



MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.



(Final Report, Revised August 19, 2021)

Condition Assessment
&
Reserve Fund Plan Update
2021

GREENWAY FARMS

Leesburg, Virginia



Prepared for:
The Board of Directors
&
American Management of Virginia, LLC



MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.



P. O. Box 1 Fort Valley, Virginia 22652 800-776-6980 admin@masonreserves.com

August 19, 2021

Ms. Lily Lombardo, Community Manager
American Management of Virginia, LLC
722 East Market Street, Suite 100
Leesburg, Virginia 20176

RE: **CONDITION ASSESSMENT AND RESERVE FUND PLAN UPDATE 2021**
Greenway Farms Homeowners Association
(Final Report, August 19, 2021)
Leesburg, Virginia
Project No. 9188

Dear Ms. Lombardo:

Mason & Mason Capital Reserve Analysts, Inc. has completed the final report for Greenway Farms.

We have revised the report to reflect changes that you and the Board requested on July 14, 2021.

We genuinely appreciate the opportunity to work with you and the Association.

Sincerely,

Mason & Mason Capital Reserve Analysts, Inc.

James G. Mason III, R.S.
Vice President

James G. Mason, R.S.
Principal



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FOREWORD

PLEASE READ THIS FIRST

This report contains information the Board requires to fulfill its fiduciary responsibilities with respect to the financial health of the Association. Even if you are already familiar with the concepts of capital reserve planning, it requires some study. The information in this report is vital to your Association's financial health. Unless you understand it, your Association may not follow it. This may lead to underfunding and financial stress at some time in the future.

Our years of experience providing reserve analysis to both first-time and multi-update return clients have compelled us to develop a logical funding approach, which is based on generational equity and fairness to common-interest property owners that helps ensure realistic reserve funding levels.

Our approach is neither standard, nor is it necessarily easy to understand without first becoming familiar with some basic concepts. Section 3 explains these concepts in more detail. We want you to understand them because a well-informed Association makes the best decisions for its common-property owners.

SUMMARY OF KEY ISSUES

Different readers will look for different things from this report. Perhaps the *homeowner* will just be looking for the high points. A *prospective buyer* may be looking at the general financial condition of the Association's reserves. A *Board member* should probe deeper in order to understand the financial tools that will be helpful in fulfilling their fiduciary responsibilities to the Association.

The Summary of Key Issues presents a recapitulation of the most important findings of Greenway Farms' Reserve Fund Plan Update. Each is discussed in greater detail in the body of the report. We encourage the reader to "go deeper" into the report, and we have written it in a way that is understandable to a first-time reader.

NOTE: We were requested as part of the final report, to increase the Inflation Factor to 2% and to include an option of 3% Inflation. We have accomplished this by adding Table 3.2 to the final report below which includes the 3% Inflation Factor model. The text portion of this report is based on using the 2% Inflation Factor.

Analyzing the capital reserves reveals that:

- The fund is approximately **66%** funded through 2020 using 2% inflation, **See Paragraph 3.1**. This is a significant improvement from past years. Our goal is to become fully funded by the end of the 20-year period (2040).

To achieve this goal, the Board should:

- Apply a **1.95%** annual adjustment to the contribution beginning in **2022**. Or, from **\$108,881** to **\$111,002**, and plan on continuation of the annual adjustments throughout the remainder of the period.
- This represents an adjustment from **\$21.35** to **\$21.77** (a net adjustment of **\$0.42**) per residence, per month (based on **425** total residents).

Supporting data are contained in the body of this report, and we encourage the reader to take the time to understand it.

VISUAL EVALUATION METHODOLOGY

The first step in the process is collection of specific data on each of your community's commonly held components. This information includes quantity and condition of each included component. We collect most of this data during the on-site field survey. When this information is not available in the field, we may obtain it by discussion with those knowledgeable through management or service activities.

The field survey or condition assessment is visual and non-invasive. We do not perform destructive testing to uncover hidden conditions; perform operational testing of mechanical, electrical, plumbing, fire, and life safety protection; or perform code compliance analysis.

We make no warranty that every defect has been identified. Our scope of work does not include an evaluation of moisture penetration, mold, indoor air quality, or other environmental issues. While we may identify, pedestrian hazards observed during the course of the field survey, this report should not be considered a safety evaluation of components.

Replacement costs are sometimes based on published references, such as R. S. Means. However, our opinions of replacement costs usually include removal and disposal and are usually based on experience with similar projects including information provided by local contractors and reported client experience. Actual construction costs can vary significantly due to seasonal considerations, material availability, labor, economy of scale, and other factors beyond our control.

Projected useful service lives are based on statistical data and our opinion of their current visual condition. No guarantee of component service life expectancies is expressed or implied and none should be inferred by this report. Your actual experience in replacing components may differ significantly from the projections in the report, because of conditions beyond our control or that were not visually apparent at the time of the survey.

1. INTRODUCTION

1.1 Background: Greenway Farms Homeowners Association is a combination of **269 single-family homes** and **156 townhomes** located on Meade Drive SW in Leesburg, Virginia. The community was constructed circa 1996. Three private streets, Goldsworth Terrace, Connery Terrace, and Hampshire Square are within the townhome section, and one parking area in front of the community center is private.

The street layout for the townhomes and the community center includes concrete sidewalks, driveway aprons, curbs and gutters, and 24 parking bays providing 259 spaces. Other common elements of the community include asphalt footpaths, footbridge, fencing, street signage in the townhome section, entrance signs, basketball court, tennis courts, and a pool and community center. Management reports that the Master and the Townhomes share a single reserve fund. Therefore, we are providing a single set of reserve fund plan tables with individual categories for clarity.

We are providing the Condition Assessment and Reserve Fund Plan Update based on Proposal Acceptance Agreement No. 9188 dated October 14, 2020. Our services are subject to all terms and conditions specified therein.

Mason & Mason did not review the declarations, covenants, or other organization documents pertaining to the establishment and governance of the Homeowners Association. Ultimately, the establishment, management, and expenditure of reserves are within the discretion of the Association and its Board of Directors pursuant to their organizational documents and subject to the laws of the applicable jurisdiction. We are not otherwise financially associated with the Management Company or the Association, and we therefore do not have any conflicts of interest that would bias this report. Information provided by Management is deemed reliable. This report is not intended to be an audit or a forensic investigation. This report is not a mandate but is intended to be a guide for future planning.

Mason & Mason provided a Level I Condition Assessment and Reserve Fund Plan for Greenway Farms in 2009 and a Level II Update in 2015. This report is an additional Level II Update and includes a new condition assessment. All common components were visually observed. Measurements and quantities were generally accepted from the previous report except where changes have occurred. The update report is a stand-alone document and reference to the previous report should not be necessary.

James G. Mason III, R. S. conducted the field evaluation for this report on January 11, 2021. We interviewed Ms. Lily Lombardo, Community Specialist, with American Management of Virginia, prior to the condition assessment. The sky was overcast, and the temperature was approximately 35 degrees F. Precipitation had not occurred for several days prior to the site visit. The pavements, walkways, and grounds were generally dry and clean of debris.

1.2 Principal Findings: The common assets appear to be in overall fair to good condition. The community is now reaching a 25-year benchmark in terms of replacement of major systems. The asphalt driveway and parking bays at the pool building are in overall good condition. Continued pavement maintenance such as crack filling and seal coating is necessary and should be coordinated with the townhome pavement near-term. The asphalt footpaths throughout the community range from fair to generally continuing good condition. A few areas of deflected pavement, coupled with minor transverse cracking was observed, requiring localized repair. Any tripping hazards or surface deficiencies should be mitigated to prevent personal injury.

The concrete sidewalks, front patio, concrete wheel stops, dumpster pad, retaining wall, and the pool deck range from fair to continuing good condition. Some areas require repair near-term. The liability and costs associated with personal injury lawsuits resulting primarily from sidewalk and curb tripping hazards are too great to defer repair. It is our opinion that deficiencies, which pose a hazard to pedestrians should be corrected as soon as practicable.

The Master Association Site Features such as the entrance monuments, monument lighting, vinyl fencing, metal handrailings, timber retaining wall, and the storm water drainage system range from fair to continuing good condition. We understand that a contract is in place to repair the cracking and re-color coat the tennis and multi-purpose courts near-term. This should be accomplished soon to prevent possible tripping hazards on the courts. The steel of the footbridge is heavily surface rusted. The community may want to consider priming and painting it to help maximize its service life. At minimum it will need localized wood tread replacement as some boards are beginning to rot. At the request of Management, we have continued the Tree Trimming, Removal, & Replacement Allowance with the requested budget.

The community center building was recently re-roofed and is in very good condition. Other building components such as the vinyl siding, wood and vinyl trim, windows, most doors, water heater, electric panel board, lighting, carpeting, plumbing fixtures, kitchen components, overhead doors, storage sheds, and the community center sign range from fair to generally continuing good condition. The dumpster enclosure was also replaced and now in good condition.

We understand that the pools were restored in 2018 at a cost of \$50,000. This restoration should have included white coating and coping; however, the pools were covered for the season and could not be evaluated. We have moved the next pool restoration out by an additional 18 years. Other pool components such as the fencing, perimeter equipment, and the pool furniture ranges from fair to continuing good condition. Management requested that we include pool pumps, filters, pool furniture, chlorinator, and the wading pool pump and filter for replacement in the next year or two, depending on if the pools will open again due to Covid19. We have also scheduled the pool covers for replacement, as they are nearing the end of their service life.

The townhome pavement ranges from fair to generally continuing good condition. We did not observe any major deflected asphalt (indicative of sub-base damage), and only moderate quantities of longitudinal and transverse cracking. Pavement maintenance, including crack filling and seal coating should be accomplished near-term. Concrete sidewalks, curbs and gutters, driveway aprons, and the street signage are in generally good condition.

Currently, the reserve fund is adequate, and requires only minimal annual adjustments in contributions to eventually achieve the fully funded goal by the end of the 20-year period.

In order to maintain the physical attributes that preserve property values and provide a safe environment for occupants and guests, a series of capital expenditures should be anticipated. Consequently, we have scheduled near-, mid-, and late-term restoration and replacement projects based on anticipated need from our experience with similar properties.

Generally, our approach is to group appropriately related component replacement items into projects. This creates a more realistic model and allows a grouping timeline that is more convenient to schedule and logical to accomplish. Please see the Table 1 Discussion, Column 17, and the Asphalt Pavement Report in Section 8, for specific information.

2. FINANCIAL ANALYSIS

We track the annual inflation rate among our clients based on their reported costs for typical services. The average rate of inflation since the 2008 recession has been 1.46% according to the U.S. Labor Department and is similar in our experience with clients. Substantially higher inflation rates have not materialized since then until now. It appears that the post Covid 19 impact on the economy combined with anticipated increases in government spending will at least temporarily increase inflation, so we are using a 3.00% annual rate of inflation, which is long term historically accurate. Interest income is not expected to rise or rise only minimally as Federal Reserve rates respond to new economic conditions, so we are continuing to use a .5% annual rate of return on investments. However, unlike reserves, interest income can be taxable, which may reduce the net gain even further. Annual Administrative Updates are increasingly important to respond to rapidly changing conditions during the post Covid 19 pandemic. It is prudent to keep a close watch on the economy and be ready to respond by updating the reserve fund plan as long-term economic changes dictate.

2.1 Calculation Basics: The Association is on a calendar fiscal year. Management reported that the reserve fund balance, including cash and securities, as of **December 31, 2020**, was **\$428,253**. We have used **2%** annual inflation (Board requested) and **.50%** annual interest income in our calculations. The total expenditures for the twenty-year period for both the **Cash Flow Method** and **Component Method** are projected to be **\$2,154,766**.

2.2 Current Funding Analysis, Cash Flow Method (Table 3): The 2021 annual contribution to reserves has been set at **\$108,881** with a presumed **2%** annual increase. At this level, the total for all annual contributions for the twenty-year period would be **\$2,645,522**, and the total interest income is projected to be **\$76,258**. **This funding slightly exceeds fully funded status.**

2.3 Alternative Funding Analysis, Cash Flow Method, Hybrid Approach (Table 3.1 Using 2% Inflation): The **2021** annual contribution to reserves has been set at **\$108,881**. **To maintain fully funded status through the end of the period, a 1.95% annual adjustment should be applied beginning in 2022.** At this level, the total for all annual contributions for the twenty-year period would be **\$2,631,964**, and the total interest income is projected to be **\$75,831**. **The fully funded balance in 2040 is \$981,282.**

2.4 Alternative Funding Analysis, Cash Flow Method, Hybrid Approach (Table 3.2 Using 3% Inflation): This plan provides the annual contributions necessary to maintain **fully funded status generated by the Component Method not included in the presented tables** by increasing the annual contribution to **\$122,270** in 2022 and providing annual adjustments of **3%**, matching inflation thereafter. **This plan allows for a gradual increase over time after the initial increase and addresses generational equity issues.** The total for all annual contributions for the twenty-year period would be **\$3,179,919**, and the total interest income is projected to be **\$88,921**. The **fully funded balance in 2040 is \$1,299,348**.

2.5 Funding Analysis, Component Method (Table 4, Using 2% Inflation): This method of funding would require variable annual contributions, averaging **\$130,737** over the twenty-year period. The total for all annual contributions would be **\$2,614,748**, and the total interest income is projected to be **\$93,047**. **The fully funded balance in 2040 is \$981,282.** The Component Method model considers the current reserve fund balance in computing individual component contributions for current cycles.

