PREPARED FOR:

SOUTHERN VILLAGE HOMEOWNERS ASSOCIATION INC. CHAPEL HILL, NC

MANAGED BY:
MILL HOUSE PROPERTIES

DATE:
MARCH 28, 2025

FULL RESERVE STUDY

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INTRODUCTIONS

Southern Village Homeowners Association Inc. authorized Giles Flythe Engineers to perform a Full Reserve Study for the Southern Village townhome community located in Chapel Hill, NC. The purpose of the reserve study is to assist the association in planning for future capital repair expenses. A reserve study is an important tool for an association to adequately fund capital reserve accounts through regular annual reserve contributions. Adequately funded capital reserve accounts reduce the need to defer capital repairs, collect special assessments or borrow funds for capital repair projects.

A community association typically has certain responsibilities as described in the association governing documents. These responsibilities often include maintaining common areas and other components. An association, as a non-profit organization, will typically have two general asset cash accounts including an operating account and a reserve account. The operating account is funded from regular budgeted assessments and is used to fund routine operating expenses that occur on a predictable cycle, typically monthly or up to annually. The reserve account is funded from regular contributions and is primarily used to fund non-annual capital repair expenses.

The focus of the reserve study is on the reserve account. We have projected capital repair expenses over a term of thirty years. The capital repair expenses are limited to those components for which the association is responsible for maintaining. Capital repair expense estimates include an expected useful life and remaining useful life of the components to develop a projected schedule for capital repairs over the term. After developing a schedule of capital repairs over the term, we completed a cash flow analysis forecasting reserve account balances over the term and provided funding recommendations as needed. Capital repair expense estimates and funding estimates are most reliable in the first portion of the term. Updating a reserve study every three to five years will mitigate the impacts of variation in repair costs, component wear, inflation and reserve funding over time.

Capital reserve funding recommendations are provided to address funding principles such as providing a sufficient amount of funds, a stable reserve contribution rate over the term, an equitable contribution rate over the term, and a fiscally responsible approach to funding. The reserve study is intended to assist the association in developing budgeted reserve contributions.

The report includes a narrative section which describes the scope of the reserve study, a discussion of observations and capital repair allocations, a general description of capital repairs and a description of our cash flow analysis and funding recommendations. The report appendices include the capital reserve analysis with tables detailing an itemized list of capital repair expenses, an itemized list of expenses by year and our cash flow analysis. A photo log is provided and includes a representative sample of our observations. The report includes multiple sections with information presented in various forms and should, therefore, be read in its entirety.

EXECUTIVE SUMMARY

Southern Village is a community located west of South Columbia Street in Chapel Hill, NC. The community is comprised of single-family homes, townhomes, and condominiums. This study focuses only on the townhome units within the 17 buildings that make up the Westend, Highgrove, Townhome I, and Townhome II associations. These 17 buildings house approximately 141 units. According to Orange County Tax Records, the construction of the townhome buildings occurred between 1996 and 2001.

The Association has responsibility for the exterior facades of the buildings, roofs, and gutters and downspouts. The Association is also responsible for common area drainage systems and fire/life safety equipment at select townhome buildings.

The townhome buildings are typically of wood frame construction on slab-on-grade foundations. The roofs of the townhome buildings are primarily comprised of asphaltic fiberglass shingles with limited sections of standing seam metal roofing over portions of the front entries and windows. Exterior walls are clad with fiber cement siding and brick veneer.

The buildings, common areas, and site improvements are generally in good to fair condition. Note that based on our cash flow analysis, maintaining the current funding level is projected to maintain a positive balance over the term. We have provided alternative recommendations for annual reserve contribution schedules that provide a healthy balance to meet capital expenditure requirements in the next thirty years, in summary as follows:

WESTEND

- **Alternative 1**: Maintain the current annual reserve contribution through the end of the term. This alternative is projected to maintain a positive balance through the term of this study.
- **Alternative 2**: The current annual reserve contribution will result in a large reserve balance at the end of the term. The Association may decrease the annual reserve contribution by $25,000 in 2027. This alternative is projected to maintain a positive balance through the term of this study.

HIGHGROVE

- **Alternative 1**: Maintain the current annual reserve contribution through the end of the term. This alternative is projected to maintain a positive balance through the term of this study.
- **Alternative 2**: The current annual reserve contribution will result in a large reserve balance at the end of the term. The Association may decrease the annual reserve contribution by $75,000 in 2028. This alternative is projected to maintain a positive balance through the term of this study.

TOWNHOME I

- **Alternative 1**: Maintain the current annual reserve contribution through the end of the term. This alternative is projected to maintain a positive balance through the term of this study.

- **Alternative 2**: The current annual reserve contribution will result in a large reserve balance at the end of the term. The Association may decrease the annual reserve contribution by $14,000 in 2027. This alternative is projected to maintain a positive balance through the term of this study.

TOWNHOME II

- **Alternative 1**: Maintain the current annual reserve contribution through the end of the term. This alternative is projected to maintain a positive balance through the term of this study.

- **Alternative 2**: The current annual reserve contribution will result in a large reserve balance at the end of the term. The Association may decrease the annual reserve contribution by $58,000 in 2028. This alternative is projected to maintain a positive balance through the term of this study.

A more detailed analysis of the individual townhome reserve funds has been provided in Appendices A-D.

Some significant expenditures are expected over the term of the study. Some of the more notable examples are listed below:

- Replace building roofs
- Paint/repair siding & trim

Additional, less significant, capital expenditures are anticipated over the term of this study. Those items that will require repair or replacement are discussed later in this report.

PURPOSE & SCOPE

We have completed this study to estimate capital repair expenses the association is responsible for over the term of the study and provide a cash flow analysis and capital reserve funding plan. This study is intended to assist the association in determining the allocation requirements into the reserve fund which are projected to meet future anticipated capital expenditures for the community.

This report estimates capital repair expenses for the community thirty years into the future. Variations in capital repair expense forecasts due to the quality of maintenance, weather and other events may occur. Over time, age, premature deterioration, or other factors may necessitate the addition of assets into the reserve study. Additionally, fluctuations in material and labor costs beyond assumed inflation rates may also affect the accuracy of the forecasts. Therefore, a reserve study should be routinely updated, typically on a three to five-year cycle to provide the most accurate assessment of needs and financial obligations of the community.

What is a reserve study?

A reserve study is a long-term capital budget planning tool which compares the current reserve fund of an organization to future capital repairs and replacements.

A reserve study is a tool to help identify and prepare for major repair and replacement projects for a community.

It is recommended that a reserve study be performed every five years to ensure that communities are saving the necessary funds for capital repairs and improvements.

This study has been performed according to the scope as generally defined by Southern Village Homeowners Association Inc., Giles Flythe Engineers Inc., and the standards of the Community Associations Institute. The findings and recommendations are based on interviews with the community's management personnel; a review of available documents; and a limited visual inspection of the components maintained by the association.

The Cash Flow Method of calculating reserves has been utilized, whereby contributions to the reserve fund are designed to offset the variable annual expenditures. Funding alternates are recommended which are designed to achieve at minimum a Baseline Funding goal by maintaining a positive balance for the term of the study. We have also included a threshold funding goal which provides a minimum reserve account over the term. The minimum balance is typically calculated by determining the total over term forecasted expenses and dividing by the length of the term in years. This minimum threshold balance will help offset the risk of fluctuations in labor and material costs and component wear.

To determine which components should be included in this analysis, we used the following guidelines:

- The component must be maintained by the association.
- The component must have an estimated remaining useful life within the term of this study.
- The funding for the repair should be from the reserve account, not through an annual operating budget or other maintenance contracts.
- The cost of the capital repair must be significant enough to not be reasonably funded from an annual operating budget.

Our process for completing the reserve study includes:

1. Reviewing information provided including governing documents, association financial statements, and information on previous or planned capital repairs.
2. Reviewing available information on the property as needed. This may include plat maps, tax records, historical aerial photographs, available site, and building plans.
3. Conducting a visual inspection of the property. This may include interviewing association representatives during the inspection.
4. Developing an inventory of components to be included in the reserve study.
5. Predicting their remaining service life and approximating how frequently they will require repair or replacement.
6. Estimating repair or replacement costs (in 2024 dollars) for each capital item.
7. Develop a cash flow analysis adjusting for inflation and return on invested monies to determine the adequacy of current reserve funding plans.
8. Develop funding recommendations with specific reserve contribution recommendations for each year of the term.

The statements in this report are opinions about the present condition of the areas inspected within the community. Our inspection is limited to a visual ground level inspection and we did not remove any surface materials, perform any testing, or move any furnishings. This study is not an exhaustive technical evaluation or building code compliance review. For additional limitations, see Conclusion and Limitations.

Standards of Reference

The following definitions are provided as a standard of reference:

Excellent: Component or system is in "as new" condition, requiring no rehabilitation and should perform in accordance with expected performance.

Good: Component or system is sound and performing its function, although it may show signs of normal wear and tear. Some minor rehabilitation work may be required.

Fair: Component or system falls into one or more of the following categories: a) Evidence of previous repairs not in compliance with commonly accepted practice, b) Workmanship not in compliance with commonly accepted standards, c) Component or system is obsolete, d) Component or system approaching the end of expected performance. Repair or replacement is required to prevent further deterioration or to prolong expected life.

Poor: Component or system has either failed or cannot be relied upon to continue performing its original function as a result of having exceeded its expected performance, excessive deferred maintenance, or state of disrepair. The present condition could contribute to or cause the deterioration of other adjoining elements or systems. Repair or replacement is required.

Adequate: A component or system is of a capacity that is defined as enough for what is required, sufficient, suitable, and/or conforms to standard construction practices.

SOURCES OF INFORMATION

Date of Inspection

Onsite inspection of the property occurred on December 4, 2024.

