



Long-term thinking. Everyday commitment.



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## 1. RESERVE STUDY EXECUTIVE SUMMARY

**Client:** Villages of Westcreek Owners' Association, Inc. (Villages of Westcreek)

**Location:** San Antonio, Texas

**Reference:** 161959

**Property Basics:** Villages of Westcreek Owners' Association, Inc. is a planned unit development responsible for the common elements shared by 3,411 single family homes. The development was built from 1984 to 2010 and contains fences, monuments and two amenity centers, the Sports Park and the Community Center containing playground equipment, sports courts and pool facilities.

**Reserve Components Identified:** 39 Reserve Components.

**Inspection Date:** January 26, 2017.

**Funding Goal:** The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes this threshold funding year in 2047 due to replacement of the Sports Park pool structure.

**Cash Flow Method:** 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
- 1.2% annual rate of return on invested reserves
- 1.3% 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.

**Cash Status of Reserve Fund:** \$463,899 as of January 1, 2017. A potential deficit in reserves might occur by 2038 based upon continuation of the most recent annual reserve contribution of \$88,291 and the identified Reserve Expenditures.

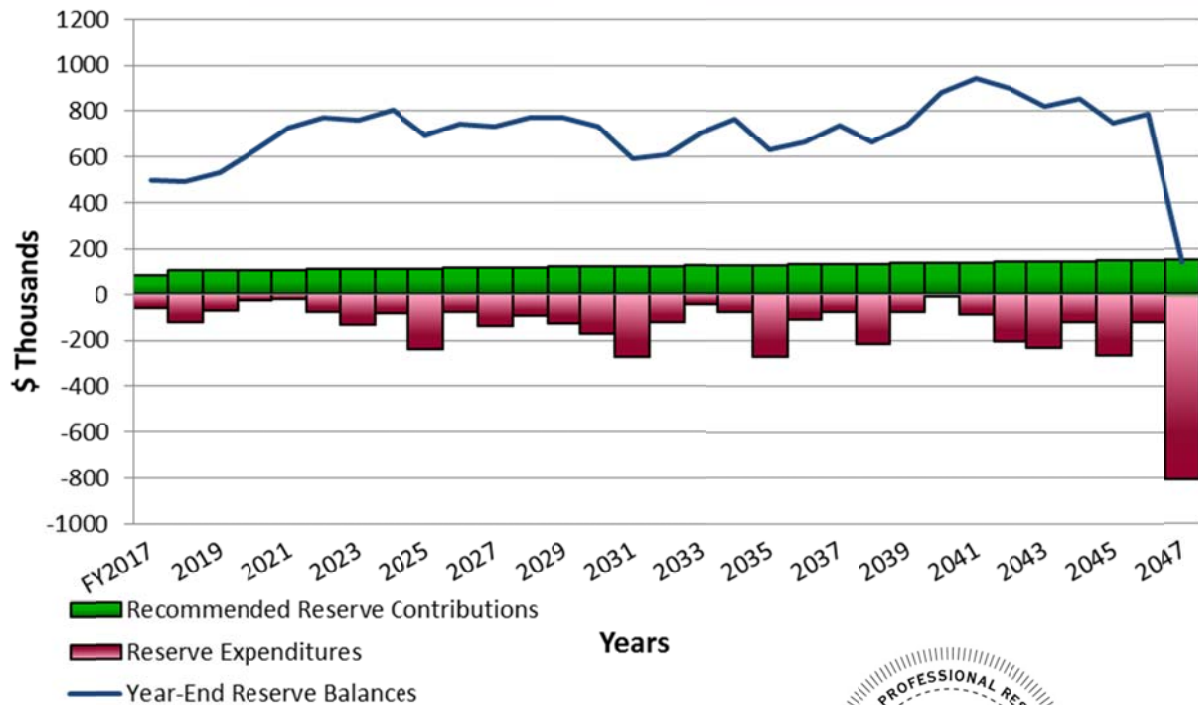
**Recommended Reserve Funding:** The Association budgeted \$88,291 for Reserve Contributions in 2017. We recommend the Association budget a Reserve Contribution of \$106,000 in 2018. Afterwards, the Association should budget gradual annual increases in reserve funding that in part consider the effects of inflation through 2047, the limit of this study's Cash Flow Analysis. The initial adjustment in Reserve Contributions of \$17,709 represents a one percent (1.2%) adjustment in the 2017 total Operating Budget of \$1,535,060. This initial adjustment of \$17,709 is equivalent to an increase of \$5.19 in the annual contributions per homeowner.

**Certification:** This *Full Reserve Study* exceeds the Community Associations Institute (CAI) and the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a "Level I Full Reserve Study."

## Villages of Westcreek

### Recommended Reserve Funding Table and Graph

| Year | Reserve Contributions (\$) | Reserve Balances (\$) | Year | Reserve Contributions (\$) | Reserve Balances (\$) | Year | Reserve Contributions (\$) | Reserve Balances (\$) |
|------|----------------------------|-----------------------|------|----------------------------|-----------------------|------|----------------------------|-----------------------|
| 2018 | 106,000                    | 490,110               | 2028 | 120,600                    | 769,341               | 2038 | 137,300                    | 663,981               |
| 2019 | 107,400                    | 531,979               | 2029 | 122,200                    | 774,097               | 2039 | 139,100                    | 737,301               |
| 2020 | 108,800                    | 624,077               | 2030 | 123,800                    | 733,724               | 2040 | 140,900                    | 881,124               |
| 2021 | 110,200                    | 724,406               | 2031 | 125,400                    | 594,839               | 2041 | 142,700                    | 946,770               |
| 2022 | 111,600                    | 769,391               | 2032 | 127,000                    | 610,146               | 2042 | 144,600                    | 897,409               |
| 2023 | 113,100                    | 760,542               | 2033 | 128,700                    | 701,915               | 2043 | 146,500                    | 820,086               |
| 2024 | 114,600                    | 805,009               | 2034 | 130,400                    | 765,336               | 2044 | 148,400                    | 857,028               |
| 2025 | 116,100                    | 692,195               | 2035 | 132,100                    | 632,011               | 2045 | 150,300                    | 750,600               |
| 2026 | 117,600                    | 742,178               | 2036 | 133,800                    | 665,402               | 2046 | 152,300                    | 788,733               |
| 2027 | 119,100                    | 732,619               | 2037 | 135,500                    | 735,455               | 2047 | 154,300                    | 139,237               |



Respectfully submitted on February 23, 2017 by  
RESERVE ADVISORS, INC.



Alan M. Ebert, PRA<sup>1</sup>, RS<sup>2</sup>, Director of Quality Assurance  
Visual Inspection and Report by: Timothy J. Matthiesen, RS



<sup>1</sup>PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at <http://www.apra-usa.com>.

<sup>2</sup> RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.

## 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

**Villages of Westcreek Owners' Association, Inc.**

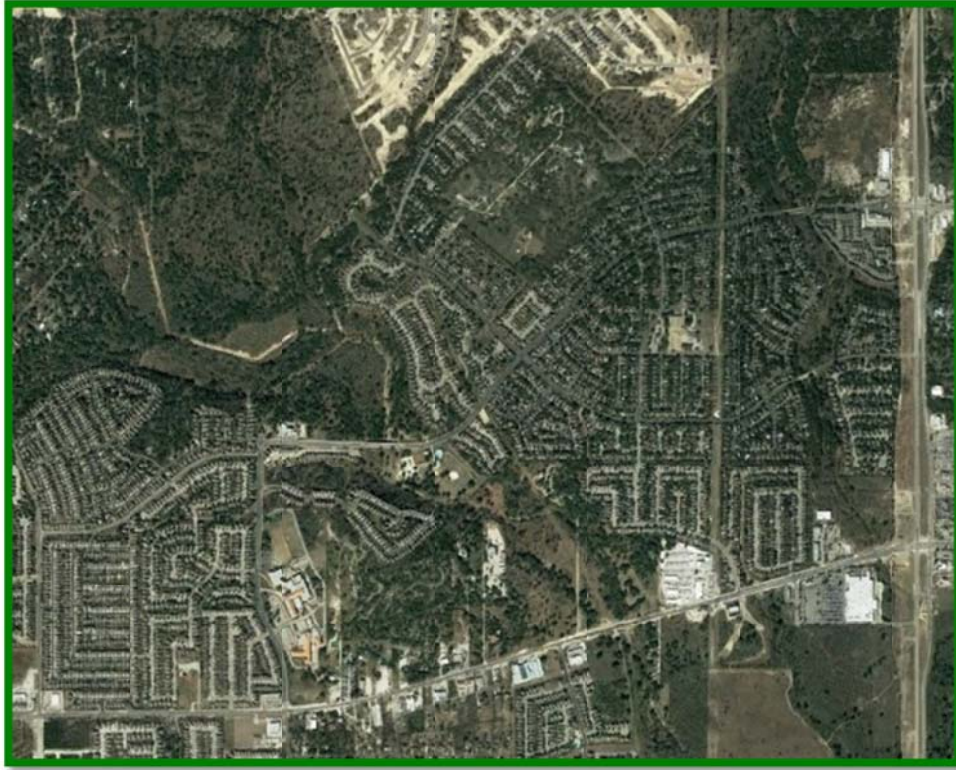
**San Antonio, Texas**

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, January 26, 2017.

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
- **Condition Assessment** - 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, financial information relied upon for the Financial Analysis of 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



Villages of Westcreek Owners' Association, Inc. is a planned unit development responsible for the common elements shared by 3,411 single family homes. The development was built from 1984 to 2010 and contains fences, monuments and two amenity centers, the Sports Park and the Community Center containing playground equipment, sports courts and pool facilities. We identify 39 major reserve components that are likely to require capital repair or replacement during the next 30 years.

Our investigation includes Reserve Components or property elements as set forth in your Declaration. 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:

- Villages of Westcreek 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 reserve funding at this time.

- Flagpole, Community Center (2008)
- Foundations, Common Buildings
- Pool Structures, Community Center (2008)
- Structural Frames, Common Buildings
- Basketball Court Surface, Tot Lot (2016)

The operating budget provides money for the repair and replacement of certain Reserve Components. Operating Budget Funded Repairs and Replacements relate to:



- General Maintenance to the Common Elements
- Expenditures less than \$10,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Asphalt Pavement Systems, Crack Repair, Patching and Striping
- Basketball Goals
- Concrete Sidewalks, Common Areas
- Doors, Pool Houses (we assume replacement as needed in lieu of an aggregate replacement of all the doors as a single event)
- Electrical System, Common
- Furniture, Community Center
- Irrigation System, Controllers
- Kitchen and Break Room Appliances, Interim
- Landscape
- Light Poles and Fixtures, Wood
- Office Equipment, Interim
- Overflow Parking, Gravel
- Paint Finishes, Interior, Community Center
- Paint Finishes, Touch Up
- Partition Wall, Community Center
- Pipes, Interior Building, Domestic Water, Sanitary Waste and Vent, Common Buildings
- Pipes, Subsurface Utilities, Common Areas
- Site Furniture, Interim
- Tennis Courts, Standards and Wind Screens
- Walls, Masonry, Common Buildings
- Walls, Wood Elements, Stain Applications, Common Buildings
- Other Repairs normally funded through the Operating Budget

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:

- Fences at Lot Lines (At the request of Management, we include funds for paint finishes to the exterior facing sides of the fences along the arterial streets for the purposes of aesthetic continuity throughout the community.)
- Homes and Lots

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

Property Maintained by Others relates to:

- Light Poles and Fixtures at Streets (CPS Energy)
- Mailbox Stations (United States Postal Service)
- Pipes, Subsurface Utilities (San Antonio Water System)
- Sidewalks, Parallel to Streets (Bexar County)
- Street Systems (Bexar County)



### **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
- Unit cost of replacement
- 2017 local cost of replacement
- Total future costs of replacement anticipated during the next 30 years
- Schedule of estimated future costs for each reserve component including inflation

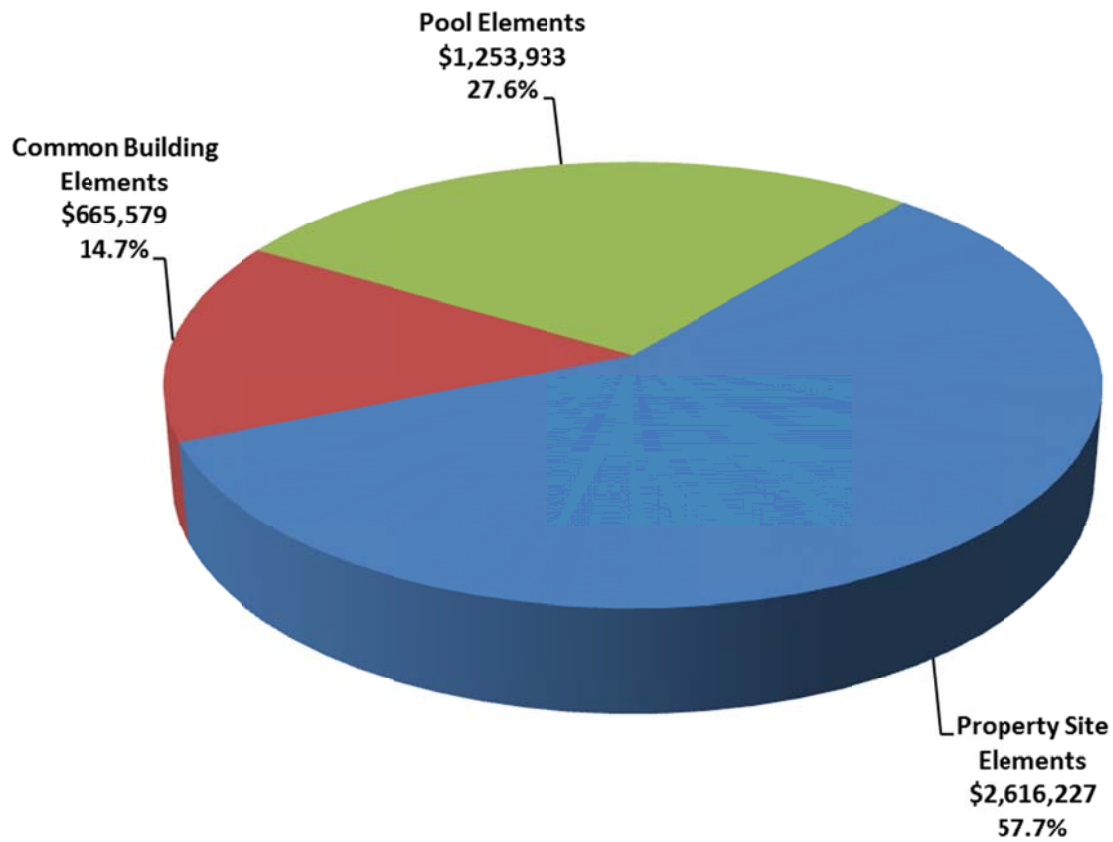
#### **Reserve Funding Plan**

- 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

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***.

