Charlesgate Village Association

April 8, 2026 • Amherst, NY

RESERVE STUDY



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Corporate Office
Reserve Advisors, LLC
735 N. Water Street, Suite 175
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Charlesgate Village Association
Amherst, New York

Dear Board of Directors of Charlesgate Village Association:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Reserve Study* of Charlesgate Village Association in Amherst, New York and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, April 8, 2026.

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

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

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

Respectfully submitted on April 20, 2026 by

Reserve Advisors, LLC

Visual Inspection and Report by: Joseph Coffee, RS[1]
Review by: Stephen E. Breski, RS, Director of Engineering Training and Development
Alan M. Ebert, RS, PRA[2], Director of Quality Assurance



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

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

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1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Charlesgate Village Association (Charlesgate Village)
Location: Amherst, New York
Reference: 94532

Property Basics: Charlesgate Village Association is a townhome style development which consists of 188 units in 32 buildings. The community was built from 1973 to 1979.

Reserve Components Identified: 17 Reserve Components.

Inspection Date: April 8, 2026. We conducted previous inspections in 2021, 2017, 2013, and 2009.

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 2053 due to the subsequent replacement of the roof assemblies.

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

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

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

Unaudited Cash Status of Reserve Fund:

- $1,161,340 as of January 1, 2026
- 2026 budgeted Reserve Contributions of $240,000

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

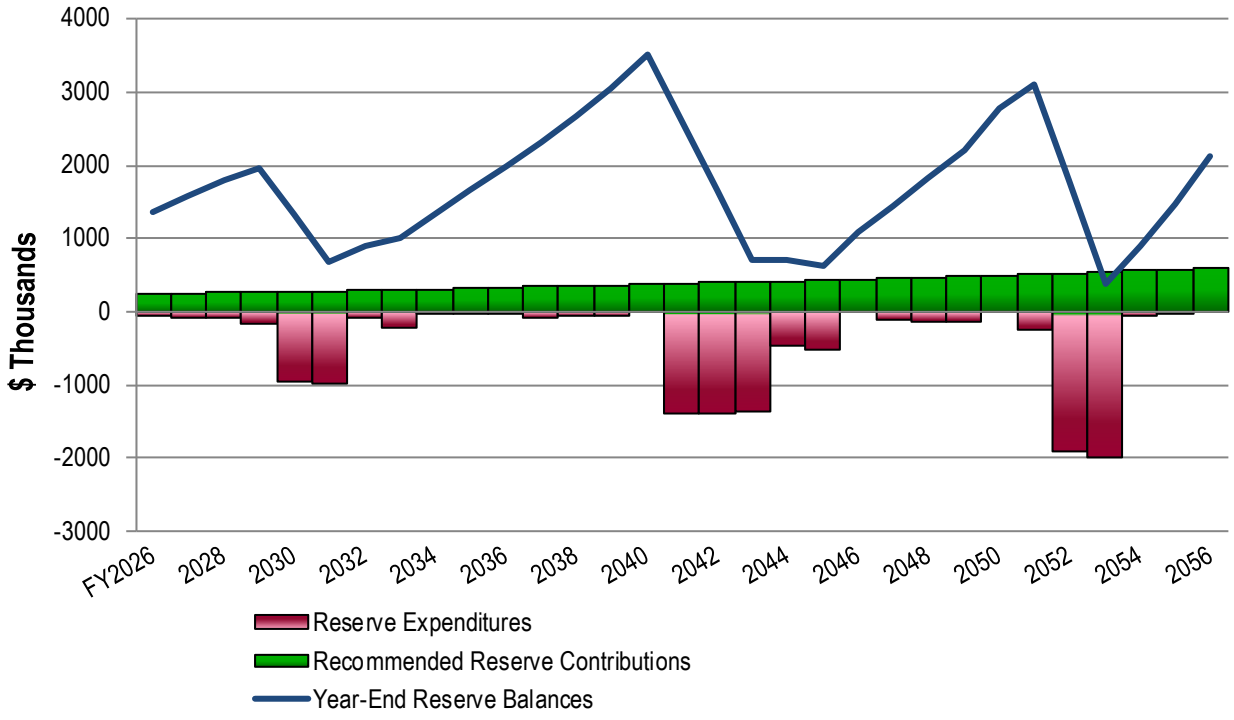
- Repairs to the subsurface utilities as needed
- Repaving of the unit walkways
- Replacement of the privacy fences as desired
- Repairs to the asphalt pavement as needed
- Replacement of roofs as needed

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

- Increase Reserve Contributions to $253,000 in 2027
- Inflationary increases thereafter through 2056, the limit of this study's Cash Flow Analysis
- Initial adjustment in Reserve Contributions of $13,000 represents an average monthly increase of $5.76 per owner and about a two percent (1.9%) adjustment in the 2026 Total Budget of $690,580.

Charlesgate Village
Recommended Reserve Funding Table and Graph

Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)
2027	253,000	1,569,288	2037	340,000	2,314,849	2047	456,800	1,456,936
2028	260,600	1,801,432	2038	350,200	2,675,194	2048	470,500	1,823,430
2029	268,400	1,964,620	2039	360,700	3,065,509	2049	484,600	2,215,960
2030	276,500	1,332,923	2040	371,500	3,521,542	2050	499,100	2,779,163
2031	284,800	673,508	2041	382,600	2,597,900	2051	514,100	3,120,188
2032	293,300	901,765	2042	394,100	1,661,263	2052	529,500	1,802,285
2033	302,100	1,014,059	2043	405,900	720,354	2053	545,400	394,037
2034	311,200	1,323,589	2044	418,100	698,020	2054	561,800	903,855
2035	320,500	1,659,648	2045	430,600	620,542	2055	578,700	1,472,001
2036	330,100	1,996,348	2046	443,500	1,085,942	2056	596,100	2,114,122



2. RESERVE STUDY REPORT

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

Charlesgate Village Association

Amherst, New York

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, April 8, 2026. We conducted previous inspections in 2021, 2017, 2013, and 2009.

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

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

IDENTIFICATION OF PROPERTY



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

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

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

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

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

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

Excluded Components

for
Charlesgate Village
Association
Amherst, New York

Operating Budget Components

Repairs normally funded through the Operating Budget and Expenditures less than $10,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)

The operating budget provides money for the repair and replacement of certain Reserve Components. The Association may develop independent criteria for use of operating and reserve funds.

- Catch Basins, Landscape
- Drainage Remediation[1]
- Fences, Wood, Refuse Areas
- Fences, Wood, Stain Finishes
- Landscape
- Light Fixtures, Exteriors
- Paint Finishes, Touch Up
- Pond, Aerator
- Pond, Shoreline, Erosion Control (per Management and the Board)
- Signage, Community Identification
- Signage, Traffic Identification

[1] Management and the Board inform us that the site drainiage is now satisfactory.

