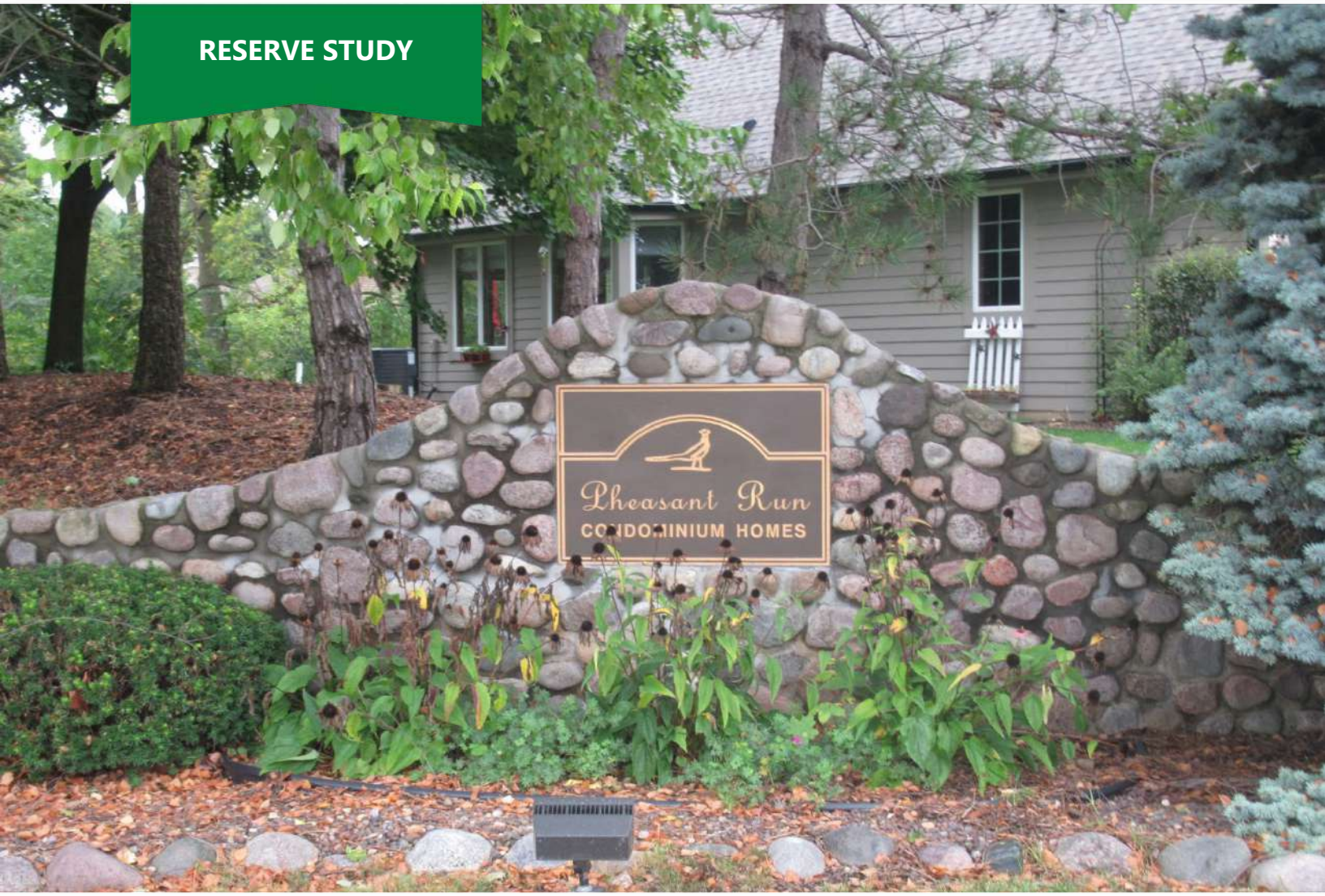
# Pheasant Run Condominium Homes Association, Inc.

**Inspected on: September 23, 2025 • Revised on: April 14, 2026**
**Brookfield, WI**

**RESERVE STUDY**




RESERVE™ ADVISORS
Long-term thinking. Everyday commitment.

RESERVE ADVISORS
Long-term thinking. Everyday commitment.

Corporate Office
Reserve Advisors, LLC
735 N. Water Street, Suite 175
Milwaukee, WI 53202

Pheasant Run Condominium Homes Association, Inc.
Brookfield, Wisconsin

Dear Board of Directors of Pheasant Run Condominium Homes Association, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Reserve Study* of Pheasant Run Condominium Homes Association, Inc. in Brookfield, Wisconsin and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, September 23, 2025.

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

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

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

Respectfully submitted on April 14, 2026 by

*Reserve Advisors, LLC*

Visual Inspection and Report by: Heather M. Christensen, RS[1]
Review by: Alan M. Ebert, RS, PRA[2], Director of Quality Assurance




1 RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.
2 PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at http://www.apra-usa.com.

RESERVE™ ADVISORS

Long-term thinking. Everyday commitment.

**NEW TO RESERVE STUDIES?**

**ACCESS OUR QUICK START GUIDE**

©2023 Reserve Advisors, LLC. All rights reserved.

# Table of Contents


**1. RESERVE STUDY EXECUTIVE SUMMARY ..... 1.1**

**2. RESERVE STUDY REPORT ..... 2.1**

**3. RESERVE EXPENDITURES and FUNDING PLAN ..... 3.1**

**4. RESERVE COMPONENT DETAIL ..... 4.1**

Exterior Building Elements ..... 4.1

Decks, Composite and Wood ..... 4.2

Foundation Walls, Basements ..... 4.6

Gutters and Downspouts, Aluminum ..... 4.6

Roofs, Asphalt Shingles ..... 4.9

Walls, Paint Finishes ..... 4.14

Walls, Siding, Fiber Cement ..... 4.16

Walls, Siding, Wood ..... 4.19

Windows ..... 4.22

Building Services Elements ..... 4.25

Life Safety Systems ..... 4.25

Property Site Elements ..... 4.26

Asphalt Pavement ..... 4.26

Catch Basins ..... 4.29

Concrete Gutters ..... 4.30

Concrete Driveways ..... 4.32

Concrete Patios ..... 4.34

Concrete Sidewalks ..... 4.36

Concrete Stoops ..... 4.37

Irrigation System ..... 4.38

Landscape, Drainage Improvements and Trees ..... 4.39

Light Poles and Fixtures ..... 4.39

Mailbox Stations ..... 4.41

Reserve Study Update ..... 4.42

**5. METHODOLOGY ..... 5.1**

**6. CREDENTIALS ..... 6.1**

**7. DEFINITIONS ..... 7.1**

**8. PROFESSIONAL SERVICE CONDITIONS ..... 8.1**

# 1. RESERVE STUDY EXECUTIVE SUMMARY

**Client:** Pheasant Run Condominium Homes Association, Inc. (Pheasant Run Condominium)
**Location:** Brookfield, Wisconsin
**Reference:** 071141

**Property Basics:** Pheasant Run Condominium Homes Association, Inc. is a townhome style development which consists of 155 units in 63 buildings. The community was built from 1988 to 1996.

**Reserve Components Identified:** 24 Reserve Components.

**Inspection Date:** September 23, 2025. We conducted previous inspections in 2017 and 2021.

**Funding Goal:** The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes this threshold funding year in 2044 due to the replacement of the fiber cement siding.

In addition, the Reserve Funding Plan recommends 2055 year end accumulated reserves of approximately $2,396,900. We judge this amount of accumulated reserves in 2055 necessary to fund the likely subsequent replacement of the roof assemblies after 2055. These future needs, although beyond the limit of the Cash Flow Analysis of this Reserve Study, are reflected in the amount of accumulated 2055 year end reserves.

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

- Current and future local costs of replacement
- 2.7% anticipated annual rate of return on invested reserves
- 3.3% future Inflation Rate for estimating Future Replacement Costs

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

**Unaudited Cash Status of Reserve Fund:**

- $763,178 as of August 29, 2025
- 2025 budgeted Reserve Contributions of $452,100
- 2026 budgeted Reserve Contributions of $496,000
- Annual 'move in' capital improvement contribution of $49,968 ($6,246 x 8 units) (Equivalent to 75% of the annual homeowner assessment) in 2026, followed by a reduced contribution of $6,246 x 4 units annually, plus inflation

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

- Replacement of the decks to maintain a positive and consistent appearance, and deferral may result in dangerous conditions and increased cost
- Replacement of the roofs as deferral will result in increased water infiltration and cost

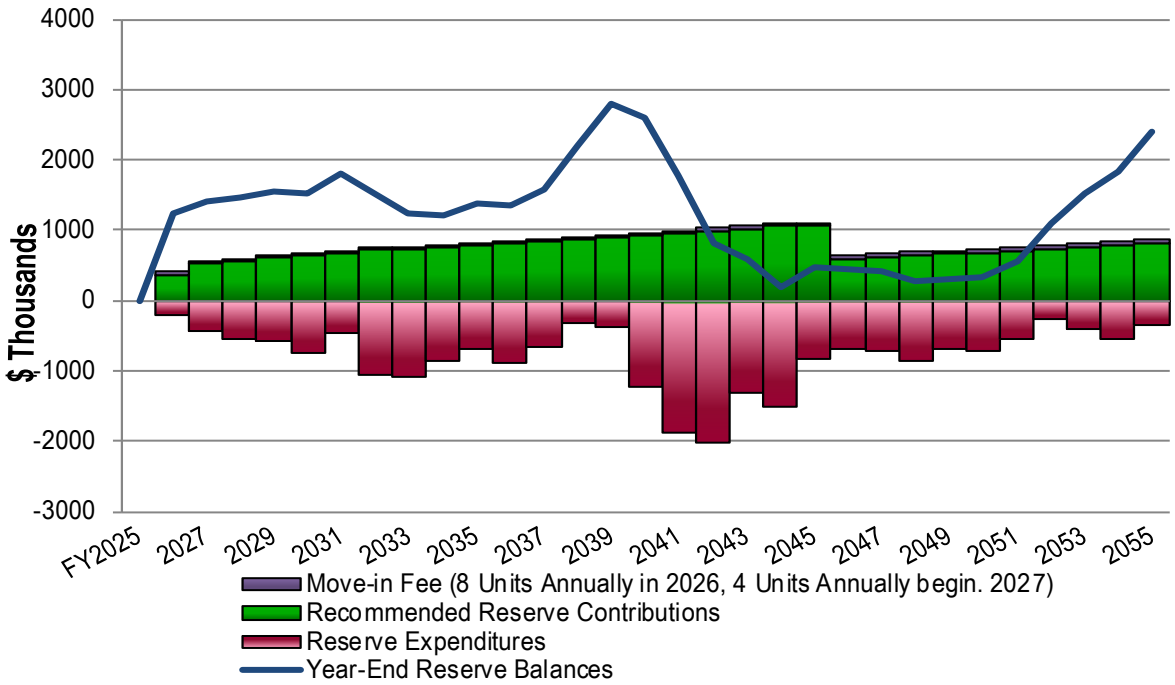
- Periodic paint applications to maximize the useful life of the exterior wall systems and to maintain a uniformly clean and consistent appearance

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

- Phased increases of $36,600 each year, from 2027 through 2032
- Inflationary increases from 2033 through 2044
- Stable contributions of $1,056,400 in 2045
- Decrease to $600,000 by 2046 due to fully funding for replacement of the siding
- Inflationary increases thereafter through 2055, the limit of this study's Cash Flow Analysis
- Initial recommended adjustment in Reserve Contributions of $36,600 represents an average quarterly increase of $59.03 per owner and about a three percent (2.8%) adjustment in the 2026 Total Budget of $1,292,841.