The following chart illustrates the relative importance of the categories noted in ***Reserve Expenditures*** and relative funding during the next 30 years.

**Villages of Westcreek**  
Future Expenditures Relative Cost Illustration



RESERVE EXPENDITURES

Villages of Westcreek  
Owners' Association, Inc.  
San Antonio, Texas

Explanatory Notes:

- 1) 1.3% is the estimated future Inflation Rate for estimating Future Replacement Costs.  
2) FY2017 is Fiscal Year beginning January 1, 2017 and ending December 31, 2017.

| Line Item                | Total Quantity | Per Phase Quantity | Units        | Reserve Component Inventory  | Estimated 1st Year of Event | Life Analysis, Years |           | Costs, \$   |                  |              |                          | RUL = 0 FY2017 | 1 2018 | 2 2019 | 3 2020 | 4 2021 | 5 2022 | 6 2023 | 7 2024 | 8 2025 | 9 2026 | 10 2027 | 11 2028 | 12 2029 | 13 2030 | 14 2031 | 15 2032 |
|--------------------------|----------------|--------------------|--------------|--|-----------------------------|----------------------|-----------|-------------|------------------|--------------|--------------------------|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|
|                          |                |                    |              |  |                             | Useful               | Remaining | Unit (2017) | Per Phase (2017) | Total (2017) | 30-Year Total (Inflated) |                |        |        |        |        |        |        |        |        |        |         |         |         |         |         |         |
| Property Site Elements   |                |                    |              |  |                             |                      |           |             |                  |              |                          |                |        |        |        |        |        |        |        |        |        |         |         |         |         |         |         |
| 4.040                    | 2,830          | 2,830              | Square Yards | Asphalt Pavement System, Mill and Overlay, Community Center        | 2029                        | 15 to 20             | 12        | 15.50       | 43,865           | 43,865       | 51,219                   |                |        |        |        |        |        |        |        |        |        |         |         | 51,219  |         |         |         |
| 4.041                    | 2,580          | 2,580              | Square Yards | Asphalt Pavement System, Mill and Overlay, Sports Park             | 2017                        | 15 to 20             | 0         | 15.50       | 39,990           | 39,990       | 130,550                  | 28,793         |        |        |        |        |        |        | 44,343 |        |        |         |         |         |         |         |         |
| 4.042                    | 4,870          | 4,870              | Square Yards | Asphalt Pavement System, Mill and Overlay, Westcreek Gardens       | 2025                        | 15 to 20             | 8         | 15.50       | 75,485           | 75,485       | 192,076                  |                |        |        |        |        |        |        | 83,702 |        |        |         |         |         |         |         |         |
| 4.220                    | 500            | 500                | Linear Feet  | Fences, Chain Link, Sports Park (Incl. Backstop)                   | 2031                        | to 15                | 14        | 24.00       | 12,000           | 12,000       | 31,830                   |                |        |        |        |        |        |        |        |        |        |         |         |         | 14,378  |         |         |
| 4.280                    | 37,200         | 18,600             | Linear Feet  | Fences, Wood, Arterial Streets, Paint Finishes, Phased             | 2018                        | 4 to 6               | 1 to 2    | 3.00        | 55,800           | 111,600      | 1,098,369                |                | 56,525 | 57,260 |        |        | 59,523 | 60,296 |        | 62,679 | 63,493 |         |         | 66,002  | 66,860  |         |         |
| 4.420                    | 216            | 43                 | Zones        | Irrigation System, Partial   | 2024                        | to 40                | 7 to 30+  | 1,500.00    | 64,800           | 324,000      | 319,901                  |                |        |        |        |        |        | 70,932 |        |        |        |         |         | 76,647  |         |         |         |
| 4.560                    | 7              | 7                  | Each         | Light Poles and Fixtures, Community Center Parking Area            | 2038                        | to 30                | 21        | 3,000.00    | 21,000           | 21,000       | 27,543                   |                |        |        |        |        |        |        |        |        |        |         |         |         |         |         |         |
| 4.590                    | 1              | 1                  | Each         | Portable Theater   | 2023                        | 6 to 10              | 6         | 18,000.00   | 18,000           | 18,000       | 89,558                   |                |        |        |        |        | 19,450 |        |        |        |        |         |         | 21,291  |         |         |         |
| 4.660                    | 1              | 1                  | Allowance    | Playground Equipment, Sports Park                                  | 2027                        | 15 to 20             | 10        | 45,000.00   | 45,000           | 45,000       | 114,982                  |                |        |        |        |        |        |        |        |        | 51,204 |         |         |         |         |         |         |
| 4.800                    | 4              | 1                  | Allowance    | Signage, Entrance Monuments, Phased                                | 2022                        | 15 to 20             | 5 to 20   | 10,000.00   | 10,000           | 40,000       | 75,676                   |                |        |        |        |        | 10,667 |        |        |        | 11,379 |         |         |         | 12,138  |         |         |
| 4.810                    | 1              | 1                  | Allowance    | Signage, Informational   | 2027                        | 15 to 20             | 10        | 10,000.00   | 10,000           | 10,000       | 25,190                   |                |        |        |        |        |        |        |        |        | 11,379 |         |         |         |         |         |         |
| 4.820                    | 3              | 1                  | Allowance    | Site Furniture, Community Center and Sports Park                   | 2023                        | 12 to 18             | 6 to 18   | 34,000.00   | 34,000           | 102,000      | 215,786                  |                |        |        |        |        | 36,740 |        |        |        |        |         | 39,700  |         |         |         |         |
| 4.830                    | 2,310          | 2,310              | Square Yards | Sport Courts, Color Coat   | 2021                        | 4 to 6               | 4         | 5.20        | 12,012           | 12,012       | 75,342                   |                |        |        |        | 12,649 |        |        |        | 13,493 |        |         |         |         |         |         |         |
| 4.840                    | 800            | 800                | Linear Feet  | Sport Courts, Fence  | 2031                        | to 25                | 14        | 44.00       | 35,200           | 35,200       | 42,177                   |                |        |        |        |        |        |        |        |        |        |         |         |         | 42,177  |         |         |
| 4.850                    | 6              | 6                  | Each         | Sport Courts, Light Poles and Fixtures                             | 2031                        | to 35                | 14        | 2,900.00    | 17,400           | 17,400       | 20,849                   |                |        |        |        |        |        |        |        |        |        |         |         |         | 20,849  |         |         |
| 4.860                    | 2,310          | 2,310              | Square Yards | Sport Courts, Surface Replacement                                  | 2031                        | to 25                | 14        | 38.00       | 87,780           | 87,780       | 105,179                  |                |        |        |        |        |        |        |        |        |        |         |         |         | 105,179 |         |         |
| Common Building Elements |                |                    |              |  |                             |                      |           |             |                  |              |                          |                |        |        |        |        |        |        |        |        |        |         |         |         |         |         |         |
| 5.100                    | 3,600          | 3,600              | Square Feet  | Ceilings, Acoustical Tiles and Grid, Community Center              | 2032                        | to 25                | 15        | 4.50        | 16,200           | 16,200       | 19,663                   |                |        |        |        |        |        |        |        |        |        |         |         |         |         | 19,663  |         |
| 5.200                    | 170            | 170                | Square Yards | Floor Coverings, Carpet, Community Center                          | 2020                        | 8 to 12              | 3         | 60.00       | 10,200           | 10,200       | 37,440                   |                |        |        |        | 10,603 |        |        |        |        |        |         |         |         | 12,381  |         |         |
| 5.210                    | 250            | 250                | Square Yards | Floor Coverings, Vinyl Tile, Community Center                      | 2020                        | 10 to 15             | 3         | 50.00       | 12,500           | 12,500       | 45,882                   |                |        |        |        | 12,994 |        |        |        |        |        |         |         |         | 15,172  |         |         |
| 5.450                    | 4              | 4                  | Each         | HVAC Equipment, Split Systems, Community Center (2017 is Budgeted) | 2017                        | 12 to 18             | 0         | 8,010.50    | 32,042           | 32,042       | 118,141                  | 32,042         |        |        |        |        |        |        |        |        |        |         |         |         | 38,892  |         |         |
| 5.460                    | 1              | 1                  | Allowance    | Kitchen, Community Center, Renovation                              | 2032                        | to 25                | 15        | 17,000.00   | 17,000           | 17,000       | 20,634                   |                |        |        |        |        |        |        |        |        |        |         |         |         | 20,634  |         |         |
| 5.490                    | 2              | 1                  | Allowance    | Office Equipment, Phased   | 2019                        | 5 to 7               | 2 to 5    | 5,000.00    | 5,000            | 10,000       | 61,462                   |                |        | 5,131  |        |        | 5,334  |        | 5,544  |        | 5,763  |         |         | 5,991   |         |         |         |
| 5.510                    | 2              | 2                  | Each         | Rest Rooms, Community Center Interior, Renovation                  | 2028                        | to 20                | 11        | 10,900.00   | 21,800           | 21,800       | 25,128                   |                |        |        |        |        |        |        |        |        | 25,128 |         |         |         |         |         |         |
| 5.511                    | 6              | 2                  | Each         | Rest Rooms, Pavilions and Pool Houses, Renovation, Phased          | 2018                        | to 20                | 1 to 13   | 3,900.00    | 7,800            | 23,400       | 46,408                   |                | 7,901  |        |        |        | 8,538  |        |        |        |        |         | 9,226   |         |         |         |         |
| 5.600                    | 150            | 150                | Squares      | Roof Assemblies, Metal, Community Center                           | 2043                        | to 35                | 26        | 650.00      | 97,500           | 97,500       | 136,411                  |                |        |        |        |        |        |        |        |        |        |         |         |         |         |         |         |
| 5.601                    | 56             | 56                 | Squares      | Roof Assemblies, Metal, Sports Park                                | 2033                        | to 35                | 16        | 650.00      | 36,400           | 36,400       | 44,756                   |                |        |        |        |        |        |        |        |        |        |         |         |         |         |         |         |
| 5.700                    | 1              | 1                  | Allowance    | Security System  | 2025                        | to 30                | 8         | 12,000.00   | 12,000           | 12,000       | 45,675                   |                |        |        |        |        |        |        | 13,306 |        |        |         |         |         |         |         |         |
| 5.800                    | 1              | 1                  | Allowance    | Walls, Stucco, Paint Finishes, Community Center                    | 2021                        | 8 to 10              | 4         | 5,000.00    | 5,000            | 5,000        | 18,073                   |                |        |        |        | 5,265  |        |        |        |        |        |         |         | 5,991   |         |         |         |
| 5.900                    | 700            | 700                | Square Feet  | Windows and Doors, Community Center                                | 2038                        | to 30                | 21        | 50.00       | 35,000           | 35,000       | 45,906                   |                |        |        |        |        |        |        |        |        |        |         |         |         |         |         |         |
| Pool Elements            |                |                    |              |  |                             |                      |           |             |                  |              |                          |                |        |        |        |        |        |        |        |        |        |         |         |         |         |         |         |
| 6.200                    | 6,180          | 6,180              | Square Feet  | Concrete Deck, Coatings and Repairs, Community Center              | 2025                        | 8 to 12              | 8         | 4.00        | 24,720           | 24,720       | 94,092                   |                |        |        |        |        |        |        | 27,411 |        |        |         |         |         |         |         |         |
| 6.201                    | 5,860          | 5,860              | Square Feet  | Concrete Deck, Coatings and Repairs, Sports Park                   | 2018                        | 8 to 12              | 1         | 4.00        | 23,440           | 23,440       | 81,508                   |                | 23,745 |        |        |        |        |        |        |        |        | 27,019  |         |         |         |         |         |
| 6.400                    | 1,350          | 1,350              | Linear Feet  | Fences, Steel, Paint Finishes (Incl. Playground Fence)             | 2023                        | 6 to 8               | 6         | 10.00       | 13,500           | 13,500       | 69,003                   |                |        |        |        |        |        | 14,588 |        |        |        |         | 11,326  |         |         |         |         |
| 6.405                    | 380            | 380                | Linear Feet  | Fences, Steel Replacement, Community Center                        | 2029                        | to 30                | 12        | 55.00       | 20,900           | 20,900       | 24,404                   |                |        |        |        |        |        |        |        |        |        |         | 24,404  |         |         |         |         |