Persons Interviewed

The following persons were interviewed in connection with this study:

- Michelle Johnson, Director of HOA Operations – Mill House Properties LLC
- Suzanne Lyman, Treasurer – Southern Village Homeowners Association
- Jason Hall, Fire Alarm & Security Operations Manager – Summit

Documents

The following documents were made available to us and reviewed:

- Orange County Tax Records
- Association Governing Documents
- Association financial statements
- Historical aerial photographs
- Southern Village Townhome Owners Schedule of Maintenance Responsibilities

Cost Estimates

- Our internal data files on similar projects
- Local contractor estimates for similar projects
- R.S. Means Construction Cost Estimating Data

DESCRIPTION

Southern Village is a community located west of South Columbia Street in Chapel Hill, NC. The community is comprised of single-family homes, townhomes, and condominiums. This study focuses only on the townhome units within the 17 buildings that make up the Westend, Highgrove, Townhome I, and Townhome II associations. These 17 buildings house approximately 141 units. According to Orange County Tax Records, the construction of the townhome buildings occurred between 1996 and 2001.

The Association has responsibility for the exterior facades of the buildings, roofs, and gutters and downspouts. The Association is also responsible for common area drainage systems and fire/life safety equipment at select townhome buildings.

The townhome buildings are typically of wood frame construction on slab-on-grade foundations. The roofs of the townhome buildings are primarily comprised of asphaltic fiberglass shingles with limited sections of standing seam metal roofing over portions of the front entries and windows. Exterior walls are clad with fiber cement siding and brick veneer.

Drainage systems at the townhome units consist of gutters and downspouts that extend underground and either daylight toward the paved areas or continue towards the larger underground drainage systems. Stormwater on the site drains via surface flow or landscaped swales toward catch basins in the paved and landscaped areas.

OBSERVATIONS

The following key observations were made about the current condition of the more significant and costly common elements of the property.

Site Improvements

Drainage systems around the townhome buildings consist of gutters and downspouts that extend underground and either daylight toward the paved areas or continue towards the larger underground drainage systems. Stormwater on the site drains via surface flow or landscaped swales toward catch basins in the paved and landscaped areas and into the larger drainage system running throughout the community. We have assumed that the major stormwater drainage systems underneath the streets are not maintained by the Association. During the site inspection we noted limited areas of ground cover loss and minor erosion.

Over time, additional drainage concerns are likely to develop and require periodic repairs or improvements to ensure the drainage systems are appropriately functioning to discharge stormwater towards the appropriate control devices and management systems. Landscaped swales tend to accumulate sediment that settles out during storm events and will need to be periodically removed and re-graded. Erosion concerns are likely to continue to develop in steeper slopes which would require stabilization repair. In addition, over time, small landscape drainage systems will likely need to be installed in flat areas of the community to address concerns.

We have allocated funds for significant repairs to the drainage systems every 5 years beginning in 2028. Drainage repairs would likely include minor repairs to stabilize areas of surface erosion, adding riprap or vegetation to stabilize exposed areas, creating positive slopes to drain, re-trenching and re-armoring landscaped swales, repairing/hydro-jetting buried common area stormwater piping and other drainage system improvements.

Building Exteriors

The pitched roof surfaces over the townhome buildings are primarily covered in architectural grade asphaltic fiberglass shingles. Roof surfacing is applied over roof sheathing, and appeared to be in generally good condition. We are unaware of any concerns with current or previous roof leaks. Minor improvements will likely include replacing vent boots, flashing and drip edge repairs, which we have assumed would be funded from the annual maintenance budget.

If inspections and repairs occur in the interim, this type of roofing surface will typically have an expected useful life of approximately 20 years. We strongly recommend that any re-roofing project closely follow procedures outlined by the National Roofing Contractors Association's *Roofing and Waterproofing Manual*. A re-roofing sequence should include removal of the existing roofing material, replacement of any inadequate roof sheathing, replacement of any damaged flashing, and replacement of drip edge components. Roofs in the Highgrove, Townhome I, and Townhome II communities were reportedly replaced between 2019 and 2024.

Per the community manager, the Westend roofs will be replaced in 2025. We have allocated funds to replace the roofs on the schedule detailed in the table below and every 20 years thereafter.

WESTEND				
	Built	**Replaced**	**Next Roof**	**Gutters**
900-920 Highgrove Dr	2000	---	2025	2045
1000-1020 Highgrove Dr	2000	---	2025	2045
HIGHGROVE				
	Built	**Replaced**	**Next Roof**	**Gutters**
100-122 Glade St	2001	2021	2041	2041
101-123 Westside Dr	1999	2022	2042	2042
100-122 Nolen Ln	2001	2023	2043	2043
101-123 Nolen Ln	2000	2024	2044	2044
TOWNHOME I				
	Built	**Replaced**	**Next Roof**	**Gutters**
104-118 Westgreen Dr	1996	2019	2039	2039
200-214 Westgreen Dr	1996	2019	2039	2039
TOWNHOME II				
	Built	**Replaced**	**Next Roof**	**Gutters**
400-410 Copperline Dr	1998	2021	2041	2041
412-422 Copperline Dr	1998	2021	2041	2041
500-516 Copperline Dr	1998	2023	2043	2043
520-536 Copperline Dr	1998	2024	2044	2044
401-415 Copperline Dr	1997	2022	2042	2042
200-210 Brookgreen Dr	1997	2019	2039	2039
200-212 Greenview Dr	1998	2019-2020	2039	2039
201-203 Greenview Dr	1998	2019-2020	2039	2039
205-207 Greenview Dr	1998	2019-2020	2039	2039

Gutters and downspouts appear to be in generally good condition. We have included funds to replace gutters and downspouts between 2039 and 2045, aligning with the second roof replacement for each building. This schedule is detailed in the table above. We have assumed any minor repairs in the interim would be funded from the annual maintenance budget.

Sections of standing seam metal roofing are installed over a portion of the front entrances and windows. Considering fading and exposure to the elements, these roof surfaces may require periodic re-coating. Due to the limited quantity of this component, we have assumed that the sections of metal roofing would be re-coated as needed from the annual maintenance budget.

The townhome buildings are primarily clad in brick veneer and fiber cement siding and trim. The exterior painted components of the buildings generally appeared to vary in condition, with deterioration and several loose/leaning railings noted. Per the provided Schedule of Maintenance Responsibilities, the Association is responsible for painting and repairing the exterior siding on the townhome buildings every 10 years. Every 5 years, all trim, doors, shutters, and railings should also be painted/repaired and deteriorated caulking should

be replaced. Painting projects would include repair/replacement of damaged components, replacing deteriorated caulking, surface preparation and cleaning, and the application of two coats of a high-quality exterior paint. We have allocated funds to paint the exterior siding on each building every 10 years and trim components every 5 years, as outlined in the schedule below.

	Previous Trim	Next Trim	Previous Siding	Next Siding
Westend	2019	2026	----	2026
Highgrove	2020	2026	2020	2031
Townhome I	2023	2028	2021	2031
Townhome II	2020	2025	2020	2030
	(every 5 years)		*(every 10 years)*	

The brick veneer generally appeared to be in good condition. This component has an expected useful life beyond the term of this study. The brick surfaces will require periodic power washing to maintain a clean appearance and we have assumed that this, as well as minor repairs, would be funded through an annual maintenance budget.

A mailbox structure is located between the two Westend townhome buildings. The mailbox structure façade and roof should be maintained at the time of the painting/repair and roof cycles on the Westend buildings. We anticipate the mailbox inserts to have an expected useful life of approximately 30 years. Funds have been included to replace the mailbox inserts in 2033 and on a 30-year cycle thereafter. We have assumed that minor repairs to limited hinges and locks would be funded from the annual maintenance budget as needed.

Mechanical, Electrical and Plumbing Systems

The Westend and Highgrove buildings are each served by a wet fire suppression system with risers in mechanical rooms at the end of each building. The system is routinely inspected and maintained, and the inspections appeared to be current. It is likely that the fire suppression system valves and gauges will require occasional repairs/replacement. The fire alarm/life safety systems include ADEMCO Vista Series fire alarm control panels. A plaque in one of the sprinkler rooms indicated the number of sprinklers throughout the building. It is likely that the fire alarm control panels and life safety fixtures will require replacement/upgrades on an approximate 20-year cycle. We have provided an allocation of funds to repair/replace the fire alarm control panels and fire suppression system components every 20 years beginning in 2035. We have also allocated funds to repair/replace portions of the life safety fixtures and sprinklers every 20 years beginning in 2027.

The National Fire Protection Agency (NFPA) requires that a fire sprinkler test be conducted every 5 years to ensure that there are no significant blockages in the sprinkler piping. We have included funds for fire sprinkler tests on a 5-year cycle beginning in 2027 and 2028.

We have assumed that the Association is responsible for maintaining the buried sanitary sewer and water piping between the townhome units and municipality maintained main lines. The buried piping was not visible during the site inspection and we are not aware of any issues at this time. The Association may consider video borescope inspections of sections of the buried piping to determine and better predict repair needs. Repairs may include full excavation and replacing damage sections of piping or hydro-jetting to remove debris without excavation. Based on the age of the community and the unpredictability of these components, we have allocated funds as a contingency for repairs to the buried utility piping every 15 years beginning in 2040.

PREVENTATIVE MAINTENANCE

Preventative maintenance is a critical aspect affecting a property's life cycle costs and structural safety. It is encouraged that every property owner have a preventative maintenance plan in place. The reserve study is not to be considered a preventative maintenance plan. A preventative maintenance plan should incorporate all applicable common elements, not just those components included within the reserve study.

Any information provided by the client regarding ongoing maintenance or repair being performed with any component has been noted within the notes for that component. We can only be aware of preventative maintenance plans or programs that have been disclosed by the client. Note that an audit or evaluation of any maintenance plan or maintenance contract is outside the scope of the services of this project.

In some states and municipalities, periodic structural inspection reports are required for certain types of buildings. This periodic inspection report is critical to assist the reserve study provider in incorporating necessary corrective maintenance costs and timing. We recommend the association complete any and all required structural inspections and reports and have assumed these reports would be made available for our review during the reserve study.

