Mills Farm Area Homes Association, Inc.

July 8, 2024 • Overland Park, KS

FULL RESERVE STUDY

RESERVE™ ADVISORS

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

Mills Farm Area Homes Association, Inc.
Overland Park, Kansas

Dear Board of Directors of Mills Farm Area Homes Association, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of Mills Farm Area Homes Association, Inc. in Overland Park, Kansas and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, July 8, 2024.

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

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 Mills Farm Area 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 July 22, 2024 by

Reserve Advisors, LLC

Visual Inspection and Report by: Stephanie A. Mueller, 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.

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1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Mills Farm Area Homes Association, Inc. (Mills Farm)
Location: Overland Park, Kansas
Reference: 241315

Property Basics: Mills Farm Area Homes Association, Inc. is responsible for the common elements shared by 477 single family homes. The amenities were built primarily in approximately 2008.

Reserve Components Identified: 51 Reserve Components.

Inspection Date: July 8, 2024.

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 2026 due to the repaving of the asphalt parking lot and replacement of clubhouse split systems. In addition, the Reserve Funding Plan recommends 2054 year end accumulated reserves of approximately $2,323,000. We judge this amount of accumulated reserves in 2054 necessary to fund the likely replacement of the pool structures and deck after 2054. Future replacement costs beyond the next 30 years for the replacement of the pool structures and deck are likely to more than double the current cost of replacement, now estimated at approximately $1,437,500 (6,250 square feet times $230.00 per square foot). These future needs, although beyond the limit of the Cash Flow Analysis of this Reserve Study, are reflected in the amount of accumulated 2054 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
- 2.0% anticipated annual rate of return on invested reserves
- 3.5% future Inflation Rate for estimating Future Replacement Costs

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

Unaudited Cash Status of Reserve Fund:

- $100,000 projected as of December 31, 2024
- 2024 budgeted Reserve Contributions of $30,000
- 2024 additional Reserve Contributions or Special Assessment of $238,500
- A potential deficit in reserves might occur by 2026 based upon continuation of the most recent annual reserve contribution of $30,000 and the identified Reserve Expenditures.

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:

- Asphalt parking lot repaving based on condition
- Replace split systems at clubhouse based on age and condition
- Paint finishes and repairs at clubhouse exterior siding
- Replace pool covers

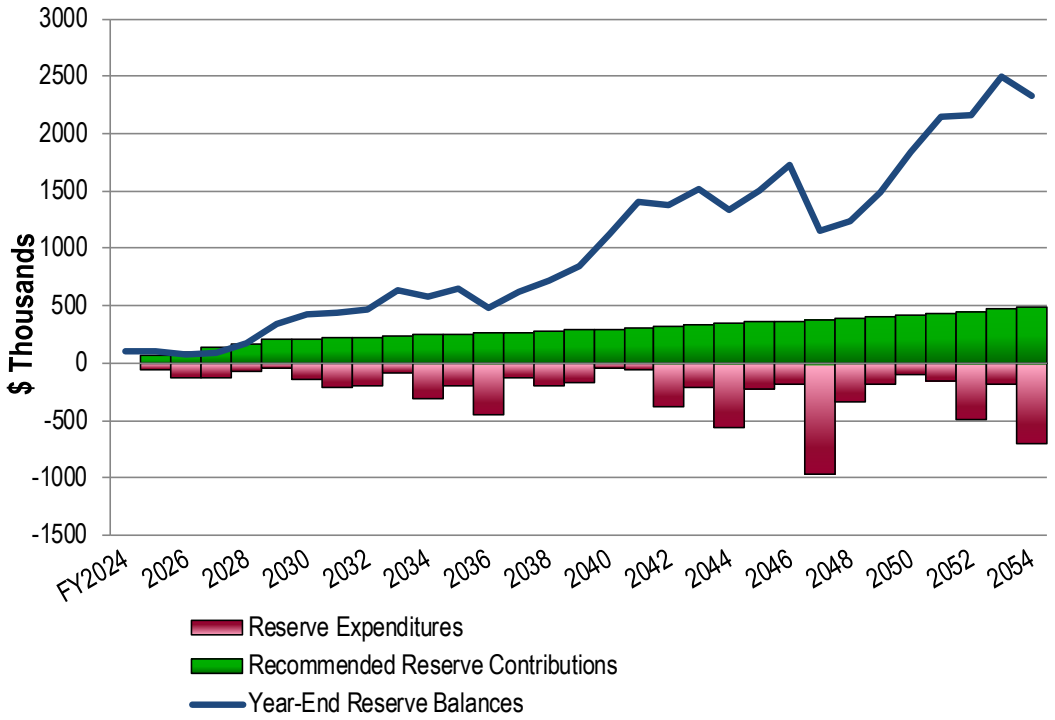
- Paint finishes at steel pool fence
- Replace plaster at infinity pool and conduct investigation of water loss
- Refinish water slide

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

- Phased increases of $35,000 from 2025 through 2029
- Inflationary increases thereafter through 2054, the limit of this study's Cash Flow Analysis
- Initial adjustment of $35,000 is equivalent to an increase of $73.38 in the annual contributions per owner.

Mills Farm
Recommended Reserve Funding Table and Graph

Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)
2025	65,000	106,343	2035	252,000	646,666	2045	355,300	1,504,741
2026	100,000	75,634	2036	260,800	474,844	2046	367,700	1,720,748
2027	135,000	83,754	2037	269,900	624,425	2047	380,600	1,156,386
2028	170,000	177,912	2038	279,300	718,406	2048	393,900	1,236,041
2029	205,000	347,135	2039	289,100	850,378	2049	407,700	1,490,420
2030	212,200	424,504	2040	299,200	1,120,978	2050	422,000	1,839,182
2031	219,600	434,104	2041	309,700	1,403,628	2051	436,800	2,153,493
2032	227,300	467,287	2042	320,500	1,370,265	2052	452,100	2,162,964
2033	235,300	628,323	2043	331,700	1,523,292	2053	467,900	2,493,099
2034	243,500	580,228	2044	343,300	1,340,089	2054	484,300	2,322,964



2. RESERVE STUDY REPORT

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

Mills Farm Area Homes Association, Inc.

Overland Park, Kansas

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, July 8, 2024.

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

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

IDENTIFICATION OF PROPERTY

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

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

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

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:

- Mills Farm 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

Mills Farm Area

Homes Association, Inc.

Overland Park, Kansas

Operating Budget Components

Repairs normally funded through the Operating Budget and Expenditures less than $6,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)

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

- Asphalt Pavement, Crack Repair and Patch
- Bulletin Boards
- Catch Basins, Landscape
- Clubhouse, Single Rest Room Adjacent to Office/Storage Room
- Flagpole
- Infinity Pool, Invasive Investigation[1]
- Irrigation System, Controls and Maintenance
- Landscape
- Light Fixtures, Clubhouse Exterior
- Paint Finishes, Touch Up
- Sand Volleyball Court
- Smaller Retaining Walls
- Water Heater, Clubhouse
- Windows and Doors, Pool Pump House
- Wood Fence, Split Rail, Near Playground

[1] Active water loss and/or leak is reported at the infinity pool. Updates to this reserve study will revisit the conditions and need to budget for capital repairs.

Long-Lived Components

These elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the scope of this study. The operating budget should fund infrequent repairs. Funding untimely or unexpected replacements from reserves will necessitate increases to Reserve Contributions. Periodic updates of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan.	Useful Life	Estimated Cost
• Electrical Systems, Common Buildings	to 70+	N/A
• Foundations, Common Buildings	Indeterminate	N/A
• Inlet/Outlet Structures, Concrete, Ponds	Indeterminate	N/A
• Pipes, Interior Building, Domestic Water, Sanitary Waste and Vent, Clubhouse	to 80+	N/A
• Pipes, Subsurface Utilities, Common	Indeterminate	N/A
• Pool Structures and Deck[1]	to 60	$1,437,500
• Structural Frames, Common Buildings	Indeterminate	N/A

[1] The kiddie pool was rebuilt in 2023.

Excluded Components

for

Mills Farm Area

Homes Association, Inc.