3. METHODS OF FUNDING

Once the data are compiled, our proprietary software produces two distinct funding methods. These are the **Component Method and Cash Flow Method**. Each of these methods is used in analyzing your Association's reserve status and each plays a role in the Board's decision on how to fund reserves. While we provide the guidance, the choice of funding method is ultimately the prerogative of the Board. Considering the vulnerability of the Association's assets, its risk tolerance, and its ability to fund contributions, the Board should decide how the Association will fund its reserves and at what level.

3.1 Component Method: As reserve analysts, we recognize the value of Component Method calculations as they address both future replacement costs and the time remaining to fund them. **This is the foundation of the savings concept. You will see the term "fully funded." This simply means you are on schedule, in any given year, to accrue sufficient funds by the component's replacement date. It does not mean you must have 100% of the funds ahead of time.** Simplified Example: A component projected to cost \$1,000 at the end of its 10-year life cycle would require a \$100 annual contribution in each of the 10 years. As long as you follow this contribution plan, the component is "fully funded."

Prior to determining the actual required annual contribution, a complex calculation apportions the existing reserve fund to each component. Each component's remaining unfunded balance forms the basis for the required contribution going forward.

Funds set aside for replacement of individual components are not normally used for the replacement of other components, even though the funds reside in the same bank account. In rare cases where a reserve fund is actually overfunded, \$0 will be displayed on the Component Method tables, indicating that the component is fully funded for that cycle.

While the time basis for the report is a 20-year period, the Component Method allows for inclusion of long-life components that may require replacement after the specified period. **This allows for funding of long-life components contemporaneously, which is fundamentally fair if they are serving the current owners. This is in contrast to saying, "if it doesn't require replacement within our 20-year period, we're going to ignore it."**

Due to replacement cycle time and cost differentials, the Component Method typically results in annual contribution fluctuations, which often makes it difficult for a Board to implement. **However, its guidance is essential and invaluable for understanding funding liabilities and making informed recommendations.** Table 4 shows these calculations, as well as projects interest income, expenses with inflation, and yearly balances, which will be "fully funded."

3.2 Cash Flow Method: The Cash Flow Method is easier to implement. It is a simple 20-year spread sheet that includes the starting balance, current contribution, interest income, inflation rate, projected expenses, and resulting yearly balances. The Cash Flow Method pools the contributions allocated to each of the Association's common components into a single "account."

Table 3 shows these calculations. This table reflects the information you provided on your reserve fund balance and current contribution. It also shows projected yearly positive or negative balances. **The Cash Flow Method does not include replacement funding for anything beyond the 20-year period, thus leaving a potential shortfall in funding and failing to address generational equity if not specifically set to do so.** It does not provide any real guidance beyond the basic information. There are several variations on cash flow goals such as Threshold Funding (just enough to stay positive) and Percentage Funding (a predetermined level based on some arbitrary percentage), but these schemes do not address the reality of fully funding, and typically are just a way of passing the obligation on to the next generation.

3.3 Hybrid Approach: Please note that this is not a method, rather a way (approach) for us to utilize the Cash Flow Method, while ensuring the appropriate funding levels are achieved long-term. Our Hybrid Approach uses the projected fully funded balance at the end of the 20-year period from Table 4 as a funding goal. We then set up Cash Flow funding plans. Table 3 is your "*where we are now*" Cash Flow spreadsheet modeling your reserve balance and current contribution. Table 3.1 (and possibly others) provides alternative(s) to this that meet the fully funded goal from Table 4.

We usually establish a new Cash Flow contribution that requires only small annual inflationary increases to reach the fully funded goal at the end of the 20-year period. This has the added effect of establishing a funding plan that addresses inflation. The contribution in the first year, adjusted for inflation, is equal to the contribution in the last year, based on inflated dollars (future value of money). This approach will also allow underfunded Associations the time to catch up, mitigating undue hardships. It balances the risk of temporary underfunding with the benefit of consistent predictable increasing contributions. The combination of the Component and Cash Flow Methods (Hybrid Approach) provides the advantages of both methods.

4. TYPES OF RESERVE STUDIES

4.1 Full Reserve Study, Level I, the analyst develops a component inventory and condition assessment which is based upon on-site visual observations and is the basis for the estimated remaining-useful-life of the components as well as their replacement cost. This information is used to develop the Financial Analysis which includes the fund status and funding plan.

4.2 Full Update, With-Site-Visit, Level II, the analyst conducts an onsite verification of the component inventory included within the study being updated (not quantification) as well as performing a condition assessment), which is the basis for the estimated remaining-useful-life of the components and their replacement costs. This information is used to develop the Financial Plan which includes the fund status and funding plan.

4.3 Administrative Update, Level III, the analyst updates the remaining-useful-life of the components based on information provided by Management and not condition as a site visit is not performed. The replacement costs and other pertinent information are also updated. This information is used to develop the Financial Plan which includes the fund status and funding plan.

4.4 Residential and Commercial Development Services, before construction an analyst develops budget estimates based on design documents such as the architectural and engineering plans, and developer founding documents.

5. RESERVE PROGRAMMING

The Mason & Mason proprietary software used to produce the financial tables (Tables 1 through 4) have been under continual refinement for over a decade. It is unique in the industry as it provides comprehensive modeling through Microsoft Access and Excel that addresses the many challenges of reserve funding, allows analysts and clients to run “what if” scenarios, provides an easy-to-understand matrix of views and functions, and is easily provided to clients through e-mail.

5.1 Interest Income on Reserve Funds: Most Associations invest at least part of their reserve funds. Small Associations may simply use a savings account or certificates of deposit, while large Associations may have multiple investments with short-, medium-, and long-term instruments. One issue that is difficult to quantify is the percentage of funds invested. Some Associations invest a fairly substantial portion, while others hold back due to current cash outflow obligations. Some Associations do not reinvest the investment proceeds in their reserves; rather they divert the cash into their operations fund. We do not agree with this approach as it has the effect of requiring additional reserve contributions to make up for the difference. There is also the issue of changing rates over the 20-year period. In the recent past we have seen large swings in relatively short time periods. While reserve funds are not usually taxable by the IRS, the investment income generated by the reserve fund is taxable in most situations. Even with all these potential pitfalls, investment income still represents a substantial source of additional funds and for this reason should not be ignored. There is no way to make “one size fits all” with any accuracy for the individual Association. Our approach to this dilemma is to use lower approximations that compensate for less than 100% of funds invested. We feel this is still better than not recognizing it, and periodic updates allow for adjustments based on experience. The rate can be set at any level, including zero, for Associations desiring to not recognize interest. **The rate should reflect, as accurately as possible, the actual composite rate of return on all securities and other instruments of investment including allowances for taxes.**

The interest income displayed on Table 3 and Table 4 is the summation of the beginning reserve fund interest accrual and the interest earned on the contributions minus the interest lost by withdrawing the capital expenditures. This method of calculation, while not exact, approximates the averages of the three principal components of a reserve fund for each twelve-month period.

5.2 Future Replacement Costs (Inflation): Inflation is a fact of life. In order to replicate future financial conditions as accurately as possible, inflation on replacement costs should be recognized. The financial tables have been programmed to calculate inflation based upon a pre-determined rate. This rate can be set at any level, including zero. **A plan that does not include inflation is a 1-year plan, and any data beyond that first year will not reflect reality.**

5.3 Simultaneous Funding: This is a method of calculating funding for multiple replacement cycles of a single component over a period of time from the same starting date. Simple Example: Funding for a re-roofing project, while, at the same time, funding for a second, subsequent re-roofing project. This method serves a special purpose if multiple-phase projects are all near-term but will result in higher annual contribution requirements and leads to generational equity issues otherwise. We use this type of programming only in special circumstances.

5.4 Sequential Funding: This is a method of calculating funding for multiple replacement cycles of a single component over a period of time where each funding cycle begins when the previous cycle ends. Simple Example: Funding for the second re-roofing project begins after the completion of the initial re-roofing project. This method of funding appears to be fundamentally equitable. We use this type of programming except in special circumstances.

5.5 Normal Replacement: Components are scheduled for complete replacement at the end of their useful service lives. Simple Example: An entrance sign is generally replaced all at once.

5.6 Cyclic Replacement: Components are replaced in stages over a period of time. Simple Example: Deficient sidewalk panels are typically replaced individually as a small percentage, rather than the complete system.

5.7 Minor Components: A minimum component value is usually established for inclusion in the reserve fund. Components of insignificant value in relation to the scale of the Association should not be included and should be deferred to the operations budget. A small Association might exclude components with aggregate values less than \$1,000, while a large Association might exclude components with aggregate values of less than \$10,000. Including many small components tends to over complicate the plan and does not provide any relative value or utility.

5.8 Long Life Components: Almost all Associations have some components with long or very long useful service lives typically ranging between thirty and sixty years. Traditionally, this type of component has been ignored completely. Simple Example: Single replacement components such as entrance monuments should be programmed for full replacement at their statistical service life. This allows for all common property owners to pay their fair share during the time the component serves them. This also has the added effect of reducing the funding burden significantly as it is carried over many years.

5.9 Projected Useful Service Life: Useful service lives of components are established using construction industry standards and our local experience as a guideline. Useful service lives can vary greatly due to initial quality and installation, inappropriate materials, maintenance practices or lack thereof, environment, parts attrition, and obsolescence. By visual observation, the projected useful service life may be shortened or extended due to the present condition. The projected useful service life is not a mandate, but a guideline, for anticipating when a component will require replacement and how many years remain to fund it.

5.10 Generational Equity: As the term applies to reserves, it is the state of fairness between and over the generations relating to responsibility for assets you are utilizing during your time of ownership. It is neither reasonable, nor good business to defer current liabilities to future owners. This practice is not only unfair; it can also have a very negative impact on future property values.

6. UPDATING THE RESERVE FUND PLAN

A reserve fund plan should be periodically updated to remain a viable planning tool. Changing financial conditions and widely varying aging patterns of components dictate that revisions should be undertaken periodically from one to five years, depending upon the complexity of the common assets and the age of the community. Weather, which is unpredictable, plays a large part in the aging process.

Full Updates (Level II) include a site visit to observe current conditions. These updates include adjustments to the component inventory, replacement schedules, annual contributions, balances, replacement costs, inflation rates, and interest income.

We encourage Associations that are undergoing multiple simultaneous or sequential costly restoration projects (usually high-rise buildings) to perform Level III Administrative Updates. Administrative updates do not include a condition assessment. They are accomplished by comparing original projections with actual experience during the interim period as reported by Management. These updates can be performed annually and include adjustments to the replacement schedules, contributions, balances, replacement costs, inflation rates, and interest income. The Level III Administrative Update can be a cost-effective way of keeping current between Level II Full Update cycles. Full Updates (Level II) and Administrative Updates (Level III) help to ensure the integrity of the reserve fund plan.

7. PREVENTIVE MAINTENANCE

The following preventive maintenance practices are suggested to assist the Association in the development of a routine maintenance program. The recommendations are not to be considered the only maintenance required but should be included in an overall program. The development of a maintenance checklist and an annual condition survey will help extend the useful service lives of the Association's assets.

This section includes best maintenance practices or life-extension maintenance for many, but not necessarily all, components in the report. Items for which no maintenance is necessary, appropriate or beyond the purview of this report are not included in this section. We typically include them for townhomes and garden condominiums while mid- and high-rise buildings are generally too complex.

7.1 Asphalt Pavement: Pavement maintenance is the routine work performed to keep a pavement, subjected to normal traffic and the ordinary forces of nature, as close as possible to its as-constructed condition. Asphalt overlays may be used to correct both surface deficiencies and structural deficiencies. Surface deficiencies in asphalt pavement usually are corrected by thin resurfacing, but structural deficiencies require overlays designed on factors such as pavement properties and traffic loading. Any needed full-depth repairs and crack filling should be accomplished prior to overlaying. The edgemill and overlay process includes milling the edges of the pavement at the concrete gutter and feathering the depth of cut toward the center of the drive lane. Milling around meter heads and utility features is sometimes required. The typical useful life for an asphalt overlay is twenty years.

7.2 Asphalt Seal Coating: The purpose is to seal and add new life to a roadway surface. It protects the existing pavement but does not add significant structural strength. A surface treatment can range from a single, light application of emulsified asphalt as a “fog” seal, to a multiple-surface course made up of alternate applications of asphalt and fine aggregate. Seal coating of all asphalt pavements should be performed at approximately six-year intervals, or approximately twice during the service life of the asphalt pavement. Seal coating more often is generally not cost-effective. The material used should be impervious to petroleum products and should be applied after crack filling, oil-spot cleaning, and full-depth repairs have been accomplished. Seal coating is a cost-effective way of extending the life of asphalt concrete pavement. Seal coating is generally not scheduled for up to five years after an asphalt restoration project.

7.3 Asphalt Full-Depth Repairs: In areas where significant alligator cracking, potholes, or deflection of the pavement surface develops, the existing asphalt surface should be removed to the stone base course and the pavement section replaced with new asphalt. Generally, this type of failure is directly associated with the strength of the base course. When the pavement is first constructed, the stone base consists of a specific grain size distribution that provides strength and rigidity to the pavement section. Over time, the stone base course can become contaminated with fine-grained soil particles from the supporting soils beneath the base course. The most positive repair to such an area is to remove the contaminated base course and replace it with new base stone to the design depth. It is appropriate to perform these types of repairs immediately prior to asphalt restoration projects. Generally, this type of repair should not be required for approximately five years after an asphalt restoration project.