RESERVE EXPENDITURES

Villages of Westcreek  
Owners' Association, Inc.  
San Antonio, Texas

| Line Item                | Total Quantity | Per Phase Quantity | Units        | Reserve Component Inventory  | Estimated 1st Year of Event | Life Analysis, Years |           | Costs, \$   |                  |              |                          | 16 2033 | 17 2034 | 18 2035 | 19 2036 | 20 2037 | 21 2038 | 22 2039 | 23 2040 | 24 2041 | 25 2042 | 26 2043 | 27 2044 | 28 2045 | 29 2046 | 30 2047 |  |
|--------------------------|----------------|--------------------|--------------|--|-----------------------------|----------------------|-----------|-------------|------------------|--------------|--------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--|
|                          |                |                    |              |  |                             | Useful               | Remaining | Unit (2017) | Per Phase (2017) | Total (2017) | 30-Year Total (Inflated) |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |  |
| Property Site Elements   |                |                    |              |  |                             |                      |           |             |                  |              |                          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |  |
| 4.040                    | 2,830          | 2,830              | Square Yards | Asphalt Pavement System, Mill and Overlay, Community Center        | 2029                        | 15 to 20             | 12        | 15.50       | 43,865           | 43,865       | 51,219                   |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |  |
| 4.041                    | 2,580          | 2,580              | Square Yards | Asphalt Pavement System, Mill and Overlay, Sports Park             | 2017                        | 15 to 20             | 0         | 15.50       | 39,990           | 39,990       | 130,550                  |         |         |         |         |         |         |         |         |         |         |         |         | 57,414  |         |         |  |
| 4.042                    | 4,870          | 4,870              | Square Yards | Asphalt Pavement System, Mill and Overlay, Westcreek Gardens       | 2025                        | 15 to 20             | 8         | 15.50       | 75,485           | 75,485       | 192,076                  |         |         |         |         |         |         |         |         |         |         |         |         | 108,374 |         |         |  |
| 4.220                    | 500            | 500                | Linear Feet  | Fences, Chain Link, Sports Park (Incl. Backstop)                   | 2031                        | to 15                | 14        | 24.00       | 12,000           | 12,000       | 31,830                   |         |         |         |         |         |         |         |         |         |         |         |         |         | 17,452  |         |  |
| 4.280                    | 37,200         | 18,600             | Linear Feet  | Fences, Wood, Arterial Streets, Paint Finishes, Phased             | 2018                        | 4 to 6               | 1 to 2    | 3.00        | 55,800           | 111,600      | 1,098,369                |         | 69,502  | 70,405  |         |         | 73,187  | 74,138  |         |         | 77,067  | 78,069  |         |         | 81,154  | 82,209  |  |
| 4.420                    | 216            | 43                 | Zones        | Irrigation System, Partial   | 2024                        | to 40                | 7 to 30+  | 1,500.00    | 64,800           | 324,000      | 319,901                  |         |         |         | 82,824  |         |         |         |         |         | 89,498  |         |         |         |         |         |  |
| 4.560                    | 7              | 7                  | Each         | Light Poles and Fixtures, Community Center Parking Area            | 2038                        | to 30                | 21        | 3,000.00    | 21,000           | 21,000       | 27,543                   |         |         |         |         |         | 27,543  |         |         |         |         |         |         |         |         |         |  |
| 4.590                    | 1              | 1                  | Each         | Portable Theater   | 2023                        | 6 to 10              | 6         | 18,000.00   | 18,000           | 18,000       | 89,558                   |         |         |         |         | 23,306  |         |         |         |         |         |         |         | 25,511  |         |         |  |
| 4.660                    | 1              | 1                  | Allowance    | Playground Equipment, Sports Park                                  | 2027                        | 15 to 20             | 10        | 45,000.00   | 45,000           | 45,000       | 114,982                  |         |         |         |         |         |         |         |         |         |         |         |         | 63,778  |         |         |  |
| 4.800                    | 4              | 1                  | Allowance    | Signage, Entrance Monuments, Phased                                | 2022                        | 15 to 20             | 5 to 20   | 10,000.00   | 10,000           | 40,000       | 75,676                   |         |         |         |         | 12,948  |         |         |         |         | 13,811  |         |         |         | 14,733  |         |  |
| 4.810                    | 1              | 1                  | Allowance    | Signage, Informational   | 2027                        | 15 to 20             | 10        | 10,000.00   | 10,000           | 10,000       | 25,190                   |         |         |         |         |         |         |         |         |         | 13,811  |         |         |         |         |         |  |
| 4.820                    | 3              | 1                  | Allowance    | Site Furniture, Community Center and Sports Park                   | 2023                        | 12 to 18             | 6 to 18   | 34,000.00   | 34,000           | 102,000      | 215,786                  |         |         | 42,899  |         |         |         |         |         | 46,356  |         |         |         |         |         | 50,091  |  |
| 4.830                    | 2,310          | 2,310              | Square Yards | Sport Courts, Color Coat   | 2021                        | 4 to 6               | 4         | 5.20        | 12,012           | 12,012       | 75,342                   |         |         |         | 15,353  |         |         |         |         | 16,377  |         |         |         |         | 17,470  |         |  |
| 4.840                    | 800            | 800                | Linear Feet  | Sport Courts, Fence  | 2031                        | to 25                | 14        | 44.00       | 35,200           | 35,200       | 42,177                   |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |  |
| 4.850                    | 6              | 6                  | Each         | Sport Courts, Light Poles and Fixtures                             | 2031                        | to 35                | 14        | 2,900.00    | 17,400           | 17,400       | 20,849                   |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |  |
| 4.860                    | 2,310          | 2,310              | Square Yards | Sport Courts, Surface Replacement                                  | 2031                        | to 25                | 14        | 38.00       | 87,780           | 87,780       | 105,179                  |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |  |
| Common Building Elements |                |                    |              |  |                             |                      |           |             |                  |              |                          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |  |
| 5.100                    | 3,600          | 3,600              | Square Feet  | Ceilings, Acoustical Tiles and Grid, Community Center              | 2032                        | to 25                | 15        | 4.50        | 16,200           | 16,200       | 19,663                   |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |  |
| 5.200                    | 170            | 170                | Square Yards | Floor Coverings, Carpet, Community Center                          | 2020                        | 8 to 12              | 3         | 60.00       | 10,200           | 10,200       | 37,440                   |         |         |         |         |         |         |         |         |         |         |         |         | 14,456  |         |         |  |
| 5.210                    | 250            | 250                | Square Yards | Floor Coverings, Vinyl Tile, Community Center                      | 2020                        | 10 to 15             | 3         | 50.00       | 12,500           | 12,500       | 45,882                   |         |         |         |         |         |         |         |         |         |         |         |         | 17,716  |         |         |  |
| 5.450                    | 4              | 4                  | Each         | HVAC Equipment, Split Systems, Community Center (2017 is Budgeted) | 2017                        | 12 to 18             | 0         | 8,010.50    | 32,042           | 32,042       | 118,141                  |         |         |         |         |         |         |         |         |         |         |         |         |         | 47,207  |         |  |
| 5.460                    | 1              | 1                  | Allowance    | Kitchen, Community Center, Renovation                              | 2032                        | to 25                | 15        | 17,000.00   | 17,000           | 17,000       | 20,634                   |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |  |
| 5.490                    | 2              | 1                  | Allowance    | Office Equipment, Phased   | 2019                        | 5 to 7               | 2 to 5    | 5,000.00    | 5,000            | 10,000       | 61,462                   |         | 6,228   |         |         | 6,474   |         |         | 6,730   |         |         | 6,995   |         |         | 7,272   |         |  |
| 5.510                    | 2              | 2                  | Each         | Rest Rooms, Community Center Interior, Renovation                  | 2028                        | to 20                | 11        | 10,900.00   | 21,800           | 21,800       | 25,128                   |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |  |
| 5.511                    | 6              | 2                  | Each         | Rest Rooms, Pavilions and Pool Houses, Renovation, Phased          | 2018                        | to 20                | 1 to 13   | 3,900.00    | 7,800            | 23,400       | 46,408                   |         |         |         | 9,970   |         |         |         |         |         | 10,773  |         |         |         |         |         |  |
| 5.600                    | 150            | 150                | Squares      | Roof Assemblies, Metal, Community Center                           | 2043                        | to 35                | 26        | 650.00      | 97,500           | 97,500       | 136,411                  |         |         |         |         |         |         |         |         |         |         | 136,411 |         |         |         |         |  |
| 5.601                    | 56             | 56                 | Squares      | Roof Assemblies, Metal, Sports Park                                | 2033                        | to 35                | 16        | 650.00      | 36,400           | 36,400       | 44,756                   | 44,756  |         |         |         |         |         |         |         |         |         |         |         |         |         |         |  |
| 5.700                    | 1              | 1                  | Allowance    | Security System  | 2025                        | to 30                | 8         | 12,000.00   | 12,000           | 12,000       | 45,675                   |         |         | 15,141  |         |         |         |         |         |         |         |         |         | 17,228  |         |         |  |
| 5.800                    | 1              | 1                  | Allowance    | Walls, Stucco, Paint Finishes, Community Center                    | 2021                        | 8 to 10              | 4         | 5,000.00    | 5,000            | 5,000        | 18,073                   |         |         |         |         |         |         |         | 6,817   |         |         |         |         |         |         |         |  |
| 5.900                    | 700            | 700                | Square Feet  | Windows and Doors, Community Center                                | 2038                        | to 30                | 21        | 50.00       | 35,000           | 35,000       | 45,906                   |         |         |         |         |         | 45,906  |         |         |         |         |         |         |         |         |         |  |
| Pool Elements            |                |                    |              |  |                             |                      |           |             |                  |              |                          |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |  |
| 6.200                    | 6,180          | 6,180              | Square Feet  | Concrete Deck, Coatings and Repairs, Community Center              | 2025                        | 8 to 12              | 8         | 4.00        | 24,720           | 24,720       | 94,092                   |         |         | 31,190  |         |         |         |         |         |         |         |         |         | 35,491  |         |         |  |
| 6.201                    | 5,860          | 5,860              | Square Feet  | Concrete Deck, Coatings and Repairs, Sports Park                   | 2018                        | 8 to 12              | 1         | 4.00        | 23,440           | 23,440       | 81,508                   |         |         |         |         |         | 30,744  |         |         |         |         |         |         |         |         |         |  |
| 6.400                    | 1,350          | 1,350              | Linear Feet  | Fences, Steel, Paint Finishes (Incl. Playground Fence)             | 2023                        | 6 to 8               | 6         | 10.00       | 13,500           | 13,500       | 69,003                   |         |         | 4,794   |         |         |         |         |         | 18,406  |         |         |         |         |         | 19,889  |  |
| 6.405                    | 380            | 380                | Linear Feet  | Fences, Steel Replacement, Community Center                        | 2029                        | to 30                | 12        | 55.00       | 20,900           | 20,900       | 24,404                   |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |  |

RESERVE EXPENDITURES

Villages of Westcreek  
Owners' Association, Inc.  
San Antonio, Texas

Explanatory Notes:

- 1) 1.3% is the estimated future Inflation Rate for estimating Future Replacement Costs.  
2) FY2017 is Fiscal Year beginning January 1, 2017 and ending December 31, 2017.

