

Brentwood Property Owners Association

Harrisonburg, VA • November 1, 2022

FULL RESERVE STUDY



Brentwood Property Owners Association
Harrisonburg, Virginia

Dear Board of Directors of Brentwood Property Owners Association:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of Brentwood Property Owners Association in Harrisonburg, Virginia and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, November 1, 2022.

This *Full Reserve Study* exceeds the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a "Level I Full Reserve Study."

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 Brentwood Property Owners Association 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 November 29, 2022 by

Reserve Advisors, LLC

Visual Inspection and Report by: Fredd G. Smith
Review by: Nick R. Julia, RS¹
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: Brentwood Property Owners Association (Brentwood)

Location: Harrisonburg, Virginia

Reference: 222076

Property Basics: Brentwood Property Owners Association is a homeowners association which is responsible for the common elements shared by 157 single family homes upon full build out. The community began construction in 2004 and is scheduled for completion in 2023.

Reserve Components Identified: Six Reserve Components.

Inspection Date: November 1, 2022.

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 multiple threshold funding years in 2027, 2039, and 2047 due to repaving of the asphalt pavement. In addition, the Reserve Funding Plan recommends 2052 year end accumulated reserves of approximately \$240,500. We judge this amount of accumulated reserves in 2052 necessary to fund the likely repaving of the asphalt pavement after 2052. Future replacement costs beyond the next 30 years for the repaving of the asphalt pavement are likely to more than double the current cost of repaving. These future needs, although beyond the limit of the Cash Flow Analysis of this Reserve Study, are reflected in the amount of accumulated 2052 year end reserves.

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
- 1.3% anticipated annual rate of return on invested reserves
- 3.0% future Inflation Rate for estimating Future Replacement Costs

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

Unaudited Cash Status of Reserve Fund:

- \$10,939 as of November 3, 2022
- The Association did not budget Reserve Contributions in 2022.
- A potential deficit in reserves might occur by 2023 based upon continuation of the most recent annual reserve contribution of \$0 and the identified Reserve Expenditures.

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:

- Crack repair and patching of the asphalt pavement
- Repaving of the asphalt pavement