7.4 Asphalt Crack Filling: Cracks that develop throughout the life of the asphalt should be thoroughly cleaned of plant growth and debris (lanced) and then filled with a rubberized asphalt crack sealant. If the crack surfaces are not properly prepared, the sealant will not adhere. Crack filling should be accomplished every three to six years to prevent infiltration of water through the asphalt into the sub-grade, causing damage to the road base. It is appropriate to perform these types of repairs immediately prior to edgemoil and overlay. Generally, this type of repair should not be required for approximately five years after an edgemoil and overlay project.

7.5 Asphalt Footpaths: Transverse and longitudinal cracks should be cleaned of debris and plant growth (lanced) and filled with a rubberized asphaltic compound to prevent water infiltration. Cracks and deflection of the asphalt pavement can develop in the areas where tree roots cross the path. Tree roots should be removed, and damaged areas repaired. An additional maintenance issue with footpaths is vegetation control. In areas where vegetation encroaches on the paths, both underfoot and overhead, visibility is reduced, and personal injury can occur from low-growing branches. Vegetation control should be accomplished on a regular basis under the maintenance budget for safety considerations and to extend the useful service life of the pavement.

7.6 Concrete Sidewalks: When sidewalks are cracked or scaled or sections have settled, the resulting differential or “tripping hazard” can present a liability problem for the Association if personal injury should occur as a result. Tripping hazards should be repaired expeditiously to promote safety and prevent liability problems for the community. Generally, where practical and appropriate, concrete element repairs and replacements are scheduled in the same years to promote cost efficiencies. Replacements are usually scheduled in cycles because the necessity of full replacement at one time is unlikely. Typically, damaged, or differentially settled sections can be removed by saw cutting or jack hammer and re-cast. Concrete milling of the differential surfaces is sometimes an appropriate, cost-effective alternative to re-casting. Skim coating is not an effective repair for scaled or settled concrete surfaces and, over time, will usually worsen the problem.

7.7 Concrete Curbs and Gutters: Vehicle impacts, differential settlement, construction damage, and cracking and spalling of the concrete will eventually result in the need for replacement of some curb sections. A typical damaged or settled section, usually 10 feet in length, will be removed by saw cutting or jack hammer and re-cast. Replacements are scheduled in cycles because the necessity of full replacement at one time is unlikely.

7.8 Concrete Pool Deck: Cast-in-place concrete, slab-on-grade pool deck sections, which have large cracks, should be removed, and replaced periodically to prevent water infiltration behind the pool structure. Minor cracks can be routed and sealed to extend the service life of the deck. In some instances, a breathable cementitious coating can be applied to improve the surface appearance and extend the surface life.

7.9 Ground Level Concrete Slabs or Concrete Patios: Any cracks occurring in ground-level concrete slabs should be routed and sealed. In order to extend the useful service life of concrete in contact with the ground, a penetrating sealer to prevent moisture infiltration into the concrete should be applied. This process should be repeated at approximately five- to ten-year intervals.

7.10 Bare Wood Components: Bare wood components, both non-treated and pressure-treated, generally will achieve a greater useful service life and improved appearance if preventative maintenance is performed. Periodic pressure washing and sealing with wood preservative is recommended on all wood components. Rough edges and splinters should be sanded prior to sealing. Damaged, warped, or deteriorated wood components should be replaced, as necessary. Generally, securing or repairing wood components with screws will provide a better fastening method than nails.

7.11 Tennis Court Surface Overlay: Court surface overlays are usually required when settlement of the sub-base causes cracks to appear at the surface. Direct overlays usually allow any cracks to migrate (reflective cracking) to the new surface. A technique to eliminate this problem is to separate the old surface from the new surface with a layer of fine marble dust. This allows the two surfaces to move independently and results in a more stable top surface. Net post footing displacement caused by over-tensioning of the net cable also results in court surface damage. However, the footings can be replaced without overlaying the court. In this region, tennis courts usually give about fifteen to twenty years of service before this procedure is necessary. Some courts fail much sooner and some last much longer. It is prudent to plan for overlay now because of the large expense involved if required. Good maintenance practices, including frequent sweeping, periodic color coating of the surface and proper tensioning of the net cable can extend the service life of tennis courts.

7.12 Tennis Court Color Coat: Color coating extends the life of the surface if cracking and other surface problems are not present. An average five-year life for color coating is scheduled, except within a year or two of scheduled surface overlay. Any cracking around net post footings should be sealed to prevent moisture infiltration.

7.13 Stone Monument Repair: Stone monuments should be inspected periodically for cracks indicating settlement problems. All vegetation, such as vines, tree limbs, and tree roots should be kept clear to prevent damage. As stone monument walls age, depending upon the initial quality of the mortar and the long-term environment of the wall, mortar joints may deteriorate. This condition can be corrected by tuckpointing. Deteriorated or cracked mortar should be removed, and the void should then be filled with new mortar. Major settlement cracks or deflection may require the rebuilding of that section.

7.14 Composite Shingle Roofs: Roofs and attic spaces should be inspected annually for damage and leaks. During the attic inspection, check to make sure that mechanical ventilation systems, such as bathroom exhaust fans and dryer ducts, are routed through the roof and not discharging into the attic space. Loose or missing shingles should be replaced on a regular basis. Signs of deflected roof sheathing or discoloration of the sheathing are indicative of moisture problems and should be investigated. It is important to ensure that proper ventilation is occurring at the soffit vents and that insulation is not obstructing the airflow. If attic ventilation appears to be inadequate, the installation of ridge vents and/or through-the-roof mechanical vents is usually a cost-effective way of extending the useful service life of the sheathing. Roof penetrations, such as plumbing vents, are a major source of leaks. During the inspection, these areas should be checked carefully for signs of leakage or rotten sheathing. Gutters and downspouts should be inspected annually. Loose, damaged, or leaking sections should be secured, repaired, or replaced. All gutters should be kept clean of leaf material and debris. Clogged downspouts should be cleared. In areas where gutters collect fallen leaves, gutters should have screens installed. Downspouts should be directed away from buildings. Erosion can be minimized by the use of properly located splash blocks or plastic flexible tubing. In all cases, water should be directed away from building foundations. Splash blocks must be properly placed, and flexible plastic extensions require diligent maintenance.

7.15 Vinyl Siding: There is little maintenance to be done to vinyl siding. Periodic pressure washing will maintain appearance. Damaged sections should be replaced.

7.16 Painted Wood Trim Components: The service life of painted wood components depends greatly on the type of wood used, the initial installation method, level of exposure to the elements, and preventative maintenance practices during its service life. Kiln dried trim pieces should be primed on all surfaces prior to installation. Re-painting projects should be performed every four years or as needed. Loose and flaking paint should be thoroughly removed, and deteriorated trim pieces replaced with primed trim pieces prior to repainting projects.

7.17 Doors: Painted metal doors should be periodically cleaned of rust and peeling paint, primed, and re-painted, including the tops and bottoms of the doors. Damaged or deteriorated hardware should be replaced to prevent damage to the door.

7.18 Pool Structure: The swimming pools are in-ground, cast-in-place concrete structures. Most outdoor pools of this type, in this area, require a major renovation between twenty and forty years of age. It is prudent to plan for structural renovation now because of the large expense involved if required. Core samples should be taken periodically, as the pool ages, to determine the condition of the gunnite and concrete. Water infiltration will weaken the concrete and early detection can prevent higher repair costs.

7.19 Pool White Coat: Pool white coating seals the pool surface and helps prevent water infiltration into the structure of the pool. White coat generally has a service life of 7 to 10 years. Prior to white coating, the old surface must be cleaned and sandblasted or acidized to prepare the surface to accept the new white coat. Surfaces adjacent to all fittings, lap lane tiles, waterline tiles, and lights must be prepared by chipping the surface so that the new plaster feathers in around the edges. Any damaged tiles or coping or loose or hollow plaster in the pool shell should be removed and repaired prior to white coating. Sometimes a bond coat will be applied to increase adhesion. White coating should be done on a dry day when temperatures will remain above freezing. The pool should be refilled immediately, the filter system started, and the surface brushed frequently for several days to prevent residue buildup, which creates a rough surface. Eggshell cracking is part of the curing process of white coat and is not indicative of problems. Pool covers help extend the life of the white coat by preventing seasonal damage and discoloration, which may require acid treatments to maintain appearance.

7.20 Pool Coping: The coping around the pool perimeter is standard commercial bullnose cast stone, bedded and grouted to the pool structure. In order to extend the useful life of the pool structure and adjacent pool deck, it is important to keep the coping sections watertight. This will prevent water from infiltrating beneath the pool structure and causing damage during freeze/thaw cycles. Sealant should be applied between the pool coping and the pool deck. Any loose, cracked, or "hollow" copings should be re-bedded or replaced annually as part of the long-term preventative maintenance required for pools.

7.21 Pool Covers: Pool covers help extend the life of the white coat by preventing seasonal damage and discoloration, which may require acid treatments to maintain appearance.

7.22 Chain Link Fencing: Very little maintenance is necessary for chain link fencing and gates. Periodic removal of encroaching vegetation should be performed to prevent damage to components. Damaged components should be repaired or replaced. Rusted fencing may be painted to improve appearance.

7.23 Street Signs: Standard painted metal street signs generally require very little maintenance over their useful service life. Signage tends to fade due to environmental exposure. Periodic cleaning of rust and repainting the posts will maintain appearance. There is little that can be done with the signs except to replace them periodically. Out of plumb posts should be straightened.

7.24 Tree Trimming, Removal, and Replacement: As communities age, trees, both native and planted, may become problematic if periodic care is not accomplished. Trees may become damaged by weather or disease, or they may outsize their location. Proper, diligent tree trimming may alleviate future problems with regard to damage to adjacent structures. Proper tree trimming also helps maintain a healthy tree and may reduce windage in inclement weather. Proper tree trimming should not be confused with the common practice of topping, which produces not only an unattractive tree, but also an unhealthy one due to weakening of the root structure. Tree root damage of asphalt footpaths and sidewalks is also a common problem. The best solution is re-routing the adjacent structure, if possible, to prevent future damage. If re-routing is not possible, tree roots causing the damage may be pruned back when replacement of the damaged component is accomplished. The practice of moderate mulching is beneficial for trees. However, repeated mulching against the tree trunk, year after year, without removal of the old mulch can eventually kill trees by trapping moisture against the bark, allowing fungi and insects to easily infiltrate the tree. Mulch should be placed around trees to the drip line but should not be touching the bark.

8. ASPHALT PAVEMENT REPORT

Street Name	Total SY Asphalt Pavement	SY Full-Depth Repairs	Linear Footage Cracks	Parking Spaces	Parking Bays
Townhome Pavement:					
Goldsworth Terrace	1,507	0	456	13	2
Connery Terrace	4,754	0	1,231	107	10
Connery Terrace (122-136)	995	0	277	20	2
Hampshire Square	3,622	0	1,080	63	5
Community Center Pavement:					
Parking area	2,058	0	411	56	5
TOTALS	12,936	0	3,455	259	24

COMPONENT DATA AND ASSET REPLACEMENT SCHEDULE TABLE 1 EXPLANATION

This table lists the common assets included in the reserve fund plan and provides details of the replacement schedules. A narrative discussion is provided adjacent to each component. Photo references and maintenance protocol reference numbers are also provided. An explanation of each column in the table follows:

- Column **1** **Component No.** is consistent throughout all tables.
- Column **2** **Component** is a brief description of the component.
- Column **3** **Quantity** of the component studied, which may be an exact number, a rough estimate, or simply a (1) if the expenditure forecast is a lump sum allowance for replacement of an unquantified component.
- Column **4** **Unit of Measurement** used to quantify the component: SY = Square Yards
 SF = Square Feet
 LF = Linear Feet
 EA = Each
 LS = Lump Sum
 PR = Pair
 CY = Cubic Yards
- Column **5** **Unit Cost** used to calculate the required expenditure. This unit cost includes removal of existing components and installation of new components, including materials, labor, and overhead and profit for the contractor.
- Column **6** **Total Asset Base** is the total value of common assets included in the study in current dollars. In addition to capital assets, this figure includes one cycle of maintenance liability.
- Column **7** **Typical Service Life (Yrs) or Cycle** is the typical life expectancy of similar components in average conditions or the length of years between replacement cycles, and does not necessarily reflect the conditions observed during the field evaluation. This number is furnished for reference and is not necessarily computed in the system.
- Column **8** **1st Cycle Year** is the scheduled year of the first projected replacement or repair.
- Column **9** **Percentage of Replacement** is the percentage of component value to be replaced in the first replacement cycle.
- Column **10** **Cost for 1st Cycle** is the future cost (with inflation) of the replacement. It is the product of Column 6 times Column 9 in future dollars.
- Column **11** **2nd Cycle Year** is the scheduled year of the second projected replacement or repair. If a second cycle is not listed, it is because the first cycle is beyond the end of the study.
- Column **12** **Percentage of Replacement** is the percentage of component value to be replaced in the second replacement cycle. This can vary from the percentage of the first cycle for various reasons, such as the increased age of a component may require a larger amount of repair.
- Columns **13** **Cycles, Percentage, and Cost** repeat as itemized above. Although not shown on the tables, Through **16** the cycles continue throughout the study period and beyond.
- Column **18** **Discussion** is the description and observed condition of the component and the methodology employed in the decision-making process. Includes the photo reference, **(Photo #1, #2, etc.)** and Maintenance Protocol reference numbers **(7.1, 7.2 etc.)** if applicable.