## Pheasant Run Condominium
### Recommended Reserve Funding Table and Graph

| Year | Reserve Contributions ($) | Reserve Balances ($) | Year | Reserve Contributions ($) | Reserve Balances ($) | Year | Reserve Contributions ($) | Reserve Balances ($) |
|---|---|---|---|---|---|---|---|---|
| 2026 | 372,000 (Budgeted) | 1,247,529 | 2036 | 814,800 | 1,352,746 | 2046 | 600,000 | 456,678 |
| 2027 | 532,600 | 1,396,141 | 2037 | 841,700 | 1,585,154 | 2047 | 619,800 | 426,966 |
| 2028 | 569,200 | 1,465,675 | 2038 | 869,500 | 2,210,237 | 2048 | 640,300 | 278,980 |
| 2029 | 605,800 | 1,556,000 | 2039 | 898,200 | 2,808,937 | 2049 | 661,400 | 308,998 |
| 2030 | 642,400 | 1,509,968 | 2040 | 927,800 | 2,602,954 | 2050 | 683,200 | 340,416 |
| 2031 | 679,000 | 1,794,825 | 2041 | 958,400 | 1,778,263 | 2051 | 705,700 | 556,255 |
| 2032 | 715,600 | 1,527,580 | 2042 | 990,000 | 811,411 | 2052 | 729,000 | 1,083,354 |
| 2033 | 739,200 | 1,245,209 | 2043 | 1,022,700 | 590,740 | 2053 | 753,100 | 1,519,439 |
| 2034 | 763,600 | 1,210,037 | 2044 | 1,056,400 | 200,242 | 2054 | 778,000 | 1,836,937 |
| 2035 | 788,800 | 1,372,815 | 2045 | 1,056,400 | 484,549 | 2055 | 803,700 | 2,396,945 |



# 2. RESERVE STUDY REPORT

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

**Pheasant Run Condominium Homes Association, Inc.**

**Brookfield, Wisconsin**

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, September 23, 2025. We conducted previous inspections in 2017 and 2021.

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

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

# IDENTIFICATION OF PROPERTY




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

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

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

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

- Pheasant Run Condominium responsibility
- Limited useful life expectancies
- Predictable remaining useful life expectancies
- Replacement cost above a minimum threshold

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

# Excluded Components

**for**
**Pheasant Run Condominium**
**Homes Association, Inc.**
Brookfield, Wisconsin

## Operating Budget Components

Repairs normally funded through the Operating Budget and Expenditures less than $8,500 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)

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

- Asphalt Pavement, Crack Repair and Patch
- Catch Basins, Landscape
- Chimney Caps, Metal, Subsequent Replacements[1]
- Concrete Driveways, Coating Applications
- Fences, Wood and Composite, Unit Rears[2]
- Fences, Wood, Privacy, Paint Finishes, Interim
- Garage Doors[2]
- Irrigation System, Controllers
- Landscape, General Maintenance, Mulch and Shrub Replacement
- Life Safety Systems, Alarms and Devices
- Light Poles and Fixtures, Underground Wiring, Replacements
- Paint Finishes, Touch Up
- Pumps, Sump
- Railings, Wood, Stoops at Phase I
- Retaining Walls, Boulder/Stone
- Shutters
- Signage, Entrance Monuments
- Walls, Masonry, Inspections and Repairs

[1] Near term replacements are included with roofing project costs
[2] Association replaces on an as-needed basis.

## Long-Lived Components

| These elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the scope of this study. The operating budget should fund infrequent repairs. Funding untimely or unexpected replacements from reserves will necessitate increases to Reserve Contributions. Periodic updates of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan. | **Useful Life** | **Estimated Cost** |
|---|---|---|
| • Electrical Systems, Common | to 80+ | N/A |
| • Foundations | Indeterminate | N/A |
| • Pipes, Subsurface Utilities | to 85+ | N/A |
| • Structural Frames | Indeterminate | N/A |

# Excluded Components

**for**
**Pheasant Run Condominium**
**Homes Association, Inc.**
Brookfield, Wisconsin

| Owners Responsibility Components |
|---|
| Certain items have been designated as the responsibility of the Owners to repair or replace at their cost, including items billed back. |
| • Awnings |
| • Doors (Excluding Garages) |
| • Electrical Systems (Including Circuit Protection Panels) |
| • Gutter Guards |
| • Heat Tape |
| • Heating, Ventilating and Air Conditioning (HVAC) Units |
| • Interiors |
| • Light Fixtures, Building Exteriors |
| • Pipes, Interior Building, Water and Sewer |
| • Windows (Shared Expense with Association) |

# 3. RESERVE EXPENDITURES and FUNDING PLAN

The tables following this introduction present:

**Reserve Expenditures**

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

**Reserve Funding Plan**

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

**Five-Year Outlook**

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

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

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

Years 2025 to 2040

# RESERVE EXPENDITURES

**Pheasant Run Condominium Homes Association, Inc.**
Brookfield, Wisconsin

**Explanatory Notes:**
1) **3.3% is the estimated Inflation Rate for estimating Future Replacement Costs.**
2) **FY2025 is Fiscal Year beginning January 1, 2025 and ending December 31, 2025.**

| Line Item | Total Quantity | Per Phase Quantity | Units | Reserve Component Inventory | Estimated 1st Year of Event | Life Analysis, Years Useful | Years Remaining | Unit Cost, $ | Percentage Ownership | Costs, $ Per Phase (2025) | Costs, $ Total (2025) | Percentage of Future Expenditures | RUL = 0 FY2025 | 1 2026 | 2 2027 | 3 2028 | 4 2029 | 5 2030 | 6 2031 | 7 2032 | 8 2033 | 9 2034 | 10 2035 | 11 2036 | 12 2037 | 13 2038 | 14 2039 | 15 2040 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | **Exterior Building Elements** | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.153 | 6 | 3 | Each | Decks, Composite, Phased (Incl. Railings and Framing Capital Repairs) | 2035 | 20 to 25 | 10 to 11 | 9,500.00 | 100% | 28,500 | 57,000 | **0.3%** | | | | | | | | | | | 39,432 | 40,733 | | | | |
| 1.159 | 66 | 5 | Each | Decks, Wood, Phased (Incl. Railings and Framing Capital Repairs) | 2028 | to 25 | 3 to 14 | 9,500.00 | 100% | 47,500 | 627,000 | **4.8%** | | | | 52,359 | 54,087 | 55,872 | 57,716 | 59,621 | 61,588 | 63,620 | 65,720 | 67,889 | 70,129 | 72,443 | 74,834 | |
| 1.231 | 1 | 1 | Allowance | Foundation Walls, Basements, Capital Repairs | 2026 | on-going | 0 | 20,000.00 | 100% | 20,000 | 20,000 | **4.4%** | | 20,660 | 21,342 | 22,046 | 22,774 | 23,525 | 24,301 | 25,103 | 25,932 | 26,788 | 27,672 | 28,585 | 29,528 | 30,502 | 31,509 | 32,549 |
| 1.240 | 28,000 | 2,545 | Linear Feet | Gutters and Downspouts, Aluminum, Subsequent, Phased | 2040 | 15 to 25 | 15 to 25 | 13.00 | 100% | 33,091 | 364,000 | **3.0%** | | | | | | | | | | | | | | | | 53,853 |
| 1.280 | 2,470 | 310 | Squares | Roofs, Asphalt Shingles, Overlaid Roofs, Phased (Incl. Gutters/Dwnspt, Chimneys) (2026 is 3 Roofs) (Qty varies by year) | 2026 | 10 to 15 | 1 to 8 | 670.00 | 100% | 207,700 | 1,654,900 | **8.2%** | | 117,659 | 240,223 | 248,150 | 256,339 | 264,799 | 273,537 | 282,564 | 243,240 | | | | | | | |
| 1.281 | 3,550 | 325 | Squares | Roofs, Asphalt Shingles, Subsequent, Phased | 2040 | 15 to 25 | 15 to 25 | 610.00 | 100% | 198,250 | 2,165,500 | **17.9%** | | | | | | | | | | | | | | | | 322,640 |
| 1.760 | 155 | 19 | Units | Walls, Paint Finishes, Phased (Incl. Decks, Shutters, Sealants) (2026 is Budgeted) | 2026 | 6 to 8 | 1 to 8 | 2,850.00 | 100% | 55,233 | 441,750 | **12.2%** | | 55,248 | 58,939 | 60,884 | 62,893 | 64,968 | 67,112 | 69,327 | 71,615 | 73,978 | 76,419 | 78,941 | 81,546 | 84,237 | 87,017 | 89,888 |
| 1.765 | 185,800 | 37,160 | Square Feet | Walls, Siding, Fiber Cement, Replacement, Phased (Incl. LP Siding) | 2040 | 40 to 50 | 15 to 19 | 11.00 | 100% | 408,760 | 2,043,800 | **15.2%** | | | | | | | | | | | | | | | | 665,232 |
| 1.945 | 58,200 | 19,400 | Square Feet | Walls, Siding, Wood, Replacement, Phased (Replace with Fiber Cement) | 2032 | 40 to 45 | 7 to 9 | 11.00 | 100% | 213,400 | 640,200 | **3.5%** | | | | | | | | 267,853 | 276,692 | 285,823 | | | | | | |
| 1.979 | 8,130 | 2,710 | Square Feet | Windows, Wood Frames, Phased | 2028 | to 40 | 3 to 5 | 86.00 | 50% | 116,530 | 349,590 | **1.7%** | | | | 128,451 | 132,690 | 137,069 | | | | | | | | | | |
| 1.980 | 25,940 | 4,323 | Square Feet | Windows, Wood Frames With Vinyl Cladding, Phased | 2032 | to 40 | 7 to 12 | 86.00 | 50% | 185,903 | 1,115,420 | **6.5%** | | | | | | | | 233,340 | 241,040 | 248,994 | 257,211 | 265,699 | 274,467 | | | |
| | | | | **Building Services Elements** | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.555 | 8 | 8 | Each | Life Safety Systems, Control Panels, Phases I and II | 2037 | to 15 | 12 | 2,500.00 | 100% | 20,000 | 20,000 | **0.3%** | | | | | | | | | | | | | 29,528 | | | |
| | | | | **Property Site Elements** | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.040 | 17,800 | 8,900 | Square Yards | Asphalt Pavement, Repaving, Streets, Phased (Partial Total and Mill and Overlay) (Incl. Engr Fees) | 2041 | 15 to 20 | 16 to 17 | 34.00 | 100% | 302,600 | 605,200 | **4.4%** | | | | | | | | | | | | | | | | |
| 4.100 | 56 | 28 | Each | Catch Basins, Inspections and Capital Repairs | 2041 | 15 to 20 | 16 to 17 | 1,250.00 | 100% | 35,000 | 70,000 | **0.5%** | | | | | | | | | | | | | | | | |
| 4.110 | 12,600 | 630 | Linear Feet | Concrete Gutters, Partial | 2031 | to 65 | 6 to 30+ | 30.00 | 100% | 18,900 | 378,000 | **0.6%** | | | | | | | 22,965 | | | | | | | | | |
| 4.120 | 115,800 | 3,475 | Square Feet | Concrete Driveways, Partial (Near Term 19220 A and B Driveway/Walls Engineering is Paid) | 2027 | to 65 | 2 to 30+ | 16.50 | 100% | 57,338 | 1,910,700 | **4.2%** | | | 61,184 | | | 67,444 | | | 74,343 | | | 81,949 | | | 90,332 | |
| 4.130 | 93 | 4 | Each | Concrete Patios, Partial | 2030 | to 65 | 5 to 30+ | 2,900.00 | 100% | 10,498 | 269,700 | **0.7%** | | | | | | 12,348 | | | 13,612 | | | 15,004 | | | 16,539 | |
| 4.140 | 22,100 | 775 | Square Feet | Concrete Sidewalks, Partial | 2027 | to 65 | 2 to 30+ | 15.50 | 100% | 12,013 | 342,550 | **0.9%** | | | 12,818 | | | 14,130 | | | 15,575 | | | 17,169 | | | 18,925 | |
| 4.170 | 155 | 4 | Each | Concrete Stoops, Partial | 2030 | to 65 | 5 to 30+ | 1,100.00 | 100% | 4,741 | 170,500 | **0.3%** | | | | | | 5,577 | | | 6,147 | | | 6,776 | | | 7,469 | |
| 4.420 | 155 | 31 | Units | Irrigation System, Phased (Sprinkler Heads, Pipes and Controllers) | 2030 | to 40+ | 5 to 13 | 2,500.00 | 100% | 77,500 | 387,500 | **2.2%** | | | | | | 91,160 | | 97,276 | | 103,802 | | 110,766 | | 118,197 | | |
| 4.500 | 155 | 6 | Each | Landscape, Drainage Improvements, Partial Replacements (Swales and Drain Pipes) | 2026 | 20 to 25 | 1 to 25 | 1,500.00 | 100% | 9,300 | 232,500 | **2.0%** | | 9,607 | 9,924 | 10,251 | 10,590 | 10,939 | 11,300 | 11,673 | 12,058 | 12,456 | 12,867 | 13,292 | 13,731 | 14,184 | 14,652 | 15,135 |
| 4.501 | 3 | 1 | Allowance | Landscape, Trees, Removal and Replacements, Partial | 2027 | 3 to 6 | 2 to 4 | 30,000.00 | 100% | 30,000 | 90,000 | **3.2%** | | | 32,013 | 33,069 | 34,160 | | | | 38,898 | 40,181 | 41,507 | | | | 47,263 | 48,823 |
| 4.560 | 155 | 52 | Each | Light Poles and Fixtures, Replacement, Phased | 2035 | to 25 | 10 to 12 | 2,300.00 | 100% | 118,841 | 356,500 | **2.2%** | | | | | | | | | | | 164,426 | 169,852 | 175,457 | | | |
| 4.600 | 24 | 24 | Each | Mailbox Stations | 2044 | 20 to 25 | 19 | 3,500.00 | 100% | 84,000 | 84,000 | **0.7%** | | | | | | | | | | | | | | | | |
| | | | | **Anticipated Expenditures, By Year ($23,435,034 over 30 years)** | | | | | | | | | 0 | 203,174 | 436,443 | 555,211 | 573,533 | 747,830 | 456,931 | 1,046,756 | 1,080,740 | 855,643 | 685,254 | 896,654 | 674,386 | 319,563 | 388,541 | 1,228,121 |

