squares of asphalt shingles with 120 linear feet of aluminum gutters and downspouts comprise the roof at the wastewater treatment building

History and Condition: The roofs are mostly original with repairs conducted from 2020 through 2024 and a frequent history of reported leaks. Management and the Board inform us the Association recently engaged the services of *Dedicated Roof and Hydro-Solutions* in 2025 to conduct an inspection of the asphalt shingle roofs throughout the community. The report noted multiple conditions including, but not limited to, cracked shingles, shingle lift, exposed nails, granule loss, sealant deterioration and previous repairs. Additionally, *Dedicated Roof and Hydro-Solutions* recommended replacing the asphalt shingle roofs at the clubhouse, single family homes and townhomes due within the next four years beginning with the townhomes. Following receipt of this report, the Board informs us the Association plans to replace the asphalt shingle roofs at the townhomes from 2025 through 2026, at the clubhouse in 2026 and at the single family homes from 2026 through 2027. We include photos of noted conditions including curled shingles, sheathing deflection and extensive partial replacements evident from our limited visual inspection from the ground.

We are informed the new roofs will utilize asphalt shingles rated for 50-year lives; however, we do not have enough supporting historical records for similar projects to validate this assumption in our analysis. Therefore, our recommendations reflect useful lives of up to 25 years for asphalt shingle roofs, and future updates to this Reserve Study will continue to monitor the rates of deterioration of the roofs following near term replacements and adjust timing recommendations as needed based on actual observed conditions.

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



Asphalt shingle roof at clubhouse



Asphalt shingle roof at clubhouse



Asphalt shingle roof at single family home



Asphalt shingle roof at single family home



Asphalt shingle roof at single family home



Curled shingles at single family home



Curled shingles at townhome roof



Sheathing deflection at townhome roof



Curled shingles and partial replacements at townhome roof



Curled shingles at townhome roof



Curled shingles and partial replacements at townhome roof



Partial replacements at townhome roof



Partial replacements at townhome roof



Curled shingles and partial replacements at townhome roof



Curled shingles and partial replacements at townhome roof



Partial replacements at townhome roof



Asphalt shingle roof at wastewater treatment building



Sheathing deflection at townhome roof

Useful Life: 20- to 25-years

Component Detail Notes: The existing roof assembly comprises the following:

- Laminate architectural shingles
- Boston style ridge caps
- Rubber seal with plastic base boot flashing at waste pipes
- Soffit, gable, square hood box and ridge vents
- Metal drip edge
- Enclosed half weaved valleys

Insulation and ventilation are two major components of a sloped roof system. Together, proper insulation and ventilation help to control attic moisture and maintain an energy efficient building. Both insulation and ventilation prevent moisture buildup which can cause wood rot, mold and mildew growth, warp sheathing, deteriorate shingles, and eventually damage building interiors. Sufficient insulation helps to minimize the quantity of moisture that enters the attic spaces and adequate ventilation helps to remove any moisture that enters the attic spaces. These two roof system components also help to reduce the amount of energy that is required to heat and cool a building. Proper attic insulation minimizes heat gain and heat loss between the residential living spaces and attic spaces. This reduces energy consumption year-round. Proper attic ventilation removes excessive heat from attic spaces that can radiate into residential living spaces and cause air conditioners to work harder. Properly installed attic insulation and ventilation work together to maximize the useful life of sloped roof systems.

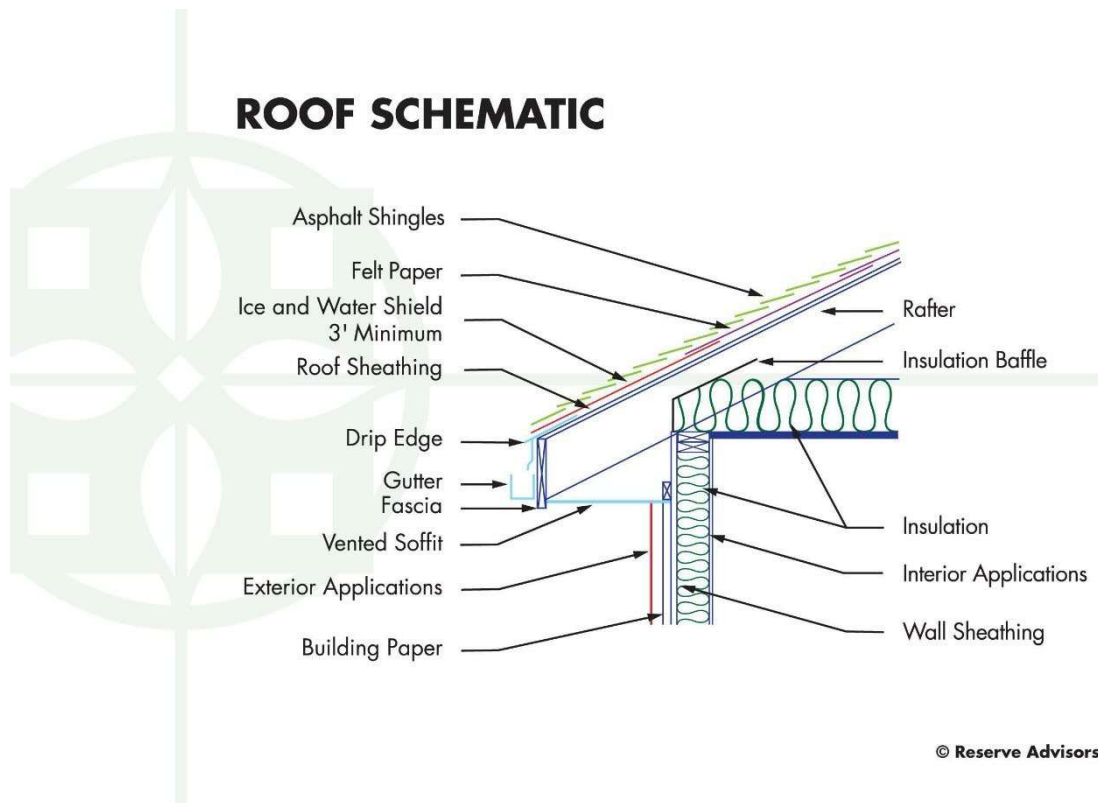
The vents should be clear of debris and not blocked from above by attic insulation. If the soffit vents are blocked from above, installation of polystyrene vent spaces or baffles between the roof joists at these locations can ensure proper ventilation.

Certain characteristics of condition govern the times of replacement. Replacement of an asphalt shingle roof becomes necessary when there are multiple or recurring leaks and when the shingles begin to cup, curl and lift. These conditions are indications that the asphalt shingle roof is near the end of its useful life. Even if the shingles are largely watertight, the infiltration of water in one area can lead to permanent damage to the underlying roof sheathing. This type of deterioration requires replacement of saturated sections of sheathing and greatly increases the cost of roof replacement. Roof leaks may occur from interrelated roof system components, i.e., flashings. Therefore, the warranty period, if any, on the asphalt shingles, may exceed the useful life of the roof system.