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	18
Component No.	Component	Quantity	Unit of Measurement	Unit Cost	Total Asset Base	Typical Service or Cycle Life in Yrs	1st Cycle Year	Percentage of Replacement	Cost For 1st Cycle	2nd Cycle Year	Percentage of Replacement	Cost For 2nd Cycle	3rd Cycle Year	Percentage of Replacement	Cost For 3rd Cycle	DISCUSSION
1 MASTER ASSOCIATION - ASPHALT COMPONENTS																
1.1	Asphalt Restoration Project	2,058	SY	\$12.50	\$25,725	20	2031	100%	\$31,359	2051	100%	\$46,597				This component includes the asphalt driveline and parking bays for the Community Center. Neither the depth nor the sub-base of the pavement could be visually determined. The asphalt appears to be in continuing good condition. We understand it was restored circa 2012. No areas of alligator or deflected cracking (indicative of sub-base damage or insufficient asphalt depth) were observed on the driveline or parking bays. Restoration includes full-width profile milling and new compacted asphalt. Core sampling should be used to determine the depth and condition of the sub-base and pavement prior to restoration. Costs include striping, but not replacement of any inadequate sub-base.
1.2	Asphalt Seal Coat	2,058	SY	\$1.20	\$2,470	5	2021	100%	\$2,470	2026	100%	\$2,727	2036	100%	\$3,324	The pavement does not appear to have been seal coated since the last restoration project. Seal coating may help prevent water infiltration into the sub-base through micro-cracks, but is largely a cosmetic issue. To help improve curb appeal after repairs, we have scheduled seal coating projects every five years, except in the year of the pavement restoration project when it is not necessary. Crack filling and full-depth repairs should be completed prior to application to achieve maximum benefit from the seal coating. Seal coating projects include re-striping.
1.3	Asphalt Repair Allowance	1	LS	\$3,800.00	\$3,800	5	2021	25%	\$950	2026	50%	\$2,098	2031	100%	\$4,632	No alligator cracked or deflected pavement (indicative of sub-base damage) was observed on the Community Center driveline or parking bays. About 411 linear feet of longitudinal and transverse cracking was observed within the parking area. The cost for this component is contingent on the work being done in conjunction with the townhome asphalt. Repairs are essential in order to achieve the projected remaining service life of the pavement. Full-depth repairs and crack filling are scheduled every five years throughout the study period, including the year of the asphalt restoration projects. See the Asphalt Pavement Report, Section 8, for additional details.
1.4	Asphalt Footpaths	5,330	SY	\$37.00	\$197,210	20	2029	100%	\$231,063	2049	100%	\$343,347				The asphalt footpaths generally 4', 6', and 10' in width providing access between sections of the community and at the Community Center range from fair to continuing good condition. We understand that the footpaths were restored circa 2012. About 5% (2,500 linear feet) of the footpaths are exhibiting transverse cracking and about 2% are exhibiting deflection.
2 MASTER ASSOCIATION - CONCRETE COMPONENTS																
2.1	Concrete Sidewalk and Front Patio	2,268	SF	\$11.50	\$26,082	5	2021	6%	\$1,565	2026	6%	\$1,728	2031	6%	\$1,908	Concrete sidewalks and the entrance slab in front of the Community Center are generally 4' wide. The thickness of the concrete could not be visually determined. Their condition ranges from good to fair. Some sections are cracked, including four sections of the entrance slab at the front of the building and two sections of the sidewalk. Cyclic repairs are scheduled as full replacement of all sidewalks at one time is not appropriate or anticipated. Concrete repairs are scheduled to coincide with other concrete components to promote cost efficiencies. Any trip hazards or hazardous surface deficiencies should be addressed as soon as practicable to prevent personal injury.
2.2	Concrete Wheelstops	54	EA	\$68.00	\$3,672	30	2030	100%	\$4,388	2050	100%	\$6,521				The parking bays are lined with standard-profile, cast concrete wheel stops. The stops are generally in continuing good condition with only a few minor transverse cracks observed.
2.3	Concrete Dumpster Pad	80	SF	\$12.50	\$1,000	35	2030	100%	\$1,195	2065	100%	\$2,390				One concrete dumpster pad is located within the Community Center parking area. The concrete pad appears to be in continuing good condition. Concrete repairs are scheduled to coincide with other concrete components to promote cost efficiencies.
2.4	Concrete Retaining Wall	398	SF	\$79.00	\$31,442	40	2036	100%	\$42,317	2076	100%	\$93,437				A concrete retaining wall supports the pool deck and fence between the pool and the basketball court. The wall appears to be in continuing good condition. It appears that the southwest corner of the wall was successfully repaired since our previous evaluation.
2.5	Concrete Pool Deck	12,382	SF	\$12.50	\$154,775	10	2021	10%	\$15,478	2026	10%	\$17,088	2031	10%	\$18,867	The pool deck is cast-in-place concrete on grade and appears to be in generally continuing good condition with minor cracking observed. These cracks, and any additional cracking, should be routed and sealed to prevent water infiltration into the deck. The deck appears to have been at least partially constructed on fill and settlement may become more problematic. Cyclic repairs are scheduled as full replacement of the entire deck at one time is not appropriate or anticipated. Concrete repairs are scheduled to coincide with other concrete components to promote cost efficiencies. Any trip hazards or hazardous surface deficiencies should be addressed as soon as practicable to prevent personal injury.
3 MASTER ASSOCIATION - SITE FEATURES																
3.1	Stone Entrance Monuments	2	EA	\$19,000.00	\$38,000	40	2042	100%	\$57,595							Two arched stone monuments approximately 59 feet in length with cast stone caps and embedded community name signs are constructed at the Greenway Drive SW entrance to the community. They appear to be in continuing good condition. Proper repairs have been made to the walls in recent years. Necessary repairs in the future should be funded under operations.
3.2	Entrance Monument Lighting	12	EA	\$550.00	\$6,600	10	2031	100%	\$8,045	2041	100%	\$9,807	2051	100%	\$11,955	Landscape lighting provides illumination at the monuments. They appear to have been replaced since our last evaluation and are in continuing good condition. We did not observe lighting after dark. The lighting quantity has been reduced from 20 to 12 lights. Landscape lighting has a short service life due to its proximity to ground and moisture and damage from landscaping practices.

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3.3	Vinyl Fencing	3,136	LF	\$13.50	\$42,336	40	2041	100%	\$62,909							White, three-board vinyl fencing is installed at each side of the main entrance to Meade Drive SW, at the entrance to Greenway Drive SW and along Greenway Drive SW to Sheridan Way SW. It appears to be in continuing good condition. Vinyl fencing is a long-life component, requiring little or no maintenance. Occasional cleaning will maintain appearance.
3.4	Metal Railings	645	LF	\$43.00	\$27,735	35	2032	100%	\$34,485	2067	100%	\$68,966				Unpainted steel pipe railing, an average of four feet in height is attached along the top of the storm water drainage culverts throughout the community and mainly along Mead Drive SW, for safety. The railings are in continuing good condition. With proper, diligent maintenance, including cleaning and repairing deteriorated areas by welding replacement parts, this railing may be reusable, and may provide a long service life.
3.5	Timber Retaining Wall	48	SF	\$35.00	\$1,680	20	2029	100%	\$1,968	2049	100%	\$2,925				Wood, pressure-treated retaining walls are constructed of 6" by 6" timbers at the corner of Mead Drive SW and Greenway Drive SW within the community. The wall is 16 feet long, averages 3 feet high, and is in fair to continuing good condition.
3.6	Tennis Court Restoration Project	2	EA	\$26,000.00	\$52,000	20	2031	100%	\$63,388	2051	100%	\$94,191				The tennis courts, located at the rear of the Community Center, range from poor to fair condition. We observed about 338 linear feet of cracking. We understand that they were restored circa 2010. They will be repaired near-term under the Color Coating line item. The full service life of the tennis courts is dependent on preventative maintenance being performed as outlined in the Preventive Maintenance section of the report. There are several after-market rubber/composite products offered for court restoration as an alternative to standard restoration practices. In our experience, in the case of court cracking, these methods should not be employed as they are generally unsuccessful at mitigating dynamic cracks except for a very short period of time.
3.7	Tennis Court Color Coat	2	EA	\$15,000.00	\$30,000	5	2021	100%	\$30,000	2026	38%	\$12,587	2036	38%	\$15,343	The tennis court color coat appears to be in generally good condition. However, a significant quantity of cracking was observed. We understand that Sport Systems Inc. will be repairing the courts cracking and has provided a proposal for its repair. We have scheduled the repair near-term. The tennis court color coat seals the surface of the tennis courts and helps prevent water infiltration into the court structure. Color coat generally has a five-year service life.
3.8	Tennis Court Fencing	440	LF	\$25.00	\$11,000	30	2031	100%	\$13,409	2061	100%	\$24,288				Ten-foot-high, chain link fencing is installed around the perimeter of the tennis courts. The fencing ranges from fair to continuing good condition and is scheduled for replacement to coincide with the next court restoration.
3.9	Multi-Purpose Court Restoration Project	1	EA	\$20,500.00	\$20,500	20	2031	100%	\$24,989	2061	100%	\$45,265				One 50' x 80' multi-purpose court is located behind the Community Center. The court is currently striped for basketball. We understand that the court was restored circa 2010, and it ranges from fair to generally continuing good condition with about 63 linear feet of cracking observed. We also understand that the court surface will be color coated/repared under Component 3.10 below.
3.10	Multi-Purpose Court Color Coat	1	EA	\$4,000.00	\$4,000	5	2021	100%	\$4,000	2026	100%	\$4,416	2036	100%	\$5,383	The multi-purpose court color coat ranges from fair to continuing good condition with minor surface deterioration observed. We understand that repairs and color coating were completed circa 2015 and additional color coating, including crack repairs will be completed near-term. The court color coat seals the surface of the multi-purpose court and helps prevent water infiltration into the court structure. Color coat generally has a five-year service life.
3.11	Basketball Goals	2	EA	\$2,550.00	\$5,100	30	2031	100%	\$6,217	2061	100%	\$11,261				The multi-purpose court has a basketball goal mounted on double galvanized metal standards installed at each end. They appear to be in continuing good condition.
3.12	Footbridge	528	SF	\$125.00	\$66,000	35	2034	100%	\$85,378	2069	100%	\$170,747				The community has a steel footbridge with a pressure-treated wood pedestrian surface located to the north of Lawford Drive SW and south of Nickels Drive SW, branching off from the asphalt footpaths. This footbridge, measuring 66 feet long and eight feet wide with metal railings, ranges from fair to continuing good condition. The wood decking of this bridge should be inspected for safety on an annual basis and any deteriorated wood planks replaced within the operations budget. Additional rusting of the metal structure was observed. The community should consider cleaning, priming, and painting the steel to prevent early deterioration. Due to the lack of maintenance, we are lowering the expected service life. Replacement cost is based on other fiberglass and wood bridges recently installed in this area.
3.13	Storm Water Drainage System Allowance	1	LS	\$27,000.00	\$27,000	7	2021	55%	\$14,850	2028	55%	\$17,058	2035	55%	\$19,594	Storm water drainage is provided by concrete yard drains, curb drop inlets, and underground structures leading storm water offsite. We understand that responsibility for some or parts of the system may rest with local government. Though storm water drainage systems are a long life component and catastrophic failure is not anticipated, it is prudent for the community to plan for localized repairs and repairs to ancillary damage, even if a public entity has primary responsibility. This category may also be used to address localized erosion issues. We also understand that the storm water drains had recently required cleanout, and the County suggests that this be completed every 25 years.
3.14	Tree Trimming, Removal, & Replacement Allowance	1	LS	\$13,000.00	\$13,000	1	2021	100%	\$13,000	2022	100%	\$13,260	2023	100%	\$13,525	Due to the age of the property, the site has many mature trees. Trees require trimming to prevent damage to adjacent structures and components. Also, occasionally trees must be removed due to damage, disease, or if they outsize their location. Management requested that we include a budget amount to address tree removal, trimming, or replacement periodically throughout the study period. This budget was established by Management.