# RESERVE EXPENDITURES

**Pheasant Run Condominium Homes Association, Inc.**
Brookfield, Wisconsin

| Line Item | Total Quantity | Per Phase Quantity | Units | Reserve Component Inventory | Estimated 1st Year of Event | Life Analysis, Years Useful | Remaining | Unit Cost, $ | Percentage Ownership | Costs, $ Per Phase (2025) | Total (2025) | Percentage of Future Expenditures | 16 2041 | 17 2042 | 18 2043 | 19 2044 | 20 2045 | 21 2046 | 22 2047 | 23 2048 | 24 2049 | 25 2050 | 26 2051 | 27 2052 | 28 2053 | 29 2054 | 30 2055 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | **Exterior Building Elements** | | | | | | | | | | | | | | | | | | | | | | | |
| 1.153 | 6 | 3 | Each | Decks, Composite, Phased (Incl. Railings and Framing Capital Repairs) | 2035 | 20 to 25 | 10 to 11 | 9,500.00 | 100% | 28,500 | 57,000 | **0.3%** | | | | | | | | | | | | | 117,897 | 121,788 | 125,807 |
| 1.159 | 66 | 5 | Each | Decks, Wood, Phased (Incl. Railings and Framing Capital Repairs) | 2028 | to 25 | 3 to 14 | 9,500.00 | 100% | 47,500 | 627,000 | **4.8%** | | | | | | | | | | | | | | | |
| 1.231 | 1 | 1 | Allowance | Foundation Walls, Basements, Capital Repairs | 2026 | on-going | 0 | 20,000.00 | 100% | 20,000 | 20,000 | **4.4%** | 33,623 | 34,732 | 35,879 | 37,063 | 38,286 | 39,549 | 40,854 | 42,202 | 43,595 | 45,034 | 46,520 | 48,055 | 49,641 | 51,279 | 52,971 |
| 1.240 | 28,000 | 2,545 | Linear Feet | Gutters and Downspouts, Aluminum, Subsequent, Phased | 2040 | 15 to 25 | 15 to 25 | 13.00 | 100% | 33,091 | 364,000 | **3.0%** | 55,631 | 57,466 | 59,363 | 61,322 | 63,345 | 65,436 | 67,595 | 69,826 | 72,130 | 74,510 | | | | | |
| 1.280 | 2,470 | 310 | Squares | Roofs, Asphalt Shingles, Overlaid Roofs, Phased (Incl. Gutters/Dwnspt, Chimneys) (2026 is 3 Roofs) (Qty varies by year) | 2026 | 10 to 15 | 1 to 8 | 670.00 | 100% | 207,700 | 1,654,900 | **8.2%** | | | | | | | | | | | | | | | |
| 1.281 | 3,550 | 325 | Squares | Roofs, Asphalt Shingles, Subsequent, Phased | 2040 | 15 to 25 | 15 to 25 | 610.00 | 100% | 198,250 | 2,165,500 | **17.9%** | 333,287 | 344,285 | 355,647 | 367,383 | 379,507 | 392,031 | 404,968 | 418,332 | 432,136 | 446,397 | | | | | |
| 1.760 | 155 | 19 | Units | Walls, Paint Finishes, Phased (Incl. Decks, Shutters, Sealants) (2026 is Budgeted) | 2026 | 6 to 8 | 1 to 8 | 2,850.00 | 100% | 55,233 | 441,750 | **12.2%** | 92,855 | 95,919 | 99,084 | 102,354 | 105,732 | 109,221 | 112,825 | 116,548 | 120,394 | 124,367 | 128,472 | 132,711 | 137,091 | 141,615 | 146,288 |
| 1.765 | 185,800 | 37,160 | Square Feet | Walls, Siding, Fiber Cement, Replacement, Phased (Incl. LP Siding) | 2040 | 40 to 50 | 15 to 19 | 11.00 | 100% | 408,760 | 2,043,800 | **15.2%** | 687,185 | 709,862 | 733,287 | 757,486 | | | | | | | | | | | |
| 1.945 | 58,200 | 19,400 | Square Feet | Walls, Siding, Wood, Replacement, Phased (Replace with Fiber Cement) | 2032 | 40 to 45 | 7 to 9 | 11.00 | 100% | 213,400 | 640,200 | **3.5%** | | | | | | | | | | | | | | | |
| 1.979 | 8,130 | 2,710 | Square Feet | Windows, Wood Frames, Phased | 2028 | to 40 | 3 to 5 | 86.00 | 50% | 116,530 | 349,590 | **1.7%** | | | | | | | | | | | | | | | |
| 1.980 | 25,940 | 4,323 | Square Feet | Windows, Wood Frames With Vinyl Cladding, Phased | 2032 | to 40 | 7 to 12 | 86.00 | 50% | 185,903 | 1,115,420 | **6.5%** | | | | | | | | | | | | | | | |
| | | | | **Building Services Elements** | | | | | | | | | | | | | | | | | | | | | | | |
| 3.555 | 8 | 8 | Each | Life Safety Systems, Control Panels, Phases I and II | 2037 | to 15 | 12 | 2,500.00 | 100% | 20,000 | 20,000 | **0.3%** | | | | | | | | | | | 46,520 | | | | |
| | | | | **Property Site Elements** | | | | | | | | | | | | | | | | | | | | | | | |
| 4.040 | 17,800 | 8,900 | Square Yards | Asphalt Pavement, Repaving, Streets, Phased (Partial Total and Mill and Overlay) (Incl. Engr Fees) | 2041 | 15 to 20 | 16 to 17 | 34.00 | 100% | 302,600 | 605,200 | **4.4%** | 508,714 | 525,502 | | | | | | | | | | | | | |
| 4.100 | 56 | 28 | Each | Catch Basins, Inspections and Capital Repairs | 2041 | 15 to 20 | 16 to 17 | 1,250.00 | 100% | 35,000 | 70,000 | **0.5%** | 58,840 | 60,782 | | | | | | | | | | | | | |
| 4.110 | 12,600 | 630 | Linear Feet | Concrete Gutters, Partial | 2031 | to 65 | 6 to 30+ | 30.00 | 100% | 18,900 | 378,000 | **0.6%** | 31,774 | 32,822 | | | | | | | | | 43,961 | | | | |
| 4.120 | 115,800 | 3,475 | Square Feet | Concrete Driveways, Partial (Near Term 19220 A and B Driveway/Walls Engineering is Paid) | 2027 | to 65 | 2 to 30+ | 16.50 | 100% | 57,338 | 1,910,700 | **4.2%** | | 99,574 | | | 109,760 | | | 120,989 | | | 133,367 | | | 147,010 | |
| 4.130 | 93 | 4 | Each | Concrete Patios, Partial | 2030 | to 65 | 5 to 30+ | 2,900.00 | 100% | 10,498 | 269,700 | **0.7%** | | 18,231 | | | 20,096 | | | 22,152 | | | 24,418 | | | 26,916 | |
| 4.140 | 22,100 | 775 | Square Feet | Concrete Sidewalks, Partial | 2027 | to 65 | 2 to 30+ | 15.50 | 100% | 12,013 | 342,550 | **0.9%** | | 20,861 | | | 22,995 | | | 25,348 | | | 27,941 | | | 30,799 | |
| 4.170 | 155 | 4 | Each | Concrete Stoops, Partial | 2030 | to 65 | 5 to 30+ | 1,100.00 | 100% | 4,741 | 170,500 | **0.3%** | | 8,233 | | | 9,076 | | | 10,004 | | | 11,028 | | | 12,156 | |
| 4.420 | 155 | 31 | Units | Irrigation System, Phased (Sprinkler Heads, Pipes and Controllers) | 2030 | to 40+ | 5 to 13 | 2,500.00 | 100% | 77,500 | 387,500 | **2.2%** | | | | | | | | | | | | | | | |
| 4.500 | 155 | 6 | Each | Landscape, Drainage Improvements, Partial Replacements (Swales and Drain Pipes) | 2026 | 20 to 25 | 1 to 25 | 1,500.00 | 100% | 9,300 | 232,500 | **2.0%** | 15,635 | 16,151 | 16,684 | 17,234 | 17,803 | 18,390 | 18,997 | 19,624 | 20,272 | 20,941 | 21,632 | 22,346 | 23,083 | 23,845 | 24,632 |
| 4.501 | 3 | 1 | Allowance | Landscape, Trees, Removal and Replacements, Partial | 2027 | 3 to 6 | 2 to 4 | 30,000.00 | 100% | 30,000 | 90,000 | **3.2%** | 50,434 | | | | 57,429 | 59,324 | 61,281 | | | | 69,780 | 72,083 | 74,461 | | |
| 4.560 | 155 | 52 | Each | Light Poles and Fixtures, Replacement, Phased | 2035 | to 25 | 10 to 12 | 2,300.00 | 100% | 118,841 | 356,500 | **2.2%** | | | | | | | | | | | | | | | |
| 4.600 | 24 | 24 | Each | Mailbox Stations | 2044 | 20 to 25 | 19 | 3,500.00 | 100% | 84,000 | 84,000 | **0.7%** | | | | 155,663 | | | | | | | | | | | |
| | | | | **Anticipated Expenditures, By Year ($23,435,034 over 30 years)** | | | | | | | | | 1,867,977 | 2,024,421 | 1,299,943 | 1,498,504 | 824,028 | 683,950 | 706,521 | 845,025 | 688,528 | 711,249 | 553,637 | 275,194 | 402,173 | 555,408 | 349,697 |

