MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.

MEMBER OF community ASSOCIATIONS INSTITUTE

Condition Assessment
&
Reserve Fund Plan
2017
Lake Vista

Forest, Virginia

Prepared for:

The Board of Directors

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January 26, 2017

Mr. Chris Falwell, Association Manager
Lake Vista Property Owners Association
200 Lake Vista Drive
Forest, Virginia 24551

RE: **CONDITION ASSESSMENT AND RESERVE FUND PLAN 2017**
Lake Vista Property Owners Association
Forest, Virginia
Project No. 8293

Dear Mr. Falwell:

Mason & Mason Capital Reserve Analysts, Inc. has completed the report for Lake Vista.

As outlined in our proposal, the report is being submitted to you and the Board of Directors for review and comment. A review of the Summary of Key Issues iii, and Sections 1 and 2 will provide you with our findings and financial analyses. We will be happy to meet with the Board to help them fully understand the issues. If no changes are necessary, please consider this version the final report. If changes are requested, Mason & Mason will make the revisions and re-issue the report. We encourage the Board to complete this process expeditiously and will support the effort.

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

Sincerely,

Mason & Mason Capital Reserve Analysts, Inc.

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

JAMES G. MASON III CAI-RS 159 Designation Reserve Specialist

James G. Mason, R. S.
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JAMES G. MASON CAI-RS 00010 DESIGNATION RESERVE SPECIALIST

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RESERVE FUND PLAN

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 Lake Vista's Reserve Fund Plan. 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's understandable to a first-time reader.

Analyzing the capital reserves reveals that:

- The reserve fund is approximately **65%** funded through **FY2016**. **See Paragraph 3.1. Our goal is to become fully funded by the end of the 20-year period (FY2036).**

In order to achieve this goal, the POA should:

- Set the annual contribution in **FY2017** to **$78,925**, and plan on annual increases of **2.5%** to reflect inflation thereafter.
- This sets the reserve contribution to **$13.56** per residential unit, per month (based on **485 total homes**).

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 don't 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 doesn't include an evaluation of moisture penetration, mold, indoor air quality, or other environmental issues. While we may identify safety hazards observed during the course of the field survey, this report shouldn't 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: Lake Vista Property Owners Association is comprised of 108 condominium style townhomes, 128 garden style condominiums, and 249 single family homes, for a total of 485 homes, located on Lake Vista Drive in Forest, Virginia. The community was constructed circa 1985. This study only encompasses the Master Association Lake Vista and its amenities. These include a two-story community center with an office, two pools, pool parking area, a garage/shop, work shed, tennis courts, walking trails, bridges and a gazebo, one approximately 24-acre lake with a dam, one smaller lake with a dam, and one Master Association street. The street layout at the community center includes concrete sidewalks and 4 parking bays providing 48 spaces.

We are providing the Condition Assessment and Reserve Fund Plan based on Proposal Acceptance Agreement No. 8293 dated January 3, 2017. 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 Property Owners 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 Association, and we therefore do not have any conflicts of interest that would bias this report. Information provided by Lake Vista 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.

James G. Mason III, R. S. conducted the field evaluation for this report on January 17, 2017. We met with Mr. Chris Falwell at the community center for a tour and discussion of all common assets. The weather was rainy and the temperature was approximately 52 degrees F. Precipitation had occurred for several days prior to the site visit. The pavements, walkways, and grounds were generally wet 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 30-year benchmark in terms of replacement of major systems. The asphalt drivelanes and parking areas at the community center range from fair to good condition. A minor amount of deflected cracking was observed, requiring near-term full-depth repair. The Master Association is responsible for Hutter Lake Trail and Waterview Circle. However, Waterview Circle is funded separately from the Master Association, and therefore is not included in this report. Hutter Lake Trail is included, and is in generally good condition. Pavement maintenance such as full-depth repairs, crack filling, and seal coating should be completed every five years, and is scheduled near-term. Asphalt footpaths range from new (leading down from the community center to Twin Springs Court), to fair condition (around Hutter Lake and at one section of Lake Vista). When tripping hazards are present on the footpaths, they should be mitigated as soon as practicable to prevent injury.

The concrete sidewalks and the pool deck are in excellent condition. Almost no deficiencies were observed. When there are cracked, settled and/or heaved concrete sidewalks, they are potential tripping hazards. The liability and costs associated with personal injury lawsuits resulting primarily from sidewalk tripping hazards are too great to defer repair. It is our opinion that addressing deficiencies, which pose a hazard to pedestrians, should not be deferred. As such, we recommend correcting the tripping hazards when present throughout the sidewalks and pool deck as soon as practicable.

Site features and equipment, such as the entrance monuments/signs, modular block walls, gazebo, most outdoor furniture, most outdoor lighting, most garage/workshop equipment, the storage shed, and the bobcat range from fair to generally good or new condition. The wood footbridges are nearing the end of their service life, requiring replacement near-term, which Management has current bids to replace. The shop truck is in fair, worn condition. We have included a Tree Trimming, Removal, & Replacement Allowance budget requested by Management.

The two lakes are the result of excavation and construction of earthen impoundment structures. Both lakes drain by overflow risers and both are constructed with grass spillways. Lake Vista is fed from both Hutter Lake and two larger lakes south of the community. There are a number of pond maintenance issues such as shoreline stabilization, chemical applications for weed control, bacterial improvement to control algae, surface aerators, diffusers, dredging, beaver control, and mosquito control, all of which may be required at some time over the life of the systems. We suggest that professional pond evaluations be conducted every ten years, mainly to monitor the sediment levels, and ensure that the ponds are not silting, which can be impacted from the lakes above. Pond dredging can be a very expensive undertaking, especially for Lake Vista. Pond dredging may be difficult, because this project would need to be coordinated with the community lakes upstream. We have not included dredging cost in the study, as we have no way of determining this expense without engineering evaluations, and may need to be separated from reserve funding. However, we have included a Storm Water Drainage System Allowance, which should help to cover other lake related costs, and surface erosion issues.

The community center exteriors, such as the asphalt shingle roofing (completed circa 2014), building siding, brick veneer, doors, windows and the newer concrete paver patio are in good condition. We understand that the lower floor of the community center was refurbished recently. This project included refinishing the wood floors, installation of new tile, installing new windows and some doors, replacing some furnishings, restoration of restrooms, replaced the HVAC (boiler) system, and some lighting/electrical work. We suggest that the upper floor (office space) receive the next refurbishment, which should include replacement of the carpeting, replacement of the HVAC system, and general replacement of the worn work area equipment. We have scheduled this refurbishment project in the next few years.

We understand that the pool was re-constructed circa 2001-2002, which included enlarging it to Olympic size. The pools were covered for the season, and we could not evaluate their condition, but we understand that no problems have been reported. We have scheduled white coating and coping repair near-term, as the pools may be due for this work. Other pool components such as the perimeter equipment, furniture, chain link and metal fencing, light poles and fixtures, the pumps, and the filters range from fair to good or newer condition. The two pool covers appear to be reaching the end of their service lives, and replacement has been scheduled near-term.

The tennis courts and the fencing have been recently restored, which also included a concrete sidewalk with steps and a new windscreen. All recreational components at the courts are in good condition.

We understand that the Property Owners Association does not annually contribute directly to the reserve fund, as other typical Associations. The P.O.A. deposits excess funding from operations into reserves, once a year. Therefore, we have established a sufficient contribution schedule to begin in 2017, that will eventually achieve the fully funded goal.

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 time line 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 7, for specific information.

2. FINANCIAL ANALYSIS

We track the annual inflation rate among our clients based on their reported costs for typical services. A 3.5% annual rate reflects their general pre-recession experience. However, currently we are seeing somewhat lower rates and we are using 2.5%. Interest income has dropped substantially, and many smaller Associations and Condominiums are reduced to savings accounts or certificates of deposit, which are yielding 1% or less. Unlike reserves, interest income is taxable, so this further reduces the net gain. It is prudent to keep a close watch on the economy and be ready to respond by updating the reserve fund plan as economic changes dictate.

2.1 Calculation Basics: The Association is on a fiscal year of July 1 to June 30. Management reported that the un-audited reserve fund balance, including cash and securities, as of **June 30, 2016,** was **$285,594.** We have used a **1.00%** annual interest income factor and a **2.50%** inflation factor in our calculations. The total expenditures for the twenty-year period for both the **Cash Flow Method** and **Component Method** are projected to be **$1,629,606.**

2.2 Funding Analysis, Cash Flow Method, Hybrid Approach (Table 3): This plan provides the annual contributions necessary to maintain balances consistent with the **fully funded goal by setting the annual contribution to $78,925 in FY2017 and providing an annual escalation factor of 2.50%, matching inflation thereafter. This plan allows for a gradual increase over time and addresses generational equity issues.** The total for all annual contributions for the twenty-year period would be **$2,016,100,** and the total interest income is projected to be **$131,159.** The **fully funded** balance in **FY2036** is **$803,247.**

2.3 Funding Analysis, Component Method (Table 4): This method of funding would require variable annual contributions, averaging **$99,933** over the twenty-year period. The total for all annual contributions would be **$1,998,667,** and the total interest income is projected to be **$148,592.** The **fully funded** balance in **FY2036** is **$803,247.** 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 doesn't 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 doesn't 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 don't 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 insuring 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. 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.

4.1 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.

4.2 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 doesn't include inflation is a 1-year plan, and any data beyond that first year won't reflect reality.**

4.3 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.

4.4 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.

4.5 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.

4.6 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.

4.7 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 shouldn't 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 doesn't provide any relative value or utility.

4.8 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.

4.9 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.

4.10 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.

5. 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.

6. 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.

6.1 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.

6.2 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 asphaltic concrete pavement. Seal coating is generally not scheduled for up to five years after an asphalt restoration project.

6.3 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.

6.4 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 edgemill and overlay. Generally, this type of repair should not be required for approximately five years after an edgemill and overlay project.

6.5 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.

6.6 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.

6.7 Concrete Steps: Concrete steps should be replaced when cracking, deterioration, or settlement occurs. Cracks, which occur at the intersection of treads and risers, should be filled with an appropriate sealant to prevent water infiltration.

6.8 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.

6.9 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.

6.10 Entrance Signage: The wood components of entrance signs should be periodically cleaned of loose paint, lamination cracks should be re-sealed, and the sign repainted to maintain appearance. Out-of-plumb posts should be straightened and secured.

6.11 Modular Block Retaining Walls: Because of the extended service life achieved by modular block retaining walls, the slight additional installation cost is often a sound investment. This type of installation requires little maintenance over its service life, which would include diligent control and removal of adjacent vegetation to prevent root damage and displacement. If repairs are required, usually the block modules may be re-used in the restoration. Such restoration might include removal of the wall and backing materials, re-grading and compacting of soil, installation of new geotextile material, and reinstallation of the blocks.

6.12 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.

6.13 Exterior Lighting: Outdoor lighting has a limited service life because of the accelerated aging process due to weather extremes. Remediation of the pole fixtures is a viable alternative to full replacement and would include painting the poles along with lamp housing replacement, including ballasts and capacitors. Any poles observed to be out of plumb should be straightened. Periodic cleaning of peeling paint and rust, priming, and re-painting of poles and fixtures will help extend the useful service life. Building-mounted lights should be replaced as needed. Landscape lighting generally has a short service life due to close ground contact, moisture, and damage due to landscaping practices. Sometimes remediation of the fixtures is possible, but generally, it must be replaced frequently.

6.14 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.

6.15 Storm Water Retention Ponds/Storm Water Drainage Systems: Vegetation control in the ponds and on adjacent banks is required to prevent root damage to the earthen structures. Sedimentation problems can result in dredging requirements to maintain capacity of the pond in the long term. Pond sediment levels should be monitored to establish the rate over a multi-year period. The information would be helpful in determining future reserve funding for dredging if found to be necessary. Typically, storm water drainage systems have a fifty-year estimated service life, and problems are not anticipated. However, as the systems age, it is prudent to maintain funding should problems occur. Inflow and outflow structures should be periodically examined for damage, leaks, or deterioration, and cleaned of debris to prevent clogging.

6.16 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.

6.17 Painted Wood 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.

6.18 Vinyl Siding: There is little maintenance to be done to vinyl siding. Periodic pressure washing will maintain appearance. Damaged sections should be replaced. It may be advisable for the Association to stockpile some replacement sections for future repairs and replacements in the event that matching components may become unavailable.

6.19 Doors: Painted metal doors should be periodically cleaned of rust and peeling paint, primed, and re-painted. Painted wood doors should be periodically cleaned of 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.

6.20 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.

6.21 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.

6.22 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, which, if not controlled may cause damage during freeze/thaw cycles. Sealant should be applied between the pool coping and the pool deck. Deteriorated or separated sealant should be removed completely before new sealant is applied. Any loose, cracked, or "hollow" copings should be re-bedded or replaced annually as part of the long-term preventative maintenance required for pools. Deteriorated or cracked mortar between coping tiles or below the coping tiles at the pool structure should be diligently repaired.

