

# The Towns at Lakeside Association, Inc.

August 8, 2025 • North Port, FL

RESERVE STUDY



The Towns at Lakeside Association, Inc.  
North Port, Florida

Dear Board of Directors of The Towns at Lakeside Association, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Reserve Study* of The Towns at Lakeside Association, Inc. in North Port, Florida and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, August 8, 2025.

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

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

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

Respectfully submitted on August 14, 2025 by

*Reserve Advisors, LLC*

Visual Inspection and Report by: Matthew Maracallo

Review by: Tamara S. Samhuri, E.I., RS<sup>1</sup>, Southeast Quality Assurance Engineer  
Alan M. Ebert, RS, PRA<sup>2</sup>, Director of Quality Assurance



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

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



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# 1. RESERVE STUDY EXECUTIVE SUMMARY

**Client:** The Towns at Lakeside Association, Inc. (The Towns at Lakeside)

**Location:** North Port, Florida

**Reference:** 080638

**Property Basics:** The Towns at Lakeside Association, Inc. is a townhome style development which consists of 236 units in 33 buildings. The community was built from 2005 to 2019.

**Reserve Components Identified:** 11 Reserve Components.

**Inspection Date:** August 8, 2025. We conducted previous inspections in 2011, 2014, 2018 and 2022.

**Funding Goal:** The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes this threshold funding year in 2038 and 2055 due to the replacement of the asphalt shingle roofs.

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

- Current and future local costs of replacement
- 2.7% anticipated annual rate of return on invested reserves
- 3.5% future Inflation Rate for estimating Future Replacement Costs

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

**Unaudited Cash Status of Reserve Fund:**

- \$534,345 as of June 30, 2025
- 2025 budgeted Reserve Contributions of \$203,600

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

- Paint finish applications and partial replacements to limit water infiltration into the units maintain a uniformly clean, consistent appearance of the buildings
- Replacement of the irrigation system, including pumps and controls, based on conditions reported by the Association.
- Allowance for repairs to subsurface lateral utility pipes.
- Allowance for partial replacements of concrete parking areas due to noted conditions.



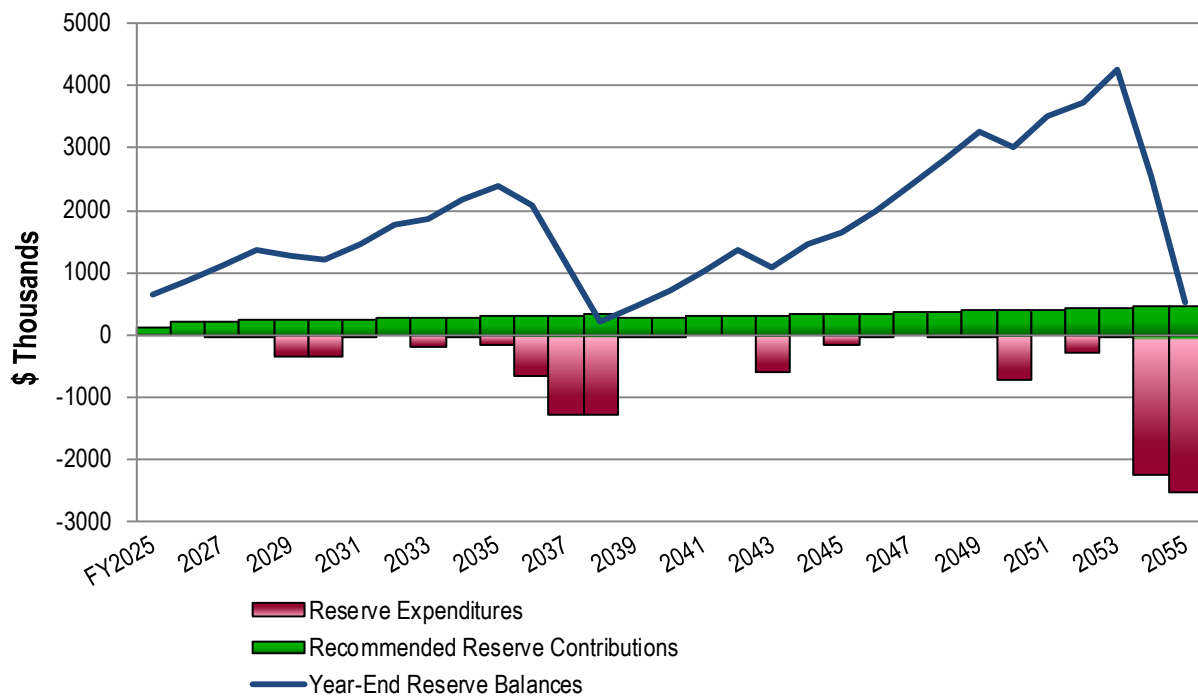


**Recommended Reserve Funding:** We recommend the following in order to achieve a stable and equitable Cash Flow Methodology Funding Plan:

- Increase Reserve Contributions to \$210,700 in 2026
- Inflationary increases from 2027 through 2038
- Decrease to \$269,800 by 2039 due to fully funding for replacement of the asphalt shingle roofs
- Inflationary increases thereafter through 2055, the limit of this study's Cash Flow Analysis
- Initial adjustment in Reserve Contributions of \$7,100 represents an average monthly increase of \$2.51 per owner and about a one percent (1.4%) adjustment in the 2025 Total Budget of \$491,440.

