

# The Cottages at Argyle Condominium Association, Inc.

August 19, 2025 • Revised on: March 17, 2026  
Jacksonville, FL

FULL RESERVE STUDY

THE  
COTTAGES  
AT ARGYLE



8550



Long-term thinking. Everyday commitment.

The Cottages at Argyle Condominium Association, Inc.  
Jacksonville, Florida

Dear Board of Directors of The Cottages at Argyle Condominium Association, Inc.:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of The Cottages at Argyle Condominium Association, Inc. in Jacksonville, Florida and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, August 19, 2025.

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 The Cottages at Argyle Condominium Association, Inc. plan for a successful future.

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

Respectfully submitted on March 17, 2026 by

*Reserve Advisors, LLC*

Visual Inspection and Report by: J.J. Barron  
Review by: Kevin Hayes, Regional Engineering Manager  
Alan M. Ebert, RS<sup>1</sup>, PRA<sup>2</sup>, Director of Quality Assurance



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

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



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# 1. RESERVE STUDY EXECUTIVE SUMMARY

**Client:** The Cottages at Argyle Condominium Association, Inc. (The Cottages at Argyle)

**Location:** Jacksonville, Florida

**Reference:** 141425

**Property Basics:** The Cottages at Argyle Condominium Association, Inc. is a townhome style development which consists of 144 units in 18 buildings and a pool house. The community was built in 2006.

**Reserve Components Identified:** 28 Reserve Components.

**Inspection Date:** August 19, 2025.

**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 these threshold funding years in 2026 due to the replacement of the gutters and fascia, in 2042 due to the replacement of the asphalt shingle roofs, and in 2052 due to the replacement of the vinyl perimeter fences.

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

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

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

**Unaudited Cash Status of Reserve Fund:**

- \$503,864 as of July 31, 2025
- 2025 budgeted Reserve Contributions of \$93,443

**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:

- Playground equipment replacement due to noted deterioration
- Light poles and fixtures replacements due to noted deterioration

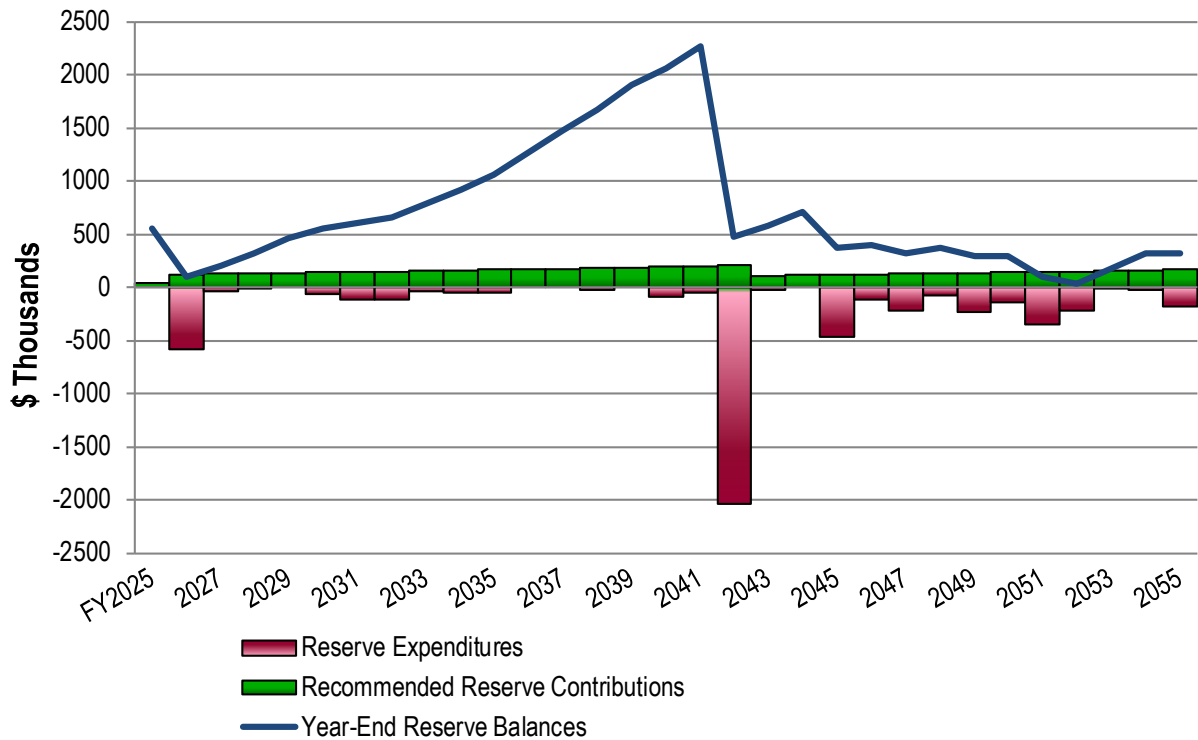
**Recommended Reserve Funding:** We recommend the following in order to achieve a stable and equitable Cash Flow Methodology Funding Plan:

- Increase Reserve Contributions to \$123,000 in 2026
- Inflationary increases from 2027 through 2042
- Decrease to \$111,700 by 2043 due to fully funding for replacement of the asphalt shingle roofs
- Inflationary increases thereafter through 2055, the limit of this study's Cash Flow Analysis
- Initial adjustment in Reserve Contributions of \$29,557 represents an average monthly increase of \$17.10 per owner and about a five percent (5.2%) adjustment in the 2025 Total Budget of \$571,968.



### The Cottages at Argyle Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2026	123,000	103,797	2036	170,200	1,264,139	2046	123,100	392,474
2027	127,100	198,645	2037	175,800	1,476,444	2047	127,200	313,904
2028	131,300	322,780	2038	181,600	1,674,083	2048	131,400	378,778
2029	135,600	468,926	2039	187,600	1,909,416	2049	135,700	290,177
2030	140,100	560,443	2040	193,800	2,066,488	2050	140,200	291,860
2031	144,700	600,103	2041	200,200	2,272,537	2051	144,800	98,214
2032	149,500	653,334	2042	206,800	474,528	2052	149,600	33,318
2033	154,400	793,817	2043	111,700	577,276	2053	154,500	178,226
2034	159,500	921,859	2044	115,400	709,820	2054	159,600	324,005
2035	164,800	1,062,942	2045	119,200	377,762	2055	164,900	319,627





## 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

**The Cottages at Argyle Condominium Association, Inc.**

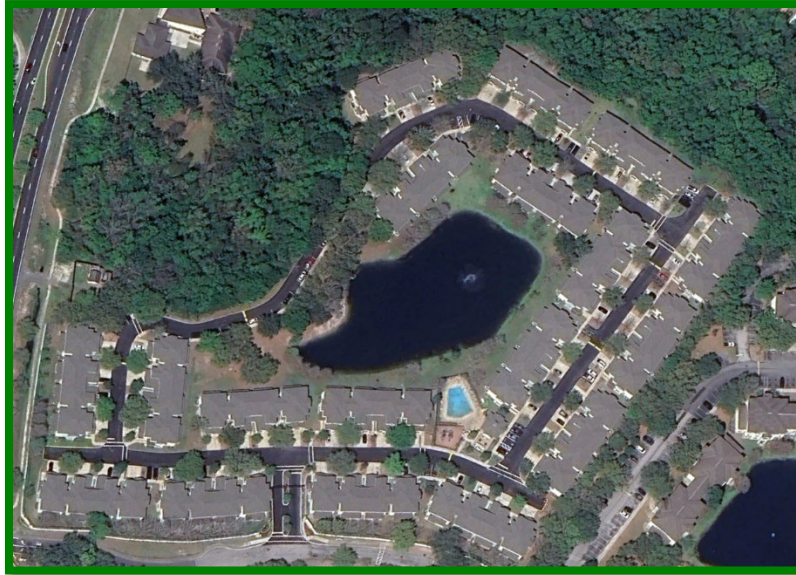
**Jacksonville, Florida**

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, August 19, 2025.