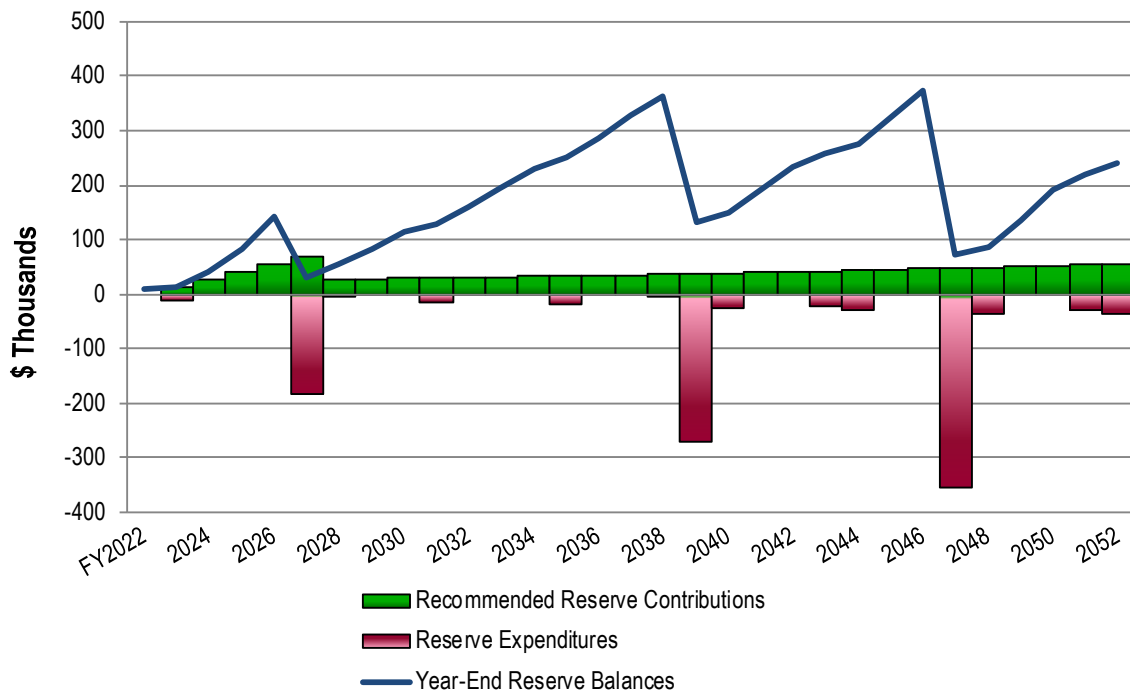


Recommended Reserve Funding: We recommend the following in order to achieve a stable and equitable Cash Flow Methodology Funding Plan:

- Phased increases of \$14,000 from 2023 through 2027
- Decrease to \$27,100 by 2028 due to fully funding for replacement of asphalt pavement
- Inflationary increases thereafter through 2052, the limit of this study's Cash Flow Analysis
- Initial adjustment in Reserve Contributions of \$14,000 represents an average annual increase of \$89.17 per homeowner and about a ninety-one percent (90.8%) adjustment in the 2022 total Operating Budget of \$15,411.
- The Association may ascribe the actual contributions and assessments per owner based upon percent ownership, as defined by the Association's governing documents.

Brentwood Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2023	14,000	13,005	2033	31,400	194,867	2043	42,200	257,345
2024	28,000	41,356	2034	32,300	229,910	2044	43,500	275,544
2025	42,000	84,167	2035	33,300	249,033	2045	44,800	324,217
2026	56,000	141,625	2036	34,300	286,793	2046	46,100	374,831
2027	70,000	28,977	2037	35,300	326,051	2047	47,500	71,353
2028	27,100	54,226	2038	36,400	363,696	2048	48,900	84,598
2029	27,900	83,012	2039	37,500	133,247	2049	50,400	136,425
2030	28,700	112,978	2040	38,600	148,128	2050	51,900	190,436
2031	29,600	128,795	2041	39,800	190,112	2051	53,500	218,866
2032	30,500	161,168	2042	41,000	233,850	2052	55,100	240,524





2. RESERVE STUDY REPORT

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

Brentwood Property Owners Association

Harrisonburg, Virginia

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, November 1, 2022.

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. 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 Homeowners 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. These classes of property include:

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

We advise the Board conduct an annual review of these classes of property to confirm its policy concerning the manner of funding, i.e., from reserves or the operating budget. The Reserve Study identifies Reserve Components as set forth in your Declaration or which were identified as part of your request for proposed services. Reserve Components are defined by CAI as property elements with:

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

Long-Lived Property Elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the 30-year scope of the 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. We identify the following Long-Lived Property Elements as excluded from the 30-year Reserve Expenditures at this time:

- Inlet/Outlet Structures, Concrete, Detention Basin
- Pipes, Subsurface Utilities

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. For purposes of calculating appropriate Reserve Contributions, we identify the following list of Operating Budget Funded Repairs and Replacements:

- General Maintenance to the Common Elements
- Expenditures less than \$1,500 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Landscape, Detention Basin
- Landscape, General Maintenance
- Paint Finishes, Touch Up
- Rip Rap, Partial Replenishment and Augmentation
- Signage, Street and Traffic, Interim Repairs
- Other Repairs normally funded through the Operating Budget



Rip Rap



Detention basin

Certain items have been designated as the responsibility of the homeowners to repair or replace at their cost. Property Maintained by Homeowners, including items billed back to Homeowners, relates to unit:

- Asphalt Pavement, Driveways
- Culverts, Metal, Cleaning and Maintenance
- Homes and Lots
- Mailboxes, Individual (Excluding Mailbox Stations)



Individual mailbox



Driveway

Certain items have been designated as the responsibility of others to repair or replace. Property Maintained by Others relates to:

- Fences, Perimeter (Neighboring Community)
- Fence, Chain Link, Water Tower (City of Harrisonburg)
- Light Pole and Fixtures (City of Harrisonburg)
- Water Tower (City of Harrisonburg)



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
- 2022 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
- Predicted reserves based on current funding level

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***.