### The Towns at Lakeside Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2026	210,700	874,980	2036	297,400	2,077,999	2046	343,200	1,991,129
2027	218,100	1,115,198	2037	307,800	1,153,195	2047	355,200	2,404,885
2028	225,700	1,347,637	2038	318,600	195,255	2048	367,600	2,834,531
2029	233,600	1,271,001	2039	269,800	448,869	2049	380,500	3,250,418
2030	241,800	1,196,007	2040	279,200	709,998	2050	393,800	3,016,955
2031	250,300	1,457,061	2041	289,000	1,022,069	2051	407,600	3,511,515
2032	259,100	1,758,999	2042	299,100	1,352,803	2052	421,900	3,729,111
2033	268,200	1,875,442	2043	309,600	1,092,668	2053	436,700	4,263,071
2034	277,600	2,179,801	2044	320,400	1,446,895	2054	452,000	2,548,984
2035	287,300	2,377,148	2045	331,600	1,640,741	2055	467,800	531,136





## 2. RESERVE STUDY REPORT

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

**The Towns at Lakeside Association, Inc.**

**North Port, Florida**

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, August 8, 2025. We conducted previous inspections in 2011, 2014, 2018 and 2022.

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

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

## IDENTIFICATION OF PROPERTY



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

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

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

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

- The Towns at Lakeside responsibility
- Limited useful life expectancies
- Predictable remaining useful life expectancies
- Replacement cost above a minimum threshold

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



## **Excluded Components**

for  
**The Towns at Lakeside**  
**Association, Inc.**  
North Port, Florida

### **Operating Budget Components**

Repairs normally funded through the Operating Budget and Expenditures less than \$3,400 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)

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

- Asphalt Pavement, Patch Repairs, Parking Areas
- Bulletin Board
- Curb Stops, Parking Areas
- Irrigation System, Well Pump (Abandoned)
- Landscape
- Mailbox Cleaning
- Paint Finishes, Touch Up
- Shutters, Vinyl
- Signage, Paint Finishes and Capital Repairs

### **Long-Lived Components**

These elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the scope of this study. The operating budget should fund infrequent repairs. Funding untimely or unexpected replacements from reserves will necessitate increases to Reserve Contributions. Periodic updates of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan.

**Useful Life**

**Estimated Cost**

- Electrical Systems, Common
- Irrigation System, Well Casings

to 70+

N/A

Indeterminate

N/A

## **Excluded Components**

for  
**The Towns at Lakeside  
Association, Inc.**  
North Port, Florida

### **Owners Responsibility Components**

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

- Concrete Driveways
- Concrete Sidewalks, Driveway to Front Entrance
- Doors, Garage
- Electrical Systems (Including Circuit Protection Panels)
- Foundations
- Gutters and Downspouts
- Heating, Ventilating and Air Conditioning (HVAC) Units
- Interiors
- Light Fixtures, Recessed and Exterior Wall Mounted<sup>1</sup>
- Patios
- Patios, Light Fixtures
- Patios, Screens and Frames
- Pavers, Driveway Dividers
- Pipes (Within Units)
- Soffits, Vinyl
- Structural Frames
- Walls, Stone, Veneer
- Walls, Stucco, Repairs
- Walls, Vinyl Siding
- Windows and Doors

<sup>1</sup> Per Management and the Board of Directors

### **Others Responsibility Components**

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

- Asphalt Pavement, Streets<sup>1</sup>
- Catch Basins<sup>1</sup>
- Concrete Curbs and Gutters<sup>1</sup>
- Concrete Sidewalks, Street<sup>1</sup>
- Pipes, Subsurface Utilities, Sanitary Sewer, Domestic Water, Fire Suppression, Storm Water Drainage, Mains<sup>1</sup>
- Ponds (Including Shorelines and Control Structures)<sup>1</sup>

<sup>1</sup> Community Development District

### 3. RESERVE EXPENDITURES and FUNDING PLAN

The tables following this introduction present:

#### **Reserve Expenditures**

- Line item numbers
- Total quantities
- Quantities replaced per phase (in a single year)
- Reserve component inventory
- Estimated first year of event (i.e., replacement, application, etc.)
- Life analysis showing
  - useful life
  - remaining useful life
- 2025 local cost of replacement
  - Per unit
  - Per phase
  - Replacement of total quantity
- Percentage of future expenditures anticipated during the next 30 years
- Schedule of estimated future costs for each reserve component including inflation

#### **Reserve Funding Plan**

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

#### **Five-Year Outlook**

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

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

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

RESERVE EXPENDITURES

The Towns at Lakeside  
Association, Inc.  
North Port, Florida

Explanatory Notes:

- 1) 3.5% is the estimated Inflation Rate for estimating Future Replacement Costs.  
2) FY2025 is Fiscal Year beginning January 1, 2025 and ending December 31, 2025.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	RUL = 0 FY2025	1 2026	2 2027	3 2028	4 2029	5 2030	6 2031	7 2032	8 2033	9 2034	10 2035	11 2036	12 2037	13 2038	14 2039	15 2040
						Useful	Remaining	Unit (2025)	Per Phase (2025)	Total (2025)																	
Exterior Building Elements																											
1.280	3,170	1,585	Squares	Roofs, Asphalt Shingles (2021), Phased	2037	12 to 18	12 to 13	520.00	824,200	1,648,400	63.9%													1,245,423	1,289,013		
1.285	190	190	Squares	Roofs, Asphalt Shingles (2017-2019)	2035	12 to 18	10	520.00	98,800	98,800	3.5%										139,367						
1.880	200,500	200,500	Square Feet	Walls, Stucco, Paint Finishes	2029	5 to 7	4	1.50	300,750	300,750	18.5%					345,118							439,086				
Property Site Elements																											
4.045	450	450	Square Yards	Asphalt Pavement, Total Replacement, Parking Areas	2039	15 to 20	14	34.00	15,300	15,300	0.2%															24,766	
4.121	4,500	270	Square Feet	Concrete Parking Areas, Partial	2028	to 65	3 to 30+	13.00	3,510	58,500	0.3%				3,892				4,622						5,489		
4.400	1	1	Allowance	Irrigation System, Decoders and Controls	2030	10 to 15	5	73,400.00	73,400	73,400	2.1%							87,176									
4.410	3	3	Each	Irrigation System, Pumps (5-hp)	2030	10 to 15	5	5,500.00	16,500	16,500	0.5%							19,597									
4.420	135	45	Zones	Irrigation System, Replacement, Phased	2030	to 40+	5 to 11	3,300.00	148,500	445,500	5.3%							176,371		195,546			216,806				
4.600	16	16	Each	Mailbox Stations	2030	to 25	5	3,500.00	56,000	56,000	2.0%							66,510									
4.650	1	1	Allowance	Pipes, Subsurface Utilities, Laterals	2028	to 3	3	20,000.00	20,000	20,000	3.3%				22,174			24,585		27,258				30,221		33,507	
4.810	8	8	Each	Signage, Street and Traffic, Replacement	2035	15 to 20	10	1,000.00	8,000	8,000	0.3%										11,285						
	1	1	Allowance	Reserve Study Update with Site Visit	2027	2	2	4,100.00	4,100	4,100	0.0%			4,392													
Anticipated Expenditures, By Year (\$11,092,188 over 30 years)												0	0	4,392	26,066	345,118	349,655	24,585	0	200,168	27,258	150,652	655,891	1,275,644	1,294,502	24,766	33,507

RESERVE EXPENDITURES

The Towns at Lakeside Association, Inc. North Port, Florida				Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	16 2041	17 2042	18 2043	19 2044	20 2045	21 2046	22 2047	23 2048	24 2049	25 2050	26 2051	27 2052	28 2053	29 2054	30 2055
Line Item	Total Quantity	Per Phase Quantity	Units		Useful	Remaining	Unit (2025)	Per Phase (2025)	Total (2025)																
Reserve Component Inventory																									
Exterior Building Elements																									
1.280	3,170	1,585 Squares	Roofs, Asphalt Shingles (2021), Phased	2037	12 to 18	12 to 13	520.00	824,200	1,648,400	63.9%														2,235,130	2,313,359
1.285	190	190 Squares	Roofs, Asphalt Shingles (2017-2019)	2035	12 to 18	10	520.00	98,800	98,800	3.5%												250,119			
1.880	200,500	200,500 Square Feet	Walls, Stucco, Paint Finishes	2029	5 to 7	4	1.50	300,750	300,750	18.5%			558,640							710,746					
Property Site Elements																									
4.045	450	450 Square Yards	Asphalt Pavement, Total Replacement, Parking Areas	2039	15 to 20	14	34.00	15,300	15,300	0.2%															
4.121	4,500	270 Square Feet	Concrete Parking Areas, Partial	2028	to 65	3 to 30+	13.00	3,510	58,500	0.3%			6,520					7,743					9,197		
4.400	1	1 Allowance	Irrigation System, Decoders and Controls	2030	10 to 15	5	73,400.00	73,400	73,400	2.1%					146,051										
4.410	3	3 Each	Irrigation System, Pumps (5-hp)	2030	10 to 15	5	5,500.00	16,500	16,500	0.5%					32,832										
4.420	135	45 Zones	Irrigation System, Replacement, Phased	2030	to 40+	5 to 11	3,300.00	148,500	445,500	5.3%															
4.600	16	16 Each	Mailbox Stations	2030	to 25	5	3,500.00	56,000	56,000	2.0%															157,180
4.650	1	1 Allowance	Pipes, Subsurface Utilities, Laterals	2028	to 3	3	20,000.00	20,000	20,000	3.3%			37,150			41,189		45,667				50,631			56,136
4.810	8	8 Each	Signage, Street and Traffic, Replacement	2035	15 to 20	10	1,000.00	8,000	8,000	0.3%														21,695	
	1	1 Allowance	Reserve Study Update with Site Visit	2027	2	2	4,100.00	4,100	4,100	0.0%															
Anticipated Expenditures, By Year (\$11,092,188 over 30 years)											0	0	602,309	0	178,882	41,189	0	7,743	45,667	710,746	0	300,750	9,197	2,256,825	2,526,676



RESERVE FUNDING PLAN

CASH FLOW ANALYSIS  
The Towns at Lakeside  
Association, Inc.  
North Port, Florida