We have assumed repairs under a dollar value of approximately $1,000 would be funded as part of an annual maintenance budget. These repairs were not included in the funding allocations of this reserve study unless otherwise noted. We have assumed other component repairs/replacements would be funded from an annual maintenance budget as noted in the report.

RESERVE FUND ANALYSIS

We have performed a cash flow analysis projecting balances in the reserve account over the term of this study. We have included estimated capital repair expenses detailed in the first several pages of Appendix A. We have included tables and graphs depicting current funding levels along with recommended funding alternatives.

The financial projections include an assumed inflation rate and an assumed average return on invested funds as noted on the Project Summary page in the Appendix. The inflation rate adjustment is noted at the bottom of the annual expense page and the return on invested funds is noted in the existing funding level and funding alternative cash flow tables.

The software utilized to analyze the reserve funds was developed by Giles Flythe Engineers, Inc. in cooperation with a technology consultancy. The software and our analysis system have been extensively reviewed by leading community association and non-profit certified public accountants.

The capital repairs listed were derived from the initial request for proposal, discussions with association representatives, our informal review of governing documents and our site inspection. The association should confirm that the items listed are, in fact, the responsibility of the association and appropriate to fund from the reserve account.

Appendix A includes the following:

1. The Project Summary page that lists pertinent details specific to the association, the terms of the analysis and summarizes total over term expenses and recommended threshold balance.
2. The Expense Projection page that itemizes the capital repairs by category, illustrates our cost estimating by unit and provides estimated useful life and remaining useful life of each item.
3. The Annual Expense Projection pages that populate the capital repairs over the term of the study. This page includes a total adjusted for inflation at the bottom of the pages.
4. The Itemized Funding Analysis page provides a summary of the capital expenditures over the term and a graph breaking down the portion of the capital repairs into each category – Site Improvements, Building Exterior, Building Interior, Mechanical/Electrical/Plumbing Systems and Amenities.
5. The Current Funding Projection page provides a table and graph illustrating our cash flow analysis assuming the association maintains the current level of reserve contributions over the term of this study. The table includes projected reserve account balances, contributions, return on invested funds and capital repair expenses for each year of the term of this study.
6. The Funding Alternative pages each provide a table and graph illustrating our cash flow analysis assuming the association implements one of our funding recommendations detailed below.

Current Westend Reserve Funding Rate:	**$81,576 per year**
Current Westend Reserve Balance:	**$151,662 (projected 2025 starting balance)**

Current Highgrove Reserve Funding Rate:	**$164,736 per year**
Current Highgrove Reserve Balance:	**$-19,120 (projected 2025 starting balance)**

Current Townhome I Reserve Funding Rate:	**$47,808 per year**
Current Townhome I Reserve Balance:	**$41,492 (projected 2025 starting balance)**

Current Townhome II Reserve Funding Rate:	**$114,180 per year**
Current Townhome II Reserve Balance:	**$166,302 (projected 2025 starting balance)**

Note that based on our cash flow analysis, maintaining the current funding level is projected to maintain a positive/healthy balance over the term. We have included recommended funding alternatives to your current reserve-funding program and recommend that the board adopt an alternative that best reflects the objectives of the community. Our funding recommendations are as follows:

WESTEND

- **Alternative 1**: Maintain the current annual reserve contribution through the end of the term. This alternative is projected to maintain a positive balance through the term of this study.
- **Alternative 2**: The current annual reserve contribution will result in a large reserve balance at the end of the term. The Association may decrease the annual reserve contribution by $25,000 in 2027. This alternative is projected to maintain a positive balance through the term of this study.

HIGHGROVE

- **Alternative 1**: Maintain the current annual reserve contribution through the end of the term. This alternative is projected to maintain a positive balance through the term of this study.

- **Alternative 2**: The current annual reserve contribution will result in a large reserve balance at the end of the term. The Association may decrease the annual reserve contribution by $75,000 in 2028. This alternative is projected to maintain a positive balance through the term of this study.

TOWNHOME I

- **Alternative 1**: Maintain the current annual reserve contribution through the end of the term. This alternative is projected to maintain a positive balance through the term of this study.
- **Alternative 2**: The current annual reserve contribution will result in a large reserve balance at the end of the term. The Association may decrease the annual reserve contribution by $14,000 in 2027. This alternative is projected to maintain a positive balance through the term of this study.

TOWNHOME II

- **Alternative 1**: Maintain the current annual reserve contribution through the end of the term. This alternative is projected to maintain a positive balance through the term of this study.
- **Alternative 2**: The current annual reserve contribution will result in a large reserve balance at the end of the term. The Association may decrease the annual reserve contribution by $58,000 in 2028. This alternative is projected to maintain a positive balance through the term of this study.

A more detailed analysis of the individual townhome reserve funds has been provided in Appendices A-D.

The reserve study is focused on the capital reserve account and budgeted contributions to reserves. The recommendations above are solely attributed to the annual reserve contributions. The association likely has many line items in the annual operating budget that should also be periodically adjusted as part of an annual budgeting process.

The capital repair/replacement cost estimates we have developed are based on 2024 dollars. Our reserve study does include an adjustment for inflation and an assumed rate of return on invested funds.

CONCLUSION & LIMITATIONS

We have provided reserve funding recommendations based on our analysis of the association-maintained components, estimated capital repair costs over the term and the current funding levels. Further detail of the reserve fund analysis is provided in Appendix A.

The physical analysis portion of this reserve study was completed through a limited visual inspection. The visual inspection was completed from ground level unless otherwise specified. The visual inspection is generally limited to readily accessible and visible common areas that would likely require capital repair activities over the term. However, in some instances a representative sample inspection may be performed. Measurement of components is completed by a combination of field measurements, aerial imagery measuring tools and take-offs from construction drawings as available. Unless specifically noted, the components included in this study have an anticipated remaining useful life within thirty years from the time the field observations used in preparing the study were performed.

Note that this inspection does not include removing surface materials, excavation or any testing. The inspection does not include riparian buffers or other protected common areas. Buried utility components and other concealed components were not inspected as part of this analysis and we cannot be responsible for the condition of components not inspected.

The observations described in this study are valid on the date of the investigation and have been made under the conditions noted in the report. We prepared this study for the exclusive use of Southern Village Homeowners Association Inc.. No other party should rely on the information in this report without consent. If another individual or party relies on this study, they shall indemnify and hold Giles Flythe Engineers Inc. harmless for any damages, losses, or expenses they may incur as a result of its use. This study is not to be considered a warranty of condition, and no warranty is implied. The appendices are an integral part of this report and must be included in any review. The Reserve Specialist shall incur no civil liability for performing the physical or financial portions of a reserve study performed in accordance with CAI standards.

Members of the Giles Flythe Engineers team working on this reserve study are not members of, or otherwise associated with, the association. Giles Flythe Engineers has disclosed any other involvement with the association that could result in conflicts of interest.

Information provided by the representatives of the association regarding financial, physical, quantity, or historical issues, will be deemed reliable by Giles Flythe Engineers. The reserve balance presented in the Reserve Study is based upon information provided and was not audited. Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project audit or quality inspection. Giles Flythe Engineers is not aware of any additional material issues which, if not disclosed, would cause a distortion of the association’s situation.

This reserve study is partially a reflection of information provided to us. The reserve study is assembled for the association’s use and is not intended to be used for the purpose of performing an audit, quality/forensic analyses or background checks of historical records. Structural integrity evaluations are not included in the

reserve study unless otherwise noted. The financial information provided, including starting balances and budgeted contribution rates are deemed reliable and have not been audited. Further, this study should not be considered a building code compliance analysis. The purpose of this study is to provide the association with a financial tool and is not to be considered an exhaustive technical or engineering evaluation which would consist of a broader scope of work. Except as noted in the report, we have not relied on the validity of prior reserve studies performed by other firms.

We have provided estimated costs of capital repairs. These costs are based on our general knowledge of the construction industry. We have relied on standard sources as needed, such as Means Building Construction Cost Data and estimates reviewed by Giles Flythe Engineers on similar projects. We have performed no design work or other engineering analysis as part of this study, nor have we obtained competitive quotations or estimates from contractors. Actual repair costs can vary due to a variety of factors. We cannot be responsible for the specific cost estimates provided.

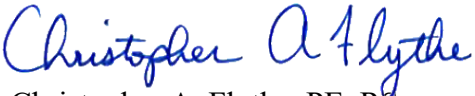
This report has been prepared and reviewed by a professional engineer (PE) and reserve specialist (RS) on our staff.

If you have any questions about this reserve study, please feel free to contact us. Thank you for the opportunity to serve you.

Respectfully submitted,

Heather Hancock, EI
Project Engineer
Giles Flythe Engineers, Inc.

Kevin R. Giles, RS
Project Manager
Giles Flythe Engineers, Inc.



Christopher A. Flythe, PE, RS
Principal Engineer
Giles Flythe Engineers, Inc.

