Four Lakes Village Condominium Homeowners Association

July 2, 2024 • Lisle, IL

FULL RESERVE STUDY

RESERVE™ ADVISORS

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

Four Lakes Village Condominium Homeowners Association
Lisle, Illinois

Dear Board of Directors of Four Lakes Village Condominium Homeowners Association:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of Four Lakes Village Condominium Homeowners Association in Lisle, Illinois and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, July 2, 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 Four Lakes Village Condominium Homeowners Association plan for a successful future.

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

Respectfully submitted on August 9, 2024 by

Reserve Advisors, LLC

Visual Inspection and Report by: Timothy J. Matthiesen, 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: Four Lakes Village Condominium Homeowners Association (Four Lakes)
Location: Lisle, Illinois
Reference: 240812

Property Basics: Four Lakes Village Condominium Homeowners Association is a planned unit development which is responsible for the common elements shared by 2,042 units throughout various condominium and apartment developments. The community was built in 1980.

Reserve Components Identified: 87 Reserve Components.

Inspection Date: July 2, 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 2045 due to the completion of the phased subsequent street and parking area repaving projects.

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
- 3.3% future Inflation Rate for estimating Future Replacement Costs

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

Unaudited Cash Status of Reserve Fund:

- $2,086,984 as of February 29, 2024
- 2024 budgeted Reserve Contributions of $421,334
- A potential deficit in reserves might occur by 2038 based upon continuation of the most recent annual reserve contribution of $421,334 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:

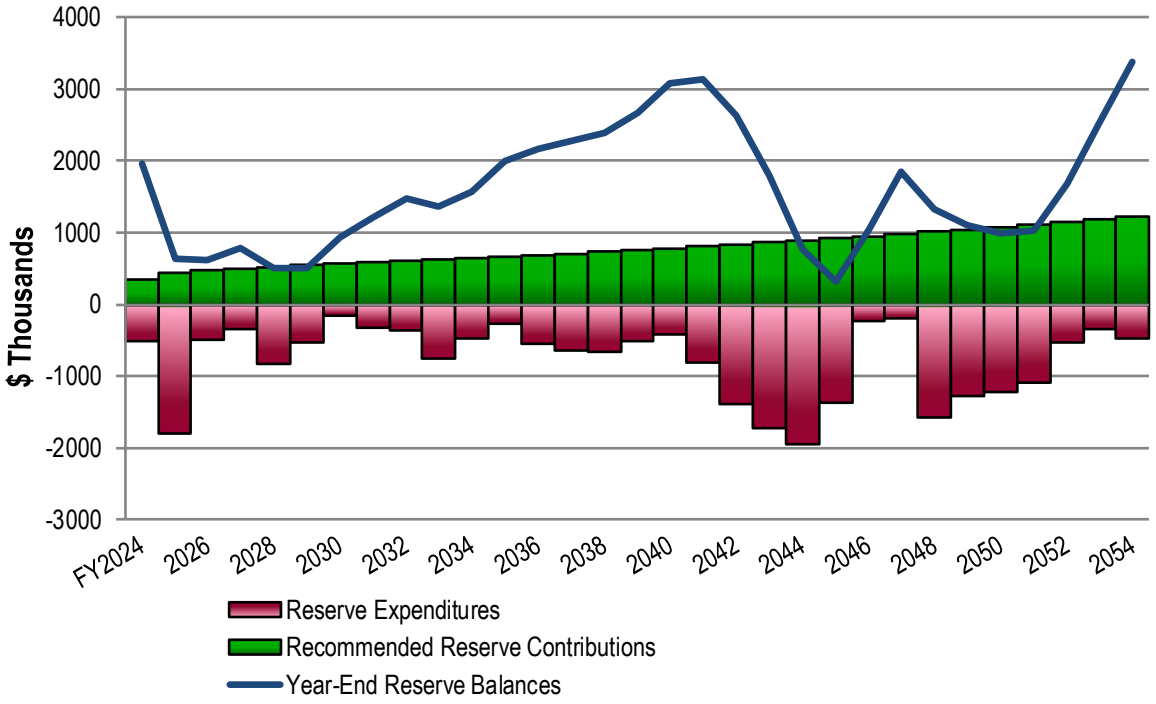
- Continuation of the phased asphalt repaving projects
- Replacement of the pool structures at the laundry building and the lodge
- Paint finishes and repairs to the exteriors of the common buildings

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

- Phased increases of $24,700 from 2025 through 2029
- Inflationary increases thereafter through 2054, the limit of this study's Cash Flow Analysis
- Initial adjustment in Reserve Contributions of $24,666 represents an average monthly increase of $1.01 per owner and about a one percent (1.3%) adjustment in the 2024 total Operating Budget of $1,867,402.

Four Lakes
Recommended Reserve Funding Table and Graph

Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)	Year	Reserve Contributions ($)	Reserve Balances ($)
2025	446,000	625,695	2035	662,000	1,986,205	2045	915,900	316,877
2026	470,700	612,272	2036	683,800	2,163,789	2046	946,100	1,037,342
2027	495,400	785,338	2037	706,400	2,265,636	2047	977,300	1,844,779
2028	520,100	495,742	2038	729,700	2,388,309	2048	1,009,600	1,318,074
2029	544,800	512,271	2039	753,800	2,674,790	2049	1,042,900	1,105,055
2030	562,800	930,764	2040	778,700	3,082,300	2050	1,077,300	984,403
2031	581,400	1,212,662	2041	804,400	3,129,116	2051	1,112,900	1,034,316
2032	600,600	1,480,483	2042	830,900	2,626,794	2052	1,149,600	1,679,072
2033	620,400	1,365,621	2043	858,300	1,796,297	2053	1,187,500	2,563,153
2034	640,900	1,567,326	2044	886,600	762,452	2054	1,226,700	3,374,490



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

Four Lakes Village Condominium Homeowners Association

Lisle, Illinois

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, July 2, 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. These classes of property include:

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

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

- Four Lakes 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

Four Lakes Village Condominium

Homeowners Association

Lisle, Illinois

Operating Budget Components

Repairs normally funded through the Operating Budget and Expenditures less than $10,000 (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.

- Catch Basins, Landscape
- Concrete Flatwork
- Culverts and Swales
- Disc Golf Course
- Electrical Systems, Thermoscans and Routine Maintenance
- Fences, Office Pool Area
- Fences, Site (Replaced Using In-House Labor)
- Furnaces, Stand-Alone Heating Elements (Excludes Furnaces Identified in "Split Systems" Included in the Reserve Study)
- Gazebo
- Guard Rails, Bollards and Parking Stops (Replaced Using In-House Labor)
- Inlet/Outlet Structures, Concrete, Storm Water Management System
- Lakes, Aquatic Treatments and Ongoing Maintenance
- Landscape
- Laundry Building, Interior Renovations
- Lawn Maintenance Equipment (Excludes Large Mowers, Tractor, SandPro, Walk-Behind Blower)
- Life Safety Systems, Office and Laundry Building
- Light Poles and Fixtures (Replaced Using In-House Labor)
- Maintenance Equipment Enclosures
- Office Equipment and Furnishings
- Overhead Doors and Operators, Maintenance Shop
- Packaged Rooftop Unit, Maintenance Garage
- Paint Finishes, Touch Up
- Patio and Fence, Lodge
- Signage, Interim Replacements/Repairs
- Ski-Hill Tow-Rope Motor Houses and Operator Cabins, Paint Finishes and Repairs
- Volleyball Courts
- Walls, Masonry, Common Buildings
- Water Heaters, Common Buildings

Excluded Components

for

Four Lakes Village Condominium

Homeowners Association

Lisle, Illinois

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**
• Foundations, Common Buildings	Indeterminate	N/A
• Structural Frames, Common Buildings	Indeterminate	N/A

Others Responsibility Components
Certain items have been designated as the responsibility of Others to repair or replace.
• Bar and Grill, Interior Finishes, Building Services, Patio and Staircase [1]
• Fences, Perimeter[2]
• Laundry Equipment[1]
• Pipes, Subsurface Utilities[3]
• Residential Buildings and Related Property Site Elements[4]
[1] Leased
[2] Neighboring Property Owners
[3] Illinois American Water
[4] Apartment Complexes and Condominium Associations

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

Four Lakes Village Condominium Homeowners Association
Lisle, Illinois

Explanatory Notes:

1) **3.3%** is the estimated Inflation Rate for estimating Future Replacement Costs.
2) **FY2024** is Fiscal Year beginning January 1, 2024 and ending December 31, 2024.

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
				Exterior Building Elements																							
1.020	1	**1**	Each	Awning, Canvas and Frame, Lodge	2028	10 to 15	4	60,000.00	60,000	60,000	**0.9%**					68,321											
1.120	300	**300**	Square Feet	Deck, Wood, Laundry Building (Replace with Composite)	2029	to 35	5	70.00	21,000	21,000	**0.1%**						24,701										
1.121	500	**500**	Square Feet	Decks, Wood, Office (Replace with Composite)	2025	to 35	1	83.00	41,500	41,500	**0.2%**		42,870														
1.280	130	**130**	Squares	Roofs, Asphalt Shingles, Lodge	2028	15 to 20	4	630.00	81,900	81,900	**1.1%**					93,258											
1.530	2,000	**2,000**	Square Feet	Roofs, Thermoplastic, Laundry Building	2028	15 to 20	4	23.00	46,000	46,000	**0.6%**					52,379											
1.531	11,450	**11,450**	Square Feet	Roofs, Thermoplastic, Lodge	2028	15 to 20	4	23.00	263,350	263,350	**3.7%**					299,871											
1.532	3,650	**3,650**	Square Feet	Roofs, Thermoplastic, Maintenance Building	2032	15 to 20	8	23.00	83,950	83,950	**1.3%**									108,849							
1.533	1,500	**1,500**	Square Feet	Roofs, Thermoplastic, Office	2028	15 to 20	4	23.00	34,500	34,500	**0.5%**					39,284											
1.865	8,500	**8,500**	Square Feet	Walls, Siding, Wood, Paint Finishes, Lodge	2025	4 to 6	1	4.50	38,250	38,250	**2.0%**		39,512				44,992								58,336		
1.866	2,100	**2,100**	Square Feet	Walls, Siding, Wood, Paint Finishes, Office	2025	4 to 6	1	4.50	9,450	9,450	**0.5%**		9,762				11,116								14,412		
1.870	8,500	**8,500**	Square Feet	Walls, Siding, Wood, Replacement, Lodge	2033	to 50	9	16.00	136,000	136,000	**0.8%**										182,155						
1.871	2,100	**2,100**	Square Feet	Walls, Siding, Wood, Replacement, Office	2033	to 50	9	16.00	33,600	33,600	**0.2%**										45,003						
1.980	300	**300**	Square Feet	Windows and Doors, Laundry Building	2037	to 40	13	90.00	27,000	27,000	**0.2%**														41,178		
1.981	2,200	**733**	Square Feet	Windows and Doors, Lodge, Phased	2025	to 40	1 to 9	60.00	44,000	132,000	**0.7%**		45,452				51,755				58,932						
1.982	150	**150**	Square Feet	Windows and Doors, Maintenance Building	2029	to 40	5	100.00	15,000	15,000	**0.1%**						17,644										
1.983	650	**325**	Square Feet	Windows and Doors, Office	2029	to 40	5 to 9	75.00	24,375	48,750	**0.3%**						28,671				32,647						
				Interior Building Elements																							
2.520	1	**1**	Allowance	Interior Renovations, Lodge Hall	2036	10 to 15	12	45,000.00	45,000	45,000	**0.7%**													66,438			
2.521	1	**1**	Allowance	Interior Renovations, Office	2032	to 25	8	55,000.00	55,000	55,000	**0.3%**									71,312							
2.900	1	**1**	Allowance	Rest Rooms, Laundry Facility, Renovation	2050	to 25	26	30,000.00	30,000	30,000	**0.3%**																
2.901	1	**1**	Allowance	Rest Rooms, Lodge Hall, Renovation	2026	to 25	2	75,000.00	75,000	75,000	**1.1%**			80,032													
2.902	1	**1**	Allowance	Rest Rooms, Lodge Pool, Renovation	2050	to 25	26	50,000.00	50,000	50,000	**0.5%**																
2.903	1	**1**	Allowance	Rest Rooms, Office Pool, Renovation	2026	to 25	2	30,000.00	30,000	30,000	**0.4%**			32,013													
				Building Services Elements																							
3.060	2	**2**	Each	Air Handling Unit, Rooftop Heating and Cooling Unit, 4- to 6-tons	2041	15 to 20	17	13,500.00	27,000	27,000	**0.2%**																
3.061	1	**1**	Each	Air Handling Unit, Rooftop Heating and Cooling Unit, 5-tons	2033	15 to 20	9	13,500.00	13,500	13,500	**0.2%**										18,082						
3.062	1	**1**	Each	Air Handling Unit, Rooftop Heating and Cooling Unit, 7.5-tons	2027	15 to 20	3	20,500.00	20,500	20,500	**0.3%**				22,597												
3.063	1	**1**	Each	Air Handling Unit, Rooftop Heating and Cooling Unit, 15-tons	2041	15 to 20	17	34,000.00	34,000	34,000	**0.2%**																
3.070	6	**2**	Each	Air Handling and Condensing Units, Split Systems, Phased	2027	15 to 20	3 to 15	10,000.00	20,000	60,000	**0.7%**				22,046						26,788						32,549
3.300	1	**1**	Allowance	Electrical System, Main Panels, Laundry Facility, Lodge and Office	2044	to 70+	20	22,500.00	22,500	22,500	**0.2%**																
3.301	1	**1**	Allowance	Electrical System, Main Panels, Maintenance Shop	2054	to 70+	30	35,500.00	35,500	35,500	**0.4%**																
3.560	1	**1**	Allowance	Life Safety System, Lodge	2036	to 25	12	25,000.00	25,000	25,000	**0.2%**													36,910			
3.561	1	**1**	Allowance	Life Safety System, Maintenance Shop	2036	to 25	12	15,000.00	15,000	15,000	**0.1%**													22,146			
3.700	2	**1**	Each	Pumps, Snow-Making System Water Circulation, 60-HP, Phased	2029	to 30	5 to 20	80,000.00	80,000	160,000	**1.0%**						94,100										
3.820	1	**1**	Allowance	Security System	2034	10 to 15	10	24,500.00	24,500	24,500	**0.4%**											33,898					
				Property Site Elements																							
4.020	70,150	**17,538**	Square Yards	Asphalt Pavement, Crack Repair and Patch, Phased	2025	3 to 5	1 to 4	0.60	10,523	42,090	**2.3%**		10,870	11,228	11,599	11,982	12,377	12,786	13,208	13,643	14,094	14,559	15,039	15,535	16,048	16,578	17,125