Warranties are an indication of product quality and are not a product guarantee. Asphalt shingle product warranties vary from 20- to 50-years and beyond. However, the scope is usually limited to only the material cost of the shingles as caused by manufacturing defects. Warranties may cover defects such as thermal splitting, granule loss, cupping, and curling. Labor cost is rarely included in the remedy so if roof materials fail, the labor to tear off and install new shingles is extra. Other limitations of warranties are exclusions for "incidental and consequential" damages resulting from age, hurricanes, hail storms, ice dams, severe winds, tornadoes, earthquakes, etc. There are some warranties which offer no dollar limit for replacement at an additional cost (effectively an insurance policy) but again these warranties also have limits and may not cover all damages other than a product defect. We recommend a review of the manufacturers' warranties as part of the evaluation of competing proposals to replace a roof system. This evaluation should identify the current costs of remedy if the roof were to fail in the near future. A comparison

of the costs of remedy to the total replacement cost will assist in judging the merits of the warranties.

The following cross-sectional schematic illustrates a typical asphalt shingle roof system although it may not reflect the actual configuration at The Villas at Cattail Creek:



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. Our estimate of cost includes replacement of the aluminum gutter and downspout assemblies.

Roofs, Metal

Line Item: 1.460

Quantity: 41 metal roofs accent the buildings throughout the community.

History: Original.

Condition: Varying good to fair condition with finish deterioration evident from our visual inspection from the ground.



Metal roof overview – Note: finish deterioration



Metal roof overview – Note: finish deterioration



Metal roof overview – Note: finish deterioration



Metal roof overview – Note: finish deterioration



Useful Life: Up to 35 years

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 fasteners
 - Implement repairs as needed if issues are reoccurring
 - Ensure proper ventilation and verify vents are clear of debris and not blocked from attic insulation
 - Clear valleys of debris
 - Periodic cleaning at areas with organic growth

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.

Walls, Masonry

Line Item: 1.820

Quantity: Approximately 104,200 square feet of masonry comprise the exterior walls of the buildings.

History: Mostly original with a limited history of repairs and sealant replacements. Repairs were last conducted to the masonry walls at the clubhouse in 2020.

Condition: Fair overall with the following evident:

- Reported history of recent water infiltration at the clubhouse
- Minor efflorescence is visible (Efflorescence is not a safety concern. However, it can be an indication of water infiltration, masonry saturation, improper drainage behind the façade or another underlying issue.)
- Minor lintel rust is evident
- Masonry exhibits isolated spalls
- Sealant deterioration is evident



Masonry wall overview



Masonry wall overview



Masonry spall



Efflorescence



Efflorescence



Sealant deterioration



Sealant deterioration

Useful Life: We advise a complete inspection of the masonry and related masonry repairs up to every 15 years to forestall deterioration.

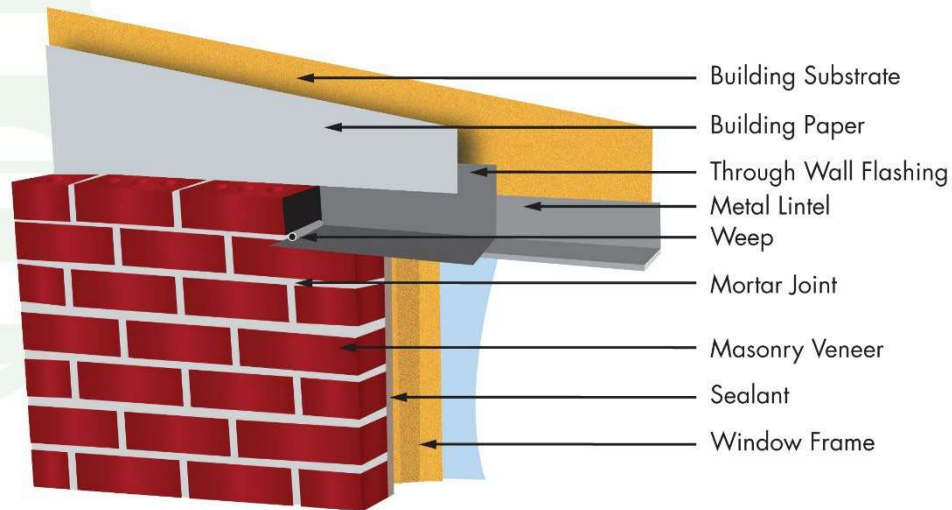
Component Detail Notes: Common types of masonry deterioration include efflorescence, spalling, joint deterioration and cracking. The primary cause of efflorescence, cracks and face spall is water infiltration; therefore, prevention of water infiltration is the principal concern for the maintenance of masonry applications.

Repointing is a process of raking and cutting out defective mortar to a depth of not less than $\frac{1}{2}$ inch nor more than $\frac{3}{4}$ inch and replacing it with new mortar. Face grouting is the process of placing mortar over top of the existing mortar. We advise against face grouting because the existing, often deteriorated mortar does not provide a solid base for the new mortar. New mortar spalls at face grouted areas will likely occur. One purpose of a mortar joint is to protect the masonry by relieving stresses within the wall caused by expansion, contraction, moisture migration and settlement. Repointed mortar joints are more effective if the mortar is softer and more permeable than the masonry units, and no harder or less permeable than the existing mortar. The masonry contractor should address these issues within the proposed scope of work.

We recommend an inspection, partial repair and replacement of the steel lintels. Lintels are structural supports or beams above windows and doors. Fatigued lintels also allow the direct penetration of storm water into the wall assembly. These inspections should locate areas of rust on the lintels and cracks or other structural damage to the walls around lintels. The contractor should remove any areas of rust, prime and paint these lintels. Paint protects and maximizes the remaining useful life of the lintels and therefore the exterior wall systems. Structural damage can eventually lead to costly replacements of lintels and surrounding wall systems.

The following diagram details a typical metal lintel and weep system and may not reflect the actual configuration at the Association:

MASONRY WALL, METAL LINTEL AND WEEP SYSTEM DETAIL



© Reserve Advisors

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 cost includes the following activities:

- Complete inspection of the masonry
- Repointing of up to three percent (3%) of the masonry
- Replacement of a limited amount of the masonry (The exact amount of area in need of replacement will be discretionary based on the actual future conditions and the desired appearance.)
- Replacement/flashing installation at up to one percent (1%) of the metal lintels
- Paint applications to the metal lintels
- Replacement of up to seventy-five percent (75%) of the sealants at the window and door perimeters

Walls, Siding, Fiber Cement

Line Items: 1.840, 1.845 and 1.850

Quantity: Approximately 124,500 square feet of fiber cement siding comprise the exterior walls at the buildings throughout the community. This quantity includes the soffit, fascia and exterior trim elements.

History:

- Siding: Mostly original with partial replacements conducted as needed.
- Paint finishes: Paint finish applications at all of the buildings were last conducted in 2014.

Condition: The siding walls are in varying good to fair condition and the paint finishes are in fair overall condition with damage, warps, peeling paint finishes and partial replacements evident.