Overland Park, Kansas

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.
• Homes and Lots

Others Responsibility Components
Certain items have been designated as the responsibility of Others to repair or replace.
• Sidewalks along Streets (City of Overland Park)
• Street Systems (City of Overland Park)

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
- 2024 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
- Predicted reserves based on current funding level

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 2024 to 2039

RESERVE EXPENDITURES

Mills Farm Area
Homes Association, Inc.
Overland Park, Kansas

Explanatory Notes:
1) **3.5%** is the estimated Inflation Rate for estimating Future Replacement Costs.
2) **FY2024** is Fiscal Year beginning January 1, 2024 and ending December 31, 2024.
3) **2055+** indicates a component which is considered long-lived

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Remaining	Costs, $ Unit (2024)	Per Phase (2024)	Total (2024)	Percentage of Future Expenditures	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029	6 2030	7 2031	8 2032	9 2033	10 2034	11 2035	12 2036	13 2037	14 2038	15 2039
				Property Site Elements																						
4.040	2,200	**2,200**	Square Yards	Asphalt Pavement, Mill and Overlay, Parking Areas (Incl. Partial Curbs)	2026	15 to 20	2	21.00	46,200	46,200	**0.7%**			49,491											
4.045	2,200	**2,200**	Square Yards	Asphalt Pavement, Total Replacement, Parking Areas (Incl. Partial Curbs)	2044	15 to 20	20	39.00	85,800	85,800	**2.3%**															
4.140	4,200	**420**	Square Feet	Concrete Sidewalks, Amenity Area, Partial	2028	to 65	4 to 30+	15.00	6,300	63,000	**0.6%**					7,229							9,198			
4.400	7	**7**	Each	Irrigation System, Controls	2038	to 15	14	1,900.00	13,300	13,300	**0.8%**														21,529	
4.420	2	**1**	Allowance	Irrigation System, Replacement, Common, Phased	2048	to 40+	24 to 25	50,000.00	50,000	100,000	**3.2%**															
4.500	1	**1**	Allowance	Landscape, Partial Replacements (Trees)	2025	to 2	1	20,000.00	20,000	20,000	**7.2%**		20,700		22,174		23,754		25,446		27,258		29,199		31,279		33,507
4.600	35	**7**	Each	Mailbox Stations, Stone Repairs and Mailbox Replacement, Phased	2033	to 25	9 to 13	2,100.00	14,700	73,500	**1.5%**										20,035	20,736	21,462	22,213	22,990		
4.660	1	**1**	Allowance	Playground Equipment	2032	15 to 20	8	65,000.00	65,000	65,000	**3.5%**									85,593						
4.700	2	**2**	Each	Ponds, Aerators	2030	10 to 15	6	10,500.00	21,000	21,000	**0.9%**							25,814								
4.710	2,100	**420**	Linear Feet	Ponds, Erosion Control and Spillway Repairs, Partial	2031	10 to 15	7	59.00	24,780	123,900	**1.1%**								31,527							
4.730	14,400	**4,320**	Square Yards	Ponds, Sediment Removal, Partial	2031	to 25	7	28.00	120,960	403,200	**2.1%**								153,895							
4.750	2,000	**2,000**	Square Feet	Retaining Walls, Stone, Inspection and Capital Repairs	2034	15 to 20	10	13.00	26,000	26,000	**1.4%**											36,676				
4.799	1	**1**	Allowance	Signage, Monuments, Proposed Installation at South Entrance	2025	N/A	1	40,000.00	40,000	40,000	**0.5%**		40,000													
4.800	1	**1**	Allowance	Signage, Monuments, Renovations (Incl. Statues)	2028	15 to 20	4	31,000.00	31,000	31,000	**1.5%**					35,573										
4.830	17,840	**17,840**	Square Feet	Sport Courts, Basketball and Tennis, Color Coat	2027	4 to 6	3	1.30	23,192	23,192	**2.7%**				25,713					30,539				36,271		
4.840	440	**440**	Linear Feet	Sport Courts, Tennis, Fence	2036	to 25	12	47.50	20,900	20,900	**0.4%**															
4.860	5,040	**5,040**	Square Feet	Sport Court, Basketball, Surface Replacement	2047	to 40	23	16.00	80,640	80,640	**2.4%**													31,581		
4.861	12,800	**12,800**	Square Feet	Sport Courts, Tennis, Surface Replacement	2047	to 40	23	16.00	204,800	204,800	**6.2%**															
				Clubhouse Elements (Incl. Pool Pump House)																						
5.070	5	**3**	Each	Air Handling and Condensing Units, Split Systems, Phased	2026	15 to 20	2 to 3	15,500.00	38,750	77,500	**3.4%**			41,510	42,963											
5.128	400	**400**	Square Feet	Balcony and Porch, Wood Frame with Paver Topping	2037	to 30	13	65.00	26,000	26,000	**0.6%**													40,663		
5.150	1	**1**	Each	Elevator, Hydraulic, Pump and Controls (Incl. Cab Finishes)	2038	to 30	14	62,000.00	62,000	62,000	**1.4%**														100,359	
5.155	1	**1**	Each	Elevator, Hydraulic, Cylinder	2053	to 45+	29	20,000.00	20,000	20,000	**0.7%**															
5.160	2	**1**	Allowance	Exercise Equipment, Cardiovascular, Phased	2026	5 to 10	2 to 6	11,000.00	11,000	22,000	**2.2%**			11,783				13,522				15,517			17,806	
5.161	2	**1**	Allowance	Exercise Equipment, Strength Training, Phased	2030	to 15	6 to 11	22,500.00	22,500	45,000	**2.2%**							27,658					32,849			
5.180	1	**1**	Allowance	Exercise Room, Renovations	2030	to 15	6	25,000.00	25,000	25,000	**1.1%**							30,731								
5.500	1	**1**	Allowance	Interior Renovations, Complete	2044	to 20	20	150,000.00	150,000	150,000	**4.1%**															
5.510	1	**1**	Allowance	Interior Renovations, Partial	2034	to 10	10	50,000.00	50,000	50,000	**2.9%**											70,530				
5.520	1	**1**	Allowance	Kitchen, Renovation	2034	to 20	10	35,000.00	35,000	35,000	**2.0%**											49,371				
5.580	1	**1**	Allowance	Rest Rooms, Renovation, Lower	2034	to 20	10	55,000.00	55,000	55,000	**3.2%**											77,583				
5.581	1	**1**	Allowance	Rest Rooms, Renovation, Upper	2044	to 20	20	12,000.00	12,000	12,000	**0.3%**															
5.600	60	**60**	Squares	Roof Assemblies, Concrete Tiles	2036	to 30	12	1,400.00	84,000	84,000	**1.7%**													126,930		
5.720	1	**1**	Allowance	Security System	2039	10 to 15	15	35,000.00	35,000	35,000	**2.1%**															58,637
5.790	1	**1**	Allowance	Walls, Siding and Trim, Paint Finishes	2027	6 to 8	3	9,000.00	9,000	9,000	**0.5%**				9,978							12,695				
5.795	3,000	**3,000**	Square Feet	Walls, Siding and Trim, Replacement	2048	to 40	24	12.50	37,500	37,500	**1.2%**															
5.800	1,060	**353**	Square Feet	Windows and Doors, Phased	2039	to 40	15 to 23	78.00	27,560	82,680	**2.2%**															46,172