RESERVE EXPENDITURES

Four Lakes Village Condominium Homeowners Association

Lisle, Illinois

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
				Exterior Building Elements																						
1.020	1	**1**	Each	Awning, Canvas and Frame, Lodge	2028	10 to 15	4	60,000.00	60,000	60,000	**0.9%**												144,165			
1.120	300	**300**	Square Feet	Deck, Wood, Laundry Building (Replace with Composite)	2029	to 35	5	70.00	21,000	21,000	**0.1%**															
1.121	500	**500**	Square Feet	Decks, Wood, Office (Replace with Composite)	2025	to 35	1	83.00	41,500	41,500	**0.2%**															
1.280	130	**130**	Squares	Roofs, Asphalt Shingles, Lodge	2028	15 to 20	4	630.00	81,900	81,900	**1.1%**									178,522						
1.530	2,000	**2,000**	Square Feet	Roofs, Thermoplastic, Laundry Building	2028	15 to 20	4	23.00	46,000	46,000	**0.6%**									100,269						
1.531	11,450	**11,450**	Square Feet	Roofs, Thermoplastic, Lodge	2028	15 to 20	4	23.00	263,350	263,350	**3.7%**									574,039						
1.532	3,650	**3,650**	Square Feet	Roofs, Thermoplastic, Maintenance Building	2032	15 to 20	8	23.00	83,950	83,950	**1.3%**													208,367		
1.533	1,500	**1,500**	Square Feet	Roofs, Thermoplastic, Office	2028	15 to 20	4	23.00	34,500	34,500	**0.5%**									75,202						
1.865	8,500	**8,500**	Square Feet	Walls, Siding, Wood, Paint Finishes, Lodge	2025	4 to 6	1	4.50	38,250	38,250	**2.0%**		66,426				75,638				86,127				98,071	
1.866	2,100	**2,100**	Square Feet	Walls, Siding, Wood, Paint Finishes, Office	2025	4 to 6	1	4.50	9,450	9,450	**0.5%**		16,411				18,687				21,278				24,229	
1.870	8,500	**8,500**	Square Feet	Walls, Siding, Wood, Replacement, Lodge	2033	to 50	9	16.00	136,000	136,000	**0.8%**															
1.871	2,100	**2,100**	Square Feet	Walls, Siding, Wood, Replacement, Office	2033	to 50	9	16.00	33,600	33,600	**0.2%**															
1.980	300	**300**	Square Feet	Windows and Doors, Laundry Building	2037	to 40	13	90.00	27,000	27,000	**0.2%**															
1.981	2,200	**733**	Square Feet	Windows and Doors, Lodge, Phased	2025	to 40	1 to 9	60.00	44,000	132,000	**0.7%**															
1.982	150	**150**	Square Feet	Windows and Doors, Maintenance Building	2029	to 40	5	100.00	15,000	15,000	**0.1%**															
1.983	650	**325**	Square Feet	Windows and Doors, Office	2029	to 40	5 to 9	75.00	24,375	48,750	**0.3%**															
				Interior Building Elements																						
2.520	1	**1**	Allowance	Interior Renovations, Lodge Hall	2036	10 to 15	12	45,000.00	45,000	45,000	**0.7%**									98,089						
2.521	1	**1**	Allowance	Interior Renovations, Office	2032	to 25	8	55,000.00	55,000	55,000	**0.3%**															
2.900	1	**1**	Allowance	Rest Rooms, Laundry Facility, Renovation	2050	to 25	26	30,000.00	30,000	30,000	**0.3%**											69,780				
2.901	1	**1**	Allowance	Rest Rooms, Lodge Hall, Renovation	2026	to 25	2	75,000.00	75,000	75,000	**1.1%**											174,449				
2.902	1	**1**	Allowance	Rest Rooms, Lodge Pool, Renovation	2050	to 25	26	50,000.00	50,000	50,000	**0.5%**											116,300				
2.903	1	**1**	Allowance	Rest Rooms, Office Pool, Renovation	2026	to 25	2	30,000.00	30,000	30,000	**0.4%**											69,780				
				Building Services Elements																						
3.060	2	**2**	Each	Air Handling Unit, Rooftop Heating and Cooling Unit, 4- to 6-tons	2041	15 to 20	17	13,500.00	27,000	27,000	**0.2%**		46,889														
3.061	1	**1**	Each	Air Handling Unit, Rooftop Heating and Cooling Unit, 5-tons	2033	15 to 20	9	13,500.00	13,500	13,500	**0.2%**														34,613	
3.062	1	**1**	Each	Air Handling Unit, Rooftop Heating and Cooling Unit, 7.5-tons	2027	15 to 20	3	20,500.00	20,500	20,500	**0.3%**								43,257							
3.063	1	**1**	Each	Air Handling Unit, Rooftop Heating and Cooling Unit, 15-tons	2041	15 to 20	17	34,000.00	34,000	34,000	**0.2%**		59,045														
3.070	6	**2**	Each	Air Handling and Condensing Units, Split Systems, Phased	2027	15 to 20	3 to 15	10,000.00	20,000	60,000	**0.7%**						39,549						48,055			
3.300	1	**1**	Allowance	Electrical System, Main Panels, Laundry Facility, Lodge and Office	2044	to 70+	20	22,500.00	22,500	22,500	**0.2%**					43,071										
3.301	1	**1**	Allowance	Electrical System, Main Panels, Maintenance Shop	2054	to 70+	30	35,500.00	35,500	35,500	**0.4%**															94,024
3.560	1	**1**	Allowance	Life Safety System, Lodge	2036	to 25	12	25,000.00	25,000	25,000	**0.2%**															
3.561	1	**1**	Allowance	Life Safety System, Maintenance Shop	2036	to 25	12	15,000.00	15,000	15,000	**0.1%**															
3.700	2	**1**	Each	Pumps, Snow-Making System Water Circulation, 60-HP, Phased	2029	to 30	5 to 20	80,000.00	80,000	160,000	**1.0%**					153,143										
3.820	1	**1**	Allowance	Security System	2034	10 to 15	10	24,500.00	24,500	24,500	**0.4%**							50,046								
				Property Site Elements																						
4.020	70,150	**17,538**	Square Yards	Asphalt Pavement, Crack Repair and Patch, Phased	2025	3 to 5	1 to 4	0.60	10,523	42,090	**2.3%**	17,690	18,274	18,877	19,500	20,143	20,808	21,494	22,204	22,936	23,693	24,475	25,283	26,117	26,979	27,869

Years 2024 to 2039

RESERVE EXPENDITURES

Four Lakes Village Condominium Homeowners Association
Lisle, Illinois

Explanatory Notes:
1) **3.3%** is the estimated Inflation Rate for estimating Future Replacement Costs.
2) **FY2024** is Fiscal Year beginning January 1, 2024 and ending December 31, 2024.