APPENDIX A: RESERVE FUND PROJECTIONS - WESTEND

2024 Reserve Study

Client Name:	Southern Village - Westend
Service:	2024 Reserve Study
Number of Units:	22
Location:	Chapel Hill, NC
Date of Inspection:	December 4, 2024
Term of Study in Years:	30
Beginning Year:	2025
Estimated Starting Reserve:	$151,662
Current Annual Contribution:	$81,576
Annual Inflation Rate:	4.00%
Assumed Rate of Return on Reserve Funds:	1.50%
Total Over Term Capital Expenditure with Inflation:	$1,695,218
Recommended Threshold Reserve Balance: (Average Annual Capital Expenditure with Inflation)	$56,507

Expense Estimates

Description	Quantity	Unit of Measure	Unit Cost	Total Cost per Cycle	Years of Useful Life	Years Remaining	Notes
Site Improvements							
Common area drainage improvements	1	LS	$5,000.00	$5,000	5	3	
Building Exteriors							
Replace Building Roofs	350	SQ	$400.00	$140,000	20	0	
Replace gutters and downspouts	34	EA	$1,350.00	$45,900	40	20	
Paint/repair trim	1	LS	$40,000.00	$40,000	5	6	
Paint/repair siding	1	LS	$97,000.00	$97,000	10	1	
Replace mailbox inserts	2	EA	$3,000.00	$6,000	30	8	
Mechanical/Electrical/Plumbing							
Replace/repair fire suppression system components (include FACP)	2	EA	$20,000.00	$40,000	20	10	
Allocation to replace fire/life safety components	2	EA	$5,000.00	$10,000	20	2	
Fire suppression system - 5 year test	2	EA	$5,000.00	$10,000	5	2	
Allocation for buried utility repairs	1	LS	$8,500.00	$8,500	15	15	

SY: Square Yard, **SF:** Square Feet, **LF:** Linear Feet, **SQ:** Roofing Square, **EA:** Each, **LS:** Lump Sum, **SYS:** System

Annual Expense By Year With Inflation

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Site Improvements										
Common area drainage improvements				$5,624					$6,843	
Building Exteriors										
Replace Building Roofs	$140,000									
Replace gutters and downspouts										
Paint/repair trim							$50,613			
Paint/repair siding		$100,880								
Replace mailbox inserts									$8,211	
Mechanical/Electrical/Plumbing										
Replace/repair fire suppression system components (include FACP)										
Allocation to replace fire/life safety components			$10,816							
Fire suppression system - 5 year test			$10,816					$13,159		
Allocation for buried utility repairs										
Total	**$140,000**	**$100,880**	**$21,632**	**$5,624**	**$0**	**$0**	**$50,613**	**$13,159**	**$15,054**	**$0**

Annual Expense By Year With Inflation

Description	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Site Improvements										
Common area drainage improvements				$8,325					$10,129	
Building Exteriors										
Replace Building Roofs										
Replace gutters and downspouts										
Paint/repair trim		$61,578					$74,919			
Paint/repair siding		$149,327								
Replace mailbox inserts										
Mechanical/Electrical/Plumbing										
Replace/repair fire suppression system components (include FACP)	$59,210									
Allocation to replace fire/life safety components										
Fire suppression system - 5 year test			$16,010					$19,479		
Allocation for buried utility repairs						$15,308				
Total	**$59,210**	**$210,905**	**$16,010**	**$8,325**	**$0**	**$15,308**	**$74,919**	**$19,479**	**$10,129**	**$0**

Annual Expense By Year With Inflation

Description	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Site Improvements										
Common area drainage improvements				$12,324					$14,994	
Building Exteriors										
Replace Building Roofs	$306,757									
Replace gutters and downspouts	$100,573									
Paint/repair trim		$91,151					$110,899			
Paint/repair siding		$221,041								
Replace mailbox inserts										
Mechanical/Electrical/Plumbing										
Replace/repair fire suppression system components (include FACP)										
Allocation to replace fire/life safety components			$23,699							
Fire suppression system - 5 year test			$23,699					$28,834		
Allocation for buried utility repairs										
Total	**$407,330**	**$312,191**	**$47,398**	**$12,324**	**$0**	**$0**	**$110,899**	**$28,834**	**$14,994**	**$0**

Expense Summary

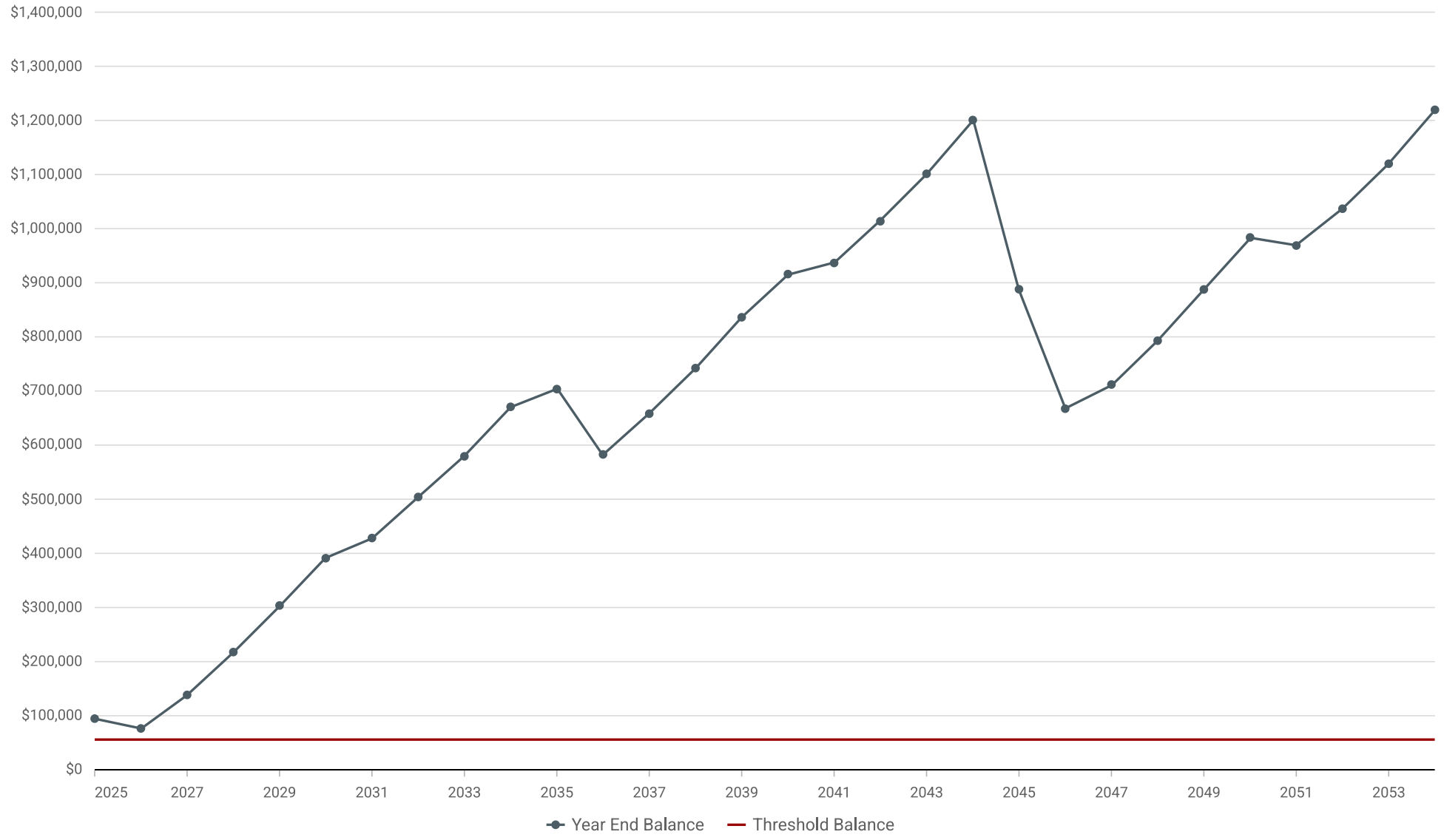
Total Over Term Capital Expenditure with Inflation:	$1,695,218
Average Estimated Annual Capital Expenditure with Inflation:	$56,507
Current Reserve Account Balance:	$151,662
Full Funding Balance:	$291,650
Percent Funded:	52.00%

Breakdown of Total Costs by Type

Current Funding: Year End Balance Projection

Year	Starting Balance	Reserve Contribution	Average Per Unit Per Month	Return on Investment	Repair Expenses	Special Assessments	Year End Balance
2025	$151,662	$81,576	$309.00	$1,399	$140,000		$94,637
2026	$94,637	$81,576	$309.00	$1,130	$100,880		$76,463
2027	$76,463	$81,576	$309.00	$2,046	$21,632		$138,453
2028	$138,453	$81,576	$309.00	$3,216	$5,624		$217,620
2029	$217,620	$81,576	$309.00	$4,488	$0		$303,684
2030	$303,684	$81,576	$309.00	$5,779	$0		$391,039
2031	$391,039	$81,576	$309.00	$6,330	$50,613		$428,333
2032	$428,333	$81,576	$309.00	$7,451	$13,159		$504,200
2033	$504,200	$81,576	$309.00	$8,561	$15,054		$579,283
2034	$579,283	$81,576	$309.00	$9,913	$0		$670,772
2035	$670,772	$81,576	$309.00	$10,397	$59,210		$703,535
2036	$703,535	$81,576	$309.00	$8,613	$210,905		$582,819
2037	$582,819	$81,576	$309.00	$9,726	$16,010		$658,111
2038	$658,111	$81,576	$309.00	$10,970	$8,325		$742,332
2039	$742,332	$81,576	$309.00	$12,359	$0		$836,266
2040	$836,266	$81,576	$309.00	$13,538	$15,308		$916,072
2041	$916,072	$81,576	$309.00	$13,841	$74,919		$936,570
2042	$936,570	$81,576	$309.00	$14,980	$19,479		$1,013,647
2043	$1,013,647	$81,576	$309.00	$16,276	$10,129		$1,101,370
2044	$1,101,370	$81,576	$309.00	$17,744	$0		$1,200,690
2045	$1,200,690	$81,576	$309.00	$13,124	$407,330		$888,061
2046	$888,061	$81,576	$309.00	$9,862	$312,191		$667,307
2047	$667,307	$81,576	$309.00	$10,522	$47,398		$712,007
2048	$712,007	$81,576	$309.00	$11,719	$12,324		$792,978
2049	$792,978	$81,576	$309.00	$13,118	$0		$887,673
2050	$887,673	$81,576	$309.00	$14,539	$0		$983,787
2051	$983,787	$81,576	$309.00	$14,317	$110,899		$968,782
2052	$968,782	$81,576	$309.00	$15,323	$28,834		$1,036,847
2053	$1,036,847	$81,576	$309.00	$16,551	$14,994		$1,119,981
2054	$1,119,981	$81,576	$309.00	$18,023	$0		$1,219,580