Long-Lived Components

These elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the scope of this study. The operating budget should fund infrequent repairs. Funding untimely or unexpected replacements from reserves will necessitate increases to Reserve Contributions. Periodic updates of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan.	**Useful Life**	**Estimated Cost**
• Electrical Systems, Common	Indeterminate	N/A
• Pipes, Subsurface Utilities, Stormwater	Indeterminate	N/A
• Stormwater Management System, Inlet/Outlet Structures, Concrete	Indeterminate	N/A

Excluded Components

for
Charlesgate Village
Association
Amherst, New York

Owners Responsibility Components

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

- Awnings and Canopies
- Decks
- Doors, Garage
- Doors, Hinged
- Doors, Sliding Glass and French
- Electrical Systems, Within Units (includes circuit protection panels, wiring and exterior outlets)
- Fences, Wood, Privacy, Parallel to Unit Rear Elevations
- Foundations
- Generators, Backup
- Handrails, Stoops
- Heating, Ventilating and Air Conditioning (HVAC) Units
- Interiors
- Mailboxes (note the Association is responsible for renovation of the mailbox shelters)
- Patios
- Pipes, Subsurface Utilities, Domestic Water and Sanitary Sewer, Lateral Lines
- Pipes, Within Units
- Privacy Walls, Masonry (note shared between neighboring units)
- Stoops, Front Entrances
- Structural Frames
- Vent Covers
- Window Wells
- Windows

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
- 2026 local cost of replacement
  - Per unit
  - Per phase
  - Replacement of total quantity
- Percentage of future expenditures anticipated during the next 30 years
- Schedule of estimated future costs for each reserve component including inflation

Reserve Funding Plan

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

Five-Year Outlook

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

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

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

Years 2026 to 2041

RESERVE EXPENDITURES

Charlesgate Village Association
Amherst, New York

Explanatory Notes:
1) **3.0% is the estimated Inflation Rate for estimating Future Replacement Costs.**
2) **FY2026 is Fiscal Year beginning January 1, 2026 and ending December 31, 2026.**

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis Years Useful	Remaining	Costs, $ Unit (2026)	Per Phase (2026)	Total (2026)	Percentage of Future Expenditures	RUL = 0 FY2026	1 2027	2 2028	3 2029	4 2030	5 2031	6 2032	7 2033	8 2034	9 2035	10 2036	11 2037	12 2038	13 2039	14 2040	15 2041
				Exterior Building Elements																							
1.240	10,480	10,480	Linear Feet	Gutters and Downspouts, Aluminum, Phase 1	2030	15 to 25	4	14.00	146,720	146,720	**3.8%**					165,135											
1.242	9,620	9,620	Linear Feet	Gutters and Downspouts, Aluminum, Phase 2	2031	15 to 25	5	14.00	134,680	134,680	**3.6%**						156,131										
1.280	954	954	Squares	Roofs, Asphalt Shingles, Phase 1	2030	15 to 25	4	700.00	667,800	667,800	**17.3%**					751,615											
1.282	876	876	Squares	Roofs, Asphalt Shingles, Phase 2	2031	15 to 25	5	700.00	613,200	613,200	**16.4%**						710,867										
1.855	188	63	Units	Walls, Siding, Vinyl, Paint Finishes and Capital Repairs, Phased	2031	8 to 10	5 to 7	900.00	56,403	169,200	**4.5%**						65,387	67,348	69,369								
1.860	250,000	83,333	Square Feet	Walls, Siding, Vinyl, Replacement (incl. soffit and fascia), Phased	2041	to 40	15 to 17	10.00	833,333	2,500,000	**31.7%**																1,298,306
1.905	3	1	Allowance	Walls, Trim, Paint Finishes and Partial Replacements, Phased	2031	8 to 10	5 to 7	15,000.00	15,000	45,000	**1.2%**						17,389	17,911	18,448								
				Property Site Elements																							
4.020	22,200	22,200	Square Yards	Asphalt Pavement, Crack Repair, Patch, Seal Coat and Striping	2029	3 to 5	3	2.50	55,500	55,500	**4.1%**				60,646				68,258				76,825				86,467
4.040	19,000	9,500	Square Yards	Asphalt Pavement, Mill and Overlay, Streets, Parking Areas, and Driveways, Phased	2044	15 to 20	18 to 19	24.00	228,000	456,000	**6.2%**																
4.045	188	31	Each	Asphalt Pavement, Total Replacement, Unit Walkways, Phased (Near Term is Remaining)	2026	15 to 20	0 to 39	1,200.00	37,596	225,600	**1.2%**	37,596	38,724	39,886	41,082												
4.080	1,500	750	Square Yards	Asphalt Pavement, Total Replacement, Walking Paths, Phased	2044	15 to 20	18 to 19	36.00	27,000	54,000	**0.7%**																
4.100	24	12	Each	Catch Basins, Inspections and Capital Repairs, Phased	2044	15 to 20	18 to 19	1,200.00	14,400	28,800	**0.4%**																
4.285	1,900	317	Linear Feet	Fences, Wood, Privacy, Perpendicular to Unit Rear Elevations, Phased (Near Term is Remaining)	2027	15 to 25	1 to 21	55.00	17,417	104,500	**2.2%**		17,939		19,032		20,191		21,421		22,725							
4.560	37	19	Each	Light Poles and Fixtures, Phased	2047	20 to 30	21 to 22	2,500.00	46,250	92,500	**1.4%**																
4.600	5	5	Each	Mailbox Shelters, Renovation	2034	to 25	8	5,000.00	25,000	25,000	**0.3%**									31,669							
4.650	1	1	Allowance	Pipes, Subsurface Utilities, Capital Repairs (Near Term is Anticipated)	2026	4 to 6	0	30,000.00	30,000	30,000	**4.5%**	30,000	30,900	31,827	32,782	33,765			36,896			40,317			44,056		
4.730	630	630	Square Yards	Pond, Sediment Removal	2038	to 20	12	60.00	37,800	37,800	**0.4%**													53,894			
				Anticipated Expenditures, By Year ($12,660,529 over 30 years)								67,596	87,563	71,713	153,542	950,515	969,964	85,259	214,391	31,669	22,725	40,317	76,825	53,894	44,056	0	1,384,773