| Line Item                         | Total Quantity | Per Phase Quantity | Units       | Reserve Component Inventory                                     | Estimated 1st Year of Event | Life Analysis, Years |           | Costs, \$   |                  |              |                          | RUL = 0 FY2017 | 1 2018  | 2 2019 | 3 2020 | 4 2021 | 5 2022 | 6 2023  | 7 2024 | 8 2025  | 9 2026 | 10 2027 | 11 2028 | 12 2029 | 13 2030 | 14 2031 | 15 2032 |
|-----------------------------------|----------------|--------------------|-------------|---|-----------------------------|----------------------|-----------|-------------|------------------|--------------|--------------------------|----------------|---------|--------|--------|--------|--------|---------|--------|---------|--------|---------|---------|---------|---------|---------|---------|
|                                   |                |                    |             |   |                             | Useful               | Remaining | Unit (2017) | Per Phase (2017) | Total (2017) | 30-Year Total (Inflated) |                |         |        |        |        |        |         |        |         |        |         |         |         |         |         |         |
| 6.406                             | 970            | 970                | Linear Feet | Fences, Steel Replacement, Sports Park (Incl. Playground Fence) | 2035                        | to 30                | 18        | 55.00       | 53,350           | 53,350       | 67,314                   |                |         |        |        |        |        |         |        |         |        |         |         |         |         |         |         |
| 6.500                             | 1              | 1                  | Allowance   | Furniture   | 2025                        | to 12                | 8         | 15,000.00   | 15,000           | 15,000       | 36,054                   |                |         |        |        |        |        |         | 16,633 |         |        |         |         |         |         |         |         |
| 6.600                             | 2              | 1                  | Allowance   | Mechanical Equipment, Phased                                    | 2019                        | to 15                | 2 to 8    | 9,000.00    | 9,000            | 18,000       | 54,245                   |                |         | 9,236  |        |        |        |         | 9,980  |         |        |         |         |         | 10,784  |         |         |
| 6.800                             | 4,440          | 4,440              | Square Feet | Pool Finishes, Plaster, Community Center                        | 2025                        | 8 to 12              | 8         | 7.50        | 33,300           | 33,300       | 126,750                  |                |         |        |        |        |        |         | 36,925 |         |        |         |         |         |         |         |         |
| 6.801                             | 4,040          | 4,040              | Square Feet | Pool Finishes, Plaster, Sports Park                             | 2018                        | 8 to 12              | 1         | 7.50        | 30,300           | 30,300       | 105,361                  |                | 30,694  |        |        |        |        |         |        |         |        | 34,926  |         |         |         |         |         |
| 6.900                             | 4,040          | 4,040              | Square Feet | Structure and Deck, Total Replacement, Sports Park              | 2047                        | to 65                | 30        | 100.00      | 404,000          | 404,000      | 595,202                  |                |         |        |        |        |        |         |        |         |        |         |         |         |         |         |         |
| Anticipated Expenditures, By Year |                |                    |             |   |                             |                      |           |             |                  |              | \$4,535,739              | 60,835         | 118,865 | 71,627 | 23,597 | 17,914 | 75,524 | 131,074 | 79,470 | 237,844 | 76,172 | 137,455 | 92,836  | 126,649 | 173,166 | 272,209 | 118,880 |



RESERVE EXPENDITURES

Villages of Westcreek  
Owners' Association, Inc.  
San Antonio, Texas

| Line Item                         | Total Quantity | Per Phase Quantity | Units       | Reserve Component Inventory                                     | Estimated 1st Year of Event | Life Analysis, Years |           | Costs, \$   |                  |              |                          | 16 2033 | 17 2034 | 18 2035 | 19 2036 | 20 2037 | 21 2038 | 22 2039 | 23 2040 | 24 2041 | 25 2042 | 26 2043 | 27 2044 | 28 2045 | 29 2046 | 30 2047 |
|-----------------------------------|----------------|--------------------|-------------|---|-----------------------------|----------------------|-----------|-------------|------------------|--------------|--------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                                   |                |                    |             |   |                             | Useful               | Remaining | Unit (2017) | Per Phase (2017) | Total (2017) | 30-Year Total (Inflated) |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| 6.406                             | 970            | 970                | Linear Feet | Fences, Steel Replacement, Sports Park (Incl. Playground Fence) | 2035                        | to 30                | 18        | 55.00       | 53,350           | 53,350       | 67,314                   |         |         | 67,314  |         |         |         |         |         |         |         |         |         |         |         |         |
| 6.500                             | 1              | 1                  | Allowance   | Furniture   | 2025                        | to 12                | 8         | 15,000.00   | 15,000           | 15,000       | 36,054                   |         |         |         |         | 19,421  |         |         |         |         |         |         |         |         |         |         |
| 6.600                             | 2              | 1                  | Allowance   | Mechanical Equipment, Phased                                    | 2019                        | to 15                | 2 to 8    | 9,000.00    | 9,000            | 18,000       | 54,245                   |         |         |         |         | 11,653  |         |         |         |         |         | 12,592  |         |         |         |         |
| 6.800                             | 4,440          | 4,440              | Square Feet | Pool Finishes, Plaster, Community Center                        | 2025                        | 8 to 12              | 8         | 7.50        | 33,300           | 33,300       | 126,750                  |         |         | 42,016  |         |         |         |         |         |         |         |         |         | 47,809  |         |         |
| 6.801                             | 4,040          | 4,040              | Square Feet | Pool Finishes, Plaster, Sports Park                             | 2018                        | 8 to 12              | 1         | 7.50        | 30,300           | 30,300       | 105,361                  |         |         |         |         | 39,741  |         |         |         |         |         |         |         |         |         |         |
| 6.900                             | 4,040          | 4,040              | Square Feet | Structure and Deck, Total Replacement, Sports Park              | 2047                        | to 65                | 30        | 100.00      | 404,000          | 404,000      | 595,202                  |         |         |         |         |         |         |         |         |         |         |         |         |         | 595,202 |         |
| Anticipated Expenditures, By Year |                |                    |             |   |                             |                      |           |             |                  |              | \$4,535,739              | 44,756  | 75,730  | 273,759 | 108,147 | 73,802  | 217,121 | 74,138  | 6,730   | 87,956  | 204,960 | 234,067 | 121,461 | 266,316 | 123,348 | 809,331 |

RESERVE FUNDING PLAN

| CASH FLOW ANALYSIS                                 |   | Individual Reserve Budgets & Cash Flows for the Next 30 Years |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |         |
|--|---|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|---------|
| Villages of Westcreek                              |   | FY2017  | 2018             | 2019             | 2020             | 2021             | 2022             | 2023             | 2024             | 2025             | 2026             | 2027             | 2028             | 2029             | 2030             | 2031             | 2032             |         |
| Owners' Association, Inc.                          |   |   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |         |
| San Antonio, Texas                                 |   |   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |         |
| Reserves at Beginning of Year (Note 1)             |   | 463,899   | 497,087          | 490,110          | 531,979          | 624,077          | 724,406          | 769,391          | 760,542          | 805,009          | 692,195          | 742,178          | 732,619          | 769,341          | 774,097          | 733,724          | 594,839          |         |
| Total Recommended Reserve Contributions (Note 2)   |   | 88,291  | 106,000          | 107,400          | 108,800          | 110,200          | 111,600          | 113,100          | 114,600          | 116,100          | 117,600          | 119,100          | 120,600          | 122,200          | 123,800          | 125,400          | 127,000          |         |
| Plus   | Estimated Interest Earned, During Year (Note 3) | 5,732   | 5,888            | 6,096            | 6,895            | 8,043            | 8,909            | 9,125            | 9,337            | 8,930            | 8,555            | 8,796            | 8,958            | 9,205            | 8,993            | 7,924            | 7,187            |         |
| Less   | Anticipated Expenditures, By Year               | (60,835)  | (118,865)        | (71,627)         | (23,597)         | (17,914)         | (75,524)         | (131,074)        | (79,470)         | (237,844)        | (76,172)         | (137,455)        | (92,836)         | (126,649)        | (173,166)        | (272,209)        | (118,880)        |         |
| Anticipated Reserves at Year End                   |   | <u>\$497,087</u>  | <u>\$490,110</u> | <u>\$531,979</u> | <u>\$624,077</u> | <u>\$724,406</u> | <u>\$769,391</u> | <u>\$760,542</u> | <u>\$805,009</u> | <u>\$692,195</u> | <u>\$742,178</u> | <u>\$732,619</u> | <u>\$769,341</u> | <u>\$774,097</u> | <u>\$733,724</u> | <u>\$594,839</u> | <u>\$610,146</u> |         |
| Predicted Reserves based on 2017 funding level of: |   | \$88,291  | 497,087          | 472,295          | 494,727          | 565,746          | 643,334          | 663,898          | 628,825          | 645,245          | 502,538          | 520,760          | 477,550          | 478,708          | 445,864          | 365,830          | 185,198          | 156,648 |

| (continued)  |   | Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|--|---|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|  |   | 2033   | 2034             | 2035             | 2036             | 2037             | 2038             | 2039             | 2040             | 2041             | 2042             | 2043             | 2044             | 2045             | 2046             | 2047             |
| Plus<br>Less                                       | Reserves at Beginning of Year           | 610,146  | 701,915          | 765,336          | 632,011          | 665,402          | 735,455          | 663,981          | 737,301          | 881,124          | 946,770          | 897,409          | 820,086          | 857,028          | 750,600          | 788,733          |
|  | Total Recommended Reserve Contributions | 128,700  | 130,400          | 132,100          | 133,800          | 135,500          | 137,300          | 139,100          | 140,900          | 142,700          | 144,600          | 146,500          | 148,400          | 150,300          | 152,300          | 154,300          |
|  | Estimated Interest Earned, During Year  | 7,825  | 8,751            | 8,334            | 7,738            | 8,355            | 8,347            | 8,358            | 9,653            | 10,902           | 10,999           | 10,244           | 10,003           | 9,588            | 9,181            | 5,535            |
|  | Anticipated Expenditures, By Year       | (44,756)   | (75,730)         | (273,759)        | (108,147)        | (73,802)         | (217,121)        | (74,138)         | (6,730)          | (87,956)         | (204,960)        | (234,067)        | (121,461)        | (266,316)        | (123,348)        | (809,331)        |
|  | Anticipated Reserves at Year End        | <u>\$701,915</u>   | <u>\$765,336</u> | <u>\$632,011</u> | <u>\$665,402</u> | <u>\$735,455</u> | <u>\$663,981</u> | <u>\$737,301</u> | <u>\$881,124</u> | <u>\$946,770</u> | <u>\$897,409</u> | <u>\$820,086</u> | <u>\$857,028</u> | <u>\$750,600</u> | <u>\$788,733</u> | <u>\$139,237</u> |
|  |   | (NOTES 4&5)  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Predicted Reserves based on 2017 funding level of: |   | \$88,291   | 202,324          | 217,388          | 33,416           | 13,842           | 28,584           | (100,676)        | (87,646)         |                  |                  |                  |                  |                  |                  |                  |

Explanatory Notes:

- 1) Year 2017 starting reserves are as of January 1, 2017; FY2017 starts January 1, 2017 and ends December 31, 2017.
- 2) Reserve Contributions for 2017 are budgeted; 2018 is the first year of recommended contributions.
- 3) 1.2% is the estimated annual rate of return on invested reserves.
- 4) Accumulated year 2047 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Year (reserve balance at critical point).



#### 4. CONDITION ASSESSMENT

The Condition Assessment of this *Full Reserve Study* includes *Enhanced Solutions and Procedures* for select significant components. These narratives describe the Reserve Components, document specific problems and conditions, and may include detailed solutions and procedures for necessary capital repairs and replacements for the benefit of current and future board members. We advise the Board use this information to help define the scope and procedures for repair or replacement when soliciting bids or proposals from contractors. *However, the Report in whole or part is not and should not be used as a design specification or design engineering service.*

##### Property Site Elements

**Asphalt Pavement Systems, Repaving** – The Association maintains the following areas of streets and parking areas comprising asphalt pavement systems:

- 2,830 square yards at the Community Center
- 2,580 square yards at the Sports Park
- 4,870 square yards at Westcreek Gardens

The ages and conditions of the pavement systems vary. Management informs us each area of pavement is original to the development in which it is located. We note isolated and minor cracks at the Community Center. We note cracks, settlement and raveling throughout the parking area at the Sports Park. We note repaired and unrepaired cracks at Westcreek Gardens. Management informs us the Association will repair the pavement at the Sports Park by performing patching in 2017 at a cost of \$28,793.



**Unrepaired cracks at Sports Park**



**Significant pavement deterioration at Sports Park**



**Pavement system overview at Community Center**



**Isolated and minor cracks**



**Street system at Westcreek Gardens with unrepaired longitudinal crack at centerline**



**Unrepaired cracks and previous pavement repairs at Westcreek Gardens**

The useful life of pavement in San Antonio is from 15- to 20-years. We include the following repaving solutions and procedures for the benefit of the present and future board members.

Components of asphalt pavement include native soil, aggregate and asphalt. First the contractor creates a base course of aggregate or crushed stone and native soil. The base course is individually compacted to ninety-five percent (95%) dry density prior to the application of the asphalt. Compaction assures a stable base for the asphalt that reduces the possibility of settlement. Driveway and access drive pavement is typically constructed with a compacted base and a single course of asphalt pavement. As such, the pavement is subject to greater wear from vehicle traffic and erosion. The following diagram depicts these components:



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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 Villages of Westcreek.

A variety of repairs are necessary to deteriorated pavement prior to the application of an overlay. The contractor should use a combination of area patching, crack repair and milling before the overlayment. Properly milled pavement removes part of the existing pavement and permits the overlay to match the elevation of adjacent areas not subject to repaving. Milling also allows the contractor to make adjustments to the slope of the pavement to ensure proper drainage. The contractor should clean the milled pavement to ensure proper bonding of the new overlayment. We recommend an overlayment thickness that averages 1½ inches (not less than one inch or more than two inches). Variable thicknesses are often necessary to create an adequate slope for proper drainage. The contractor should identify and quantify areas of pavement that require area patching, crack repair and milling to help the Association compare proposed services.