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

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

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

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

## Excluded Components

for  
**The Cottages at Argyle**  
**Condominium Association, Inc.**  
Jacksonville, Florida

<b>Operating Budget Components</b>
<p>Repairs normally funded through the Operating Budget and Expenditures less than \$4,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)</p> <p>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.</p>
<ul style="list-style-type: none"> <li>• Catch Basins, Landscape</li> <li>• Irrigation System, Controls and Maintenance</li> <li>• Irrigation System, Pump</li> <li>• Irrigation System, Replacements</li> <li>• Landscape</li> <li>• Light Fixtures, Exterior</li> <li>• Paint Finishes, Touch Up</li> <li>• Pool Deck, Pavers, Interim Replacements and Resetting</li> <li>• Signage, Street and Traffic</li> <li>• Site Furniture</li> </ul>

<b>Long-Lived Components</b>		
<p>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.</p>	<b>Useful Life</b>	<b>Estimated Cost</b>
• Electrical Systems, Common	to 70+	N/A
• Foundations	Indeterminate	N/A
• Pipes, Interior Building, Domestic Water and Sanitary Waste, Common	to 70+	N/A
• Pipes, Subsurface Utilities	to 85+	N/A
• Structural Frames	Indeterminate	N/A

## **Excluded Components**

for

**The Cottages at Argyle  
Condominium Association, Inc.**

Jacksonville, Florida

### **Owners Responsibility Components**

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

- Electrical Systems (Including Circuit Protection Panels)
- Heating, Ventilating and Air Conditioning (HVAC) Units
- Interiors
- Patio Doors and Screens
- Pipes (Within Units)
- Windows and Garage Doors

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

The tables following this introduction present:

#### **Reserve Expenditures**

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

#### **Reserve Funding Plan**

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

## RESERVE EXPENDITURES

**The Cottages at Argyle  
Condominium Association, Inc.**  
Jacksonville, Florida

**Explanatory Notes:**

- 1) **3.3%** is the estimated Inflation Rate for estimating Future Replacement Costs.
- 2) **FY2025** is Fiscal Year beginning January 1, 2025 and ending December 31, 2025.
- 3) **2056+** indicates a component which is considered long-lived

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	RUL = 0 FY2025	1 2026	2 2027	3 2028	4 2029	5 2030	6 2031	7 2032	8 2033	9 2034	10 2035	11 2036	12 2037	13 2038	14 2039	15 2040
						Useful	Remaining	Unit (2025)	Per Phase (2025)	Total (2025)																	
<b>Exterior Building Elements</b>																											
1.180	146	49	Each	Doors, Front Entrances, Replacement (Incl. Pool House Doors), Phased	2047	to 40	22 to 26	2,000.00	97,340	292,000	12.0%																
1.240	20,000	20,000	Linear Feet	Gutters and Downspouts, Aluminum (2026 is Planned)	2026	12 to 18	1	9.00	180,000	180,000	10.6%	250,000															
1.280	1,810	1,810	Squares	Roofs, Asphalt Shingles (Incl. Pool House, Storage Building and Mail Stations Roofs)	2042	12 to 18	17	550.00	995,500	995,500	32.5%																
1.590	8,000	8,000	Square Feet	Soffit and Fascia, Vinyl (2026 is Planned)	2026	to 40	1	5.00	40,000	40,000	4.7%	250,000															
1.880	20,600	20,600	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2027	5 to 7	2	1.50	30,900	30,900	5.1%		32,973								41,387						
<b>Property Site Elements</b>																											
4.020	11,100	11,100	Square Yards	Asphalt Pavement, Patch Repairs	2030	3 to 5	5	0.50	5,550	5,550	0.9%						6,528				7,679						9,032
4.040	11,100	11,100	Square Yards	Asphalt Pavement, Mill and Overlay	2045	15 to 20	20	17.00	188,700	188,700	6.8%																
4.100	8	8	Each	Catch Basins, Inspections and Capital Repairs	2045	15 to 20	20	800.00	6,400	6,400	0.2%																
4.120	6	1	Allowance	Concrete, Partial Replacements, Partial (Incl. Sidewalks, Curbs, and Driveways)	2030	to 65	5 to 30+	7,000.00	7,000	42,000	1.4%						8,234				9,685						11,392
4.260	1,800	1,800	Linear Feet	Fence, Vinyl, Perimeter	2032	15 to 20	7	50.00	90,000	90,000	6.2%								112,965								
4.310	2	1	Allowance	Gate Entry System, Phased	2033	10 to 15	8 to 15	8,000.00	8,000	16,000	1.1%									10,373							13,020
4.320	4	4	Each	Gate Operators	2035	to 10	10	4,300.00	17,200	17,200	1.9%										23,798						
4.330	2	2	Each	Gates, Aluminum (Incl. Aluminum Fencing)	2045	to 20	20	12,000.00	24,000	24,000	0.9%																
4.420	81,400	81,400	Square Feet	Irrigation System, Replacement	2064	to 40+	39	1.50	122,100	122,100	0.0%																
4.560	28	28	Each	Light Poles and Fixtures (2026 is Planned)	2026	to 25	1	1,800.00	50,400	50,400	2.4%	8,000															
4.600	6	6	Each	Mailbox Stations	2033	to 25	8	2,100.00	12,600	12,600	0.3%									16,337							
4.660	1	1	Allowance	Playground Equipment	2026	15 to 20	1	55,000.00	55,000	55,000	3.1%	56,815															
4.700	1	1	Each	Pond, Aerator	2028	10 to 15	3	7,800.00	7,800	7,800	0.4%			8,598													
4.710	1,040	155	Linear Feet	Pond, Erosion Control, Partial	2034	to 15	9 to 30+	30.00	4,650	31,200	0.3%										6,228						
4.800	1	1	Allowance	Signage, Entrance Monuments, Renovation	2026	15 to 20	1	5,000.00	5,000	5,000	0.3%	5,165															
<b>Pool and Pool House Elements</b>																											
6.200	5,070	5,070	Square Feet	Deck, Pavers	2031	to 25	6	13.00	65,910	65,910	1.5%							80,085									
6.310	1	1	Allowance	Exterior Renovations, Partial (Incl. Pool House and Mail Stations Exteriors Excluding Roofs and Stucco)	2035	20 to 30	10	6,500.00	6,500	6,500	0.5%										8,993						
6.400	390	390	Linear Feet	Fence, Aluminum (Incl. Playground Fence)	2031	to 25	6	34.00	13,260	13,260	0.3%								16,112								
6.500	1	1	Allowance	Furniture (2026 is Planned)	2026	to 12	1	12,000.00	12,000	12,000	1.0%	6,600													18,301		
6.600	3	1	Allowance	Mechanical Equipment, Phased	2028	to 15	3 to 13	5,000.00	5,000	15,000	1.0%			5,512						6,483					7,626		
6.800	1,440	1,440	Square Feet	Pool Finish, Plaster	2030	8 to 12	5	24.00	34,560	34,560	3.3%						40,651										56,244
6.801	150	150	Linear Feet	Pool Finish, Tile	2030	15 to 25	5	39.00	5,850	5,850	0.4%						6,881										
6.850	2	2	Each	Rest Rooms, Renovation, Pool House	2031	to 25	6	10,000.00	20,000	20,000	0.5%							24,301									
6.860	1	1	Allowance	Security System	2034	10 to 15	9	5,000.00	5,000	5,000	0.3%										6,697						
		1	Allowance	Reserve Study Update with Site Visit	2027	to 2	2	3100	3,100	3,100	0.1%		3,308														
<b>Anticipated Expenditures, By Year (\$5,317,782 over 30 years)</b>												0	576,580	36,281	14,109	0	62,294	120,499	112,965	33,193	54,312	50,155	0	0	25,927	0	89,688