6.23 Pool Sealant: The joint between coping tiles and pool deck should be sealed with a flexible sealant to prevent water infiltration behind the pool structure. Over time, this sealant deteriorates and water infiltration can cause damage to the pool structure during freeze/thaw cycles. Sealant should periodically be removed and replaced to prevent damage, and annual inspections and repairs should be performed between replacements. Sealant should be applied when coping stones are replaced or re-bedded. Other signs of problems include loose or missing mortar between the coping stones and between the coping stones and the pool structure below.

6.24 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 components may be painted to improve appearance.

6.25 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.

6.26 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.

6.27 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. ASPHALT PAVEMENT REPORT

Street Name	Total SY Asphalt Pavement	SY Full-Depth Repairs	Linear Footage Cracks	Parking Spaces	Parking Bays
Community Center Parking	2,427	56	1,091	48	4
Hutter Lake Trail	3,087	0	555	0	0
TOTALS	**5,514**	**56**	**1,646**	**48**	**4**

All quantities approximate

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 Through 16 **Cycles, Percentage, and Cost** repeat as itemized above. Although not shown on the tables, the cycles continue throughout the study period and beyond.

Column 17 **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.

Reserve Fund Plan for
LAKE VISTA PROPERTY OWNERS ASSOCIATION
Forest, Virginia

COMPONENT DATA AND ASSET REPLACEMENT SCHEDULE
TABLE 1
2017 Through 2036

MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.
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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
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1	ASPHALT COMPONENTS															
1.1	Asphalt Restoration Project	5,514	SY	$12.00	$66,168	20	2022	100%	$74,863	2042	100%	$122,672				This component includes the community center asphalt drivelanes and parking bays and Hutter Lake Trail, which is Master Association responsibility. One additional street, Waterview Circle is also Master Association responsibility, however, this street is funded outside of normal reserves, and, therefore, is not included in this report. Neither the depth nor the sub-base of the pavement could be visually determined. The pavement ranges from fair to good condition. With proper pavement maintenance near-term, the service life could be extended another five years. A typical quantity of deflected cracking (indicative of sub-base damage or insufficient asphalt depth) were observed on the drivelanes or parking bays. Restoration includes edgemilling and overlay with 1-½" 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	5,514	SY	$1.20	$6,617	5	2017	100%	$6,617	2027	100%	$8,470	2032	100%	$9,583	We understand that the pavement was seal coated circa 2012. 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. It should be understood that coal-tar based seal coating products have been banned from use in many localities throughout the country due to heavy contamination of ground water.
1.3	Asphalt Repair Allowance	1	LS	$10,000.00	$10,000	5	2017	35%	$3,500	2022	100%	$11,314	2027	25%	$3,200	Approximately 56 square yards of deflected pavement (indicative of sub-base damage), and about 1,646 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 7, for additional details.
1.4	Asphalt Footpaths	1,282	SY	$35.00	$44,870	15	2022	50%	$25,383	2030	50%	$30,927	2037	50%	$36,762	Asphalt footpaths generally 4' in width are constructed between the community center and Twin Springs Court, around Hutter Lake, and at one portion of Lake Vista. The footpaths range from fair to new condition. We observed about 223 linear feet of longitudinal and transverse cracking, mainly on the path at Hutter Lake. Any trip hazards or hazardous surface deficiencies should be addressed as soon as practicable to prevent personal injury.
2	CONCRETE COMPONENTS															
2.1	Concrete Sidewalks & Steps	1,482	SF	$11.50	$17,043	5	2022	2%	$386	2027	3%	$654	2032	3%	$741	Concrete sidewalks, generally 4' wide, are present at the community center and sidewalks and steps at the tennis courts. All concrete sidewalk and step sections are in very good condition with no deficiencies observed. Their thickness could not be visually determined. We have not scheduled replacement of all sections with lesser surface defects. Severely scaled sections will tend to deteriorate more quickly over time and should be replaced in each replacement cycle. 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.
2.2	Concrete Pool Deck	5,200	SF	$12.50	$65,000	5	2022	5%	$3,677	2027	10%	$8,321	2032	10%	$9,414	The pool deck is cast-in-place concrete on grade and appears to be in good condition with no cracking observed. When cracks occur, they should be properly routed and sealed to prevent water infiltration into the deck. 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	SITE FEATURES															
3.1	Entrance Features Allowance	1	LS	$13,000.00	$13,000	40	2032	100%	$18,828	2072	100%	$50,554				One stone and mortar monument is constructed at Cottontown Road and Lake Vista Drive. The monument is approximately 30' x 4' x 2' with a wood community name sign attached to the front. The monument includes a single halogen landscape light. All stone and mortar appear to be in good condition with no deteriorated mortar, cracked mortar or brick, or spalled brick faces observed. With periodic maintenance performed under the operations budget, the monument should have a very long service life.
3.2	Wood Signs	1	LS	$9,000.00	$9,000	15	2027	100%	$11,521	2042	100%	$16,685				Painted wood signs are installed throughout the community, including at the stone entrance monument, at Lake Vista Drive and Graves Mill Road, at the community center entrance, and six smaller signs are installed in various locations, mainly at the community center. All signs are in good condition.
3.3	Modular Block Retaining Walls	1,120	SF	$35.00	$39,200	40	2052	100%	$93,030							Modular block retaining walls are constructed at the pool deck and behind the community center. Both walls are newer and appear to be in good condition. The modular block walls should provide a long service if vegetation is properly controlled to prevent root damage. The walls may be rebuilt when necessary, new geotextile fabric installed, and the undamaged blocks re-used. These observations should be viewed in the context of capital reserve budget projections, and not as a structural analysis. Any questions regarding the safety or structural integrity of the walls should be referred to a professional engineer.
3.4	Gazebo	1	EA	$16,000.00	$16,000	25	2027	100%	$20,481	2052	100%	$37,971				A 12' octagon wood gazebo with a 30' x 4' wood footbridge with railings are constructed on Hutter Lake. The gazebo has wood railings, a wood deck floor, and an asphalt shingled, hip and rafter wood roof. The structure ranges from fair to good condition.
3.5	Wood Footbridges	3	EA	$6,700.00	$20,100	25	2019	100%	$21,118	2044	100%	$39,151				Two wood footbridges are constructed at Lake Vista at the bottom of Hutter Lake Trail, and one footbridge is installed at a stream crossing at the top of Hutter Lake. All three bridges appear to be original and range from poor to fair condition. The Hutter Lake bridge appears to be deflected to one side. Management reported that they have bids for replacement of all bridges, using Trex type synthetic material for reconstruction. Pricing is based on the current bids.
3.6	Outdoor Furniture Allowance	1	LS	$5,500.00	$5,500	20	2027	100%	$7,040	2047	100%	$11,537				Various types of outdoor furniture, including wood picnic tables and benches and cast concrete tables and benches are installed throughout the community, specifically, around Lake Vista. Furniture ranges from fair to good condition.

Reserve Fund Plan for
LAKE VISTA PROPERTY OWNERS ASSOCIATION
Forest, Virginia

COMPONENT DATA AND ASSET REPLACEMENT SCHEDULE
TABLE 1
2017 Through 2036

MASON & MASON
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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
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
3.7	Outdoor Lighting	1	LS	$22,000.00	$22,000	30	2032	30%	$9,559	2046	100%	$45,021				Six by six wood light poles support six L.E.D. fixtures installed at the community center parking area. In addition, metal fixtures for path lighting are installed at the community center (8) and at the lake (21). We understand that a lighting project of roughly $20,000 was completed circa 2016. Six of the 21 path lights installed at Hutter Lake are not in operation, which may be due to a ground wire problem. All other lighting appears to be in good condition, but street lighting was not observed after dark. We have included replacement of path lighting in the earlier cycle and replacement of the street and path lighting in the later cycle.
3.8	Garage/Workshop Equipment Replacement Allowance	1	LS	$32,000.00	$32,000	20	2022	25%	$9,051	2027	25%	$10,241	2032	25%	$11,586	The three-bay garage/workshop contains various equipment, such as ladders, tools, air compressors, cabinets, table saws, pressure washers, blowers, landscaping equipment, snow plow equipment, etc. This category also includes the garage door replacement and electrical replacements, such as lighting and service panels. We have included an allowance for replacement of these components throughout the study period. The vehicles are a separate line item below (#3.10).
3.9	Storage Shed	1	EA	$14,000.00	$14,000	30	2032	100%	$20,276	2062	100%	$42,531				A 12 x 22 storage shed is installed between the community center and the garage. The shed appears to be installed on a concrete slab. It has one roll-up door, electrical service, and one window and is in fair condition.
3.10	Work Vehicle # 1	1	EA	$34,000.00	$34,000	10	2021	100%	$37,530	2031	100%	$48,041	2041	100%	$61,497	The on-site maintenance personnel use a 2005 GMC 2500 pickup to perform work around the community. This truck is a single cab, four-wheel drive vehicle currently having about 91,000 miles on it. The truck is also used to plow snow during the winter months. The vehicle is in poor to fair condition, with the check engine light illuminated and the seats heavily torn. Replacement schedule was determined by Management and the Board.
3.11	Work Vehicle # 2	1	EA	$16,000.00	$16,000	10	2026	100%	$19,982	2036	100%	$25,578	2046	100%	$32,743	The maintenance crew has a new 2015 Bobcat 3400 utility vehicle, which is used for hauling equipment and pushing snow. The unit appears to be excellent condition.
3.12	Tree Trimming, Removal, & Replacement Allowance	1	LS	$10,000.00	$10,000	2	2018	100%	$10,250	2020	100%	$10,769	2022	100%	$11,314	The community has many medium to large trees in common areas throughout the community. In later years, 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 established a budget to address tree removal, trimming, or replacement periodically throughout the later years of the study period.
3.13	Storm Water Drainage System Allowance	1	LS	$25,000.00	$25,000	5	2022	100%	$28,285	2027	100%	$32,002	2032	100%	$36,207	Storm water drainage is provided by concrete yard drains, curb drop inlets, and underground structures discharging into two separate retention ponds/lakes. The smaller of the two ponds (Hutter Lake) drains into an overflow riser, which drains into the larger lake (Lake Vista). The ponds appear to be the result of excavation and construction of earthen impoundment structures. There are a number of pond maintenance issues such as shoreline stabilization, chemical applications for weed control, bacterial improvement to control algae, surface aerators, diffusers, dredging, overflow riser and piping replacement, beaver control, and mosquito control, all of which may be required at some time over the life of the systems. Though storm water drainage systems are a long life component and catastrophic failure is not anticipated, it is prudent to plan for localized repairs and repairs to ancillary damage as the system ages. This category may also be used to address localized erosion issues.
3.14	Professional Pond Evaluation Allowance	1	LS	$2,000.00	$2,000	10	2020	100%	$2,154	2030	100%	$2,757	2040	100%	$3,529	The lake or large retention pond is created by an earthen impoundment structure that mainly flows in at Lake Vista Drive, near Graves Mill Road. This lake is fed from two additional lakes upstream. The second smaller lake is also created by an earthen impoundment structure with an overflow riser. The classification of this pond is not known, as specific requirements have changed by VDCR (Virginia Department of Conservation and Recreation). This evaluation is scheduled to determine the current classification. When this has been accomplished, we will have the information to make informed decisions about additional evaluations that may be required and be able to develop a lake and dam plan that could be incorporated into the reserves.
4	COMMUNITY CENTER EXTERIORS															
4.1	Re-Roofing Project	4,495	SF	$4.50	$20,228	20	2034	100%	$30,779	2054	100%	$50,434				This category includes the roofing for the main community center building, the garage/workshop, the pump room building, and the bathhouse building at the pool. The 4/12 and 6/12 pitched hip and gable roofs have architectural grade asphalt shingle coverings. We understand that roofing replacement was completed circa 2014. We observed no deteriorated shingles or deflection of the roof sheathing. Pre-finished aluminum gutters and downspouts are installed at all proper roof terminations. Downspouts appear to be properly directed away from building foundations. All roofing components appear to be in good condition. Re-roofing projects include replacement of shingles, deteriorated sheathing, and gutters and downspouts.
4.2	Building Siding Restoration Allowance	2,720	SF	$4.75	$12,920	30	2035	100%	$20,151	2065	100%	$42,268				The garage/shop, the rear storage building (added to the community center) and a small portion of the community center building envelope is vinyl siding. Manufacturers represent that this material should provide a 35-year service life, but our observations indicate that this is optimistic. Our experience is that the material becomes brittle and fastener tabs break, releasing the siding in high winds. There are sometimes water infiltration problems at window headers from improper installation of J-channels and internal wall flashing. The siding appears to be in good condition. The bathhouse and the pump room are T1-11 siding, which is in generally good condition, with exception of the front of the bathhouse with possible bird damage.
4.3	Brick Tuckpointing Allowance	1	LS	$5,000.00	$5,000	40	2032	100%	$7,241	2052	100%	$11,866				The original brick veneer exterior wall structure of the community center appears to be in good condition with no localized areas of deteriorated mortar observed. Most brick and mortar appears to be in good condition for its age. Periodic repairs should be performed in a timely manner to protect the building. The brick is a long-life component that should not require replacement. However, we have scheduled tuckpointing and repair to address deterioration as the building ages.