Fiber cement siding overview



Fiber cement siding overview



Siding damage



Siding damage



Warped siding



Warped siding



Peeling paint finishes



Peeling paint finishes



Peeling paint finishes



Peeling paint finishes



Peeling paint finishes



Peeling paint finishes



Peeling paint finishes



Partial replacements



Partial replacement

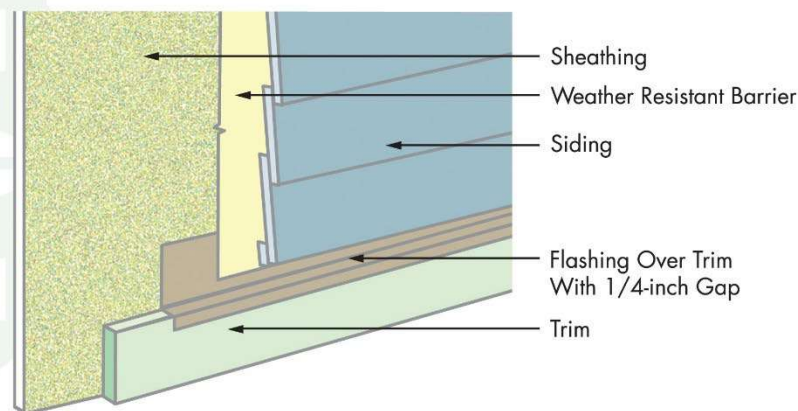
Useful Life: With the benefit of periodic maintenance, applications of this type of material can have a useful life of up to 50 years. This useful life is based on a high-grade pre-finish applied in the factory. This useful life is also dependent upon paint applications and partial replacements up to every 8- to 10-years with interim soft washing events every 5 years.

Component Detail Notes: Fiber cement siding is made from a combination of cement, sand and cellulose fiber. Manufacturing of the siding utilizes a steam curing process to increase strength and dimensional stability. The siding is also manufactured in layers forming a sheet of desired thickness. A wood grain imprint is typically applied to the exposed surface. Fiber cement siding offers many advantages over other types of siding. These advantages include:

- Capable of withstanding salt spray and ultraviolet rays
- Dimensional stability (will not buckle or warp as easily as other materials)
- Paint applications last longer compared to wood siding
- Resistant to insects, birds and fire

The following diagram details a typical fiber cement siding system at the interface with other building components although it may not reflect the actual configuration at The Villas at Cattail Creek:

FIBER CEMENT SIDING DETAIL



© Reserve Advisors

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

- Annually:
 - Inspect and repair damage, loose boards and finish stains
 - Periodic spot-cleaning at areas with organic growth
 - Touch-up paint finish applications as needed and sealing of butt joints and field cut end joints

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 anticipate the following during each paint application cycle:

- Paint finish application
- Removal and reinstallation of the vinyl shutters
- Replacement of up to three percent (3%) of the siding and trim (The exact amount of material in need of replacement will depend on the actual future conditions and desired appearance. We recommend replacement wherever cracks, delamination and deterioration impair the ability of the material to prevent water infiltration.)
- Replacement of up to fifty percent (50%) of the total sealants

Property Site Elements

Asphalt Pavement, Repairs and Repaving

Line Items: 4.020. 4.030 and 4.040

Quantities: The Association maintains approximately 5,950 square yards of asphalt pavement comprising the driveways and 11,450 square yards comprising the streets and parking areas throughout the community for a total of 17,400 square yards of pavement.

Histories:

- Repaving: The asphalt pavement driveways are mostly original with repairs conducted as needed. The asphalt pavement streets and parking areas were milled and overlaid in 2020.
- Repairs: Repairs are conducted as needed.

Condition: The asphalt pavement driveways are in varying good to fair condition with cracks, patches and previous repairs evident. The asphalt pavement streets and parking areas are in good to fair overall condition with isolated cracks evident.



Asphalt pavement driveway overview



Asphalt pavement driveway overview – Note: previous repairs



Asphalt pavement street overview



Asphalt pavement street and parking area overview



Pavement cracks at driveway



Pavement cracks and patching at driveway



Pavement patching at driveway



Pavement cracks at street

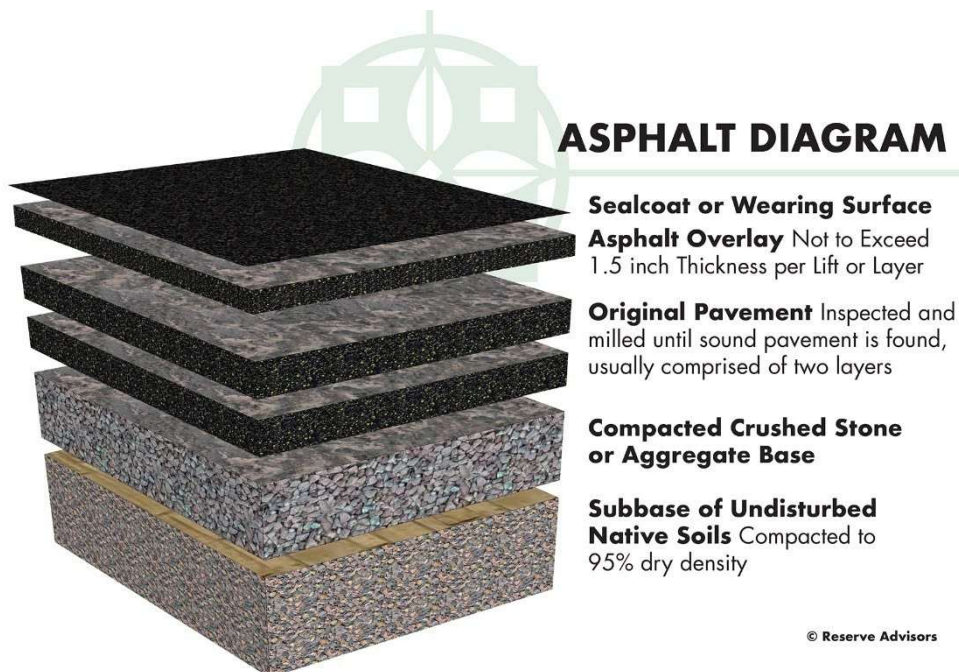


Pavement cracks at street

Useful Life: 15- to 20-years with the benefit of crack repair and patch events every three- to five-years

Component Detail Notes: Proposals should include mechanically routing and filling all cracks with hot emulsion. Crack repair minimizes the chance of the cracks transmitting through the pavement. Patch repairs are conducted at areas exhibiting settlement, potholes, or excessive cracking. These conditions typically occur near high traffic areas, catch basins, and pavement edges.