Total replacement requires the removal of all existing asphalt. For area patching, we recommend the contractor use a rectangular saw cut to remove the deteriorated pavement. For larger areas such as entire parking areas or driveways, we recommend the contractor grind, mill or pulverize the existing pavement to remove it. The contractor should then augment and





compact the existing aggregate and native soil to create a stable base. Finally the contractor should install the new asphalt in at least two lifts.

The time of replacement is dependent on the useful life, age and condition of the pavement. The useful life is dependent in part on the maintenance applied to the pavement, the amounts and concentration of auto solvents that penetrate the pavement, the exposure to sunlight and detrimental effects of inclement weather. Villages of Westcreek should repair any isolated areas of deteriorated pavement periodically. We recommend the Association plan for milling and overlayment of the pavement at the Community Center with area patching of up to twenty percent (20%) by 2029. In consideration of the scheduled near term repairs to the pavement, we recommend the Association plan for milling and overlayment of the pavement at the Sports Park with area patching of up to twenty percent (20%) by 2025 and again by 2045. We recommend the Association plan for milling and overlayment of the pavement at Westcreek Gardens with area patching of up to twenty percent (20%) by 2025 and again by 2045. We depict this information on Line Items 4.040 through 4.042 of *Reserve Expenditures*. Our costs include partial replacement to the adjacent concrete curbs as necessary in conjunction with asphalt repaving.

**Fences, Chain Link** – The Association maintains approximately 500 linear feet of chain link fences including the baseball backstops at the Sports Park. The fences are in good to fair condition at an age of one year.





**Chain link fences at Sports Park**



**Baseball backstop**

Chain link fences in heavily trafficked locations have useful lives of up to 15 years. We recommend the Association anticipate replacement by 2031 and again by 2046. We suggest the Association install vinyl coated fence at the time of replacement. We depict this information on Line Item 4.220 of *Reserve Expenditures*.

**Fences, Wood** – The community includes 37,200 linear feet of solid board wood fences which face arterial streets throughout the community. Management informs us that Homeowners are responsible for replacement and major repairs of the fences. Management also informs us the Association will fund for paint finishes and minor repairs to the fences for the appearance of uniformity throughout the community. The paint finishes are in fair condition at varied ages.



**Fence lean (Homeowners are responsible for repair)**



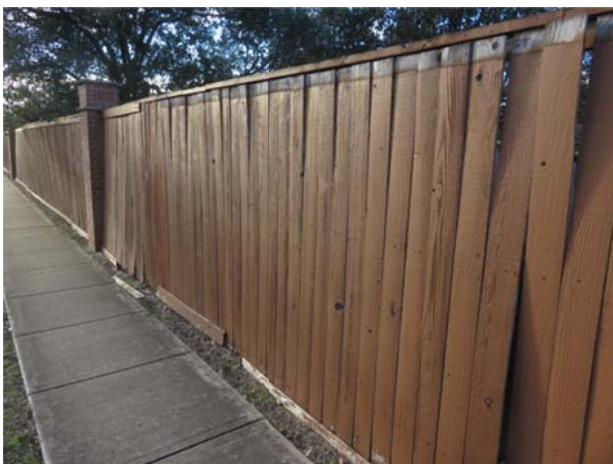
**Fence damage at top boards (Homeowners are responsible for repair)**



**Fence damage at bottom boards (Homeowners are responsible for repair)**



**Fence board deflection (Homeowners are responsible for repair)**



**Fence board deflection and missing top rail (Homeowners are responsible for repair)**



**Significant fence board deflection (Homeowners are responsible for repair)**





**Fence damage (Homeowners are responsible for repair)**



**Temporary fencing (Homeowners are responsible for repair)**

At the request of the Association, we include funds for paint finishes and minor repairs to the fencing every four- to six-years. Homeowners should anticipate periodic partial replacements due to the non-uniform nature of wood deterioration. Based on the condition of the fences and the finishes, we recommend paint finishes and repairs beginning in 2018, concluding by 2019 and every four years thereafter. The times and costs of these expenditures may vary. However, we consider the amounts allocated on Line Item 4.280 of ***Reserve Expenditures*** sufficient to budget the necessary Reserves.

**Irrigation System** - An irrigation system comprised of 216 zones waters the common lawn and landscaped areas throughout the community. The system is original and reported in good condition. Management does not report any deficiencies. Irrigation systems typically include the following components:

- Electronic controls (timer)
- Impact rotors
- Network of supply pipes
- Pop-up heads
- Valves



Water pressure activates the lawn spray pop-up heads. Controllers operate the main water flow valves. The exact amounts and locations of system components were not ascertained due to the nature of the underground construction and the non-invasive nature of the inspection.

The system as a whole has a useful life of up to 40 years. The system network supply pipes will dislodge as tree roots grow and soil conditions change. Villages of Westcreek should anticipate interim and partial replacements of the system network supply pipes and other components as normal maintenance to maximize the useful life of the irrigation system. The Association should fund these ongoing seasonal repairs through the operating budget. In addition, we recommend Villages of Westcreek budget for replacement of up to 43 zones, or approximately twenty percent (20%) of the system by 2024 and every seven years thereafter. We recommend this ongoing, phased approach to replacement due to the varied ages and conditions throughout the system. We include replacement of approximately eighty percent (80%) of the irrigation system during the next 30 years. We note this information on Line Item 4.420 of *Reserve Expenditures*.

**Light Poles and Fixtures** - The Association uses seven metal light fixtures atop metal poles to illuminate the parking area at the Community Center. These elements are original good condition and have useful lives of up to 30 years.



**Light pole and fixtures at Community Center parking**

Based on age and condition, the Association should anticipate the need for replacement by 2038. We note this information on Line Item 4.560 of *Reserve Expenditures*.

**Portable Theater** - Villages of Westcreek maintains a portable theater. The portable theater is in good condition at an age of less than one year. These elements have a useful life of 6- to 10-years. We recommend the Association budget for replacement by 2023 and every seven years thereafter. We depict this information on Line Item 4.590 of *Reserve Expenditures*.

**Playground Equipment** - The Association maintains playground equipment at the Sports Park. The playground equipment includes the following elements:

- Swing sets
- Playsets
- Surface, mulch and rubber

The playground equipment is in good condition at an approximate age of six years.



**Playset**



**Swing set**

Safety is the major purpose for maintaining playground equipment. We recommend an annual inspection of the playground equipment to identify and repair as normal maintenance loose connections and fasteners or damaged elements. We suggest the Association learn more about the specific requirements of playground equipment at [PlaygroundSafety.org](https://www.playgroundsafety.org). We recommend the use of a specialist for the design or replacement of the playground equipment environment. Playground equipment of this type has a useful life of 15- to 20-years. We recommend replacement of the playground equipment by 2027 and again by 2044. We include this information on Line Item 4.660 of ***Reserve Expenditures***.

**Signage, Entrance Monuments** - The Association maintains the property identification entrance monument signs throughout the community that include the following elements:

- Light fixtures
- Letters
- Masonry

The signage is original to the construction of each section of the community and is in good overall condition. Community signage contributes to the overall aesthetic appearance of the property to owners and potential buyers.



**Entrance monument**



**Monument signage in good condition**

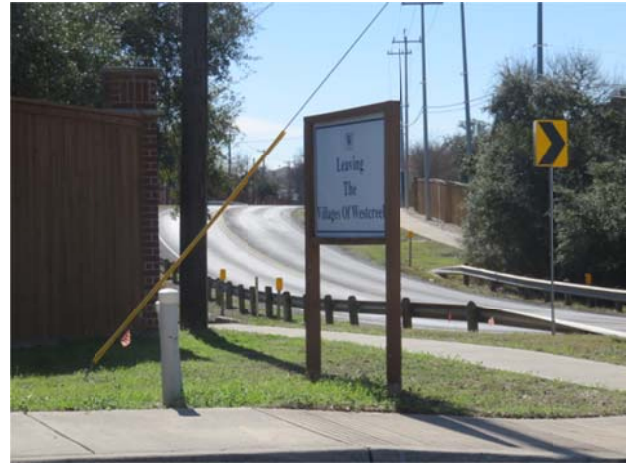
The functional useful life of these signs is indefinite with the benefit of renovations performed every 15- to 20-years. Due to the varied ages of the monuments, we recommend the Association plan to renovate up to twenty-five percent (25%) of the entrance monument signage by 2022 and every five years thereafter. Renovation should include masonry repairs and replacement of the remaining components listed above. We note this information on Line Item 4.800 of ***Reserve Expenditures***. The Association should fund interim repairs and replacements through the operating budget.

**Signage, Informational** - The Association maintains the signage throughout the community. These signs are in good condition at varied ages.





**Informational signage at Sports Park**



**Informational signage at community perimeter**

The functional useful life of the signs is from 15- to 20-years. Based on condition, we recommend the Association plan to replace the signs by 2027 and again by 2042. We note this information on Line Item 4.810 of *Reserve Expenditures*.

**Site Furniture** – The Association maintains several pieces of site furniture including picnic tables, benches, trash receptacles, grills, bleachers, exercise stations and sports equipment at the common areas. The site furniture is in good to fair condition at varied ages. Management informs us of recent replacements to a portion of these elements.



**Picnic table and trash receptacle**



**Picnic tables in good condition**



**Exercise stations**



**Bleachers**

These elements have a useful life of 12- to 18-years. Due to varied useful lives, rates of use and conditions, we recommend the Association anticipate replacement of the site furniture in a phased manner. We recommend the Association budget for replacement of up to fifty percent (33%) of the site furniture every six years beginning by 2023. We depict this information on Line Item 4.820 of ***Reserve Expenditures***.

**Sport Courts** - Villages of Westcreek maintains 2,310 square yards of asphalt comprising two tennis courts and one basketball court. The components of the courts include the color coat, fences, light poles and fixtures, and the playing surfaces. We comment on the respective quantities, conditions and times of replacements in the following sections of this narrative.



**Basketball court**



**Tennis courts**



**Isolated crack at basketball court**



**Slippage cracks at west end of tennis courts**





**Crack at tennis court playing surface**



**Crack at tennis court playing surface**



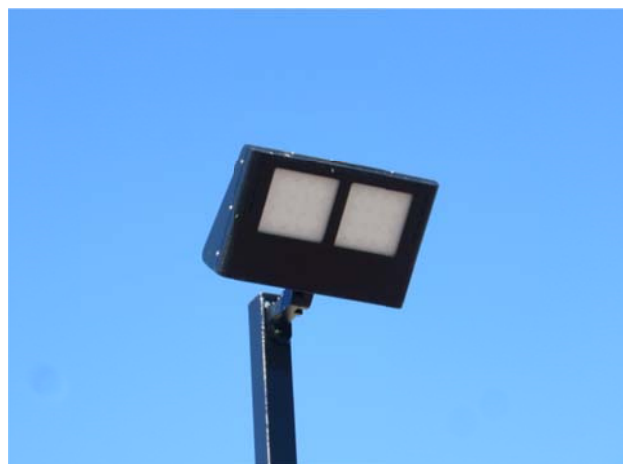
**Recently replaced chain link fence**



**Recently repaired chain link fence**



**Light pole and fixture**



**Recently replaced light fixture**



***Color Coat*** - The court color coat surfaces in good overall condition at an age of one year. Our inspection notes isolated and minor cracks. We recommend the Association apply a new color coat every four- to six-years to maximize the useful life. Prior to the application of the color coat, the Association should require the contractor to repair all cracks with hot emulsion. This deters water infiltration and further deterioration of the asphalt playing surface. We advise the Association to perform crack repairs and apply a new color coat application by 2021 and every five years thereafter except when replacement occurs. We include this information on Line Item 4.830 of ***Reserve Expenditures***.

***Fences*** - Approximately 800 linear feet of metal chain link fences enclose the courts. The chain link fences at the basketball court are good condition at an age of one year and the tennis court fence was also partially replaced at this time. Chain link fences of this type have a useful life of up to 25 years. We recommend the Association anticipate replacement of the fence by 2031, concurrent with asphalt surface replacement. We depict this information on Line Item 4.840 of ***Reserve Expenditures***.

***Light Poles and Fixtures*** - The Association maintains six light poles and fixtures to illuminate the courts. The metal poles are original and in good condition while the fixtures are in good condition at an age of less than one year. Light poles and fixtures of this type have a useful life of up to 35 years. We recommend the Association anticipate replacement by 2031, concurrent with asphalt surface replacement. We include this information on Line Item 4.850 of ***Reserve Expenditures***.

**Surface** - The court playing surfaces are original and in good overall condition. We note isolated cracks and slippage cracks at the west end of the tennis courts. Sport courts have useful lives of up to 25 years. In consideration of the observed condition and to maintain a safe playing surface, we recommend the Association anticipate replacement by 2031. We note this information on Line Item 4.860 of ***Reserve Expenditures***. We recommend replacement of the basketball goals, tennis standard and wind screens from the operating budget on an as needed basis.