Reserve Fund Plan for
LAKE VISTA PROPERTY OWNERS ASSOCIATION
Forest, Virginia

COMPONENT DATA AND ASSET REPLACEMENT SCHEDULE
TABLE 1
2017 Through 2036

MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.
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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
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
4.4	Building Wood Trim Restoration Allowance	1	LS	$16,000.00	$16,000	4	2021	20%	$3,532	2025	20%	$3,899	2029	20%	$4,304	Painted wood trim occurs at doors, windows, and eaves throughout the community center building, pool pump room, the pool bathhouse and the garage/workshop. The wood trim appears to be in good condition. Exterior refurbishment is scheduled at four-year intervals with repairs and painting of appropriate exterior surfaces.
4.5	Doors	22	EA	$875.00	$19,250	25	2022	20%	$4,356	2027	20%	$4,928	2032	20%	$5,576	This category includes all exterior and interior doors of the community center, pump room, bathhouse, and the garage/workshop. All doors appear to be in generally good condition with no deterioration observed. 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	Windows	40	EA	$925.00	$37,000	35	2032	100%	$53,587	2067	100%	$127,173				This category includes all of the windows in the community center and at the garage/workshop. The vinyl or aluminum framed windows range from fair to good or new condition. No issues were reported or observed.
4.7	Concrete Paver Patio	1,396	SF	$9.50	$13,262	25	2040	100%	$23,402							A concrete paver patio was constructed circa 2015 in front and to the side of the community center. The pavers appear to be set on a bed of sand, but are not mortared in place. The patio and walkway are in very good condition. This category includes the built-in grill.
5	COMMUNITY CENTER INTERIORS															
5.1	Interior Refurbishment Allowance	1,200	SF	$6.75	$8,100	10	2020	100%	$8,723	2030	100%	$11,166	2040	100%	$14,293	Interior finishes include wall-to-wall, tight-loop pile carpeting upstairs, wood base boards, and painted walls and ceilings. Finishes are generally in fair to good condition with some instances of stained, torn and damaged finishes observed. We have recommended completing an interior refurbishment project to include replacement of floor coverings, wall and ceiling finishes, and localized replacement of light-fixtures on the second floor.
5.2	Wood Flooring	432	SF	$28.00	$12,096	30	2044	100%	$23,561							This category includes the wood flooring on the main floor of the community center. We understand that the wood may be original and was covered for many years. The Association had the flooring uncovered and refinished circa 2015. All flooring appears to be in good condition.
5.3	Tile Flooring	657	SF	$4.00	$2,628	30	2044	100%	$5,119							12" x 12" ceramic tile flooring is installed in the first floor front room, in the kitchen, hallways, and bathrooms of the community center. All flooring appears to be in good condition. Tile flooring was replaced circa 2015.
5.4	Electrical & Lighting Allowance	1	LS	$35,000.00	$35,000	35	2047	100%	$73,415							This category includes ceiling-mounted light fixtures, building-mounted exterior security fixtures, exhaust fans, exit lights, porch lights, ceiling-mounted fluorescent fixtures, and electrical distribution panels in the community center, garage/shop, pump room, and the bathhouse. All lighting and electrical fixtures appear to be in good condition and no problems were reported. We understand that many fixtures were replaced during the latest lower floor community center project.
5.5	Plumbing Fixtures Allowance	1	LS	$26,000.00	$26,000	35	2047	100%	$54,537							This category includes of sinks, commodes, urinals, and the outdoor shower. A total of five restrooms are installed at the community center including the shower rooms at the pool. All components appear to range from fair to good condition.
5.6	Kitchen Refurbishment Allowance	1	EA	$10,500.00	$10,500	15	2021	100%	$11,590	2036	100%	$16,786	2051	100%	$24,311	This category includes a refrigerator, dishwasher, microwave, four burner stove, countertops, double stainless steel sink, and millwork in the kitchen at the community center. We understand that the kitchen was refurbished circa 2002. The dishwasher is an older model, but no problems were reported.
5.7	Interior Furniture & Equipment Allowance	1	LS	$33,000.00	$33,000	15	2019	50%	$17,335	2024	25%	$9,807	2029	25%	$11,095	The community center/office furnishings include a newer couch, two sitting chairs, a flat screen television, a gas fireplace, two coffee tables, an area rug, a wood dinning table with four chairs, various artwork, several older tables, about 20 older padded chairs, smaller tables, three desks and chairs, bookcases, a copy machine, a credenza, six lateral files, four computers and equipment, printers, a conventional file, and various lamps and other smaller pieces of furniture. All range from poor to good condition. Most furniture in the office is dated and should be replaced. Furnishing replacement timing and costs are generally discretionary.
5.8	HVAC	2	EA	$12,000.00	$24,000	15	2021	30%	$7,947	2031	70%	$23,738	2036	30%	$11,510	One split-system, forced-air, heat pump-central cooling air handler, providing conditioned air to the community center second floor. The lower floor unit is an American Standard, 90% furnace/boiler unit, with an American Standard condenser unit, model # 4A7A4042L1000AA, which was installed circa 2016. The boiler portion of the unit could not be evaluated, as it is located behind a section of lattice in the kitchen area. We understand that this unit also produces hot water for the community center. The second unit is on the second floor, and is a Carrier, with the condenser unit Serial # 3104E21546. The second floor heat exchanger could not be located, but we understand that it may be reaching the end of its service life, as it is not cooling the offices well during the summer. We have scheduled the second unit for replacement, near-term.
5.9	Wall HVAC Units	2	EA	$1,400.00	$2,800	10	2026	100%	$3,497	2036	100%	$4,476	2046	100%	$5,730	Two Honeywell wall heater/air conditioning units are installed in the room at the front of the community center. These units have power from 110 volt electrical outlets below the units. The units were not in operation during our site visit, but we understand that they are new.
5.10	Security Surveillance System	1	LS	$7,000.00	$7,000	10	2022	100%	$7,920	2032	100%	$10,138	2042	100%	$12,978	An extensive security surveillance system is installed at the community center. Equipment includes about eight cameras, a Bosh 400 series DVR system with monitor, and two Altronix controller systems. Equipment was functioning during our site evaluation, but Management did not know its age or condition.
5.11	Pool Gate Security System	1	LS	$3,500.00	$3,500	10	2022	100%	$3,960	2032	100%	$5,069	2042	100%	$6,489	The pool gate is accessed by a card reader system, which is controlled by a Honeywell Net AXS - 123 system, installed in the office. The system appears to be functioning as designed. The age or condition of the equipment is unknown.

Reserve Fund Plan for
LAKE VISTA PROPERTY OWNERS ASSOCIATION
Forest, Virginia

COMPONENT DATA AND ASSET REPLACEMENT SCHEDULE
TABLE 1
2017 Through 2036

MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.
www.masonreserves.com 800-776-6980 Fax 800-776-6408

Component No.	Component	Quantity	Unit of Measurement	Unit Cost	Total Reserve 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	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
6	POOL FACILITIES															
6.1	Pool Restoration Project	3,800	SF	$50.00	$190,000	30	2033	100%	$282,056	2063	100%	$591,632				The swimming pools are in-ground, cast-in-place concrete structures constructed on a cut and fill site. The main pool is 3,600 square feet and the wading pool is 200 square feet. We understand that the main pool was converted to Olympic size, along with most pipe replacement circa 2001-2002. Most outdoor pools of this type, in this area, require a major renovation between twenty to thirty years. The restoration might include beam re-construction, plumbing replacement/remediation, removal and replacement of the white coat, waterline tiles, coping, and sealants. No problems with either pool were reported to us.
6.2	Pool White Coat	3,800	SF	$5.50	$20,900	7	2018	100%	$21,423	2025	100%	$25,465	2039	100%	$35,981	Both pools were covered for the season and their condition could not be evaluated. However, Management reports that the pool white coating does not appear to have been applied in several years of both pools. Pool white coating seals the pool surface and helps prevent water infiltration into the structure of the pool. We have scheduled white coating near-term. White coat generally has a service life of seven years.
6.3	Pool Coping	310	LF	$32.00	$9,920	3	2018	5%	$508	2021	5%	$547	2024	5%	$590	Both pools were covered for the season. We understand that standard cast stone bullnose coping is installed around the perimeter of the pools. The main pool has 250 linear feet and the wading pool has 60 linear feet. We have scheduled an allowance throughout the study period to address replacements of cracked, loose, or "hollow" tiles. Diligent maintenance of the soft joint sealant will prevent water infiltration behind the pool shell, which, if not controlled, will result in freeze/thaw damage.
6.4	Pool Perimeter Equipment Allowance	1	LS	$4,000.00	$4,000	10	2033	100%	$5,938	2062	100%	$12,152				The stainless steel pool perimeter equipment appears to be in good condition and is scheduled for replacement coinciding with the next pool restoration project. Equipment includes three step ladders and handrailings.
6.5	Pool Furniture Allowance	1	LS	$13,000.00	$13,000	10	2020	50%	$7,000	2025	50%	$7,920	2030	50%	$8,960	This category includes plastic lounges (62), fiberglass tables and umbrellas (2), and cast concrete tables and benches (6). All furniture appears to be in generally fair, serviceable condition. We have budgeted an allowance throughout the study period to replace the furniture as necessary.
6.6	Pool Chain Link Fencing	70	LF	$18.00	$1,260	30	2033	100%	$1,870	2063	100%	$3,923				Chain link, plastic coated fencing, about 3' 6" in height is constructed at the perimeter of the wading pool. Fencing includes two gates and is in good condition. Continued maintenance, such as painting the support structures will help to extend the service life of the fencing.
6.7	Pool Metal Fencing	396	LF	$36.00	$14,256	30	2027	100%	$18,249	2057	100%	$38,278				Metal fencing, about six feet in height is constructed at the perimeter of the swimming pool deck. The fencing appears to range from fair to good condition. Keeping the fencing painted may help to extend the service life.
6.8	Pool Lighting	2	EA	$3,200.00	$6,400	30	2033	100%	$9,501	2056	100%	$16,765				Two metal tubular 15' light poles and box fixtures are installed around the perimeter of the pool. The fixtures appear to be in fair condition. We did not observe lighting after dark, but no problems were reported.
6.9	Main Pool Pump	1	EA	$5,600.00	$5,600	10	2023	100%	$6,494	2033	100%	$8,313	2043	100%	$10,642	The main pool is served by a Marathon Electric, 7 1/2 hp metal pump and strainer assembly with Model # PVJ213TCDW7014AB M. We understand that the pump was installed circa 2013. The pump was not in operation during our site visit as the pool was closed for the season. The equipment is scheduled for replacement after a typical service life.
6.10	Main Pool Filters	3	EA	$2,700.00	$8,100	15	2028	100%	$10,628	2043	100%	$15,392				The main pool is filtered by three Aquatech AT140C, permanent media filters. We understand that the filters were installed circa 2013. The equipment was decommissioned for the season, however, it appears to be in good condition and is scheduled for replacement after a typical service life.
6.11	Wading Pool Pump & Filter	1	EA	$1,800.00	$1,800	10	2023	100%	$2,087	2033	100%	$2,672	2043	100%	$3,421	The pool is served by a Challenger, 3/4 hp plastic pump and strainer assembly with Serial # 03951051400011. We understand that the pump and filter were replaced circa 2013. The equipment was decommissioned for the season, however, it appears to be in good condition and is scheduled for replacement after a typical service life.
6.12	Pool Covers	3,800	SF	$3.20	$12,160	10	2019	100%	$12,776	2029	100%	$16,354	2039	100%	$20,934	Both pools were covered for the season. The covers were torn in a few areas, and they are nearing the end of their service life, requiring replacement near-term.
7	SITE/RECREATION															
7.1	Tennis Court Restoration Project	2	EA	$25,000.00	$50,000	20	2036	100%	$79,933	2056	100%	$130,979				Two tennis courts, approximately 108' x 121' is constructed off of Hutter Lake Trail. The tennis courts have be restored recently circa 2016 and are in excellent condition. 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.
7.2	Tennis Court Color Coat	2	EA	$5,500.00	$11,000	5	2021	100%	$12,142	2026	100%	$13,737	2031	100%	$15,543	The tennis court color coat appears to be in excellent condition. Color coating helps to prevent water infiltration into the court surface and improves appearance. The next cycle of color coat is scheduled in about four years.
7.3	Tennis Court Fencing	462	LF	$26.00	$12,012	30	2046	100%	$24,581							Twelve-foot-high, standard galvanized, plastic coated chain link fencing is installed around the perimeter of the tennis courts. The fencing appears to have been restored during the court restoration projects. It does not appear that the posts and support structure were replaced, but just the mesh, which is in good condition.
7.4	Tennis Court Wind Screen	1	LS	$2,500.00	$2,500	10	2026	100%	$3,122	2036	100%	$3,997	2046	100%	$5,116	Fabric wind screens are attached to about half of the perimeter fence surrounding the tennis courts. The screens were installed during the last court restoration project circa 2016 and are in 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.