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 Villas at Cattail Creek:



The manner of repaving is either a mill and overlay or total replacement. A mill and overlay is a method of repaving where cracked, worn and failed pavement is mechanically removed or milled until sound pavement is found. A new layer of asphalt is overlaid atop the remaining base course of pavement. Total replacement includes the removal of all existing asphalt down to the base course of aggregate and native soil followed by the application of two or more new lifts of asphalt. We recommend mill and overlayment on asphalt pavement that exhibits normal deterioration and wear. We recommend total replacement of asphalt pavement that exhibits severe deterioration, inadequate drainage, pavement that has been overlaid multiple times in the past or where the configuration makes overlayment not possible. Based on the apparent visual condition and configuration of the asphalt pavement, we recommend the total replacement method of repaving at the driveways and the mill and overlay method of repaving at the streets and parking areas throughout Villas at Cattail Creek.

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. Our cost includes an allowance for crack repairs and patching of up to two percent (2%) of the pavement. Our cost for milling and overlayment includes area patching of up to ten percent (10%).

Fences, Vinyl

Line Item: 4.260

Quantity: Approximately 1,000 linear feet of vinyl fencing located at the rear elevations of the townhomes.

History: Mostly original with repairs and partial replacements conducted in 2019.

Condition: Good to fair overall.



Vinyl fence overview



Vinyl fence overview

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.

Landscape

Line Item: 4.500

Component Detail Notes: The Association contains a large quantity of trees, shrubbery and other landscape elements. Replacement of these elements is an ongoing need. Many associations budget for these replacements as normal maintenance. Other associations fund ongoing replacements from reserves. Large amounts of landscape may need replacement due to disease, drought or other forces of nature. If the cost of removal and replacement is substantial, funding from reserves is logical. The Association may also desire to periodically update the appearance of the community through major improvements to the landscape.

Useful Life: At the request of Management and the Board, we include a landscape allowance for partial replacements every five years.

Priority: Per Board discretion

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

Light Poles

Line Item: 4.560

Quantity: The Association maintains 25 metal light poles at the single-family homes. This quantity excludes the fixtures atop the poles as the homeowners are responsible for replacement.

History: Original.

Condition: Good to fair overall with isolated lean evident.



Light pole overview



Light pole overview



Minor light pole lean

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.

Pavers, Masonry

Line Item: 4.620

Quantity: Approximately 8,400 square feet of masonry pavers comprise the entrance walks to the clubhouse and units. This quantity includes the entrance stoops.

History: Repairs were last conducted in 2022. Management and the Board inform us the Association plans to conduct repairs to portions of the masonry pavers in 2025.

Condition: Varying good to fair condition with mortar deterioration and displaced bricks evident.



Masonry pavers overview



Masonry pavers overview



Mortar deterioration



Mortar deterioration and displaced bricks



Mortar deterioration and displaced bricks



Mortar deterioration

Useful Life: Inspections and repairs every three- to five-years

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

- Annually:
 - Inspect and repair settlement, trip hazards and paver spalls at heavy traffic areas
 - Re-set and/or reseal damaged pavers as necessary
 - Periodically clean and remove overgrown vegetation 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. Our cost includes repairs at up to ten percent (10%) of the masonry pavers. We suggest the Association conduct interim resetting and replacement of minor areas of pavers as normal maintenance, funded from the operating budget.

Railings, Metal

Line Items: 4.732 and 4.733

Quantity: Approximately 540 linear feet of metal railings located at clubhouse and entrance walks to the units.

History: Original.

Condition: The railings are in good to fair overall condition with finish deterioration evident.



Metal railing overview



Metal railing overview



Finish deterioration



Finish deterioration



Finish deterioration

Useful Life: Up to 35 years for replacement with the benefit of interim refinishing and repairs every six- to eight-years.

Component Detail Notes: Metal components at grade and key structural connections are especially prone to failure if not thoroughly maintained. Secure and rust-free fasteners and connections will prevent premature deterioration. Preparation of the metal before application of the paint finish is critical to maximize the useful life of the finish.

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

- Annually:
 - Inspect for damage, and excessive finish deterioration or corrosion
 - Test security of railings and inspect connection fasteners

Priority: Per Board discretion

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

Clubhouse Elements

Air Handling and Condensing Units, Split System

Line Item: 5.070

Quantity: Four *Bryant* split systems serve the clubhouse.

History: Replaced in 2023.

Condition: Reported satisfactory without operational deficiencies.



Split system condensing units

Useful Life: 15- to 20-years

Component Detail Notes: A split system air conditioner consists of an outside condensing unit, an interior evaporator coil, refrigerant lines and an interior air handling unit. The condensing units have cooling capacities that range from three- to five-tons.

Preventative Maintenance Notes: The Association informs us preventative maintenance is conducted on a regular basis. 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:

- Semi-annually:
 - Lubricate motors and bearings
 - Change or clean air filters as needed
 - Inspect condenser base and piping insulation
 - Inspect base pan, coil, cabinet and clear obstructions as necessary
- Annually:
 - Clean coils and drain pans, clean fan assembly, check refrigerant charge, inspect fan drive system and controls
 - Inspect and clean accessible ductwork as needed
 - Clean debris from inside cabinet, inspect condenser compressor and associated tubing for damage

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. The condensing unit may require replacement prior to replacement of the related interior forced air unit. For purposes of this Reserve Study, we assume coordination of replacement of the interior forced air unit, evaporator coil, refrigerant lines and exterior condensing unit.

Kitchen and Foyer

Line Item: 5.400

Quantity: Components of the kitchen and foyer include:

- Tile floor coverings
- Paint finishes on the walls and ceilings
- Appliances
- Cabinets and countertops
- Light fixtures

History: Components are original.

Condition: Good to fair overall.



Kitchen overview



Kitchen 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. Our estimate of cost includes replacement of the tile floor coverings, appliances, cabinets and countertops and light fixtures in conjunction with paint finish applications. We recommend the Association budget for interim renovations and appliance replacements through the operating budget as needed.

Library and Hallway

Line Item: 5.450

Quantity: Components of the library and hallway include:

- Carpet floor coverings
- Paint finishes on the walls and ceilings

- Light fixtures
- Furnishings

History: Components are mostly original.

Condition: Good to fair overall.



Library furnishings overview



Carpet floor coverings overview



Paint finishes overview

Useful Life: Renovation up to every 15 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 includes replacement of the carpet floor coverings, light fixtures and up to fifty percent (50%) of the furnishings in conjunction with paint finish applications. We recommend the Association budget for interim renovations through the operating budget as needed.

Life Safety System

Line Item: 5.500

Quantity: The life safety system throughout the clubhouse includes the following components:

- Audio/visual fixtures
- *Silent Knight* by *Honeywell* control panel and annunciator
- Emergency light fixtures
- Exit light fixtures
- Pull stations
- Wiring

History: Original with repairs conducted at the fire alarm control panel conducted in 2024.

Conditions: Reported satisfactory without operational deficiencies.