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- 1) **3.0%** is the estimated Inflation Rate for estimating Future Replacement Costs.
- 2) FY2022 is Fiscal Year beginning January 1, 2022 and ending December 31, 2022.

	Estimated 1st Year of Event	Life Analysis, Years	Costs, \$ Per Phase (2022)	Total (2022)	Percentage of Future Expenditures	RUL = 0 FY2022	1 2023	2 2024	3 2025	4 2026	5 2027	6 2028	7 2029	8 2030	9 2031	10 2032	11 2033
Reserve Component Inventory		Useful Remaining	Unit (2022)														
Alt Pavement, Crack Repair and Patch	2023	3 to 5	1	0.70	11,760	11.9%	12,113				6,817				15,344		
	2027	15 to 20	5	18.50	152,625	47.9%					176,934						
	2039	15 to 20	17	18.50	158,175	25.2%											
	2040	to 55	18 to 30+	1,500.00	15,000	11.9%											
	2047	to 25	25	2,100.00	10,500	2.1%											
	2028	15 to 20	6 to 16	2,000.00	4,000	1.0%						2,388					
Anticipated Expenditures, By Year (\$1,036,031 over 30 years)																	

Estimated Expenditures, By Year (\$1,036,031 over 30 years)

Brentwood Property Owners Association Harrisonburg, Virginia																					
Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$		Percentage of Future Expenditures															
		Useful	Remaining	Unit (2022)	Per Phase (2022)		Total (2022)	16 2038	17 2039	18 2040	19 2041	20 2042	21 2043	22 2044	23 2045	24 2046	25 2047	26 2048	27 2049		
Salt Pavement, Crack Repair and Patch Salt Pavement, Mill and Overlay, Streets (Original to 2004) Salt Pavement, Mill and Overlay, Streets (Original to 2019) Curb, Gutter, Stormwater Signs, Metal, Phased Traffic Signals	2023	3 to 5	1	0.70	11,760	11,760	11.9%	11,760	9,719				21,877				12,312				
	2027	15 to 20	5	18.50	152,625	152,625	47.9%										319,563				
	2039	15 to 20	17	18.50	158,175	158,175	25.2%		261,439												
	2040	to 55	18 to 30+	1,500.00	15,000	120,000	11.9%			25,536			28,742					32,349			
	2047	to 25	25	2,100.00	10,500	10,500	2.1%										21,985				
Age, Street and Traffic, Phased	2028	15 to 20	6 to 16	2,000.00	2,000	4,000	1.0%	3,209										4,313			
Estimated Expenditures, By Year (\$1,036,031 over 30 years)																					
								3,209	271,158	25,536	0	0	21,877	28,742	0	0	353,860	36,662	0	0	

BONDING PLAN

ANALYSIS

Food

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Individual Reserve Budgets & Cash Flows for the Next 30 Years

	FY2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
ar	10,939	10,963	13,005	41,356	84,167	141,625	28,977	54,226	83,012	112,978	128,795	161,168	194,867
Contributions	0	14,000	28,000	42,000	56,000	70,000	27,100	27,900	28,700	29,600	30,500	31,400	32,300
uring Year	24	155	351	811	1,458	1,102	537	886	1,266	1,561	1,873	2,299	2,743
Year	0	(12,113)	0	0	0	(183,751)	(2,388)	0	0	(15,344)	0	0	0
End	\$10,963	\$13,005	\$41,356	\$84,167	\$141,625	\$28,977	\$54,226	\$83,012	\$112,978	\$128,795	\$161,168	\$194,867	\$229,910
2 funding level of:	\$0	10,963	(1,086)			(NOTE 3)							

ued)