# RESERVE FUNDING PLAN

**CASH FLOW ANALYSIS**
**Pheasant Run Condominium**
**Homes Association, Inc.**
**Brookfield, Wisconsin**

Individual Reserve Budgets & Cash Flows for the Next 30 Years

| | | FY2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Reserves at Beginning of Year** | *(Note 1)* | N/A | 1,010,425 | 1,247,529 | 1,396,141 | 1,465,675 | 1,556,000 | 1,509,968 | 1,794,825 | 1,527,580 | 1,245,209 | 1,210,037 | 1,372,815 | 1,352,746 | 1,585,154 | 2,210,237 | 2,808,937 |
| Recommended Reserve Contributions | | N/A | 372,000 | 532,600 | 569,200 | 605,800 | 642,400 | 679,000 | 715,600 | 739,200 | 763,600 | 788,800 | 814,800 | 841,700 | 869,500 | 898,200 | 927,800 |
| Move-in Fee (8 Units Annually in 2026, 4 Units Annually begin. 2027) | | N/A | 49,968 | 24,984 | 25,808 | 26,660 | 27,540 | 28,449 | 29,388 | 30,357 | 31,359 | 32,394 | 33,463 | 34,567 | 35,708 | 36,886 | 38,104 |
| **Total Recommended Reserve Contributions** | *(Note 2)* | **N/A** | **421,968** | **557,584** | **595,008** | **632,460** | **669,940** | **707,449** | **744,988** | **769,557** | **794,959** | **821,194** | **848,263** | **876,267** | **905,208** | **935,086** | **965,904** |
| **Estimated Interest Earned, During Year** | *(Note 3)* | N/A | 18,310 | 27,470 | 29,737 | 31,398 | 31,858 | 34,340 | 34,523 | 28,812 | 25,512 | 26,838 | 28,321 | 30,527 | 39,438 | 52,154 | 56,234 |
| **Anticipated Expenditures, By Year** | | N/A | (203,174) | (436,443) | (555,211) | (573,533) | (747,830) | (456,931) | (1,046,756) | (1,080,740) | (855,643) | (685,254) | (896,654) | (674,386) | (319,563) | (388,541) | (1,228,121) |
| **Anticipated Reserves at Year End** | | N/A | $1,247,529 | $1,396,141 | $1,465,675 | $1,556,000 | $1,509,968 | $1,794,825 | $1,527,580 | $1,245,209 | $1,210,037 | $1,372,815 | $1,352,746 | $1,585,154 | $2,210,237 | $2,808,937 | $2,602,954 |

**(continued)**

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

| | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 | 2053 | 2054 | 2055 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Reserves at Beginning of Year** | 2,602,954 | 1,778,263 | 811,411 | 590,740 | 200,242 | 484,549 | 456,678 | 426,966 | 278,980 | 308,998 | 340,416 | 556,255 | 1,083,354 | 1,519,439 | 1,836,937 |
| Recommended Reserve Contributions | 958,400 | 990,000 | 1,022,700 | 1,056,400 | 1,056,400 | 600,000 | 619,800 | 640,300 | 661,400 | 683,200 | 705,700 | 729,000 | 753,100 | 778,000 | 803,700 |
| Move-in Fee (8 Units Annually in 2026, 4 Units Annually begin. 2027) | 39,361 | 40,660 | 42,002 | 43,388 | 44,820 | 46,299 | 47,826 | 49,405 | 51,035 | 52,719 | 54,459 | 56,256 | 58,113 | 60,030 | 62,011 |
| **Total Recommended Reserve Contributions** | **997,761** | **1,030,660** | **1,064,702** | **1,099,788** | **1,101,220** | **646,299** | **667,626** | **689,705** | **712,435** | **735,919** | **760,159** | **785,256** | **811,213** | **838,030** | **865,711** |
| **Estimated Interest Earned, During Year** | 45,525 | 26,909 | 14,570 | 8,219 | 7,116 | 9,780 | 9,182 | 7,335 | 6,110 | 6,748 | 9,317 | 17,037 | 27,045 | 34,876 | 43,994 |
| **Anticipated Expenditures, By Year** | (1,867,977) | (2,024,421) | (1,299,943) | (1,498,504) | (824,028) | (683,950) | (706,521) | (845,025) | (688,528) | (711,249) | (553,637) | (275,194) | (402,173) | (555,408) | (349,697) |
| **Anticipated Reserves at Year End** | $1,778,263 | $811,411 | $590,740 | $200,242 | $484,549 | $456,678 | $426,966 | $278,980 | $308,998 | $340,416 | $556,255 | $1,083,354 | $1,519,439 | $1,836,937 | $2,396,945 |
| | | | | *(NOTE 5)* | | | | | | | | | | | *(NOTE 4)* |

**Explanatory Notes:**

*1)* Year 2026 starting reserves are as of January 22, 2026; FY2026 starts January 1, 2026 and ends December 31, 2026.
*2)* Reserve Contributions for 2026 are the remaining budgeted 3 quarters; 2027 is the first year of recommended contributions.
*3)* **2.1%** is the estimated annual rate of return on invested reserves; 2026 is a partial year of interest earned.
*4)* Accumulated year 2055 ending reserves consider the need to fund for subsequent replacement of the roof assemblies shortly after 2055, and the age, size, overall condition and complexity of the property.
*5)* Threshold Funding Year (reserve balance at critical point).

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

# FIVE-YEAR OUTLOOK

**Pheasant Run Condominium Homes Association, Inc.**
Brookfield, Wisconsin

| Line Item | Reserve Component Inventory | Percentage Ownership | RUL = 0 FY2025 | 1 2026 | 2 2027 | 3 2028 | 4 2029 | 5 2030 |
|---|---|---|---|---|---|---|---|---|
| | **Exterior Building Elements** | | | | | | | |
| 1.159 | Decks, Wood, Phased (Incl. Railings and Framing Capital Repairs) | 100% | | | | 52,359 | 54,087 | 55,872 |
| 1.231 | Foundation Walls, Basements, Capital Repairs | 100% | | 20,660 | 21,342 | 22,046 | 22,774 | 23,525 |
| 1.280 | Roofs, Asphalt Shingles, Overlaid Roofs, Phased (Incl. Gutters/Dwnspt, Chimneys) (2026 is 3 Roofs) (Qty varies by year) | 100% | | 117,659 | 240,223 | 248,150 | 256,339 | 264,799 |
| 1.760 | Walls, Paint Finishes, Phased (Incl. Decks, Shutters, Sealants) (2026 is Budgeted) | 100% | | 55,248 | 58,939 | 60,884 | 62,893 | 64,968 |
| 1.979 | Windows, Wood Frames, Phased | 50% | | | | 128,451 | 132,690 | 137,069 |
| | **Property Site Elements** | | | | | | | |
| 4.120 | Concrete Driveways, Partial (Near Term 19220 A and B Driveway/Walls Engineering is Paid) | 100% | | | 61,184 | | | 67,444 |
| 4.130 | Concrete Patios, Partial | 100% | | | | | | 12,348 |
| 4.140 | Concrete Sidewalks, Partial | 100% | | | 12,818 | | | 14,130 |
| 4.170 | Concrete Stoops, Partial | 100% | | | | | | 5,577 |
| 4.420 | Irrigation System, Phased (Sprinkler Heads, Pipes and Controllers) | 100% | | | | | | 91,160 |
| 4.500 | Landscape, Drainage Improvements, Partial Replacements (Swales and Drain Pipes) | 100% | | 9,607 | 9,924 | 10,251 | 10,590 | 10,939 |
| 4.501 | Landscape, Trees, Removal and Replacements, Partial | 100% | | | 32,013 | 33,069 | 34,160 | |
| | **Anticipated Expenditures, By Year ($2,516,191 over 5 years)** | | 0 | 203,174 | 436,443 | 555,211 | 573,533 | 747,830 |

# 4. RESERVE COMPONENT DETAIL

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

## Exterior Building Elements



**Front elevation**



**Front elevation**



**Partial side/rear elevation**



**Rear elevation**




## Decks, Composite and Wood

***Line Items:*** 1.153 and 1.159

***Quantity:*** Approximately 1,400 square feet of composite decks with wood frames (six), and approximately 15,700 square feet of wood deck boards atop wood frames (66), comprise 72 decks. Of the 72, 45 are elevated and 27 are grade decks (elevated less than 28-inches).