Current Funding: Year End Balance Projection

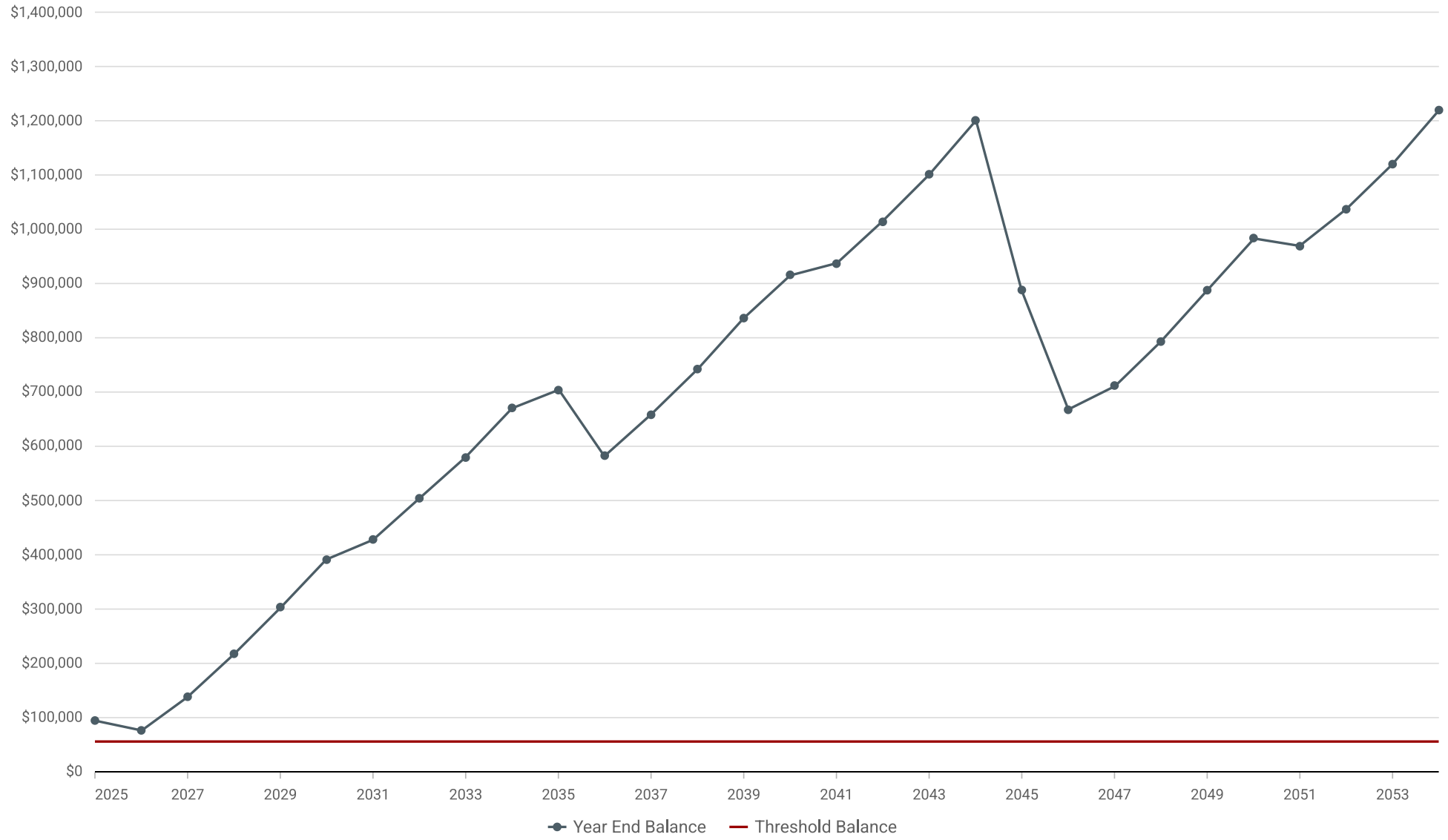


Funding Alternative 1: Year End Balance Projection

Maintain the current annual reserve contribution

Year	Starting Balance	Reserve Contribution	Average Per Unit Per Month	Return on Investment	Repair Expenses	Special Assessments	Year End Balance
2025	$151,662	$81,576	$309.00	$1,399	$140,000		$94,637
2026	$94,637	$81,576	$309.00	$1,130	$100,880		$76,463
2027	$76,463	$81,576	$309.00	$2,046	$21,632		$138,453
2028	$138,453	$81,576	$309.00	$3,216	$5,624		$217,620
2029	$217,620	$81,576	$309.00	$4,488	$0		$303,684
2030	$303,684	$81,576	$309.00	$5,779	$0		$391,039
2031	$391,039	$81,576	$309.00	$6,330	$50,613		$428,333
2032	$428,333	$81,576	$309.00	$7,451	$13,159		$504,200
2033	$504,200	$81,576	$309.00	$8,561	$15,054		$579,283
2034	$579,283	$81,576	$309.00	$9,913	$0		$670,772
2035	$670,772	$81,576	$309.00	$10,397	$59,210		$703,535
2036	$703,535	$81,576	$309.00	$8,613	$210,905		$582,819
2037	$582,819	$81,576	$309.00	$9,726	$16,010		$658,111
2038	$658,111	$81,576	$309.00	$10,970	$8,325		$742,332
2039	$742,332	$81,576	$309.00	$12,359	$0		$836,266
2040	$836,266	$81,576	$309.00	$13,538	$15,308		$916,072
2041	$916,072	$81,576	$309.00	$13,841	$74,919		$936,570
2042	$936,570	$81,576	$309.00	$14,980	$19,479		$1,013,647
2043	$1,013,647	$81,576	$309.00	$16,276	$10,129		$1,101,370
2044	$1,101,370	$81,576	$309.00	$17,744	$0		$1,200,690
2045	$1,200,690	$81,576	$309.00	$13,124	$407,330		$888,061
2046	$888,061	$81,576	$309.00	$9,862	$312,191		$667,307
2047	$667,307	$81,576	$309.00	$10,522	$47,398		$712,007
2048	$712,007	$81,576	$309.00	$11,719	$12,324		$792,978
2049	$792,978	$81,576	$309.00	$13,118	$0		$887,673
2050	$887,673	$81,576	$309.00	$14,539	$0		$983,787
2051	$983,787	$81,576	$309.00	$14,317	$110,899		$968,782
2052	$968,782	$81,576	$309.00	$15,323	$28,834		$1,036,847
2053	$1,036,847	$81,576	$309.00	$16,551	$14,994		$1,119,981
2054	$1,119,981	$81,576	$309.00	$18,023	$0		$1,219,580