## RESERVE EXPENDITURES

**The Cottages at Argyle  
Condominium Association, Inc.**  
Jacksonville, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	16 2041	17 2042	18 2043	19 2044	20 2045	21 2046	22 2047	23 2048	24 2049	25 2050	26 2051	27 2052	28 2053	29 2054	30 2055	
						Useful	Remaining	Unit (2025)	Per Phase (2025)	Total (2025)																	
<b>Exterior Building Elements</b>																											
1.180	146	49	Each	Doors, Front Entrances, Replacement (Incl. Pool House Doors), Phased	2047	to 40	22 to 26	2,000.00	97,340	292,000	12.0%							198,838		212,177		226,412					
1.240	20,000	20,000	Linear Feet	Gutters and Downspouts, Aluminum (2026 is Planned)	2026	12 to 18	1	9.00	180,000	180,000	10.6%		312,592														
1.280	1,810	1,810	Squares	Roofs, Asphalt Shingles (Incl. Pool House, Storage Building and Mail Stations Roofs)	2042	12 to 18	17	550.00	995,500	995,500	32.5%		1,728,808														
1.590	8,000	8,000	Square Feet	Soffit and Fascia, Vinyl (2026 is Planned)	2026	to 40	1	5.00	40,000	40,000	4.7%																
1.880	20,600	20,600	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs	2027	5 to 7	2	1.50	30,900	30,900	5.1%	51,947							65,203							81,840	
<b>Property Site Elements</b>																											
4.020	11,100	11,100	Square Yards	Asphalt Pavement, Patch Repairs	2030	3 to 5	5	0.50	5,550	5,550	0.9%										12,497					14,700	
4.040	11,100	11,100	Square Yards	Asphalt Pavement, Mill and Overlay	2045	15 to 20	20	17.00	188,700	188,700	6.8%					361,225											
4.100	8	8	Each	Catch Basins, Inspections and Capital Repairs	2045	15 to 20	20	800.00	6,400	6,400	0.2%					12,251											
4.120	6	1	Allowance	Concrete, Partial Replacements, Partial (Incl. Sidewalks, Curbs, and Driveways)	2030	to 65	5 to 30+	7,000.00	7,000	42,000	1.4%					13,400					15,762					18,540	
4.260	1,800	1,800	Linear Feet	Fence, Vinyl, Perimeter	2032	15 to 20	7	50.00	90,000	90,000	6.2%													216,248			
4.310	2	1	Allowance	Gate Entry System, Phased	2033	10 to 15	8 to 15	8,000.00	8,000	16,000	1.1%							16,342							20,512		
4.320	4	4	Each	Gate Operators	2035	to 10	10	4,300.00	17,200	17,200	1.9%					32,926										45,555	
4.330	2	2	Each	Gates, Aluminum (Incl. Aluminum Fencing)	2045	to 20	20	12,000.00	24,000	24,000	0.9%					45,943											
4.420	81,400	81,400	Square Feet	Irrigation System, Replacement	2064	to 40+	39	1.50	122,100	122,100	0.0%																
4.560	28	28	Each	Light Poles and Fixtures (2026 is Planned)	2026	to 25	1	1,800.00	50,400	50,400	2.4%											117,230					
4.600	6	6	Each	Mailbox Stations	2033	to 25	8	2,100.00	12,600	12,600	0.3%																
4.660	1	1	Allowance	Playground Equipment	2026	15 to 20	1	55,000.00	55,000	55,000	3.1%							108,760									
4.700	1	1	Each	Pond, Aerator	2028	10 to 15	3	7,800.00	7,800	7,800	0.4%			13,993													
4.710	1,040	155	Linear Feet	Pond, Erosion Control, Partial	2034	to 15	9 to 30+	30.00	4,650	31,200	0.3%										10,136						
4.800	1	1	Allowance	Signage, Entrance Monuments, Renovation	2026	15 to 20	1	5,000.00	5,000	5,000	0.3%							9,887									
<b>Pool and Pool House Elements</b>																											
6.200	5,070	5,070	Square Feet	Deck, Pavers	2031	to 25	6	13.00	65,910	65,910	1.5%																
6.310	1	1	Allowance	Exterior Renovations, Partial (Incl. Pool House and Mail Stations Exteriors Excluding Roofs and Stucco)	2035	20 to 30	10	6,500.00	6,500	6,500	0.5%															17,216	
6.400	390	390	Linear Feet	Fence, Aluminum (Incl. Playground Fence)	2031	to 25	6	34.00	13,260	13,260	0.3%																
6.500	1	1	Allowance	Furniture (2026 is Planned)	2026	to 12	1	12,000.00	12,000	12,000	1.0%										27,020						
6.600	3	1	Allowance	Mechanical Equipment, Phased	2028	to 15	3 to 13	5,000.00	5,000	15,000	1.0%			8,970					10,551					12,410			
6.800	1,440	1,440	Square Feet	Pool Finish, Plaster	2030	8 to 12	5	24.00	34,560	34,560	3.3%											77,818					
6.801	150	150	Linear Feet	Pool Finish, Tile	2030	15 to 25	5	39.00	5,850	5,850	0.4%											13,172					
6.850	2	2	Each	Rest Rooms, Renovation, Pool House	2031	to 25	6	10,000.00	20,000	20,000	0.5%																
6.860	1	1	Allowance	Security System	2034	10 to 15	9	5,000.00	5,000	5,000	0.3%										10,899						
		1	Allowance	Reserve Study Update with Site Visit	2027	to 2	2	3100	3,100	3,100	0.1%																
<b>Anticipated Expenditures, By Year (\$5,317,782 over 30 years)</b>												51,947	2,041,400	22,962	0	465,745	118,647	215,179	75,753	233,212	146,270	343,642	216,248	12,410	20,512	177,851	