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
4.040	5,100	**5,100**	Square Yards	Asphalt Pavement, Mill and Overlay, Streets, Remaining Areas	2025	15 to 20	1	19.50	99,450	99,450	**0.4%**		102,732														
4.045	53,700	**5,370**	Square Yards	Asphalt Pavement, Total Replacement, Streets, Phased	2036	15 to 20	12 to 21	39.00	209,430	2,094,300	**15.1%**													309,202	319,406	329,946	340,835
4.046	13,500	**6,750**	Square Yards	Asphalt Pavement, Total Replacement, Parking Areas, Phased	2024	15 to 20	0 to 1	39.00	263,250	526,500	**6.5%**	233,799	302,394														
4.080	2,960	**2,960**	Square Yards	Asphalt Pavement, Total Replacement, Walking Paths	2028	15 to 20	4	32.50	96,200	96,200	**1.4%**					109,541											
4.190	1	**1**	Allowance	Boat House, Boat Replacement	2029	15 to 20	5	60,000.00	60,000	60,000	**0.9%**						70,575										
4.195	1	**1**	Allowance	Boat House, Renovation	2029	15 to 20	5	12,000.00	12,000	12,000	**0.2%**						14,115										
4.700	10	**10**	Each	Lakes, Aerators	2034	10 to 15	10	15,000.00	150,000	150,000	**2.3%**											207,536					
4.710	1	**1**	Allowance	Lakes, Erosion Remediation (2024-25 is Budgeted)	2024	8 to 10	0	180,000.00	180,000	180,000	**4.9%**	90,000	90,000								241,088						
4.800	1	**1**	Allowance	Signage, Entrance Monuments	2033	15 to 20	9	35,000.00	35,000	35,000	**0.5%**										46,878						
4.810	3	**1**	Allowance	Signage, Traffic Management and Wayfinding, Phased	2026	15 to 20	2 to 14	60,000.00	60,000	180,000	**2.1%**			64,025						77,795						94,527	
4.830	1,500	**1,500**	Square Yards	Sport Court, Tennis, Color Coat	2028	4 to 6	4	10.50	15,750	15,750	**0.7%**					17,934				20,421				23,253			
4.840	460	**460**	Linear Feet	Sport Court, Tennis, Fence	2024	to 25	0	55.00	25,300	25,300	**0.3%**	25,300															
4.860	1,500	**1,500**	Square Yards	Sport Court, Tennis, Surface Replacement	2024	to 25	0	107.07	160,600	160,600	**2.1%**	160,600															
				Ski Hill Elements																							
5.100	2	**1**	Each	Lift Equipment, Motors, 20-HP, Phased	2025	to 20	1 to 3	30,000.00	30,000	60,000	**0.8%**		30,990		33,069												
5.101	5	**1**	Each	Lift Equipment, Motors, 30-HP, Phased	2026	to 20	2 to 10	45,000.00	45,000	225,000	**3.4%**			48,019		51,241		54,678		58,347		62,261					
5.110	1	**1**	Allowance	Lift Equipment, Motor Houses and Operator Cabins, Renovation	2026	to 25	2	65,000.00	65,000	65,000	**0.9%**			69,361													
5.120	7	**1**	Each	Lift Equipment, Tow Ropes, Phased	2025	to 15	1 to 13	5,000.00	5,000	35,000	**0.5%**	5,165		5,512		5,881		6,276		6,697		7,146		7,626		8,137	
5.130	35	**5**	Each	Lift Equipment, Utility Poles, Phased	2025	to 35	1 to 25	6,000.00	30,000	210,000	**1.7%**	30,990					35,288				40,181				45,754		
5.400	20	**1**	Allowance	Pipes, Subsurface, Snow Generation System, Partial	2034	to 85+	10 to 30+	45,000.00	45,000	900,000	**1.9%**											62,261					73,235
5.500	1	**1**	Allowance	Ski Patrol Room, Interior Renovations	2026	to 25	2	35,000.00	35,000	35,000	**0.5%**			37,348													
5.600	6	**2**	Each	Snow Management Equipment, Snow Generation Machines, Phased	2027	to 25	3 to 19	45,000.00	90,000	270,000	**2.6%**				99,207								128,631				
5.610	1	**1**	Each	Snow Management Equipment, Snowcat, PistenBully 100 (2001)	2031	to 30	7	200,000.00	200,000	200,000	**1.1%**								251,034								
5.611	1	**1**	Each	Snow Management Equipment, Snowcat, PistenBully 100 (2014)	2044	to 30	20	200,000.00	200,000	200,000	**1.6%**																
5.700	1	**1**	Allowance	Stairs, Wood, Hill Access (Incl. Adjacent Fences)	2025	15 to 25	1	62,000.00	62,000	62,000	**0.9%**		64,046														
				Pool Elements																							
6.200	5,000	**5,000**	Square Feet	Concrete Deck, Inspections and Repairs, Lodge Pool	2033	8 to 12	9	2.00	10,000	10,000	**0.2%**										13,394						
6.201	2,100	**2,100**	Square Feet	Concrete Deck, Inspections and Repairs, Office Pool	2026	8 to 12	2	4.00	8,400	8,400	**0.2%**			8,964								11,622					
6.202	4,100	**4,100**	Square Feet	Concrete Deck, Inspections and Repairs, Towers Pool	2027	8 to 12	3	2.00	8,200	8,200	**0.2%**				9,039								11,720				
6.400	200	**200**	Linear Feet	Fence, Lodge Pool	2051	to 25	27	70.00	14,000	14,000	**0.1%**																
6.401	280	**280**	Linear Feet	Fence, Towers Pool	2038	to 25	14	70.00	19,600	19,600	**0.1%**															30,879	
6.500	1	**1**	Allowance	Furniture, Lodge Pool	2038	to 12	14	40,000.00	40,000	40,000	**0.7%**															63,018	
6.501	1	**1**	Allowance	Furniture, Office Pool	2026	to 12	2	20,000.00	20,000	20,000	**0.4%**			21,342												31,509	
6.502	1	**1**	Allowance	Furniture, Towers Pool	2026	to 12	2	30,000.00	30,000	30,000	**0.6%**			32,013												47,263	
6.600	5	**1**	Allowance	Mechanical Equipment, Phased	2025	to 15	1 to 13	12,000.00	12,000	60,000	**0.8%**		12,396			13,664			15,062			16,603			18,301		
6.800	2,000	**2,000**	Square Feet	Pool Finish, Vinyl Liner, Lodge Pool	2041	15 to 20	17	35.00	70,000	70,000	**0.5%**																
6.801	1,750	**1,750**	Square Feet	Pool Finish, Vinyl Liner, Office Pool	2026	15 to 20	2	35.00	61,250	61,250	**0.3%**			65,359													
6.802	2,650	**2,650**	Square Feet	Pool Finish, Vinyl Liner, Towers Pool	2027	15 to 20	3	35.00	92,750	92,750	**0.4%**				102,239												
6.900	2,050	**2,050**	Square Feet	Structure, Abandon, Laundry Building Pool	2025	to 60	1	120.00	246,000	246,000	**1.1%**		254,118														

RESERVE EXPENDITURES

Four Lakes Village Condominium Homeowners Association

Lisle, Illinois

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful	Remaining	Unit (2024)	Costs, $ 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
4.040	5,100	**5,100**	Square Yards	Asphalt Pavement, Mill and Overlay, Streets, Remaining Areas	2025	15 to 20	1	19.50	99,450	99,450	**0.4%**															
4.045	53,700	**5,370**	Square Yards	Asphalt Pavement, Total Replacement, Streets, Phased	2036	15 to 20	12 to 21	39.00	209,430	2,094,300	**15.1%**	352,082	363,701	375,703	388,101	400,909	414,139									
4.046	13,500	**6,750**	Square Yards	Asphalt Pavement, Total Replacement, Parking Areas, Phased	2024	15 to 20	0 to 1	39.00	263,250	526,500	**6.5%**					503,935	520,565									
4.080	2,960	**2,960**	Square Yards	Asphalt Pavement, Total Replacement, Walking Paths	2028	15 to 20	4	32.50	96,200	96,200	**1.4%**										216,612					
4.190	1	**1**	Allowance	Boat House, Boat Replacement	2029	15 to 20	5	60,000.00	60,000	60,000	**0.9%**										135,101					
4.195	1	**1**	Allowance	Boat House, Renovation	2029	15 to 20	5	12,000.00	12,000	12,000	**0.2%**										27,020					
4.700	10	**10**	Each	Lakes, Aerators	2034	10 to 15	10	15,000.00	150,000	150,000	**2.3%**										337,753					
4.710	1	**1**	Allowance	Lakes, Erosion Remediation (2024-25 is Budgeted)	2024	8 to 10	0	180,000.00	180,000	180,000	**4.9%**			322,908									432,495			
4.800	1	**1**	Allowance	Signage, Entrance Monuments	2033	15 to 20	9	35,000.00	35,000	35,000	**0.5%**												84,096			
4.810	3	**1**	Allowance	Signage, Traffic Management and Wayfinding, Phased	2026	15 to 20	2 to 14	60,000.00	60,000	180,000	**2.1%**					114,857						139,560				
4.830	1,500	**1,500**	Square Yards	Sport Court, Tennis, Color Coat	2028	4 to 6	4	10.50	15,750	15,750	**0.7%**	26,478				30,150								39,092		
4.840	460	**460**	Linear Feet	Sport Court, Tennis, Fence	2024	to 25	0	55.00	25,300	25,300	**0.3%**									55,148						
4.860	1,500	**1,500**	Square Yards	Sport Court, Tennis, Surface Replacement	2024	to 25	0	107.07	160,600	160,600	**2.1%**									350,069						
				Ski Hill Elements																						
5.100	2	**1**	Each	Lift Equipment, Motors, 20-HP, Phased	2025	to 20	1 to 3	30,000.00	30,000	60,000	**0.8%**						59,324		63,304							
5.101	5	**1**	Each	Lift Equipment, Motors, 30-HP, Phased	2026	to 20	2 to 10	45,000.00	45,000	225,000	**3.4%**							91,922		98,089		104,670		111,692		119,185
5.110	1	**1**	Allowance	Lift Equipment, Motor Houses and Operator Cabins, Renovation	2026	to 25	2	65,000.00	65,000	65,000	**0.9%**											151,190				
5.120	7	**1**	Each	Lift Equipment, Tow Ropes, Phased	2025	to 15	1 to 13	5,000.00	5,000	35,000	**0.5%**		8,683		9,266		9,887		10,551		11,258		12,014		12,820	
5.130	35	**5**	Each	Lift Equipment, Utility Poles, Phased	2025	to 35	1 to 25	6,000.00	30,000	210,000	**1.7%**		52,099				59,324				67,551				76,918	
5.400	20	**1**	Allowance	Pipes, Subsurface, Snow Generation System, Partial	2034	to 85+	10 to 30+	45,000.00	45,000	900,000	**1.9%**					86,143					101,326					119,185
5.500	1	**1**	Allowance	Ski Patrol Room, Interior Renovations	2026	to 25	2	35,000.00	35,000	35,000	**0.5%**											81,410				
5.600	6	**2**	Each	Snow Management Equipment, Snow Generation Machines, Phased	2027	to 25	3 to 19	45,000.00	90,000	270,000	**2.6%**				166,782								216,248			
5.610	1	**1**	Each	Snow Management Equipment, Snowcat, PistenBully 100 (2001)	2031	to 30	7	200,000.00	200,000	200,000	**1.1%**															
5.611	1	**1**	Each	Snow Management Equipment, Snowcat, PistenBully 100 (2014)	2044	to 30	20	200,000.00	200,000	200,000	**1.6%**					382,857										
5.700	1	**1**	Allowance	Stairs, Wood, Hill Access (Incl. Adjacent Fences)	2025	15 to 25	1	62,000.00	62,000	62,000	**0.9%**										139,605					
				Pool Elements																						
6.200	5,000	**5,000**	Square Feet	Concrete Deck, Inspections and Repairs, Lodge Pool	2033	8 to 12	9	2.00	10,000	10,000	**0.2%**		17,366								22,517					
6.201	2,100	**2,100**	Square Feet	Concrete Deck, Inspections and Repairs, Office Pool	2026	8 to 12	2	4.00	8,400	8,400	**0.2%**											19,538				
6.202	4,100	**4,100**	Square Feet	Concrete Deck, Inspections and Repairs, Towers Pool	2027	8 to 12	3	2.00	8,200	8,200	**0.2%**												19,703			
6.400	200	**200**	Linear Feet	Fence, Lodge Pool	2051	to 25	27	70.00	14,000	14,000	**0.1%**												33,639			
6.401	280	**280**	Linear Feet	Fence, Towers Pool	2038	to 25	14	70.00	19,600	19,600	**0.1%**															
6.500	1	**1**	Allowance	Furniture, Lodge Pool	2038	to 12	14	40,000.00	40,000	40,000	**0.7%**											93,040				
6.501	1	**1**	Allowance	Furniture, Office Pool	2026	to 12	2	20,000.00	20,000	20,000	**0.4%**											46,520				
6.502	1	**1**	Allowance	Furniture, Towers Pool	2026	to 12	2	30,000.00	30,000	30,000	**0.6%**											69,780				
6.600	5	**1**	Allowance	Mechanical Equipment, Phased	2025	to 15	1 to 13	12,000.00	12,000	60,000	**0.8%**	20,174			22,238			24,513			27,020			29,785		
6.800	2,000	**2,000**	Square Feet	Pool Finish, Vinyl Liner, Lodge Pool	2041	15 to 20	17	35.00	70,000	70,000	**0.5%**		121,564													
6.801	1,750	**1,750**	Square Feet	Pool Finish, Vinyl Liner, Office Pool	2026	15 to 20	2	35.00	61,250	61,250	**0.3%**															
6.802	2,650	**2,650**	Square Feet	Pool Finish, Vinyl Liner, Towers Pool	2027	15 to 20	3	35.00	92,750	92,750	**0.4%**															
6.900	2,050	**2,050**	Square Feet	Structure, Abandon, Laundry Building Pool	2025	to 60	1	120.00	246,000	246,000	**1.1%**															