***History:*** The composite decks have likely been replaced since original construction, and the majority of the wood decks are original. Total replacements of seven grade decks occurred in 2013 (2), 2016 (1), 2017 (2), 2019 (1) and 2023 (1). The Association began an annual preventative maintenance and repair program including which includes structural code upgrades of the elevated decks. Four will be completed in 2025. We are informed that the Association will share the upgrade cost to composite, if the unit owner chooses to change materials.

***Condition:*** Composite decks are in good overall with limited deterioration evident. Wood decks vary in condition, with weathering, split wood boards, and deteriorated finishes present. We note isolated loose railing connections.



**On-grade wood deck overview**



**Weathered deck boards and splitting**



**Deck board splitting, weathering and limited repairs. Note use of nails.**



**Strucutre detail**



**Joists supported by joist hangers with lateral load connectors**



**Joists supported by joist hangers**



Elevated deck, note supports bored through patio



Off centered post atop footing



Fascia rot and detached railings, Unit 19360 A shown



Weathered wood fascia and loose railing attachement



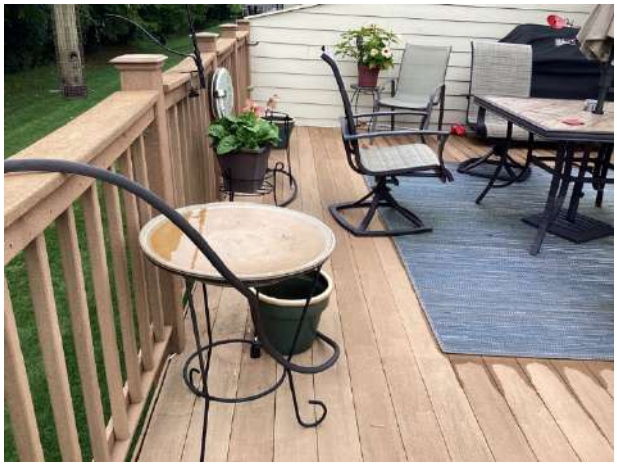
Railing and stair rot, Unit 505 A shown



Wood rot and deterioration



**Replaced composite deck in good condition**



**Composite deck**

***Useful Life:*** 20- to 25-years for the composite decks, and up to 25 years for the wood frame decks with the benefit of interim deck board replacement and capital repairs as needed

***Component Detail Notes:*** Balcony construction includes the following:

- Deck boards fastened with nails and screws. Nail fasteners have a tendency to pull out as the wood warps.
- Wood or composite railings with vertical pickets
- Wood column supported frames
- Exposed concrete footings
- Metal joist hanger fasteners
- Cross bracing exists to stabilize the frames

The composition of composite materials used in the construction of balconies typically includes a combination of wood waste material, plastic and recycled materials. These composite materials are low maintenance and do not split, cup or splinter. Composite materials do not require periodic stain or sealer applications.

Composite balcony materials are not structural components and therefore require traditional framing members, such as wood or metal. In addition, some manufacturers require closer spacing of framing components to minimize sagging. In addition to the added cost of framing, composite balcony deck materials can cost up to twice as much as natural wood.

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

- Annually:
    - Inspect to identify and correct any unsafe conditions
    - Secure loose fasteners and replace deteriorated fasteners
    - Check railing stability and fasteners
    - Clean as necessary

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

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

## Foundation Walls, Basements

***Line Item:*** 1.231

***History and Condition:*** The Board reports a history of basement foundation wall repairs, at a rate of about three units per year. Historically, the Association has spent approximately $20,000 annually for this work. We include similar, on-going work at the request of the Board. Future updates to this Study will reflect any necessary changes as related scopes of work or frequency changes.

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

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

## Gutters and Downspouts, Aluminum

***Line Item:*** 1.240

***Quantity:*** Approximately 28,000 linear feet of aluminum small and large capacity gutters and downspouts, with capacity upgrades evident at replaced assemblies. We are informed that capacities will be upgraded to 5-inch gutters and 3-inch by 4-inch downspouts with all future remaining roof replacements.

***History:*** Primarily original except at recently replaced roofs, with a history of clogged gutters and occasional ice-damming. Gutter and downspout replacements began concurrent with the recent tear-offs of roofs. Homeowners are responsible for gutter guards.

***Condition:*** Good at recent replacements and fair to poor at original assemblies with periodic deflection, fastener rust, leakage at seams and dented sections evident.



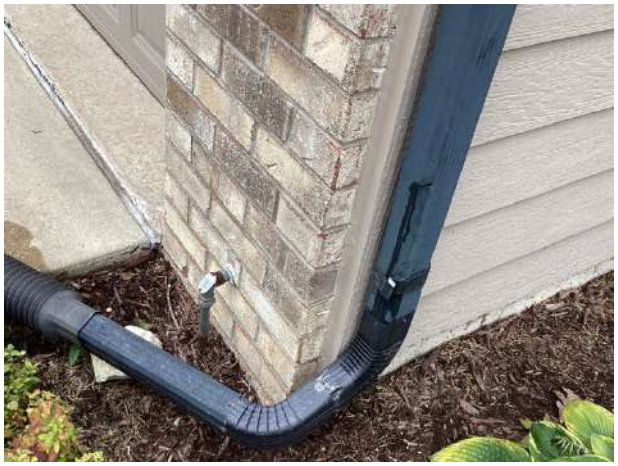
Replaced assembly in good condition




Gutter dents and deflection, Unit 545 A shown



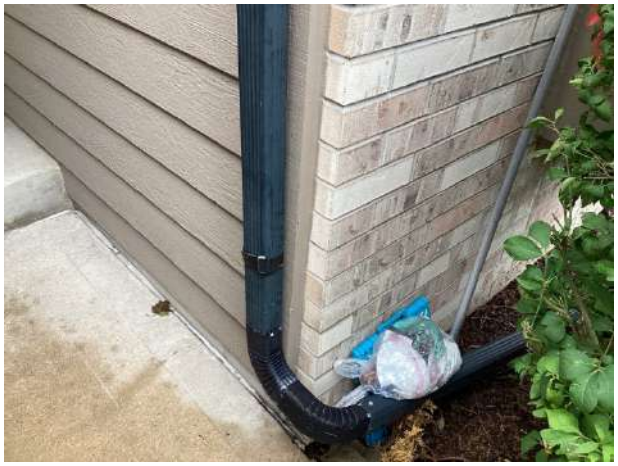
Dented assembly and evidence of leakage at seams



Downspout discoloration and wear



Crushed downspout section



Downspout discoloration and wear




**Faded and deflected gutter assemblies**



**Faded and weathered assemblies**

***Useful Life:*** 15- to 25-years

***Component Detail Notes:*** The size of the gutter is determined by the roof's watershed area, a roof pitch factor and the rainfall intensity number of the Association's region. We recommend sloping gutters 1/16 inch per linear foot and providing fasteners a maximum of every three feet.

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

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

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

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

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

## Roofs, Asphalt Shingles

***Line Items:*** 1.280 and 1.281

***Quantity:*** Approximately 3,550 *squares*[1] including 2,470 squares of overlaid roofs

***History:*** The Association began overlayment of the roofs in 2011 (one roof in 2011), with the majority of overlays from 2012 to 2020. The 44 remaining original roofs were replaced via the total tear-off method from 2021 to 2025. The Association will replace three overlaid roofs in 2026.

We were previously informed that the Association is receiving a *Certainteed* warranty package, including synthetic underlayment and the installation of ridge vents. We are informed of ice and water shield improvements as part of the replacements, as well as replacement of gutters, downspouts, chimney caps and chase trim and building wrap.

The Association conducts preventative maintenance inspections of the roofs annually. We concur with this preventive maintenance practice and recommend the Association continue to fund these inspections through the operating budget.

***Condition:*** Condition varies. The total tear-off replacements are in good overall condition. The overlaid roofs exhibit shingle lift, sheathing deflection, granular loss and weathering evident from our visual inspection from the ground. The Board reports previous leaks; however, severity and frequency have lessened in recent years.



**Replaced roof in good condition**



**Granular loss and weathering**

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



**Roofing deflection**



**Granular loss, deflection and weathering, Unit 19335 B shown**



**Granular loss and weathering**



**Shingle lift**



**Weathering and shingle lift**



**Roof staining**



**Deflection, Unit 610 D shown**



**Roof staining**



**Downspout discharge onto shingles, note curl**

***Useful Life:*** 15- to 25-years for total tear-offs and 10- to 15-years for overlaid roofs

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

- Laminate shingles
- Boston style ridge caps
- Soffit, gable and square hood box vents, and ridge vents at the most recent replacements
- Metal gutter apron and metal drip edge at rakes (Phases I and II only)
- Open valleys with metal W flashing

Insulation and ventilation are two major components of a sloped roof system. Together, proper insulation and ventilation help to control attic moisture and maintain an energy efficient building. Both insulation and ventilation prevent moisture buildup which can cause wood rot, mold and mildew growth, warp sheathing, deteriorate shingles, and eventually damage building interiors. Sufficient insulation helps to minimize the quantity of moisture that enters the attic spaces and adequate ventilation helps to remove any moisture that enters the attic spaces. These two roof system components also help to reduce the amount of energy that is required to heat and cool a building. Proper attic insulation minimizes heat gain and heat loss between the residential living spaces and

attic spaces. This reduces energy consumption year-round. Proper attic ventilation removes excessive heat from attic spaces that can radiate into residential living spaces and cause air conditioners to work harder. Properly installed attic insulation and ventilation work together to maximize the useful life of sloped roof systems.