Fire alarm control panel overview



Annunciator panel overview



Exit and emergency light fixture

Useful Life: Up to 25 years



Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. In accordance with *NFPA 72* (National Fire Alarm and Signaling Code) we also recommend the Association maintain a maintenance contract with a qualified professional. The display panel read 'All Systems Normal' at the time of our inspection. The required preventative maintenance may vary in frequency and scope based on the age of the components, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - Inspect and test all components and devices, including, but not limited to, control panels, annunciators, detectors, audio/visual fixtures, signal transmitters and magnetic door holders
 - Test backup batteries
- As-needed:
 - Ensure clear line of access to components such as pull stations
 - Ensure detectors are properly positioned and clean of debris

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. Changes in technology or building codes may make a replacement desirable prior to the end of the functional life. Our estimate of future cost considers only that amount necessary to duplicate the same functionality. Local codes or ordinances at the actual time of replacement may require a betterment as compared to the existing system. A betterment could result in a higher, but at this time unknown, cost of replacement.

Party Room

Line Item: 5.550

Quantity: The party room components include:

- Carpet floor coverings
- Paint finishes on the walls and ceilings
- Light fixtures
- Furnishings

History: Mostly original with partial furnishing replacements and repairs conducted in 2019 and 2023.

Condition: Good overall.

Useful Life: Renovation up to every 15 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 includes replacement of the carpet floor coverings, light fixtures and up to fifty percent (50%) of the furnishings in conjunction with paint finish applications.

Pump, Fire Suppression

Line Item: 5.570

Quantity: One 30-HP electric fire suppression pump with a controller and jockey pump.

History: Original.

Condition: Reported satisfactory overall without operational deficiencies.



Fire suppression pump controller



Fire suppression pump and piping

Useful Life: Up to 50 years

Component Detail Notes: Prior to replacement, the Association should schedule periodic inspections to maintain its correct operation in the event of an emergency. Villas at Cattail Creek should also anticipate, as normal maintenance, interim repairs and component replacements to maximize its remaining useful life.

Preventative Maintenance Notes: The Association informs us preventative maintenance is conducted on a regular basis. 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. Valuable motor information to note in a preventative maintenance plan or schedule includes age of unit and last time of repair, horsepower and rpm (revolutions per minute), bearing type and conditions surrounding motor/pump. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Weekly:
 - Check/adjust controls

- Check/adjust pressure levels
- Check for leaks
- Conduct churn tests
- Quarterly:
 - Inspect/clean motors
 - Inspect mountings and connections for proper alignment, torque and condition
 - Inspect/replace pump packing as needed, consider replacement with mechanical seals
 - Check for appropriate oil levels
- Semi-annually:
 - Lubricate pumps, motors and motor bearings
- Annually:
 - Clean filters if present
 - Assess proper internal component performance and replace damaged or malfunction components as necessary, and tighten fittings
 - Access temperature and vibration performance of motors in accordance with the intended design

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 replacement of the pump, motor, and motor controller.

Rest Rooms

Line Item: 5.600

Quantity: The Association maintains two rest rooms at the clubhouse. The rest room components include:

- Tile floor coverings
- Paint finishes on the walls and ceilings
- Light fixtures
- Plumbing fixtures
- Partitions

History: Components are original with repairs and partial replacements conducted as needed.

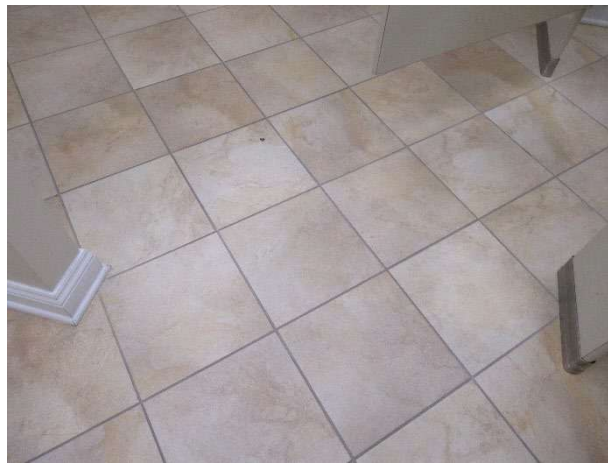
Condition: Good to fair overall.



Rest room fixtures and partitions



Rest room fixtures



Tile floor coverings at rest room

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. Our estimate of cost includes replacement of the tile floor coverings, light fixtures, plumbing fixtures and partitions in conjunction with paint finish applications.

Security System, Access System

Line Item: 5.620

Quantity and History: Management and the Board inform us the Association plans to upgrade the access system to the clubhouse in the near term.

Condition: Reported satisfactory with a history of operational deficiencies.

Useful Life: 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:

- Weekly:
 - Clean card readers and other frequently used equipment of dust and other materials that may prevent proper operation
- Monthly:
 - Check access points for proper operation
- 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.

Water Heater

Line Item: 5.700

Quantity: One A.O. Smith electric water heater serves the clubhouse.

History: Replaced in 2022.

Condition: Reported satisfactory overall.



Water heater overview

Useful Life: Up to 15 years

Preventative Maintenance Notes: The Association informs us preventative maintenance is not conducted on a regular basis. We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. 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. Due to the low average MBH per unit, we anticipate a lower than expected useful life.

Windows and Doors

Line Item: 5.800

Quantity: Approximately 400 square feet of windows and doors at the clubhouse.

History: Original.

Condition: Good to fair overall.



Clubhouse windows



Clubhouse doors

Useful Life: Up to 40 years

Component Detail Notes: Construction includes the following:

- Aluminum frames
- Sliding windows with screens
- Hinged doors

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

- Annually:
 - Inspect and repair loose weather stripping and/or lock damage
 - Inspect for broken glass and damaged screens
 - Record instances of water infiltration, trapped moisture or leaks
- As-needed:
 - Verify weep holes are unobstructed and not blocked with dirt or sealant, if applicable
 - Replace damaged or deteriorated sliding glass rollers, if applicable

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 Treatment Plant Elements

Air Stripper

Line Item: 6.001

Quantity: The air stripper system consists of a 500-gallon aeration tank, a 2.5-HP blower and controls.

History: Mostly original. The blower was replaced in 2022.

Condition: Reported satisfactory overall.



Air stripper aeration tank



Air stripper blower



Air stripper controls

Useful Life: 20- to 25-years

Component Detail Notes: Air stripper systems remove volatile contaminants from the domestic water supply using moving air in an above-ground treatment system.

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. Interim replacement of the blower should be funded through the operating budget as needed.

Controls

Line Item: 6.002

Quantity: One set of controls.

History: Mostly original to 2003 with repairs conducted in 2024.

Condition: Reported satisfactory; however, we are informed the controls may require near term replacement.



Water treatment plant controls

Useful Life: 15- to 20-years

Preventative Maintenance Notes: The Association informs us preventative maintenance is conducted on a regular basis. 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:
 - Inspect panel for moisture, corrosion, or signs of overheating
 - Verify indicator lights, push buttons, and selector switches function properly
 - Ensure panel doors, seals, and locks are intact to keep out dust and moisture
- Quarterly:
 - Clean panel exterior and interior
 - Check tightness of terminal screws, lugs, and bus connections
 - Inspect fuses, breakers, and contactors for wear or pitting

- Verify screens are responsive and free of error messages
- Inspect wiring for insulation damage, abrasion, or looseness
- Test alarm indicators and horn/buzzer operation
- Annually:
 - Perform thermoscan to detect hot spots from loose or overloaded connections
 - Test breaker trip functions and protective relays per manufacturer recommendations
 - Calibrate key instrumentation signals routed through the panel
 - Replace filters on panel cooling fans or air conditioners
 - Test communication links

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.