Years 2024 to 2039

RESERVE EXPENDITURES

Four Lakes Village Condominium Homeowners Association

Lisle, Illinois

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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
6.901	2,000	**2,000**	Square Feet	Structure, Total Replacement, Lodge Pool	2025	to 60	1	357.00	714,000	714,000	**3.1%**		737,562														
6.902	1,750	**1,750**	Square Feet	Structure, Total Replacement, Office Pool	2042	to 60	18	200.00	350,000	350,000	**2.6%**																
6.903	2,650	**2,650**	Square Feet	Structure, Total Replacement, Towers Pool	2043	to 60	19	200.00	530,000	530,000	**4.1%**																
				Maintenance Vehicles and Equipment																							
7.100	1	**1**	Each	Forklift, *Toyota* (2010)	2035	to 25	11	43,000.00	43,000	43,000	**0.3%**												61,457				
7.400	1	**1**	Each	Landscape Equipment, Blower (Walk-Behind; 2017)	2037	to 20	13	15,500.00	15,500	15,500	**0.1%**														23,639		
7.410	1	**1**	Each	Landscape Equipment, Chipper, *Vermeer* (2024)	2044	to 20	20	23,000.00	23,000	23,000	**0.2%**																
7.420	2	**1**	Each	Landscape Equipment, Mowers (Walk-Behind)	2028	to 10	4 to 8	7,000.00	7,000	14,000	**0.4%**					7,971				9,076				10,335			
7.421	4	**2**	Each	Landscape Equipment, Mowers (Zero-Turn)	2026	to 10	2 to 6	12,500.00	25,000	50,000	**1.5%**			26,677				30,377				34,589				39,386	
7.430	1	**1**	Each	Landscape Equipment, Tractor, *New Holland Workmaster 50* (2016)	2036	to 20	12	43,000.00	43,000	43,000	**0.3%**													63,485			
7.440	1	**1**	Each	Landscape Equipment, Sand Rake, *Toro SandPro 3040* (2015)	2035	to 20	11	10,000.00	10,000	10,000	**0.1%**												14,292				
7.800	10	**2**	Each	Utility Vehicle, Cart, *Kawasaki Mule* , Phased	2025	10 to 15	1 to 11	14,000.00	28,000	140,000	**3.0%**		28,924		30,864		32,935		35,145		37,503		40,019		42,703		45,568
7.810	1	**1**	Each	Utility Vehicle, Dump Truck, *Chevrolet 3500* (2014)	2029	to 15	5	80,000.00	80,000	80,000	**1.0%**						94,100										
7.811	1	**1**	Each	Utility Vehicle, Pickup Truck, *Ford F250* (2013)	2028	to 15	4	50,000.00	50,000	50,000	**0.6%**					56,934											
7.812	1	**1**	Each	Utility Vehicle, Pickup Truck, *Chevrolet Colorado* (2022)	2037	to 15	13	40,000.00	40,000	40,000	**0.7%**														61,005		
7.813	1	**1**	Each	Utility Vehicle, Pickup Truck, *Ford F250* (2015)	2030	to 15	6	50,000.00	50,000	50,000	**0.7%**							60,754									
7.820	2	**2**	Each	Utility Vehicle, Trailers	2034	to 20	10	9,000.00	18,000	18,000	**0.3%**											24,904					
				Anticipated Expenditures, By Year ($23,851,558 over 30 years)								509,699	1,807,782	496,380	336,172	822,380	538,251	158,594	320,724	359,444	763,441	468,233	278,304	547,305	648,409	653,107	517,448

RESERVE EXPENDITURES

Four Lakes Village Condominium Homeowners Association

Lisle, Illinois

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6.901	2,000	**2,000**	Square Feet	Structure, Total Replacement, Lodge Pool	2025	to 60	1	357.00	714,000	714,000	**3.1%**															
6.902	1,750	**1,750**	Square Feet	Structure, Total Replacement, Office Pool	2042	to 60	18	200.00	350,000	350,000	**2.6%**			627,876												
6.903	2,650	**2,650**	Square Feet	Structure, Total Replacement, Towers Pool	2043	to 60	19	200.00	530,000	530,000	**4.1%**				982,159											
				Maintenance Vehicles and Equipment																						
7.100	1	**1**	Each	Forklift, *Toyota* (2010)	2035	to 25	11	43,000.00	43,000	43,000	**0.3%**															
7.400	1	**1**	Each	Landscape Equipment, Blower (Walk-Behind; 2017)	2037	to 20	13	15,500.00	15,500	15,500	**0.1%**															
7.410	1	**1**	Each	Landscape Equipment, Chipper, *Vermeer* (2024)	2044	to 20	20	23,000.00	23,000	23,000	**0.2%**					44,029										
7.420	2	**1**	Each	Landscape Equipment, Mowers (Walk-Behind)	2028	to 10	4 to 8	7,000.00	7,000	14,000	**0.4%**	11,768				13,400				15,258				17,374		
7.421	4	**2**	Each	Landscape Equipment, Mowers (Zero-Turn)	2026	to 10	2 to 6	12,500.00	25,000	50,000	**1.5%**			44,848				51,068				58,150				66,214
7.430	1	**1**	Each	Landscape Equipment, Tractor, *New Holland Workmaster 50* (2016)	2036	to 20	12	43,000.00	43,000	43,000	**0.3%**															
7.440	1	**1**	Each	Landscape Equipment, Sand Rake, *Toro SandPro 3040* (2015)	2035	to 20	11	10,000.00	10,000	10,000	**0.1%**															
7.800	10	**2**	Each	Utility Vehicle, Cart, *Kawasaki Mule* , Phased	2025	10 to 15	1 to 11	14,000.00	28,000	140,000	**3.0%**		48,625		51,888		55,369		59,083		63,047		67,277		71,791	
7.810	1	**1**	Each	Utility Vehicle, Dump Truck, *Chevrolet 3500* (2014)	2029	to 15	5	80,000.00	80,000	80,000	**1.0%**					153,143										
7.811	1	**1**	Each	Utility Vehicle, Pickup Truck, *Ford F250* (2013)	2028	to 15	4	50,000.00	50,000	50,000	**0.6%**				92,657											
7.812	1	**1**	Each	Utility Vehicle, Pickup Truck, *Chevrolet Colorado* (2022)	2037	to 15	13	40,000.00	40,000	40,000	**0.7%**													99,282		
7.813	1	**1**	Each	Utility Vehicle, Pickup Truck, *Ford F250* (2015)	2030	to 15	6	50,000.00	50,000	50,000	**0.7%**						98,873									
7.820	2	**2**	Each	Utility Vehicle, Trailers	2034	to 20	10	9,000.00	18,000	18,000	**0.3%**															47,674
				Anticipated Expenditures, By Year ($23,851,558 over 30 years)								428,192	819,082	1,390,211	1,732,589	1,945,779	1,372,161	239,043	198,399	1,567,620	1,279,910	1,218,640	1,082,974	531,709	345,422	474,152

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS
Four Lakes Village Condominium
Homeowners Association
Lisle, Illinois

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)*	2,086,984	1,961,859	625,695	612,272	785,338	495,742	512,271	930,764	1,212,662	1,480,483	1,365,621	1,567,326	1,986,205	2,163,789	2,265,636	2,388,309
Total Recommended Reserve Contributions	*(Note 2)*	**351,112**	**446,000**	**470,700**	**495,400**	**520,100**	**544,800**	**562,800**	**581,400**	**600,600**	**620,400**	**640,900**	**662,000**	**683,800**	**706,400**	**729,700**	**753,800**
Estimated Interest Earned, During Year	*(Note 3)*	33,462	25,619	12,257	13,838	12,684	9,980	14,287	21,222	26,665	28,179	29,039	35,183	41,089	43,856	46,079	50,130
Anticipated Expenditures, By Year		(509,699)	(1,807,782)	(496,380)	(336,172)	(822,380)	(538,251)	(158,594)	(320,724)	(359,444)	(763,441)	(468,233)	(278,304)	(547,305)	(648,409)	(653,107)	(517,448)
Anticipated Reserves at Year End		$1,961,859	$625,695	$612,272	$785,338	$495,742	$512,271	$930,764	$1,212,662	$1,480,483	$1,365,621	$1,567,326	$1,986,205	$2,163,789	$2,265,636	$2,388,309	$2,674,790
Predicted Reserves based on 2024 funding level of:	$421,334	1,961,859	600,783	537,002	633,756	241,375	128,116	396,046	505,583	578,204	244,240	201,756	350,251	230,025	5,280	(228,704)	(330,354)

(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	2,674,790	3,082,300	3,129,116	2,626,794	1,796,297	762,452	316,877	1,037,342	1,844,779	1,318,074	1,105,055	984,403	1,034,316	1,679,072	2,563,153
Total Recommended Reserve Contributions	**778,700**	**804,400**	**830,900**	**858,300**	**886,600**	**915,900**	**946,100**	**977,300**	**1,009,600**	**1,042,900**	**1,077,300**	**1,112,900**	**1,149,600**	**1,187,500**	**1,226,700**
Estimated Interest Earned, During Year	57,001	61,499	56,989	43,793	25,334	10,686	13,408	28,536	31,315	23,991	20,688	19,987	26,865	42,002	58,789
Anticipated Expenditures, By Year	(428,192)	(819,082)	(1,390,211)	(1,732,589)	(1,945,779)	(1,372,161)	(239,043)	(198,399)	(1,567,620)	(1,279,910)	(1,218,640)	(1,082,974)	(531,709)	(345,422)	(474,152)
Anticipated Reserves at Year End	$3,082,300	$3,129,116	$2,626,794	$1,796,297	$762,452	$316,877	$1,037,342	$1,844,779	$1,318,074	$1,105,055	$984,403	$1,034,316	$1,679,072	$2,563,153	$3,374,490
						(NOTE 5)									*(NOTE 4)*

Explanatory Notes:

1) Year 2024 starting reserves are as of February 29, 2024; FY2024 starts January 1, 2024 and ends December 31, 2024.
2) Reserve Contributions for 2024 are the remaining budgeted 10 months; 2025 is the first year of recommended contributions.
3) **2.0%** is the estimated annual rate of return on invested reserves; 2024 is a partial year of interest earned.
4) Accumulated year 2054 ending reserves consider 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

Four Lakes Village Condominium Homeowners Association
Lisle, Illinois

Line Item	Reserve Component Inventory	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
	Exterior Building Elements						
1.020	Awning, Canvas and Frame, Lodge					68,321	
1.120	Deck, Wood, Laundry Building (Replace with Composite)						24,701
1.121	Decks, Wood, Office (Replace with Composite)		42,870				
1.280	Roofs, Asphalt Shingles, Lodge					93,258	
1.530	Roofs, Thermoplastic, Laundry Building					52,379	
1.531	Roofs, Thermoplastic, Lodge					299,871	
1.533	Roofs, Thermoplastic, Office					39,284	
1.865	Walls, Siding, Wood, Paint Finishes, Lodge		39,512				44,992
1.866	Walls, Siding, Wood, Paint Finishes, Office		9,762				11,116
1.981	Windows and Doors, Lodge, Phased		45,452				51,755
1.982	Windows and Doors, Maintenance Building						17,644
1.983	Windows and Doors, Office						28,671
	Interior Building Elements						
2.901	Rest Rooms, Lodge Hall, Renovation			80,032			
2.903	Rest Rooms, Office Pool, Renovation			32,013			
	Building Services Elements						
3.062	Air Handling Unit, Rooftop Heating and Cooling Unit, 7.5-tons				22,597		
3.070	Air Handling and Condensing Units, Split Systems, Phased				22,046		
3.700	Pumps, Snow-Making System Water Circulation, 60-HP, Phased						94,100
	Property Site Elements						
4.020	Asphalt Pavement, Crack Repair and Patch, Phased		10,870	11,228	11,599	11,982	12,377
4.040	Asphalt Pavement, Mill and Overlay, Streets, Remaining Areas		102,732				
4.046	Asphalt Pavement, Total Replacement, Parking Areas, Phased	233,799	302,394				
4.080	Asphalt Pavement, Total Replacement, Walking Paths					109,541	
4.190	Boat House, Boat Replacement						70,575
4.195	Boat House, Renovation						14,115
4.710	Lakes, Erosion Remediation (2024-25 is Budgeted)	90,000	90,000				