## RESERVE FUNDING PLAN

**CASH FLOW ANALYSIS**  
**The Cottages at Argyle**  
**Condominium Association, Inc.**  
 Jacksonville, Florida

		Individual Reserve Budgets & Cash Flows for the Next 30 Years															
		FY2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Reserves at Beginning of Year	(Note 1)	503,864	548,686	103,797	198,645	322,780	468,926	560,443	600,103	653,334	793,817	921,859	1,062,942	1,264,139	1,476,444	1,674,083	1,909,416
Total Recommended Reserve Contributions	(Note 2)	38,935	123,000	127,100	131,300	135,600	140,100	144,700	149,500	154,400	159,500	164,800	170,200	175,800	181,600	187,600	193,800
Estimated Interest Earned, During Year	(Note 3)	5,887	8,691	4,029	6,945	10,546	13,711	15,459	16,696	19,276	22,853	26,438	30,997	36,505	41,966	47,733	52,960
Anticipated Expenditures, By Year		0	(576,580)	(36,281)	(14,109)	0	(62,294)	(120,499)	(112,965)	(33,193)	(54,312)	(50,155)	0	0	(25,927)	0	(89,688)
Anticipated Reserves at Year End		<u>\$548,686</u>	<u>\$103,797</u>	<u>\$198,645</u>	<u>\$322,780</u>	<u>\$468,926</u>	<u>\$560,443</u>	<u>\$600,103</u>	<u>\$653,334</u>	<u>\$793,817</u>	<u>\$921,859</u>	<u>\$1,062,942</u>	<u>\$1,264,139</u>	<u>\$1,476,444</u>	<u>\$1,674,083</u>	<u>\$1,909,416</u>	<u>\$2,066,488</u>

(NOTE 5)

(continued)

		Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued														
		2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Reserves at Beginning of Year		2,066,488	2,272,537	474,528	577,276	709,820	377,762	392,474	313,904	378,778	290,177	291,860	98,214	33,318	178,226	324,005
Total Recommended Reserve Contributions		200,200	206,800	111,700	115,400	119,200	123,100	127,200	131,400	135,700	140,200	144,800	149,600	154,500	159,600	164,900
Estimated Interest Earned, During Year		57,797	36,591	14,010	17,144	14,487	10,260	9,409	9,227	8,911	7,753	5,196	1,752	2,818	6,690	8,573
Anticipated Expenditures, By Year		(51,947)	(2,041,400)	(22,962)	0	(465,745)	(118,647)	(215,179)	(75,753)	(233,212)	(146,270)	(343,642)	(216,248)	(12,410)	(20,512)	(177,851)
Anticipated Reserves at Year End		<u>\$2,272,537</u>	<u>\$474,528</u>	<u>\$577,276</u>	<u>\$709,820</u>	<u>\$377,762</u>	<u>\$392,474</u>	<u>\$313,904</u>	<u>\$378,778</u>	<u>\$290,177</u>	<u>\$291,860</u>	<u>\$98,214</u>	<u>\$33,318</u>	<u>\$178,226</u>	<u>\$324,005</u>	<u>\$319,627</u>

(NOTE 5)

(NOTE 5)

(NOTE 4)

**Explanatory Notes:**

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

## FIVE-YEAR OUTLOOK

**The Cottages at Argyle  
Condominium Association, Inc.**  
Jacksonville, Florida

Line Item	Reserve Component Inventory	RUL = 0 FY2025	1 2026	2 2027	3 2028	4 2029	5 2030
<b>Exterior Building Elements</b>							
1.240	Gutters and Downspouts, Aluminum (2026 is Planned)		250,000				
1.590	Soffit and Fascia, Vinyl (2026 is Planned)		250,000				
1.880	Walls, Stucco, Paint Finishes and Capital Repairs			32,973			
<b>Property Site Elements</b>							
4.020	Asphalt Pavement, Patch Repairs						6,528
4.120	Concrete, Partial Replacements, Partial (Incl. Sidewalks, Curbs, and Driveways)						8,234
4.560	Light Poles and Fixtures (2026 is Planned)		8,000				
4.660	Playground Equipment		56,815				
4.700	Pond, Aerator				8,598		
4.800	Signage, Entrance Monuments, Renovation		5,165				
<b>Pool and Pool House Elements</b>							
6.500	Furniture (2026 is Planned)		6,600				
6.600	Mechanical Equipment, Phased				5,512		
6.800	Pool Finish, Plaster						40,651
6.801	Pool Finish, Tile						6,881
	<b>Reserve Study Update with Site Visit</b>			3,308			
<b>Anticipated Expenditures, By Year (\$689,265 over 5 years)</b>		0	576,580	36,281	14,109	0	62,294

## 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



**Units front exterior overview**



**Units rear exterior overview**



**Storage building overview**



**Mailbox station**



Units front exterior overview



Units side exterior overview

## Doors, Entrances

---

**Line Item:** 1.180

**Quantity:** Approximately 146 unit entrance doors. This quantity includes the two pool house restroom doors

**History:** Unknown at this time

**Condition:** Good to fair overall



Pool house door



Unit entrance door



**Unit entrance door**

**Useful Life:** Up to 40 years

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

- Annually:
  - Inspect and repair any damage, base corrosion or alignment issues
  - Replace deteriorated hardware and loose weather stripping
  - Periodic touch-up paint finish applications as needed

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

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

## **Gutters and Downspouts**

---

**Line Item:** 1.240

**Quantity:** Approximately 20,000 linear feet of aluminum gutters and downspouts

**History:** Original. The Association informs us of plans to replace the gutters and gutter guards in 2026.

**Condition:** Fair overall



**Aluminum gutters and downspouts**



**Aluminum gutters and downspouts**



**Aluminum gutters and downspouts**



**Aluminum gutters and downspouts**



**Aluminum gutters and downspouts**

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

**Component Detail Notes:** The size of the gutter is determined by the roof's watershed area, a roof pitch factor and the rainfall intensity number of the Association's region. We

recommend sloping gutters 1/16 inch per linear foot and providing fasteners a maximum of every three feet.

Downspouts can drain 100 square feet of roof area per one square inch of downspout cross sectional area. We recommend the use of downspout extensions and splash blocks at the downspout discharge to direct storm water away from the foundations. Downspouts that discharge directly onto roofs cause premature deterioration of the roofs due to the high concentration of storm water. We recommend either routing these downspouts directly to the ground, connecting the downspouts to the gutters of the lower roof or distributing the storm water discharge over a large area. The useful life of gutters and downspouts coincides with that of the asphalt shingle roofs. Coordinated replacement will result in the most economical unit price and minimize the possibility of damage to other roof components as compared to separate replacements.

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

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

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

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimated cost comes from information provided by the Association.