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4 MASTER ASSOCIATION - COMMUNITY CENTER																
4.1	Re-Roofing Project	3,332	SF	\$4.55	\$15,161	20	2036	100%	\$20,404	2056	100%	\$30,320				The 6/12 pitched roofs have asphalt shingles. Ventilation is achieved through soffit vents, ridge vents, and gable vents. We understand that the roofing was replaced around 2016-2017, and it appears to be in very good condition. Pre-finished aluminum gutters and downspouts are installed at all proper roof terminations. Downspouts appear to be properly terminated to subterranean drains, directed away from building foundations. Re-roofing projects include replacement of shingles, any localized deteriorated sheathing, and gutters and downspouts. The proposal cost is \$21,000, but removal of the wood railing at the roof line and replacement with vinyl is included in the price. The cost difference is included with Component 4.3.
4.2	Vinyl Siding	2,618	SF	\$4.50	\$11,781	30	2027	100%	\$13,267	2057	100%	\$24,032				The vinyl siding with bead edge clapboard provides the building envelope. All siding appears to be in continuing good condition with no deterioration or staining observed.
4.3	Wood & Vinyl Trim Allowance	1	LS	\$43,000.00	\$43,000	5	2027	10%	\$4,842	2031	10%	\$5,242	2036	10%	\$5,787	Painted wood trim occurs at windows, doors, entrances and around the 36 columns throughout the Community Center. All wood trim appears to be in continuing good condition, and it appears to have been recently painted to help protect the wood, particularly on the column bases. We anticipate a quantity of deteriorating trim over the twenty-year period based on our experience with similar communities. We have budgeted an allowance every five years, corresponding with repainting projects, to address deteriorated areas. We understand that the wood railing at the front roof line were replaced by vinyl railings.
4.4	Windows	9	EA	\$975.00	\$8,775	30	2027	100%	\$9,882	2057	100%	\$17,900				The windows of the Community Center are double-hung, aluminum-frame, insulated, and appear to be in continuing good condition. No window flashing leaks were reported or observed.
4.5	Door Allowance	12	EA	\$850.00	\$10,200	25	2021	25%	\$2,550	2031	50%	\$6,217	2041	25%	\$3,789	This category includes all exterior glass and metal and painted metal doors and interior painted metal or plastic doors of the Community Center building. The doors range from fair to generally continuing good condition. Doors are generally replaced as individual units become damaged or deteriorated. Doors in a wet or chlorine environment generally have a shorter than average service life. We have budgeted an allowance to address replacement of damaged or deteriorated doors throughout the study period.
4.6	Water Heater	1	EA	\$4,900.00	\$4,900	20	2033	100%	\$6,214	2053	100%	\$9,234				Domestic hot water is provided to the shower rooms by an A. O. Smith, dual-element, 6000W, 240V, 1-phase, commercial, Model DEN80110, with Serial #1413M003421, 80-gallon, electric, water heater. The unit is located in a storage room in the women's room. We understand that this is the second water heater replacement, as the first replacement unit was defective and may have caught fire. The current unit was installed circa 2013 and appears to be in continuing good condition. One area of previously burnt wire that was reused in this installation is of concern to us.
4.7	Electric Panel Board	1	EA	\$4,600.00	\$4,600	45	2042	100%	\$6,972	2087	100%	\$16,997				Electrical equipment consists of a 200-amp load center manufactured by GE. It is located in a separate closet away from pool chemicals and appears to be in continuing good condition. A preventive maintenance program should be conducted every five years by a licensed electrician. That maintenance involves inspection of all panel boards and connections, cleaning (where required), thermo graphic scans, and re-torquing connections. (It is important to note that arcing failures occur where connections have loosened as a result of thermal cycling.) Due to the correct location of this panel, we expect the panel to have a normal service life.
4.8	Building Lighting	1	LS	\$9,700.00	\$9,700	30	2027	100%	\$10,924	2057	100%	\$19,787				This category includes exterior, building-mounted carriage lights, flood lights, exhaust fans, ceiling-mounted fans, ceiling-mounted fluorescent tube lighting fixtures, recessed ceiling fixtures, and restroom light bars. All components appear to be in continuing good condition. No problems were reported with lighting.
4.9	Carpeting	55	SY	\$38.00	\$2,090	10	2025	100%	\$2,262	2035	100%	\$2,758	2045	100%	\$3,362	Carpeting in the large room and the guard office of the Community Center is a direct-glue commercial grade. It appears to range from continuing good to fair condition. Condition was difficult to evaluate, as it was covered with pool furniture for the off season.
4.10	Dry Deck Flooring Tiles	660	SF	\$6.50	\$4,290	7	2023	100%	\$4,463	2030	100%	\$5,127	2037	100%	\$5,889	Dry deck flooring is installed in both of the shower rooms. It appears to be in fair condition. When the dry deck flooring is removed, the Board consider that non-slip coating be used.
4.11	Plumbing Fixtures	1	LS	\$15,000.00	\$15,000	30	2027	100%	\$16,892	2057	100%	\$30,598				This category consists of sinks, commodes, urinals, showers, two of which are handicap accessible, and partitions of the shower rooms. All components appear to be in good to fair condition. The partitions have been repainted to improve appearance which should help to maximize their service life.
4.12	Kitchen Refurbishment Project	1	LS	\$4,200.00	\$4,200	20	2027	100%	\$4,730	2047	100%	\$7,028				This category includes wall-mounted and base-mounted millwork, refrigerator and microwave. All components range from fair to continuing good condition.
4.13	Metal Overhead Doors	2	LS	\$3,100.00	\$6,200	30	2029	100%	\$7,264	2059	100%	\$13,158				This category includes two, five foot rollup metal doors, manufactured by Overhead Door Corporation, installed in the kitchen. These components appear to be in continuing good condition. Their operation could not be verified, as the pool building is closed for the season. They should be replaced in the building siding restoration and have been scheduled as such.

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	18
Component No.	Component	Quantity	Unit of Measurement	Unit Cost	Total Asset Base	Typical Service or Cycle Life in Yrs	1st Cycle Year	Percentage of Replacement	Cost For 1st Cycle	2nd Cycle Year	Percentage of Replacement	Cost For 2nd Cycle	3rd Cycle Year	Percentage of Replacement	Cost For 3rd Cycle	DISCUSSION
4.14	Storage Sheds	2	EA	\$3,000.00	\$6,000	25	2027	50%	\$3,378	2037	50%	\$4,118	2047	50%	\$5,020	The Community Center building has a storage shed on the west side of the building. This separate building is four by eight feet and consists of two by four wood framing and composite siding. A second storage shed has been added and is included in this line item.
4.15	Community Center Sign	1	LS	\$2,800.00	\$2,800	25	2028	100%	\$3,216	2048	100%	\$4,779				A single, seven by four foot EIFS sign is in front of the Community Center on Meade Drive SW. This sign contains a four by three foot metal inset acrylic cover for community notices and has metal letters on the opposite side. It appears to be in continuing good condition.
4.16	Dumpster Enclosure	1	LS	\$2,500.00	\$2,500	25	2043	100%	\$3,865	2068	100%	\$6,341				The Community Center building has an eight by eleven by six foot trash enclosure at the east side of the complex. This wood fencing was replaced with vinyl fencing, and it is in continuing good condition.
5 MASTER ASSOCIATION - POOL ELEMENTS																
5.1	Pool Renovation Project	4,366	SF	\$49.00	\$213,934	30	2039	100%	\$305,550	2069	100%	\$553,462				The main swimming pool is an in-ground, cast-in-place concrete structure, measuring approximately 4,052 square feet. The wading pool is approximately 314 square feet. They appear to be constructed on a cut-and-fill site. We were not able to observe the pools since they were covered for the season. Management reported that the pools were restored in 2018 at a cost of \$50,000. The pools were not opened in 2020 due to COVID-19, and no problems were reported at this time. Most outdoor pools of this type, in this area, require a major renovation between thirty and forty years of age. It is prudent to plan for structural renovation now because of the large expense involved if required.
5.2	Pool White Coat	4,366	SF	\$5.60	\$24,450	7	2025	100%	\$26,465	2032	100%	\$30,400	2046	100%	\$40,112	The pool white coat condition could not be examined since the pool was covered for the season. We have verified with Management that the white coat was last applied circa 2018 during the pool renovation project according to their records.
5.3	Pool Coping	352	LF	\$35.00	\$12,320	3	2022	5%	\$628	2025	5%	\$667	2028	5%	\$708	Standard cast stone bullnose coping is installed around the perimeter of the pools. The coping tiles were not evaluated, since the pool was covered for the season. We have scheduled an allowance throughout the study period to address replacements of cracked, loose, or "hollow" tiles. This work should be completed at the end of the season to prevent water infiltration during winter months.
5.4	Pool Fencing	635	LF	\$25.00	\$15,875	30	2026	100%	\$17,527	2056	100%	\$31,748				453 linear feet of six-foot-high and 182 feet of three-foot-high galvanized, chain link fencing is constructed at the perimeter of the swimming pool deck. The fencing is in good to fair condition with peeling paint observed.
5.5	Pool Perimeter Equipment	1	LS	\$15,000.00	\$15,000	25	2026	75%	\$12,421	2038	66%	\$13,862	2048	66%	\$16,898	Pool perimeter equipment consists of lifeguard stands, stainless steel ladders, and one stainless steel handrail. We have included the handicap pool chair. All components appear to be in good to fair condition. This category includes the large sun shade installed at the pool deck. The shade was removed for the season and was not evaluated.
5.6	Pool Furniture	1	LS	\$33,000.00	\$33,000	10	2021	100%	\$33,000	2031	100%	\$40,227	2041	100%	\$49,036	Pool furniture consists of umbrellas and bases, lounge chairs, metal and acrylic top tables, painted metal tables, chairs, a barbeque, large picnic tables, lane markers with storage roller. We understand that most equipment was replaced circa 2014. This included replacing all picnic tables on the pool deck. All equipment was stacked and stored for the season, but appears to be in continuing good condition. Management requested the timing and cost of this category.
5.7	Pool Pump & Filters	1	LS	\$19,000.00	\$19,000	15	2022	100%	\$19,380	2037	100%	\$26,083	2052	100%	\$35,104	The main pool is served by an A. O. Smith 7.5hp electric motor driving a metal pump and strainer assembly. The strainer assembly appears to be heavily rusted. The pool is filtered by four Triton II TR-100C, permanent media filters. The system had been decommissioned for the season. Management requested that we include near-term replacement of the pump and possible filters.
5.8	Pool Chlorinator	2	EA	\$675.00	\$1,350	10	2022	100%	\$1,377	2032	100%	\$1,679	2042	100%	\$2,046	Chlorination system consists of two Flex-Flow units and the equipment appears to be in fair to good condition.
5.9	Phase Converter	1	EA	\$7,500.00	\$7,500	30	2026	100%	\$8,281	2056	100%	\$14,999				The main pool pump electrical service is controlled by a Arco Electric rotary-phase converter. The equipment appears to be in continuing good condition.
5.10	Wading Pool Pump & Filter	1	LS	\$2,500.00	\$2,500	10	2022	100%	\$2,550	2032	100%	\$3,108	2042	100%	\$3,789	The wading pool is served by a Hayward, 3/4 hp electric motor driving a plastic pump and strainer assembly. The pool is filtered by a Triton TR-60, permanent media filter. The equipment appears to be in fair condition. Date stamp on the filter is 2006.
5.11	Pool Covers	4,566	SF	\$3.85	\$17,579	10	2022	100%	\$17,931	2032	100%	\$21,857	2042	100%	\$26,644	Both pools have covers and hardware, used during the off season. The covers are in generally poor to fair condition and have some small tears in the fabric and missing spring tensioners. We have scheduled near-term replacement of the covers.

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Component No.	Component	Quantity	Unit of Measurement	Unit Cost	Total Asset Base	Typical Service or Cycle Life in Yrs	1st Cycle Year	Percentage of Replacement	Cost For 1st Cycle	2nd Cycle Year	Percentage of Replacement	Cost For 2nd Cycle	3rd Cycle Year	Percentage of Replacement	Cost For 3rd Cycle	DISCUSSION
6 TOWNHOME ASSOCIATION - ASPHALT COMPONENTS																
6.1	Asphalt Restoration Project	10,878	SY	\$12.50	\$135,975	20	2036	100%	\$183,004	2056	100%	\$271,935				This component includes asphalt driveways and parking bays for the townhome section of the community. Neither the depth nor the sub-base of the pavement could be visually determined. The pavement was restored in 2015/2016 and ranges from fair to continuing good condition. No deflected asphalt was observed. The cost is based on full-width profile milling and new compacted asphalt. A full service life is dependent on preventative maintenance being performed as suggested in the Preventive Maintenance section of the report and scheduled in Items 6.2 and 6.3 below. See the Asphalt Pavement Report, Section 8, for additional details.
6.2	Asphalt Seal Coat	10,878	SY	\$1.20	\$13,054	5	2021	100%	\$13,054	2026	100%	\$14,412	2031	100%	\$15,912	The pavement does not appear to have been seal coated since the latest restoration project. Seal coating may help prevent water infiltration into the sub-base through micro-cracks, but is largely a cosmetic issue. To help improve curb appeal after repairs, we have scheduled seal coating projects every five years, except in the year of the pavement restoration project when it is not necessary. Crack filling and full-depth repairs should be completed prior to application to achieve maximum benefit from the seal coating. Seal coating projects include re-striping.
6.3	Asphalt Repair Allowance	1	LS	\$9,000.00	\$9,000	5	2021	50%	\$4,500	2026	75%	\$7,453	2031	100%	\$10,971	No deflected pavement (indicative of sub-base damage), but about 3,455 linear feet of longitudinal or transverse cracking were observed. Repairs are essential in order to achieve the projected remaining service life of the pavement. Full-depth repairs and crack filling are scheduled every five years throughout the study period, including the year of the asphalt restoration project. See the Asphalt Pavement Report, Section 8, for additional details.
7 TOWNHOME ASSOCIATION - CONCRETE COMPONENTS																
7.1	Concrete Sidewalks	18,136	SF	\$11.50	\$208,564	5	2021	2%	\$4,171	2028	3%	\$7,187	2031	3%	\$7,627	Concrete sidewalks, generally 4' wide, are present on one or both sides of streets within the townhomes. Their thickness could not be visually determined. They are in generally continuing good condition. About 128 square feet (1% of the total area) is either cracked, settled or heaved between sections. In some cases, the differential height of adjacent surfaces may be a tripping hazard. This is especially true at the driveway apron and sidewalk panel intersections. We have not scheduled replacement of all sections with lesser surface defects. Cyclic repairs are scheduled, as full replacement at one time is not appropriate or anticipated. Concrete repairs are scheduled to coincide with work on other concrete components to take advantage of economies of scale in packaging concrete restoration work. Any trip hazards or hazardous surface deficiencies should be addressed as soon as practicable to prevent personal injury.
7.2	Concrete Curbs & Gutters	6,976	LF	\$36.00	\$251,136	5	2021	1%	\$2,511	2026	2%	\$5,545	2031	2%	\$6,123	The driveways and parking bays are lined with standard-profile, cast-in-place, concrete curbs and gutters. They are in continuing good condition with less than 1% of the length exhibiting transverse cracks or settled sections. Minor chips usually do not justify replacement. Cyclic repairs are scheduled, as full replacement at one time is not appropriate or anticipated. Curb repairs are scheduled to coincide with work on other concrete components to maximize economies of scale. Any trip hazards or hazardous surface deficiencies should be addressed as soon as practicable to prevent personal injury.
7.3	Concrete Driveway Aprons	6,318	SF	\$12.50	\$78,975	5	2021	2%	\$1,580	2026	6%	\$5,232	2031	6%	\$5,776	Many of the townhomes in the community have concrete driveway aprons, typically six feet in depth. They appear in continuing good condition with less than 1% of cracked or settled sections observed. Concrete apron repairs are scheduled to coincide with work on other concrete components to maximize economies of scale. Any trip hazards or hazardous surface deficiencies should be addressed as soon as practicable to prevent personal injury.
8 TOWNHOME ASSOCIATION - SITE FEATURES																
8.1	Street and Informational Signage	42	EA	\$165.00	\$6,930	20	2036	100%	\$9,327	2056	100%	\$13,859				Standard metal traffic, parking and access control signs, typically 12" by 18" and mounted on perforated metal posts, are located throughout the townhome section. Other signs, such as stop signs, are mounted on 4" by 4" timber posts. A total of approximately 42 total signs are installed. Posts and signs were replaced circa 2015 and are in continuing good condition.