		Individual Reserve Budgets & Cash Flows for the Next 30 Years															
		FY2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Reserves at Beginning of Year	(Note 1)	534,345	644,046	874,980	1,115,198	1,347,637	1,271,001	1,196,007	1,457,061	1,758,999	1,875,442	2,179,801	2,377,148	2,077,999	1,153,195	195,255	448,869
Total Recommended Reserve Contributions	(Note 2)	101,800	210,700	218,100	225,700	233,600	241,800	250,300	259,100	268,200	277,600	287,300	297,400	307,800	318,600	269,800	279,200
Estimated Interest Earned, During Year	(Note 3)	7,901	20,234	26,510	32,805	34,881	32,861	35,339	42,838	48,411	54,017	60,699	59,343	43,040	17,962	8,580	15,436
Anticipated Expenditures, By Year		0	0	(4,392)	(26,066)	(345,118)	(349,655)	(24,585)	0	(200,168)	(27,258)	(150,652)	(655,891)	(1,275,644)	(1,294,502)	(24,766)	(33,507)
Anticipated Reserves at Year End		<u>\$644,046</u>	<u>\$874,980</u>	<u>\$1,115,198</u>	<u>\$1,347,637</u>	<u>\$1,271,001</u>	<u>\$1,196,007</u>	<u>\$1,457,061</u>	<u>\$1,758,999</u>	<u>\$1,875,442</u>	<u>\$2,179,801</u>	<u>\$2,377,148</u>	<u>\$2,077,999</u>	<u>\$1,153,195</u>	<u>\$195,255</u>	<u>\$448,869</u>	<u>\$709,998</u>
		(NOTE 5)															

(continued)

(continued)	Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued															
	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	
Reserves at Beginning of Year	709,998	1,022,069	1,352,803	1,092,668	1,446,895	1,640,741	1,991,129	2,404,885	2,834,531	3,250,418	3,016,955	3,511,515	3,729,111	4,263,071	2,548,984	
Total Recommended Reserve Contributions	289,000	299,100	309,600	320,400	331,600	343,200	355,200	367,600	380,500	393,800	407,600	421,900	436,700	452,000	467,800	
Estimated Interest Earned, During Year	23,071	31,634	32,574	33,827	41,128	48,377	58,556	69,790	81,053	83,483	86,960	96,446	106,457	90,738	41,028	
Anticipated Expenditures, By Year	0	0	(602,309)	0	(178,882)	(41,189)	0	(7,743)	(45,667)	(710,746)	0	(300,750)	(9,197)	(2,256,825)	(2,526,676)	
Anticipated Reserves at Year End	<u>\$1,022,069</u>	<u>\$1,352,803</u>	<u>\$1,092,668</u>	<u>\$1,446,895</u>	<u>\$1,640,741</u>	<u>\$1,991,129</u>	<u>\$2,404,885</u>	<u>\$2,834,531</u>	<u>\$3,250,418</u>	<u>\$3,016,955</u>	<u>\$3,511,515</u>	<u>\$3,729,111</u>	<u>\$4,263,071</u>	<u>\$2,548,984</u>	<u>\$531,136</u>	
	(NOTE 4&5)															

Explanatory Notes:

- 1) Year 2025 starting reserves are as of June 30, 2025; FY2025 starts January 1, 2025 and ends December 31, 2025.
- 2) Reserve Contributions for 2025 are the remaining budgeted 6 months; 2026 is the first year of recommended contributions.
- 3) 2.7% is the estimated annual rate of return on invested reserves; 2025 is a partial year of interest earned.
- 4) Accumulated year 2055 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Year (reserve balance at critical point).

**FIVE-YEAR OUTLOOK**

**The Towns at Lakeside  
Association, Inc.**  
North Port, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2025	1 2026	2 2027	3 2028	4 2029	5 2030
<b><u>Exterior Building Elements</u></b>							
1.880	Walls, Stucco, Paint Finishes					345,118	
<b><u>Property Site Elements</u></b>							
4.121	Concrete Parking Areas, Partial				3,892		
4.400	Irrigation System, Decoders and Controls						87,176
4.410	Irrigation System, Pumps (5-hp)						19,597
4.420	Irrigation System, Replacement, Phased						176,371
4.600	Mailbox Stations						66,510
4.650	Pipes, Subsurface Utilities, Laterals				22,174		
	Reserve Study Update with Site Visit			4,392			
<b>Anticipated Expenditures, By Year (\$725,230 over 5 years)</b>		0	0	4,392	26,066	345,118	349,655

## 4. RESERVE COMPONENT DETAIL

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

### Exterior Building Elements



Front building elevation



Side and rear building elevation

### Roofs, Asphalt Shingles

---

**Line Items:** 1.280 and 1.285

**Quantity:** Approximately 3,170 *squares*<sup>1</sup> comprise roofs on the buildings constructed between 2005 to 2007, and approximately 190 squares comprise the roofs on the buildings constructed between 2017 to 2019.

**History:** The roofs on the 2005–2007 buildings were replaced in 2021. The roofs on the two 2017–2019 buildings remain original.

**Condition:** Good overall with no visible deterioration evident from our visual inspection from the ground. The Board do not report a history of leaks.