## Roofs, Asphalt Shingles

---

**Line Item:** 1.280

**Quantity:** Approximately 1,810 *squares*<sup>1</sup> across the roofs of the units, pool house, storage building and two mailbox stations

**History:** Replaced in 2024

**Condition:** Good to fair overall

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



**Pool house roof**



**Pool house roof**



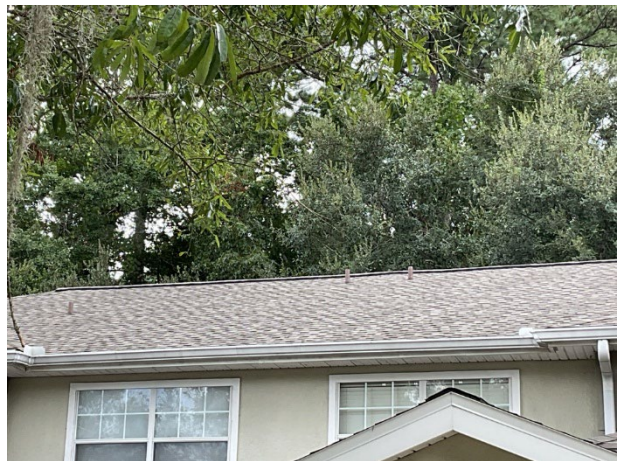
**Mailbox station roof**



**Roof overview at units**



**Roof overview at units**



**Roof overview at units**



**Roof overview at units**



**Mailbox station roof**



**Roof overview at units**



**Roof overview at units**



**Roof overview at units**



**Roof overview at units**



**Roof overview at units**

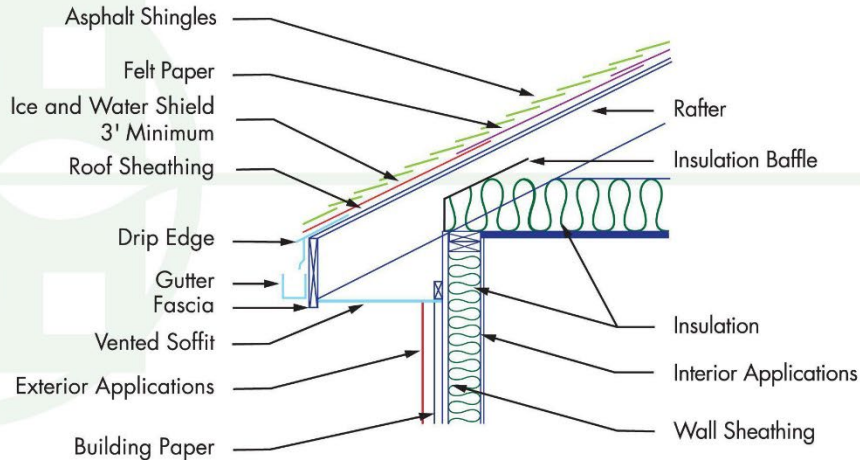
**Useful Life:** 12- to 18-years

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

- Laminate architectural shingles
- Boston style ridge caps
- Lead boot flashing at waste pipes
- Soffit, square hood box and ridge vents
- Metal drip edge
- Enclosed full weaved valleys

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

## ROOF SCHEMATIC



© Reserve Advisors

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

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

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

- Annually:
  - Record any areas of water infiltration, flashing deterioration, damage or loose shingles
  - Implement repairs as needed if issues are reoccurring
  - Trim tree branches that are near or in contact with roof
- As-needed:

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

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

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

## Soffit and Fascia, Vinyl

---

**Line Item:** 1.590

**Quantity:** Approximately 8,000 square feet

**History:** Original. The Association informs us of plans to replace the soffit and fascia in 2026.

**Condition:** Fair overall with isolated detached soffit evident



Vinyl soffits and fascia



Vinyl soffits and fascia



Detached soffit

**Useful Life:** Up to 40 years

**Component Detail Notes:** Consideration of appearance largely governs the decision to replace the vinyl soffits and fascia, in whole or partially, prior to the end of their useful life. Maintenance and partial replacements of the soffits and fascia may extend the useful life. Normal deterioration mainly relates to fading of the exterior finish from exposure to sunlight, weathering and air pollutants. The lack of replacement pieces matching the color and profile of the existing soffits and fascia may result in the need for a premature replacement.

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

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimated cost comes from information provided by the Association.

## Walls, Stucco

---

**Line Item:** 1.880

**Quantity:** Approximately 20,600 square feet of the building exteriors. This quantity includes the stucco at the two mailbox stations buildings

**History:** Unknown at this time

**Condition:** Good to fair overall



**Stucco wall finishes at mailbox station**



**Stucco wall finishes**



**Stucco wall finishes**



**Stucco wall finishes**



**Stucco wall finishes**



**Stucco wall finishes**



**Stucco wall finishes**



**Stucco wall finishes**

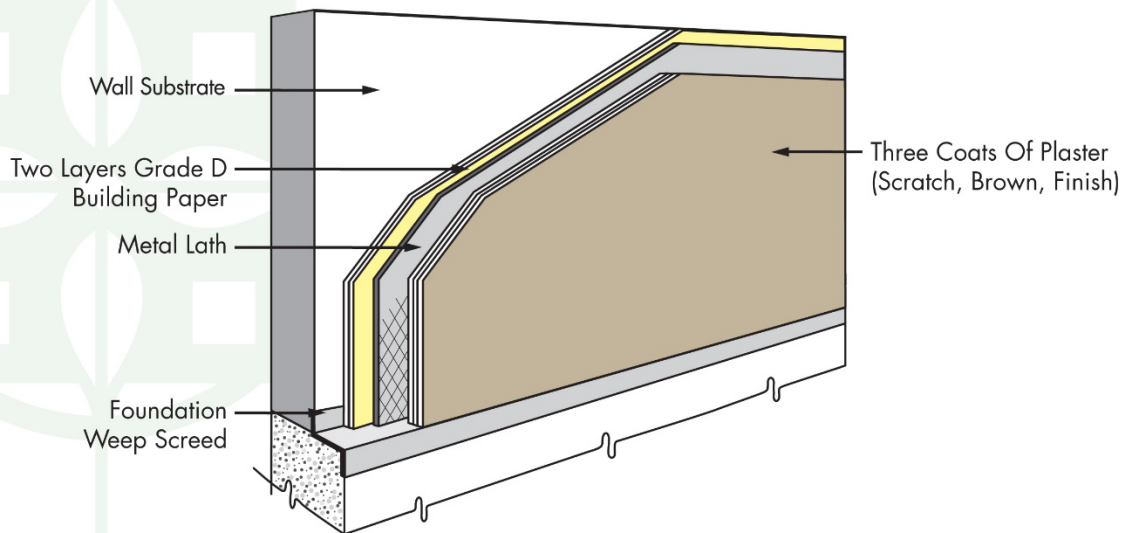


**Stucco wall finishes**

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

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

## STUCCO DETAIL



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Correct and complete preparation of the surface before application of the paint finish maximizes the useful life of the paint finish and surface. The contractor should remove all loose, peeled or blistered paint before application of the new paint finish. The contractor should then power wash the surface to remove all dirt and biological growth.

Water-soluble cleaners that will not attack Portland cement are acceptable for removing stains.