RESERVE EXPENDITURES

Mills Farm Area
Homes Association, Inc.
Overland Park, Kansas

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Remaining	Costs, $ Unit (2024)	Per Phase (2024)	Total (2024)	Percentage of Future Expenditures	16 2040	17 2041	18 2042	19 2043	20 2044	21 2045	22 2046	23 2047	24 2048	25 2049	26 2050	27 2051	28 2052	29 2053	30 2054
				Property Site Elements																						
4.040	2,200	**2,200**	Square Yards	Asphalt Pavement, Mill and Overlay, Parking Areas (Incl. Partial Curbs)	2026	15 to 20	2	21.00	46,200	46,200	**0.7%**															
4.045	2,200	**2,200**	Square Yards	Asphalt Pavement, Total Replacement, Parking Areas (Incl. Partial Curbs)	2044	15 to 20	20	39.00	85,800	85,800	**2.3%**					170,724										
4.140	4,200	**420**	Square Feet	Concrete Sidewalks, Amenity Area, Partial	2028	to 65	4 to 30+	15.00	6,300	63,000	**0.6%**			11,702							14,888					
4.400	7	**7**	Each	Irrigation System, Controls	2038	to 15	14	1,900.00	13,300	13,300	**0.8%**														36,068	
4.420	2	**1**	Allowance	Irrigation System, Replacement, Common, Phased	2048	to 40+	24 to 25	50,000.00	50,000	100,000	**3.2%**									114,166	118,162					
4.500	1	**1**	Allowance	Landscape, Partial Replacements (Trees)	2025	to 2	1	20,000.00	20,000	20,000	**7.2%**		35,894		38,450		41,189		44,122		47,265		50,631		54,238	
4.600	35	**7**	Each	Mailbox Stations, Stone Repairs and Mailbox Replacement, Phased	2033	to 25	9 to 13	2,100.00	14,700	73,500	**1.5%**															
4.660	1	**1**	Allowance	Playground Equipment	2032	15 to 20	8	65,000.00	65,000	65,000	**3.5%**													170,311		
4.700	2	**2**	Each	Ponds, Aerators	2030	10 to 15	6	10,500.00	21,000	21,000	**0.9%**				40,373											
4.710	2,100	**420**	Linear Feet	Ponds, Erosion Control and Spillway Repairs, Partial	2031	10 to 15	7	59.00	24,780	123,900	**1.1%**				47,640											
4.730	14,400	**4,320**	Square Yards	Ponds, Sediment Removal, Partial	2031	to 25	7	28.00	120,960	403,200	**2.1%**															
4.750	2,000	**2,000**	Square Feet	Retaining Walls, Stone, Inspection and Capital Repairs	2034	15 to 20	10	13.00	26,000	26,000	**1.4%**												65,821			
4.799	1	**1**	Allowance	Signage, Monuments, Proposed Installation at South Entrance	2025	N/A	1	40,000.00	40,000	40,000	**0.5%**															
4.800	1	**1**	Allowance	Signage, Monuments, Renovations (Incl. Statues)	2028	15 to 20	4	31,000.00	31,000	31,000	**1.5%**									70,783						
4.830	17,840	**17,840**	Square Feet	Sport Courts, Basketball and Tennis, Color Coat	2027	4 to 6	3	1.30	23,192	23,192	**2.7%**			43,079										60,767		
4.840	440	**440**	Linear Feet	Sport Courts, Tennis, Fence	2036	to 25	12	47.50	20,900	20,900	**0.4%**															
4.860	5,040	**5,040**	Square Feet	Sport Court, Basketball, Surface Replacement	2047	to 40	23	16.00	80,640	80,640	**2.4%**								177,901							
4.861	12,800	**12,800**	Square Feet	Sport Courts, Tennis, Surface Replacement	2047	to 40	23	16.00	204,800	204,800	**6.2%**								451,812							
				Clubhouse Elements (Incl. Pool Pump House)																						
5.070	5	**3**	Each	Air Handling and Condensing Units, Split Systems, Phased	2026	15 to 20	2 to 3	15,500.00	38,750	77,500	**3.4%**						79,803	82,596								
5.128	400	**400**	Square Feet	Balcony and Porch, Wood Frame with Paver Topping	2037	to 30	13	65.00	26,000	26,000	**0.6%**															
5.150	1	**1**	Each	Elevator, Hydraulic, Pump and Controls (Incl. Cab Finishes)	2038	to 30	14	62,000.00	62,000	62,000	**1.4%**															
5.155	1	**1**	Each	Elevator, Hydraulic, Cylinder	2053	to 45+	29	20,000.00	20,000	20,000	**0.7%**														54,238	
5.160	2	**1**	Allowance	Exercise Equipment, Cardiovascular, Phased	2026	5 to 10	2 to 6	11,000.00	11,000	22,000	**2.2%**			20,432				23,447				26,906				30,875
5.161	2	**1**	Allowance	Exercise Equipment, Strength Training, Phased	2030	to 15	6 to 11	22,500.00	22,500	45,000	**2.2%**						46,337					55,034				
5.180	1	**1**	Allowance	Exercise Room, Renovations	2030	to 15	6	25,000.00	25,000	25,000	**1.1%**						51,486									
5.500	1	**1**	Allowance	Interior Renovations, Complete	2044	to 20	20	150,000.00	150,000	150,000	**4.1%**					298,468										
5.510	1	**1**	Allowance	Interior Renovations, Partial	2034	to 10	10	50,000.00	50,000	50,000	**2.9%**															140,340
5.520	1	**1**	Allowance	Kitchen, Renovation	2034	to 20	10	35,000.00	35,000	35,000	**2.0%**															98,238
5.580	1	**1**	Allowance	Rest Rooms, Renovation, Lower	2034	to 20	10	55,000.00	55,000	55,000	**3.2%**															154,374
5.581	1	**1**	Allowance	Rest Rooms, Renovation, Upper	2044	to 20	20	12,000.00	12,000	12,000	**0.3%**					23,877										
5.600	60	**60**	Squares	Roof Assemblies, Concrete Tiles	2036	to 30	12	1,400.00	84,000	84,000	**1.7%**															
5.720	1	**1**	Allowance	Security System	2039	10 to 15	15	35,000.00	35,000	35,000	**2.1%**															98,238
5.790	1	**1**	Allowance	Walls, Siding and Trim, Paint Finishes	2027	6 to 8	3	9,000.00	9,000	9,000	**0.5%**		16,152													
5.795	3,000	**3,000**	Square Feet	Walls, Siding and Trim, Replacement	2048	to 40	24	12.50	37,500	37,500	**1.2%**									85,625						
5.800	1,060	**353**	Square Feet	Windows and Doors, Phased	2039	to 40	15 to 23	78.00	27,560	82,680	**2.2%**				52,984				60,800							

Years 2024 to 2039

RESERVE EXPENDITURES

Mills Farm Area
Homes Association, Inc.
Overland Park, Kansas

Explanatory Notes:

1) **3.5%** is the estimated Inflation Rate for estimating Future Replacement Costs.
2) **FY2024** is Fiscal Year beginning January 1, 2024 and ending December 31, 2024.
3) **2055+** indicates a component which is considered long-lived

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Life Analysis, Years Remaining	Costs, $ Unit (2024)	Costs, $ Per Phase (2024)	Costs, $ Total (2024)	Percentage of Future Expenditures	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029	6 2030	7 2031	8 2032	9 2033	10 2034	11 2035	12 2036	13 2037	14 2038	15 2039
				Pool Elements																							
6.200	10,400	**10,400**	Square Feet	Concrete Deck, Coating, Partial Replacements and Repairs	2030	6 to 8	6	3.50	36,400	36,400	**3.9%**							44,745							58,920	
6.300	6,900	**6,900**	Square Feet	Covers, Vinyl	2028	6 to 8	4	4.50	31,050	31,050	**3.1%**					35,631							46,919			
6.395	620	**620**	Linear Feet	Fence, Steel, Paint Finishes	2027	6 to 8	3	16.00	9,920	9,920	**0.7%**				10,998								14,483				
6.400	620	**620**	Linear Feet	Fence, Steel, Replacement	2042	to 35	18	65.00	40,300	40,300	**1.0%**																
6.500	1	**1**	Allowance	Furniture	2035	to 12	11	50,000.00	50,000	50,000	**2.5%**												72,998				
6.599	2	**2**	Each	Mechanical Equipment, Heaters	2035	10 to 15	11	6,000.00	12,000	12,000	**0.6%**												17,520				
6.600	3	**1**	Allowance	Mechanical Equipment, Remaining (Pumps, Filters, Etc.), Phased	2029	to 15	5 to 15	14,500.00	14,500	43,500	**2.2%**						17,221					20,454						24,293
6.799	1,850	**1,850**	Square Feet	Pool Finishes, Plaster, Infinity Pool	2026	6 to 8	2	15.00	27,750	27,750	**3.5%**			29,726							37,820						
6.800	4,400	**4,400**	Square Feet	Pool Finishes, Plaster, Kiddie and Lap Pools	2032	8 to 12	8	15.00	66,000	66,000	**5.2%**									86,909							
6.801	310	**310**	Linear Feet	Pool Finishes, Tile and Coping, Infinity Pool	2042	15 to 25	18	90.00	27,900	27,900	**0.7%**																
6.802	340	**340**	Linear Feet	Pool Finishes, Tile and Coping, Kiddie and Lap Pools	2042	15 to 25	18	90.00	30,600	30,600	**0.8%**																
6.865	1	**1**	Each	Shade Structure, Canvas	2031	6 to 8	7	6,000.00	6,000	6,000	**0.2%**								7,634								10,052
6.870	1	**1**	Each	Shade Structure, Canvas and Frame	2047	20 to 25	23	18,500.00	18,500	18,500	**0.6%**																
6.888	6	**6**	Each	Starting Platforms	2036	15 to 20	12	3,000.00	18,000	18,000	**1.0%**													27,199			
6.975	1	**1**	Each	Water Slide, Fiberglass, Refinishing	2027	10 to 15	3	15,000.00	15,000	15,000	**0.7%**				16,631												
6.980	1	**1**	Each	Water Slide, Fiberglass, Replacement	2036	to 25	12	125,000.00	125,000	125,000	**2.6%**													188,884			
Anticipated Expenditures, By Year ($7,315,057 over 30 years)												0	60,700	132,511	128,458	78,433	40,975	142,471	218,501	203,041	85,113	303,561	197,709	443,725	131,203	198,614	172,661