RESERVE EXPENDITURES

Charlesgate Village Association
Amherst, New York

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis Years Useful	Life Analysis Years Remaining	Costs, $ Unit (2026)	Costs, $ Per Phase (2026)	Costs, $ Total (2026)	Percentage of Future Expenditures	16 2042	17 2043	18 2044	19 2045	20 2046	21 2047	22 2048	23 2049	24 2050	25 2051	26 2052	27 2053	28 2054	29 2055	30 2056
				Exterior Building Elements																						
1.240	10,480	10,480	Linear Feet	Gutters and Downspouts, Aluminum, Phase 1	2030	15 to 25	4	14.00	146,720	146,720	**3.8%**											316,415				
1.242	9,620	9,620	Linear Feet	Gutters and Downspouts, Aluminum, Phase 2	2031	15 to 25	5	14.00	134,680	134,680	**3.6%**												299,163			
1.280	954	954	Squares	Roofs, Asphalt Shingles, Phase 1	2030	15 to 25	4	700.00	667,800	667,800	**17.3%**											1,440,172				
1.282	876	876	Squares	Roofs, Asphalt Shingles, Phase 2	2031	15 to 25	5	700.00	613,200	613,200	**16.4%**												1,362,094			
1.855	188	63	Units	Walls, Siding, Vinyl, Paint Finishes and Capital Repairs, Phased	2031	8 to 10	5 to 7	900.00	56,403	169,200	**4.5%**										118,095	121,638	125,287			
1.860	250,000	83,333	Square Feet	Walls, Siding, Vinyl, Replacement (incl. soffit and fascia), Phased	2041	to 40	15 to 17	10.00	833,333	2,500,000	**31.7%**	1,337,255	1,377,373													
1.905	3	1	Allowance	Walls, Trim, Paint Finishes and Partial Replacements, Phased	2031	8 to 10	5 to 7	15,000.00	15,000	45,000	**1.2%**										31,407	32,349	33,319			
				Property Site Elements																						
4.020	22,200	22,200	Square Yards	Asphalt Pavement, Crack Repair, Patch, Seal Coat and Striping	2029	3 to 5	3	2.50	55,500	55,500	**4.1%**								109,534				123,282			
4.040	19,000	9,500	Square Yards	Asphalt Pavement, Mill and Overlay, Streets, Parking Areas, and Driveways, Phased	2044	15 to 20	18 to 19	24.00	228,000	456,000	**6.2%**			388,155	399,799											
4.045	188	31	Each	Asphalt Pavement, Total Replacement, Unit Walkways, Phased (Near Term is Remaining)	2026	15 to 20	0 to 39	1,200.00	37,596	225,600	**1.2%**															
4.080	1,500	750	Square Yards	Asphalt Pavement, Total Replacement, Walking Paths, Phased	2044	15 to 20	18 to 19	36.00	27,000	54,000	**0.7%**			45,966	47,345											
4.100	24	12	Each	Catch Basins, Inspections and Capital Repairs, Phased	2044	15 to 20	18 to 19	1,200.00	14,400	28,800	**0.4%**			24,515	25,250											
4.285	1,900	317	Linear Feet	Fences, Wood, Privacy, Perpendicular to Unit Rear Elevations, Phased (Near Term is Remaining)	2027	15 to 25	1 to 21	55.00	17,417	104,500	**2.2%**						32,400		34,374		36,467		38,688		41,044	
4.560	37	19	Each	Light Poles and Fixtures, Phased	2047	20 to 30	21 to 22	2,500.00	46,250	92,500	**1.4%**						86,039	88,620								
4.600	5	5	Each	Mailbox Shelters, Renovation	2034	to 25	8	5,000.00	25,000	25,000	**0.3%**															
4.650	1	1	Allowance	Pipes, Subsurface Utilities, Capital Repairs (Near Term is Anticipated)	2026	4 to 6	0	30,000.00	30,000	30,000	**4.5%**	48,141			52,605			57,483			62,813			68,638		
4.730	630	630	Square Yards	Pond, Sediment Removal	2038	to 20	12	60.00	37,800	37,800	**0.4%**															
				Anticipated Expenditures, By Year ($12,660,529 over 30 years)								1,385,397	1,377,373	458,635	525,000	0	118,439	146,103	143,908	0	248,782	1,910,574	1,981,834	68,638	41,044	0

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS
Charlesgate Village Association
Amherst, New York

Individual Reserve Budgets & Cash Flows for the Next 30 Years

		FY2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Reserves at Beginning of Year	*(Note 1)*	1,161,340	1,366,180	1,569,288	1,801,432	1,964,620	1,332,923	673,508	901,765	1,014,059	1,323,589	1,659,648	1,996,348	2,314,849	2,675,194	3,065,509	3,521,542
Total Recommended Reserve Contributions	*(Note 2)*	**240,000**	**253,000**	**260,600**	**268,400**	**276,500**	**284,800**	**293,300**	**302,100**	**311,200**	**320,500**	**330,100**	**340,000**	**350,200**	**360,700**	**371,500**	**382,600**
Estimated Interest Earned, During Year	*(Note 3)*	32,436	37,671	43,257	48,330	42,318	25,749	20,216	24,586	29,999	38,284	46,918	55,326	64,038	73,671	84,533	78,532
Anticipated Expenditures, By Year		(67,596)	(87,563)	(71,713)	(153,542)	(950,515)	(969,964)	(85,259)	(214,391)	(31,669)	(22,725)	(40,317)	(76,825)	(53,894)	(44,056)	0	(1,384,773)
Anticipated Reserves at Year End		$1,366,180	$1,569,288	$1,801,432	$1,964,620	$1,332,923	$673,508	$901,765	$1,014,059	$1,323,589	$1,659,648	$1,996,348	$2,314,849	$2,675,194	$3,065,509	$3,521,542	$2,597,900

(continued)

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

	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056
Reserves at Beginning of Year	2,597,900	1,661,263	720,354	698,020	620,542	1,085,942	1,456,936	1,823,430	2,215,960	2,779,163	3,120,188	1,802,285	394,037	903,855	1,472,001
Total Recommended Reserve Contributions	**394,100**	**405,900**	**418,100**	**430,600**	**443,500**	**456,800**	**470,500**	**484,600**	**499,100**	**514,100**	**529,500**	**545,400**	**561,800**	**578,700**	**596,100**
Estimated Interest Earned, During Year	54,659	30,564	18,202	16,921	21,900	32,633	42,097	51,838	64,103	75,707	63,171	28,186	16,656	30,490	46,021
Anticipated Expenditures, By Year	(1,385,397)	(1,377,373)	(458,635)	(525,000)	0	(118,439)	(146,103)	(143,908)	0	(248,782)	(1,910,574)	(1,981,834)	(68,638)	(41,044)	0
Anticipated Reserves at Year End	$1,661,263	$720,354	$698,020	$620,542	$1,085,942	$1,456,936	$1,823,430	$2,215,960	$2,779,163	$3,120,188	$1,802,285	$394,037	$903,855	$1,472,001	$2,114,122
												(NOTE 5)			*(NOTE 4)*

Explanatory Notes:

1) Year 2026 starting reserves are as of January 1, 2026; FY2026 starts January 1, 2026 and ends December 31, 2026.
2) Reserve Contributions for 2026 are budgeted; 2027 is the first year of recommended contributions.
3) **2.6%** is the estimated annual rate of return on invested reserves.
4) Accumulated year 2056 ending reserves consider the age, size, overall condition and complexity of the property.
5) Threshold Funding Year (reserve balance at critical point).