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

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

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

## Property Site Elements

### Asphalt Pavement

---

**Line Items:** 4.020 and 4.040

**Quantity:** Approximately 11,100 square yards

**History:** Repaved in 2025

**Condition:** Good to fair overall



Pavement overview



Pavement overview



**Pavement overview**



**Pavement overview**



**Pavement overview**



**Pavement overview**



**Pavement overview**



**Pavement overview**

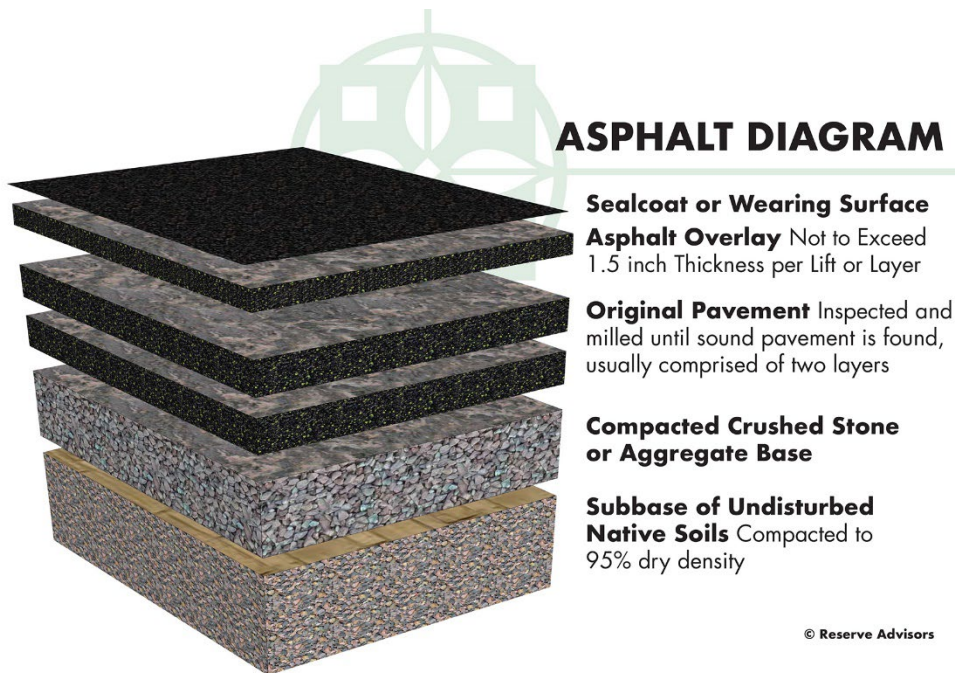


**Pavement overview**

**Useful Life:** 15- to 20-years with the benefit of patch repairs events every three- to five-years

**Component Detail Notes:** Patch repairs are conducted at areas exhibiting settlement, potholes, or excessive cracking. These conditions typically occur near high traffic areas, catch basins, and pavement edges.

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



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 of repaving at The Cottages at Argyle.

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

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

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

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost includes an allowance for patching of up to two percent (2%) of the pavement. Our cost for milling and overlayment includes area patching of up to ten percent (10%).

## Catch Basins

---

**Line Item:** 4.100

**Quantity:** Approximately Eight catch basins<sup>2</sup>

**History:** Unknown at this time

**Condition:** Good overall

<sup>2</sup> We utilize the terminology catch basin to refer to all storm water collection structures including curb inlets.



Catch basin



Catch basin

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

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

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

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

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

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association plan for inspections and capital repairs to the catch basins in conjunction with repaving.

## Concrete, Partial Replacements

---

**Line Item:** 4.120

**Quantity:** We include an allowance for partial replacements and repairs to the concrete sidewalks, curbs, and driveways

**Condition:** Fair overall with isolated cracks and sidewalk trip hazards evident



**Concrete curb**



**Concrete sidewalk**



**Concrete sidewalk**



**Concrete curb**



**Concrete driveway**



**Concrete driveway**



**Driveway cracks**



**Concrete curb cracks**



**Concrete curb cracks**



**Sidewalk trip hazard**

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

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

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

**Priority:** Per Board discretion

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

## **Fence, Vinyl**

---

**Line Item:** 4.260

**Quantity:** Approximately 1,800 linear feet at the community's perimeter

**History:** Unknown at this time.

**Condition:** Fair overall with isolated dislodged pickets and previous repairs evident.



**Vinyl fence**



**Vinyl fence**



**Vinyl fence**



**Vinyl fence**



**Fence dislodged section**



**Vinyl fence previous 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:

- Annually:
  - Inspect and repair loose panels, and damage
  - Repair leaning sections and clear vegetation from fence areas which could cause damage
  - Periodically clean vinyl fence as needed

**Priority:** Per Board discretion

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

## **Gate Entry System**

---

**Line Item:** 4.310

**Quantity:** One panel and four security cameras

**History:** Unknown at this time

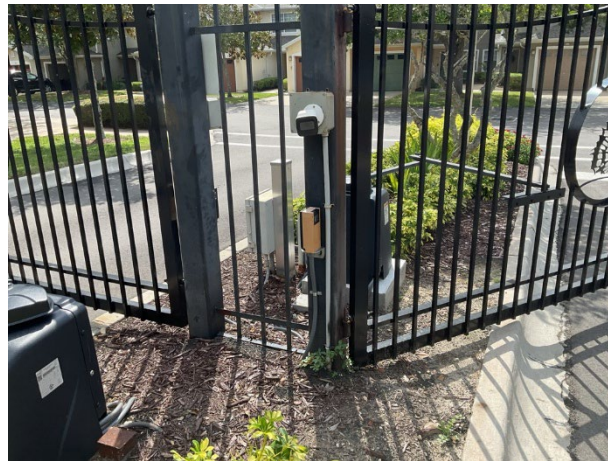
**Condition:** Reported satisfactory



**Gate entry keypad**



**Security cameras**



**Security camera**

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

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

- Monthly:
  - Inspect panel for damage and ensure the panel is mounted securely, tighten or replace any loose or damaged fasteners.
  - Inspect panel for proper operation of buttons, displays, microphone and speaker.
- Annually:
  - Check power connections, and if applicable, functionality of battery power supply systems

**Priority:** Per Board discretion

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

## Gates and Operators

---

**Line Items:** 4.320 and 4.330

**Quantity:** Two gates, one pedestrian gate, four operators, and approximately 120 linear feet of aluminum fencing

**History:**

- Gates: Replaced in 2025.
- Operators: Replaced in 2025.

**Condition:**

- Gates: Good to fair overall condition with isolated rust evident
- Operators: Reported satisfactory



Gate operator



Aluminum gates



Gate operator



Aluminum gates



**Gate rust**



**Aluminum fences**



**Aluminum fences**



**Aluminum pedestrian gate**

**Useful Life:** Up to 10 years for the operators and up to 20 years for the gates

**Preventative Maintenance Notes:** The status of preventative maintenance was unavailable to us during our inspection. We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
  - Ensure gates operate freely
  - Inspect for any wear, rust and loose fasteners
  - Inspect and correct tension in belts and chains, and lubricate hinges and chains as necessary
  - Check alignment of pulleys
  - Check for no oil leakage at the gear box
  - Check the control board for water damage. Clean and remove insects and other pests as needed.

- Check all wiring for insulation damage and loose connections. If applicable, check functionality of battery power supply systems

**Priority:** Not recommended to defer

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

## **Irrigation System, Replacement**

---

**Line Item:** 4.420

**Quantity:** Approximately 81,400 square feet of irrigation that serves the common areas

**History:** Unknown at this time

**Condition:** Satisfactory operational condition

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

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

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

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

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

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

**Priority:** 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.

## Light Poles and Fixtures

---

**Line Item:** 4.560

**Quantity:** Approximately 28 poles with light fixtures

**History:** Original. The Association informs us of plans to replace the light fixtures in 2026 funded largely by means other than reserves.