Generator, Emergency

Line Item: 6.003

Quantity: One *Detroit Diesel* 60-kW (kilowatt) diesel generator serves the domestic water supply system.

History: Original.

Condition: Reported satisfactory without operational deficiencies.



Emergency generator overview

Useful Life: Up to 30 years

Preventative Maintenance Notes: The Association informs us preventative maintenance is conducted on a regular basis. We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. As a reference, the Association may consult the following document: *NFPA 110, Standard for Emergency*



and Standby Power Systems. 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:
 - Check fuel and oil levels
 - Inspect cooling and exhaust systems
 - Check battery, electrical components and transfer switches
 - Run generator without load and look for unusual conditions such as leaks
- Monthly:
 - Exercise generator under load test for minimum of 30 minutes
 - Check oil levels before running and after 10 minutes of run time
- Annually:
 - Complete full inspection and necessary repairs
 - Change fuel and air filters
 - Change oil and replace oil filter
 - Change spark or glow plugs
 - Flush cooling system

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 replacement of the transfer switch. We recognize that the transfer switch may require replacement prior to the replacement of the generator. For purposes of this Reserve Study, we assume coordination of replacement with the generator.

Pressurization Tank

Line Item: 6.004

Quantity: One 20,000-gallon tank located underground.

History: Original with partial pipe and valve replacements conducted as needed.

Condition: Reported satisfactory without operational deficiencies.

Useful Life: 30- to 40-years

Preventative Maintenance Notes: The Association informs us preventative maintenance is conducted on a regular basis. 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 conduct on an annual basis to maximize the remaining useful life:

- Inspect for leakage and corrosion
- Inspect and repair/replace valves including any pressure relief valves

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.

Pumps

Line Items: 6.005 and 6.006

Quantity: The Association maintains two repressurization pumps and two well pumps as part of the domestic water supply system.

History: One repressurization pump is budgeted for replacement in 2025, and the remaining pump was likely rebuilt in 2015. One well pump was replaced in 2019, and the other was replaced in 2023.

Condition: The Association informs us of unusual noises and vibrations at the repressurization pumps. The well pumps are reportedly in satisfactory overall condition.



Repressurization pumps

Useful Life: Up to 10 years for replacement the pumps and up to 15- to 20-years for replacement of the controls.

Component Detail Notes: Major pumps included in this Reserve Study are those with a motor drive of at least 0.5-HP. The Association should replace or repair all pumps with motor drives less than 0.5-HP as needed and fund this ongoing maintenance activity through the operating budget. The Association may choose to rebuild pumps prior to complete replacement. However, this activity becomes less desirable as pumps age due to the scarcity of parts. We regard interim replacements of motors and component parts as normal maintenance and base our estimates on complete replacements. An exact replacement time for each individual pump is difficult, if not impossible, to estimate.

Preventative Maintenance Notes: The Association informs us preventative maintenance is conducted on a regular basis. 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. Valuable motor information to note in a preventative maintenance plan or schedule includes age of unit and last time of repair, horsepower and rpm (revolutions per minute), bearing type and conditions surrounding motor/pump. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Weekly:
 - Check/adjust controls
 - Check/adjust pressure levels
 - Check for leaks
 - Conduct churn tests
- Quarterly:
 - Inspect/clean motors
 - Inspect mountings and connections for proper alignment, torque and condition
 - Inspect/replace pump packing as needed, consider replacement with mechanical seals
 - Check for appropriate oil levels
- Semi-annually:
 - Lubricate pumps, motors and motor bearings
- Annually:
 - Clean filters if present
 - Assess proper internal component performance and replace damaged or malfunction components as necessary, and tighten fittings
 - Access temperature and vibration performance of motors in accordance with the intended design

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 partially based on information provided by the Association.

Wastewater Treatment Plant Elements

Blowers

Line Item: 7.001

Quantity: Three 5-HP air blowers.

History: Original to renovation of the system in 2010. Various components have been replaced as needed to maintain facility compliance.

Condition: Reported satisfactory overall.



Blowers overview



Blower overview

Useful Life: Up to 20 years.

Component Detail Notes: Blowers create efficient airflow during the aeration process in wastewater treatment plants to provide oxygen to bacteria and microorganisms that then properly treat sewage and waste water.

Preventative Maintenance Notes: The Association informs us preventative maintenance is conducted on a regular basis. 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:
 - Inspect blower housing, piping, and connections for leaks or cracks
 - Verify operation of safety devices
 - Inspect silencer condition
- Quarterly:
 - Change oil (for oil-lubricated or gear-driven blowers)
 - Grease bearings (if grease-lubricated)
 - Inspect shaft seals for leakage or wear
 - Check blower and motor alignment/couplings
 - Clean blower cooling surfaces, fans, and guards
- Annually:
 - Inspect blower internals
 - Inspect blower internals
 - Overhaul inlet and discharge check valves
 - Inspect and clean silencers and associated piping
 - Replace shaft seals if worn
 - Test and calibrate all alarms, interlocks, and safety shutoffs

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.

Controls

Line Item: 7.002

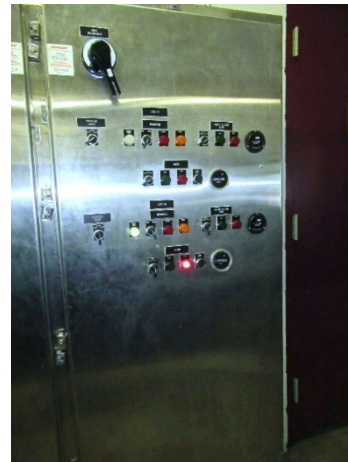
Quantity: Mostly original to renovation of the system in 2010. The human-machine interface screen was replaced within the past few years, and various control panel components have been replaced as they fail.

History: The Association informs us the controls were repaired in 2023.

Condition: Reported satisfactory; however, we are informed the controls may require near term replacement.



Wastewater treatment control panel



Wastewater treatment control panel

Useful Life: 15- to 20-years

Preventative Maintenance Notes: The Association informs us preventative maintenance is conducted on a regular basis. 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:
 - Inspect panel for moisture, corrosion, or signs of overheating
 - Verify indicator lights, push buttons, and selector switches function properly
 - Ensure panel doors, seals, and locks are intact to keep out dust and moisture
- Quarterly:
 - Clean panel exterior and interior
 - Check tightness of terminal screws, lugs, and bus connections

- Inspect fuses, breakers, and contactors for wear or pitting
- Verify screens are responsive and free of error messages
- Inspect wiring for insulation damage, abrasion, or looseness
- Test alarm indicators and horn/buzzer operation
- Annually:
 - Perform thermoscan to detect hot spots from loose or overloaded connections
 - Test breaker trip functions and protective relays per manufacturer recommendations
 - Calibrate key instrumentation signals routed through the panel
 - Replace filters on panel cooling fans or air conditioners
 - Test communication links

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.