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

	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
ar	326,051	363,696	133,247	148,128	190,112	233,850	257,345	275,544	324,217	374,831	71,353	84,598
Contributions	36,400	37,500	38,600	39,800	41,000	42,200	43,500	44,800	46,100	47,500	48,900	50,400
uring Year	4,454	3,209	1,817	2,184	2,738	3,172	3,441	3,873	4,514	2,881	1,007	1,427
Year	(3,209)	(271,158)	(25,536)	0	0	(21,877)	(28,742)	0	0	(353,860)	(36,662)	0
End	\$363,696	\$133,247	\$148,128	\$190,112	\$233,850	\$257,345	\$275,544	\$324,217	\$374,831	\$71,353	\$84,598	\$136,425
		(NOTE 5)								(NOTE 5)		

as of November 3, 2022; FY2022 starts January 1, 2022 and ends December 31, 2022.
are the remaining budgeted 2 annals; 2023 is the first year of recommended contributions.
rate of return on invested reserves; 2022 is a partial year of interest earned.
reserves consider the need to fund for repaving of the asphalt pavement shortly after 2052, and the age, size, overall condition and complexity of the property.
erve balance at critical point).

FIVE-YEAR OUTLOOK

**Brentwood
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Line Item	Reserve Component Inventory	RUL = 0 FY2022	1 2023	2 2024	3 2025	4 2026	5 2027
4.020	Asphalt Pavement, Crack Repair and Patch		12,113				6,817
4.040	Asphalt Pavement, Mill and Overlay, Streets (Original to 2004)						176,934
	Anticipated Expenditures, By Year (\$1,036,031 over 30 years)	0	12,113	0	0	0	183,751

4. RESERVE COMPONENT DETAIL

The Reserve Component Detail of this *Full 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.*

Asphalt Pavement, Repaving

Line Items: 4.020 through 4.041

Quantity and History: Approximately 16,800 square yards of asphalt pavement comprising of approximately 8,250 square yards of pavement original to 2004 and approximately 8,550 square yards of pavement installed in 2019. Repairs are unknown age

Condition:

- **2004 Pavement:** Fair overall for the 2004 pavement with cracks, pothole formation, alligator cracks, pooling water, settlement, edge deterioration, and patches evident
- **2019 Pavement:** Good overall



2004 asphalt pavement street overview



2004 pavement cracks



2004 alligator cracking



2004 pavement cracks



2004 pooling water



2004 patching



2004 edge deterioration



2004 pavement settlement



2004 asphalt pavement pot hole formation



2004 edge deterioration



2019 asphalt pavement street overview



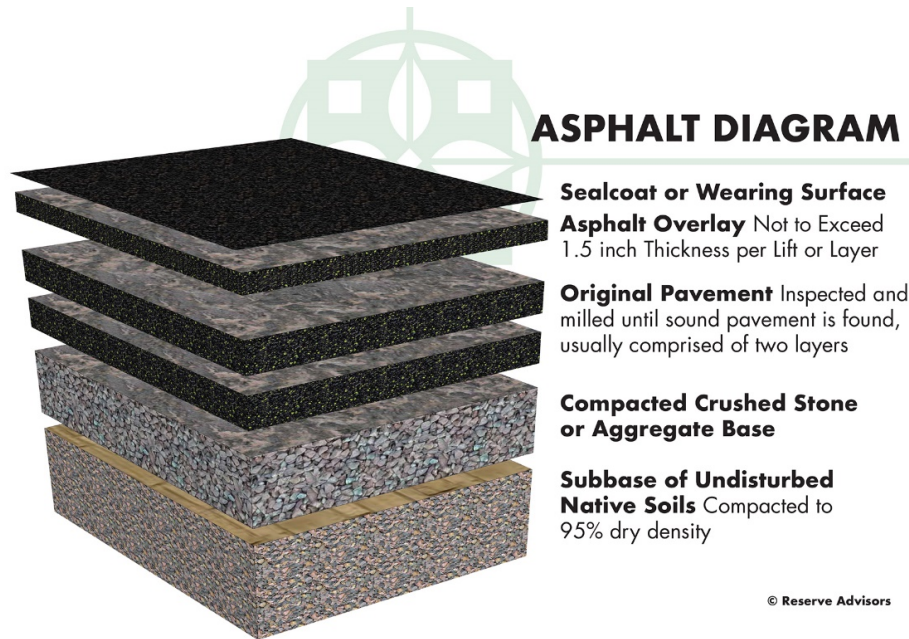
2019 asphalt pavement street overview

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 Brentwood:



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 mill and overlay method of repaving at Brentwood.