Funding Alternative 1: Year End Balance Projection

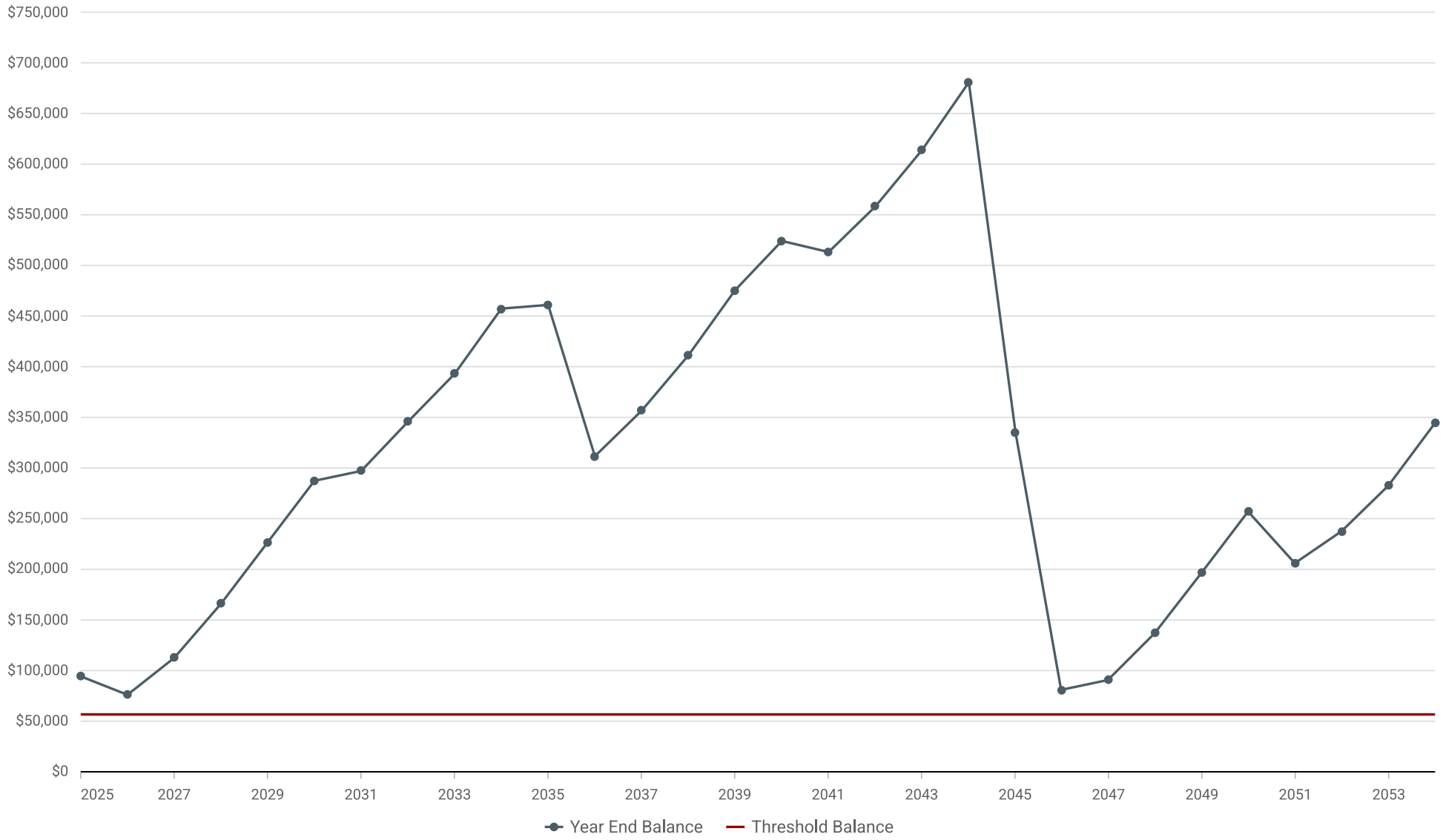


Funding Alternative 2: Year End Balance Projection

Decrease by $25,000 in 2027

Year	Starting Balance	Reserve Contribution	Average Per Unit Per Month	Return on Investment	Repair Expenses	Special Assessments	Year End Balance
2025	$151,662	$81,576	$309.00	$1,399	$140,000		$94,637
2026	$94,637	$81,576	$309.00	$1,130	$100,880		$76,463
2027	$76,463	$56,576	$214.30	$1,671	$21,632		$113,078
2028	$113,078	$56,576	$214.30	$2,460	$5,624		$166,490
2029	$166,490	$56,576	$214.30	$3,346	$0		$226,412
2030	$226,412	$56,576	$214.30	$4,245	$0		$287,233
2031	$287,233	$56,576	$214.30	$4,398	$50,613		$297,594
2032	$297,594	$56,576	$214.30	$5,115	$13,159		$346,126
2033	$346,126	$56,576	$214.30	$5,815	$15,054		$393,462
2034	$393,462	$56,576	$214.30	$6,751	$0		$456,789
2035	$456,789	$56,576	$214.30	$6,812	$59,210		$460,967
2036	$460,967	$56,576	$214.30	$4,600	$210,905		$311,238
2037	$311,238	$56,576	$214.30	$5,277	$16,010		$357,080
2038	$357,080	$56,576	$214.30	$6,080	$8,325		$411,411
2039	$411,411	$56,576	$214.30	$7,020	$0		$475,007
2040	$475,007	$56,576	$214.30	$7,744	$15,308		$524,019
2041	$524,019	$56,576	$214.30	$7,585	$74,919		$513,261
2042	$513,261	$56,576	$214.30	$8,255	$19,479		$558,613
2043	$558,613	$56,576	$214.30	$9,076	$10,129		$614,136
2044	$614,136	$56,576	$214.30	$10,061	$0		$680,772
2045	$680,772	$56,576	$214.30	$4,950	$407,330		$334,969
2046	$334,969	$56,576	$214.30	$1,190	$312,191		$80,544
2047	$80,544	$56,576	$214.30	$1,346	$47,398		$91,068
2048	$91,068	$56,576	$214.30	$2,030	$12,324		$137,350
2049	$137,350	$56,576	$214.30	$2,909	$0		$196,835
2050	$196,835	$56,576	$214.30	$3,801	$0		$257,212
2051	$257,212	$56,576	$214.30	$3,043	$110,899		$205,932
2052	$205,932	$56,576	$214.30	$3,505	$28,834		$237,180
2053	$237,180	$56,576	$214.30	$4,181	$14,994		$282,944
2054	$282,944	$56,576	$214.30	$5,093	$0		$344,612

Funding Alternative 2: Year End Balance Projection



APPENDIX B: RESERVE FUND PROJECTIONS – HIGHGROVE

2024 Reserve Study

Client Name:	Southern Village - Highgrove
Service:	2024 Reserve Study
Number of Units:	48
Location:	Chapel Hill, NC
Date of Inspection:	December 4, 2024
Term of Study in Years:	30
Beginning Year:	2025
Estimated Starting Reserve:	-$19,120
Current Annual Contribution:	$164,736
Annual Inflation Rate:	4.00%
Assumed Rate of Return on Reserve Funds:	1.50%
Total Over Term Capital Expenditure with Inflation:	$2,671,294
Recommended Threshold Reserve Balance: (Average Annual Capital Expenditure with Inflation)	$89,043

Expense Estimates

Description	Quantity	Unit of Measure	Unit Cost	Total Cost per Cycle	Years of Useful Life	Years Remaining	Notes
Site Improvements							
Common area drainage improvements	1	LS	$5,000.00	$5,000	5	3	
Building Exteriors							
Replace Building Roofs - Phase 1	350	SQ	$400.00	$140,000	20	16	100-122 Glade St
Replace Building Roofs - Phase 2	350	SQ	$400.00	$140,000	20	17	101-123 Westside Dr
Replace Building Roofs - Phase 3	350	SQ	$400.00	$140,000	20	18	100-122 Nolen Ln
Replace Building Roofs - Phase 4	350	SQ	$400.00	$140,000	20	19	101-123 Nolen Ln
Replace gutters and downspouts - Phase 1	12	EA	$1,350.00	$16,200	40	16	100-122 Glade St
Replace gutters and downspouts - Phase 2	12	EA	$1,350.00	$16,200	40	17	101-123 Westside Dr
Replace gutters and downspouts - Phase 3	12	EA	$1,350.00	$16,200	40	18	100-122 Nolen Ln
Replace gutters and downspouts - Phase 4	12	EA	$1,350.00	$16,200	40	19	101-123 Nolen Ln
Paint/repair trim	1	LS	$40,000.00	$40,000	5	1	
Paint/repair siding	1	LS	$85,000.00	$85,000	10	6	
Mechanical/Electrical/Plumbing							
Replace/repair fire suppression system components (include FACP)	4	EA	$20,000.00	$80,000	20	10	
Allocation to replace fire/life safety components	4	EA	$5,000.00	$20,000	20	2	
Fire suppression system - 5 year test (Phase 1)	2	EA	$5,000.00	$10,000	5	2	
Fire suppression system - 5 year test (Phase 2)	2	EA	$5,000.00	$10,000	5	3	
Allocation for buried utility repairs	1	LS	$12,000.00	$12,000	15	15	

SY: Square Yard, **SF:** Square Feet, **LF:** Linear Feet, **SQ:** Roofing Square, **EA:** Each, **LS:** Lump Sum, **SYS:** System

Annual Expense By Year With Inflation

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Site Improvements										
Common area drainage improvements				$5,624					$6,843	
Building Exteriors										
Replace Building Roofs - Phase 1										
Replace Building Roofs - Phase 2										
Replace Building Roofs - Phase 3										
Replace Building Roofs - Phase 4										
Replace gutters and downspouts - Phase 1										
Replace gutters and downspouts - Phase 2										
Replace gutters and downspouts - Phase 3										
Replace gutters and downspouts - Phase 4										
Paint/repair trim		$41,600					$50,613			
Paint/repair siding							$107,552			
Mechanical/Electrical/Plumbing										
Replace/repair fire suppression system components (include FACP)										
Allocation to replace fire/life safety components			$21,632							
Fire suppression system - 5 year test (Phase 1)			$10,816					$13,159		
Fire suppression system - 5 year test (Phase 2)				$11,249					$13,686	
Allocation for buried utility repairs										
Total	**$0**	**$41,600**	**$32,448**	**$16,873**	**$0**	**$0**	**$158,165**	**$13,159**	**$20,529**	**$0**

Annual Expense By Year With Inflation

Description	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Site Improvements										
Common area drainage improvements				$8,325					$10,129	
Building Exteriors										
Replace Building Roofs - Phase 1							$262,217			
Replace Building Roofs - Phase 2								$272,706		
Replace Building Roofs - Phase 3									$283,614	
Replace Building Roofs - Phase 4										$294,959
Replace gutters and downspouts - Phase 1							$30,342			
Replace gutters and downspouts - Phase 2								$31,556		
Replace gutters and downspouts - Phase 3									$32,818	
Replace gutters and downspouts - Phase 4										$34,131
Paint/repair trim		$61,578					$74,919			
Paint/repair siding							$159,203			
Mechanical/Electrical/Plumbing										
Replace/repair fire suppression system components (include FACP)	$118,420									
Allocation to replace fire/life safety components										
Fire suppression system - 5 year test (Phase 1)			$16,010					$19,479		
Fire suppression system - 5 year test (Phase 2)				$16,651					$20,258	
Allocation for buried utility repairs						$21,611				
Total	**$118,420**	**$61,578**	**$16,010**	**$24,976**	**$0**	**$21,611**	**$526,682**	**$323,741**	**$346,820**	**$329,090**