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





**Asphalt shingle roof overview**



**Asphalt shingle roof overview**



**Asphalt shingle roof overview**



**Asphalt shingle roof overview**



**Asphalt shingle roof overview**



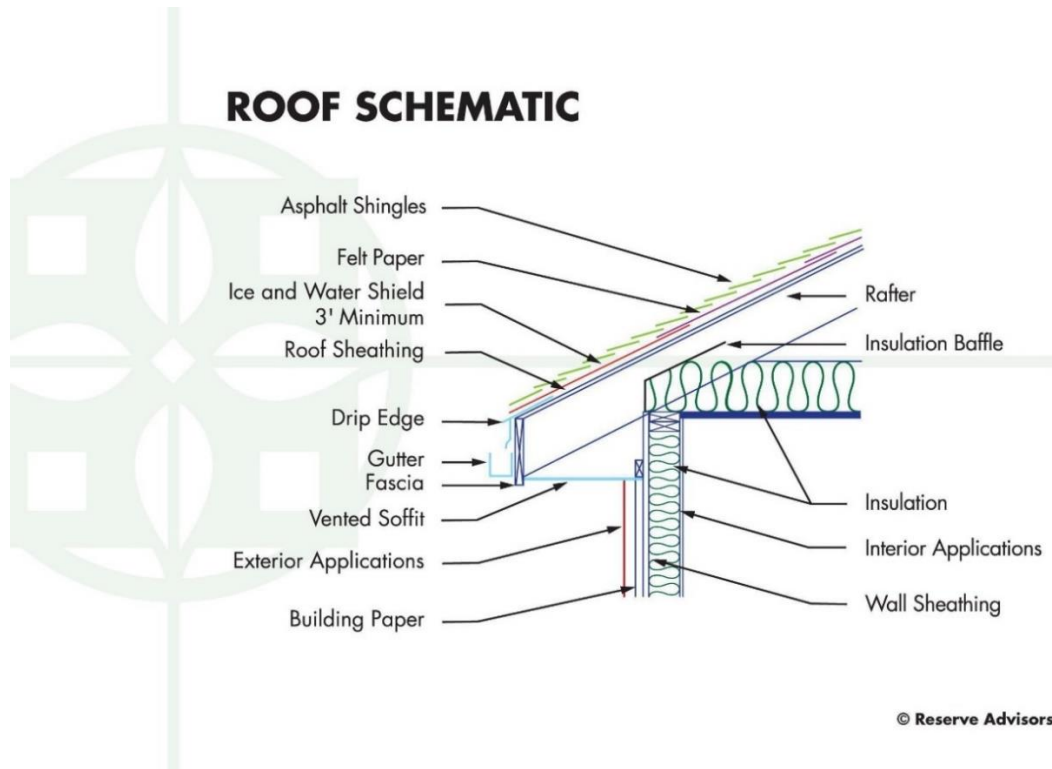
**Asphalt shingle roof overview**

**Useful Life:** 12- to 18-years

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

- Three tab shingles
- Boston style ridge caps
- Lead boot flashing at waste pipes
- Square hood box
- Metal drip edge
- Enclosed half weaved valleys

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



Contractors use one of two methods for replacement of sloped roofs, either an overlayment or a tear-off. Overlayment is the application of new shingles over an existing roof. However, there are many disadvantages to overlayment including hidden defects of the underlying roof system, absorption of more heat resulting in accelerated deterioration of the new and old shingles, and an uneven visual appearance. Therefore, we recommend only the tear-off method of replacement. The tear-off method of replacement includes removal of the existing shingles, flashings if required and underlayments.

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

- Annually:
  - Record any areas of water infiltration, flashing deterioration, damage or loose shingles



- Implement repairs as needed if issues are reoccurring
- Trim tree branches that are near or in contact with roof
- As-needed:
  - Ensure proper ventilation and verify vents are clear of debris and not blocked from attic insulation

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

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

## Walls, Stucco

---

**Line Item:** 1.880

**Quantity:** Approximately 200,500 square feet of building exteriors, including the two buildings constructed between 2017 and 2019.