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/Criticality: 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 twenty percent (20%). We defer the timing of these expenditures based on the priority of other elements. Should additional funds become available, we recommend the Association consider acceleration of this project.

Culverts, Metal

Line Item: 4.321

Quantity: Approximately 80 metal culverts located under driveways and streets

History: Original

Condition: Good to fair with isolated bent sections evident



Metal culverts overview



Bent section

Useful Life: Up to 55 years for replacement

Priority/Criticality: 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.

Mailbox Stations

Line Item: 4.600

Quantity: Five stations located near intersection of Bexley Drive and Marble Ridge Drive

History: Installed in 2022. Individual mailboxes are the responsibility of the homeowner.

Condition: Good overall



Mailbox stations

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 damage, vandalism, and finish deterioration
 - Verify posts are anchored properly

Priority/Criticality: Per Board discretion

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

Signage, Street and Traffic

Line Item: 4.810

Quantity: The Association maintains several stop, identification, and other street traffic signs

History: The Association replaced stop signs in 2018

Condition: Good overall



Traffic management signage



Traffic management signage

Useful Life: 15- to 20-years

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

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

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

Priority/Criticality: Per Board discretion

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

Reserve Study Update

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

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

Periodic updates incorporate these variable changes since the last Reserve Study or Update. We recommend the Board budget for an Update to this Reserve Study in two-to 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.

Brentwood 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 annual 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 Homeowners 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 I Full Reserve Study." 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 Harrisonburg, Virginia at an annual inflation rate³. Isolated or regional

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.

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

- The past and current maintenance practices of Brentwood 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.



FREDD G. SMITH
Engineer, Northeast Region
Responsible Advisor

CURRENT CLIENT SERVICES

Fredd G. Smith, an Associate Engineer, is an Advisor for Reserve Advisors, LLC. Mr. Smith is responsible for the inspection and analysis of the condition of clients' property, and recommending engineering solutions to prolong the lives of the components. He also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. He is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast services and the preparation of Reserve Study and Transition Study Reports for apartments, high rises, condominiums, townhomes, and homeowners associations.



The following is a partial list of clients served by Fredd Smith demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

Victoria Springs Homeowners Association – This Association, built in 1994, is located in Olney, Maryland. Home to 120 total units with 48 townhome style units and 72 single family homes, this community includes playgrounds, gazebos, and scenic viewing decks. This community comprises multiple funding plans that separate the townhome expenditures and the single family home expenditures

Springhouse Condominium – This historical building was built in 1960 and was converted to condominiums with 23 units total. This three story building is located in Baltimore City in Maryland. This building is heated by a massive 1,890-MBH boiler. This community also offers a laundry room

Ellicott Meadows Association – Located in Ellicott City, Maryland, this master community association features 164 single family and townhome units stretching over approximately 80 acres. The two sub associations that comprise the master association maintain all the exteriors of the homes. This community has amenities such as a clubhouse with a pool extensive walking paths that connect this massive campus with gazebos and rain gardens for your viewing experience. The Association also maintains their very own waste water treatment plant for the community's use.

Chase at Quince Orchard Homeowners Association, Inc. – Built in 2020 in Gaithersburg Maryland. This is community has single family style homes as well as townhome style homes. This community offers amenities such as playgrounds, bocce ball courts, scenic views and walking paths.

Stone Ridge Homeowners Association, Inc. – This community was built from 1984 to 1985 and is located in Columbia Maryland. This community is a townhome style community featuring scenic walking paths and a playground

Copper Hill Condominium Corporation – This community was built in 1975 and is located in Baltimore Maryland. This community is a townhome style community featuring a community pool and pool house as well as scenic walking paths, tennis courts, and a playground

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, LLC, Mr. Smith attended George Mason University Volgenau School of Engineering in Fairfax, Virginia where he attained his Bachelor of Science degree in Mechanical Engineering. His rigorous coursework focused on using problem solving to understand mechanical systems and principles. During his undergraduate education, Mr. Smith led a team to design and manufacture an exoskeleton to aid a retired army veteran with muscular dystrophy type II in his everyday life.