Reserve Fund Plan for
LAKE VISTA PROPERTY OWNERS ASSOCIATION
Forest, Virginia

CALENDAR OF EXPENDITURES
TABLE 2
2017 Through 2036

MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.

YEAR	COMPONENT NO.	COMPONENT	PRESENT COST 2017	FUTURE COST (INFLATED)	TOTAL ANNUAL EXPENDITURES	ACTION
1	2	3	4	5	6	7
2017					2017	
	1.2	Asphalt Seal Coat	$6,617	$6,617	TOTAL EXPENDITURES	
	1.3	Asphalt Repair Allowance	$3,500	$3,500		
2018					$10,117	
	3.12	Tree Trimming, Removal, & Replacement Allowanc	$10,000	$10,250	2018	
	6.2	Pool White Coat	$20,900	$21,423	TOTAL EXPENDITURES	
	6.3	Pool Coping	$496	$508		
2019					$32,181	
	3.5	Wood Footbridges	$20,100	$21,118	2019	
	5.7	Interior Furniture & Equipment Allowance	$16,500	$17,335	TOTAL EXPENDITURES	
	6.12	Pool Covers	$12,160	$12,776		
2020					$51,228	
	3.12	Tree Trimming, Removal, & Replacement Allowanc	$10,000	$10,769	2020	
	3.14	Professional Pond Evaluation Allowance	$2,000	$2,154	TOTAL EXPENDITURES	
	5.1	Interior Refurbishment Allowance	$8,100	$8,723		
	6.5	Pool Furniture Allowance	$6,500	$7,000		
2021					$28,645	
	3.10	Work Vehicle # 1	$34,000	$37,530	2021	
	4.4	Building Wood Trim Restoration Allowance	$3,200	$3,532	TOTAL EXPENDITURES	
	5.6	Kitchen Refurbishment Allowance	$10,500	$11,590		
	5.8	HVAC	$7,200	$7,947		
	6.3	Pool Coping	$496	$547		
	7.2	Tennis Court Color Coat	$11,000	$12,142		
2022					$73,289	
	1.1	Asphalt Restoration Project	$66,168	$74,863	2022	
	1.3	Asphalt Repair Allowance	$10,000	$11,314	TOTAL EXPENDITURES	
	1.4	Asphalt Footpaths	$22,435	$25,383		
	2.1	Concrete Sidewalks & Steps	$341	$386		
	2.2	Concrete Pool Deck	$3,250	$3,677		
	3.8	Garage/Workshop Equipment Replacement Allowa	$8,000	$9,051		
	3.12	Tree Trimming, Removal, & Replacement Allowanc	$10,000	$11,314		
	3.13	Storm Water Drainage System Allowance	$25,000	$28,285		
	4.5	Doors	$3,850	$4,356		
	5.10	Security Surveillance System	$7,000	$7,920		
	5.11	Pool Gate Security System	$3,500	$3,960		
2023					$180,509	
	6.9	Main Pool Pump	$5,600	$6,494	2023	
	6.11	Wading Pool Pump & Filter	$1,800	$2,087	TOTAL EXPENDITURES	
2024					$8,582	
	3.12	Tree Trimming, Removal, & Replacement Allowanc	$10,000	$11,887	2024	
	5.7	Interior Furniture & Equipment Allowance	$8,250	$9,807	TOTAL EXPENDITURES	
	6.3	Pool Coping	$496	$590		
					$22,283	

Reserve Fund Plan for
LAKE VISTA PROPERTY OWNERS ASSOCIATION
Forest, Virginia

CALENDAR OF EXPENDITURES
TABLE 2
2017 Through 2036

MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.
www.masonreserves.com 800-726-6360 Fax 800-726-6408

YEAR	COMPONENT NO.	COMPONENT	PRESENT COST 2017	FUTURE COST (INFLATED)	TOTAL ANNUAL EXPENDITURES	ACTION
1	2	3	4	5	6	7
2025					2025	
	4.4	Building Wood Trim Restoration Allowance	$3,200	$3,899	TOTAL EXPENDITURES	
	6.2	Pool White Coat	$20,900	$25,465		
	6.5	Pool Furniture Allowance	$6,500	$7,920		
2026					$37,283	
	3.11	Work Vehicle # 2	$16,000	$19,982	2026	
	3.12	Tree Trimming, Removal, & Replacement Allowanc	$10,000	$12,489	TOTAL EXPENDITURES	
	5.9	Wall HVAC Units	$2,800	$3,497		
	7.2	Tennis Court Color Coat	$11,000	$13,737		
	7.4	Tennis Court Wind Screen	$2,500	$3,122		
2027					$52,827	
	1.2	Asphalt Seal Coat	$6,617	$8,470	2027	
	1.3	Asphalt Repair Allowance	$2,500	$3,200	TOTAL EXPENDITURES	
	2.1	Concrete Sidewalks & Steps	$511	$654		
	2.2	Concrete Pool Deck	$6,500	$8,321		
	3.2	Wood Signs	$9,000	$11,521		
	3.4	Gazebo	$16,000	$20,481		
	3.6	Outdoor Furniture Allowance	$5,500	$7,040		
	3.8	Garage/Workshop Equipment Replacement Allowa	$8,000	$10,241		
	3.13	Storm Water Drainage System Allowance	$25,000	$32,002		
	4.5	Doors	$3,850	$4,928		
	6.3	Pool Coping	$496	$635		
	6.7	Pool Metal Fencing	$14,256	$18,249		
2028					$125,743	
	3.12	Tree Trimming, Removal, & Replacement Allowanc	$10,000	$13,121	2028	
	6.10	Main Pool Filters	$8,100	$10,628	TOTAL EXPENDITURES	
2029					$23,749	
	4.4	Building Wood Trim Restoration Allowance	$3,200	$4,304	2029	
	5.7	Interior Furniture & Equipment Allowance	$8,250	$11,095	TOTAL EXPENDITURES	
	6.12	Pool Covers	$12,160	$16,354		
2030					$31,753	
	1.4	Asphalt Footpaths	$22,435	$30,927	2030	
	3.12	Tree Trimming, Removal, & Replacement Allowanc	$10,000	$13,785	TOTAL EXPENDITURES	
	3.14	Professional Pond Evaluation Allowance	$2,000	$2,757		
	5.1	Interior Refurbishment Allowance	$8,100	$11,166		
	6.3	Pool Coping	$496	$684		
	6.5	Pool Furniture Allowance	$6,500	$8,960		
2031					$68,279	
	3.10	Work Vehicle # 1	$34,000	$48,041	2031	
	5.8	HVAC	$16,800	$23,738	TOTAL EXPENDITURES	
	7.2	Tennis Court Color Coat	$11,000	$15,543		
					$87,322	

Reserve Fund Plan for
LAKE VISTA PROPERTY OWNERS ASSOCIATION
Forest, Virginia

CALENDAR OF EXPENDITURES
TABLE 2
2017 Through 2036

MASON & MASON
CAPITAL RESERVE ANALYSTS, INC
www.masonreserve.com 800-776-6888 Fax 800-776-6408

YEAR	COMPONENT NO.	COMPONENT	PRESENT COST 2017	FUTURE COST (INFLATED)	TOTAL ANNUAL EXPENDITURES	ACTION
1	2	3	4	5	6	7
2032					2032	
	1.2	Asphalt Seal Coat	$6,617	$9,583	TOTAL EXPENDITURES	
	1.3	Asphalt Repair Allowance	$5,000	$7,241		
	2.1	Concrete Sidewalks & Steps	$511	$741		
	2.2	Concrete Pool Deck	$6,500	$9,414		
	3.1	Entrance Features Allowance	$13,000	$18,828		
	3.7	Outdoor Lighting	$6,600	$9,559		
	3.8	Garage/Workshop Equipment Replacement Allowa	$8,000	$11,586		
	3.9	Storage Shed	$14,000	$20,276		
	3.12	Tree Trimming, Removal, & Replacement Allowanc	$10,000	$14,483		
	3.13	Storm Water Drainage System Allowance	$25,000	$36,207		
	4.3	Brick Tuckpointing Allowance	$5,000	$7,241		
	4.5	Doors	$3,850	$5,576		
	4.6	Windows	$37,000	$53,587		
	5.10	Security Surveillance System	$7,000	$10,138		
	5.11	Pool Gate Security System	$3,500	$5,069		
2033					$219,530	
	4.4	Building Wood Trim Restoration Allowance	$3,200	$4,750	2033	
	6.1	Pool Restoration Project	$190,000	$282,056	TOTAL EXPENDITURES	
	6.3	Pool Coping	$496	$736		
	6.4	Pool Perimeter Equipment Allowance	$4,000	$5,938		
	6.6	Pool Chain Link Fencing	$1,260	$1,870		
	6.8	Pool Lighting	$6,400	$9,501		
	6.9	Main Pool Pump	$5,600	$8,313		
	6.11	Wading Pool Pump & Filter	$1,800	$2,672		
2034					$315,837	
	3.12	Tree Trimming, Removal, & Replacement Allowanc	$10,000	$15,216	2034	
	4.1	Re-Roofing Project	$20,228	$30,779	TOTAL EXPENDITURES	
	5.7	Interior Furniture & Equipment Allowance	$16,500	$25,107		
2035					$71,101	
	4.2	Building Siding Restoration Allowance	$12,920	$20,151	2035	
	6.5	Pool Furniture Allowance	$6,500	$10,138	TOTAL EXPENDITURES	
2036					$30,289	
	3.11	Work Vehicle # 2	$16,000	$25,578	2036	
	3.12	Tree Trimming, Removal, & Replacement Allowanc	$10,000	$15,987	TOTAL EXPENDITURES	
	5.6	Kitchen Refurbishment Allowance	$10,500	$16,786		
	5.8	HVAC	$7,200	$11,510		
	5.9	Wall HVAC Units	$2,800	$4,476		
	6.3	Pool Coping	$496	$793		
	7.1	Tennis Court Restoration Project	$50,000	$79,933		
	7.4	Tennis Court Wind Screen	$2,500	$3,997		
					$159,059	

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.

Reserve Fund Plan for
LAKE VISTA PROPERTY OWNERS ASSOCIATION
Forest, Virginia

FUNDING ANALYSIS
CASH FLOW METHOD
HYBRID APPROACH
TABLE 3

MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.
www.masonreserves.com 800-776-6980 Fax 800-776-6408

In Dollars

Beginning Reserve Fund Balance:	Annual Contribution To Reserves:	Contribution Percentage Increase:	Annual Inflation Factor:	Annual Interest Income Factor:
285,594	115,039	2.50%	2.50%	1.00%

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
2017	1,118,689	285,594	78,925	3,243	10,117	357,645
2018	1,146,657	357,645	80,898	3,858	32,180	410,220
2019	1,175,323	410,220	82,920	4,294	51,229	446,205
2020	1,204,706	446,205	84,993	4,789	28,646	507,341
2021	1,234,824	507,341	87,118	5,172	73,288	526,343
2022	1,265,694	526,343	89,296	4,794	180,509	439,923
2023	1,297,337	439,923	91,528	4,870	8,581	527,741
2024	1,329,770	527,741	93,816	5,691	22,284	604,964
2025	1,363,014	604,964	96,162	6,398	37,284	670,239
2026	1,397,090	670,239	98,566	6,982	52,827	722,960
2027	1,432,017	722,960	101,030	7,130	125,742	705,378
2028	1,467,817	705,378	103,556	7,520	23,749	792,705
2029	1,504,513	792,705	106,145	8,368	31,753	875,465
2030	1,542,126	875,465	108,798	9,016	68,279	924,999
2031	1,580,679	924,999	111,518	9,425	87,322	958,620
2032	1,620,196	958,620	114,306	9,060	219,529	862,458
2033	1,660,701	862,458	117,164	7,587	315,836	671,373
2034	1,702,218	671,373	120,093	7,011	71,102	727,376
2035	1,744,774	727,376	123,095	7,812	30,289	827,994
2036	1,788,393	827,994	126,173	8,141	159,060	803,247
STUDY PERIOD TOTALS			2,016,100	131,159	1,629,606	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.