CALENDAR OF EXPENDITURES TABLE 2 EXPLANATION

This table is a yearly plan of action of replacements and costs. A description of the columns in the table follows:

- Column 1 **Year** is the year of the projected replacement and expenditure.
- Column 2 **Component No.** itemizes the components and is consistent throughout the tables.
- Column 3 **Component** is a brief description of the component.
- Column 4 **Present Cost** is the cost for the cycle in today's dollars.
- Column 5 **Future Cost (Inflated)** is the cost for the cycle in future dollars.
- Column 6 **Total Annual Expenditures** gives the total expenditures by year.
- Column 7 **Action** is an area provided for the Board to make notations as to action taken on each component.

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CALENDAR OF EXPENDITURES
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YEAR	COMPONENT NO.	COMPONENT	PRESENT COST 2021	FUTURE COST (INFLATED)	TOTAL ANNUAL EXPENDITURES	ACTION
1	2	3	4	5	6	7
2021					2021	
	1.2	Asphalt Seal Coat	\$2,470	\$2,470	TOTAL EXPENDITURES	
	1.3	Asphalt Repair Allowance	\$950	\$950		
	2.1	Concrete Sidewalk and Front Patio	\$1,565	\$1,565		
	2.5	Concrete Pool Deck	\$15,478	\$15,478		
	3.7	Tennis Court Color Coat	\$30,000	\$30,000		
	3.10	Multi-Purpose Court Color Coat	\$4,000	\$4,000		
	3.13	Storm Water Drainage System Allowance	\$14,850	\$14,850		
	3.14	Tree Trimming, Removal, & Replacement Allowance	\$13,000	\$13,000		
	4.5	Door Allowance	\$2,550	\$2,550		
	5.6	Pool Furniture	\$33,000	\$33,000		
	6.2	Asphalt Seal Coat	\$13,054	\$13,054		
	6.3	Asphalt Repair Allowance	\$4,500	\$4,500		
	7.1	Concrete Sidewalks	\$4,171	\$4,171		
	7.2	Concrete Curbs & Gutters	\$2,511	\$2,511		
	7.3	Concrete Driveway Aprons	\$1,580	\$1,580		
					\$143,678	
2022					2022	
	3.14	Tree Trimming, Removal, & Replacement Allowance	\$13,000	\$13,260	TOTAL EXPENDITURES	
	5.3	Pool Coping	\$616	\$628		
	5.7	Pool Pump & Filters	\$19,000	\$19,380		
	5.8	Pool Chlorinator	\$1,350	\$1,377		
	5.10	Wading Pool Pump & Filter	\$2,500	\$2,550		
	5.11	Pool Covers	\$17,579	\$17,931		
					\$55,126	
2023					2023	
	3.14	Tree Trimming, Removal, & Replacement Allowance	\$13,000	\$13,525	TOTAL EXPENDITURES	
	4.10	Dry Deck Flooring Tiles	\$4,290	\$4,463		
					\$17,989	
2024					2024	
	3.14	Tree Trimming, Removal, & Replacement Allowance	\$13,000	\$13,796	TOTAL EXPENDITURES	
					\$13,796	
2025					2025	
	3.14	Tree Trimming, Removal, & Replacement Allowance	\$13,000	\$14,072	TOTAL EXPENDITURES	
	4.9	Carpeting	\$2,090	\$2,262		
	5.2	Pool White Coat	\$24,450	\$26,465		
	5.3	Pool Coping	\$616	\$667		
					\$43,466	

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1	2	3	4	5	6	7
2026					2026	
	1.2	Asphalt Seal Coat	\$2,470	\$2,727	TOTAL EXPENDITURES	
	1.3	Asphalt Repair Allowance	\$1,900	\$2,098		
	2.1	Concrete Sidewalk and Front Patio	\$1,565	\$1,728		
	2.5	Concrete Pool Deck	\$15,478	\$17,088		
	3.7	Tennis Court Color Coat	\$11,400	\$12,587		
	3.10	Multi-Purpose Court Color Coat	\$4,000	\$4,416		
	3.14	Tree Trimming, Removal, & Replacement Allowanc	\$13,000	\$14,353		
	5.4	Pool Fencing	\$15,875	\$17,527		
	5.5	Pool Perimeter Equipment	\$11,250	\$12,421		
	5.9	Phase Converter	\$7,500	\$8,281		
	6.2	Asphalt Seal Coat	\$13,054	\$14,412		
	6.3	Asphalt Repair Allowance	\$6,750	\$7,453		
	7.2	Concrete Curbs & Gutters	\$5,023	\$5,545		
	7.3	Concrete Driveway Aprons	\$4,739	\$5,232		
					\$125,867	
2027					2027	
	3.14	Tree Trimming, Removal, & Replacement Allowanc	\$13,000	\$14,640	TOTAL EXPENDITURES	
	4.2	Vinyl Siding	\$11,781	\$13,267		
	4.3	Wood & Vinyl Trim Allowance	\$4,300	\$4,842		
	4.4	Windows	\$8,775	\$9,882		
	4.8	Building Lighting	\$9,700	\$10,924		
	4.11	Plumbing Fixtures	\$15,000	\$16,892		
	4.12	Kitchen Refurbishment Project	\$4,200	\$4,730		
	4.14	Storage Sheds	\$3,000	\$3,378		
						\$78,557
2028					2028	
	3.13	Storm Water Drainage System Allowance	\$14,850	\$17,058	TOTAL EXPENDITURES	
	3.14	Tree Trimming, Removal, & Replacement Allowanc	\$13,000	\$14,933		
	4.15	Community Center Sign	\$2,800	\$3,216		
	5.3	Pool Coping	\$616	\$708		
	7.1	Concrete Sidewalks	\$6,257	\$7,187		
					\$43,102	
2029					2029	
	1.4	Asphalt Footpaths	\$197,210	\$231,063	TOTAL EXPENDITURES	
	3.5	Timber Retaining Wall	\$1,680	\$1,968		
	3.14	Tree Trimming, Removal, & Replacement Allowanc	\$13,000	\$15,232		
	4.13	Metal Overhead Doors	\$6,200	\$7,264		
					\$255,527	

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YEAR	COMPONENT NO.	COMPONENT	PRESENT COST 2021	FUTURE COST (INFLATED)	TOTAL ANNUAL EXPENDITURES	ACTION
1	2	3	4	5	6	7
2030					2030	
	2.2	Concrete Wheelstops	\$3,672	\$4,388	TOTAL EXPENDITURES	
	2.3	Concrete Dumpster Pad	\$1,000	\$1,195		
	3.14	Tree Trimming, Removal, & Replacement Allowanc	\$13,000	\$15,536		
	4.10	Dry Deck Flooring Tiles	\$4,290	\$5,127		
					\$26,247	
2031					2031	
	1.1	Asphalt Restoration Project	\$25,725	\$31,359	TOTAL EXPENDITURES	
	1.3	Asphalt Repair Allowance	\$3,800	\$4,632		
	2.1	Concrete Sidewalk and Front Patio	\$1,565	\$1,908		
	2.5	Concrete Pool Deck	\$15,478	\$18,867		
	3.2	Entrance Monument Lighting	\$6,600	\$8,045		
	3.6	Tennis Court Restoration Project	\$52,000	\$63,388		
	3.8	Tennis Court Fencing	\$11,000	\$13,409		
	3.9	Multi-Purpose Court Restoration Project	\$20,500	\$24,989		
	3.11	Basketball Goals	\$5,100	\$6,217		
	3.14	Tree Trimming, Removal, & Replacement Allowanc	\$13,000	\$15,847		
	4.3	Wood & Vinyl Trim Allowance	\$4,300	\$5,242		
	4.5	Door Allowance	\$5,100	\$6,217		
	5.3	Pool Coping	\$616	\$751		
	5.6	Pool Furniture	\$33,000	\$40,227		
	6.2	Asphalt Seal Coat	\$13,054	\$15,912		
	6.3	Asphalt Repair Allowance	\$9,000	\$10,971		
	7.1	Concrete Sidewalks	\$6,257	\$7,627		
	7.2	Concrete Curbs & Gutters	\$5,023	\$6,123		
	7.3	Concrete Driveway Aprons	\$4,739	\$5,776		
					\$287,506	
2032					2032	
	3.4	Metal Railings	\$27,735	\$34,485	TOTAL EXPENDITURES	
	3.14	Tree Trimming, Removal, & Replacement Allowanc	\$13,000	\$16,164		
	5.2	Pool White Coat	\$24,450	\$30,400		
	5.8	Pool Chlorinator	\$1,350	\$1,679		
	5.10	Wading Pool Pump & Filter	\$2,500	\$3,108		
	5.11	Pool Covers	\$17,579	\$21,857		
					\$107,693	
2033					2033	
	3.14	Tree Trimming, Removal, & Replacement Allowanc	\$13,000	\$16,487	TOTAL EXPENDITURES	
	4.6	Water Heater	\$4,900	\$6,214		
					\$22,702	
2034					2034	
	3.12	Footbridge	\$66,000	\$85,378	TOTAL EXPENDITURES	
	3.14	Tree Trimming, Removal, & Replacement Allowanc	\$13,000	\$16,817		
	5.3	Pool Coping	\$616	\$797		
					\$102,992	
2035					2035	
	3.13	Storm Water Drainage System Allowance	\$14,850	\$19,594	TOTAL EXPENDITURES	
	3.14	Tree Trimming, Removal, & Replacement Allowanc	\$13,000	\$17,153		
	4.9	Carpeting	\$2,090	\$2,758		
					\$39,505	

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1	2	3	4	5	6	7
2036					2036	
	1.2	Asphalt Seal Coat	\$2,470	\$3,324	TOTAL EXPENDITURES	
	1.3	Asphalt Repair Allowance	\$950	\$1,279		
	2.1	Concrete Sidewalk and Front Patio	\$1,565	\$2,106		
	2.4	Concrete Retaining Wall	\$31,442	\$42,317		
	3.7	Tennis Court Color Coat	\$11,400	\$15,343		
	3.10	Multi-Purpose Court Color Coat	\$4,000	\$5,383		
	3.14	Tree Trimming, Removal, & Replacement Allowanc	\$13,000	\$17,496		
	4.1	Re-Roofing Project	\$15,161	\$20,404		
	4.3	Wood & Vinyl Trim Allowance	\$4,300	\$5,787		
	6.1	Asphalt Restoration Project	\$135,975	\$183,004		
	6.3	Asphalt Repair Allowance	\$9,000	\$12,113		
	7.1	Concrete Sidewalks	\$6,257	\$8,421		
	7.2	Concrete Curbs & Gutters	\$5,023	\$6,760		
	7.3	Concrete Driveway Aprons	\$4,739	\$6,377		
	8.1	Street and Informational Signage	\$6,930	\$9,327		
					\$339,442	
2037					2037	
	3.14	Tree Trimming, Removal, & Replacement Allowanc	\$13,000	\$17,846	TOTAL EXPENDITURES	
	4.10	Dry Deck Flooring Tiles	\$4,290	\$5,889		
	4.14	Storage Sheds	\$3,000	\$4,118		
	5.3	Pool Coping	\$616	\$846		
	5.7	Pool Pump & Filters	\$19,000	\$26,083		
					\$54,782	
2038					2038	
	2.5	Concrete Pool Deck	\$15,478	\$21,672	TOTAL EXPENDITURES	
	3.14	Tree Trimming, Removal, & Replacement Allowanc	\$13,000	\$18,203		
	5.5	Pool Perimeter Equipment	\$9,900	\$13,862		
					\$53,738	
2039					2039	
	3.14	Tree Trimming, Removal, & Replacement Allowanc	\$13,000	\$18,567	TOTAL EXPENDITURES	
	5.1	Pool Renovation Project	\$213,934	\$305,550		
					\$324,118	
2040					2040	
	3.14	Tree Trimming, Removal, & Replacement Allowanc	\$13,000	\$18,939	TOTAL EXPENDITURES	
					\$18,939	

CURRENT FUNDING ANALYSIS CASH FLOW METHOD
TABLE 3.0 EXPLANATION
and, if applicable,
ALTERNATIVE FUNDING ANALYSIS CASH FLOW METHOD
TABLE 3.1, 3.2, 3.3 (etc.) EXPLANATION

Table 3.0 shows the financial picture over the twenty-year study period, using the current annual contribution and the reserve fund balance reported at the beginning of the study year. If the results of the study indicate a need to increase the annual contribution to maintain adequate balances throughout the study period, Table 3.1, and possibly, 3.2 will be provided for consideration. Alternatives might also be provided if a community is over-funded and desires to adjust the annual contribution downward.