*Refer to the Reserve Expenditures pages for the full list of reserve elements

FIVE-YEAR OUTLOOK

Charlesgate Village Association
Amherst, New York

Line Item	Reserve Component Inventory	RUL = 0 FY2026	1 2027	2 2028	3 2029	4 2030	5 2031
	Exterior Building Elements						
1.240	Gutters and Downspouts, Aluminum, Phase 1					165,135	
1.242	Gutters and Downspouts, Aluminum, Phase 2						156,131
1.280	Roofs, Asphalt Shingles, Phase 1					751,615	
1.282	Roofs, Asphalt Shingles, Phase 2						710,867
1.855	Walls, Siding, Vinyl, Paint Finishes and Capital Repairs, Phased						65,387
1.905	Walls, Trim, Paint Finishes and Partial Replacements, Phased						17,389
	Property Site Elements						
4.020	Asphalt Pavement, Crack Repair, Patch, Seal Coat and Striping				60,646		
4.045	Asphalt Pavement, Total Replacement, Unit Walkways, Phased (Near Term is Remaining)	37,596	38,724	39,886	41,082		
4.285	Fences, Wood, Privacy, Perpendicular to Unit Rear Elevations, Phased (Near Term is Remaining)		17,939		19,032		20,191
4.650	Pipes, Subsurface Utilities, Capital Repairs (Near Term is Anticipated)	30,000	30,900	31,827	32,782	33,765	
	Anticipated Expenditures, By Year ($2,300,893 over 5 years)	67,596	87,563	71,713	153,542	950,515	969,964

4. RESERVE COMPONENT DETAIL

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

Exterior Building Elements



Typical front elevation



Typical rear-side elevation

Gutters and Downspouts

Line Items: 1.240 and 1.242

Quantity and History: Approximately 10,480 linear feet of aluminum gutters and downspouts at the phase 1 roofs and approximately 9,620 at the phase 2 roofs:

Phase	Addresses	Quantity (Linear Feet)	Age
1	101-108, 151-156, 201-208, 251-254, 351-356, 401-406, 501-508, 701-708, 801-804, 901-908, 1001-1008, 1051-1056, 1101-1106, 1151-1154, 1401-1408	10,480	Replaced in 2006
2	51-54, 301-306, 451-456, 551-559, 601-604, 651-655, 751-754, 851-854, 951-954, 1201-1208, 1251-1254, 1301-1304, 1351-1358, 1451-1454, 1551-1556, 1651-1654, 1751-1756	9,620	Replaced in 2007
Total:		**20,100**	

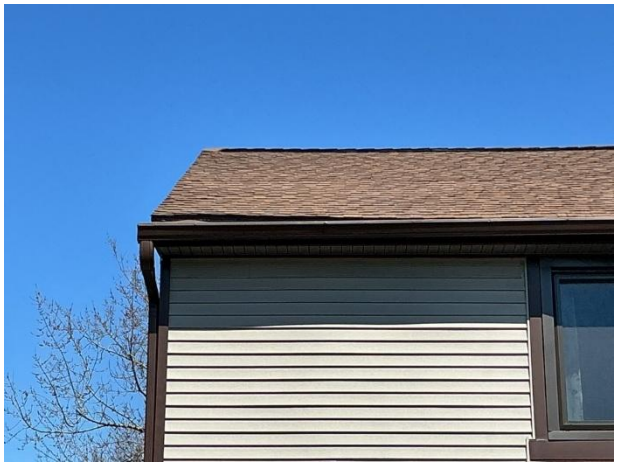
Condition: Fair overall condition with periodic gutter separation and areas of downspouts discharging onto roofs.



Aluminum gutters and downspouts



Aluminum gutters and downspouts



Gutter separation



Gutter separation



Downspout discharge onto lower roof

Useful Life: 15- to 25-years

Component Detail Notes: The size of the gutter is determined by the roof's watershed area, a roof pitch factor and the rainfall intensity number of the Association's region. We

recommend sloping gutters 1/16 inch per linear foot and providing fasteners a maximum of every three feet.

Downspouts can drain 100 square feet of roof area per one square inch of downspout cross sectional area. We recommend the use of downspout extensions and splash blocks at the downspout discharge to direct storm water away from the foundations. The useful life of gutters and downspouts coincides with that of the sloped roofs. Coordinated replacement will result in the most economical unit price and minimize the possibility of damage to other roof components as compared to separate replacements.

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

- Semi-annually:
  - Clean out debris and leaves that collect in the gutters
  - Repair and refasten any loose gutter fasteners
  - Repair and seal any leaking seams or end caps
  - Verify downspouts discharge away from foundations

Priority: Defer only upon opinion of independent professional or engineer

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

Roof, Asphalt Shingles

Line Items: 1.280 and 1.282

Quantity and History: Approximately 954 *squares*[1] at the phase 1 roofs and approximately 876 squares at the phase 2 roofs:

Phase	Addresses	Quantity (Squares)	Age
1	101-108, 151-156, 201-208, 251-254, 351-356, 401-406, 501-508, 701-708, 801-804, 901-908, 1001-1008, 1051-1056, 1101-1106, 1151-1154, 1401-1408	954	Replaced in 2006
2	51-54, 301-306, 451-456, 551-559, 601-604, 651-655, 751-754, 851-854, 951-954, 1201-1208, 1251-1254, 1301-1304, 1351-1358, 1451-1454, 1551-1556, 1651-1654, 1751-1756	876	Replaced in 2007
Total:		**1,830**	

Condition: Fair overall condition with periodic granular loss, shingle curl, and previous repairs evident.