**History:** Applied paint finishes and repaired in 2022

**Condition:** Good overall



**Stucco wall finishes**



**Stucco wall finishes**



**Stucco wall finishes**

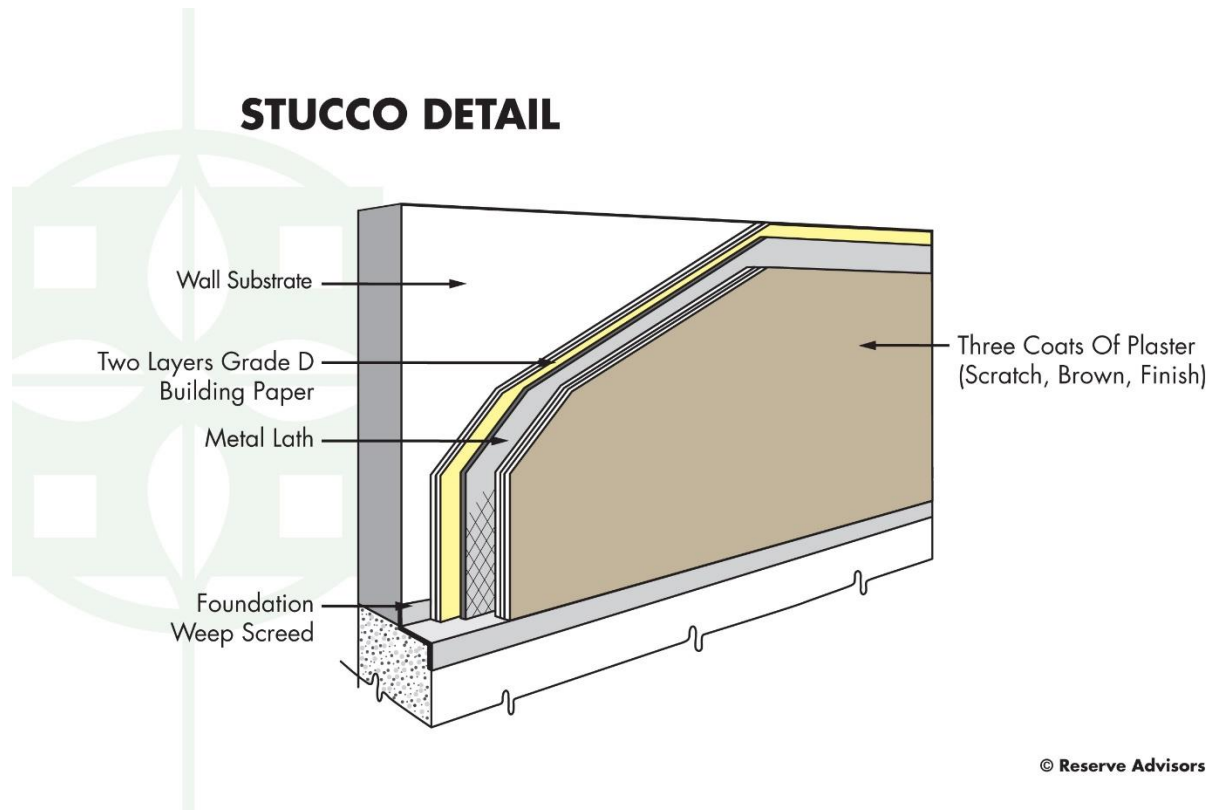


**Stucco wall finishes**

**Useful Life:** We recommend inspections, repairs and paint finish applications every five-to seven-years.

**Component Detail Notes:** The following graphic details the typical components of a stucco wall system on frame construction although it may not reflect the actual configuration at The Towns at Lakeside:

## STUCCO DETAIL



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

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

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of cost anticipates the following in coordination with each paint finish application:

- Complete inspection of the stucco
- Crack repairs as needed (Each paint product has the limited ability to cover and seal cracks but we recommend repair of all cracks which exceed the ability of the paint product to bridge.)
- Replacement of up to one percent (1%), of the stucco walls (The exact amount of area in need of replacement will be discretionary based on the actual future conditions and the desired appearance.)
- Replacement of up to thirty-three percent (33%) of the sealants in coordination with each paint finish application.

## Property Site Elements

### Asphalt Pavement, Repaving

---

**Line Item:** 4.045

**Quantity:** Approximately 450 square yards of asphalt pavement at the parking area, located at the east end of the community on the corner of Plantation Blvd. and Jonah Dr.

**History:** Installed in 2019

**Condition:** Good to fair overall with isolated raveling evident



Asphalt pavement parking lot overview

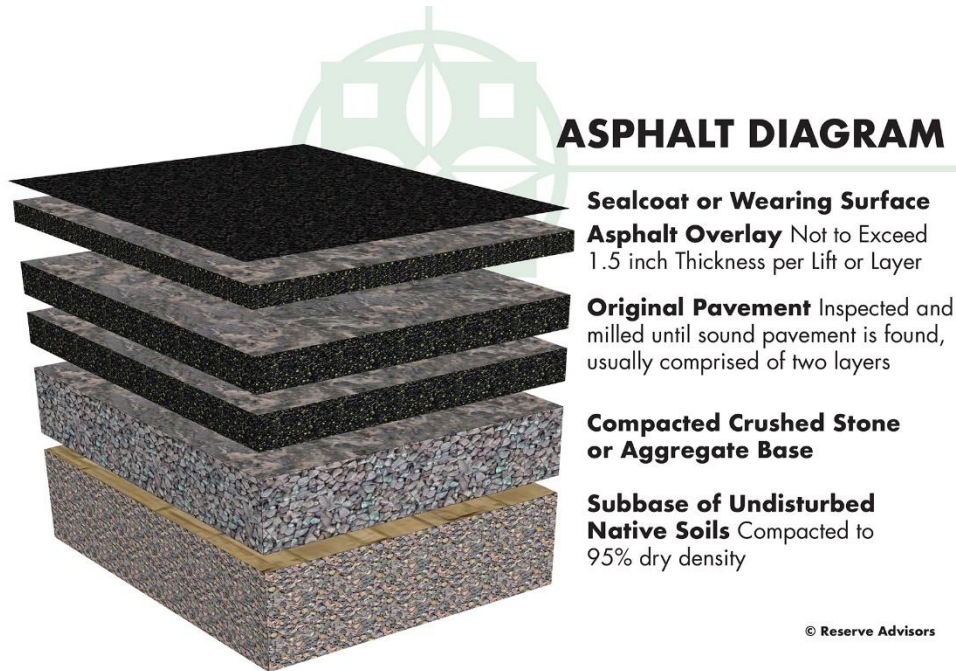


Pavement raveling



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

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



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

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

- Annually:
  - Inspect for settlement, large cracks and trip hazards, and ensure proper drainage

- Repair areas which could cause vehicular damage such as potholes
- As needed:
  - Perform crack repairs and patching

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

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

## Concrete Parking Areas

---

**Line Item:** 4.121

**Quantity:** Approximately 4,500 square feet of concrete guest parking spaces maintained by the Association.

**Condition:** Good to fair overall with isolated concrete cracks evident.



**Concrete parking area overview**



**Concrete cracks**

**Useful Life:** Up to 65 years although interim deterioration of areas is common

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

- Annually:
  - Inspect and repair major cracks, spalls and trip hazards
  - Mark with orange safety paint prior to replacement or repair
  - Repair or perform concrete leveling in areas in immediate need of repair or possible safety hazard

**Priority/Criticality:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We estimate that up to 1,620 square feet of concrete



parking areas, or thirty-six percent (36%) of the total, will require replacement during the next 30 years.

## **Irrigation System, Decoders and Controls**

---

**Line Item:** 4.400

**Quantity:** Three controls and approximately 123 decoders.

**History:** Replaced in 2016.

**Condition:** Reported satisfactory without operational deficiencies.



**Irrigation system controller**

**Useful Life:** 10- to 15-years

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

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

## **Irrigation System, Pumps**

---

**Line Item:** 4.410

**Quantity:** We are informed there are four pumps in total, three of which are operational and one abandoned.

**History:** Replaced in 2016.

**Condition:** Reported satisfactory without operational deficiencies. One well is leaking, but the Association does not plan to repair as it is no longer in use.