Reserve Fund Plan for
LAKE VISTA PROPERTY OWNERS ASSOCIATION
Forest, Virginia

FUNDING ANALYSIS
COMPONENT METHOD
TABLE 4

MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.
www.masonreserves.com 800-776-6980 Fax 800-776-6409

Beginning Reserve Fund Balance:

In Dollars

285,594

Component Number	COMPONENT	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
1	ASPHALT COMPONENTS																				
1.1	Asphalt Restoration Project	7,855	7,855	7,855	7,855	7,855	5,539	5,539	5,539	5,539	5,539	5,539	5,539	5,539	5,539	5,539	5,539	5,539	5,539	5,539	5,539
1.2	Asphalt Seal Coat	3,225	805	805	805	805	805	805	805	805	805	1,868	1,868	1,868	1,868	1,868	2,114	2,114	2,114	2,114	2,114
1.3	Asphalt Repair Allowance	3,486	2,206	2,206	2,206	2,206	624	624	624	624	624	1,412	1,412	1,412	1,412	1,412	2,396	2,396	2,396	2,396	2,396
1.4	Asphalt Footpaths	2,864	2,864	2,864	2,864	2,864	3,712	3,712	3,712	3,712	3,712	3,712	3,712	3,712	5,068	5,068	5,068	5,068	5,068	5,068	5,068
2	CONCRETE COMPONENTS																				
2.1	Concrete Sidewalks & Steps	75	75	75	75	75	128	128	128	128	128	144	144	144	144	144	163	163	163	163	163
2.2	Concrete Pool Deck	717	717	717	717	717	1,622	1,622	1,622	1,622	1,622	1,835	1,835	1,835	1,835	1,835	2,077	2,077	2,077	2,077	2,077
3	SITE FEATURES																				
3.1	Entrance Features Allowance	718	718	718	718	718	718	718	718	718	718	718	718	718	718	718	1,028	1,028	1,028	1,028	1,028
3.2	Wood Signs	853	853	853	853	853	853	853	853	853	853	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031	1,031
3.3	Modular Block Retaining Walls	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012	2,012
3.4	Gazebo	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,210	1,336	1,336	1,336	1,336	1,336	1,336	1,336	1,336	1,336	1,336
3.5	Wood Footbridges	4,852	4,852	1,378	1,378	1,378	1,378	1,378	1,378	1,378	1,378	1,378	1,378	1,378	1,378	1,378	1,378	1,378	1,378	1,378	1,378
3.6	Outdoor Furniture Allowance	453	453	453	453	453	453	453	453	453	453	521	521	521	521	521	521	521	521	521	521
3.7	Outdoor Lighting	400	400	400	400	400	400	400	400	400	400	400	400	400	400	400	2,995	2,995	2,995	2,995	2,995
3.8	Garage/Workshop Equipment Replacement	1,765	1,765	1,765	1,765	1,765	1,997	1,997	1,997	1,997	1,997	2,259	2,259	2,259	2,259	2,259	2,556	2,556	2,556	2,556	2,556
3.9	Storage Shed	848	848	848	848	848	848	848	848	848	848	848	848	848	848	848	1,215	1,215	1,215	1,215	1,215
3.10	Work Vehicle # 1	5,653	5,653	5,653	5,653	4,566	4,566	4,566	4,566	4,566	4,566	4,566	4,566	4,566	4,566	5,845	5,845	5,845	5,845	5,845	5,845
3.11	Work Vehicle # 2	1,978	1,978	1,978	1,978	1,978	1,978	1,978	1,978	1,978	2,431	2,431	2,431	2,431	2,431	2,431	2,431	2,431	2,431	2,431	3,112
3.12	Tree Trimming, Removal, & Replacement All	6,890	5,329	5,329	5,598	5,598	5,882	5,882	6,180	6,180	6,492	6,492	6,821	6,821	7,166	7,166	7,529	7,529	7,910	7,910	8,311
3.13	Storm Water Drainage System Allowance	5,515	5,515	5,515	5,515	5,515	6,239	6,239	6,239	6,239	6,239	7,059	7,059	7,059	7,059	7,059	7,987	7,987	7,987	7,987	7,987
3.14	Professional Pond Evaluation Allowance	393	393	393	262	262	262	262	262	262	262	262	262	262	335	335	335	335	335	335	335
4	COMMUNITY CENTER EXTERIORS																				
4.1	Re-Roofing Project	1,487	1,487	1,487	1,487	1,487	1,487	1,487	1,487	1,487	1,487	1,487	1,487	1,487	1,487	1,487	1,487	1,487	2,277	2,277	2,277
4.2	Building Siding Restoration Allowance	749	749	749	749	749	749	749	749	749	749	749	749	749	749	749	749	749	749	1,208	1,208
4.3	Brick Tuckpointing Allowance	371	371	371	371	371	371	371	371	371	371	371	371	371	371	371	536	536	536	536	536
4.4	Building Wood Trim Restoration Allowance	865	865	865	865	955	955	955	955	1,054	1,054	1,054	1,054	1,164	1,164	1,164	1,284	1,284	1,284	1,284	1,284
4.5	Doors	849	849	849	849	849	961	961	961	961	961	1,087	1,087	1,087	1,087	1,087	1,230	1,230	1,230	1,230	1,230
4.6	Windows	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	2,120	3,034	3,034	3,034	3,034	3,034
4.7	Concrete Paver Patio	853	853	853	853	853	853	853	853	853	853	853	853	853	853	853	853	853	853	853	853
5	COMMUNITY CENTER INTERIORS																				
5.1	Interior Refurbishment Allowance	1,590	1,590	1,590	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,061	1,359	1,359	1,359	1,359	1,359	1,359	1,359
5.2	Wood Flooring	704	704	704	704	704	704	704	704	704	704	704	704	704	704	704	704	704	704	704	704
5.3	Tile Flooring	153	153	153	153	153	153	153	153	153	153	153	153	153	153	153	153	153	153	153	153
5.4	Electrical & Lighting Allowance	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879	1,879
5.5	Plumbing Fixtures Allowance	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396	1,396
5.6	Kitchen Refurbishment Allowance	1,537	1,537	1,537	1,537	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,502

Reserve Fund Plan for
LAKE VISTA PROPERTY OWNERS ASSOCIATION
Forest, Virginia

FUNDING ANALYSIS
COMPONENT METHOD
TABLE 4

MASON & MASON
CAPITAL RESERVE ANALYSIS, INC
www.masonreserves.com 800-776-6980 Fax 800-776-6408

In Dollars

Beginning Reserve Fund Balance: 285,594

Component Number	COMPONENT	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
5.7	Interior Furniture & Equipment Allowance	4,020	4,020	1,912	1,912	1,912	1,912	1,912	2,163	2,163	2,163	2,163	2,163	4,895	4,895	4,895	4,895	4,895	2,769	2,769	2,769
5.8	HVAC	1,054	1,054	1,054	1,054	2,256	2,256	2,256	2,256	2,256	2,256	2,256	2,256	2,256	2,256	2,244	2,244	2,244	2,244	2,244	3,268
5.9	Wall HVAC Units	346	346	346	346	346	346	346	346	346	425	425	425	425	425	425	425	425	425	425	545
5.10	Security Surveillance System	1,044	1,044	1,044	1,044	1,044	964	964	964	964	964	964	964	964	964	964	1,233	1,233	1,233	1,233	1,233
5.11	Pool Gate Security System	522	522	522	522	522	482	482	482	482	482	482	482	482	482	482	617	617	617	617	617
6 POOL FACILITIES																					
6.1	Pool Restoration Project	11,302	11,302	11,302	11,302	11,302	11,302	11,302	11,302	11,302	11,302	11,302	11,302	11,302	11,302	11,302	11,302	16,905	16,905	16,905	16,905
6.2	Pool White Coat	9,760	3,511	3,511	3,511	3,511	3,511	3,511	3,511	2,393	2,393	2,393	2,393	2,393	2,393	2,393	2,393	2,393	2,393	2,393	2,393
6.3	Pool Coping	288	180	180	180	194	194	194	208	208	208	224	224	224	242	242	242	260	260	260	280
6.4	Pool Perimeter Equipment Allowance	342	342	342	342	342	342	342	342	342	342	342	342	342	342	342	342	361	361	361	361
6.5	Pool Furniture Allowance	1,699	1,699	1,699	1,544	1,544	1,544	1,544	1,544	1,747	1,747	1,747	1,747	1,747	1,976	1,976	1,976	1,976	1,976	2,236	2,236
6.6	Pool Chain Link Fencing	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	75	112	112	112	112
6.7	Pool Metal Fencing	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094	1,094
6.8	Pool Lighting	381	381	381	381	381	381	381	381	381	381	381	381	381	381	381	381	648	648	648	648
6.9	Main Pool Pump	775	775	775	775	775	775	790	790	790	790	790	790	790	790	790	790	1,011	1,011	1,011	1,011
6.10	Main Pool Filters	750	750	750	750	750	750	750	750	750	750	750	951	951	951	951	951	951	951	951	951
6.11	Wading Pool Pump & Filter	249	249	249	249	249	249	254	254	254	254	254	254	254	254	254	254	325	325	325	325
6.12	Pool Covers	3,141	3,141	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,554	1,990	1,990	1,990	1,990	1,990	1,990	1,990	1,990
7 SITE RECREATION																					
7.1	Tennis Court Restoration Project	3,683	3,683	3,683	3,683	3,683	3,683	3,683	3,683	3,683	3,683	3,683	3,683	3,683	3,683	3,683	3,683	3,683	3,683	3,683	5,914
7.2	Tennis Court Color Coat	2,583	2,583	2,583	2,583	2,678	2,678	2,678	2,678	2,678	3,030	3,030	3,030	3,030	3,030	1,891	1,891	1,891	1,891	1,891	1,891
7.3	Tennis Court Fencing	712	712	712	712	712	712	712	712	712	712	712	712	712	712	712	712	712	712	712	712
7.4	Tennis Court Wind Screen	309	309	309	309	309	309	309	309	309	380	380	380	380	380	380	380	380	380	380	486
ANNUAL COMPONENT CONTRIBUTION TOTALS		110,374	98,756	91,587	91,041	90,855	89,995	90,015	90,578	89,762	91,029	94,775	95,305	98,583	100,902	101,030	109,007	115,363	114,408	115,127	120,175

COMPONENT METHOD SUMMARY	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
BEGINNING RESERVE FUND BALANCE	285,594	389,320	460,343	505,824	573,795	597,620	513,598	600,681	675,502	735,253	781,336	758,733	838,429	914,218	956,573	980,440	880,360	689,358	740,210	833,110
PLUS ANNUAL COMPONENT CONTRIBUTION	110,374	98,756	91,587	91,041	90,855	89,995	90,015	90,578	89,762	91,029	94,775	95,305	98,583	100,902	101,030	109,007	115,363	114,408	115,127	120,175
CAPITAL EXPENDITURES	10,117	32,180	51,229	28,646	73,288	180,509	8,581	22,284	37,284	52,827	125,742	23,749	31,753	68,279	87,322	219,529	315,836	71,102	30,289	159,060
SUBTOTAL	385,851	455,896	500,701	568,219	591,362	507,106	595,032	668,975	727,980	773,455	750,369	830,289	905,259	946,841	970,281	869,918	679,887	732,664	825,048	794,225
PLUS INTEREST INCOME @ 1.00%	3,469	4,448	5,122	5,576	6,258	6,493	5,649	6,527	7,274	7,881	8,364	8,140	8,958	9,732	10,159	10,442	9,471	7,547	8,062	9,022
FULLY FUNDED RESERVE FUND BALANCE	389,320	460,343	505,824	573,795	597,620	513,598	600,681	675,502	735,253	781,336	758,733	838,429	914,218	956,573	980,440	880,360	689,358	740,210	833,110	803,247

PERCENT FUNDED FOR CURRENT CYCLE	65%
TOTAL EXPENDITURES	1,629,606
TOTAL CONTRIBUTIONS	1,998,667
STUDY PERIOD TOTAL INTEREST	148,592
AVERAGE ANNUAL CONTRIBUTION	99,933

FULLY FUNDED BALANCE GOAL

PHOTOGRAPHS WITH DESCRIPTIVE NARRATIVES

MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.