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



Roof overview



Roof overview



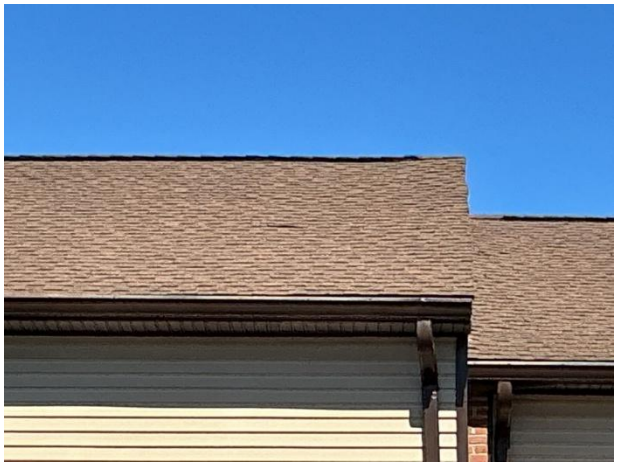
Roof overview



Granular loss



Downspout properly routed over lower roof



Shingle curl



Flashing deterioration and spray foam repair



Repair at roof penetration

Useful Life: 15- to 25-years

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

- Laminate shingles
- Boston style ridge caps
- Rubber seal with metal base boot flashing at waste pipes
- Soffit, gable, and ridge vents
- Metal drip edge

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

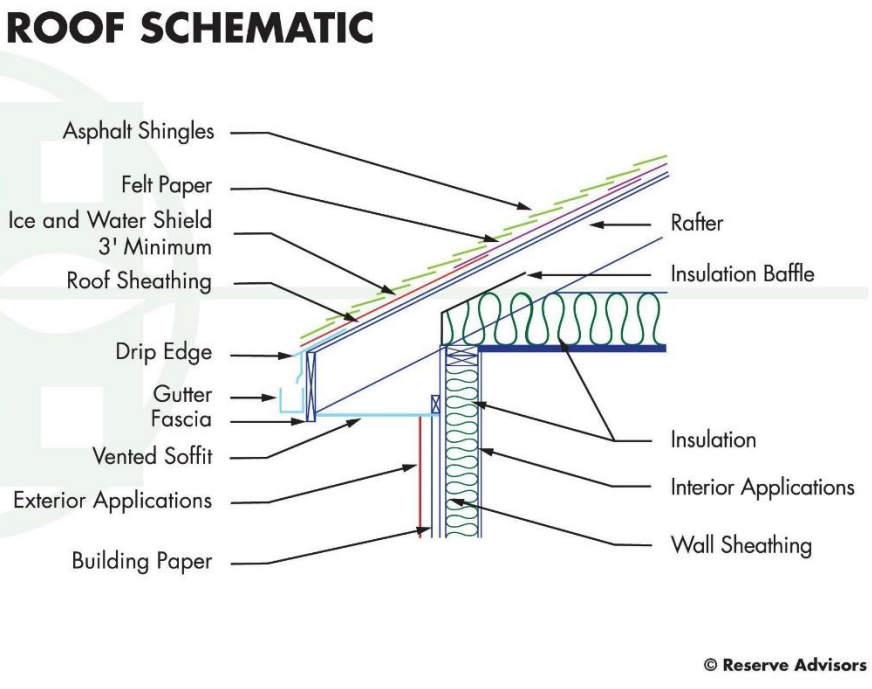
The vents should be clear of debris and not blocked from above by attic insulation. If the soffit vents are blocked from above, installation of polystyrene vent spaces or baffles between the roof joists at these locations can ensure proper ventilation.

Certain characteristics of condition govern the times of replacement. Replacement of an asphalt shingle roof becomes necessary when there are multiple or recurring leaks and when the shingles begin to cup, curl and lift. These conditions are indications that the asphalt shingle roof is near the end of its useful life. Even if the shingles are largely watertight, the infiltration of water in one area can lead to permanent damage to the underlying roof sheathing. This type of deterioration requires replacement of saturated

sections of sheathing and greatly increases the cost of roof replacement. Roof leaks may occur from interrelated roof system components, i.e., flashings. Therefore, the warranty period, if any, on the asphalt shingles, may exceed the useful life of the roof system.

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

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



Contractors use one of two methods for replacement of sloped roofs, either an overlayment or a tear-off. Overlayment is the application of new shingles over an existing roof. However, there are many disadvantages to overlayment including hidden defects

of the underlying roof system, absorption of more heat resulting in accelerated deterioration of the new and old shingles, and an uneven visual appearance. Therefore, we recommend only the tear-off method of replacement. The tear-off method of replacement includes removal of the existing shingles, flashings if required and underlayments.

The Association should plan to coordinate the replacement of gutters and downspouts with the adjacent roof. This will result in the most economical unit price and minimize the possibility of damage to other roof components as compared to separate replacements.

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

- Annually:
    - Record any areas of water infiltration, flashing deterioration, damage or loose shingles
    - Implement repairs as needed if issues are reoccurring
    - Trim tree branches that are near or in contact with roof
- As-needed:
    - Ensure proper ventilation and verify vents are clear of debris and not blocked from attic insulation

Priority: Defer only upon opinion of independent professional or engineer

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

Walls, Siding, Vinyl

Line Items: 1.855 and 1.860

Quantity: Approximately 250,000 square feet of vinyl siding comprises the exterior walls

History: Original with a history of paint finishes and repairs. Paint finishes were last conducted from 2021 through 2023.

Condition: Good to fair overall condition with periodic discoloration and stains and an area of missing siding.