Decanters

Line Item: 7.003

Quantity: Two decanters with drives.

History: Original to renovation of the system in 2010.

Condition: Reported satisfactory; however, we are informed the decanters may require near term replacement.

Useful Life: Up to 10 years

Preventative Maintenance Notes: The Association informs us preventative maintenance is conducted on a regular basis. 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.

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.

Dehumidifier

Line Item: 7.004

Quantity: One dehumidification unit.

History: Replaced in 2018.

Condition: Reported satisfactory overall.



Dehumidifier overview

Useful Life: 5- to 10-years

Preventative Maintenance Notes: The Association informs us preventative maintenance is conducted on a regular basis. 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:
 - Inspect unit for unusual noise, vibration, or leaks
 - Check and clean/replace the air filter if dirty
 - Verify condensate drain line and pan are clear
 - Confirm proper airflow from supply and return grilles
 - Inspect power cord, plug, and electrical connections for wear/damage
- Quarterly:
 - Clean condenser and evaporator coils
 - Inspect fan blades, blower wheel, and motor for dust buildup or imbalance
 - Inspect refrigerant lines for frost, condensation, or oil stains
 - Verify proper condensate pump operation (if equipped)
- Annually:
 - Deep clean coils, cabinet, and condensate system
 - Inspect and tighten all electrical terminals, relays, and contactors
 - Check refrigerant charge and system pressures
 - Lubricate fan motor/bearings if required
 - Inspect insulation on refrigerant lines and replace if degraded

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.

Generator, Emergency

Line Item: 7.005

Quantity: One *Katolight* 150-kW (kilowatt) diesel generator.

History: Original.

Condition: Reported satisfactory without operational deficiencies.



Emergency generator overview

Useful Life: Up to 30 years

Preventative Maintenance Notes: The Association informs us preventative maintenance is conducted on a regular basis. We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. As a reference, the Association may consult the following document: *NFPA 110, Standard for Emergency and Standby Power Systems*. 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:
 - Check fuel and oil levels
 - Inspect cooling and exhaust systems
 - Check battery, electrical components and transfer switches
 - Run generator without load and look for unusual conditions such as leaks
- Monthly:
 - Exercise generator under load test for minimum of 30 minutes
 - Check oil levels before running and after 10 minutes of run time
- Annually:

- Complete full inspection and necessary repairs
- Change fuel and air filters
- Change oil and replace oil filter
- Change spark or glow plugs
- Flush cooling system

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 replacement of the transfer switch. We recognize that the transfer switch may require replacement prior to the replacement of the generator. For purposes of this Reserve Study, we assume coordination of replacement with the generator.

Leach Fields

Line Item: 7.006

Quantity: Six leach fields comprising of approximately 1,300 square yards of horizontal surface area located behind the clubhouse. This quantity includes two underground steel storage tanks and two by-passed septic tanks.

History: Mostly original with various repairs conducted to broken pipes, sinkholes and vermin holes within the field as needed. Repairs were completed on the observation ports and standpipes in 2023.

Condition: Reported satisfactory during the time of inspection.



Leach fields located below

Useful Life: Due to eventual soil saturation and the inability of the soil to treat the wastewater, the leach field has a useful life of up to 35 years; however, this useful life can vary depending on maintenance, use of the system, the type of soil and maintenance or removal of surrounding vegetation over the leach field.

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

- Monthly:
 - Inspect field area for surface ponding, wet spots, or unusual vegetation
 - Check distribution boxes, if present, for even flow and no blockages
 - Ensure access covers are secure and undamaged
- Quarterly:
 - Remove debris, roots, or sediment from inlet/outlet structures
 - Inspect trenches/pipes for signs of damage or erosion
 - Check operation of pumps or flow control devices that feed the drain field
 - Document field conditions and note any changes from baseline
- Annually:
 - Conduct infiltration testing or soil percolation checks, if required by permit
 - Clean or flush distribution pipes and boxes if sediment buildup is observed
 - Review system performance records
 - Schedule any corrective repairs for damaged or failing sections

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 considers only that amount necessary to duplicate the same functionality of the existing leach fields and tank systems. Local codes or ordinances at the actual time of rebuild may require a betterment as compared to the existing system. A betterment could result in a higher, but at this time unknown, greater cost of replacement. We recommend the Association contract with the appropriate entity for the design, estimated cost and implementation of a new leach field at the time of replacement.

Mixers

Line Item: 7.007

Quantity: Two submersible mixers.

History: One mixer was replaced in 2023, and the remaining mixer is budgeted for replacement in 2025.

Condition: Reported satisfactory overall.

Useful Life: Up to 20 years.

Preventative Maintenance Notes: The Association informs us preventative maintenance is conducted on a regular basis. 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:
 - Inspect mixers for unusual vibration, noise, or movement
 - Check electrical connections, motors, and wiring for integrity
 - Inspect seals, couplings, and shafts for leaks or wear
 - Verify mixer mounting and supports are secure
- Quarterly:
 - Lubricate bearings and gearboxes according to manufacturer recommendations
 - Check mixer alignment and adjust if needed
 - Inspect impellers, paddles, or propellers for wear or damage
 - Verify motor starter operation and protective devices
- Annually:
 - Perform detailed inspection of motor, gearbox, and drive components
 - Test mixer performance
 - Replace worn bearings, seals, or other critical components

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 partially based on information provided by the Association.

Pumps, Sewage

Line Items: 7.008, 7.009 and 7.010

Quantity, History and Conditions:

- Effluent dosing - 20-HP, two, reported satisfactory; original to renovation of the system in 2010.
- Influent - 2-HP, two, reported satisfactory; one pump was replaced in 2020, and the remaining pump was replaced in 2021.
- Sludge wasting - 0.5-HP, two, reported satisfactory; original to renovation of the system in 2010.

Useful Lives: Up to 10 years

Component Detail Notes: Major pumps included in this Reserve Study are those with a motor drive of at least 0.5-HP. The Association should replace or repair all pumps with motor drives less than 0.5-HP as needed and fund this ongoing maintenance activity through the operating budget. The Association may choose to rebuild pumps prior to complete replacement. However, this activity becomes less desirable as pumps age due to the scarcity of parts. We regard interim replacements of motors and component parts

as normal maintenance and base our estimates on complete replacements. An exact replacement time for each individual pump is difficult, if not impossible, to estimate.