The times and costs of these replacements may vary. However, the estimated expenditures detailed in ***Reserve Expenditures*** are sufficient to budget appropriate reserves.

### Common Building Elements



Community Center exterior



Community Center exterior





**Community Center exterior**



**Community Center pool house**



**Sports Park pool house**



**Sports Park pavilion**



**Community Center foyer**



**Community Center recreation room**





**Community Center office**



**Community Center conference room**

**Ceilings, Acoustical Tiles and Grid, Hallways** - The interior finished areas of the Community Center use a suspended metal grid and an acoustical tile assembly that comprises approximately 3,600 square feet of ceiling finish. The ceiling tile is original and in good condition.



**Acoustical ceiling tile and lighting**

This ceiling finish assembly has a useful life of up to 25 years. However, damaged and soiled tiles due to leaks from plumbing pipes and at air supply grills may result in a shortened useful life. The Association should coordinate the replacement of this assembly with a major renovation of the interiors to help achieve a consistent appearance. We recommend Villages of

Westcreek plan for the aggregate replacement of the assembly by 2032. We depict this information on Line Item 5.100 of ***Reserve Expenditures***. The Association should fund interim replacements of the tiles through the operating budget.

**Floor Coverings, Carpet** - Carpet comprises 170 square yards of the interior Community Center floor coverings. Contractor measurements will vary from the actual floor area due to standard roll lengths, patterns and installation waste. The loop pile carpet is original and in good condition. We suggest the Association budget to replace the carpet every 8- to 12-years. Based on age and condition, we advise the Association anticipate replacement of the carpet by 2020 and every 12 years thereafter. We include this information on Line Item 5.200 of ***Reserve Expenditures***. Villages of Westcreek should continue to fund vacuuming, spot removal and schedule periodic cleanings through the operating budget to maximize the life of the carpet.

**Floor Coverings, Vinyl Tile** - Vinyl comprises 250 square yards of the interior Community Center floor coverings. The vinyl floor coverings are original and in good condition.



**Partial replacement of vinyl floor coverings**

Villages of Westcreek should anticipate a useful life of 10- to 15-years for the vinyl floor coverings in these traffic pattern common areas. Based on the age and condition of the vinyl floor coverings, we recommend the Association budget for their replacement by 2020 and every 12 years thereafter in conjunction with carpet replacement. We depict this information on Line Item 5.210 of *Reserve Expenditures*.

**HVAC Equipment, Split Systems** - The clubhouse heating, ventilating and air conditioning (HVAC) equipment includes four split systems comprised of four remote condensing units with cooling capacities that range from three- to five-tons each and four interior air handling units. Management informs us these units will be replaced in 2017 at a cost of \$32,042..



**Community Center condensing units**



**Community Center condensing unit**

The useful life of residential size units is from 12- to 18-years. Following the near term budgeted replacement, we recommend the Association anticipate the replacement of this equipment by 2032 and again by 2047. We include this information on Line Item 5.450 of *Reserve Expenditures*.

**Kitchen** - The Association maintains a galley kitchen located within the Community Center. Components of the kitchen include:

- Cabinets and countertops
- Appliances
- Plumbing fixtures

These components excluding the appliances are original and in good overall condition. Management informs us the Association recently replaced the appliances. We recommend the Association fund for interim appliance replacements using funds from the operating budget.



**Community Center kitchen**

The useful life of kitchen components varies up to 25 years. Periodic renovations of the kitchen are an astute practice to maintain a positive overall appearance of the Association. We recommend the Association budget for renovation of the kitchen by 2032. We note this information on Line Item 5.460 of *Reserve Expenditures*.

**Office Equipment** - Management staff utilizes office equipment at the Community Center. Management report that the office equipment is in good condition at varied ages and it is sufficient for daily office operations. We use an average functional useful life of 5- to 7-years for these amenities. Normal use and changes in hardware and software technologies render the replacement of the computer equipment a periodic and ongoing activity. We include an

allowance for replacement of up to fifty percent (50%) of the office equipment every three years beginning by 2019. We note this information on Line Item 5.490 of *Reserve Expenditures*.

**Rest Rooms** - The Association maintains two common area rest rooms located in the Community Center and six additional rest rooms at the pool houses and pavilion. Components of the rest rooms include:

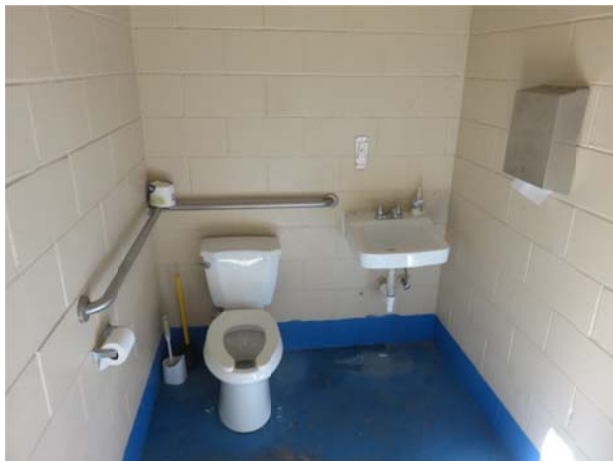
- Tile floor coverings (Community Center only)
- Plumbing fixtures
- Metal partitions and railings



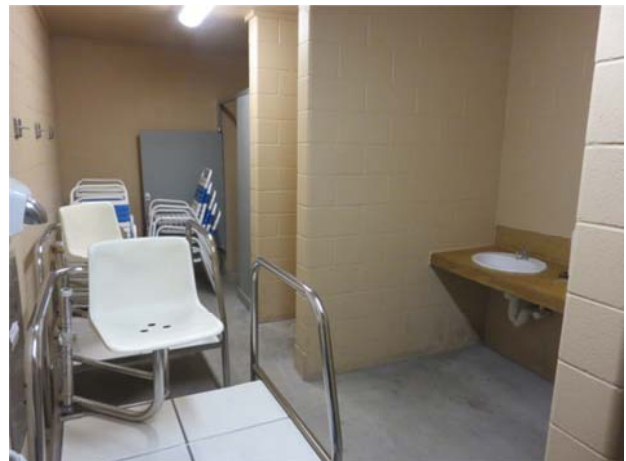
**Community Center rest room plumbing fixtures and partitions**



**Community Center rest room countertops and plumbing fixtures**



**Pavilion rest room**



**Pool house rest room**



These components are original and in good to fair overall condition. The useful life of rest room components varies up to 20 years. Periodic renovations are an astute practice to maintain a positive overall appearance of the Association. We recommend the Association budget for a renovation by at the Community Center by 2028. Due to the varied ages of the remaining rest rooms, we recommend the Association budget for a renovation to two rest rooms at the pool houses and pavilions in 2018 and every six years thereafter. We note this information on Line Items 5.510 and 5.511 of *Reserve Expenditures*.

**Roof Assemblies, Metal** - Approximately 150 *squares*<sup>1</sup> of standing seam metal roofing comprise the Community Center roof assemblies. Approximately 56 squares of standing seam metal roofing comprise the Sports Park roof assemblies. Each panel has two seams that stand up vertically and are crimped together to seal the joint and keep weather elements from penetrating. The roof assemblies at the Community Center are original and are in good condition while the roof assemblies at the Sports Park are in good condition at unknown ages.



Standing seam metal roof assembly at Community Center



Standing seam metal roof assembly at Sports Park

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



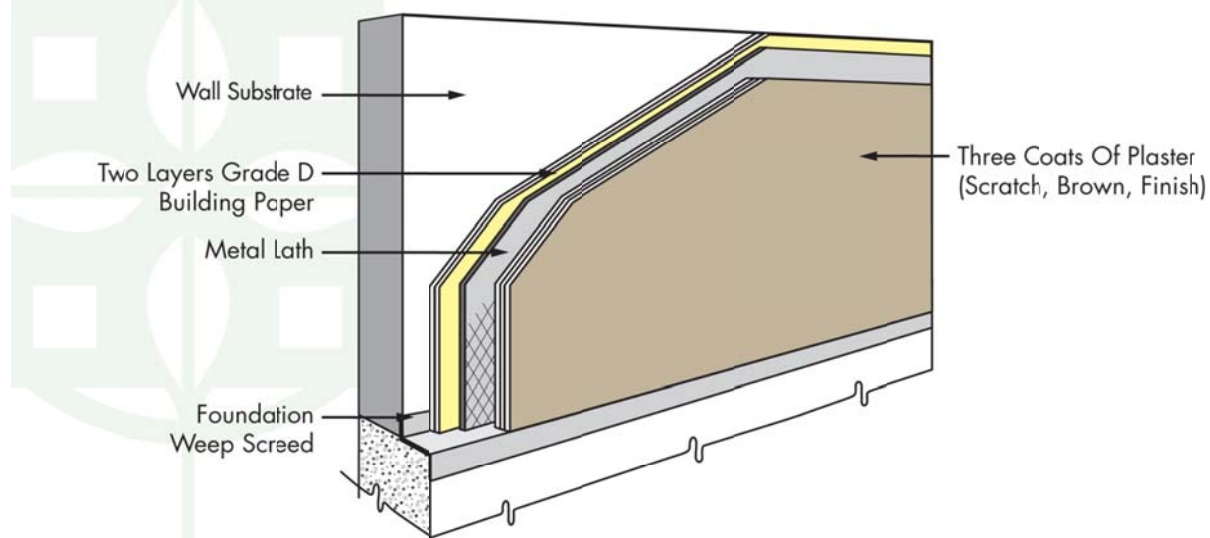


Standing seam metal roof assemblies have a useful life of up to 35 years. Based on age and condition, we recommend Villages at Westcreek fund for roof assembly replacement at the Sports Park by 2033 and at the Community Center by 2043. We note this information on Line Items 5.600 and 5.601 of ***Reserve Expenditures***. We recommend replacement with prefinished baked enamel sheet metal.

**Security System** – Villages of Westcreek utilizes a security system for added security within the common facilities and outside grounds. The security system is reported in good operational condition at an approximate age of two years. As the system ages, service interruptions will increase in frequency. We anticipate a useful life of up to 10 years for the system. The Association should anticipate replacement of the security system by 2025 and every 10 years thereafter. We include this information on Line Item 5.700 of ***Reserve Expenditures***. The Association should anticipate interim replacements of a limited quantity of components as normal maintenance to achieve a uniform useful life for the entire system.

**Walls, Stucco** - Stucco comprises a portion of the building exterior walls at the Community Center. The stucco is in good overall condition. The stucco paint finish is original and in good overall condition. Stucco is Portland cement plaster that is applied either directly to a solid base such as masonry or concrete, or is applied to galvanized metal lath attached with galvanized fasteners to frame construction. In frame construction, two layers of a Grade D water-vapor permeable building paper are necessary to separate the stucco from the wood product sheathing. The actual construction may vary and must follow the specifications of the supplier, manufacturer or local building codes; however, the following graphic details the typical components of a stucco wall system on frame construction:

## STUCCO DETAIL



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Along with proper installation, proper maintenance and periodic finish applications, the inherent composition of stucco wall systems results in an indefinitely long useful life. The useful life of these finish applications is from 8- to 10-years. We recognize that the initial finish may achieve a longer useful life. Color variations at repairs often warrant complete coating application to maintain aesthetics. Periodic repairs and finish applications help prevent water infiltration and spalling from weather exposure, maintain a good appearance and maximize the useful life of the system. We include the following commentary as a summary of the minimum requirements for a successful paint finish application for present and future board members.

Correct and complete preparation of the surface before application of the paint finish maximizes the useful life of the paint finish and surface. The contractor should remove all loose, peeled or blistered paint before application of the new paint finish. The contractor should then



power wash the surface to remove all dirt and biological growth. Water-soluble cleaners that will not attack Portland cement are acceptable for removing stains.

Summarizing the minimum requirements of the proposed scope of work, all bids should include the following:

1. Name of paint finish product
2. The contractor will involve manufacturer representatives to ensure specifications and warranty
3. The contractor will apply the paint to clean and dry surfaces at the manufacturer's recommended spreading rates
4. The contractor will apply successive coats of the paint finish, with sufficient time elapse between coats, as necessary to ensure uniform appearance
5. The contractor will conduct crack repairs and replace deteriorated or damaged stucco prior to the application of the paint finish
6. The contractor will replace deteriorated sealants or caulk prior to the application of the paint finish

In consideration of the above recommended maintenance, useful life and age of the stucco paint finishes, we advise Villages of Westcreek budget for paint applications, partial stucco replacements and crack repairs by 2021 and every 10 years thereafter. Our estimate of cost anticipates the following in coordination with each paint finish application:

- Crack repairs as needed (Each paint product has the limited ability to cover and seal cracks but we recommend repair of all cracks which exceed the ability of the paint product to bridge.)
- Replacement of up to two percent (2%), of the stucco walls (The exact amount of area in need of replacement will be discretionary based on the actual future conditions and the desired appearance.)
- Replacement of up to fifty percent (50%) of the sealants in coordination with each paint finish application.

We depict this information on Line Item 5.800 of ***Reserve Expenditures***.