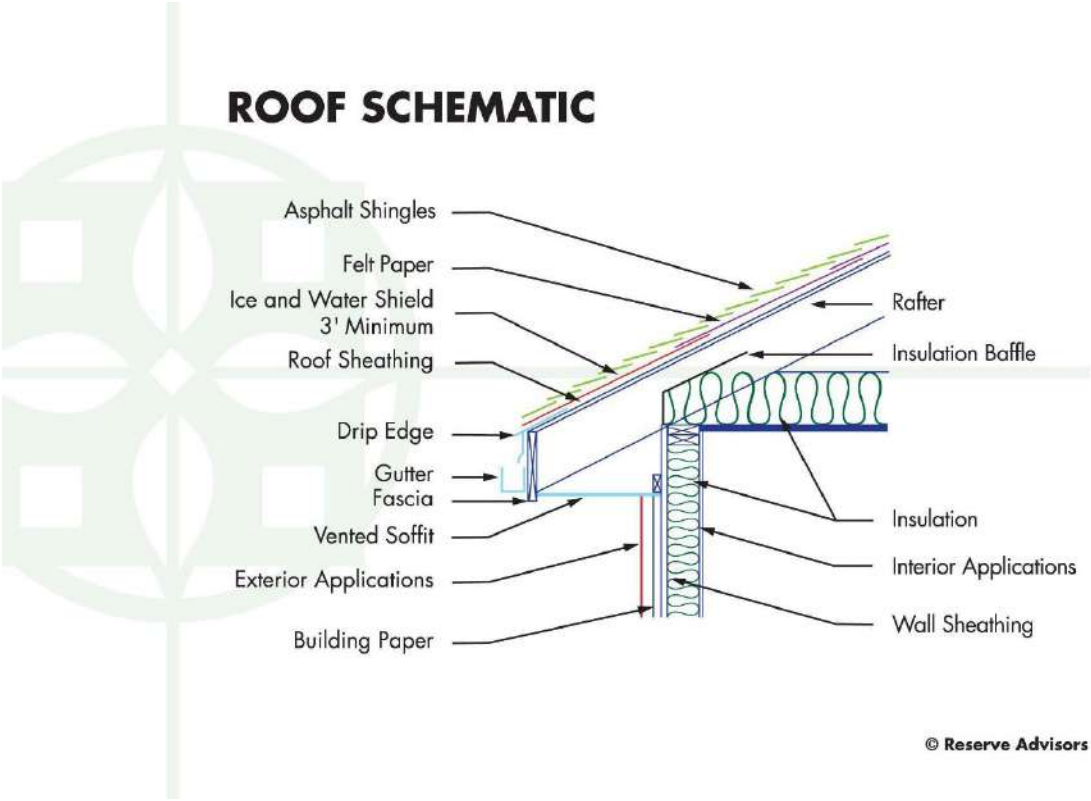
In addition to moisture control and energy conservation, proper attic insulation and ventilation are essential components to prevent the formation of ice dams. Ice dams occur when warm air accumulates at the peak of an attic while the roof eaves remain cold. Warm air from the attic melts the snow at the ridge of the roof and the water runs down the slope of the roof. At the cold roof eaves, the water refreezes and forms a buildup of snow and ice. This buildup often traps water that can prematurely deteriorate asphalt shingles and ultimately seep under the shingles and cause water damage to the roof deck and building interiors. Proper insulation minimizes the amount of heat that enters attic spaces in the winter and adequate ventilation helps to remove any heat that enters the attic spaces. Together, these components prevent ice dams with a cold roof deck that melts snow and ice evenly.

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

Certain characteristics of condition govern the times of replacement. Replacement of an asphalt shingle roof becomes necessary when there are multiple or recurring leaks and when the shingles begin to cup, curl and lift. These conditions are indications that the asphalt shingle roof is near the end of its useful life. Even if the shingles are largely watertight, the infiltration of water in one area can lead to permanent damage to the underlying roof sheathing. This type of deterioration requires replacement of saturated sections of sheathing and greatly increases the cost of roof replacement. Roof leaks may occur from interrelated roof system components, i.e., flashings. Therefore, the warranty period, if any, on the asphalt shingles, may exceed the useful life of the roof system.

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

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




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

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

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

- Annually:
    - Record any areas of water infiltration, flashing deterioration, damage or loose shingles
    - Implement repairs as needed if issues are reoccurring

- Trim tree branches that are near or in contact with roof

- As-needed:
  - Ensure proper ventilation and verify vents are clear of debris and not blocked from attic insulation

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

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our near term cost is provided by Management and the Board. The Association plans to fund subsequent chimney cap replacements through the operating budget as-needed.

## Walls, Paint Finishes

***Line Item:*** 1.760

***Quantity:*** Approximately 244,000 square feet of fiber cement, and wood trim, siding, soffit and fascia, decks with railings and shutters

***History:*** The Association is currently painted on an eight-year cycle. Due to the varied siding materials, we find this schedule adequate for budgetary purposes. In addition, the Association is experiencing accelerated deterioration of the garage door frames and is considering options for aggregate repairs/partial replacements throughout the community. As this time, the scope and cost of this work is unknown. We anticipate the Association continue to repair/replacement these areas as needed, concurrent with paint finish applications. Future updates to this Study will reflect additional related reserve expenditures as necessary. In addition, we are informed of regular rot repairs and partial replacements.

***Condition:*** Condition varies with respect to age, with locations of weathered finishes, discoloration and paint deterioration evident. We note locations of wood siding where finishes appear dry, brittle and in need of repainting.



**Weathered finishes at wood siding**



**Weathered finishes at wood siding**



**Peeling, brittle and weathered finishes**



**Discoloration and weathered finsihes**



**Finish discolation, Unit 685 C shown**



**Garage door frame deterioration**



**Garage door frame deterioration**

***Useful Life:*** An average paint cycle of 6- to 8-years. Typically, wood requires more frequent finishes every 4- to 6-years, and fiber cement requires less frequent finishes every 8- to 12-years, therefore an average life of 6- to 8-years is likely adequate for budgetary purposes.

***Component Detail Notes:*** Correct and complete preparation of the surface before application of the paint finish maximizes the useful life of the paint finish and surface. The contractor should remove all loose, peeled or blistered paint before application of the new paint finish. The contractor should then power wash the surface to remove all dirt or chalking of the prior paint finish.

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

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We assume the following activities per event:

- Paint finish applications
- Replacement of square feet, or up to five percent (5%), of the wood siding and trim and up to two percent (2%) of the fiber cement and LP (The exact amount of material in need of replacement will depend on the actual future conditions and desired appearance. We recommend replacement wherever holes, cracks and deterioration impair the ability of the material to prevent water infiltration.)
- Replacement of sealants as needed

Our estimate of cost is based on information provided by Management and the Board.

## Walls, Siding, Fiber Cement

***Line Item:*** 1.765

***Quantity:*** Approximately 185,800 square feet of the exterior walls at 118 units in 51 buildings primarily located at Phase III. This quantity includes the soffit, fascia and trim. In addition, a portion of this quantity is *Louisiana-Pacific (LP)* siding which is composed of wood particles and fibers.

***History:*** Primarily original. The Association has experienced previous premature failures of portions of the *LP* siding, with these sections of siding replaced with wood or fiber cement as part of a class-action lawsuit.

*We are informed that siding at 28 of 63 buildings was replaced from 2003 through 2012, however at this time the Association does not know which buildings and which types of siding were replaced, and with what materials. For purposes of this Study, we assume replacements likely occurred at the fiber cement and LP buildings.*

***Condition:*** Good overall with limited locations of deterioration, and deflected and damaged siding evident. We also note isolated locations of siding in contact with the ground which accelerates deterioration and instead should be installed with adequate clearance.



Minor bowing and fiber cement siding



Trim rot, Unit 535 B shown



Isolated siding damage at Unit 19475 B



Soft and delaminated siding, note contact with landscape rock, Unit 19315 B shown



Damge at Unit 655 A



Delamination and finish failure at Unit 645 A



**Wood trim deterioration at fiber cement-sided wall**

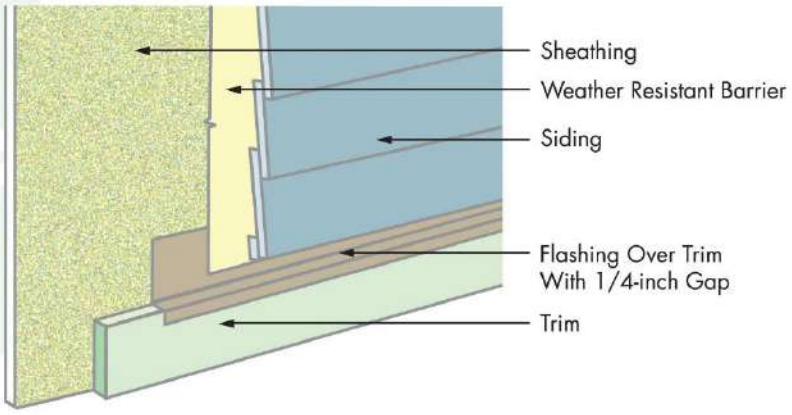
***Useful Life:*** With the benefit of periodic maintenance, applications of this type of material can have a useful life of to every 40- to 50-years. This useful life is based on a high grade pre-finish applied in the factory. This useful life is also dependent upon periodic paint applications and partial replacements.

***Component Detail Notes:*** Fiber cement siding is made from a combination of cement, sand and cellulose fiber. Manufacturing of the siding utilizes a steam curing process to increase strength and dimensional stability. The siding is also manufactured in layers forming a sheet of desired thickness. A wood grain imprint is typically applied to the exposed surface. Fiber cement siding offers many advantages over other types of siding. These advantages include:

- Capable of withstanding salt spray and ultraviolet rays
- Dimensional stability (will not buckle or warp as easily as other materials)
- Paint applications last longer compared to wood siding
- Resistant to insects, birds and fire

The following diagram details a typical fiber cement siding system at the interface with other building components although it may not reflect the actual configuration at Pheasant Run Condominium:

**FIBER CEMENT SIDING DETAIL**




© Reserve Advisors

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

- Annually:
  - Inspect and repair damage, loose boards and finish stains
  - Periodic pressure cleaning at areas with organic growth
  - Touch-up paint finish applications as needed and sealing of butt joints and field cut end joints

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

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

## Walls, Siding, Wood

***Line Item:*** 1.945

***Quantity:*** Approximately 58,200 square feet of the exterior walls at 37 units in 12 buildings primarily located at Phases I and II. This quantity includes the soffit, fascia and trim.

***History:*** Primarily original. *We are informed that siding at 28 of 63 buildings was replaced from 2003 through 2012, however at this time the Association does not know which buildings and which types of siding were replaced, and with what materials. For*

*purposes of this Study, we assume replacements likely occurred at the fiber cement and LP buildings.*

***Condition:*** Good to fair overall with weathered wood and finishes, areas of rot and deterioration evident. The trim is generally in fair condition. We note locations of mulch in contact with siding. This condition may result in accelerated deterioration of the siding at these locations, and contact should be prevented.



**Minor warp and weathered finishes**



**Weathered siding and finishes**



**Weathered wood siding and finishes**



**Siding deterioration at wall-to-roof transitions, Unit 18850 C shown**

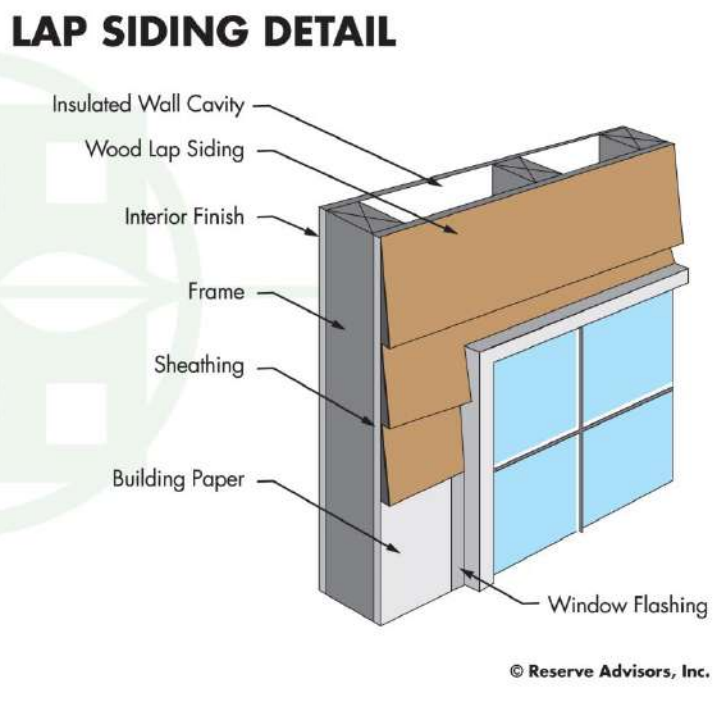


**Mulch in contact with siding**

***Useful Life:*** 40- to 45-years. This useful life is dependent upon timely paint applications and partial replacements of deteriorated siding.