FIVE-YEAR OUTLOOK

Four Lakes Village Condominium Homeowners Association
Lisle, Illinois

Line Item	Reserve Component Inventory	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
4.810	Signage, Traffic Management and Wayfinding, Phased			64,025			
4.830	Sport Court, Tennis, Color Coat					17,934	
4.840	Sport Court, Tennis, Fence	25,300					
4.860	Sport Court, Tennis, Surface Replacement	160,600					
	Ski Hill Elements						
5.100	Lift Equipment, Motors, 20-HP, Phased		30,990		33,069		
5.101	Lift Equipment, Motors, 30-HP, Phased			48,019		51,241	
5.110	Lift Equipment, Motor Houses and Operator Cabins, Renovation			69,361			
5.120	Lift Equipment, Tow Ropes, Phased		5,165		5,512		5,881
5.130	Lift Equipment, Utility Poles, Phased		30,990				35,288
5.500	Ski Patrol Room, Interior Renovations			37,348			
5.600	Snow Management Equipment, Snow Generation Machines, Phased				99,207		
5.700	Stairs, Wood, Hill Access (Incl. Adjacent Fences)		64,046				
	Pool Elements						
6.201	Concrete Deck, Inspections and Repairs, Office Pool			8,964			
6.202	Concrete Deck, Inspections and Repairs, Towers Pool				9,039		
6.501	Furniture, Office Pool			21,342			
6.502	Furniture, Towers Pool			32,013			
6.600	Mechanical Equipment, Phased		12,396			13,664	
6.801	Pool Finish, Vinyl Liner, Office Pool			65,359			
6.802	Pool Finish, Vinyl Liner, Towers Pool				102,239		
6.900	Structure, Abandon, Laundry Building Pool		254,118				
6.901	Structure, Total Replacement, Lodge Pool		737,562				
	Maintenance Vehicles and Equipment						
7.420	Landscape Equipment, Mowers (Walk-Behind)					7,971	
7.421	Landscape Equipment, Mowers (Zero-Turn)			26,677			
7.800	Utility Vehicle, Cart, *Kawasaki Mule* , Phased		28,924		30,864		32,935
7.810	Utility Vehicle, Dump Truck, *Chevrolet 3500* (2014)						94,100

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

FIVE-YEAR OUTLOOK

Four Lakes Village Condominium Homeowners Association
Lisle, Illinois

Line Item	Reserve Component Inventory	RUL = 0 FY2024	1 2025	2 2026	3 2027	4 2028	5 2029
7.811	Utility Vehicle, Pickup Truck, *Ford F250* (2013)					56,934	
	Anticipated Expenditures, By Year ($23,851,558 over 30 years)	509,699	1,807,782	496,380	336,172	822,380	538,251

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*.

Exterior Building Elements

Laundry building exterior

Lodge exterior

Lodge exterior

Lodge exterior

Lodge exterior

Lodge exterior

Maintenance building exterior

Office exterior

Office exterior

Office exterior

Awning (Lodge)

Line Item: 1.020

History: Approximately 17 years of age

Condition: The awning is in good condition and the frame is in fair condition with finish deterioration and rust visible throughout.

Lodge awning

Rust at metal awning frame

Useful Life: 15- to 25-years. We recommend replacement in conjunction with the roof due to the interrelated nature of these events. We recommend the Association perform interim replacement of the canvas as necessary using funds from the operating budget.

Priority/Criticality: Per Board discretion

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

Decks, Wood

Line Items: 1.120 and 1.121

Quantity: The laundry room building includes 300 square feet of elevated wood decking at the front elevation and the office building includes 500 square feet of elevated wood decking at the front and rear elevations

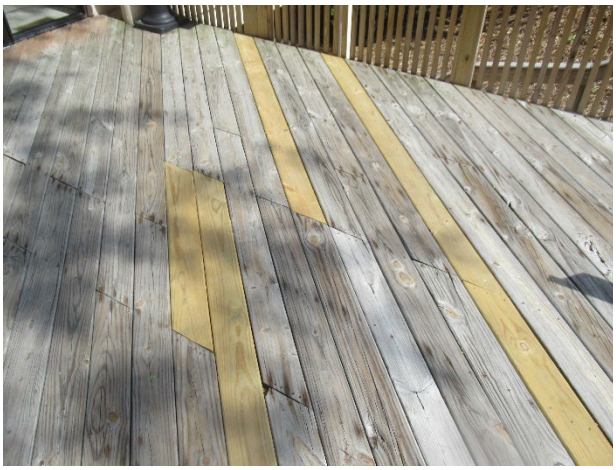
History: The ages of these elements were not provided at the time of our site visit

Condition: Fair overall condition with weathered wood components and partial replacements visible

Wood access ramp and railings at laundry building

Laundry building wood deck boards

Front elevation deck at office



Partial replacements at office deck

Office deck support structure

Office deck access stairs

Useful Life: Up to 35 years with the benefit of interim deck board replacement every 15- to 20-years funded through the operating budget. The rates and types of deterioration

are not uniform due to the nature of wood. Replacement is normally an ongoing process which eventually leads to a complete replacement for economic or aesthetic reasons.

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

- Annually:
  - Inspect to identify and correct any unsafe conditions
  - Secure loose fasteners and replace deteriorated fasteners
  - Replace deteriorated wood components
  - Check railing stability and fasteners

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 replacement with composite deck boards to reduce the cost of future maintenance following replacement.

Roofs, Asphalt Shingles

Line Item: 1.280

Quantity: Approximately 130 *squares*[1] at the lodge building

History: Approximately 17 years of age

Condition: Good to fair overall with sheathing deflection and shingle granule loss evident

Useful Life: 15- to 20-years

Laminate asphalt shingle roof assembly at lodge

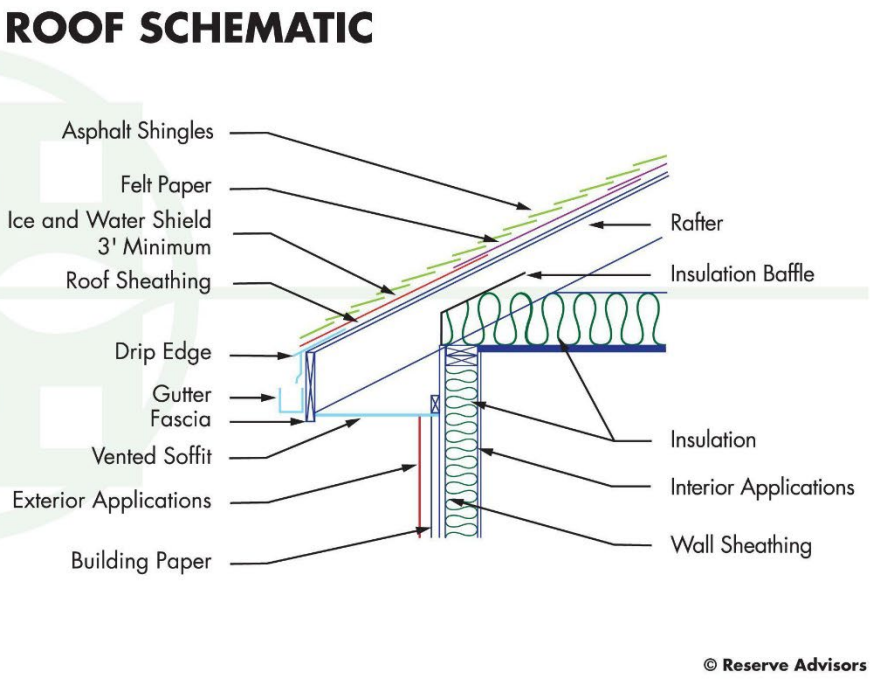
Lodge sloped roof system and penetrations

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

Sheathing deflection at east section of lodge roof

Weathered shingles and organic growth

Component Detail Notes: The following cross-sectional schematic illustrates a typical asphalt shingle roof system although it may not reflect the actual configuration at Four Lakes:



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

we recommend only the tear-off method of replacement. The tear-off method of replacement includes removal of the existing shingles, flashings if required and underlayments.

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

- Annually:
  - Record any areas of water infiltration, flashing deterioration, damage or loose shingles
  - Implement repairs as needed if issues are reoccurring
  - Trim tree branches that are near or in contact with roof
- As-needed:
  - Ensure proper ventilation and verify vents are clear of debris and not blocked from attic insulation

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

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

Roofs, Thermoplastic

Line Item: 1.530 through 1.533

Quantity: The Association maintains the approximate quantities of flat roof systems:

- 2,000 square feet of roofing at the laundry building
- 11,450 square feet at the lodge
- 3,650 square feet at the maintenance building
- 1,500 square feet at the office

History: Approximately 17 years of age with the exception of the maintenance building which was replaced 12 years ago due to damage

Thermoplastic roof at lodge building

Evidence of water ponding at lodge roof

Mechanical equipment and ventilation at lodge

Roof drain missing cover

Minor deflection at maintenance building roof

Parapet wall and cap in good condition

Condition: Good to fair overall with deflection visible from water ponding near the drains. Management does not inform us of a history of leaks or active leaks.

Useful Life: 15- to 20-years

Component Detail Notes: Thermoplastic roofs include the following:

- Polyvinyl chloride (PVC or simply vinyl)
- PVC alloys or compounded thermoplastics
- Thermoplastic olefin (TPO)
- Chlorinated polyethylene (CPE)

The following characteristics define most thermoplastic roofs:

- Attachment to the roof deck is either fully adhered, mechanical or ballasted
- Membranes are commonly white and reinforced with polyester
- Seams are sealed with heat or chemical welding
- Sheet widths range from 6- to 12-feet wide
- Sheets are typically 40- to 100-mils thick
- Single ply (one layer)

Over time, exposure to ultraviolet light, heat and weather degrade the membrane. This degradation results in membrane damage from thermal expansion and contraction, adverse weather and pedestrian traffic. The aging process makes the membrane less pliable and more difficult to maintain. Ponding water on the roof can increase the effects of ultraviolet light on the membrane and contaminants in ponded water can cause the membrane to deteriorate prematurely. Thermoplastic roofs (especially TPO) are relatively new and their long term performance is not well defined.

Contractors can install a new thermoplastic roof in one of two ways: *tear-off* or an *overlay*. An *overlay* is the application of a new roof membrane over an existing roof. This method, although initially more economical, often covers up problems with the deck, flashing and saturated insulation. The *tear-off* method of replacement includes removal of the existing roofing, flashings and insulation, and installation of a new roofing system.

The contractor should follow the manufacturer's directions and specifications upon installation of the roof. The contractor should remove the original insulation if saturated or compacted and apply a new layer of insulation per the manufacturer's instructions. The insulation should fit loosely with gaps no greater than ¼ inch. Gaps will cause failure of the membrane later. Mechanical fastening of the insulation is the best manner of installation.