**Windows and Doors** - The Community Center windows and doors comprise approximately 700 square feet, are original and are in good condition.



**Windows and doors at exterior of Community Center**



**Aluminum frame dual pane window in good condition**

The useful life of aluminum frame windows and exterior doors is up to 30 years. This useful life is based on the occurrence of water infiltration, thermal inefficiencies compared to present technology, type of frame, availability of replacement parts and aesthetics. Based on these factors, we recommend the Association anticipate replacement of these windows and doors by 2038. We depict this information on Line Item 5.800 of *Reserve Expenditures*.

### **Pool Elements**



**Sports park pool and deck**



**Sports Park pool structure**



**Community Center pool and deck**



**Community Center wading pool**

**Concrete Decks** - Concrete decks with textured coatings surround the pool and comprise approximately 6,180 square feet at the Community Center and 5,860 square feet at the Sports Park. The decks are original and in good condition while the textured coatings are in fair condition at an age of two years.



**Textured coating chips at Sports Park pool deck**



**Textured coating chips at Sports Park pool deck**

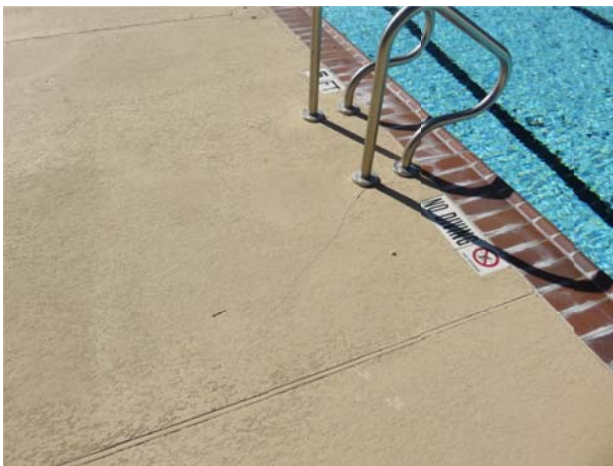




**Textured coating chips at Sports Park pool deck**



**Textured coating chips at Sports Park pool deck**



**Isolated crack at Community Center pool deck**



**Pool deck and coating in good condition at  
Community Center pool**

The useful life of a concrete pool deck is up to 60 years or more with regular coating applications and repairs. We recommend the Association conduct inspections, partial replacements and repairs to the deck every 8- to 12-years in conjunction with coating replacements.

Inadequate subsurface preparation, improper concrete mixtures, poor finishing techniques, soil movement and water infiltration underneath the concrete deck can cause significant settlement and cracks in the concrete. The pool deck should also be free of trip



hazards for the safety of residents and their guests. We recommend the Association budget for the following at the Sports Park in 2018 and at the Community Center by 2025:

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

We recommend subsequent repairs and replacements every 10 years thereafter. The times, amounts and related costs of these repairs and replacements may vary. However, we judge the amounts shown on Line Items 6.200 and 6.201 of ***Reserve Expenditures*** sufficient to budget appropriate reserves.

**Fences, Steel** - The Association maintains approximately 1,350 linear feet of steel fences surrounding the pool decks. This quantity includes the fences surrounding the playground equipment at the Sports Park. The fences are original to the construction of each facility and in good overall condition. We note rust and finish deterioration at the Community Center fence. Management informs us these fences will be painted in 2017 using funds from the operating budget.



**Steel picket fence surrounding Sports Park pool**



**Significant rust at Community Center pool fence**

Fences of this type have a long useful life of up to 30 years but are not maintenance free. Periodic maintenance should include applications of protective paint finish to the steel surfaces and partial replacement of deteriorated sections every six- to eight-years. Steel 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.

Periodic applications of paint to the steel will help maximize the useful life. Preparation of the steel before application of the paint finish is important. The paint contractor should remove all soil, dirt, oil, grease and other foreign materials before application of the paint finish to maximize its useful life. The contractor should also remove paint blisters and rust prior to the paint finish application. We recommend the use of a power wire brush, scraper and/or sander as effective means of removal. The Association should require the application of a primer on bare steel. The primer for steel surfaces should include a rust inhibitor for added protection. We recommend the Association refinish the fences in 2023 and every six years thereafter except when replacement occurs at the Sports Park by 2029 and at the Community Center by 2035. We include this information on Line Items 6.400, 6.405 and 6.406 of ***Reserve Expenditures***.

**Furniture** - Associated furniture and fixtures around the pool include the following:

- Chairs
- Lounges
- Tables
- Ladders and life safety equipment

These items are reported in good condition at an approximate age of two years. Pool furniture has a useful life of up to 12 years. We recommend the Association budget an allowance for replacement of the pool furniture and fixtures by 2025 and every 12 years thereafter. The times and costs of these replacements may vary. However, we judge the



amounts shown on Line Item 6.500 of ***Reserve Expenditures*** sufficient to budget appropriate reserves. We recommend interim re-strapping, refinishing, cushion replacements, reupholstering and other repairs to the furniture as normal maintenance to maximize its useful life.

**Mechanical Equipment** - The pool mechanical equipment comprises the following:

- Automatic chlorinators
- Controls
- Filters
- Interconnected pipe, fittings and valves
- Pumps

The pool mechanical equipment reported in good condition at varied ages. Pool mechanical equipment has a useful life of up to 15 years. Failure of the pool mechanical equipment as a single event is unlikely. We recommend the Association anticipate replacement of up to fifty percent (50%) of the pool mechanical equipment by 2019 and every six years thereafter. We consider interim replacement of motors and minor repairs as normal maintenance. We note this information on Line Item 6.600 of ***Reserve Expenditures***.

**Pool Finishes, Plaster** - The pool wall and floor surfaces have a plaster finish of 4,440 square feet at the Community Center and 4,040 square feet at the Sports Park based on the horizontal surface areas. The finishes at the Community Center are in good condition at an age of two years while the finishes at the Sports Park are in fair condition at an unknown age.



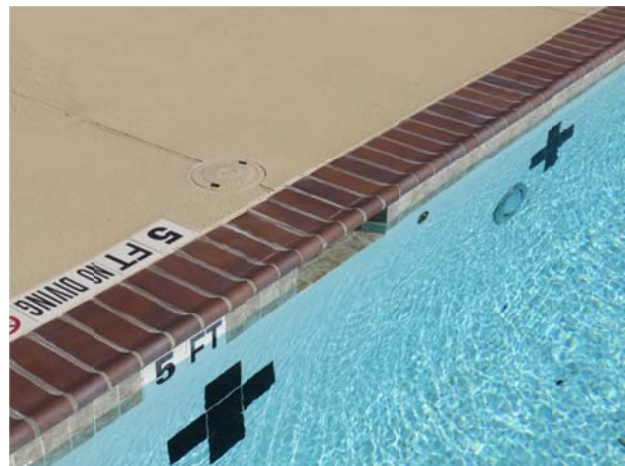
**Plaster and tile pool finish**



**Coping spall**



**Isolated coping efflorescence**



**Coping and tile in good condition**

This type of pool finish deteriorates with time and requires periodic maintenance and replacement. We recommend the Association anticipate the need to replace the finish and conduct related repairs every 8- to 12-years to maintain the integrity of the pool structure. Removal and replacement provides the opportunity to inspect the pool structure and to allow for partial repairs of the underlying concrete surfaces as needed. We recommend the Association budget for the following at the Sports Park in 2018 and at the Community Center by 2025:

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



We recommend subsequent replacements and repair and every 10 years thereafter. We include this information on Line Items 6.800 and 6.801 of ***Reserve Expenditures***.

**Structure and Deck** - The concrete pool structure at the Sports Park comprises approximately 4,040 square feet of horizontal surface area. The structure is original and visually appears in good condition. The concrete floor and walls have a plaster finish. This finish makes it difficult to thoroughly inspect the concrete structure during a noninvasive visual inspection. We anticipate a total useful life of up to 65 years for the pool structure. The need to replace a pool structure depends on the condition of the concrete structure, the condition of the embedded or concealed water circulation piping, possible long term uneven settlement of the structure, and the increasing cost of repair and maintenance. Deterioration of any one of these component systems could result in complete replacement of the pool. For example, deferral of a deteriorated piping system could result in settlement and cracks in the pool structure. This mode of failure is more common as the system ages and deterioration of the piping system goes undetected. For reserve budgeting purposes, we recommend Villages of Westcreek plan to replace the following components at the Sports Park by 2047:

- Concrete deck
- Pool structure
- Subsurface piping

The time and cost of this project may vary. However, we judge the amount shown on Line Item 6.900 of ***Reserve Expenditures*** sufficient to budget appropriate reserves.

### **Reserve Study Update**

An ongoing review by the Board and an Update of this Reserve Study in two- to three-years 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. 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.

Villages of Westcreek 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 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 standards<sup>1</sup> set forth by the Community Associations Institute (CAI) and the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Full Reserve Study." These standards require a Reserve Component to have a "predictable remaining Useful Life." Estimating Remaining Useful Lives and Reserve

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



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:

| Information Furnished by the Association       |           |
|--|-----------|
| 2017 unaudited Cash Status of the Reserve Fund | 463,899   |
| 2017 Budgeted Reserve Contribution             | 88,291    |
| Anticipated Interest on Reserve Fund           | 5,732     |
| Less Anticipated Reserve Expenditures          | (60,835)  |
| Projected 2017 Year-End Reserve Balance        | \$497,087 |

The Cash Flow Method to compute, project and illustrate the 30-year Reserve Funding Plan

Local<sup>2</sup> costs of material, equipment and labor

Current and future costs of replacement for the Reserve Components

Costs of demolition as part of the cost of replacement

Local economic conditions and a historical perspective to arrive at our estimate of long term future inflation for construction costs in San Antonio, Texas at an annual inflation rate of 1.3%. Isolated or regional 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 Villages of Westcreek and their effects on remaining useful lives

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.

The anticipated effects of appreciation of the reserves over time in accord with an anticipated future return or yield on investment of your cash equivalent assets at an annual rate of 1.2% (We did not consider the costs, if any, of Federal and State Taxes on income derived from interest and/or dividend income).

Interest rates on reserves are steady or increasing in concert with the certificates of deposit and money market rates. Overall, no material near term changes in savings rates are anticipated. Without significant differences in these savings rates, shorter term investments are the choice of many investors.

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



We recommend consultation with a professional investment adviser before investing reserves to determine an appropriate investment strategy to maximize a safe return on reserve savings. The following table summarizes rates of inflation and key rates for government securities, generally considered as safe investment alternatives.

| Interest Rate and Inflation Data   | 2015                                       |                   |                   |                   | 2016  |                   |                   |                   |
|--|--|-------------------|-------------------|-------------------|---|-------------------|-------------------|-------------------|
|  | <u>2015:1 (A)</u>                          | <u>2015:2 (A)</u> | <u>2015:3 (A)</u> | <u>2015:4 (A)</u> | <u>2016:1 (A)</u>                               | <u>2016:2 (A)</u> | <u>2016:3 (A)</u> | <u>2016:4 (E)</u> |
| Average or Last Actual = (A)   |  |                   |                   |                   |   |                   |                   |                   |
| 1-Year Treasury Bill   | 0.25%                                      | 0.27%             | 0.30%             | 0.65%             | 0.60%   | 0.55%             | 0.60%             | 0.65%             |
| 10-Year Treasury Note  | 1.90%                                      | 2.50%             | 2.70%             | 2.25%             | 1.80%   | 1.80%             | 1.85%             | 1.85%             |
| 30-Year Treasury Bond  | 2.55%                                      | 3.20%             | 3.40%             | 3.00%             | 2.65%   | 2.60%             | 2.60%             | 2.90%             |
| Consumer Price Index (annualized rate)   | 0.00%                                      | 0.00%             | 0.00%             | 0.00%             | 0.10%   | 0.00%             | 1.15%             | 1.15%             |
| Although past indicators are not predictive of future inflation in "building" construction, minimal inflation exists for past year Sept. 2015 to Sept. 2016 of approximately 1.7%. |  |                   |                   |                   |   |                   |                   |                   |
| <b>Savings Rates Results RANGE as</b>  |  |                   |                   |                   |   |                   |                   |                   |
| found in   | 0.02 to 1.11% Money Market Savings         |                   |                   |                   | 0.15 to 1.35% for 2-Year Certificate of Deposit |                   |                   |                   |
| <a href="http://www.bankrate.com">http://www.bankrate.com</a>  | 0.1 to 1.25% 1-Year Certificate of Deposit |                   |                   |                   | 0.15 to 1.50% for 3-Year Certificate of Deposit |                   |                   |                   |
| <b>Estimated Near Term Yield Rate for Reserve Savings . . . . . 1.2%</b>   |  |                   |                   |                   |   |                   |                   |                   |
| <b>Est. Near Term Local Inflation Rate for Future Capital Expenditures . . . . . 1.3%</b>  |  |                   |                   |                   |   |                   |                   |                   |
| <b><u>11/11/2016</u></b>   |  |                   |                   |                   |   |                   |                   |                   |



## 6. 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 Villages of Westcreek 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) Villages of Westcreek 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.