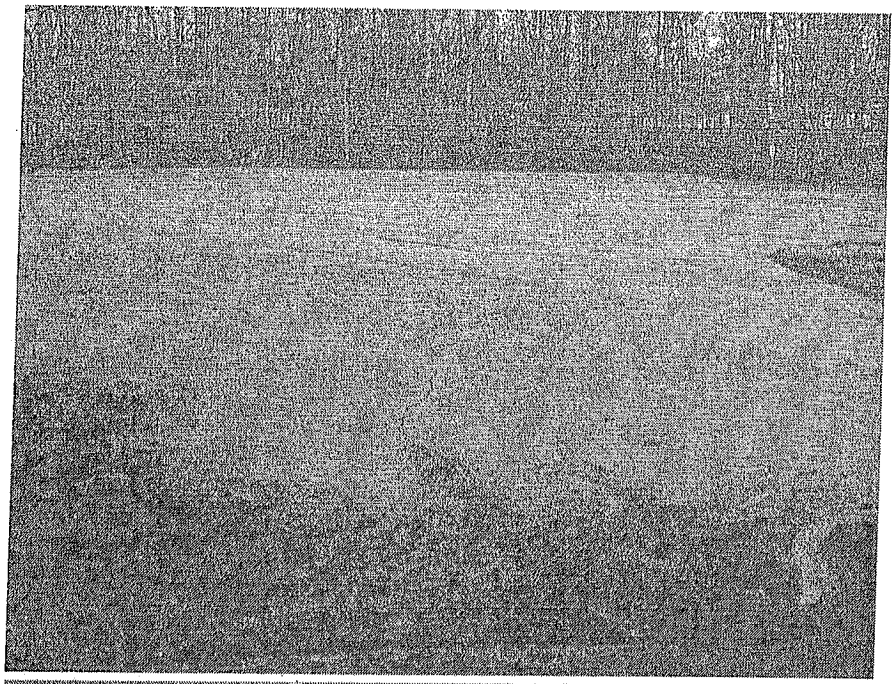

PHOTO #1
The asphalt drivelanes and parking bays at the community center and Hutter Lake Trail range from fair to good condition. Seal coating and crack filling was completed circa 2012.

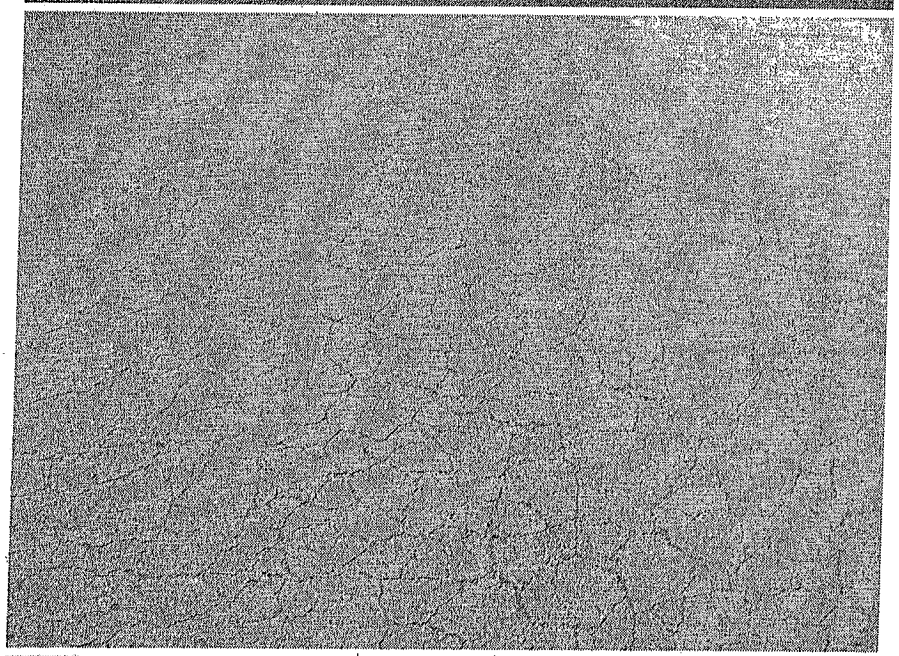

PHOTO #2
One area of severely deflected pavement at the upper parking area requires full-depth repair near-term.

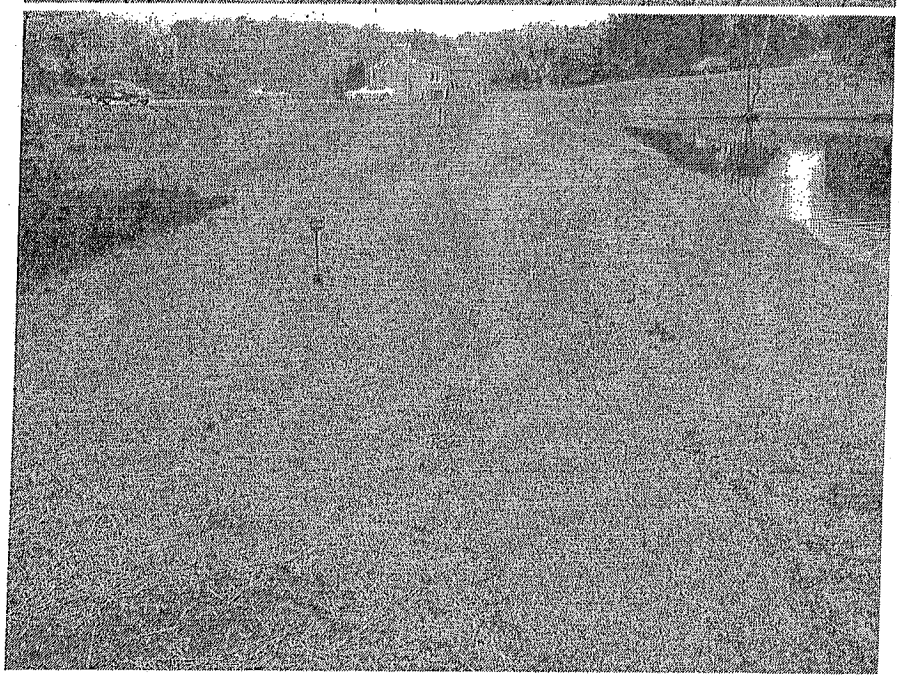

PHOTO #3
The asphalt footpaths range from new to fair condition. Any tripping hazards on the trails should be mitigated. Path lighting is new, but six of the lights were out of service.

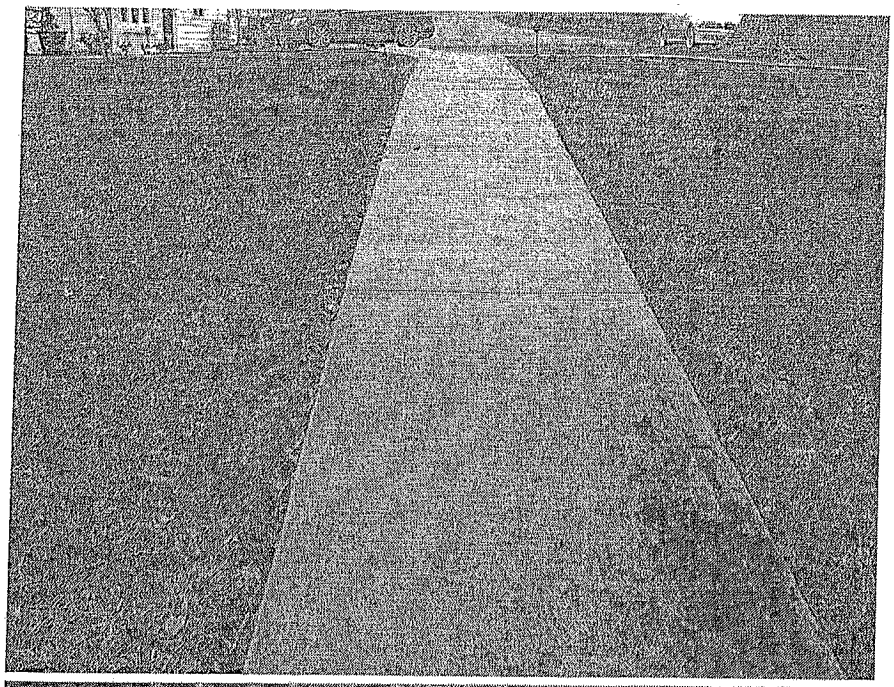

PHOTO #4
The concrete sidewalks and the pool deck are in excellent condition, with no major deficiencies noted.

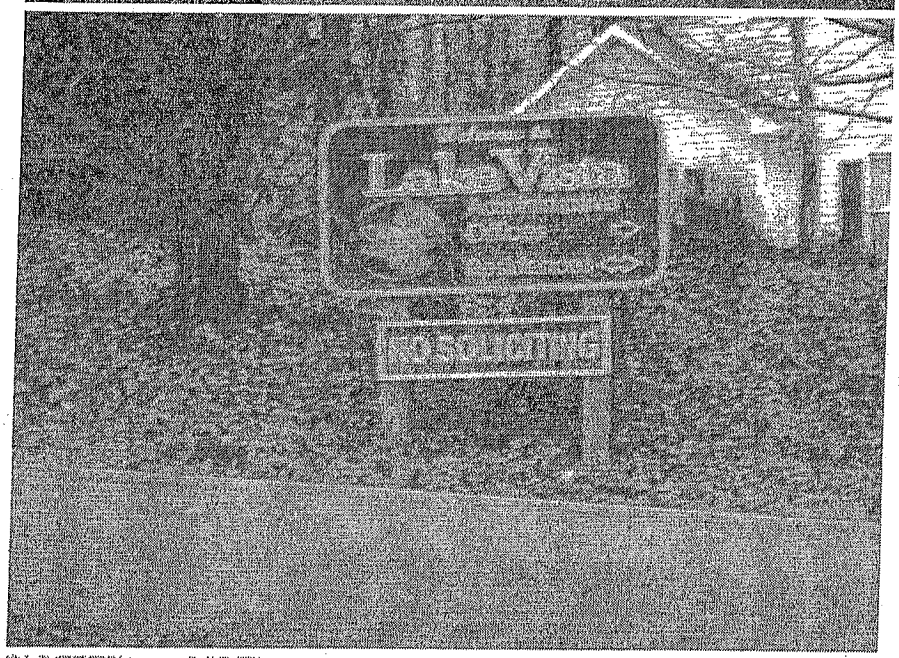

PHOTO #5
The carved wood signs throughout the community are in good condition. Maintenance of the signs, such as annual painting should continue.

PHOTO #6
The modular block retaining walls at the pool and behind the community center are in good condition.

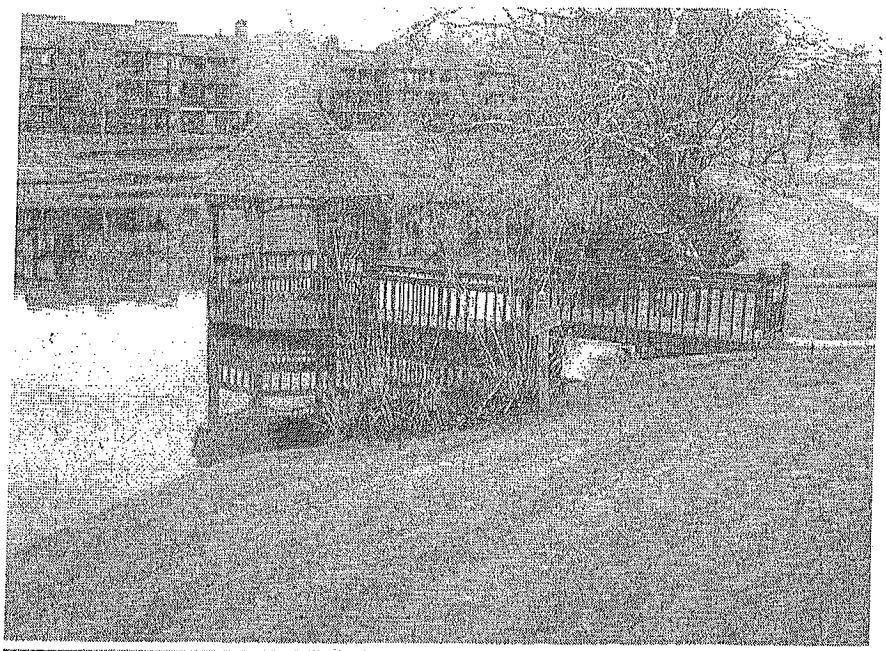

PHOTO #7
The wood gazebo, roofing, and the footbridge leading to the gazebo at Hutter Lake range from fair to good condition.

PHOTO #8
The wood footbridges at the footpaths also range from fair to good condition. This bridge is deflecting to the left side. We have scheduled bridge replacement in the next couple of years.

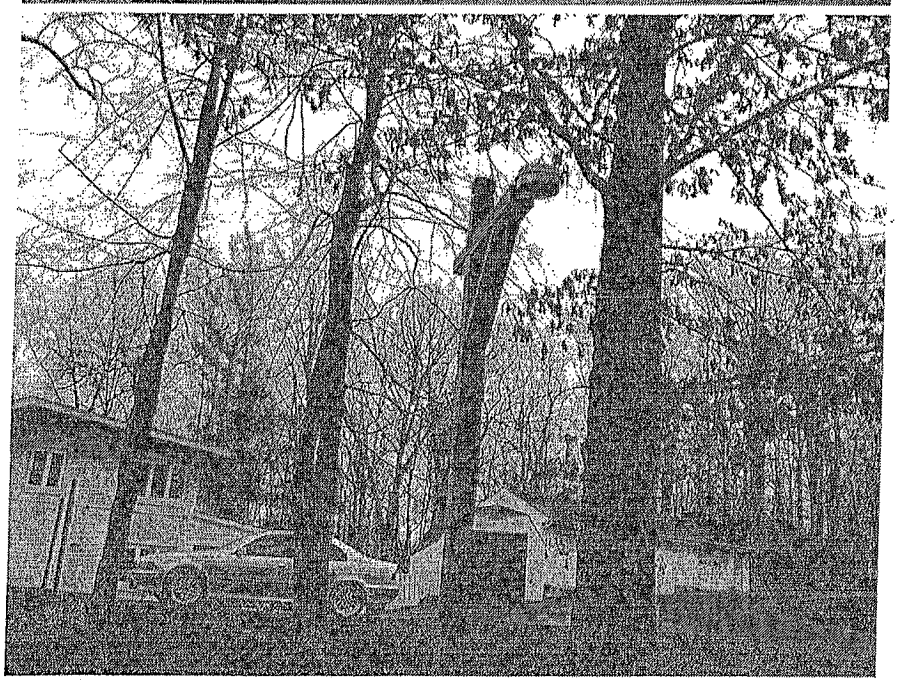

PHOTO #9
The wood light poles and fixtures were recently restored and appear to be in good condition.