**Irrigation system pump**

**Useful Life:** 10- to 15-years

**Preventative Maintenance Notes:** The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology.

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

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

## **Irrigation System, Replacement**

---

**Line Item:** 4.420

**Quantity:** Approximately 135 irrigation zones that irrigate the common areas

**History:** Primarily original, with repairs completed in 2016 in conjunction with the replacement of the decoders. We are informed the irrigation system will need replacement in approximately 6 to 8 years based on recent inspections.

**Condition:** Good to fair operational condition and the Board does not report any deficiencies

**Useful Life:** Up to and sometimes beyond 40 years

**Component Detail Notes:** Irrigation systems typically include the following components:

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

The Towns at Lakeside should anticipate interim and partial replacements of the system network supply pipes and other components as normal maintenance to maximize the useful life of the irrigation system. The Association should fund these ongoing seasonal repairs through the operating budget.

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

- Semi-annually:
  - Conduct seasonal repairs which includes valve repairs, controller repairs, partial head replacements and pipe repairs

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

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

## Mailbox Stations

---

**Line Item:** 4.600

**Quantity:** 16 mailbox stations.

**History:** Original to the development.

**Condition:** Good to fair overall with isolated finish deterioration evident.



Typical mailbox stations



Minor finish deterioration

**Useful Life:** Up to 25 years

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

- As-needed:
  - Inspect and repair damage, vandalism, and finish deterioration

- Verify posts are anchored properly

**Priority/Criticality:** Per Board discretion

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

## **Pipes, Subsurface Utilities, Laterals**

---

**Line Item:** 4.650

**Condition:** Reported satisfactory

**Useful Life:** Up to and likely beyond 85 years

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

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

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

**Priority/Criticality:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. At this time, we do not anticipate replacement of continuous lengths of subsurface utility pipes. Rather we recommend the Association budget for repairs to isolated occurrences of breached utilities. Although it is likely that the times of replacement and extent of repair costs may vary from the budgetary allowance, The Towns at Lakeside could budget sufficient reserves for these utility repairs and have the opportunity to adjust its future reserves up or down to meet any changes to these budgetary estimates. Updates of this Reserve Study would incorporate changes to budgetary costs through a continued historical analysis of the rate of deterioration and actual repairs to budget sufficient reserves. Management and the Board requests an allowance for \$20,000 every three years for isolated occurrences and repairs to the lateral subsurface utility pipes.



## Signage, Street and Traffic

---

**Line Item:** 4.810

**Quantity:** A total of eight street and traffic signs throughout the community.

**History:** Installation original to the development with minor repairs completed in 2017.

**Condition:** Good overall



Typical street traffic signage

**Useful Life:** 15- to 20-years

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

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

- Annually:
  - Inspect and repair damage, vandalism and loose components
  - Touch-up paint finish applications if applicable

**Priority/Criticality:** Per Board discretion

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



## Reserve Study Update

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

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

Periodic updates incorporate these variable changes since the last Reserve Study or Update. The Association can expense the fee for an Update with site visit from the reserve account. This fee is included in the Reserve Funding Plan. We base this budgetary amount on updating the same property components and quantities of this Reserve Study report. We recommend the Board budget for an Update to this Reserve Study every three years. Budgeting for an Update demonstrates the Board's objective to continue fulfilling its fiduciary responsibility to maintain the commonly owned property and to fund reserves appropriately.

## 5.METHODOLOGY

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

The Towns at Lakeside can fund capital repairs and replacements in any combination of the following:

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

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

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

- The Cash Flow Method to compute, project and illustrate the 30-year Reserve Funding Plan
- Local<sup>2</sup> costs of material, equipment and labor
- Current and future costs of replacement for the Reserve Components
- Costs of demolition as part of the cost of replacement
- Local economic conditions and a historical perspective to arrive at our estimate of long-term future inflation for construction costs in North Port, Florida at an annual inflation rate<sup>3</sup>. Isolated or regional markets of greater

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

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

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

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

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

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

## 6. CREDENTIALS

### HISTORY AND DEPTH OF SERVICE

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

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

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

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

### TOTAL STAFF INVOLVEMENT

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

### OUR GOAL

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

### VAST EXPERIENCE WITH A VARIETY OF BUILDINGS

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

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

### OLD TO NEW

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



**MATTHEW MARACALLO****Responsible Advisor****CURRENT CLIENT SERVICES**

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



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

**Twin Dolphins I Condominium Association** This prestigious seven-story midrise situated on Marco Island, Florida, overlooks the Marco River. Features of this property include private resident at the top of the seven floors, elegant lobby area, multiple conference rooms, fitness center, an on-grade parking garage, flat roof system, as well as unique thermal heating wells for the pool and spa.

**Terracina Homeowners Association** This large community is located in West Palm Beach, Florida, and is responsible for the common elements shared by 460 single family homes. The Association maintains a clubhouse with an exercise room, a pool, tennis and basketball courts, a large playground, and multiple common spaces throughout the community.

**Fountainhead Garden Villas & Penthouse Association** Located in Vero Beach, Florida, this unique townhome association comprises of 89 units in 19 buildings. In addition to roads, building exteriors, and tile roofs, this association maintains three ponds, extensive retaining walls, a pool and clubhouse.

**Resort I at Burnt Store Marina Condominium Association** Nestled in Punta Gorda, Florida, this condominium association contains 40 units in 20 buildings. In addition to roads and parking areas, the Association maintains the building exteriors and tile roofs as well as a decorative monument structure.