RESERVE EXPENDITURES

Mills Farm Area
Homes Association, Inc.
Overland Park, Kansas

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Remaining	Costs, $ Unit (2024)	Per Phase (2024)	Total (2024)	Percentage of Future Expenditures	16 2040	17 2041	18 2042	19 2043	20 2044	21 2045	22 2046	23 2047	24 2048	25 2049	26 2050	27 2051	28 2052	29 2053	30 2054
				Pool Elements																						
6.200	10,400	**10,400**	Square Feet	Concrete Deck, Coating, Partial Replacements and Repairs	2030	6 to 8	6	3.50	36,400	36,400	**3.9%**							77,587								102,167
6.300	6,900	**6,900**	Square Feet	Covers, Vinyl	2028	6 to 8	4	4.50	31,050	31,050	**3.1%**					61,783								81,356		
6.395	620	**620**	Linear Feet	Fence, Steel, Paint Finishes	2027	6 to 8	3	16.00	9,920	9,920	**0.7%**											24,264				
6.400	620	**620**	Linear Feet	Fence, Steel, Replacement	2042	to 35	18	65.00	40,300	40,300	**1.0%**			74,857												
6.500	1	**1**	Allowance	Furniture	2035	to 12	11	50,000.00	50,000	50,000	**2.5%**								110,306							
6.599	2	**2**	Each	Mechanical Equipment, Heaters	2035	10 to 15	11	6,000.00	12,000	12,000	**0.6%**								26,473							
6.600	3	**1**	Allowance	Mechanical Equipment, Remaining (Pumps, Filters, Etc.), Phased	2029	to 15	5 to 15	14,500.00	14,500	43,500	**2.2%**				27,876					33,108					39,322		
6.799	1,850	**1,850**	Square Feet	Pool Finishes, Plaster, Infinity Pool	2026	6 to 8	2	15.00	27,750	27,750	**3.5%**	48,118							61,220							77,889
6.800	4,400	**4,400**	Square Feet	Pool Finishes, Plaster, Kiddie and Lap Pools	2032	8 to 12	8	15.00	66,000	66,000	**5.2%**			122,594									172,931		
6.801	310	**310**	Linear Feet	Pool Finishes, Tile and Coping, Infinity Pool	2042	15 to 25	18	90.00	27,900	27,900	**0.7%**			51,824												
6.802	340	**340**	Linear Feet	Pool Finishes, Tile and Coping, Kiddie and Lap Pools	2042	15 to 25	18	90.00	30,600	30,600	**0.8%**			56,839												
6.865	1	**1**	Each	Shade Structure, Canvas	2031	6 to 8	7	6,000.00	6,000	6,000	**0.2%**															
6.870	1	**1**	Each	Shade Structure, Canvas and Frame	2047	20 to 25	23	18,500.00	18,500	18,500	**0.6%**								40,813							
6.888	6	**6**	Each	Starting Platforms	2036	15 to 20	12	3,000.00	18,000	18,000	**1.0%**												45,568			
6.975	1	**1**	Each	Water Slide, Fiberglass, Refinishing	2027	10 to 15	3	15,000.00	15,000	15,000	**0.7%**									34,250						
6.980	1	**1**	Each	Water Slide, Fiberglass, Replacement	2036	to 25	12	125,000.00	125,000	125,000	**2.6%**															
Anticipated Expenditures, By Year ($7,315,057 over 30 years)												48,118	52,046	381,328	207,322	554,853	218,815	183,630	973,447	337,933	180,316	106,204	162,020	485,366	183,865	702,119

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS
Mills Farm Area
Homes Association, Inc.
Overland Park, Kansas

Individual Reserve Budgets & Cash Flows for the Next 30 Years

		FY2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Reserves at Beginning of Year	*(Note 1)*	N/A	100,000	106,343	75,634	83,754	177,912	347,135	424,504	434,104	467,287	628,323	580,228	646,666	474,844	624,425	718,406
Total Recommended Reserve Contributions	*(Note 2)*	**N/A**	**65,000**	**100,000**	**135,000**	**170,000**	**205,000**	**212,200**	**219,600**	**227,300**	**235,300**	**243,500**	**252,000**	**260,800**	**269,900**	**279,300**	**289,100**
Estimated Interest Earned, During Year	*(Note 3)*	N/A	2,043	1,802	1,578	2,591	5,198	7,640	8,501	8,925	10,848	11,966	12,147	11,104	10,884	13,295	15,533
Anticipated Expenditures, By Year		N/A	(60,700)	(132,511)	(128,458)	(78,433)	(40,975)	(142,471)	(218,501)	(203,041)	(85,113)	(303,561)	(197,709)	(443,725)	(131,203)	(198,614)	(172,661)
Anticipated Reserves at Year End		$100,000	$106,343	$75,634	$83,754	$177,912	$347,135	$424,504	$434,104	$467,287	$628,323	$580,228	$646,666	$474,844	$624,425	$718,406	$850,378
				(NOTE 5)													
Predicted Reserves based on 2024 funding level of:	$30,000	100,000	70,993	(31,123)	(131,188)												

(continued)

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

	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Reserves at Beginning of Year	850,378	1,120,978	1,403,628	1,370,265	1,523,292	1,340,089	1,504,741	1,720,748	1,156,386	1,236,041	1,490,420	1,839,182	2,153,493	2,162,964	2,493,099
Total Recommended Reserve Contributions	**299,200**	**309,700**	**320,500**	**331,700**	**343,300**	**355,300**	**367,700**	**380,600**	**393,900**	**407,700**	**422,000**	**436,800**	**452,100**	**467,900**	**484,300**
Estimated Interest Earned, During Year	19,518	24,996	27,464	28,649	28,350	28,167	31,936	28,486	23,687	26,995	32,966	39,531	42,737	46,100	47,684
Anticipated Expenditures, By Year	(48,118)	(52,046)	(381,328)	(207,322)	(554,853)	(218,815)	(183,630)	(973,447)	(337,933)	(180,316)	(106,204)	(162,020)	(485,366)	(183,865)	(702,119)
Anticipated Reserves at Year End	$1,120,978	$1,403,628	$1,370,265	$1,523,292	$1,340,089	$1,504,741	$1,720,748	$1,156,386	$1,236,041	$1,490,420	$1,839,182	$2,153,493	$2,162,964	$2,493,099	$2,322,964
															(NOTE 4)

Explanatory Notes:

1) Year 2024 ending reserves are projected by Management and the Board as of December 31, 2024; FY2024 starts January 1, 2024 and ends December 31, 2024.
2) 2025 is the first year of recommended contributions.
3) **2.0%** is the estimated annual rate of return on invested reserves
4) Accumulated year 2054 ending reserves consider the need to fund for replacement of the pool structures and deck shortly after 2054, 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

Mills Farm Area
Homes Association, Inc.
Overland Park, Kansas

Line Item	Reserve Component Inventory	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
	Property Site Elements						
4.040	Asphalt Pavement, Mill and Overlay, Parking Areas (Incl. Partial Curbs)			49,491			
4.140	Concrete Sidewalks, Amenity Area, Partial					7,229	
4.500	Landscape, Partial Replacements (Trees)		20,700		22,174		23,754
4.799	Signage, Monuments, Proposed Installation at South Entrance		40,000				
4.800	Signage, Monuments, Renovations (Incl. Statues)					35,573	
4.830	Sport Courts, Basketball and Tennis, Color Coat				25,713		
	Clubhouse Elements (Incl. Pool Pump House)						
5.070	Air Handling and Condensing Units, Split Systems, Phased			41,510	42,963		
5.160	Exercise Equipment, Cardiovascular, Phased			11,783			
5.790	Walls, Siding and Trim, Paint Finishes				9,978		
	Pool Elements						
6.300	Covers, Vinyl					35,631	
6.395	Fence, Steel, Paint Finishes				10,998		
6.600	Mechanical Equipment, Remaining (Pumps, Filters, Etc.), Phased						17,221
6.799	Pool Finishes, Plaster, Infinity Pool			29,726			
6.975	Water Slide, Fiberglass, Refinishing				16,631		
	Anticipated Expenditures, By Year ($7,315,057 over 30 years)	0	60,700	132,511	128,458	78,433	40,975

4. RESERVE COMPONENT DETAIL

The Reserve Component Detail of this *Full 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*.

Property Site Elements

Asphalt Pavement, Repaving

Line Items: 4.040 and 4.045

Quantity: Approximately 2,200 square yards at the parking areas

History: Reportedly milled and overlaid several years ago, though the accelerated deterioration of the wear course suggests any prior activities were inadequate to maximize the useful life of the pavement.

Condition: Fair to poor overall with frequent cracks, potholes, alligator cracks and raveling evident.

Pavement overview, note cracks and pothole formation

Pavement cracks

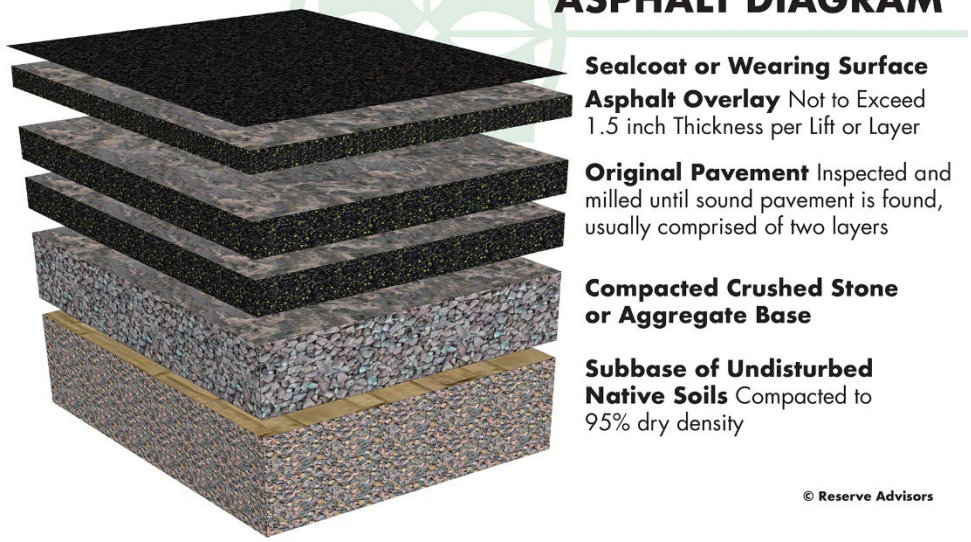
Alligator cracks and edge deterioration

Pavement deterioration

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

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

The following diagram depicts the typical components although it may not reflect the actual configuration at Mills Farm:



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 for initial repaving followed by the total replacement method for subsequent repaving at Mills Farm.