Preventative Maintenance Notes: The Association informs us preventative maintenance is conducted on a regular basis. 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. Valuable motor information to note in a preventative maintenance plan or schedule includes age of unit and last time of repair, horsepower and rpm (revolutions per minute), bearing type and conditions surrounding motor/pump. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Weekly:
 - Check/adjust controls
 - Check/adjust pressure levels
 - Check for leaks
 - Conduct churn tests
- Quarterly:
 - Inspect/clean motors
 - Inspect mountings and connections for proper alignment, torque and condition
 - Inspect/replace pump packing as needed, consider replacement with mechanical seals
 - Check for appropriate oil levels
- Semi-annually:
 - Lubricate pumps, motors and motor bearings
- Annually:
 - Clean filters if present
 - Assess proper internal component performance and replace damaged or malfunction components as necessary, and tighten fittings
 - Assess temperature and vibration performance of motors in accordance with the intended design

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.

Wastewater Treatment System, Clean-Out

Line Item: 7.011

History: Management and the Board inform us the Association completed a complete clean-out of the wastewater treatment system in 2023.

Condition: Reported satisfactory overall.



Useful Life: Up to 10 years

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 and timing are based on information provided by the Association.

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.

The Villas at Cattail Creek 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 standards¹ 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
- Local² 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 Glenwood, Maryland at an annual inflation rate³. Isolated or regional markets of

¹ Identified in the APRA "Standards - Terms and Definitions" and the CAI "Terms and Definitions".

² See Credentials for additional information on our use of published sources of cost data.

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

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

- The past and current maintenance practices of The Villas at Cattail Creek 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.

LISA PHAM, RS
Engineer, Northeast Region
Responsible Advisor

CURRENT CLIENT SERVICES

Lisa Pham, a Mechanical Engineer, is an Advisor for Reserve Advisors. Ms. Pham is responsible for the inspection and analysis of the condition of clients' properties, and recommending engineering solutions to prolong the lives of the components. She also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. She 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 Lisa Pham demonstrating the breadth of experiential knowledge of community associations in construction and related systems.

Eastchurch Homeowners Association, Inc. – Located in Frederick, Maryland, this community consists of 410 units comprising a mix of single family homes and townhomes. At the center of the community exists a clubhouse, originally constructed in 1817, which was home to the city's first mayor. After a full restoration, the historic Brengle Manor now houses amenities including a kitchen, multiple meeting rooms, a game room, an outdoor pavilion and a pool. Additionally, the community features two ponds, walking paths and a playground for residential use.

The Bindery Condominium Association – Located in Staunton, Virginia, this historic property was originally constructed in 1839 and part of Western State Hospital prior to its conversion to condominiums in 2008. Residents of the 19 condominium units are able to enjoy the original architecture and interior finishes without sacrificing modern amenities, allowing this property to become a proud recipient of Historic Staunton Foundation's Preservation Award.

Village Loft Condominiums – Located in Baltimore, Maryland, this five-story midrise houses 68 residential condominium units in addition to 7 commercial units. Residents are a short walk away from Johns Hopkins University, the Baltimore Museum of Art, and various retail establishments and restaurants with the luxury of a convenient private garage, balconies at each unit and rooftop decks.

921 Oceans Condominiums – Located in Virginia Beach, this 13-story oceanfront highrise is home to 24 condominium units. Providing residents with direct access to the boardwalk, a covered parking garage and balconies and terraces overlooking the beach, the property is secured with gated entries, and residents have the additional luxury of private pool access.

Lexington Square Condominiums – Located in Arlington, Virginia, this 10- to 11-story highrise comprises 367 units in four towers. Balconies and rooftop patios overlooking the city and Washington, D.C. provide residents with stunning views, and amenities include a modern party room, fitness center, private garage parking, multiple pools and a hot tub. Residents are just steps away from direct access to the Virginia Square and Ballston Metro stops as well as a wide variety of restaurants, shops and entertainment in this convenient location.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, LLC, Ms. Pham attended George Mason University in Fairfax, Virginia where she attained her Bachelor of Science degree in Mechanical Engineering. Her rigorous coursework focused on using problem solving to understand mechanical systems and principles. Additionally, Ms. Pham worked as an intern at Serco during her undergraduate education where she reviewed naval ship drawings and specifications to compile data regarding ship subsystems.

EDUCATION

George Mason University – B.S. Mechanical Engineering

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

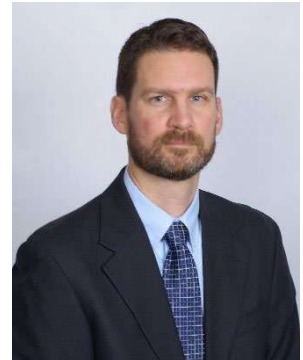
Reserve Specialist (RS) - Community Associations Institute

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

CURRENT CLIENT SERVICES

Alan M. Ebert, a Professional Engineer, is the Director of Quality Assurance for Reserve Advisors. Mr. Ebert is responsible for the management, review and quality assurance of reserve studies. In this role, he assumes the responsibility of stringent report review analysis to assure report accuracy and the best solution for Reserve Advisors' clients.

Mr. Ebert has been involved with thousands of Reserve Study assignments. The following is a partial list of clients served by Alan Ebert demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.



Brownsville Winter Haven Located in Brownsville, Texas, this unique homeowners association contains 525 units. The Association maintains three pools and pool houses, a community and management office, landscape and maintenance equipment, and nine irrigation canals with associated infrastructure.

Rosemont Condominiums This unique condominium is located in Alexandria, Virginia and dates to the 1940's. The two mid-rise buildings utilize decorative stone and brick masonry. The development features common interior spaces, multi-level wood balconies and common asphalt parking areas.

Stillwater Homeowners Association Located in Naperville, Illinois, Stillwater Homeowners Association maintains four tennis courts, an Olympic sized pool and an upscale ballroom with commercial-grade kitchen. The community also maintains three storm water retention ponds and a detention basin.

Birchfield Community Services Association This extensive Association comprises seven separate parcels which include 505 townhome and single family homes. This Community Services Association is located in Mt. Laurel, New Jersey. Three lakes, a pool, a clubhouse and management office, wood carports, aluminum siding, and asphalt shingle roofs are a few of the elements maintained by the Association.

Oakridge Manor Condominium Association Located in Londonderry, New Hampshire, this Association includes 104 units at 13 buildings. In addition to extensive roads and parking areas, the Association maintains a large septic system and significant concrete retaining walls.

Memorial Lofts Homeowners Association This upscale high rise is located in Houston, Texas. The 20 luxury units include large balconies and decorative interior hallways. The 10-story building utilizes a painted stucco facade and TPO roof, while an on-grade garage serves residents and guests.

PRIOR RELEVANT EXPERIENCE

Mr. Ebert earned his Bachelor of Science degree in Geological Engineering from the University of Wisconsin-Madison. His relevant course work includes foundations, retaining walls, and slope stability. Before joining Reserve Advisors, Mr. Ebert was an oilfield engineer and tested and evaluated hundreds of oil and gas wells throughout North America.

EDUCATION

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

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

Professional Engineering License – Wisconsin, North Carolina, Illinois, Colorado

Reserve Specialist (RS) - Community Associations Institute

Professional Reserve Analyst (PRA) - Association of Professional Reserve Analysts



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.

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. 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.

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.

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 The Villas at Cattail Creek 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) The Villas at Cattail Creek 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.