**Sylvan Crossing Homeowners Association** This new developments comprises of 168 units in 30 buildings. Located in Lutz, Florida Common elements include a resort style pool house, two ponds, asphalt pavement and concrete tile roofs.

**Bimini Bay III at Tarpon Bay Condominium Association** This townhome community built in the early 2000s is located in Naples, Florida. The community is comprised of 64 units in 16 buildings. The townhomes are comprised of concrete tile roofs and concrete balconies at the unit rear.

**PRIOR RELEVANT EXPERIENCE**

Before joining **Reserve Advisors**, Mr. Maracallo was a field engineer and hydrographic surveyor with Jay Cashman Dredging in Quincy, Massachusetts, where he was responsible for conducting, analyzing and processing hundreds of hydrographic surveys along the east coast of the United States. Mr. Maracallo successfully completed the bachelors program in Civil Engineering from Florida Atlantic University in Boca Raton, Florida.

**EDUCATION**

Florida Atlantic University - B.S. Civil Engineering

**TAMARA S. SAMHOURI, E.I., RS**  
**Southeast Quality Assurance Engineer**



**CURRENT CLIENT SERVICES**

Tamara Samhouri, a Civil Engineer, is an Advisor for **Reserve Advisors**. Mrs. Samhouri is responsible for the inspection and analysis of the condition of clients' properties, and recommending engineering solutions to prolong the lives of the components. She also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. She is responsible for conducting Life Cycle Cost Analyses and Capital Replacement Forecast services and the preparation of Reserve Study Reports for condominiums, townhomes and homeowner associations.

The following is a partial list of clients served by Tamara Samhouri demonstrating her breadth of experiential knowledge of community associations in construction and related buildings systems.

**North Lake at Tarpon Springs Homeowners Association** Located in Tarpon Springs, Florida, this single family development consists of 122 homes built in 1999. The Association maintains the asphalt pavement street systems, ponds, gates, signage, & a boardwalk and dock assembly.

**Talon Bay Property Owners Association** This Homeowners Association located in North Port, Florida is comprised of 233 single unit homes. The clubhouse in this community includes a fitness center, kitchen, rest rooms, and a patio leading to a pool deck. The clubhouse and gate house were constructed with stucco façade and a metal roof assembly. The Association maintains asphalt pavement street systems, tennis and shuffleboard courts, and gates.

**Lake Highlander Resident Owned Association** This Cooperative style development located in Dunedin, Florida is comprised of 293 homes built in the 1960s. The community maintains amenities, such as a laundry room, pool hall, library, office, and clubhouse. The Cooperative maintains the subsurface pipes, electric meter panels, and bridges throughout the community.

**Royal Pointe at Majestic Palms Recreation Association and Condominium Associations** The Recreation Association is responsible for the elements shared by five condominium buildings. The Recreation Association maintains the pool amenities & asphalt pavement street systems. The Condominium Associations are responsible for their building exteriors comprised of concrete tile roofs, balconies, breezeways, & staircases. The Condominium Associations maintain the building service elements, including life safety systems, & domestic water pumps.

**PRIOR RELEVANT EXPERIENCE**

Before joining **Reserve Advisors**, Mrs. Samhouri successfully completed the bachelors program in Civil Engineering from The University of South Florida. She has experience as a Transportation Planning Intern at AECOM, the world's premier infrastructure consulting firm, where she gained knowledge on the safety and design of specialized roadway networks. Mrs. Samhouri has an expertise in transportation and geotechnical engineering infrastructure.

**EDUCATION**

University of South Florida - B.S. Civil Engineering

**PROFESSIONAL AFFILIATIONS / DESIGNATIONS**

*Engineering Intern (E.I.)* – Florida, 2021-present

*American Society of Civil Engineers (A.S.C.E.)* – Florida, 2015-present

*Institute of Transportation Engineers (I.T.E.)* – Florida, 2015-present

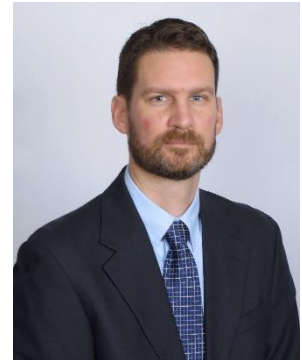
*Reserve Specialist (RS)* - Community Association Institute (CAI)

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

**CURRENT CLIENT SERVICES**

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

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



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

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

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

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

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

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

**PRIOR RELEVANT EXPERIENCE**

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

**EDUCATION**

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

**PROFESSIONAL AFFILIATIONS/DESIGNATIONS**

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

*Reserve Specialist (RS)* - Community Associations Institute

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



## RESOURCES

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

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

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

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

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

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

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



## 7. DEFINITIONS

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

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

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

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

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

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

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

**Long-Lived Property Component** - Property component of The Towns at Lakeside responsibility not likely to require capital repair or replacement during the next 30 years with an unpredictable remaining Useful Life beyond the next 30 years.

**Percent Funded** - The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

**Remaining Useful Life** - The estimated remaining functional or useful time in years of a *Reserve Component* based on its age, condition and maintenance.

**Reserve Component** - Property elements with: 1) The Towns at Lakeside responsibility; 2) limited Useful Life expectancies; 3) predictable Remaining Useful Life expectancies; and 4) a replacement cost above a minimum threshold.

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

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

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

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

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

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

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



## 8. PROFESSIONAL SERVICE CONDITIONS

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

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

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

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



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

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

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

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

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

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