Vinyl siding overview



Vinyl siding overview



Vinyl siding overview



Vinyl siding overview



Vinyl siding overview



Vinyl siding discoloration



Vinyl siding stain



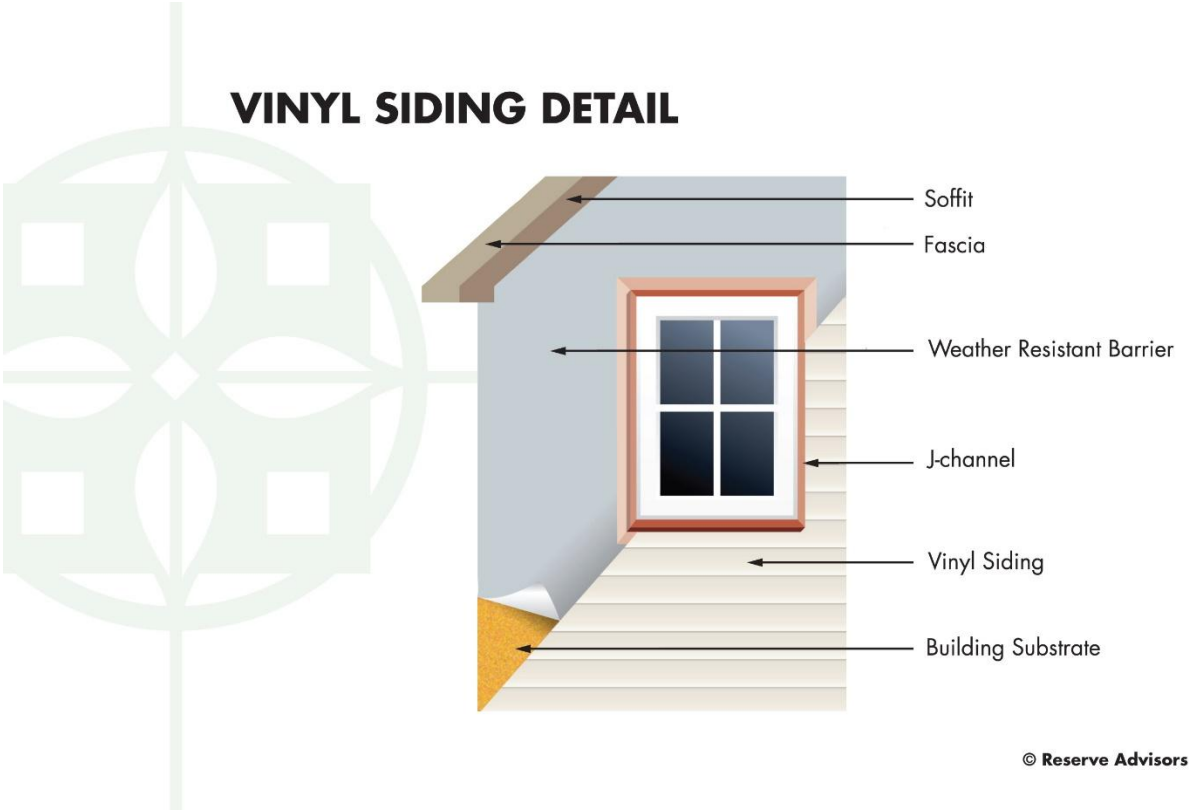
Missing siding

Useful Life: Up to 40 years for replacement with paint finishes every 8- to 10-years

Component Detail Notes: The siding at Charlesgate Village consists of the following:

- Clapboard double four-inch profile
- J-channel trim at window and door perimeters, and other penetrations
- Water-vapor permeable building paper protects the buildings

The following diagram details the use of building wrap in a vinyl siding system:



The Association should install new vinyl siding as recommended by the *Vinyl Institute, Inc*. The vinyl siding should be installed over a continuous weather resistant barrier and

properly integrated flashing around all penetrations. Fasteners used should include aluminum, galvanized steel or other corrosion-resistant fasteners. Siding panels should overlap by approximately one inch. Joints should be staggered so that no two courses are aligned vertically, unless separated by at least three courses. The siding should not be caulked where the siding meets trim accessories, such as J-channel, or at overlap joints. J-channel should be installed a minimum of ½ inch off of roof lines.

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

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

Priority: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our estimate of cost for paint finishes is based on information provided by Management and the Board.

Walls, Siding, Trim

Line Item: 1.905

Quantity: We include paint finishes at the various trim elements

History: Original with paint finishes and repairs most recently from 2021 to 2023.

Condition: Good to fair overall with periodic wood deterioration evident



Garage door trim



Trim at building



Wood trim rot

Useful Life: 8- to 10-years

Component Detail Notes: 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 or chalking of the prior paint finish.

Priority: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our estimate of cost is based on information provided by Management and the Board. We assume the following activities per event:

- Paint finish applications
- Replacement of a limited amount of trim as needed (The exact amount of material in need of replacement will depend on the actual future conditions and desired appearance. We recommend replacement wherever holes, cracks and deterioration impair the ability of the material to prevent water infiltration.)

Property Site Elements

Asphalt Pavement, Crack Repair, Patch, Seal Coat, and Striping

Line Item: 4.020

Quantity: Approximately 22,200 square yards of asphalt pavement are located at the streets, parking areas, driveways, walkways (between driveways and front entrance stoops) and walking paths.

History: Repaved from 2024 to 2025 at the streets, parking areas, walking paths, and driveways. The unit walkways have been partially repaved over the past several years.

Condition: Good overall condition with the exception of the unit walkways not yet repaved which are in fair overall condition with frequent cracks and deterioration.

Useful Life: Three- to five-years

Component Detail Notes: Proposals for seal coat applications should include crack repairs. The contractor should only apply seal coat applications after repairs are completed. A seal coat does not bridge or close cracks; therefore, unrepaired cracks render the seal coat applications useless.

Priority: Per Board discretion

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

Asphalt Pavement, Repaving

Line Items: 4.040 through 4.080

Quantity: Approximately 22,200 square yards of asphalt pavement are located at the streets, parking areas, driveways, walkways (between driveways and front entrance stoops) and walking paths including 19,000 square yards at the streets, parking areas, and driveways, 1,500 square yards at the walking paths, and 1,700 square yards at the unit walkways.

History: Repaved from 2024 to 2025 at the streets, parking areas, walking paths, and driveways. The unit walkways have been partially repaved over the past several years.

Condition: Good overall condition with the exception of the unit walkways not yet repaved which are in fair overall condition with frequent cracks and deterioration.



Pavement overview



Pavement overview



Pavement overview



Pavement overview



Pavement overview



Pavement overview



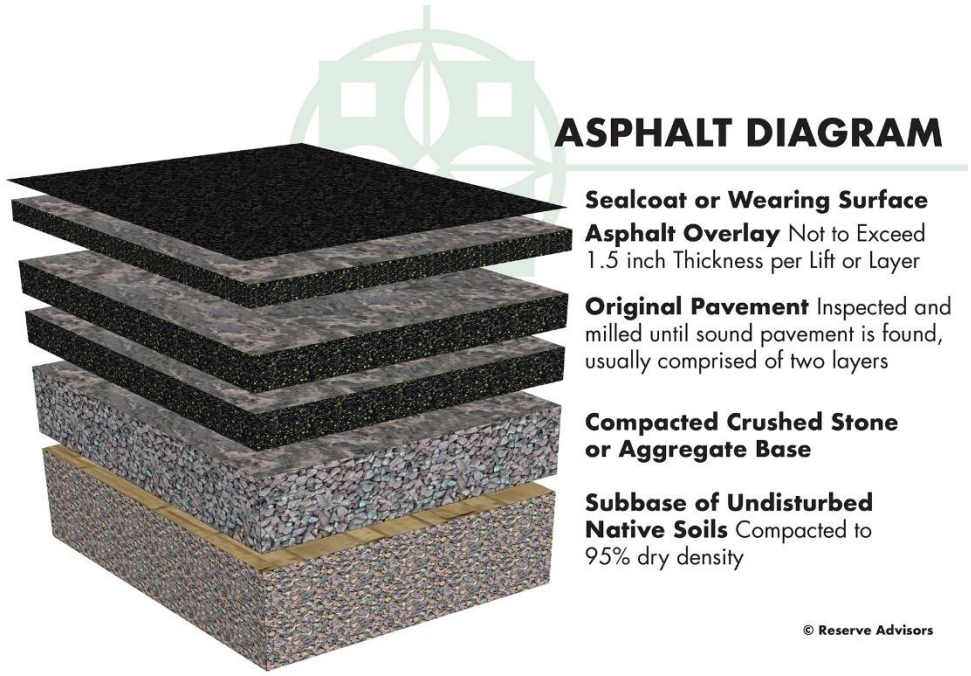
Pavement deterioration at unit walking path