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:

- Semi-annually:
    - Note drainage issues with water ponding after 48 hours of rainfall event. Verify scuppers and drains are free of debris. Replace damaged or missing drain covers.
    - Inspect perimeter flashing for loose fasteners, deflections, and sealant damage

- Verify membrane surface is free of ruptures or damage, and areas of extensive blistering or bubbling
- Remove oil spills or contaminants from mechanical equipment
- In areas of possible foot traffic, remove any sharp debris or trash and note areas of crushed insulation
- If frequency of leaks increase or location of water infiltration is unknown, we recommend the consideration of a thermal image inspection

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

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

Walls, Siding, Wood

Line Items: 1.865 through 1.871

Quantity: Approximately 8,500 square feet of the exterior walls at the lodge and approximately 2,100 square feet of the exterior walls at the office.

History:

- Siding: Original
- Paint Finishes: The ages of the previous paint finish applications were not provided at the time of our site visit

Condition: Fair overall with face check and delamination visible at the siding. Our inspection of the office exterior notes wood deterioration at the structural components. Cost for repairs is included in our estimates of paint finishes and replacements of the siding.

Wood siding at lodge exterior

Wood soffit and fascia at lodge exterior

Wood siding at office exterior

Siding cracks and delamination

Wood deterioration at office exterior

Wood deterioration at office exterior

Useful Life: With the benefit of periodic maintenance, applications of this type of material can have a useful life of up to 50 years. This useful life is dependent upon timely paint applications and partial replacements of deteriorated siding up to every four- to six-years.

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

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

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

Priority/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 during each paint application cycle:

- Paint finish application
- Structural repairs to the building as necessary
- Replacement of up to five percent (5%), of the siding and trim (The exact amount of material in need of replacement will depend on the actual future conditions and desired appearance. We recommend replacement wherever cracks, delamination and deterioration impair the ability of the material to prevent water infiltration.)
- Replacement of up to twenty-five percent (25%) of the sealants at the perimeter of the windows and doors

Windows and Doors

Line Item: 1.980 through 1.983

Quantity: The Association maintains the following approximate quantities of windows and doors at the common buildings:

- 300 square feet at the laundry building
- 8,500 square feet at the lodge
- 150 square feet at the maintenance building
- 650 square feet at the office building

History: Varied ages

Condition: Good to fair overall

Useful Life: Up to 40 years

Lodge door system and adjacent windows

Lodge pool locker room doors and sidelights

Lodge windows

Lodge window frame

Lodge window frame and glass

Office windows

Office doors and sidelights

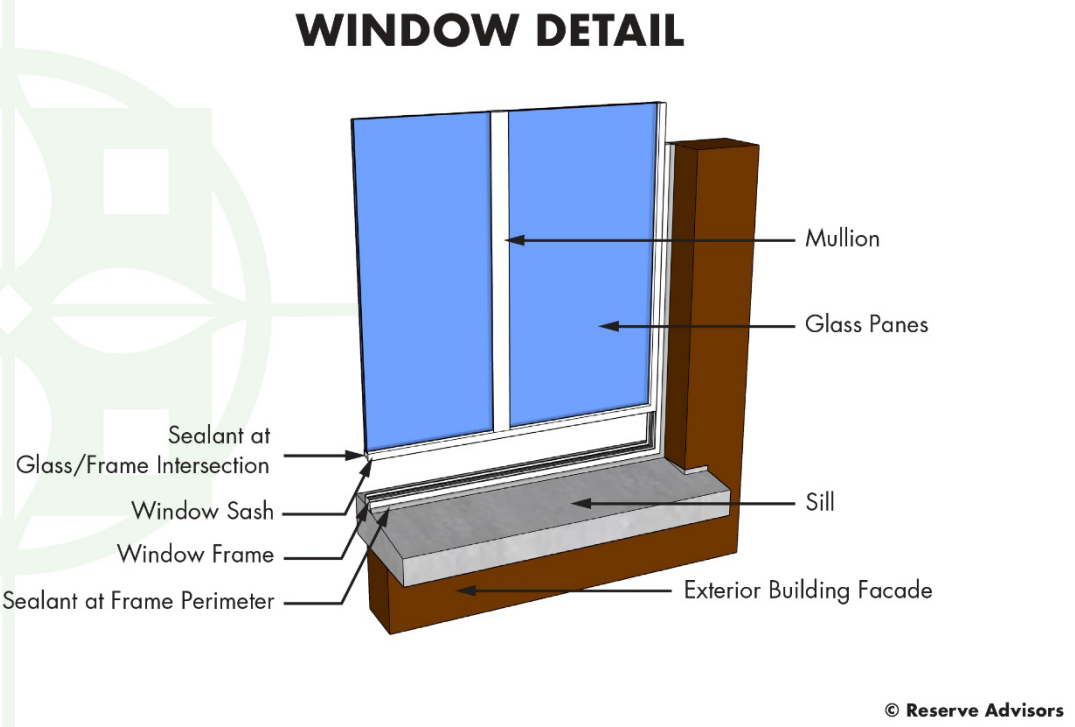
Laundry building doors and sidelights

Component Detail Notes: Properly designed window assemblies anticipate the penetration of some storm water beyond the gaskets. This infiltrated storm water collects in an internal drainage system and drains, or exits, the frames through weep holes. These

weep holes can become clogged with dirt or if a sealant is applied, resulting in trapped storm water. However, as window frames, gaskets and sealants deteriorate, leaks into the interior can result. The windows will eventually need replacement or major capital repairs to prevent water infiltration and damage from wind driven rain.

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

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



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

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

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

Priority/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.

Interior Building Elements

Interior Renovations

Line Items: 2.520 and 2.521

Quantity: A majority of the lodge interior includes leased space for the restaurant. The Association maintains a common area in the lodge interior with the following components:

- Masonry floors
- Paint finishes on the walls and ceilings
- Light fixtures including exit and emergency lights
- Furnishings

The office interior components include:

- Carpet and tile floor coverings
- Paint finishes on the walls and ceilings
- Light fixtures including exit and emergency lights
- Furnishings
- Rest rooms with plumbing fixtures
- Cabinets, countertops and appliances

History: The age of the interior finishes vary

Condition: Good overall

Useful Life: Complete renovation every 25 years. Complete renovations should include replacement of all items listed above with the exception of the masonry floors at the lodge which do not require replacement. We include the lodge rest rooms and the rest rooms servicing the pool facilities at the laundry building and office on separate line items. We recommend interim renovations and paint finishes to these common interior spaces are funded through the operating budget.

Lodge hall interior

Lodge hall interior

Office interior

Office appliances, cabinets and countertops

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: 2.900 through 2.903

Quantity: The rest room components include:

- Tile floor coverings (lodge rest rooms only)
- Paint finishes on the walls and ceilings
- Light fixtures
- Plumbing fixtures
- Metal partitions and railings

History: The Association will renovate the lodge pool rest rooms and laundry building pool rest rooms in the near term using means other than reserves in conjunction with concurrent projects to replace these pool facilities. The age of the lodge rest rooms and office pool rest rooms were not available at the time of our site visit.

Condition: Fair overall

Useful Life: Renovations every 25 years

Lodge rest room plumbing fixtures and partitions

Lodge rest room plumbing fixtures

Lodge rest room plumbing fixtures and partitions

Tile floor coverings at lodge rest room

Metal partitions at laundry building pool rest room

Shower stalls and partitions at office pool rest room

Priority/Criticality: Per Board discretion

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

Building Services Elements

Air Handling Units, Rooftop Heating and Cooling Units

Line Items: 3.060 through 3.063

Quantity: Five rooftop air handling units serving the lodge building. The units have capacities of 4- tons to 15-tons of cooling.

History: One unit dates to 1998, one unit dates to 2013 and three units date to 2021

Rooftop heating and cooling unit (15-ton)

Rooftop heating and cooling unit (6-ton)

Rooftop heating and cooling unit (4-ton)

Rooftop heating and cooling unit (7.5-ton)

Rooftop heating and cooling unit (5-ton)

Lodge attic air handling unit (replace parts as necessary using funds from operating)

Condition: Reported satisfactory without operational deficiencies

Useful Life: 15- to 20-years

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

- Quarterly:
  - Inspect belts for alignment, tension and condition
  - Clean/replace filter and screen cleaning as needed
  - Inspect/clean coils, blowers and motors
  - Check refrigerant pressure and oil levels
  - Clean drainage and inspect drain pans
  - Check/adjust controls
- Semi-annually:
  - Lubricate motor bearings
- Annually:
  - Replace belts

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.

Air Handling and Condensing Units, Split Systems

Line Item: 3.070

Quantity: Three split systems at the lodge building and one split system each at the laundry building, maintenance shop and office

History: Varied ages; the lodge building units date to 2018 and 2022; the units at the other buildings are older

Condition: Reported satisfactory without operational deficiencies

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 air handling unit.

Lodge condensing units

Lodge condensing unit

Lodge air handling units

Lodge air handling unit

Laundry building condensing unit

Laundry building air handling unit

Office condensing unit

Office air handling unit

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

Electrical Systems

Line Items: 3.300 and 3.301

History: Primarily original to construction with the exception of the maintenance shop which was replaced due to damage

Condition: Reported satisfactory without operational deficiencies

Office electrical panel

Main electrical panels at maintenance shop

Useful Life: Up to and sometimes beyond 70 years

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:

- Annually:
  - Inspect system for signs of electrical overheating, deterioration, and/or panel corrosion
  - Clean and vacuum exterior and interior switchboards
- Five-Year Cycles:
  - Check power meters, lamps, indicators, and transformers for deficiencies
  - Inspect wiring, relays, power supply units, and timers

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 to replace the main panels. Updates of this Reserve Study will consider possible changes in the scope and times of component replacements based on the conditions, including the need for replacement of the wires.

Life Safety Systems

Line Items: 3.560 and 3.561

Quantity: The life safety systems at Four Lakes includes the following components:

- Audio/visual fixtures
- Control panel

- Exit light fixtures
- Emergency light fixtures
- Pull stations
- Wiring

History: The ages of the components were not provided at the time of our site visit

Conditions: Reported satisfactory without operational deficiencies.

Lodge life safety system panel

Maintenance shop life safety system panel

Useful Life: Up to 25 years

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

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

Priority/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. Changes in technology or building codes may make a replacement desirable prior to the end of the functional life. Our estimate of future cost considers only that amount necessary to duplicate the same functionality. Local codes

or ordinances at the actual time of replacement may require a betterment as compared to the existing system. A betterment could result in a higher, but at this time unknown, cost of replacement.

Pumps, Snow Making System

Line Item: 3.700

Quantity: Two each

History: Varied ages

Condition: Reported satisfactory without operational deficiencies

60-HP pumps to circulate snow making system water

Useful Life: Up to 30 years

Component Detail Notes: The Association may choose to rebuild pumps prior to complete replacement. However, this activity becomes less desirable as pumps age due to the scarcity of parts. We regard interim replacements of motors and component parts as normal maintenance and base our estimates on complete replacements. An exact replacement time for each individual pump is difficult, if not impossible, to estimate.

Preventative Maintenance Notes: The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. Valuable motor information to note in a preventative maintenance plan or schedule includes age of unit and last time of repair, horsepower and rpm (revolutions per minute), bearing type and conditions surrounding motor/pump. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Weekly:
  - Check/adjust controls
  - Check/adjust pressure levels

- Check for leaks
- Conduct churn tests

- Quarterly:
  - Inspect/clean motors
  - Inspect mountings and connections for proper alignment, torque and condition
  - Inspect/replace pump packing as needed, consider replacement with mechanical seals
  - Check for appropriate oil levels
- Semi-annually:
  - Lubricate pumps, motors and motor bearings
- Annually:
  - Clean filters if present
  - Assess proper internal component performance and replace damaged or malfunction components as necessary, and tighten fittings
  - Access temperature and vibration performance of motors in accordance with the intended design

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 costs include an allowance for replacement of the variable frequency drives (VFD) and controls.