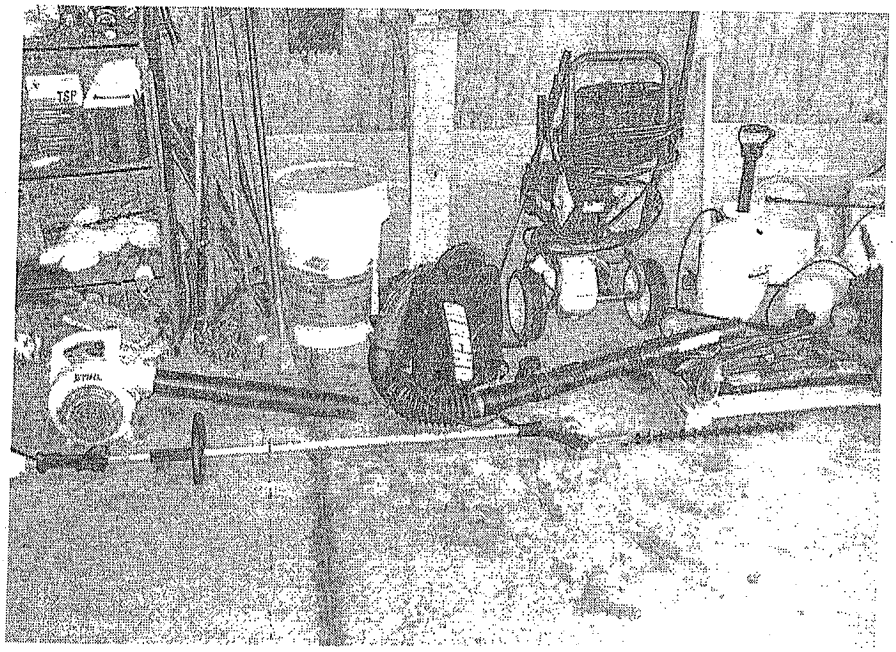

PHOTO #10
This is an example of some equipment used in maintaining the community, and located in the shop. We have provided an allowance for partial equipment replacement over the 20-year period.

PHOTO #11
One of two work vehicles, showing signs of wear and tear. This truck is scheduled for replacement in a few years. The bobcat is new and is in good condition.

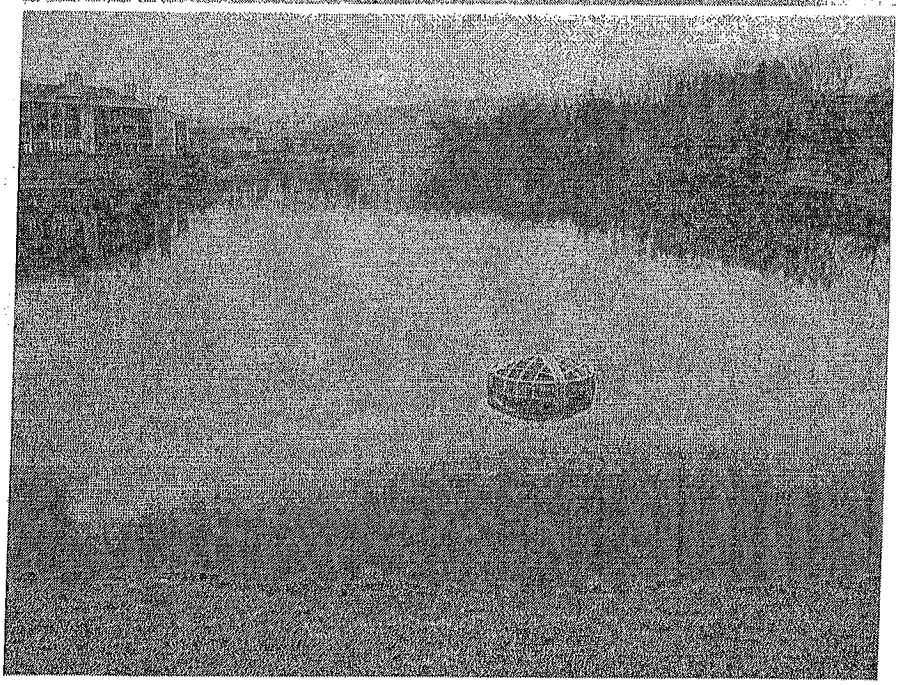

PHOTO #12
An overview of Lake Vista. The lake was formed as a result of excavation and construction of earthen impoundment structures. Water exits the lake through this overflow riser, which drains below the impoundment structure.

PHOTO #13
An overview of Hutter Lake, which appears to be in good condition. No major vegetation was observed at this retention pond.

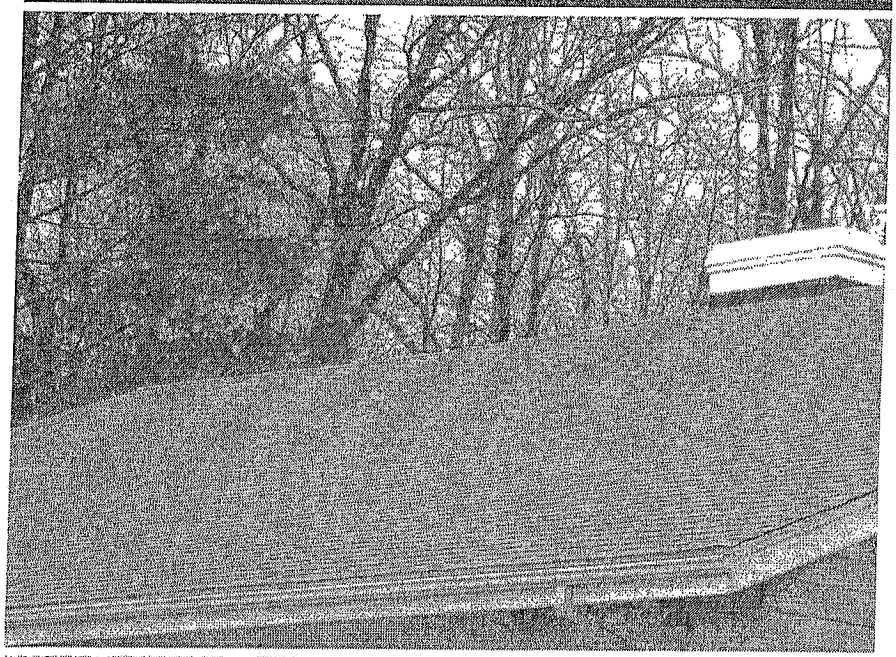

PHOTO #14
The asphalt shingles of the community center, pool pump house, pool bathhouse, and the garage/shop appear to be in good condition, having been restored circa 2014.

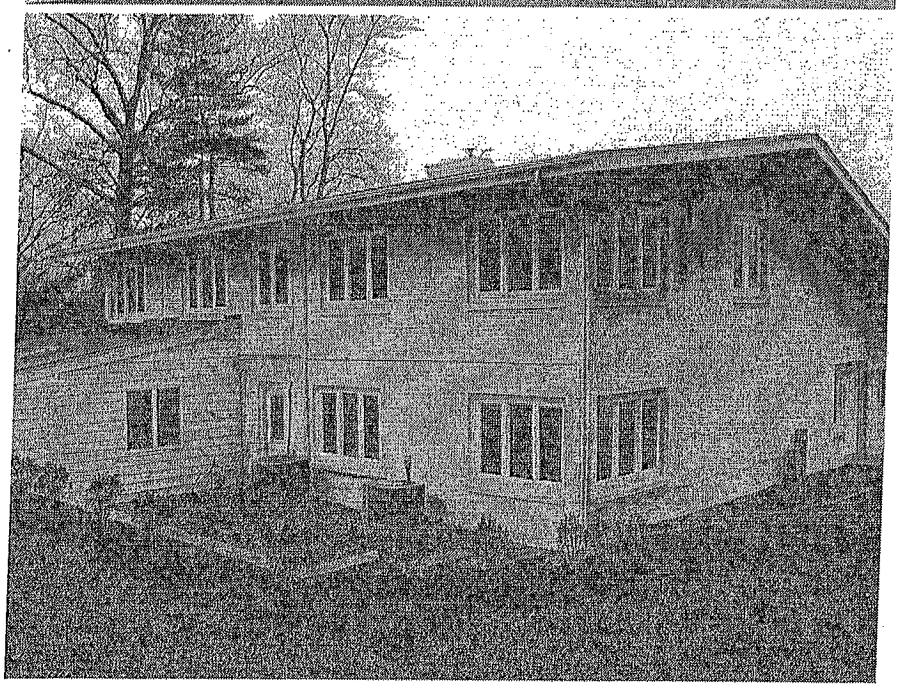

PHOTO #15
The brick and mortar veneer of the community center, wood trim, and the siding on the garage/shop are in good condition.

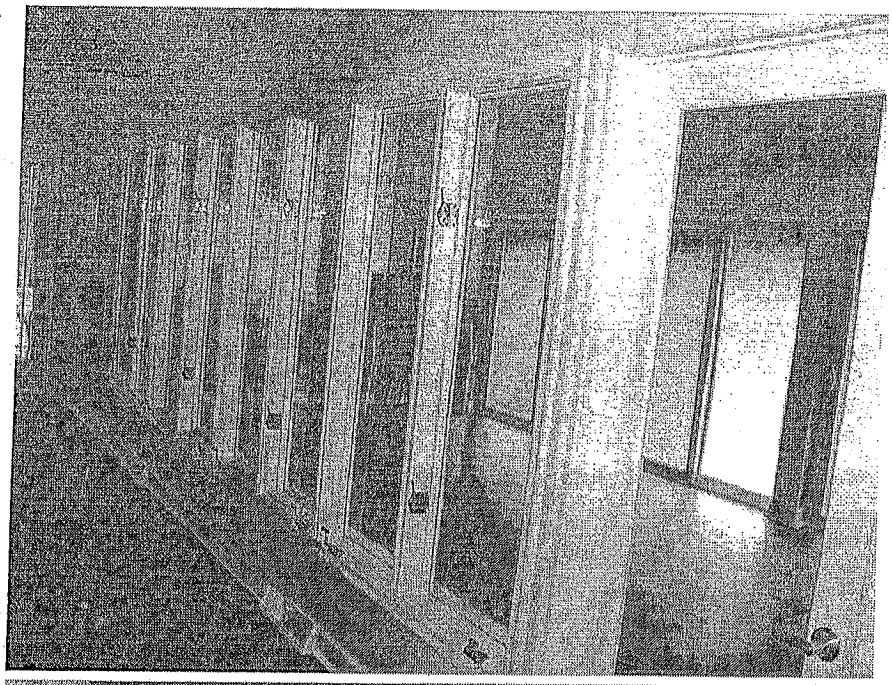

PHOTO #16
The windows and doors of the community center were recently replaced and are in good condition.

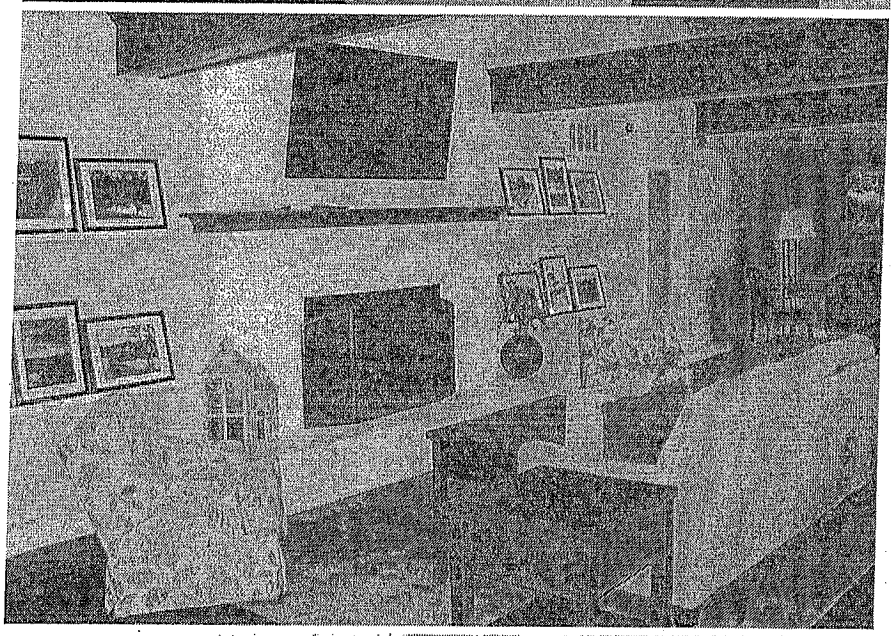

PHOTO #17
The community center was recently refurbished, including new tile, refurbished wood floors, new paint, new lighting, and new bathroom fixtures. The interior furnishings are in like new condition.