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

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

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost for milling and overlayment includes area patching of up to twenty percent (20%). We also include allowances for partial replacement of concrete curbs and gutters.

Concrete Sidewalks

Line Item: 4.140

Quantity: Approximately 4,200 square feet by the amenity area

Condition: Good overall with isolated cracks, spalled concrete and previous repairs evident.

Sidewalk partial replacement by pool

Sidewalk cracks

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

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

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

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We estimate that up to 1,680 square feet of concrete sidewalks, or forty percent (40%) of the total, will require replacement during the next 30 years.

Irrigation System, Controllers

Line Item: 4.400

Quantity: Seven each

History: The age was unavailable at the time of our inspection.

Condition: Reported satisfactory without operational deficiencies

Irrigation system controller

Useful Life: Up to 15 years

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

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

Irrigation System, Replacement

Line Item: 4.420

Quantity: For budgetary purposes, we estimate approximately 100 zones located at the entrances, clubhouse and other common areas.

History: Original

Condition: Satisfactory operational condition and Management and the Board do not report any major deficiencies

Useful Life: Up to and sometimes beyond 40 years

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

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

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

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

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

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.

Landscape

Line Item: 4.500

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.

Useful Life: At the request of Management and the Board, we include a landscape allowance for tree removal and tree replacement every two years.

Priority/Criticality: Per Board discretion

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

Mailbox Stations, Stone Repairs and Mailbox Replacement

Line Item: 4.600

Quantity: Approximately 35 stations

History: Installed from 2008 through mid-2010s.

Condition: Good to fair overall with finish deterioration evident.

Mailbox station with stone masonry exterior

Useful Life: Up to 25 years with maintenance and interim repairs funded through the operating budget

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

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

Priority/Criticality: Per Board discretion

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

Playground Equipment

Line Item: 4.660

Quantity: Playground equipment includes the following elements:

- Playset
- Wood surface with a plastic border
- Benches

History: Installed in approximately 2012.

Condition: Fair overall

Playground equipment overview

Equipment finish deterioration

Fastener rust

Useful Life: 15- to 20-years

Component Detail Notes: Safety is the major purpose for maintaining playground equipment. We recommend an annual inspection of the playground equipment to identify and repair as normal maintenance loose connections and fasteners or damaged elements. We suggest the Association learn more about the specific requirements of playground equipment at PlaygroundSafety.org. We recommend the use of a specialist for the design or replacement of the playground equipment environment.

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

- Annually:
    - Inspect and repair loose connections and fasteners or damaged elements
    - Inspect for safety hazards and adequate coverage of ground surface cover

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. We include an allowance in the unit cost for replacement of the safety surface and border.

Ponds, Aerators

Line Item: 4.700

Quantity: Two aerators with lighting

History: Replaced in approximately 2017.

Condition: Reported satisfactory overall. However, one aerator was not functioning at the time of our inspection. We assume the aerator will be repaired in the near term funded through the operating budget.

Useful Life: 10- to 15-years

Component Detail Notes: The use of small pumps, motors and aerators circulates pond water and increases the amount of entrained oxygen in the water, increasing water quality and reducing algae growths.

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.

Ponds, Sediment Removal and Erosion Control

Line Items: 4.710 and 4.730

Quantity: The two ponds comprise approximately 14,400 square yards of water surface area and approximately 2,100 linear feet of natural sod shorelines

History: No reported history of sediment removal.

Condition: Good to fair overall with minor shoreline erosion, algae growth and sediment accumulation evident.

Pond view from pool deck

Pond overview

Erosion behind bulkhead by spillway

Sediment accumulation

Pond spillway towards other pond

Minor shoreline erosion

Pond overview

Culvert structure, note long-lived

Shoreline erosion

Pond overview

Lower spillway

Lower spillway

Useful Life: Based on the visual condition, construction, adjacent deciduous trees and visibly apparent erosion, we recommend the Association anticipate the need to remove pond sediment up to every 25 years.

Shorelines are subject to fluctuations in water levels, increased plant growth and migrating storm and ground water resulting in the need for erosion control measures every 10- to 15-years.

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

The steep shoreline embankments are likely to exacerbate soil movement and erosion. The use and maintenance of landscape, natural vegetation and/or stone rip rap along the pond shorelines will help maintain an attractive appearance and prevent soil erosion.

Shoreline plantings are referred to as buffer zones. Buffer zones provide the following advantages:

- Control insects naturally
- Create an aesthetically pleasing shoreline
- Enhance water infiltration and storage
- Filter nutrients and pollutants
- Increase fish and wildlife habitat
- Reduce lawn maintenance
- Stabilize shoreline and reduce erosion
- Trap sediments

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

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

Priority/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. We recommend the Association plan to regrade and/or install a combination of plantings and rip rap around the ponds along 420 linear feet, or approximately twenty percent (20%), of the shorelines per event.

For reserve budgeting purposes, we estimate the need to remove an average depth of one yard from approximately thirty percent (30%) of the surface area. However, the actual volume of material to remove may vary dependent upon an invasive analysis at the time of removal. A visual inspection of a body of water cannot reveal the amount of accumulated silt. This is especially true on larger bodies of water. It is therefore inaccurate to assume an entire body of water will require sediment removal. It is more cost effective to spot remove in areas of intense silt accumulation as noted through bathymetric surveys. The amount or depth of silt is determined through prodding into the silt until a relatively solid base is found or through bathymetric surveys. A bathymetric survey establishes a base of data about the depth of the body of water over many locations against which the data of future surveys is compared. These invasive procedures are beyond the scope of a Reserve Study and require multiple visits to the site. We recommend Mills Farm contract with a local engineer for periodic bathymetric surveys. Future updates of the Reserve Study can incorporate future anticipated expenditures based on the results of the bathymetric surveys.

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

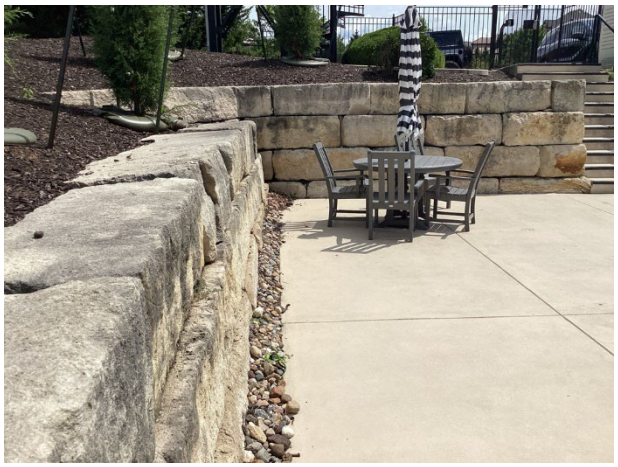
Retaining Walls, Stone

Line Item: 4.750

Quantity: Approximately 2,000 square feet located at the northeast entrance median and surrounding the pool deck

History: Original

Condition: Good overall with no significant deterioration evident.



Stone retaining wall

Stone retaining wall

Stone retaining wall near King St entrance

Useful Life: Stone retaining walls have indeterminate useful lives. However, we recommend the Association plan for inspections and capital repairs every 15- to 20-years to forestall deterioration.

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost includes an allowance for an inspection, partial resetting and replacement of up to ten percent (10%). Updates of this Reserve Study will continue to monitor the rate of deterioration and incorporate any available inspection reports.

Signage, Monuments

Line Items: 4.799 and 4.800

Quantity: The property identification signage includes the following elements:

- Horse Statues
- Light Fixtures
- Letters
- Landscaping
- Masonry (we include masonry repairs at the clubhouse in coordination with monuments)
- Tile Roof at North Entrance (we include replacement with clubhouse)

History: Original

Condition: Good overall

Entrance monument

Entrance monument structure with concrete tile roof

Sign lighting

Entrance monument

Horse statues at north entrance

Entrance monument

Mortar cracks at clubhouse

Useful Life: 15- to 20-years

Component Detail Notes: Community signage contributes to the overall aesthetic appearance of the property to owners and potential buyers. Renovation or replacement of community signs is often predicated upon the desire to "update" the perceived identity of the community rather than for utilitarian concerns. Therefore, the specific times for replacement or renovation are discretionary.

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

- Annually:
  - Inspect and repair damage, vandalism and loose components
  - Verify lighting is working properly
  - Touch-up paint finish applications if applicable

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost for renovation includes repairs to the masonry and statues, and replacement of the remaining components listed above.

Sport Courts, Basketball and Tennis

Line Items: 4.830, 4.860 and 4.861

Quantity: 5,040 square feet of concrete comprising one basketball court and 12,800 square feet of concrete comprising two tennis courts

History:

- Color Coat: Applied a color coat in approximately 2022.
- Surface: Installed from 2011 through 2012.

Condition: Good overall with minor deterioration and color coat deterioration evident.