## 7. PROFESSIONAL SERVICE CONDITIONS

**Our Services** - Reserve Advisors, Inc. will perform its services as an independent contractor in accordance with our professional practice standards. Our compensation is not contingent upon our conclusions.

Our inspection and analysis of the subject property is limited to visual observations and is noninvasive. We will inspect sloped roofs from the ground. We will inspect 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 our observation. Conditions can change between the time of inspection and the issuance of the report. Reserve Advisors does not investigate, nor assume any responsibility for any existence or impact of any hazardous materials, structural, latent or hidden defects which may or may not be present on or within the property. Our opinions of estimated costs and remaining useful lives are not a guarantee of the actual costs of replacement, a warranty of the common elements or other property elements, or a guarantee of remaining useful lives.

We assume, without independent verification, the accuracy of all data provided to us. You agree to indemnify and hold us 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 as 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 controlling person of Reserve Advisors, Inc., including any director, officer, employee, affiliate, or agent. Liability of Reserve Advisors, Inc. 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.

**Report** - Reserve Advisors, Inc. will complete the services in accordance with the Proposal. The Report represents a valid opinion of our findings and recommendations and is deemed complete. However, we will consider any additional information made available to us in the interest of promptly issuing a Revised Report if changes are requested within six months of receiving the Report. We retain the right to withhold a Revised Report if payment for services is not rendered in a timely manner. All files, work papers or documents developed by us during the course of the engagement remains our property.

**Your Obligations** - You agree to provide us access to the subject property during our on-site visual inspection and tour. You will provide to us to the best of your ability and if reasonably available, historical and budgetary information, the governing documents, and other information that we request and deem necessary to complete our Study. You agree to pay our actual attorneys' fees and any other costs incurred in the event we have to initiate litigation to collect on any unpaid balance for our services.

**Use of Our Report and Your Name** - Use of this Report is limited to only the purpose stated herein. Any use or reliance for any other purpose, by you or third parties, is invalid. Our Reserve Study Report in whole or part is not and cannot be used as a design specification, design engineering services or an appraisal. You may show our report in its entirety to those third parties who need to review the information contained herein. The Client and other third parties viewing this report should not reference our name or our report, in whole or in part, in any document prepared and/or distributed to third parties without our written consent. ***This report contains intellectual property developed by Reserve Advisors, Inc. specific to this engagement and cannot be reproduced or distributed to those who conduct reserve studies without the written consent of Reserve Advisors, Inc.***





We reserve the right to include our client's name in our client lists, but we will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative process or proceedings. These conditions can only be modified by written documents executed by both parties.

**Payment Terms, Due Dates and Interest Charges** - The retainer payment is due upon authorization and prior to shipment of the report. The final payment of the fee is due immediately upon receipt of the Report. Subsequent changes to the report can be made for up to six months from the initial report date. Any outstanding balance after 30 days of the invoice date is subject to an interest charge of 1.5% per month. Any litigation necessary to collect an unpaid balance shall be venued in Milwaukee County Circuit Court in the State of Wisconsin.

#### **CONDITIONS OF OUR SERVICE ASSUMPTIONS**

To the best of our knowledge, all data set forth in this report are true and accurate. Although gathered from reliable sources, we make no guarantee nor assume liability for the accuracy of any data, opinions, or estimates identified as furnished by others that we used in formulating this analysis.

We did not make any soil analysis or geological study with this report; nor were any water, oil, gas, coal, or other subsurface mineral and use rights or conditions investigated.

Substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, environmental mold or other potentially hazardous materials could, if present, adversely affect the validity of this study. Unless otherwise stated in this report, the existence of hazardous substance, that may or may not be present on or in the property, was not considered. Our opinions are predicated on the assumption that there are no hazardous materials on or in the property. We assume no responsibility for any such conditions. We are not qualified to detect such substances, quantify the impact, or develop the remedial cost.

We have made a visual inspection of the property and noted visible physical defects, if any, in our report. Our inspection and analysis was made by employees generally familiar with real estate and building construction; however, we did not do any invasive testing. Accordingly, we do not opine on, nor are we responsible for, the structural integrity of the property including its conformity to specific governmental code requirements, such as fire, building and safety, earthquake, and occupancy, or any physical defects that were not readily apparent during the inspection.

Our opinions of the remaining useful lives of the property elements do not represent a guarantee or warranty of performance of the products, materials and workmanship.



## 8. CREDENTIALS

### HISTORY AND DEPTH OF SERVICE

**Founded in 1991**, Reserve Advisors, Inc. 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 principals are founders of Community Associations Institute's (CAI) Reserve Committee that developed national standards for reserve study providers. One of our principals 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. Each Team Review requires the attendance of several engineers, Director of Quality Assurance and other participatory peers. 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 the 2,600,000-square foot 98-story Trump International Hotel and Tower in Chicago. 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.



## **QUALIFICATIONS**

### **THEODORE J. SALGADO**

#### **Principal Owner**

#### **CURRENT CLIENT SERVICES**

Theodore J. Salgado is a co-founder of Reserve Advisors, Inc., which is dedicated to serving community associations, city and country clubs, religious organizations, educational facilities, and public and private entities throughout the United States. He is responsible for the production, management, review, and quality assurance of all reserve studies, property inspection services and consulting services for a nationwide portfolio of more than 6,000 clients. Under his direction, the firm conducts reserve study services for community associations, apartment complexes, churches, hotels, resorts, office towers and vintage architecturally ornate buildings.



#### **PRIOR RELEVANT EXPERIENCE**

Before founding Reserve Advisors, Inc. with John P. Poehlmann in 1991, Mr. Salgado, a professional engineer registered in the State of Wisconsin, served clients for over 15 years through American Appraisal Associates, the world's largest full service valuation firm. Mr. Salgado conducted facilities analyses of hospitals, steel mills and various other large manufacturing and petrochemical facilities and casinos.

He has served clients throughout the United States and in foreign countries, and frequently acted as project manager on complex valuation, and federal and state tax planning assignments. His valuation studies led to negotiated settlements on property tax disputes between municipalities and property owners.

Mr. Salgado has authored articles on the topic of reserve studies and facilities maintenance. He also co-authored *Reserves*, an educational videotape produced by Reserve Advisors on the subject of Reserve Studies and maintaining appropriate reserves. Mr. Salgado has also written in-house computer applications manuals and taught techniques relating to valuation studies.

#### **EXPERT WITNESS**

Mr. Salgado has testified successfully before the Butler County Board of Tax Revisions in Ohio. His depositions in pretrial discovery proceedings relating to reserve studies of Crestview Estates Condominium Association in Wauconda, Illinois, Rivers Point Row Property Owners Association, Inc. in Charleston, South Carolina and the North Shore Club Associations in South Bend, Indiana have successfully assisted the parties in arriving at out of court settlements.

**EDUCATION** - Milwaukee School of Engineering - B.S. Architectural Engineering

#### **PROFESSIONAL AFFILIATIONS/DESIGNATIONS**

American Association of Cost Engineers - Past President, Wisconsin Section

Association of Construction Inspectors - Certified Construction Inspector

Association of Professional Reserve Analysts - Past President & Professional Reserve Analyst (PRA)

Community Associations Institute - Member and Volunteer Leader of multiple chapters

Concordia Seminary, St. Louis - Member, National Steering Committee

Milwaukee School of Engineering - Member, Corporation Board

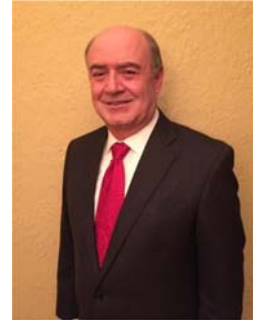
Professional Engineer, Wisconsin (1982) and North Carolina (2014)

Ted continually maintains his professional skills through American Society of Civil Engineers, ASHRAE, Association of Construction Inspectors, and continuing education to maintain his professional engineer licenses.



**JOHN P. POEHLMANN, RS**  
**Principal**

John P. Poehlmann is a co-founder of Reserve Advisors, Inc. He is responsible for the finance, accounting, marketing, and overall administration of Reserve Advisors, Inc. He also regularly participates in internal Quality Control Team Reviews of Reserve Study reports.



Mr. Poehlmann directs corporate marketing, including business development, advertising, press releases, conference and trade show exhibiting, and electronic marketing campaigns. He frequently speaks throughout the country at seminars and workshops on the benefits of future planning and budgeting for capital repairs and replacements of building components and other assets.

**PRIOR RELEVANT EXPERIENCE**

Mr. Poehlmann served on the national Board of Trustees of Community Associations Institute. An international organization, Community Associations Institute (CAI) is a nonprofit 501(c)(3) trade association created in 1973 to provide education and resources to America's 335,000 residential condominium, cooperative and homeowner associations and related professionals and service providers.

He is a founding member of the Institute's Reserve Committee. The Reserve Committee developed national standards and the Reserve Specialist (RS) Designation Program for Reserve Study providers. Mr. Poehlmann has authored numerous articles on the topic of Reserve Studies, including Reserve Studies for the First Time Buyer, Minimizing Board Liability, Sound Association Planning Parallels Business Concepts, and Why Have a Professional Reserve Study. He is also a contributing author in Condo/HOA Primer, a book published for the purpose of sharing a wide background of industry knowledge to help boards in making informed decisions about their communities.

**INDUSTRY SERVICE AWARDS**

CAI Wisconsin Chapter Award  
CAI National Rising Star Award  
CAI Michigan Chapter Award

**EDUCATION**

University of Wisconsin-Milwaukee - Master of Science Management  
University of Wisconsin - Bachelor of Business Administration

**PROFESSIONAL AFFILIATIONS**

**Community Associations Institute (CAI)** - Founding member of Reserve Committee; former member of National Board of Trustees; Reserve Specialist (RS) designation; Member of multiple chapters

**Association of Condominium, Townhouse, & Homeowners Associations (ACTHA)** – member



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

**CURRENT CLIENT SERVICES**

Alan M. Ebert, a Professional Engineer, is 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 hundreds 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

*Reserve Specialist (RS)* - Community Associations Institute

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





**TIMOTHY J. MATTHIESEN, RS**  
**Responsible Advisor**

**CURRENT CLIENT SERVICES**

Timothy J. Matthiesen, a Civil Engineer, is an Advisor for *Reserve Advisors, Inc.*, which is dedicated to serving community associations, religious organizations, educational facilities, and public and private entities throughout the United States. Mr. Matthiesen is responsible for the inspection and analysis of the property's current condition, recommending engineering solutions to prolong the lives of building components, forecasting capital expenditures for the repair and/or replacement of the property components, and technical report preparation on assignments. He is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast Services on townhomes, homeowners associations and planned unit developments.

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

**The Mercer** Residential tower that rises 30 stories over the Galleria neighborhood west of downtown Houston.

**Craig Ranch Community Association** Nationally acclaimed master-planned community in North Texas spread across 400 acres that provides its residents with an unrivaled active community lifestyle.

**Four Seasons Resorts Colorado** State of the art 45-story high rise hotel and condominium in downtown Denver and ski lodge destination resort in Vail.

**Riverstone Homeowners Association** Developing community outside of Houston comprised of over 3,000 homes. The development includes private gated sections, several lakes, water parks and miles of perimeter walls.

**Insulators & Allied Workers Local No. 14** Headquarters of the insulators and allied workers union for the Philadelphia area that houses its offices, a ballroom and an educational center.

**Montgomery Plaza** Constructed in 1927 as a regional retail and mail order warehouse for the Montgomery Ward company, this art-deco style high rise now comprises a shopping mall and luxury condominium development in Fort Worth. Some of its many features include an infinity pool, private movie theater and large exercise studios.

**Steiner Ranch Homeowners Association** One of the largest master-planned communities in Central Texas, this community features multiple pool and park developments overlooking Lake Austin and the surrounding hills.

**Glenhaven Lakes Club** A homeowners association of over 1,000 homes set in the mountains north of Seattle. The community is responsible for its extensive private water system and maintenance equipment.

**The Broadway, San Antonio** This luxury condominium high-rise near downtown features balconies with stunning views of the city and an elevated pool deck atop a parking structure.

**Alpha Delta Pi Sorority House** Frank Lloyd Wright inspired prairie style house on the campus of the University of Arizona that maintains residences for over sixty students and a commercial kitchen.

**PRIOR RELEVANT EXPERIENCE**

Before joining Reserve Advisors, Inc., Mr. Matthiesen was working with a consulting firm to assess school facility capabilities in southeastern Wisconsin. He was responsible for the inspection and condition assessment of school facilities and his day to day duties included conducting on-site meetings with school personnel, completing technical inspections and creating a database of photographs and building condition information.

Mr. Matthiesen also worked for a local county parks department near his hometown as a Civil Engineer. He was responsible for the design of park facilities including roadways and parking lots, picnic shelters and recreational trails along with the inspection of current facilities including historic structures maintained by the County.

**EDUCATION**

Marquette University - B.S. Civil Engineering

**PROFESSIONAL AFFILIATIONS**

*Reserve Specialist (RS)* - Community Associations Institute



## RESOURCES

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

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

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

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

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

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

**Reserve Advisors, Inc.**, 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.