Pavement deterioration at unit walking path

Useful Life: 15- to 20-years with the benefit of timely crack repairs and patching

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



The manner of repaving is either a mill and overlay or total replacement. A mill and overlay is a method of repaving where cracked, worn and failed pavement is mechanically removed or milled until sound pavement is found. A new layer of asphalt is overlaid atop the remaining base course of pavement. Total replacement includes the removal of all existing asphalt down to the base course of aggregate and native soil followed by the

application of two or more new lifts of asphalt. We recommend mill and overlayment on asphalt pavement that exhibits normal deterioration and wear. We recommend total replacement of asphalt pavement that exhibits severe deterioration, inadequate drainage, pavement that has been overlaid multiple times in the past or where the configuration makes overlayment not possible. Based on the apparent visual condition and configuration of the asphalt pavement, we recommend the total replacement method of repaving at the walking paths and unit walkways and the mill and overlayment method at the streets, parking areas, and driveways Charlesgate Village.

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

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

Priority: Defer only upon opinion of independent professional or engineer

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

Catch Basins

Line Item: 4.100

Quantity: 24 catch basins[2]

History: Original with a history of repairs in conjunction with repaving

Condition: Good overall condition with no significant deterioration

[2] We utilize the terminology catch basin to refer to all storm water collection structures including curb inlets.



Typical catch basin

Useful Life: The useful life of catch basins is up to 65 years. However, achieving this useful life usually requires interim capital repairs or partial replacements every 15- to 20-years.

Component Detail Notes: Erosion causes settlement around the collar of catch basins. Left unrepaired, the entire catch basin will shift and need replacement.

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

- Annually:
    - Inspect and repair any settlement and collar cracks
    - Ensure proper drainage and inlets are free of debris
    - If property drainage is not adequate in heavy rainfall events, typically bi-annual cleaning of the catch basins is recommended

Priority: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We recommend the Association plan for inspections and capital repairs to the catch basins in conjunction with repaving.

Fences, Wood, Privacy

Line Item: 4.285

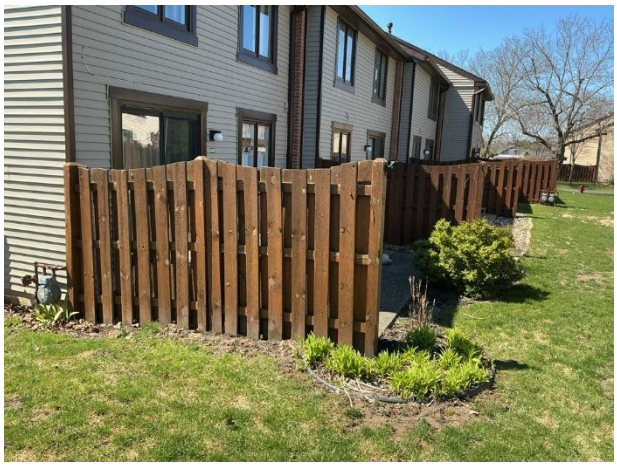
Quantity: 1,900 linear feet of wood privacy fences. This quantity includes sections perpendicular to the buildings only.

History: The fences are repaired and replaced in a phased manner.

Condition: Varied overall condition with some sections in good condition and some sections in fair condition with areas of wood rot.



Wood fence



Wood fence



Fence wood rot

Useful Life: 15- to 25-years

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

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

Priority: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. The Association should anticipate periodic partial replacements due to the non-uniform nature of wood deterioration. Along with these partial replacements, the Association should apply periodic paint applications as needed and fund these activities through the operating budget.

Light Poles and Fixtures

Line Item: 4.560

Quantity: 37 fiberglass poles with LED light fixtures

History: Replaced from 2020 to 2021

Condition: Good overall condition with no significant deterioration evident



Light pole and fixture

Useful Life: 20- to 30-years

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

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

Priority: Per Board discretion

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

Mailbox Shelters

Line Item: 4.600

Quantity: Five shelters

History: Original with a history of periodic minor renovations and no reported plans for near-term renovations.

Condition: Satisfactory overall condition. We note organic growth at one shelter roof.



Mailbox stations



Mailbox stations



Organic growth on mailbox shelter roof

Useful Life: Up to 25 years

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

- As-needed:
  - Inspect and repair damage, vandalism, and finish deterioration
  - Verify posts are anchored properly

Priority: Per Board discretion

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

Pipes, Subsurface Utilities

Line Item: 4.650

Quantity: The Association is responsible for the main lines subsurface domestic water and sanitary sewer utility pipes throughout the community. Homeowners are responsible for the lateral line subsurface domestic water and sanitary sewer utility pipes.

History and Condition: The pipes are reported in overall fair condition with a history of frequent breaks requiring repairs. The Association anticipates the need to conduct ongoing repairs in the near future.

Useful Life: Indeterminately long useful life with inspections and capital repairs every four- to six-years

Component Detail Notes: The Association maintains the subsurface utility pipes throughout the property. The exact amounts and locations of the subsurface utility pipes were not ascertained due to the nature of the underground construction and the non-invasive nature of the inspection.

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

- As-needed:
    - Video inspect waste pipes for breaks and damaged piping
    - Monitor for water and gas leaks through pressure losses and present odors
    - Partially replace damaged section of pipes

Priority: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. At this time, we do not anticipate replacement of continuous lengths of subsurface utility pipes. Rather we recommend the Association budget for repairs to isolated occurrences of breached utilities. Although it is likely that the times of replacement and extent of repair costs may vary from the budgetary allowance, Charlesgate Village could budget sufficient reserves for these utility repairs and have the opportunity to adjust its future reserves up or down to meet any changes to these budgetary estimates. Updates of this Reserve Study would incorporate changes to budgetary costs through a continued historical analysis of the rate of deterioration and actual repairs to budget sufficient reserves.

Pond, Sediment Removal

Line Item: 4.730

Quantity: Approximately 630 square yards of water surface area

History: Original with a history of sediment removal in approximately 2018

Condition: Good to fair overall without significant erosion or sediment build up evident



Pond overview



Pond overview

Useful Life: Based on the visual condition and construction, we recommend the Association anticipate the need to remove pond sediment up to every 20 years.

Component Detail Notes: The gradual build-up of natural debris, including tree leaves, branches and silt, may eventually change the topography of areas of the pond. Silt typically accumulates at inlets, outlets and areas of shoreline erosion. Sediment removal of ponds becomes necessary if this accumulation alters the quality of pond water or the functionality of the ponds as storm water management structures. Sediment removal is the optimal but also the most capital-intensive method of pond management. Excavation equipment used for sediment removal includes clamshells, draglines and suction pipelines. Sediment removal can also include shoreline regrading. Regrading includes removal of collapsed and eroded soil, and redefining the shoreline.