Security System

Line Item: 3.820

History: Approximately two years of age

Condition: Reported satisfactory without operational deficiencies

Security system monitor

Useful Life: Up 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.

Property Site Elements

Asphalt Pavement, Crack Repair and Patch

Line Item: 4.020

Quantity: Approximately 70,150 square yards of pavement throughout the community including the streets, parking areas and walking paths

History: Repaving was ongoing at the time of our site visit

Condition: Varies from good overall to poor overall

Useful Life: We recommend the Association perform pavement repairs every three- to five-years. Due to the large quantity of pavement throughout the community and likelihood of variance in age and condition between sections, we recommend an ongoing, phased approach to repairs.

Component Detail Notes: Proposals for seal coat applications should include crack repairs and patching. The contractor should only apply seal coat applications after repairs are completed. A seal coat does not bridge or close cracks, therefore, unrepaired cracks render the seal coat applications useless.

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the ***Reserve Expenditures*** table in Section 3. Our cost includes an allowance for crack repairs and patching of up to two percent (2%) of the pavement.

Asphalt Pavement, Repaving, Streets and Parking Areas

Line Items: 4.040, 4.045 and 4.046

Quantity: Approximately 67,200 square yards of streets (53,700 square yards) and parking areas (13,500 square yards)

History: A majority of the streets have been repaved during the last 10 years. The age of the parking areas exceeds the street repaving and a large portion of the parking areas near the lodge is to be repaved in 2024 at a budgeted cost of $233,799.

Condition: The recently repaved streets are in good condition with minor cracks visible at the older sections. The streets to be repaved in the near term are in fair condition with cracks and repairs visible throughout. The parking areas are in fair to poor condition with deterioration evident throughout.

Useful Life: 15- to 20-years with the benefit of crack repair and patch events every three- to five-years as discussed in the prior narrative

Crowned asphalt street pavement

Speed management at street

Cracks and previous repairs throughout section of street to be repaved

Cracks and previous repairs throughout section of street to be repaved

Unrepaired cracks at street intersection

Unrepaired centerline cracks

Recently repaved street section in good condition

No visible deterioration

Pavement in good condition

Pavement settlement and alligator cracks

Pavement edge raveling

Pavement failure

Street pavement in good condition

Section of street pavement in good condition

Isolated and minor cracks

Isolated and minor cracks

Edge cracks

Deterioration at speed management

Example of parking area with cracks throughout

Centerline deterioration at parking area drive lane

Pavement failure at lodge parking area

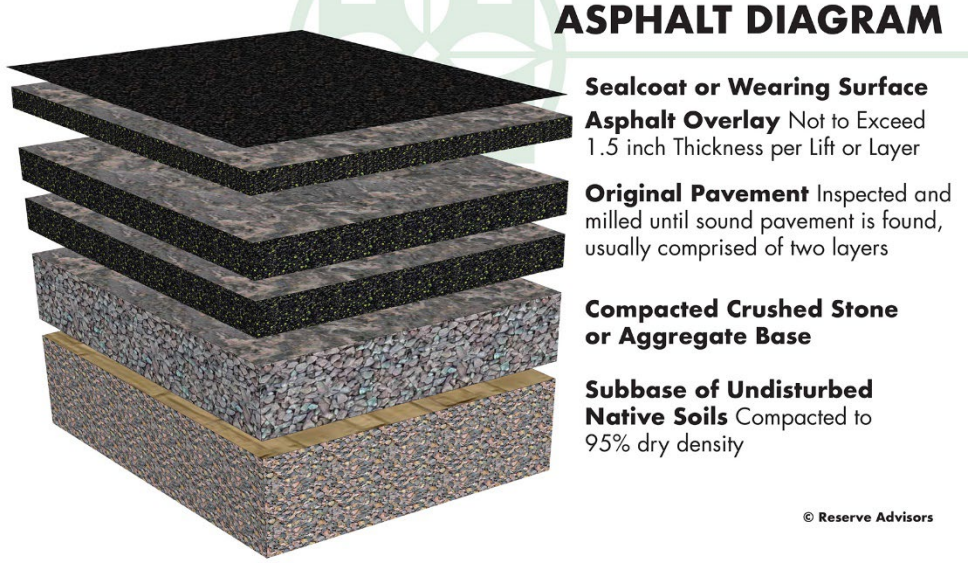
Cracks and previous repairs at lodge parking area

Parking area pavement deterioration

Unrepaired cracks and settlement

Component Detail Notes: Proposals for seal coat applications should include crack repairs and patching. The contractor should only apply seal coat applications after repairs are completed. A seal coat does not bridge or close cracks, therefore, unrepaired cracks render the seal coat applications useless.

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 Four Lakes:



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 the initial repaving of the streets and recommend the total replacement method for subsequent repaving of the streets and all repaving of the parking areas at Four Lakes.

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.

Asphalt Pavement, Repaving, Walking Paths

Line Item: 4.080

Quantity: 2,960 square yards of walking paths

History: Approximately nine years of age

Condition: Good to fair overall with minor cracks and tree root damage evident

Asphalt walking path

Tree root damage

Section of walking path in good condition

Cracks at walking path edge

Walking path edge raveling

Walking path in good condition

Useful Life: 10- to 15-years with the benefit of timely crack repairs and patching, and the need to maintain a safe pedestrian surface

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.

Boat House

Line Items: 4.190 and 4.195

History: The age of the boat house roofing, siding and decking was not provided at the time of our site visit. The ages of the boats likely vary.

Condition: Good overall

Boat house

Paddle boats, canoes and kayaks

Useful Life: We include an exterior renovation of the boat house and replacement of the boats every 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.

Lakes, Aerators

Line Item: 4.700

Quantity: 10 fountain style aerators at the lakes

History: Less than five years of age

Condition: Reported satisfactory

Fountain style aerators

Aerators reported in satisfactory condition

Useful Life: 10- to 15-years

Component Detail Notes: The use of small pumps, motors and aerators circulates lake 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.

Lakes, Erosion Control

Line Item: 4.710

History: Near term repairs to be conducted at an approximate cost of $90,000 per year in 2024 and in 2025

Condition: Following near-term repairs, we assume good overall condition

Small lake with sloped embankments

Sloped embankment at south shore of lake

Erosion at south shore

Large lake overview

Useful Life: 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 15 years. The use and maintenance of landscape, natural vegetation and/or stone rip rap at the lakes will help maintain an attractive appearance and prevent soil erosion.

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 and timing is provided by the Association based on a review of current and past projects.

Signage, Entrance Monuments

Line Item: 4.800

Quantity: Two property identification entrance monuments

History: The age of the signs was not provided at the time of our site visit

Condition: Good overall

Wood entrance monument sign with stone columns

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.

Signage, Traffic Management and Wayfinding

Line Item: 4.810

History: Varied ages

Condition: Good to fair overall

Wayfinding sign

Speed limit sign

Useful Life: 15- to 20-years. Due to the varied ages, we recommend an ongoing, phased approach to replacement.

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 if applicable
  - 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.

Sport Court, Tennis

Line Items: 4.830 and 4.860

Quantity: 1,500 square yards of asphalt comprising two tennis courts

History: The tennis court and fence are to be replaced in 2024 at a combined cost of $185,900

Condition: Following the near-term replacement, we assume good overall condition

Tennis court overview

Tennis court surface to be replaced in the near term

Useful Life: Up to 25 years for replacement of the surface with the benefit of color coat applications and repairs every four- to six-years

Preventative Maintenance Notes: Prior to the application of the color coat, the Association should require the contractor to rout and fill all cracks with hot emulsion. This deters water infiltration and further deterioration of the asphalt playing surface. 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 Court, Tennis, Fence

Line Item: 4.840

Quantity: 460 linear feet at the court perimeter

History: The tennis court and fence are to be replaced in 2024 at a combined cost of $185,900

Condition: Following the near-term replacement, we assume good overall condition

Useful Life: Up to 25 years. We recommend replacement in conjunction with the surface due to the interrelated nature of these events.

Priority/Criticality: Per Board discretion

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

Ski Hill Elements

Ski hill overview

Ski hill overview

Lift Equipment

Line Item: 5.100 through 5.130

Quantity: The ski hill includes seven lifts utilizing tow-ropes. At the top of the ski runs, seven motors (20- to 30-HP) housed in motor houses pull the tow-ropes. The ski hill also includes operator cabins for personnel to monitor the tow-ropes while in operation. 35 utility poles with light fixtures and pulleys

History: The tow-ropes and utility poles are replaced on a continuous basis and vary in age. The age of the remaining elements exceeds 10- to 15-years.

Condition: Mechanical elements reported in satisfactory condition. The exterior elements for the motor houses and operator cabins are in fair condition.

Useful Life: The motors have useful lives of up to 20 years, we include exterior renovation of the structures (replacement of the wood siding and asphalt shingle roofs) every 25 years, the tow-ropes have a useful life of up to 15 years and the utility poles have a useful life of up to 35 years.

Motor house with wood siding and asphalt shingle roof

Tow-rope motor

Tow-rope operator cabin

Tow-rope and spool

Tow-rope utility poles

Close-up view of pulley

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.

Pipes, Subsurface

Line Item: 5.400

Quantity: Based on information provided by Management, we estimate the quantity of subsurface pipes below the ski-hill for the snow generation system. The exact amounts and locations of the subsurface utility pipes were not ascertained due to the nature of the underground construction and the non-invasive nature of the inspection.

History: Original

Condition: Reported satisfactory

Useful Life: Up to and likely beyond 85 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. At this time we do not anticipate replacement of continuous lengths of subsurface pipes. Rather we recommend the Association budget for repairs to isolated occurrences of breached utilities. Although it is likely that the times of replacement and extent of repair costs may vary from the budgetary allowance, Management could budget sufficient reserves for these utility repairs and have the opportunity to adjust its future reserves up or down to meet any changes to these budgetary estimates. Updates of this Reserve Study would incorporate changes to budgetary costs through a continued historical analysis of the rate of deterioration and actual repairs to budget sufficient reserves.

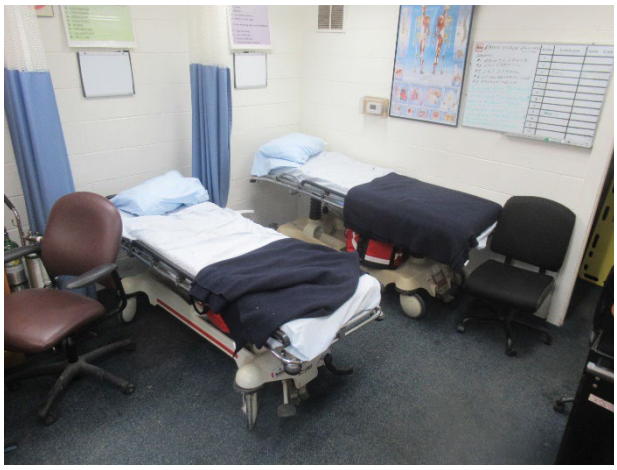
Ski-Patrol Room

Line Item: 5.500

History: The age of the finishes, furnishings and equipment exceeds 10 years

Condition: Good to fair overall

Useful Life: We include interior renovations every 20 years. These renovations should include replacement of the carpet floor coverings, paint finishes to the walls and ceilings and replacement of kitchen and rest room items as necessary.



Ski-patrol room finishes and medical attention area

Ski-patrol room cabinets and countertops

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.

Snow Management Equipment

Line Item: 5.600 through 5.611

Quantity: The snow management equipment includes six snow generation machines (five mobile units and one fixed unit at the ski-hill). Two snowcats are used to move the machines and regrade the snow at the ski-hill.