Basketball court overview

Tennis courts overview

Basketball court overview, note surface crack along centerline joint

Tennis court overview

Color coat deterioration

Surface coating cracks

Useful Life: Up to 40 years for replacement of the surface with the benefit of color coat applications and repairs every four- to six-years

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

- Annually:
    - Inspect and repair large cracks, trip hazards and possibly safety hazards
    - Verify gate and fencing is secure
    - Verify lighting is working properly if applicable
    - Inspect and repair standards and windscreens as needed

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.

Sport Courts, Tennis, Fence

Line Item: 4.840

Quantity: 440 linear feet

History: Installed from 2011 through 2012.

Condition: Good overall with minor rust and warped webbing evident.

Chain link fence

Useful Life: Up to 25 years

Priority/Criticality: Per Board discretion

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

Clubhouse Elements

Clubhouse front elevation

Clubhouse rear elevation

Pool pump house

Air Handling and Condensing Units, Split Systems

Line Item: 5.070

Quantity: Five *Carrier* split systems

History: Original; Recent repairs reported.

Condition: Reported unsatisfactory with operational deficiencies

Split system air handling unit

Split system condensing units

Split system condensing units

Useful Life: 15- to 20-years

Component Detail Notes: A split system air conditioner consists of an outside condensing unit, an interior evaporator coil, refrigerant lines and an interior gas-fired fan coil unit. The condensing units have cooling capacities that range from three- to 10-tons. The split systems use R-22 refrigerant. This type of refrigerant is no longer in production and costs of replacement of the coolant will likely continue to rise. Updates to this reserve study will continue to monitor the rate of repairs and possible need for acceleration of the replacement.

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. 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 unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
  - Lubricate motors and bearings

- Change or clean air filters as needed
- Inspect condenser base and piping insulation
- Inspect base pan, coil, cabinet and clear obstructions as necessary

- Annually:
  - Clean coils and drain pans, clean fan assembly, check refrigerant charge, inspect fan drive system and controls
  - Inspect and clean accessible ductwork as needed
  - Clean debris from inside cabinet, inspect condenser compressor and associated tubing for damage

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost reflects an average cost per system. The condensing unit may require replacement prior to replacement of the related interior forced air unit. For purposes of this Reserve Study, we assume coordination of replacement of the interior forced air unit, evaporator coil, refrigerant lines and exterior condensing unit.

Balcony and Porch

Line Item: 5.128

Quantity: The front entry porch and rear balcony comprise approximately 400 square feet, one staircase and 90 linear feet of railings.

History: Original

Condition: Good overall

Wood frame balcony and staircase

Brick paver topping

Composite treads at wood frame staircase

Useful Life: Replacement up to every 30 years

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

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

Elevator, Hydraulic

Line Items: 5.150 and 5.155

Quantity: One *ThyssenKrupp* hydraulic passenger elevator

History: Original

Condition: Reported satisfactory and service interruptions are reportedly infrequent

Hydraulic elevator equipment

Elevator cab interior

Useful Life: Pumps and controls have a useful life of up to 30 years. Cylinders have a useful life of up to and sometimes beyond 45 years.

Component Detail Notes: Major components in a hydraulic elevator system include the pump, controls, cylinder, fluid reservoir and a valve between the cylinder and reservoir. Once activated by the elevator controls, the pump forces hydraulic fluid from the reservoir into the cylinder. The piston within the cylinder rises lifting the elevator cab. The elevator cab lowers at a controlled rate when the controls open the valve.

Preventative Maintenance Notes: The status of preventative maintenance was unavailable to us during our inspection. We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. 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 unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Ongoing:
  - Maintain a maintenance contract with a qualified professional for the elevator(s) and follow the manufacturer's specific recommended maintenance plan adhering to local, state, and/or federal inspection guidelines
- As-needed:
  - Keep an accurate log of all repairs and inspection dates
  - Inspect and adjust misaligned door operators
  - Check for oil leaks or stains near the pump housing and confirm oil levels are adequate
  - Clear and remove any items located in the elevator machine room(s) not associated with the elevator components (These rooms should never be used for storage)
  - Lubricate the hydraulic cylinders
  - Inspect electrical components for signs of overheating or failure
  - Inspect spring buffers in elevator pit for signs of corrosion or loose attachments
  - Ensure air temperature and humidity of machine/pump housing room meets the designated specified range for proper operation
  - Ensure all call buttons are in working condition
  - Check elevator cabs for leveling accuracy to prevent tripping hazards

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. We anticipate the following hydraulic elevator system components will require replacement:

- Cab control panel
- Door operator
- Hallway panels/buttons

- Microprocessor based controller
- Pump (Power Unit)

These costs may vary based on the desired scope of the actual replacements, changes in technology and requirements of local codes or ordinances at the actual times of replacements. However, we judge our estimated costs sufficient to budget appropriate reserves at this time. The Association should require the contractor to verify that elevator component replacements include all of the necessary features for the latest in elevator code compliance.

Exercise Equipment

Line Items: 5.160 and 5.161

Quantity: The exercise room contains the following types of cardiovascular aerobic training equipment:

- Ellipticals (2)
- Stationary cycles (2)
- Televisions
- Treadmills (2)

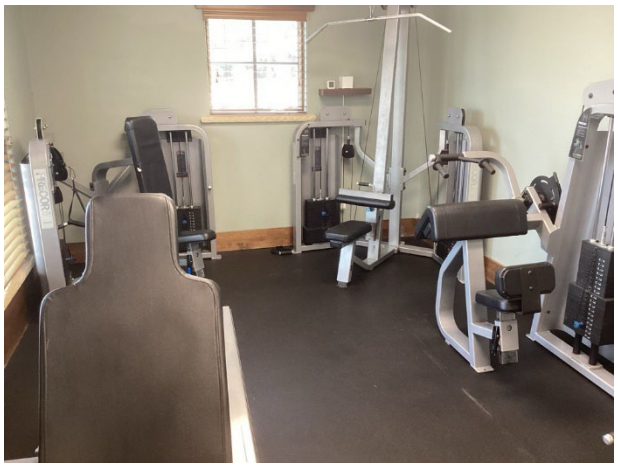
The exercise room contains the following types of strength training equipment:

- Benches
- Dumbbells
- Weight training machines

History: Varied ages. Significant portion likely replaced a few years ago. The strength training equipment appears older.

Conditions: Reported satisfactory overall

Cardiovascular exercise equipment



Strength training exercise equipment

Useful Life: The useful life of equipment is 5- to 15-years

Priority/Criticality: Per Board discretion

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

Exercise Room

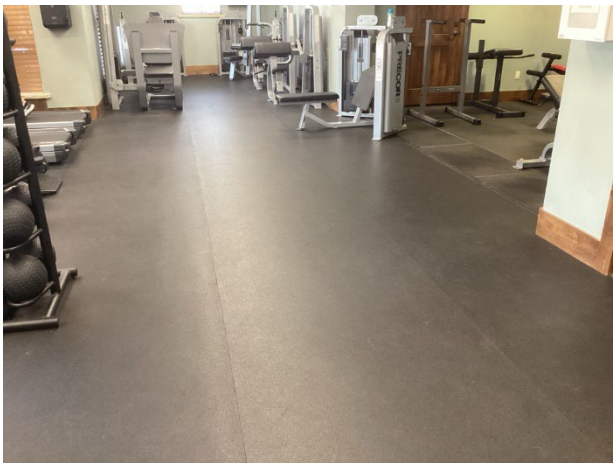
Line Item: 5.180

Quantity: The exercise room components include:

- Rubber and tile floor coverings
- Paint finishes at the walls
- Acoustical ceiling tiles and grid and paint finishes
- Light fixtures

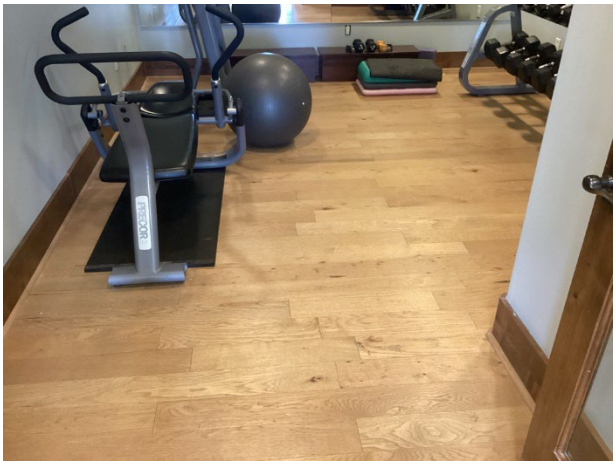
History: Unknown

Condition: Good to fair overall



Exercise room flooring

Floor bulge



Exercise room

Acoustical ceiling tiles and lighting

Useful Life: Renovation up to every 15 years

Priority/Criticality: Per Board discretion

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

Interior Renovations

Line Items: 5.500 and 5.510

Quantity: The clubhouse interior components include:

- Wood, tile and carpet floor coverings
- Paint finishes at the walls
- Paint finishes at the ceilings
- Light fixtures including exit and emergency lights
- Furnishings

History: Renovation of the clubhouse will reportedly be completed in 2024 and funded through the recent special assessment amount of $238,500. This project will reportedly include paint finishes, replacement of carpet and tile, refinishing of the wood floors, and replacement of furniture and light fixtures. The recent rest room renovation and security system upgrade was also funded through the special assessment.