***Component Detail Notes:*** Wood siding is not watertight and is especially prone to water penetration at joints and knots. Therefore, wood siding should be installed over a continuous weather resistant barrier. The weather resistant barrier should include water-vapor permeable building paper and properly integrated flashing around all penetrations.

The following graphic details the typical components of a wood siding system.



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

- Annually:
    - Inspect and repair loose siding, warping, wildlife damage and sealant deterioration
    - Inspect and repair finish deterioration, peeling and chipping
    - Touch-up paint finishes as necessary to ensure a uniform finish in between complete finish applications

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

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

## Windows

***Line Items:*** 1.979 and 1.980

***Quantity:*** 8,130 square feet of wood frames at 37 units and 25,940 square feet of wood frames with vinyl cladding at 118 units

***History:*** Primarily original. The Association shares fifty percent (50%) ownership of the windows with homeowners.

***Condition:*** Fair to poor with condensation build-up, frame finish and wood deterioration and fogged glass evident. The wood frames exhibit frequent rot and soft wood.



**Wood window frame rot and deterioration**



**Wood window frame rot and deterioration, Unit 665 D shown**



**Wood window frame rot and deterioration, Unit 665 A shown**



**Wood window frame rot and deterioration**



**Wood window frame rot and deterioration**



**Fogged window, Unit 18850 D shown**

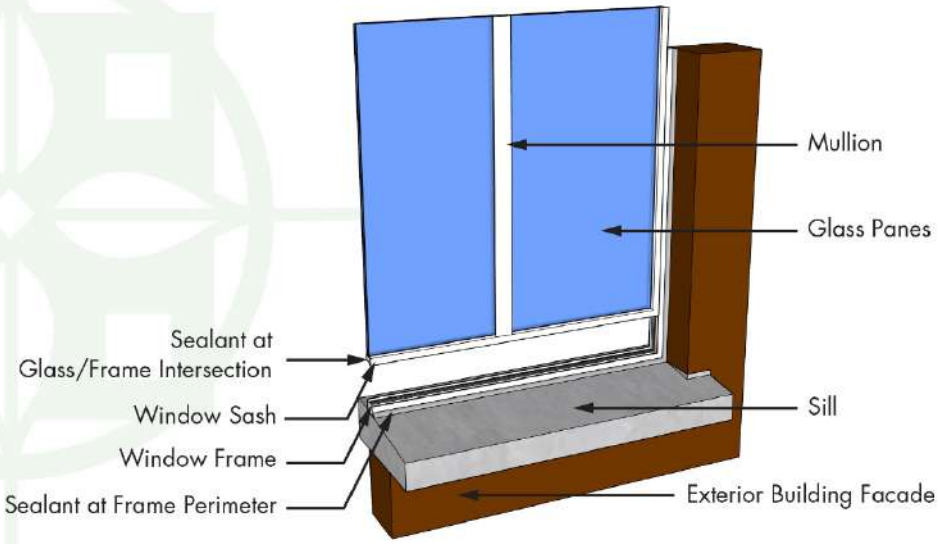
***Useful Life:*** Up to 40 years

***Component Detail Notes:*** Construction includes the following:

- Wood frames
- Wood frames with vinyl cladding
- Dual pane glass
- Casement windows with screens

The following schematic depicts the typical components of a window system although it may not reflect the actual configuration at Pheasant Run Condominium:

## WINDOW DETAIL




© Reserve Advisors

Properly designed window assemblies anticipate the penetration of some storm water beyond the gaskets. This infiltrated storm water collects in an internal drainage system and drains, or exits, the frames through weep holes. These weep holes can become clogged with dirt or if a sealant is applied, resulting in trapped storm water. However, as window frames, gaskets and sealants deteriorate, leaks into the interior can result. The windows will eventually need replacement or major capital repairs to prevent water infiltration and damage from wind driven rain.

The thermal efficiencies of the window assemblies are affected by their design and construction components. These components include glazings, thickness of air space between glazings, low-conductivity gas, tinted coatings, low-e coatings and thermal barriers. The Association should thoroughly investigate these component options at the time of replacement. Some manufacturers may include these components as part of the standard product and other manufacturers may consider these components as options for an additional cost. Pheasant Run Condominium should review the specifications provided by the manufacturers to understand the thermal design and construction components of the proposed assemblies.

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

- Annually:
    - Inspect and repair loose weather stripping and/or lock damage
    - Inspect for broken glass and damaged screens
    - Record instances of water infiltration, trapped moisture or leaks

- As-needed:
    - Verify weep holes are unobstructed and not blocked with dirt or sealant, if applicable
    - Replace damaged or deteriorated sliding glass rollers, if applicable

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

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We include fifty percent (50%) of the costs in consideration of the shared responsibility.

# Building Services Elements

## Life Safety Systems

***Line Item:*** 3.555

***Quantity:*** Eight control panels at Phase I and II three- and four-unit buildings

***History:*** Converted to 5G cellular panels in 2023

***Conditions:*** Reported satisfactory

***Useful Life:*** Up to 15 years for the control panels

***Preventative Maintenance Notes:*** We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. In accordance with *NFPA 72* (National Fire Alarm and Signaling Code) we also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the age of the components, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
    - Inspect and test all components and devices, including, but not limited to, control panels, annunciators, detectors, audio/visual fixtures, signal transmitters and magnetic door holders
    - Test backup batteries
- As-needed:
    - Ensure clear line of access to components such as pull stations
    - Ensure detectors are properly positioned and clean of debris

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

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Changes in technology or building codes may make a replacement desirable prior to the end of the functional life. Our estimate of future cost

considers only that amount necessary to duplicate the same functionality. Local codes or ordinances at the actual time of replacement may require a betterment as compared to the existing system. A betterment could result in a higher, but at this time unknown, cost of replacement.

# Property Site Elements

## Asphalt Pavement

***Line Item:*** 4.040

***Quantity:*** Approximately 17,800 square yards at the streets

***History:***

- ***Repaving:*** Repaved in 2021. The repaving project included a combination of full depth (total) replacement and milling and overlayment, as well as replacement of all gutters, and repairs/replacements to catch basins and stormwater systems. This project included engineering and design fees.

- ***Repairs:*** Crack and joint filled in 2025. The Association follows an annual Road Preventative Maintenance Program and includes an annual engineering inspection of the pavement. The Association funds these activities through the operating budget)

***Condition:*** Good overall with limited cracks evident.



**Asphalt pavement overview along Stonehedge Dr**



**Asphalt pavement overview along McAurther Ln**



**Asphalt pavement overview along McAllister Ln**



**Crack filling and minor pavement wear**



**Filled lateral cracks**



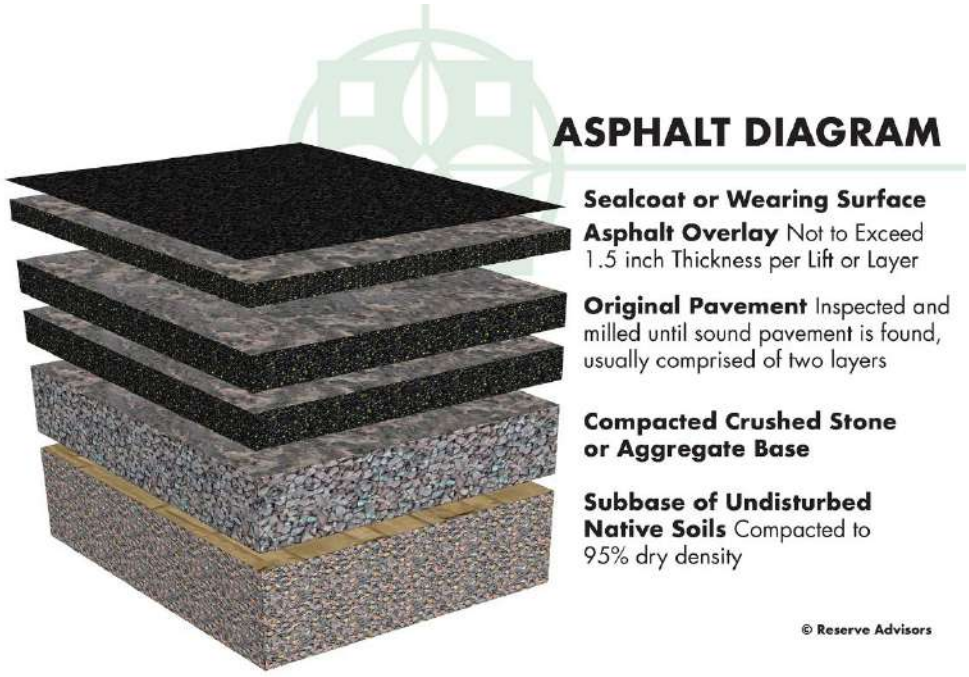
**Minor pavement wear and cracks**

***Useful Life:*** 15- to 20-years with the benefit of crack repair and patch events every three- to five-years funded as normal maintenance

***Component Detail Notes:*** Proposals should include mechanically routing and filling all cracks with hot emulsion. Crack repair minimizes the chance of the cracks transmitting through the pavement. Patch repairs are conducted at areas exhibiting settlement, potholes, or excessive cracking. These conditions typically occur near high traffic areas, catch basins, and pavement edges.

The initial installation of asphalt uses at least two lifts, or two separate applications of asphalt, over the base course. The first lift is the binder course. The second lift is the wearing course. The wearing course comprises a finer aggregate for a smoother, more watertight finish.

The following diagram depicts the typical components although it may not reflect the actual configuration at Pheasant Run Condominium:




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

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

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

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

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

## Catch Basins

***Line Item:*** 4.100

***Quantity:*** 56 catch basins[2]

***History:*** All catch basins were inspected, repaired and/or replaced (16 were replaced) as needed concurrent with the 2021 repaving project. One catch basin was added. The concrete collars and masonry block pipes were repaired.

The Association adheres to an inspection, repair and maintenance program for the catch basins, and most recently back-plastered 10 catch basins in 2025, and have rebuilt an additional two catch basins since repaving. We recommend the Association fund these inspection and repair activities through the operating budget as normal maintenance.

***Condition:*** Good overall




**Catch basin**



**Replaced curbing around catch basin**

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



**Concrete surfaces**

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

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

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

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

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

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost is based, in part, on information provided by the Association. We recommend the Association plan for inspections and capital repairs to the catch basins in conjunction with repaving and gutter repairs.

## Concrete Gutters

***Line Item:*** 4.110

***Quantity:*** Approximately 12,600 linear feet

***History:*** The Association completely replaced gutters as part of the repaving project in 2021. This component is included in the Road Preventative Maintenance Program.