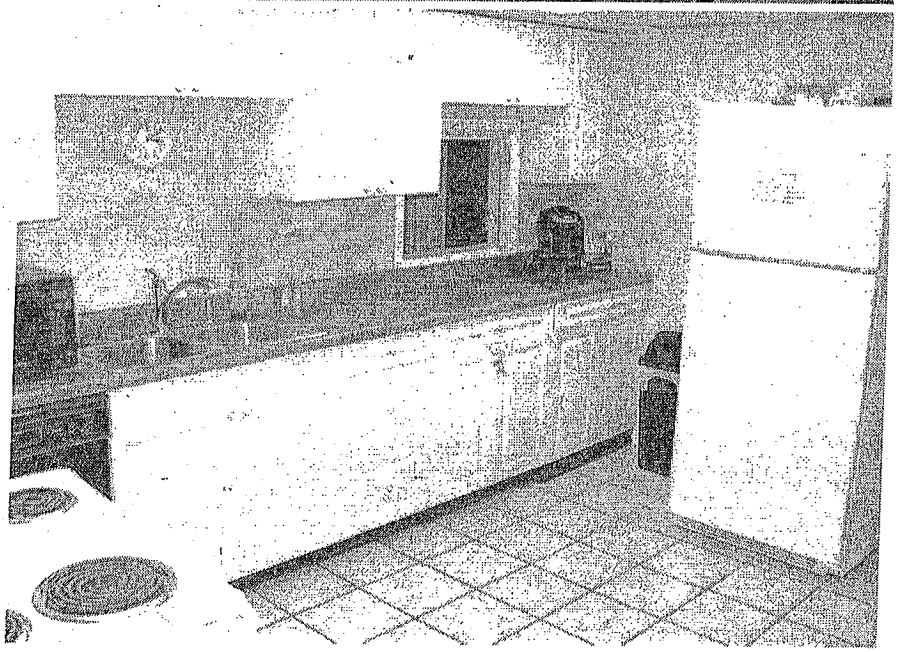

PHOTO #18
The kitchen was last refurbished circa 2002 and it appears to range from fair to good condition.

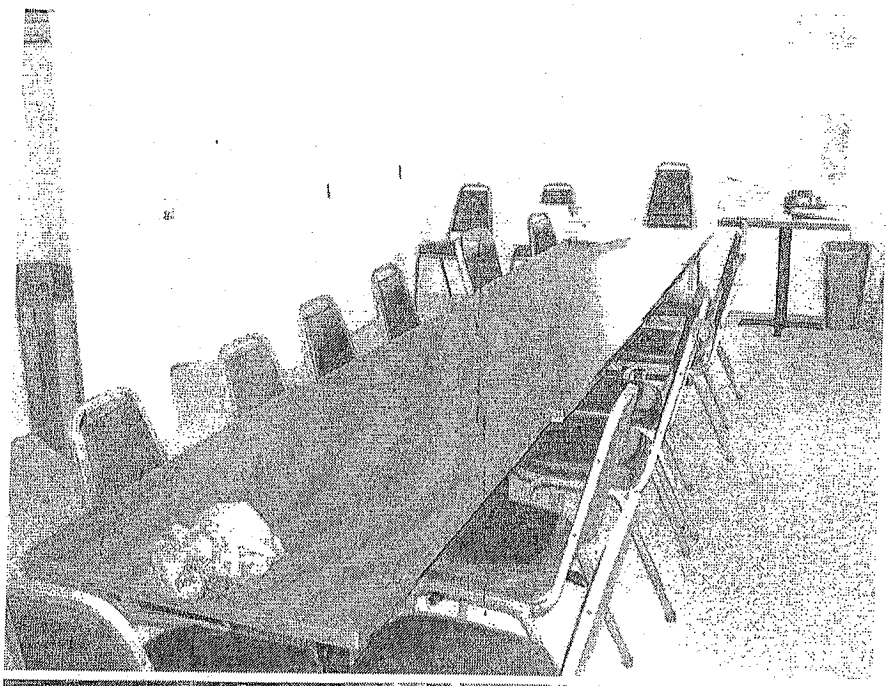

PHOTO #19
Furniture and equipment in the office and the conference room are dated, and range from poor to fair condition.

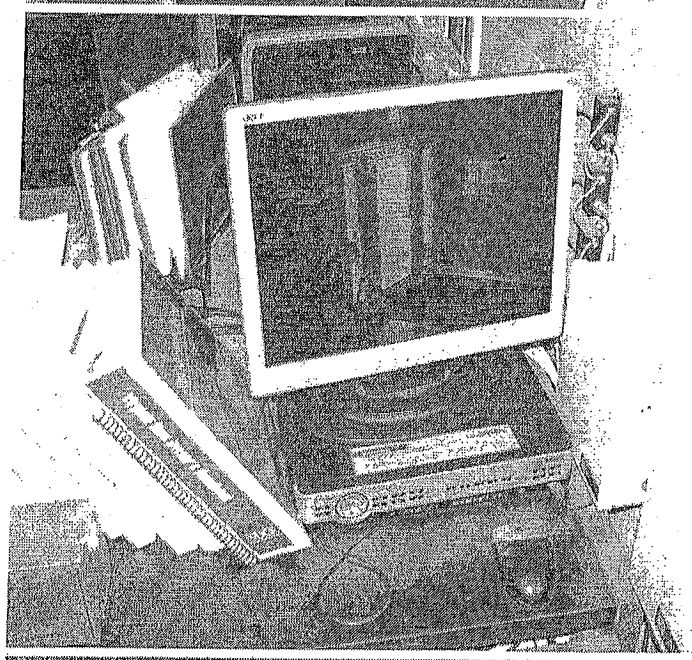

PHOTO #20
The security camera system was operational at the time of our site visit, with no reported issues.

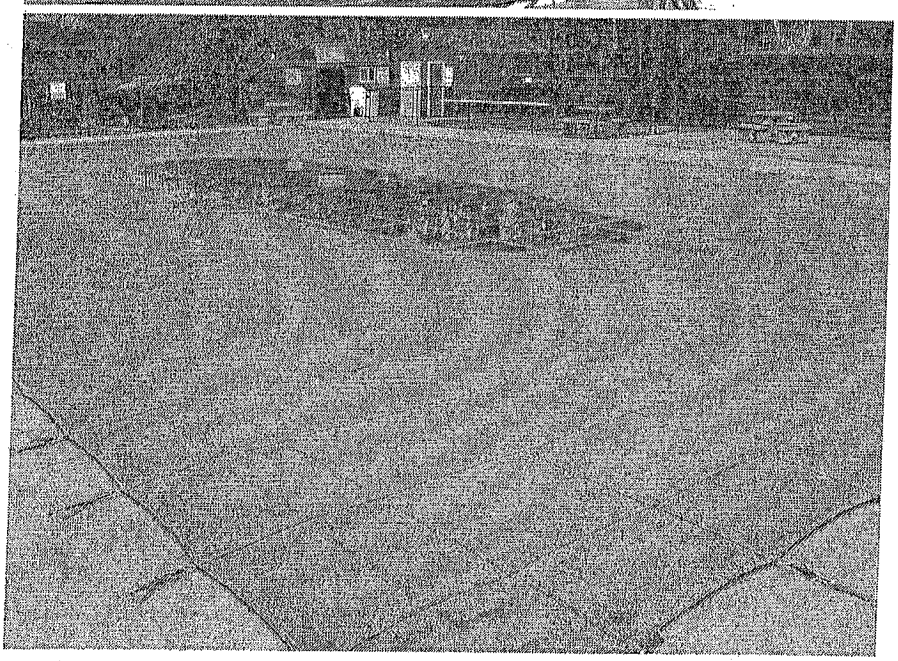

PHOTO #21
We understand that the pool was enlarged to an Olympic sized pool circa 2001-2002. No problems were reported with either pool.

PHOTO #22
The metal fencing at the pools range from fair to good condition. Fencing will require painting to improve appearance and maximize service life.

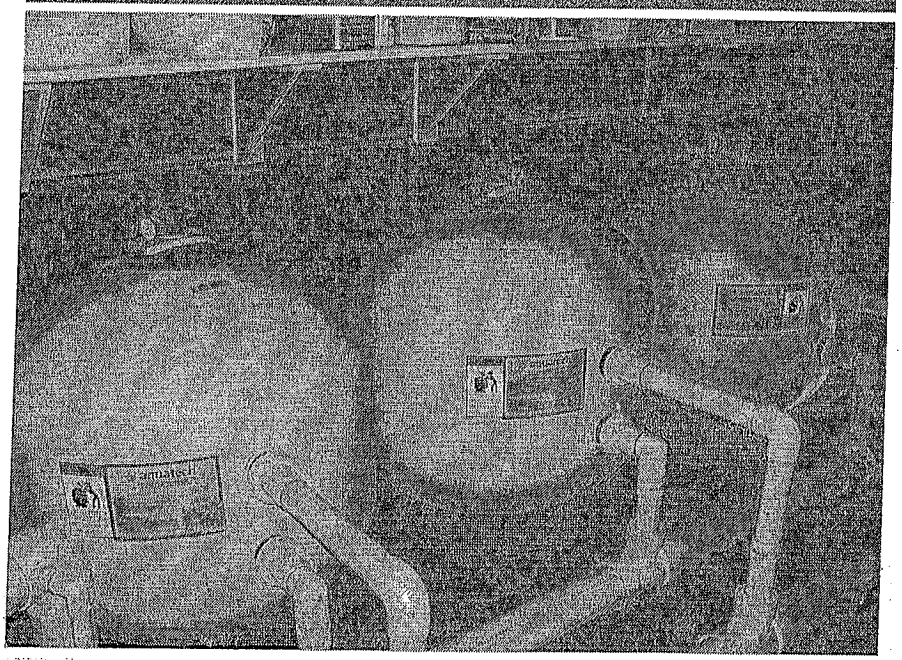

PHOTO #23
We understand that the pool filters and pumps were replaced circa 2013. The equipment was decommissioned for the season, but appears to be in good condition.

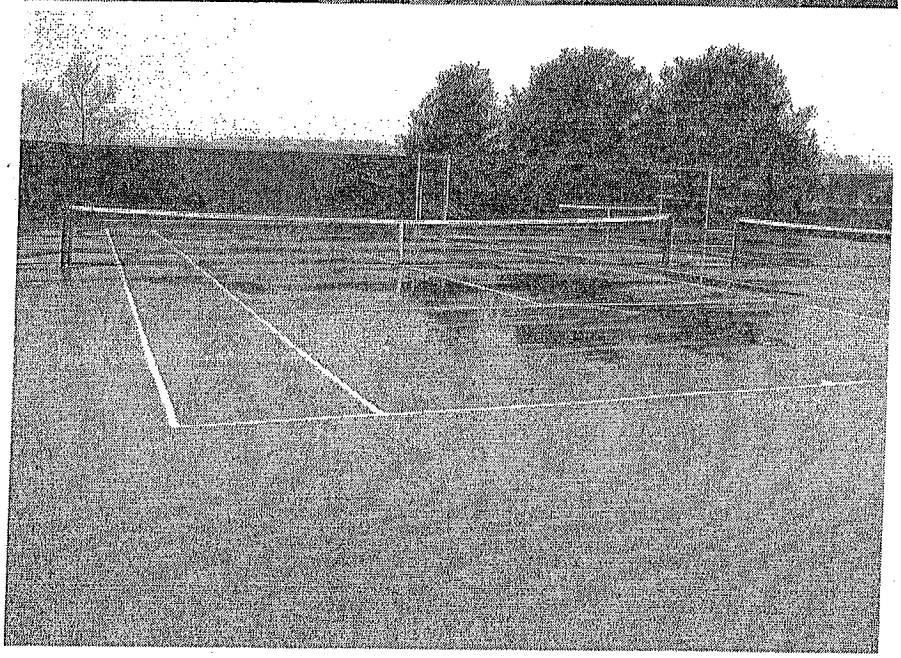

PHOTO #24
The tennis courts and fencing were restored circa 2016, and are in very good condition.