Clubhouse interior

Clubhouse interior

Clubhouse interior

Worn furniture and scratches at wood flooring

Clubhouse interior lower level

Cracked tiles

Useful Life: Complete renovation up to every 20 years and partial renovation up to every 10 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. The complete renovation should include replacement of all components listed above and the partial renovations should include the following:

- Application of paint finishes, carpet replacement and wood refinishing
- Replacement of up to fifty percent (50%) of the furnishings

Kitchen

Line Item: 5.520

Quantity: Components of the kitchen include:

- Tile floor coverings
- Tile wall coverings and paint finishes
- Paint finishes at the ceilings
- Appliances
- Cabinets and countertops
- Light fixtures

History: Original

Condition: Good to fair overall

Clubhouse kitchen

Useful Life: Renovation up to every 20 years

Priority/Criticality: Per Board discretion

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

Rest Rooms

Line Items: 5.580 and 5.581

Quantity: The clubhouse includes three upper level rest rooms and four lower level rest rooms. The one rest room next to the office/storage room is not regularly used and we recommend the Association fund any repairs on an as needed basis through the operating budget. The rest room components include:

- Tile floor coverings

- Paint finishes at the walls
- Paint finishes at the ceilings
- Light fixtures
- Lockers
- Plumbing fixtures

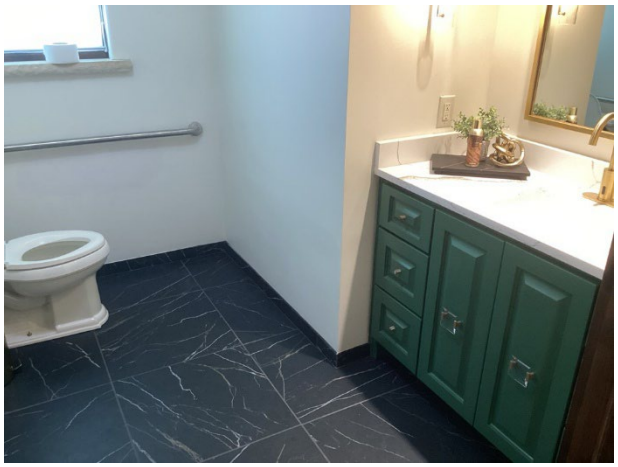
History: The two upper level rest rooms were renovated in 2024 and the lower level rest rooms are primarily original.

Condition: Good to fair overall

Rest room at lower level

Shower and finishes at lower level

Lower level pool rest room



Rest room at upper level

Useful Life: Renovation up to every 20 years

Priority/Criticality: Per Board discretion

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

Roof Assemblies, Concrete Tiles

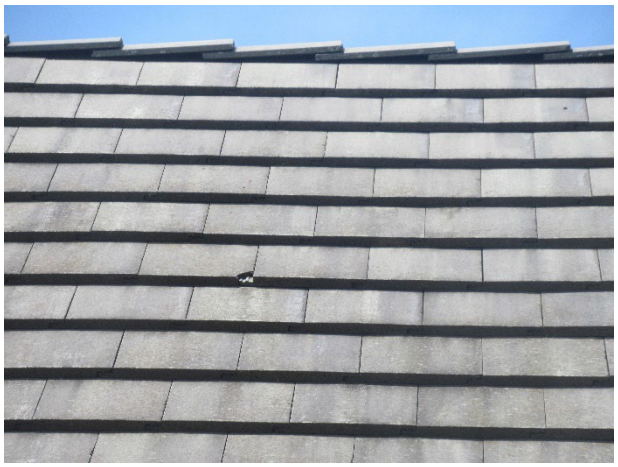
Line Item: 5.600

Quantity: Approximately 60 *squares*[1]. This quantity includes the north entrance roof.

History: Original

Condition: Good overall with isolated cracked tiles and damaged tiles evident from our visual inspection from the ground. Management and the Board do not report a history of leaks.

Tile roof overview



Isolated damage

Minor damage at tiles

Useful Life: Up to 30 years

Component Detail Notes: A tile roof rarely fails at all points of application simultaneously. Rather, occurrences of roof leaks will increase as more concrete tiles crack, break and dislodge. This deterioration will result in increased maintenance costs

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

such that replacement becomes the least costly long-term alternative as compared to ongoing repairs.

A concrete tile roof system comprises sheathing, underlayments, battens and the tiles themselves. Replacement standards should conform to the local building code and manufacturer's specifications at the time of actual replacement. The manner of construction is such that the underlayment is the primary line of defense from water infiltration. The tiles act to shade the underlayment from harmful sunlight and to protect the roof from heavy winds. Most storm water is shed from the roof tiles into the gutters or over the edge of the roof. However, this tile style is meant to allow water to pass between the tiles onto the underlayment. The underlayment thus sheds any remaining water into the gutters. In fact, horizontal driving rains will force their way up and under the tile only to be shed at some other point.

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 tiles
    - Implement repairs as needed if issues are reoccurring
    - Ensure proper ventilation and verify vents are clear of debris and not blocked from attic insulation
    - Trim tree branches that are near or in contact with roof
    - Periodic cleaning at areas with organic growth (We do not recommend pressure washing as it may cause further damage to tiles.)

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost includes replacement of the gutters and downspouts.

Security System

Line Item: 5.720

Quantity: Mills Farm utilizes the following security system components:

- Automated proximity reader system (5 access points)
- Cameras (14)
- Recorder (1)

History: Upgraded in 2024.

Condition: Reported satisfactory without operational deficiencies

Security system

Access control point

Useful Life: 10- to 15-years

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Monthly:
  - Check cameras for proper focus, fields of view are unobstructed and camera and lenses are clean and dust-free
  - Check recording equipment for proper operation
  - Verify monitors are free from distortion with correct brightness and contrast
- Annually:
  - Check exposed wiring and cables for wear, proper connections and signal transmission
  - Check power connections, and if applicable, functionality of battery power supply systems

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost is partially based on information provided by the Association. The Association should anticipate replacement of all of the security system components per event.

Walls, Siding and Trim

Line Items: 5.790 and 5.795

Quantity: Approximately 3,000 square feet of siding and trim

History: Original. The year of last paint application was unavailable at the time of our inspection.

Condition: The siding is in good overall condition and we note periodic peeling finish, and isolated loose and deteriorated siding.

Siding and trim overview

Composite hardboard siding at pump house

Peeling finish

Peeling finish

Loose siding

Siding deterioration

Useful Life: With the benefit of periodic maintenance, applications of this type of material can have a useful life of up to 40 years and is also dependent upon paint applications and partial replacements up to every six- to eight-years.

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. For budgetary purposes, our cost is based on replacement with fiber cement siding.

Windows and Doors

Line Item: 5.800

Quantity: Approximately 1,060 square feet

History: Original

Condition: Good to fair overall with isolated deterioration and evidence of water infiltration.

Main entry door finish deterioration

Window

Wood deterioration

Cladding damage

Useful Life: Up to 40 years

Component Detail Notes: Construction of the windows and doors at the clubhouse includes the following:

- Wood frames with aluminum cladding
- Dual pane glass
- Double hung windows
- Hinged doors

Priority/Criticality: Not recommended to defer

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

Pool Elements

Infinity pool overview

Kiddie pool overview

Lap pool overview

Pool overview

Concrete Deck

Line Item: 6.200

Quantity: Approximately 10,400 square feet

History: Coating applied in 2023 and significant portions have been replaced or installed in recent years.

Condition: Good to fair overall with periodic cracks, settlement and spall evident.

Concrete pool deck overview

Concrete cracks

Concrete cracks along drain

Concrete pool deck and coping

Concrete cracks

Useful Life: The useful life of a concrete pool deck is up to 60 years or more with timely repairs. We recommend the Association conduct inspections, partial replacements and repairs to the deck every six- to eight-years in conjunction with coating replacements.

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

- Semi-annually:
    - Inspect and repair large cracks, trip hazards, and possible safety hazards
    - Inspect and repair pool coping for cracks, settlement, heaves or sealant deterioration
    - Repair concrete spalling and conduct coating repairs in areas with delamination
    - Schedule periodic pressure cleanings as needed

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost is partially based on information provided by the Association. We recommend the Association budget for the following per event:

- Selective cut out and replacements of up to ten percent (10%) of concrete
- Crack repairs as needed
- Mortar joint repairs
- Caulk replacement
- Coating replacement

Covers, Vinyl

Line Item: 6.300

Quantity: 6,900 square feet

History: The age was unavailable at the time of our inspection.