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

- Annually:
    - Inspect and remediate shoreline erosion and areas of sediment accumulation
    - Clear and remove debris and vegetation overgrowth at pond edges, and inlet and outlet structures
    - Inspect for algae blooms and remedy as needed through a chemical treatment program or aeration

Priority: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. For reserve budgeting purposes, we estimate the need to remove an average depth of one yard from the entire surface area of the pond. However, the actual volume of material to remove may vary dependent upon an invasive analysis at the time of removal. A visual inspection of a body of water cannot reveal the amount of accumulated silt. This is especially true on larger bodies of water. It is therefore inaccurate to assume an entire body of water will require sediment removal. It is more cost effective to spot remove in areas of intense silt accumulation as noted

through bathymetric surveys. The amount or depth of silt is determined through prodding into the silt until a relatively solid base is found or through bathymetric surveys. A bathymetric survey establishes a base of data about the depth of the body of water over many locations against which the data of future surveys is compared. These invasive procedures are beyond the scope of a Reserve Study and require multiple visits to the site. We recommend Charlesgate Village contract with a local engineer for periodic bathymetric surveys. Future updates of the Reserve Study can incorporate future anticipated expenditures based on the results of the bathymetric surveys.

Unit costs per cubic yard to remove can vary significantly based on the type of equipment used, quantity of removed material and disposal of removed material. Sediment removal costs must also include mobilization, or getting the equipment to and from the site. Also, the portion of the overall cost to remove associated with mobilization varies based on the volume removed. Costs for sediment disposal also vary depending on the site. Compact sites will require hauling and in some cases disposal fees.

Reserve Study Update

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

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

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

5. METHODOLOGY

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

Charlesgate Village can fund capital repairs and replacements in any combination of the following:

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

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

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

- The Cash Flow Method to compute, project and illustrate the 30-year Reserve Funding Plan
- Local[2] 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 Amherst, New York at an annual inflation rate[3]. Isolated or regional markets of

[1] Identified in the APRA "Standards - Terms and Definitions" and the CAI "Terms and Definitions".
[2] See Credentials for additional information on our use of published sources of cost data.
[3] Derived from Marshall & Swift, historical costs and the Bureau of Labor Statistics.

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

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

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

6. CREDENTIALS

HISTORY AND DEPTH OF SERVICE

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

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

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

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

TOTAL STAFF INVOLVEMENT

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

OUR GOAL

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

VAST EXPERIENCE WITH A VARIETY OF BUILDINGS

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

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

OLD TO NEW

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

JOSEPH W. COFFEE, RS
Responsible Advisor



CURRENT CLIENT SERVICES

Joseph Coffee is a Senior Engineer for Reserve Advisors. Mr. Coffee is responsible for the inspection and analysis of the condition of clients' property, and recommending engineering solutions to prolong the lives of the components. He also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. He is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast services and the preparation of Reserve Studies for clubs, churches, commercial facilities, condominiums, townhomes, and homeowners associations.

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

The Winchester – Located in Pittsburgh, Pennsylvania, this condominium building contains 47 units. The building exterior is clad in eight-inch gloss-green ceramic tiles giving the building a unique appearance. Amenities include an indoor pool, private parking garage with elevated asphalt drive lane, and a rooftop deck.

Lake Naomi Club – This club is located in Pocono Pines, Pennsylvania, and contains 1,808 member homes with extensive amenities and assets. Amenities and assets include multiple clubhouses and staff buildings, a golf course, a hotel, maintenance facilities and equipment, several outdoor pools, and a large community center complex with indoor and outdoor sports facilities, restaurants, and an indoor swimming and recreation center.

Stoneybrook Master Association of Orlando, Inc. - This master association is located in Orlando, Florida, and services the common elements shared by 1,357 homes. The property contains numerous amenities including a swimming pool, clubhouse, playgrounds, tennis courts, ponds and guard houses. The extensive asphalt pavement street system includes approximately 340,000 square yards of asphalt pavement and five vehicular bridges.

Prestige Condominiums at Will O' The Wisp – This unique condominium structure is located in Oakland, Maryland and contains 47 units. The structure is built into a steep hill and ground level can be accessed from both the first and sixth floors, while the subsurface parking garage is accessed from the fifth floor. Amenities include an expansive atrium with indoor pool, a dock system, and an arcade.

Marbella Owners Association, Inc. – This high-end condominium building is located in Jacksonville, Florida and contains 24 units, each comprising one half story, or half of the building footprint. The expansive units contain an average of 1,125 square feet of association-maintained balconies each, and the building contains various amenities including beach access, a swimming pool, and a private parking garage.

Regina Coeli Parish. - Located in Pittsburgh, Pennsylvania, this parish is comprised of two church campuses including seven buildings. Assets include a large stone church built around year 1900 with the original organ system, a large modern church built in the 1980's with a modern infotainment equipment, a three-story school building sufficient to serve hundreds of students, and several smaller structures for staff and administrative purposes.

EDUCATION

Embry-Riddle Aeronautical University - B.S. Civil Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Reserve Specialist (RS) - Community Associations Institute

STEPHEN E. BRESKI, P.E., RS
Director of Engineering Training and Development
Northeast Quality Assurance Engineer



CURRENT CLIENT SERVICES

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

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

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

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

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

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

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

PRIOR RELEVANT EXPERIENCE

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

EDUCATION

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

PROFESSIONAL AFFILIATIONS

Professional Engineer (P.E.) – District of Columbia
Reserve Specialist (RS) – Community Association Institute

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

CURRENT CLIENT SERVICES:



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

SCOPE OF EXPERIENCE:

Mr. Ebert's background in geological engineering includes analysis of foundations, retaining walls, and slope stability—critical components that inform his assessment of building systems and site infrastructure. He has directed and reviewed reserve studies for a wide range of properties and building systems, including:

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

LEADERSHIP, QUALITY ASSURANCE, AND CLIENT SERVICE

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

EDUCATION

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

LICENSES AND CREDENTIALS

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

RESOURCES

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

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

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

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

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

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

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

7. DEFINITIONS

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

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

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

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

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

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

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

Long-Lived Property Component - Property component of Charlesgate Village 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) Charlesgate Village responsibility; 2) limited Useful Life expectancies; 3) predictable Remaining Useful Life expectancies; and 4) a replacement cost above a minimum threshold.

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

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

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

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

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

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

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

8. PROFESSIONAL SERVICE CONDITIONS

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

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

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

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

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

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

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

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

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

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