History: The snow generation machines vary in age, one snowcat dates to 2001 and one snowcat dates to 2014

Snowcat

Mobile snow generation machines

Condition: Reported satisfactory

Useful Life: Up to 25 years for the snow generation machines and up to 30 years for the snowcats

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.

Stairs, Wood

Line Item: 5.700

Quantity: The hill includes one set of wood frame stairs to access the top of the hill

History: Unknown age

Wood frame stairs and railings

Wood stairs

Condition: Fair to poor overall

Useful Life: 15- to 25-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. Our replacement cost for the stairs includes replacement of the adjacent fences between the stairs and the parking area at the base of the stairs.

Pool Elements

Lodge pool (to be replaced in the near term)

Office pool

Towers pool

Laundry building pool (to be abandoned)

Concrete Decks

Line Items: 6.200 through 6.202

Quantity: The Association maintains the following pool decks:

- 5,000 square feet at the lodge pool
- 2,100 square feet at the office pool
- 4,100 square feet at the towers pool

History: The lodge pool structure and deck requires near-term replacement and therefore will be new. The pool decks at the office and towers pools are original.

Condition: Good to fair overall with cracks at the pool decks. We note settlement at the south end of the office pool deck.

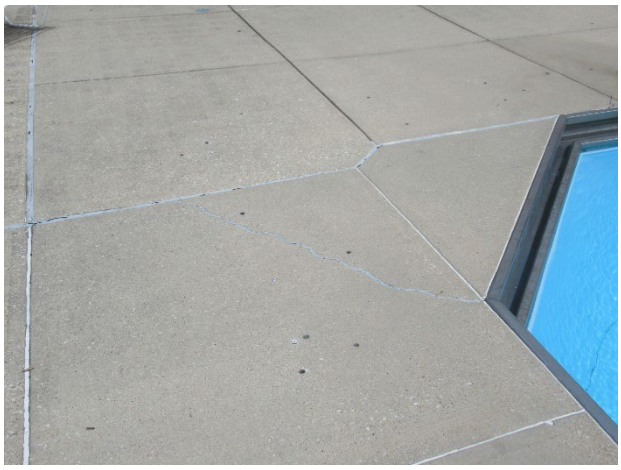
Useful Life: The useful life of a concrete pool deck is up to 60 years or more with timely repairs. We recommend the Association conduct inspections, partial replacements and repairs to the deck every 8- to 12-years.

Concrete deck surrounding office pool

Office pool deck settlement

Cracks visible near the pool perimeter

Cracks and deterioration at the office pool deck coping



Repaired cracks at towers pool deck

Control joint sealant deterioration at towers pool deck

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. 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

Fences

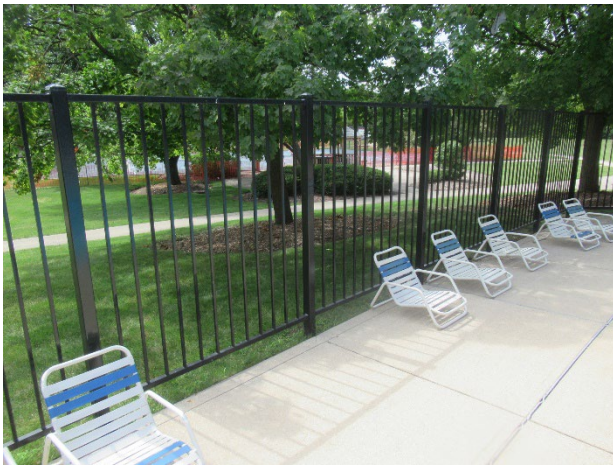
Line Items: 6.400 and 6.401

Quantity: 200 linear feet of wood fencing at the lodge pool and 280 linear feet of aluminum fencing at the towers pool (the office pool includes a limited quantity of fencing and we recommend replacement through the operating budget)

History: The ages of the fences were not provided at the time of our site visit; we assume the wood picket fence at the lodge pool will likely be replaced with an aluminum fence in conjunction with near-term pool replacement due to code requirements.

Condition: Good overall

Wood picket fence at lodge pool



Aluminum picket fence at towers pool

Useful Life: Up to 25 years

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 Items: 6.500 through 6.502

Quantity: The pool furniture includes the following:

- Chairs
- Lounges
- Tables
- Ladders and life safety equipment

History: Varied ages

Condition: Good to fair 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 Item: 6.600

Quantity: The mechanical equipment includes the following:

- Automatic chlorinator and controls
- Electrical panel
- Interconnected pipe, fittings and valves
- Pumps, filters, and heaters

History: Varied ages

Condition: Reported satisfactory overall

Useful Life: Up to 15 years. Failure of the pool mechanical equipment as a single event is unlikely. Therefore, we include replacement of up to approximately thirty-three percent (33.3%) of the equipment per event. The times and costs of these expenses may vary from projected amounts but we consider the amounts allocated sufficient to budget the necessary reserve contributions. We consider interim replacement of motors and minor repairs as normal maintenance.

Pool heater

Pool filters

Pool heater

Pool pumps and filter

Preventative Maintenance Notes: 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.

Pool Finishes, Vinyl Liners

Line Items: 6.800 through 6.802

Quantity: The pools comprise the following square footages based on the horizontal surface area:

- 2,000 square feet at the lodge pool
- 1,750 square feet at the office pool

- 2,650 square feet at the towers pool

History: Approximately 13 years of age; the liner is to be replaced at the lodge pool in conjunction with near-term replacement of the pool structure

Condition: Fair overall at the office pool and towers pool; we assume good condition at the lodge pool following near-term replacement of the pool structure

Loose vinyl liner at office pool wall

Vinyl liner repairs

Vinyl liner at towers pool

Vinyl liner repairs

Useful Life: 15- to 20-years

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

- Semi-annually:
    - Inspect and repair significant finish deterioration, 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. Removal and replacement 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 vinyl liners
- Partial replacements of the scuppers and coping as needed
- Replacement of joint sealants as needed
- Concrete structure repairs as needed

Structures and Decks

Line Items: 6.900 through 6.903

Quantity: The pools comprise the following square footages based on the horizontal surface area:

- 2,050 square feet at the laundry room building pool
- 2,000 square feet at the lodge pool
- 1,750 square feet at the office pool
- 2,650 square feet at the towers pool

History and Condition: The pools are original and visually appear in good condition. The concrete floor and walls have a vinyl liner. This finish makes it difficult to thoroughly inspect the concrete structure during a noninvasive visual inspection.

We are informed the lodge pool requires near term replacement. Management informs us the Association is in a preliminary investigation and design phase to develop specifications for this pool facility replacement but no definite scopes of work have been defined. We base our cost for replacement of the pool structure and deck in like-kind and conservatively allocate $14,000 for fencing, $200,000 for building renovations and $100,000 for mechanical systems and subsurface piping.

We are also informed the Association will abandon the laundry room building pool and replace this pool facility with a pedestrian plaza for gatherings. Similar to the lodge pool project, the Association is in a preliminary investigation and design phase to develop specifications for this pool facility replacement but no definite scopes of work have been defined. We base our replacement cost on removal of the existing pool structure and deck and replacement with on-grade concrete. We include a small allocation for site furniture.

Further design elements will likely determine the actual cost of the laundry room pool and lodge pool replacement projects, however, we opine our allocations sufficient to budget the necessary reserve contributions.

Useful Life: Up to 60 years

Component Detail Notes: The need to replace a pool structure depends on the condition of the concrete structure, the condition of the embedded or concealed water circulation piping, possible long-term uneven settlement of the structure, and the increasing cost of repair and maintenance. Deterioration of any one of these component systems could result in complete replacement of the pool. For example, deferral of a deteriorated piping system could result in settlement and cracks in the pool structure. This mode of failure is more common as the system ages and deterioration of the piping system goes undetected. For reserve budgeting purposes, we recommend Four Lakes plan to replace the following components at the office pool and towers pool (see history section for estimates on the laundry room pool and lodge pool projects):

- Concrete decks
- Pool structure
- Subsurface piping

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.

Maintenance Vehicles and Equipment

Forklift

Line Item: 7.100

History: Approximately 14 years of age (purchased used in 2015)

Condition: Reported satisfactory

Forklift

Useful Life: Up to 25 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.

Landscape Equipment

Line Item: 7.400 through 7.440

Quantity and History: One blower (2017), one chipper (2024), six mowers (varied ages), one tractor (2016) and one sand rake (2015)

Condition: Reported satisfactory

Blower

Mowers

SandPro

Small landscaping equipment (replace as needed using funds from operating)

Useful Life: Up to 10 years for the mowers and up to 20 years for the remaining elements

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.

Utility Vehicles

Line Items: 7.800 through 7.820

Quantity, History and Condition:

- Carts: 10 each, Kawasaki Mule, 3- to 11-years of age, good condition
- Dump Truck: one each, Chevrolet 3500, 10 years of age, good condition
- Pickup Trucks: three each, Ford F250 and Chevrolet Colorado, 2- to 11-years of age, good condition
- Trailers, two each, unknown ages, good condition

Kawasaki Mules

Trucks

Useful Lives: 10- to 15-years for the carts, up to 15 years for the trucks and up to 20 years for the trailers

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.

Four Lakes can fund capital repairs and replacements in any combination of the following:

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

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

This Reserve Study is in compliance with and exceeds the National standards[1] set forth by the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Level 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 Lisle, Illinois at an annual inflation rate[3]. Isolated or regional markets of greater

[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.

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

- The past and current maintenance practices of Four Lakes 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.

TIMOTHY J. MATTHIESEN, RS
Responsible Advisor

CURRENT CLIENT SERVICES

Timothy J. Matthiesen, a Civil Engineer, is an Advisor for Reserve Advisors, which is dedicated to serving community associations, religious organizations, educational facilities, and public and private entities throughout the United States. Mr. Matthiesen is responsible for the inspection and analysis of the property's current condition, recommending engineering solutions to prolong the lives of building components, forecasting capital expenditures for the repair and/or replacement of the property components, and technical report preparation on assignments. He is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast Services on townhomes, homeowners associations and planned unit developments.

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

Eliot House – 28-story high rise located in Carl Sandburg Village in Chicago. This condominium offers its residents unrivaled views of the Gold Coast from its expansive rooftop deck.

Lake Monticello - 3,500 acre development in Central Virginia with 4,500+ single family homes, 18 hole golf course, 62 miles of private streets, 400 acres of private lakes and extensive maintenance and security facilities.

Museum Tower - Residential tower comprised of a curtain wall system that rises 50 stories over downtown Dallas.

Talamore of Huntley - Homeowners association of over 1,100 homes in the Chicagoland area. The community includes a 10,000 square foot amenity center and waterpark development.

The Walnuts - Three high rises comprised of masonry built in 1929 near the plaza in Kansas City surrounded by private grounds with traditional English gardens.

Condominium Residences at Seven Bridges – Modern, high-rise development west of Chicago with an elevated, terrace style pool deck above an indoor parking garage

The Village Community Association - 208 acre, gated residential community near Cleveland with walking trails, lakes, a private clubhouse and almost 30 acres of green turf.

Four Seasons Resorts Colorado - State of the art 45-story high rise hotel and condominium in downtown Denver and ski lodge destination resort in Vail.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Mr. Matthiesen was working with a consulting firm to assess school facility capabilities in southeastern Wisconsin. He was responsible for the inspection and condition assessment of school facilities which included conducting on-site meetings with school personnel, completing technical inspections and creating a database of photographs and building condition information.

Mr. Matthiesen also worked for the county parks department near his hometown as a Civil Engineer. He was responsible for the design of park facilities including roadways and parking lots, picnic shelters and recreational trails along with the inspection of current facilities including historic structures maintained by the County.

EDUCATION

Marquette University - B.S. Civil Engineering

PROFESSIONAL AFFILIATIONS

Reserve Specialist (RS) - Community Associations Institute

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 Four Lakes 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) Four Lakes 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.