Condition: Reported good overall

Useful Life: Six- to eight-years

Priority/Criticality: Per Board discretion

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

Fence, Steel

Line Items: 6.395 and 6.400

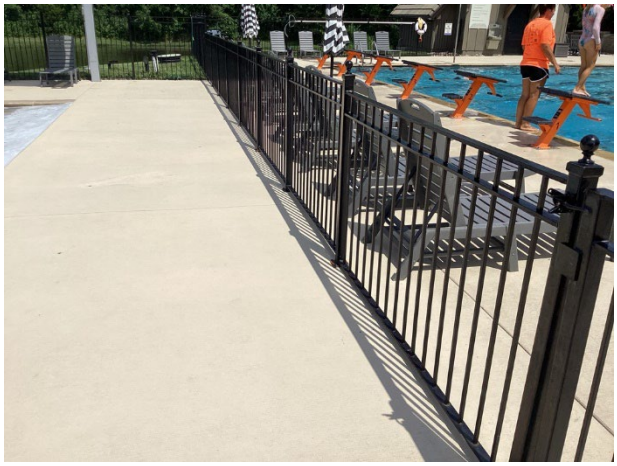
Quantity: 620 linear feet

History: Original

Condition: Good to fair overall with isolated damage and rust evident.

Steel pool fence

Fence finish deterioration



Steel fence at kiddie pool

Useful Life: Up to 35 years for replacement and six- to eight-years for paint finishes

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

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

Priority/Criticality: Not recommended to defer

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

Furniture

Line Item: 6.500

Quantity: The pool furniture includes the following:

- Chairs
- Lounges
- Tables
- Umbrellas
- Lifeguard chairs
- Ladders and life safety equipment

History: Replaced in 2023.

Condition: Good overall

Pool furniture

Useful Life: Up to 12 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. We recommend interim re-strapping, refinishing, cushion replacements, reupholstering and other repairs to the furniture as normal maintenance to maximize its useful life.

Mechanical Equipment

Line Items: 6.599 and 6.600

Quantity: The mechanical equipment includes the following:

- Automatic chlorinators and controls
- Electrical panel and exhaust fan
- Interconnected pipe, fittings and valves
- Pumps, filters, and heaters

History: Varied ages. Recent repairs and/or partial replacements in 2024. At least one heater was replaced recently.

Condition: Reported satisfactory without major operational deficiencies

Pool mechanical equipment

Pool heaters

Water slide pump

Useful Life: Up to 15 years

Preventative Maintenance Notes: The informs us preventative maintenance is conducted on a regular basis. We recommend the Association maintain a maintenance contract with a qualified professional and follow the manufacturer's specific recommended maintenance and local, state and/or federal inspection guidelines.

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. Failure of the pool mechanical equipment as a single event is unlikely. Therefore, we include replacement of up to thirty-three percent (33%) of the equipment per event. We consider interim replacement of motors and minor repairs as normal maintenance.

Pool Finishes, Plaster and Tile

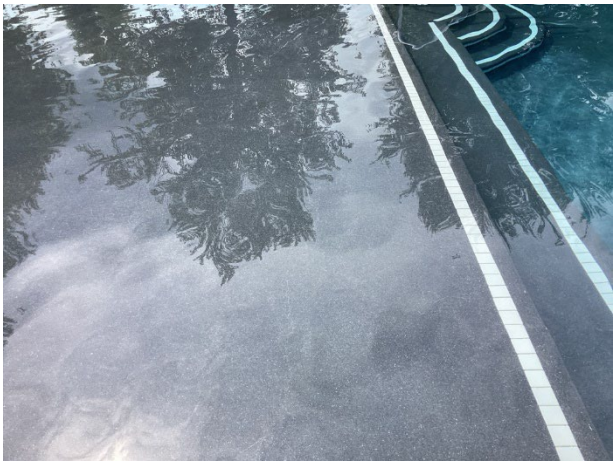
Line Items: 6.799 through 6.802

Quantity: 6,250 square feet total of plaster based on the horizontal surface area and approximately 650 linear feet total of tile and coping

History:

- Plaster finish: The lap and infinity pools were replaced in approximately 2022. The Association also spent approximately $300,000 to rebuild the kiddie pool in 2023 due to deterioration and inadequate foundation support. This project included pier supports.
- Tile: Also replaced recently.

Condition: Good to fair overall with cracks and reported water loss evident at the infinity pool. Due to the non-invasive nature of our inspection, we are unable to determine the exact cause(s) of the water loss. However, due to the close proximity of the pool structures and the pond and recent history of pier stabilization efforts, we recommend more frequent repairs at the infinity pool. We also recommend the Association conduct an invasive investigation to determine steps to remediate and fund this initial expense through the operating budget.



Plaster cracks at infinity pool

Current leak at infinity pool

Plaster cracks

Plaster cracks

Lap pool plaster finish with tile perimeter

Pool plaster overview at kiddie pool

Infinity pool structure

Useful Life: 8- to 12-years for the plaster or six- to eight-years at the infinity pool, and 15- to 25-years for the tile

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

- Semi-annually:
  - Inspect and patch areas of significant plaster delamination, coping damage and structure cracks
  - Inspect main drain connection and anti-entrapment covers, pressure test circulation piping and valves
  - Test handrails and safety features for proper operation

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. We recommend the Association budget for full tile replacement every other plaster replacement event. Removal and replacement of the finish provides the opportunity to inspect the pool structures and to allow for partial repairs of the underlying concrete surfaces as needed. To maintain the integrity of the pool structures, we recommend the Association budget for the following:

- Removal and replacement of the plaster finishes
- Partial replacements of the scuppers and coping as needed
- Replacement of tiles as needed
- Replacement of joint sealants as needed
- Concrete structure repairs as needed

Shade Structure

Line Items: 6.865 and 6.870

Quantity: One each by the kiddie pool

History: Installed in 2023.

Condition: Good overall

Shade structure overview

Shade structure overview

Useful Life: 20- to 25-years with interim replacement of the canvas every six- to eight-years

Priority/Criticality: Per Board discretion

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

Starting Platforms

Line Item: 6.888

Quantity: Six each

History: Possibly installed within the last several years.

Condition: Good overall

Starting platforms

Useful Life: 15- to 20-years

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

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

Water Slide, Fiberglass

Line Items: 6.975 and 6.980

Quantity: One each

History: The water slide was installed later in approximately 2012.

Conditions: Good to fair overall with rust at fasteners and finish deterioration.

Water slide overview

Rusted fasteners

Joint gap

Rusted fasteners and bracket

Water slide staircase structure

Useful Life: Replacement at up to 25 years and refinishing every 10- to 15-years

Component Detail Notes: Safety is the major purpose for maintaining the water slide. We recommend an annual inspection of the water slide to identify and repair as normal maintenance loose connections and fasteners or damaged elements. We recommend the use of a specialist for the design or replacement of the water slide environment.

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

- Weekly:
  - Inspect and repair loose connections and fasteners or damaged elements. Check handrails for stability.
  - Inspect for safety hazards
- Annually:
  - Drain all lines if applicable
  - Clean with non-abrasive cleaner and wax as needed
  - Reseal joints as needed

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.

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.

Mills Farm 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 annual 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 I Full Reserve Study." 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 Overland Park, Kansas 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 Mills Farm 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.

STEPHANIE A. MUELLER, P.E., RS
Responsible Advisor

CURRENT CLIENT SERVICES

Stephanie A. Mueller, a Civil Engineer, is an Advisor for Reserve Advisors. Ms. Mueller 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 and planned unit developments.

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

Western Auto Lofts An iconic building in the Crossroads neighborhood of Kansas City, this vintage building from the 1910s was originally built for *The Coca-Cola Company* and more recently converted into condominiums. From its triangular shape and terra cotta details to its 70-by-73-foot LED lit sign atop the main roof, it remains a unique part of Kansas City history.

One Park Place Tower Situated south of downtown Kansas City, this 19-story previously used office building was converted into condominiums in 2005. Great views, an indoor pool and wine cellar are among the many amenities.

Kirkwood Consisting of several community associations, Kirkwood is located near the Country Club Plaza in Kansas City, and features various condominium units, rowhomes, coach homes, townhomes and single family homes. In addition to the great location, amenities include a fitness center, pool and ample outdoor space with fountain features.

Canyon Gate at Cinco Ranch Recreational facilities include sport courts, walking trail, skate park, playgrounds, a clubhouse and pools for the 721 homes located in Katy, Texas. The Association also maintains the gated entrances, street systems, and perimeter fencing and walls.

Mountain Park Ranch A large-scale community with more than 7,000 units in southern Phoenix with views of South Mountain Park features three amenity centers with multiple pools, tennis courts and playgrounds.

Palazzo Tornabuoni Associazione Located in the heart of Florence, Italy, this 15th century palace includes 38 luxury residences. The ground floor includes upscale retail spaces and a restaurant. The building features many historic details such as the tile roofs and original fresco paintings. Members enjoy the private lounge, sauna and steam room.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Ms. Mueller attended the University of Wisconsin in Madison, Wisconsin where she attained her Bachelor of Science degree in Civil Engineering. Her studies focused on structural engineering. At the University of Wisconsin, she managed a team responsible for the design of a new drinking water facility for a rural Wisconsin town.

EDUCATION

University of Wisconsin-Madison - B.S. Civil Engineering
University of Wisconsin-Milwaukee - M.S. Civil Engineering

PROFESSIONAL AFFILIATIONS

Reserve Specialist (RS) – Community Associations Institute
Professional Engineer (P.E.) – Arizona, Florida

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 Mills Farm 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) Mills Farm 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.

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. The reserve 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 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 - If reserve study and energy benchmarking services are performed by RA, then the retainer payment 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.