Alternative funding may be achieved by increasing the annual contribution to a fixed yearly amount or by applying an annual escalation factor to increase contributions over time, or a combination of both methods. An inflation factor and interest income factor may be included in the calculations on this page.

A description of the columns in the table follows:

- Column 1 **Year**
- Column 2 **Total Asset Base** of all common capital assets included in the reserve fund with costs adjusted for inflation.
- Column 3 **Beginning Reserve Fund Balance** is the reserve fund balance after all activity in the prior year is completed.
- Column 4 **Annual Contribution**, on Table 3, is the amount contributed annually to the reserve fund as reported by the Board of Directors. On the Alternative Funding Analysis tables (3.1, 3.2, etc.), the annual contribution is projected to maintain positive balances throughout the study period.
- Column 5 **Interest Income**, which is indicated in the heading of the table, is applied to the reserve fund balance and is accrued monthly throughout each year after the yearly expenditures are deducted. The interest income percentage may be varied to reflect actual experience of the community investments.
- Column 6 **Capital Expenditures** are annual totals of expenditures for each year of the study period adjusted by the inflation percentage listed in the heading of the table.
- Column 7 **Ending Reserve Fund Balance** is the result of the beginning reserve fund balance plus the annual contribution, plus interest income, less capital expenditures for the year.
- Column 8 **Balance to Asset Base Ratio**, expressed as a percentage, is the ratio between the ending reserve fund balance and the total asset base for that year. The ratio is useful to the analysts in understanding general financial condition, but there is no standard ratio as each community's condition and complexity varies.

Reserve Fund Plan for
**GREENWAY FARMS HOMEOWNERS
 ASSOCIATION**
 Leesburg, VA

CURRENT FUNDING ANALYSIS
CASH FLOW METHOD
TABLE 3



Beginning Reserve Fund Balance: **428,253** Annual Contribution To Reserves: **108,881** Contribution Percentage Increase: **2.00%** Annual Inflation Factor: **2.00%** Annual Interest Income Factor: **0.50%**

In Dollars

YEAR	TOTAL ASSET BASE	BEGINNING RESERVE FUND BALANCE	ANNUAL CONTRIBUTION	INTEREST INCOME	CAPITAL EXPENDITURES	ENDING RESERVE FUND BALANCE
1	2	3	4	5	6	7
2021	2,008,465	428,253	108,881	2,052	143,678	395,508
2022	2,048,634	395,508	111,059	2,134	55,126	453,575
2023	2,089,606	453,575	113,280	2,532	17,988	551,398
2024	2,131,399	551,398	115,545	3,039	13,796	656,187
2025	2,174,027	656,187	117,856	3,490	43,466	734,067
2026	2,217,507	734,067	120,213	3,664	125,868	732,076
2027	2,261,857	732,076	122,618	3,788	78,555	779,928
2028	2,307,094	779,928	125,070	4,131	43,102	866,027
2029	2,353,236	866,027	127,571	3,994	255,527	742,065
2030	2,400,301	742,065	130,123	4,001	26,246	849,942
2031	2,448,307	849,942	132,725	3,840	287,507	699,001
2032	2,497,273	699,001	135,380	3,578	107,693	730,266
2033	2,547,219	730,266	138,087	3,973	22,701	849,625
2034	2,598,163	849,625	140,849	4,361	102,992	891,843
2035	2,650,126	891,843	143,666	4,752	39,505	1,000,756
2036	2,703,129	1,000,756	146,539	4,493	339,441	812,347
2037	2,757,191	812,347	149,470	4,328	54,782	911,364
2038	2,812,335	911,364	152,460	4,835	53,737	1,014,922
2039	2,868,582	1,014,922	155,509	4,630	324,117	850,943
2040	2,925,954	850,943	158,619	4,643	18,939	995,267

STUDY PERIOD TOTALS

2,645,522 76,258 2,154,766

Reserve Fund Plan for
**GREENWAY FARMS HOMEOWNERS
 ASSOCIATION**
 Leesburg, VA

**ALTERNATIVE FUNDING ANALYSIS
 CASH FLOW METHOD
 HYBRID APPROACH**
TABLE 3.1 - Using 2% Inflation



Beginning Reserve Fund Balance: **428,253** Annual Contribution To Reserves: **108,881** Contribution Percentage Increase: **1.95%** Annual Inflation Factor: **2.00%** Annual Interest Income Factor: **0.50%**

In Dollars

YEAR	TOTAL ASSET BASE	BEGINNING RESERVE FUND BALANCE	ANNUAL CONTRIBUTION	INTEREST INCOME	CAPITAL EXPENDITURES	ENDING RESERVE FUND BALANCE
1	2	3	4	5	6	7
2021	2,008,465	428,253	108,881	2,052	143,678	395,508
2022	2,048,634	395,508	111,002	2,134	55,126	453,518
2023	2,089,606	453,518	113,165	2,531	17,988	551,226
2024	2,131,399	551,226	115,370	3,038	13,796	655,838
2025	2,174,027	655,838	117,618	3,488	43,466	733,478
2026	2,217,507	733,478	119,909	3,660	125,868	731,180
2027	2,261,857	731,180	122,246	3,783	78,555	778,653
2028	2,307,094	778,653	124,628	4,123	43,102	864,302
2029	2,353,236	864,302	127,056	3,983	255,527	739,815
2030	2,400,301	739,815	129,531	3,988	26,246	847,088
2031	2,448,307	847,088	132,055	3,824	287,507	695,460
2032	2,497,273	695,460	134,628	3,559	107,693	725,953
2033	2,547,219	725,953	137,251	3,949	22,701	844,452
2034	2,598,163	844,452	139,925	4,332	102,992	885,718
2035	2,650,126	885,718	142,651	4,719	39,505	993,583
2036	2,703,129	993,583	145,431	4,454	339,441	804,026
2037	2,757,191	804,026	148,264	4,283	54,782	901,792
2038	2,812,335	901,792	151,153	4,784	53,737	1,003,991
2039	2,868,582	1,003,991	154,098	4,571	324,117	838,543
2040	2,925,954	838,543	157,100	4,577	18,939	981,282

STUDY PERIOD TOTALS

2,631,964 **75,831** **2,154,766**

FULLY FUNDED BALANCE GOAL



Reserve Fund Plan for
**GREENWAY FARMS HOMEOWNERS
 ASSOCIATION**
 Leesburg, VA

**ALTERNATIVE FUNDING ANALYSIS
 CASH FLOW METHOD
 HYBRID APPROACH**
TABLE 3.1 - Using 3% Inflation



Beginning Reserve Fund Balance: **428,253** Annual Contribution To Reserves: **108,881** Contribution Percentage Increase: **3.00%** Annual Inflation Factor: **3.00%** Annual Interest Income Factor: **0.50%**

In Dollars

YEAR	TOTAL ASSET BASE	BEGINNING RESERVE FUND BALANCE	ANNUAL CONTRIBUTION	INTEREST INCOME	CAPITAL EXPENDITURES	ENDING RESERVE FUND BALANCE
1	2	3	4	5	6	7
2021	2,008,465	428,253	108,881	2,052	143,678	395,508
2022	2,068,718	395,508	122,270	2,163	55,665	464,276
2023	2,130,780	464,276	125,938	2,619	18,343	574,490
2024	2,194,703	574,490	129,716	3,192	14,205	693,193
2025	2,260,544	693,193	133,608	3,714	45,195	785,320
2026	2,328,361	785,320	137,616	3,951	132,161	794,725
2027	2,398,212	794,725	141,744	4,141	83,292	857,319
2028	2,470,158	857,319	145,997	4,567	46,149	961,734
2029	2,544,263	961,734	150,377	4,479	276,270	840,320
2030	2,620,591	840,320	154,888	4,554	28,655	971,106
2031	2,699,208	971,106	159,535	4,440	316,969	818,112
2032	2,780,185	818,112	164,321	4,221	119,895	866,758
2033	2,863,590	866,758	169,250	4,734	25,521	1,015,221
2034	2,949,498	1,015,221	174,328	5,244	116,919	1,077,874
2035	3,037,983	1,077,874	179,558	5,766	45,287	1,217,910
2036	3,129,122	1,217,910	184,944	5,540	392,937	1,015,458
2037	3,222,996	1,015,458	190,493	5,432	64,036	1,147,346
2038	3,319,686	1,147,346	196,207	6,110	63,432	1,286,232
2039	3,419,276	1,286,232	202,094	5,947	386,340	1,107,932
2040	3,521,855	1,107,932	208,156	6,055	22,796	1,299,348

STUDY PERIOD TOTALS

3,179,919 **88,921** **2,397,745**

FULLY FUNDED BALANCE GOAL

FUNDING ANALYSIS COMPONENT METHOD TABLE 4 EXPLANATION

Table 4 is a yearly list of annual contributions toward each component, which must be made to achieve 100% funding. The reserve fund balance is the balance at the beginning of the study year. The beginning reserve fund balance is applied, proportionately, to each component prior to calculating the yearly contribution for each component. Future costs (inflation) are factored into the replacement cycles. The annual contribution for each year is calculated in the bottom row of the study labeled **Annual Component Contribution Totals**. Interest and inflation are calculated at the same annual rates as the Cash Flow Method (Table 3).

Column **1** **Component Number** is consistent throughout the tables.

Column **2** **Component** is a brief description of the component.

Columns **3 - 22** **Years** lists the annual contribution amount toward each component throughout the twenty-year study period, which is totaled at the bottom of the component table.

COMPONENT METHOD SUMMARY

The component method summary computes the beginning reserve fund balance, the annual component contribution, the annual expenditures, and interest income. It then provides the ending reserve fund balance for each year of the study.

Beginning Reserve Fund Balance:

In Dollars **428,253**

Component Number	COMPONENT	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
4.13	Metal Overhead Doors	476	476	476	476	476	476	476	476	406	406	406	406	406	406	406	406	406	406	406	406
4.14	Storage Sheds	287	287	287	287	287	287	402	402	402	402	402	402	402	402	402	402	489	489	489	489
4.15	Community Center Sign	244	244	244	244	244	244	244	227	227	227	227	227	227	227	227	227	227	227	227	227
4.16	Dumpster Enclosure	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166	166
5 MASTER ASSOCIATION - POOL ELEMENTS																					
5.1	Pool Renovation Project	11,899	11,899	11,899	11,899	11,899	11,899	11,899	11,899	11,899	11,899	11,899	11,899	11,899	11,899	11,899	11,899	11,899	11,899	11,899	17,096
5.2	Pool White Coat	4,702	4,702	4,702	4,702	4,266	4,266	4,266	4,266	4,266	4,266	4,266	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765	2,765
5.3	Pool Coping	353	221	221	221	234	234	234	248	248	248	264	264	264	280	280	280	156	156	156	156
5.4	Pool Fencing	1,661	1,661	1,661	1,661	1,661	981	981	981	981	981	981	981	981	981	981	981	981	981	981	981
5.5	Pool Perimeter Equipment	1,213	1,213	1,213	1,213	1,213	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,648	1,648	1,648
5.6	Pool Furniture	15,759	3,922	3,922	3,922	3,922	3,922	3,922	3,922	3,922	3,922	4,781	4,781	4,781	4,781	4,781	4,781	4,781	4,781	4,781	4,781
5.7	Pool Pump & Filters	7,864	1,674	1,674	1,674	1,674	1,674	1,674	1,674	1,674	1,674	1,674	1,674	1,674	1,674	1,674	1,674	2,253	2,253	2,253	2,253
5.8	Pool Chlorinator	578	164	164	164	164	164	164	164	164	164	164	200	200	200	200	200	200	200	200	200
5.9	Phase Converter	785	785	785	785	785	463	463	463	463	463	463	463	463	463	463	463	463	463	463	463
5.10	Wading Pool Pump & Filter	1,070	303	303	303	303	303	303	303	303	303	303	369	369	369	369	369	369	369	369	369
5.11	Pool Covers	7,525	2,131	2,131	2,131	2,131	2,131	2,131	2,131	2,131	2,131	2,131	2,598	2,598	2,598	2,598	2,598	2,598	2,598	2,598	2,598
6 TOWNHOME ASSOCIATION - ASPHALT COMPONENTS																					
6.1	Asphalt Restoration Project	10,422	10,422	10,422	10,422	10,422	10,422	10,422	10,422	10,422	10,422	10,422	10,422	10,422	10,422	10,422	10,422	12,926	12,926	12,926	12,926
6.2	Asphalt Seal Coat	7,444	2,846	2,846	2,846	2,846	3,142	3,142	3,142	3,142	3,142	1,891	1,891	1,891	1,891	1,891	1,891	1,891	1,891	1,891	1,891
6.3	Asphalt Repair Allowance	3,057	1,472	1,472	1,472	1,472	2,166	2,166	2,166	2,166	2,166	2,392	2,392	2,392	2,392	2,392	660	660	660	660	660
7 TOWNHOME ASSOCIATION - CONCRETE COMPONENTS																					
7.1	Concrete Sidewalks	2,471	1,009	1,009	1,009	1,009	1,009	1,009	2,523	2,523	2,523	1,663	1,663	1,663	1,663	1,663	1,358	1,358	1,358	1,358	1,358
7.2	Concrete Curbs & Gutters	1,976	1,095	1,095	1,095	1,095	1,209	1,209	1,209	1,209	1,209	1,335	1,335	1,335	1,335	1,335	1,474	1,474	1,474	1,474	1,474
7.3	Concrete Driveway Aprons	1,587	1,033	1,033	1,033	1,033	1,141	1,141	1,141	1,141	1,141	1,259	1,259	1,259	1,259	1,259	1,390	1,390	1,390	1,390	1,390
8 TOWNHOME ASSOCIATION - SITE FEATURES																					
8.1	Street and Informational Signage	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	599	659	659	659	659
ANNUAL COMPONENT CONTRIBUTION TOTALS		194,147	130,735	130,537	130,813	130,599	130,343	129,842	132,006	120,249	120,705	118,868	118,340	118,738	119,913	123,307	128,459	129,479	132,052	137,619	137,997

COMPONENT METHOD SUMMARY	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
BEGINNING RESERVE FUND BALANCE	428,253	481,395	559,771	675,479	796,236	887,714	896,991	953,126	1,047,164	917,460	1,016,844	853,624	868,870	969,583	991,688	1,080,795	875,577	955,014	1,038,473	857,552
PLUS ANNUAL COMPONENT CONTRIBUTION	194,147	130,735	130,537	130,813	130,599	130,343	129,842	132,006	120,249	120,705	118,868	118,340	118,738	119,913	123,307	128,459	129,479	132,052	137,619	137,997
CAPITAL EXPENDITURES	143,678	55,126	17,988	13,796	43,466	125,868	78,555	43,102	255,527	26,246	287,507	107,693	22,701	102,992	39,505	339,441	54,782	53,737	324,117	18,939
SUBTOTAL	478,722	557,004	672,320	792,496	883,369	892,189	948,278	1,042,030	911,886	1,011,919	848,205	864,271	964,907	986,504	1,075,490	869,813	950,274	1,033,329	851,975	976,610
PLUS INTEREST INCOME @ 0.50%	2,673	2,767	3,159	3,740	4,345	4,802	4,847	5,135	5,574	4,925	5,418	4,599	4,676	5,184	5,304	5,765	4,739	5,144	5,578	4,672
FULLY FUNDED RESERVE FUND BALANCE	481,395	559,771	675,479	796,236	887,714	896,991	953,126	1,047,164	917,460	1,016,844	853,624	868,870	969,583	991,688	1,080,795	875,577	955,014	1,038,473	857,552	981,282

PERCENT FUNDED FOR CURRENT CYCLE **66%**

TOTAL EXPENDITURES **2,154,766**

TOTAL CONTRIBUTIONS **2,614,748**

STUDY PERIOD TOTAL INTEREST **93,047**

AVERAGE ANNUAL CONTRIBUTION **130,737**



**PHOTOGRAPHS
WITH
DESCRIPTIVE
NARRATIVES**



MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.



PHOTO #1
The asphalt parking area at the pool is in continuing good condition. Crack filling and seal coating is scheduled and should be coordinated with the pavement maintenance of the townhome pavement.



PHOTO #2
The asphalt footpaths range from fair to generally continuing good condition. A few areas of deflected pavement were observed, requiring repair.



PHOTO #3
The concrete retaining wall that supports the pool deck was properly repaired since our previous evaluation and appears to be in continuing good condition.

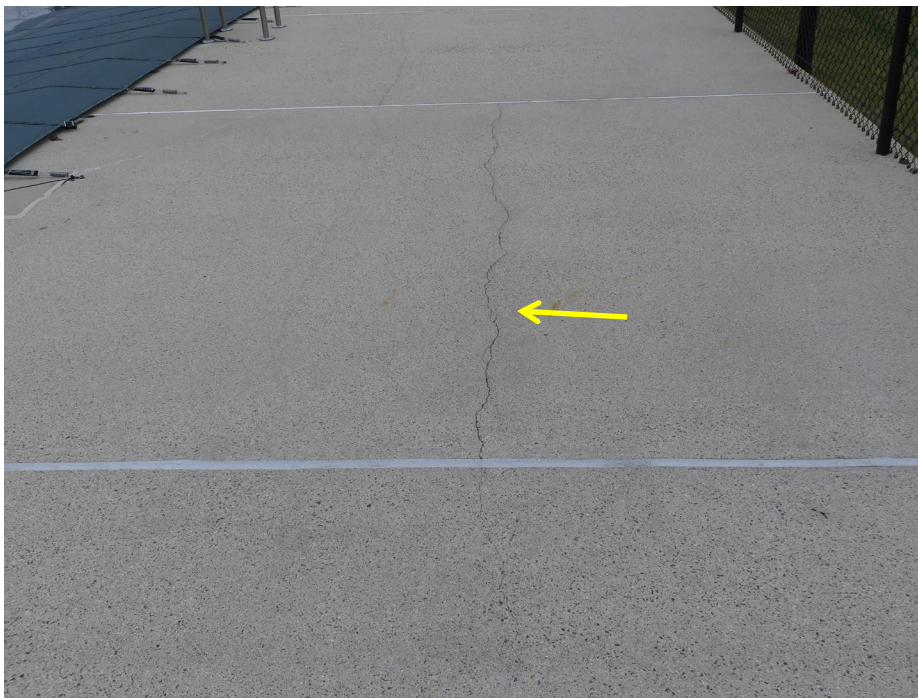


PHOTO #4

A minor amount of cracking was observed on the pool deck. These cracks should be routed and sealed to prevent water infiltration below the pool deck.



PHOTO #5

The entrance monument walls have been tuckpointed and repaired since our previous evaluation and appear to be in continuing good condition. Landscape lighting was not evaluated after dark, but appears to be in continuing good condition.

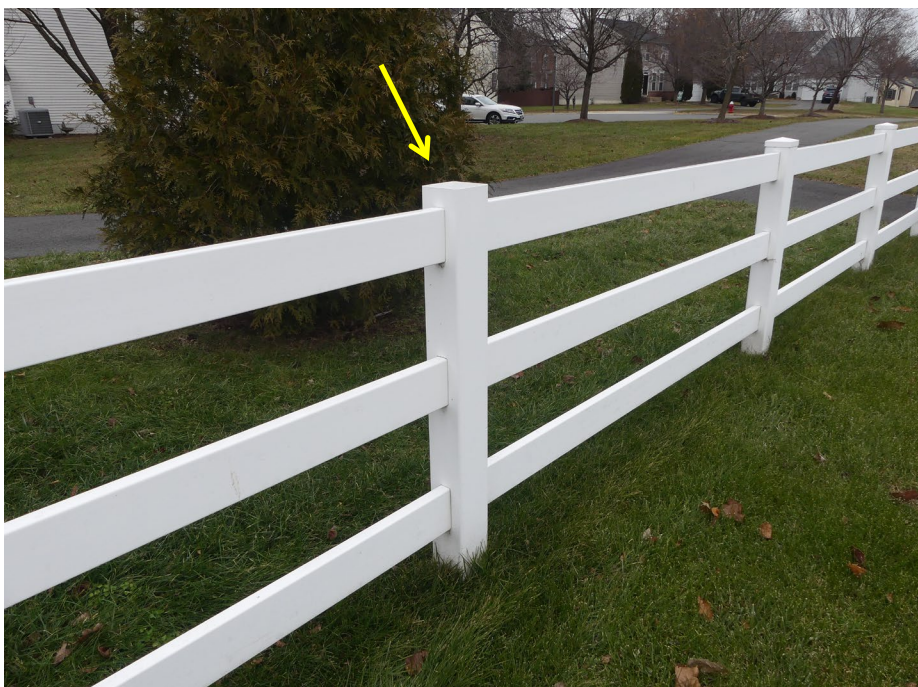


PHOTO #6

The vinyl fencing is in continuing good condition. Localized replacement of post caps or any other missing components of the fencing should be completed under operations. Eventual pressure washing to remove algae staining will help to improve appearance.



PHOTO #7
The tennis courts are exhibiting a moderate quantity of cracking. We understand that a contract is in place to repair and re-color coat the courts near-term.



PHOTO #8
The multipurpose court and goals are in continuing good condition. The court cracking should also be repaired near-term.



PHOTO #9
A significant quantity of rusting was observed on all metal surfaces of the footbridge. Cleaning, priming, and painting, while difficult, may help to maximize the bridge service life.



PHOTO #10

A few of the wood treads of the footbridge are beginning to rot, requiring localized replacement. Note the rusting rails.



PHOTO #11

The community center roofing was replaced and appears to be in excellent condition. The vinyl siding, wood trim, windows, and most doors are in continuing good condition.



PHOTO #12

The dry deck flooring ranges from fair to continuing good condition. Some staining was observed. We have scheduled dry deck replacement in the next year or two.



PHOTO #13
The plumbing components range from fair to continuing good condition. The partitions have been painted which will help to maximize their service life and improve appearance.



PHOTO #14
The wood dumpster enclosure was replaced with PVC fencing and gates and is now in good condition.



PHOTO #15
We understand that the pools were restored in 2018. They were covered for the season and could not be evaluated.



PHOTO #16
The fencing and light fixtures at the pool area appear to be in continuing good condition.



PHOTO #17
The pool furniture was stacked in the community center for the season. Management requested we include an allowance for near-term replacement.



PHOTO #18
The pool pump and metal strainer may be nearing the end of their service life. The strainer was observed with significant rust.

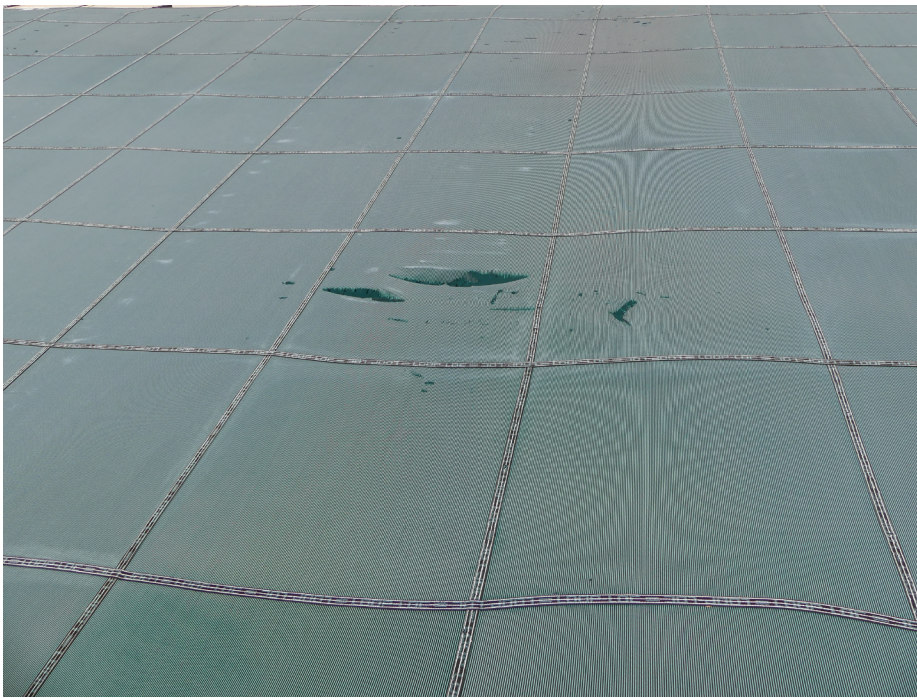


PHOTO #19

The pool covers are also nearing the end of their service life. We observed deteriorated fabric and some tears. The wading pool cover was also deflected. We have scheduled both for near-term replacement.



PHOTO #20

The townhome asphalt pavement ranges from fair to good condition. We did not observe any major deflected asphalt. However, a moderate quantity of longitudinal and transverse cracking was observed. We have scheduled pavement maintenance (crack filling and seal coating) near-term.



PHOTO #21

The concrete sidewalks, curbs and gutters, and the driveway aprons range from fair to generally continuing good condition.