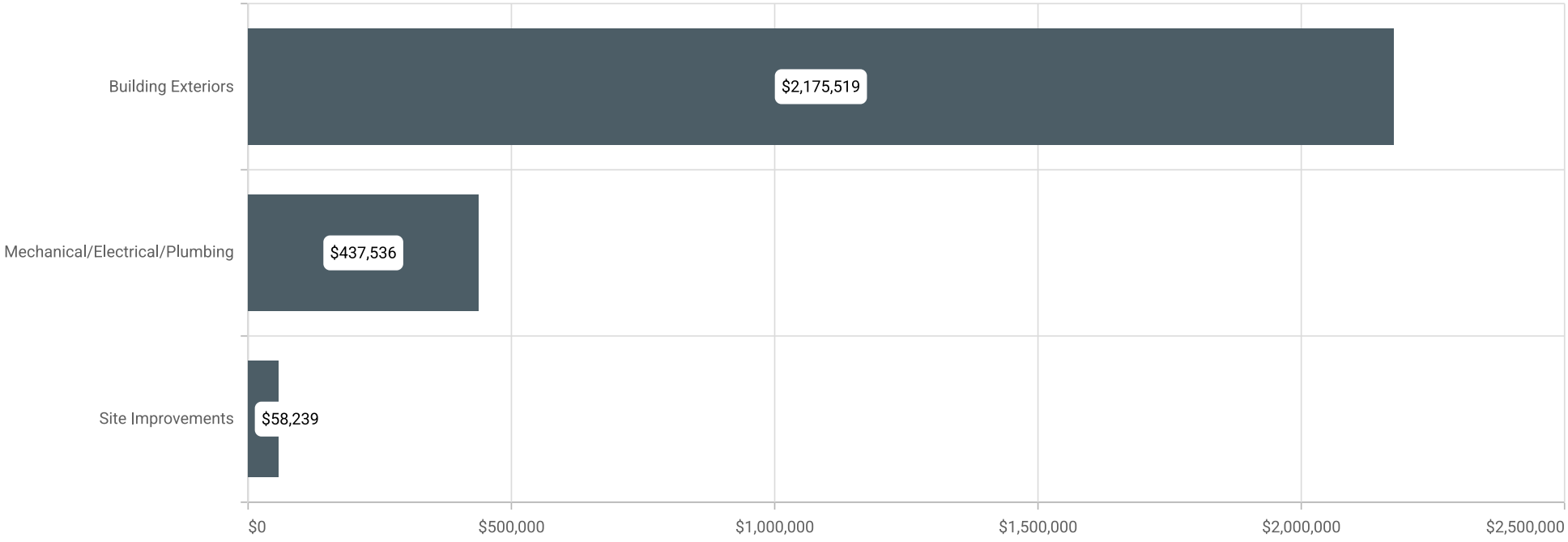
Annual Expense By Year With Inflation

Description	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Site Improvements										
Common area drainage improvements				$12,324					$14,994	
Building Exteriors										
Replace Building Roofs - Phase 1										
Replace Building Roofs - Phase 2										
Replace Building Roofs - Phase 3										
Replace Building Roofs - Phase 4										
Replace gutters and downspouts - Phase 1										
Replace gutters and downspouts - Phase 2										
Replace gutters and downspouts - Phase 3										
Replace gutters and downspouts - Phase 4										
Paint/repair trim		$91,151					$110,899			
Paint/repair siding							$235,660			
Mechanical/Electrical/Plumbing										
Replace/repair fire suppression system components (include FACP)										
Allocation to replace fire/life safety components			$47,398							
Fire suppression system - 5 year test (Phase 1)			$23,699					$28,834		
Fire suppression system - 5 year test (Phase 2)				$24,647					$29,987	
Allocation for buried utility repairs										
Total	**$0**	**$91,151**	**$71,098**	**$36,971**	**$0**	**$0**	**$346,559**	**$28,834**	**$44,981**	**$0**

Expense Summary

Total Over Term Capital Expenditure with Inflation:	$2,671,294
Average Estimated Annual Capital Expenditure with Inflation:	$89,043
Current Reserve Account Balance:	-$19,120
Full Funding Balance:	$242,450
Percent Funded:	-7.89%

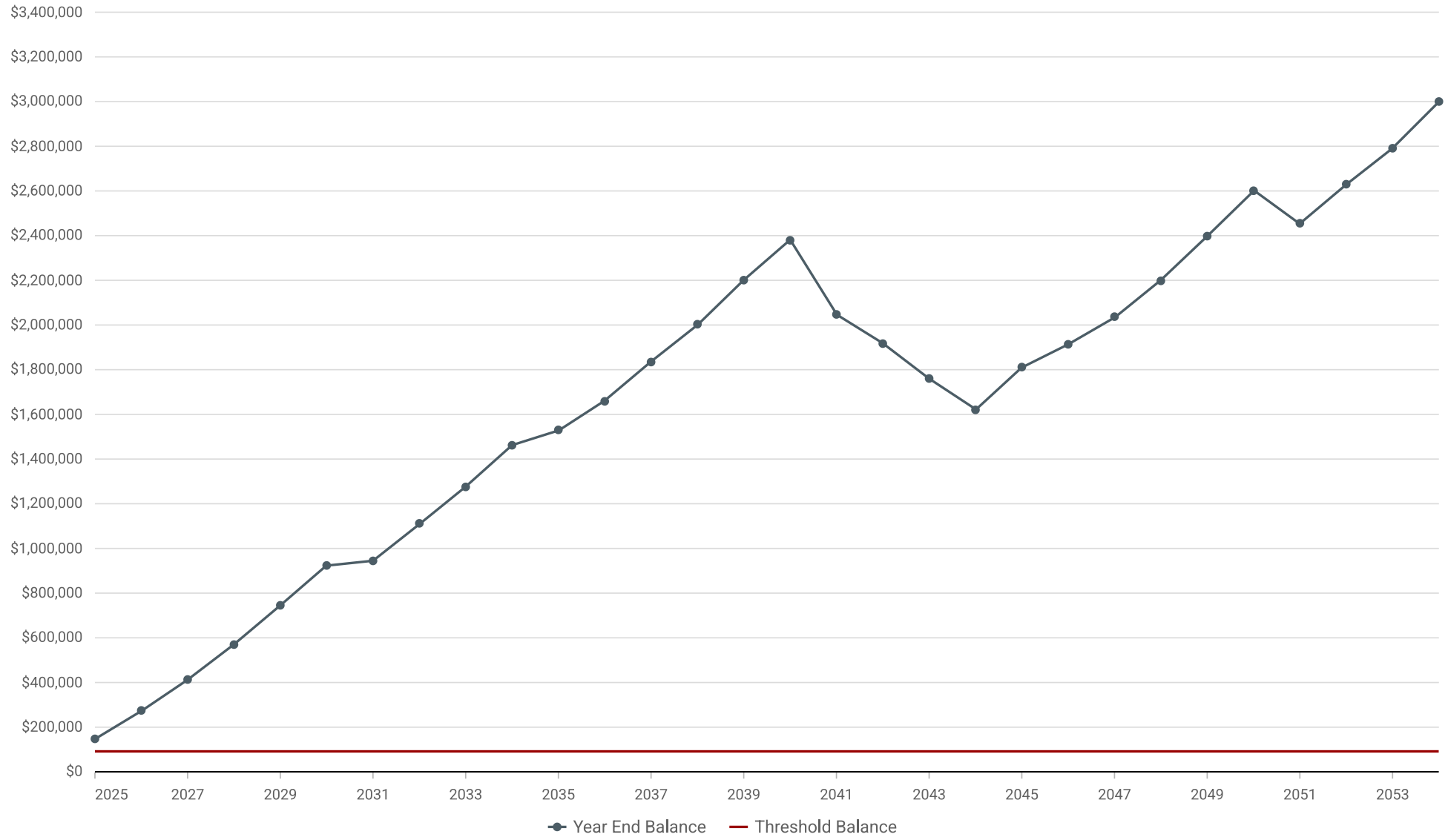
Breakdown of Total Costs by Type



Current Funding: Year End Balance Projection

Year	Starting Balance	Reserve Contribution	Average Per Unit Per Month	Return on Investment	Repair Expenses	Special Assessments	Year End Balance
2025	-$19,120	$164,736	$286.00	$2,184	$0		$147,800
2026	$147,800	$164,736	$286.00	$4,064	$41,600		$275,000
2027	$275,000	$164,736	$286.00	$6,109	$32,448		$413,398
2028	$413,398	$164,736	$286.00	$8,419	$16,873		$569,680
2029	$569,680	$164,736	$286.00	$11,016	$0		$745,432
2030	$745,432	$164,736	$286.00	$13,653	$0		$923,820
2031	$923,820	$164,736	$286.00	$13,956	$158,165		$944,347
2032	$944,347	$164,736	$286.00	$16,439	$13,159		$1,112,363
2033	$1,112,363	$164,736	$286.00	$18,849	$20,529		$1,275,419
2034	$1,275,419	$164,736	$286.00	$21,602	$0		$1,461,757
2035	$1,461,757	$164,736	$286.00	$22,621	$118,420		$1,530,695
2036	$1,530,695	$164,736	$286.00	$24,508	$61,578		$1,658,360
2037	$1,658,360	$164,736	$286.00	$27,106	$16,010		$1,834,192
2038	$1,834,192	$164,736	$286.00	$29,609	$24,976		$2,003,562
2039	$2,003,562	$164,736	$286.00	$32,524	$0		$2,200,822
2040	$2,200,822	$164,736	$286.00	$35,159	$21,611		$2,379,106
2041	$2,379,106	$164,736	$286.00	$30,257	$526,682		$2,047,417
2042	$2,047,417	$164,736	$286.00	$28,326	$323,741		$1,916,738
2043	$1,916,738	$164,736	$286.00	$26,020	$346,820		$1,760,674
2044	$1,760,674	$164,736	$286.00	$23,945	$329,090		$1,620,265
2045	$1,620,265	$164,736	$286.00	$26,775	$0		$1,811,776
2046	$1,811,776	$164,736	$286.00	$28,280	$91,151		$1,913,642
2047	$1,913,642	$164,736	$286.00	$30,109	$71,098		$2,037,389
2048	$2,037,389	$164,736	$286.00	$32,477	$36,971		$2,197,632
2049	$2,197,632	$164,736	$286.00	$35,436	$0		$2,397,803
2050	$2,397,803	$164,736	$286.00	$38,438	$0		$2,600,978
2051	$2,600,978	$164,736	$286.00	$36,287	$346,559		$2,455,442
2052	$2,455,442	$164,736	$286.00	$38,870	$28,834		$2,630,215
2053	$2,630,215	$164,736	$286.00	$41,250	$44,981		$2,791,220
2054	$2,791,220	$164,736	$286.00	$44,339	$0		$3,000,295