**Condition:** Fair overall with finish deterioration evident.



Light pole and fixture



Light pole and fixture



Light pole and fixture



Finish deterioration

**Useful Life:** Up to 25 years

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

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

**Priority:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimated cost for the 2026 fixtures replacements comes from information provided by the Association.

## Mailbox Stations

---

**Line Item:** 4.600

**Quantity:** Six stations

**History:** Original

**Condition:** Good to fair overall



Mailbox station



Mailbox station

**Useful Life:** Up to 25 years

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

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

**Priority:** Per Board discretion

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

## Playground Equipment

---

**Line Item:** 4.660

**Quantity:** Playground equipment includes the following elements:

- Playsets
- Wood surface

**History:** Original

**Condition:** Fair overall with finish deterioration and rust evident.



**Playground equipment overview**



**Frame rust**



**Frame rust**



**Equipment finish deterioration**



**Equipment finish deterioration**



**Playground equipment**

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

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

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

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

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

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We include an allowance in the unit cost for replacement of the safety surface and border.

## **Pond, Aerator**

---

**Line Item:** 4.700

**Quantity:** One aerator

**History:** Unknown at this time

**Condition:** Reported satisfactory



**Pond fountain aerator**

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

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

**Priority:** 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.

## **Pond, Erosion Control**

---

**Line Item:** 4.710

**Quantity:** Approximately 1,040 linear feet of natural vegetation shorelines

**History:** Original

**Condition:** Good to fair overall with minor shoreline erosion evident.



**Pond shoreline**



**Pond shoreline**

**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 up to every 15 years.

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

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

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

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

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association plan to install a combination of plantings and rip rap around the pond along 155 linear feet, or approximately fifteen percent (15%), of the shoreline per event.

## Signage, Entrance Monuments

---

**Line Item:** 4.800

**Quantity:** The property identification signs includes the following elements:

- Light Fixtures
- Landscaping
- Letters
- Stucco

**History:** Unknown at this time

**Condition:** Fair overall with isolated stucco cracks evident



**Entrance monument**



**Entrance monument**



**Stucco cracks**

**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:** Per Board discretion

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

## Pool and Pool House Elements



**Pool overview**



**Pool house overview**

### **Deck, Pavers**

---

**Line Item:** 6.200

**Quantity:** Approximately 5,070 square feet

**History:** Original

**Condition:** Good to fair overall with isolated settlement evident.



**Paver pool deck overview**



**Paver pool deck overview**



**Paver pool deck overview**



**Paver pool deck overview**



**Paver settlement**

**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 settlement, trip hazards and significant paver spall
  - Reset and/or reseal damaged pavers as necessary
  - Periodically clean and remove overgrown vegetation as needed

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

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association fund interim inspections, partial replacements and repairs through the operating budget.

## Exterior Renovations

---

**Line Item:** 6.310

**Quantity:** The pool house and mail station building exteriors comprises the following:

- Approximately 700 square feet of masonry brick at the pool house and mailbox stations
- Approximately 320 square feet of wood siding at the pool house

**History:** Unknown at this time

**Condition:** Good overall



**Masonry walls overview at pool house**



**Pool house wood siding**



**Masonry walls overview at pool house**



**Pool house wood siding**



**Masonry pillars overview at pool house**



**Pool house wood ceiling**



**Masonry walls overview at mailbox station**

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

**Priority:** Per Board discretion

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Cottages at Argyle should anticipate partial exterior renovations which should include the following:

- Replacement of the wood siding as needed
- Inspections and capital repairs of the masonry bricks as needed

## **Fences, Aluminum**

---

**Line Item:** 6.400

**Quantity:** Approximately 390 linear feet at the playground and pool fences

**History:** Original

**Condition:** Fair overall with frequent color fade and finish deterioration evident.



**Aluminum pool fence**



**Aluminum pool fence**



**Aluminum pool fence**



**Aluminum pool fence**



**Aluminum pool fence**



**Aluminum playground fence**



**Aluminum playground fence**



**Fence finish deterioration**



**Fence finish fade**

**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:** Not recommended to defer

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

## Furniture

**Line Item:** 6.500

**Quantity:** The pool furniture includes the following:

- Chairs
- Lounges
- Tables

**History:** Unknown at this time. The Association informs us of plans to replace the pool furniture in 2026

**Condition:** Good to fair overall



Pool furniture overview



Pool furniture overview



Pool furniture overview



Pool furniture overview

**Useful Life:** Up to 12 years

**Priority:** 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. Our estimated cost comes from information provided by the Association.

## **Mechanical Equipment**

---

**Line Item:** 6.600

**Quantity:** The mechanical equipment includes the following:

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

**History:** Unknown at this time

**Condition:** Unavailable at the time of our inspection



**Pool mechanical equipment enclosure**

**Useful Life:** Up to 15 years

**Preventative Maintenance Notes:** The status of preventative maintenance was unavailable to us during our inspection. 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:** Defer only upon opinion of independent professional or engineer

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Failure of the pool mechanical equipment as a single event is unlikely. Therefore, we include replacement of up to thirty-three percent (33%) of the equipment per event. We consider interim replacement of motors and minor repairs as normal maintenance.

## Pool Finishes, Plaster and Tile

---

**Line Items:** 6.800 and 6.801

**Quantity:** Approximately 1,440 square feet of plaster based on the horizontal surface area and approximately 150 linear feet of tile

**History:**

- Plaster finish: Unknown at this time
- Tile: Unknown at this time

**Condition:** Fair overall with isolated plaster discoloration evident



**Pool plaster finish with tile perimeter**



**Pool plaster finish with tile perimeter**



**Plaster discoloration**

**Useful Life:** 8- to 12-years for the plaster and 15- to 25-years for the tile

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

- Semi-annually:

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

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

**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association budget for full tile replacement every other plaster replacement event. Removal and replacement of the finish provides the opportunity to inspect the pool structure and to allow for partial repairs of the underlying concrete surfaces as needed. To maintain the integrity of the pool structure, we recommend the Association budget for the following:

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

## Restrooms

---

**Line Item:** 6.850

**Quantity:** The restroom components include:

- Tile floor coverings
- Tile and paint finish wall coverings
- Paint finish ceiling coverings
- Laminate bars
- Light fixtures
- Plumbing fixtures

**History:** Unknown at this time

**Condition:** Good to fair overall



Pool house restroom



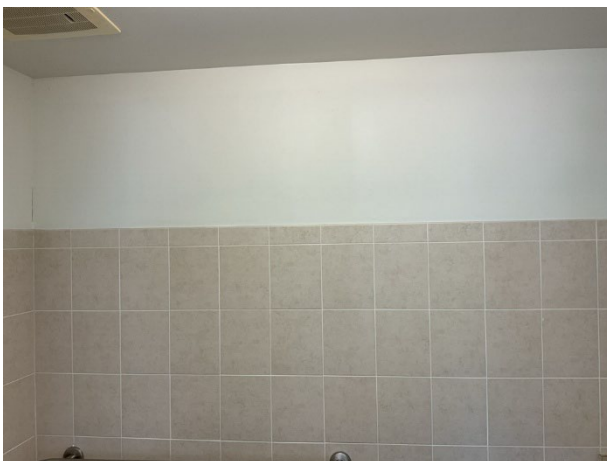
Pool house restroom



Pool house restroom



Pool house restroom



Pool house restroom wall



Pool house restroom tile flooring

**Useful Life:** Renovation up to every 25 years

**Priority:** Per Board discretion

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

## Security System

---

**Line Item:** 6.860

**Quantity:** The Cottages at Argyle utilizes the following security system components:

- Cameras
- Recorder

**History:** Unknown at this time

**Condition:** Reported satisfactory without operational deficiencies



Security system camera



Security system cameras

**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:** Per Board discretion



**Expenditure Detail Notes:** Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association should anticipate replacement of all of the security system components per event.