***Condition:*** Good overall with isolated cracks and limited damage evident.



**Curb cracks**



**Minor concrete damage**



**Curb cracks**



**Minor concrete damage**

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

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

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

***Priority:*** Per Board discretion

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We estimate that up to 2,520 linear feet of curbs and gutters, or twenty percent (20%) of the total, will require replacement during the next 30 years.

## Concrete Driveways

***Line Item:*** 4.120

***Quantity:*** Approximately 115,800 square feet

***History:*** In approximately 2009, the Association replaced the asphalt driveways with concrete. Since then, a limited quantity have been coated due to a history of chert and spalling. 65 driveways utilize an acrylic coating overlay, with variable performance including delaminating at several locations. We are also previously informed of poor concrete mixes in some locations. One driveway ay 19160 A Stonehedge was completely replaced in approximately 2023. The Board reports that replaced slabs were pinned to garage slabs which has resulted in cracking. The Association conducts annual caulking and mudjacking as normal maintenance.

In addition, the Association will replace/rebuild the driveway and retaining wall system at Units 19220 A and B and will install a gutter system at this location. We are informed that the engineering fees will be funded from reserves and have been paid for, and the concrete flatwork will be funded from operating.

***Condition:*** Good to fair overall with frequent cracks, spalled concrete and previous repairs evident. In addition, we note limited low areas resulting in standing water, and downspout discharge directly onto driveways, which will result in accelerated deterioration at these locations.



**Replaced concrete driveway at Unit 19160 A**



**Severe delamination at Unit 19070 B**



**Delamination at Unit 19360 B**



**Gaps at concrete due to wall movement and settlement, Units 19220 A and B shown, to be replaced in the near term**



**Churt and minor settlement**



**Driveway cracks at 500 B**



**Concrete driveway minor damage adjacent to replacement**



**Driveway concrete cracks**



**Water runoff directly onto driveway concrete**



**Standing water**

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

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

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

***Priority:*** Per Board discretion

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We estimate that up to 34,750 square feet of concrete driveways, or thirty percent (30%) of the total, will require replacement during the next 30 years.

## Concrete Patios

***Line Item:*** 4.130

***Quantity:*** 93 total comprising a total of approximately 17,700 square feet.

***Condition:*** Good to fair overall with limited cracks, settlement and undermining evident. The Association conducts annual caulking and mudjacking as normal maintenance.



**Concrete patio overview**



**Soil undermining at patio which may result in settlement**



**Patio crack**

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

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

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

***Priority:*** Per Board discretion

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We recommend the Association plan for replacement of up to 33 patios, or approximately thirty-five percent (35%) of the total, during the next 30 years.

## Concrete Sidewalks

***Line Item:*** 4.140

***Quantity:*** Approximately 22,100 square feet

***Condition:*** Good to fair overall with limited areas of spalled concrete, potential trip hazards and previous repairs evident. The Association conducts annual caulking and mudjacking as normal maintenance.



**Sidewalk settlement, Unit 545 B shown**



**Partial replacement**



**Sidewalk concrete spalls**

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

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

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

***Priority:*** Per Board discretion

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We estimate that up to 7,750 square feet of concrete sidewalks, or thirty-five percent (35.1%) of the total, will require replacement during the next 30 years.

## Concrete Stoops

***Line Item:*** 4.170

***Quantity:*** 155 stoops comprising a total of approximately 5,130 square feet.

***Condition:*** Good to fair overall with isolated hairline cracks, spalled concrete and limited previous repairs/coatings evident. The Association conducts annual caulking and mudjacking as normal maintenance.



**Concrete stoop overview**



**Hairline stoop cracks**



**Spall at Unit 655 B stoop**

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

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

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

***Priority:*** Per Board discretion

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We recommend the Association plan for replacement of up to 39 stoops, or approximately twenty-five percent (25%) of the total, during the next 30 years.

## Irrigation System

***Line Item:*** 4.420

***Quantity:*** An irrigation system waters the entire site with 26 controllers and comprises approximately 650 to 1,000 heads

***History:*** Original, with only typical maintenance. One controller was reported to have been replaced in recent years. We are informed of limited seasonal use of the system.

***Condition:*** Satisfactory operational condition and the Board does not report any deficiencies, however the need for head replacements is increasing.

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

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

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

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

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

- Semi-annually:

- Conduct seasonal repairs which include valve repairs, controller repairs, partial head replacements and pipe repairs
- Blow out irrigation water lines and drain building exterior faucets each fall if applicable

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

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

## Landscape, Drainage Improvements and Trees

***Line Items:*** 4.500 and 4.501

***History and Useful Life:*** The Association removed approximately 85 Ash trees over the last few years, and anticipates the need for continued removal and replacement at the trees continue to age. We include phased partial replacements every six years (three years on, three years off), for budgetary purposes. We will continue to update this Study as the needed scope of work is finetuned.

In addition, the Association anticipates conducting periodic repairs/improvements to areas of existing surface drainage, French drains and swales, with six locations planned for next year. Based on this information and historic costs, we include budgetary allowances for similar work, phased over the next 25 years.

***Component Detail Notes:*** The Association contains a large quantity of trees, shrubbery and other landscape elements. Replacement of these elements is an ongoing need. Many associations budget for these replacements as normal maintenance. Other associations fund ongoing replacements from reserves. Large amounts of landscape may need replacement due to disease, drought or other forces of nature. If the cost of removal and replacement is substantial, funding from reserves is logical. The Association may also desire to periodically update the appearance of the community through major improvements to the landscape.

***Priority:*** Per Board discretion

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

## Light Poles and Fixtures

***Line Item:*** 4.560

***Quantity:*** 155 poles with light fixtures

***History:*** Original. The poles were significantly painted and repaired in 2022-2023, including preparation and priming the posts and lamp fixtures, and electrostatically

painting the poles below grade. The Association repairs leaning poles as needed, and replaces them with stainless steel. Sensors are replaced on an as-needed basis.

In addition, the Association has replaced subsurface wiring at about three units in recent years. This work includes trenching. We are informed that the poles utilize *Romax* wiring. The Association plans to fund these wiring upgrades through the operating budget as normal maintenance.

***Condition:*** Good to fair overall with finish deterioration and leaning poles evident.



**Light pole and fixtures**



**Minor finish deterioration**



**Minor finish deterioration**



**Isolated leaning pole near Unit 19315 A**

***Useful Life:*** Up to 25 years for the light fixtures and poles, and up to and potentially beyond 50 years for the underground wiring.

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

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

***Priority:*** Per Board discretion

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

## Mailbox Stations

***Line Item:*** 4.600

***Quantity:*** 24 stations

***History:*** Replaced in 2021 with isolated replacements funded through insurance thereafter

***Condition:*** Good overall wit isolated minor finish deterioration noted. We also note a temporary station currently under repair.



**Minor corrosion/finish deterioration**



**Minor corrosion/finish deterioration**



**Temporary boxes**

***Useful Life:*** 20- to 25-years

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

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

***Priority:*** Per Board discretion

***Expenditure Detail Notes:*** Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost is based, in part, on information provided by the Association.

## Reserve Study Update

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

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

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

# 5. METHODOLOGY

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

Pheasant Run Condominium can fund capital repairs and replacements in any combination of the following:

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

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

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

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

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

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

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

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

# 6. CREDENTIALS

## HISTORY AND DEPTH OF SERVICE

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

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

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

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

## TOTAL STAFF INVOLVEMENT

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

## OUR GOAL

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

## VAST EXPERIENCE WITH A VARIETY OF BUILDINGS

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

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

## OLD TO NEW

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

**HEATHER M. CHRISTENSEN, RS**
**Responsible Advisor**

## CURRENT CLIENT SERVICES



Heather M. Christensen, a Structural Engineer, is an Advisor for Reserve Advisors. Ms. Christensen is responsible for the inspection and analysis of the condition of clients' properties, and recommending engineering solutions to prolong the lives of the components. She also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. She is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast services on townhomes, homeowner associations, planned unit developments and recreational associations. Ms. Christensen serves as the Quality Assurance Review Coordinator for all types of developments and has been with Reserve Advisors since 2011.

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

**Lawrence Square Townhomes Association** - A townhome association in Chicago, Illinois with 30 units in four buildings, this development displays uniqueness with shaped EIFS, vinyl siding, masonry walls and flat roofs. These buildings are connected with two bridges at the second stories, overlooking individual garages and private asphalt parking and streets.

**Lakelands Club Consolidated Homeowners Association** - This planned unit development located in Plainfield, Illinois includes amenities shared by 85 residential units. Construction began in 2003 and includes a clubhouse, pool, lake, irrigation system, gates, fences and asphalt pavement streets and walking paths.

**Windemere Place Condominium Association -** A condominium association in Grosse Pointe Farms, Michigan located on the lake, this planned unit development includes 31 single family homes and lots. Windemere Place was built from 1982 to 1992 and includes older, historic elements. The development contains concrete flatwork, brick privacy walls, a pool and pool house.

**3110 Wisconsin Condominium Association -** This high rise condominium located in downtown Washington, DC comprises 30 units in a nine-story building. The two-story units comprise concrete balconies, and the unit owners share a common lobby, elevators, hallways, parking garage and parking lot.

**Pembroke North Homeowners Association** - Located in Wayne, Pennsylvania, this development contains 54 units in three LEED buildings. The building exteriors comprise flat membrane roofs, masonry siding and elevated garden plazas. The development contains a parking structure, asphalt pavement, finished interior lobbies and hallways, and a geothermal system.

## PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Ms. Christensen attended the Milwaukee School of Engineering in Milwaukee (MSOE), Wisconsin where she attained her Master of Science degree in Structural Engineering and her Bachelor of Science degree in Architectural Engineering. She also worked for Computerized Structural Design, Inc. and Pierce Engineers where she worked on structural design projects for steel and concrete structures. Heather's involvement with Engineers Without Borders includes the design and construction of bridges and schools in Guatemala, where she serves as a structural engineering mentor to the MSOE student chapter.

## EDUCATION

Milwaukee School of Engineering - M.S. Structural Engineering
Milwaukee School of Engineering - B.S. Architectural Engineering

## PROFESSIONAL AFFILIATIONS

*Engineers Without Borders (EWB)* - Professional Mentor
*Reserve Specialist (RS)* - Community Associations Institute
*American Society of Civil Engineers* - Associate Member

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



## CURRENT CLIENT SERVICES

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

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

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

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

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

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

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

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

## PRIOR RELEVANT EXPERIENCE

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

## EDUCATION

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

## PROFESSIONAL AFFILIATIONS/DESIGNATIONS

*Professional Engineering License* – Wisconsin, North Carolina, Illinois, Colorado
*Reserve Specialist (RS)* **-** Community Associations Institute
*Professional Reserve Analyst (PRA)* **-** Association of Professional Reserve Analysts

# RESOURCES

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

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

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

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

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

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

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

# 7. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# 8. PROFESSIONAL SERVICE CONDITIONS

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

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

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

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

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

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

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

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

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

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