EDUCATION

George Mason University - B.S. Mechanical Engineering



NICHOLAS R. JULIA, RS
Regional Engineering Manager, Northeast Region

CURRENT CLIENT SERVICES

Nicholas R. Julia, a Civil Engineer, is an Advisor for Reserve Advisors, LLC. Mr. Julia is responsible for the inspection and analysis of the condition of clients' property, and recommending engineering solutions to prolong the lives of the components. He also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. He is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast services and the preparation of Reserve Study Reports for condominiums, townhomes and homeowner associations. Nicholas Julia often serves as Quality Assurance Reviewer for all types of developments to ensure our reports maintain the level of quality which is expected of our firm.



The following is a partial list of clients served by Nicholas Julia demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

One Park Crest Condominium is an upscale 19-story high rise building located in McLean, Virginia just outside of Washington, D.C. Residents enjoy an 18th floor club room and outdoor pool. The building also contains an exercise room, library, professionally decorated lobby and underground parking.

The Maryland Club is an exclusive club located in the heart of Baltimore, Maryland. The elegant white marble main building dates back to 1892. The club contains squash courts, a banquet area, a dining hall, and a professional kitchen amongst many other amenities.

Town of St. Michaels, a scenic town located on the Eastern Shore of Maryland. The town includes an administrative building, police station, public works garage and offices, and a historic log cabin. The municipality also maintains the asphalt pavement streets throughout the town, multiple parks, two water towers and a complex arsenic removal water treatment system.

One Loudoun Neighborhood Association is an upscale planned unit development comprising townhomes and single family homes located in Ashburn, Virginia. The property includes a high-end clubhouse with over 12,000 square feet of interior space including a gymnasium and yoga studio. The property also includes walking trails, multiple playgrounds, a tennis court, sports court, and a pool.

3883 Connecticut Avenue Condominium is a 10-story midrise located in Washington, D.C. The building was constructed in 2002 and contains luxurious amenities including an elevated outdoor pool on the 8th floor, party room, exercise facility and an underground parking garage.

Lake Petersburg Association This man-made lake community of 380 single family homes is located in Petersburg, Illinois. Components of the property include a community boat launch, dock, three tennis courts, a basketball court, two maintenance buildings, an office, and vehicular equipment. The Association also maintains an earthen dam on the far side of the lake.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Mr. Julia attended Marquette University in Milwaukee, Wisconsin where he attained his Bachelor of Science degree in Civil Engineering. His studies focused on transportation engineering and construction management engineering.

EDUCATION

Marquette University - B.S. Civil Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Engineer in Training (E.I.T.) – Washington D.C.

Reserve Specialist (RS) - Community Association Institute

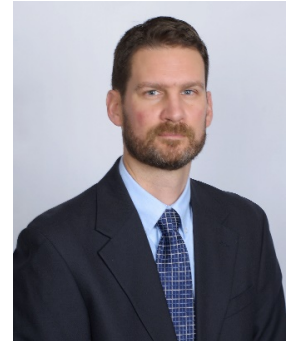


ALAN M. EBERT, P.E., PRA, RS
Director of Quality Assurance

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 Brentwood 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) Brentwood 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 property.

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. The report is 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, and/or occupancy.

RA is not responsible for conditions that have changed between the time of inspection and the issuance of the Report. 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. You agree to indemnify and hold RA harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which we have relied upon 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. Your obligation for indemnification and reimbursement shall extend to any director, officer, employee, affiliate, or agent of RA. Liability of RA and its employees, affiliates, and agents for errors and omissions, if any, in this work is limited to the amount of its compensation for the work performed in this engagement.

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. 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 completes the services in accordance with the Proposal. The Report represents a valid opinion of RA's findings and recommendations 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 issuant 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 on-site visual 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. 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. 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 is due upon authorization and prior to inspection. The balance is due net 30 days from the report shipment date. 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.

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.