## Reserve Study Update

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

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

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

## 5. METHODOLOGY

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

The Cottages at Argyle can fund capital repairs and replacements in any combination of the following:

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

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

This Reserve Study is in compliance with and exceeds the National standards<sup>1</sup> set forth by the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Level 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<sup>2</sup> costs of material, equipment and labor
- Current and future costs of replacement for the Reserve Components
- Costs of demolition as part of the cost of replacement
- Local economic conditions and a historical perspective to arrive at our estimate of long-term future inflation for construction costs in Jacksonville, Florida at an annual inflation rate<sup>3</sup>. Isolated or regional markets of greater

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

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

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

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

- The past and current maintenance practices of The Cottages at Argyle 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.

**J.J. Barron**  
**Responsible Advisor**

**CURRENT CLIENT SERVICES**

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



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

**Sunset Lakes Condominium Association** - Located in Lakeland, Florida, this condominium association contains 288 units in 12 three-story buildings. The Association maintains a pool and club house, building exteriors including roofs and painting, and asphalt pavement.

**Jacksonville Golf & Country Property Owners Association** - This homeowners association is located in Jacksonville, Florida. This community consist of 919 single family homes. Jacksonville Golf & Country maintains a dock area that consist of asphalt pavement, concrete sidewalks, and storm drains. The Association is also responsible for landscaping, irrigation, and gate entry systems.

**Eagle Dunes Homeowners Association, Inc.** - Located in Sorrento, Florida, this homeowners association contains 679 single family homes and 104 townhome units. Eagle Dunes maintains several ponds throughout the community. The association maintains playground equipment, tennis courts, gates and gate entry systems. The community also maintains various fencing and landscaping.

**Tidewater Island Condominium Association, Inc.** - This development comprises of 38 single family homes across 5 three- story buildings. This Community Association is located in Vero Beach, Florida. Asphalt shingle roofs, elevators, HVAC split systems, and parking garages. This community also maintains breezeways, balconies, and fire suppression systems.

**The Seasons at Orchid Homeowners Association, Inc.** - Located in Vero Beach, Florida, this Association is responsible for the common elements shared by 100 single family homes. In addition to roads and parking areas, the Association maintains a clubhouse and gatehouse with concrete tile roofs, a swimming pool, exercise equipment and perimeter walls.

**Runaway Beach Club Condominium Association, Inc.** - This homeowners association is located in Kissimmee, Florida, and is responsible for the common elements shared by 192 single family homes. The Association maintains a clubhouse with a basketball court, weight room, an office, golf carts, a pool and pool deck pavers.

**PRIOR RELEVANT EXPERIENCE**

Mr. Barron earned his Bachelor of Science degree in Mechanical Engineering from the University of Texas at Tyler. His relevant coursework includes thermodynamics, fluid mechanics, heat transfer, mechanical design, control systems, computer-aided engineering, building systems engineering, materials science, project management, energy management, structural analysis, and life cycle cost analysis.

**EDUCATION**

University of Texas at Tyler – B.S. Mechanical Engineering

**Kevin Hayes**  
**Regional Engineering Manager**

**CURRENT CLIENT SERVICES**

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



The following is a partial list of clients served by Kevin Hayes demonstrating his breadth of experiential knowledge of community associations in construction, remediation procedures and related buildings systems.

**Silver Springs Farms Estates Association** - Located in Banner Elk, North Carolina, Silver Springs Farms sits upon the foothills of the North Carolina Appalachian mountain range and produces some of the best views that North Carolina has to offer. Silver Springs Farms contains various scenic waterfalls, breathtaking landscapes, mountain-typical winding asphalt roads, and many large retaining walls.

**1666 Coffman Condominium Association** - Located in Falcon Heights, Minnesota, this distinctive building contains 93 units in a three-story structure. Building service elements include boilers, a chiller, a hydraulic elevator, and various pumps that supply water for building heating/cooling as well as fire suppression.

**Robinwood Village Homeowners Association** - This development contains a combination of 18 townhome style buildings in Gastonia, North Carolina. The Association maintains shared common elements including asphalt pavement streets, retaining walls and walking paths.

**Oldenburg Homeowners Association** - This development contains 128 single family homes in Waxhaw, North Carolina. The Association maintains shared common elements including asphalt pavement streets, walking paths, sport courts, clubhouse and pool.

**Stowe Creek Homeowners Association** - This development contains 396 single family homes in Charlotte, North Carolina. The Association maintains shared common elements including asphalt pavement streets, playground equipment, clubhouse and pool.

**IronGate Farms Homeowners Association** - This development contains 30 single family homes in Clover, South Carolina. The Association maintains shared common elements including asphalt pavement streets, walking paths, ponds, and perimeter fences.

**PRIOR RELEVANT EXPERIENCE**

Mr. Hayes attended North Carolina State University at Charlotte in Charlotte, North Carolina where he attained his Bachelor of Science degree in Electrical Engineering Technology. He then worked as a manufacturing engineer for Continental Automotive Systems where he maintained the electrical, mechanical, hydraulic, and pneumatic control systems of various production equipment. Mr. Hayes also developed PLC logic as well as vision system solutions to ensure a high standard of quality within the production processes of his responsibility. Mr. Hayes later managed a department of 5 engineers and over 20 technicians that were responsible for the entire final assembly of state-of-the-art automotive safety technology before joining Reserve Advisors as a Regional Engineering Manager of the Southeast Region.

**EDUCATION**

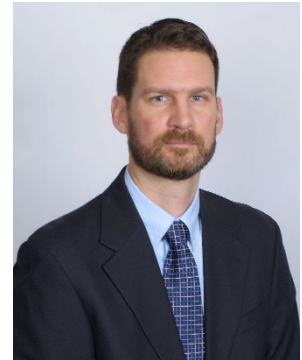
University of North Carolina at Charlotte - B.S. Electrical Engineering Technology

**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 carpports, aluminum siding, and asphalt shingle roofs are a few of the elements maintained by the Association.

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

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

**PRIOR RELEVANT EXPERIENCE**

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

**EDUCATION**

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

**PROFESSIONAL AFFILIATIONS/DESIGNATIONS**

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

*Reserve Specialist (RS)* - Community Associations Institute

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



## RESOURCES

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

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

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

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

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

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

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

## 7. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



## 8. PROFESSIONAL SERVICE CONDITIONS

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

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

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

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



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

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

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

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

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

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