Current Funding: Year End Balance Projection

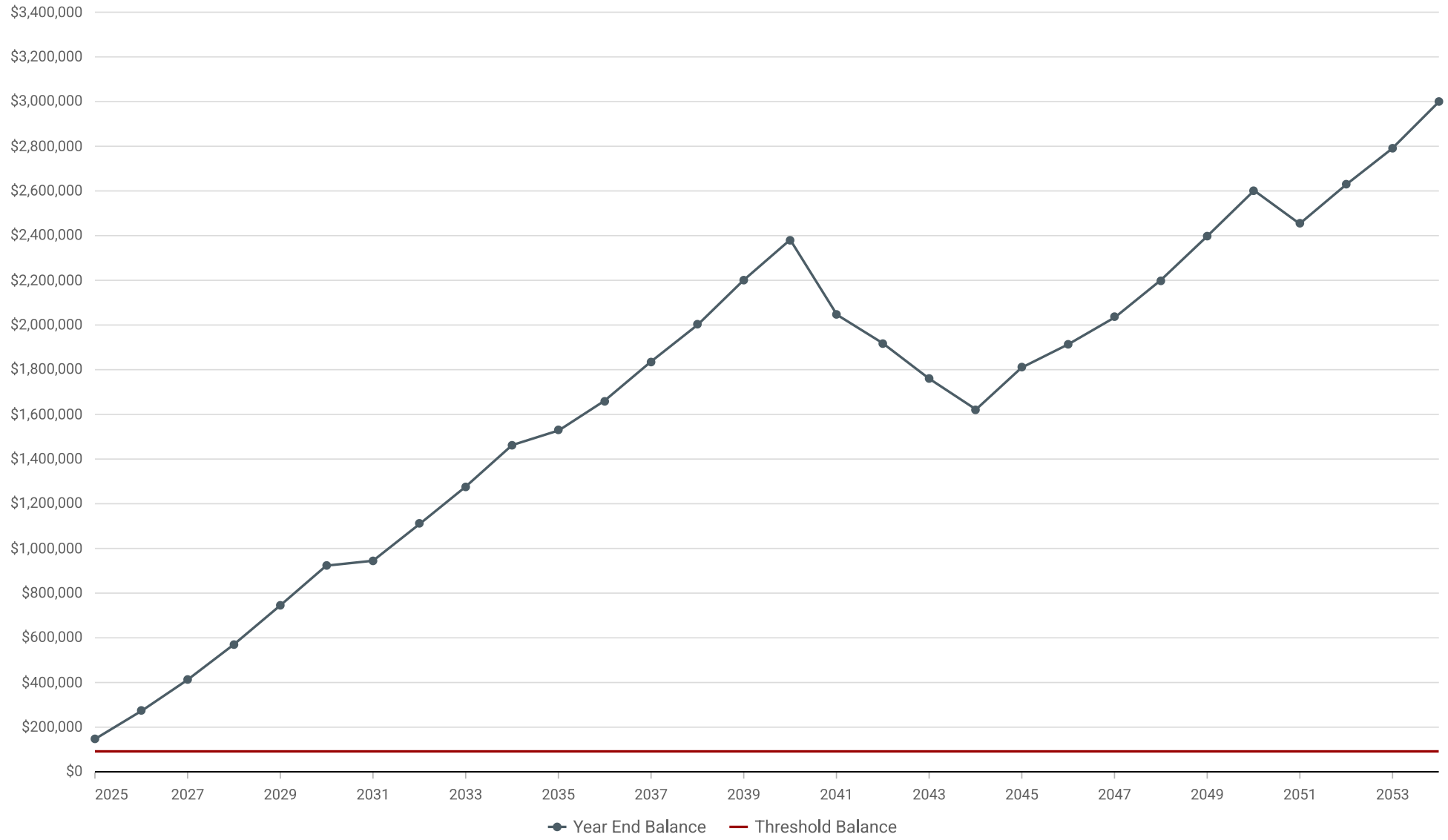


Funding Alternative 1: Year End Balance Projection

Maintain the current annual reserve contribution

Year	Starting Balance	Reserve Contribution	Average Per Unit Per Month	Return on Investment	Repair Expenses	Special Assessments	Year End Balance
2025	-$19,120	$164,736	$286.00	$2,184	$0		$147,800
2026	$147,800	$164,736	$286.00	$4,064	$41,600		$275,000
2027	$275,000	$164,736	$286.00	$6,109	$32,448		$413,398
2028	$413,398	$164,736	$286.00	$8,419	$16,873		$569,680
2029	$569,680	$164,736	$286.00	$11,016	$0		$745,432
2030	$745,432	$164,736	$286.00	$13,653	$0		$923,820
2031	$923,820	$164,736	$286.00	$13,956	$158,165		$944,347
2032	$944,347	$164,736	$286.00	$16,439	$13,159		$1,112,363
2033	$1,112,363	$164,736	$286.00	$18,849	$20,529		$1,275,419
2034	$1,275,419	$164,736	$286.00	$21,602	$0		$1,461,757
2035	$1,461,757	$164,736	$286.00	$22,621	$118,420		$1,530,695
2036	$1,530,695	$164,736	$286.00	$24,508	$61,578		$1,658,360
2037	$1,658,360	$164,736	$286.00	$27,106	$16,010		$1,834,192
2038	$1,834,192	$164,736	$286.00	$29,609	$24,976		$2,003,562
2039	$2,003,562	$164,736	$286.00	$32,524	$0		$2,200,822
2040	$2,200,822	$164,736	$286.00	$35,159	$21,611		$2,379,106
2041	$2,379,106	$164,736	$286.00	$30,257	$526,682		$2,047,417
2042	$2,047,417	$164,736	$286.00	$28,326	$323,741		$1,916,738
2043	$1,916,738	$164,736	$286.00	$26,020	$346,820		$1,760,674
2044	$1,760,674	$164,736	$286.00	$23,945	$329,090		$1,620,265
2045	$1,620,265	$164,736	$286.00	$26,775	$0		$1,811,776
2046	$1,811,776	$164,736	$286.00	$28,280	$91,151		$1,913,642
2047	$1,913,642	$164,736	$286.00	$30,109	$71,098		$2,037,389
2048	$2,037,389	$164,736	$286.00	$32,477	$36,971		$2,197,632
2049	$2,197,632	$164,736	$286.00	$35,436	$0		$2,397,803
2050	$2,397,803	$164,736	$286.00	$38,438	$0		$2,600,978
2051	$2,600,978	$164,736	$286.00	$36,287	$346,559		$2,455,442
2052	$2,455,442	$164,736	$286.00	$38,870	$28,834		$2,630,215
2053	$2,630,215	$164,736	$286.00	$41,250	$44,981		$2,791,220
2054	$2,791,220	$164,736	$286.00	$44,339	$0		$3,000,295

Funding Alternative 1: Year End Balance Projection



Funding Alternative 2: Year End Balance Projection

Decrease by $75,000 in 2028

Year	Starting Balance	Reserve Contribution	Average Per Unit Per Month	Return on Investment	Repair Expenses	Special Assessments	Year End Balance
2025	-$19,120	$164,736	$286.00	$2,184	$0		$147,800
2026	$147,800	$164,736	$286.00	$4,064	$41,600		$275,000
2027	$275,000	$164,736	$286.00	$6,109	$32,448		$413,398
2028	$413,398	$89,736	$155.79	$7,294	$16,873		$493,555
2029	$493,555	$89,736	$155.79	$8,749	$0		$592,040
2030	$592,040	$89,736	$155.79	$10,227	$0		$692,003
2031	$692,003	$89,736	$155.79	$9,354	$158,165		$632,927
2032	$632,927	$89,736	$155.79	$10,643	$13,159		$720,147
2033	$720,147	$89,736	$155.79	$11,840	$20,529		$801,194
2034	$801,194	$89,736	$155.79	$13,364	$0		$904,294
2035	$904,294	$89,736	$155.79	$13,134	$118,420		$888,745
2036	$888,745	$89,736	$155.79	$13,754	$61,578		$930,656
2037	$930,656	$89,736	$155.79	$15,066	$16,010		$1,019,448
2038	$1,019,448	$89,736	$155.79	$16,263	$24,976		$1,100,471
2039	$1,100,471	$89,736	$155.79	$17,853	$0		$1,208,060
2040	$1,208,060	$89,736	$155.79	$19,143	$21,611		$1,295,327
2041	$1,295,327	$89,736	$155.79	$12,876	$526,682		$871,257
2042	$871,257	$89,736	$155.79	$9,559	$323,741		$646,810
2043	$646,810	$89,736	$155.79	$5,846	$346,820		$395,572
2044	$395,572	$89,736	$155.79	$2,343	$329,090		$158,562
2045	$158,562	$89,736	$155.79	$3,724	$0		$252,022
2046	$252,022	$89,736	$155.79	$3,759	$91,151		$254,367
2047	$254,367	$89,736	$155.79	$4,095	$71,098		$277,100
2048	$277,100	$89,736	$155.79	$4,948	$36,971		$334,813
2049	$334,813	$89,736	$155.79	$6,368	$0		$430,918
2050	$430,918	$89,736	$155.79	$7,810	$0		$528,464
2051	$528,464	$89,736	$155.79	$4,075	$346,559		$275,715
2052	$275,715	$89,736	$155.79	$5,049	$28,834		$341,667
2053	$341,667	$89,736	$155.79	$5,796	$44,981		$392,219
2054	$392,219	$89,736	$155.79	$7,229	$0		$489,184

Funding Alternative 2: Year End Balance Projection

APPENDIX C: RESERVE FUND PROJECTIONS – TOWNHOME I

2024 Reserve Study

Client Name:	Southern Village - Townhome I
Service:	2024 Reserve Study
Number of Units:	16
Location:	Chapel Hill, NC
Date of Inspection:	December 4, 2024
Term of Study in Years:	30
Beginning Year:	2025
Estimated Starting Reserve:	$41,492
Current Annual Contribution:	$47,808
Annual Inflation Rate:	4.00%
Assumed Rate of Return on Reserve Funds:	1.50%
Total Over Term Capital Expenditure with Inflation:	$1,018,098
Recommended Threshold Reserve Balance: (Average Annual Capital Expenditure with Inflation)	$33,937

Expense Estimates

Description	Quantity	Unit of Measure	Unit Cost	Total Cost per Cycle	Years of Useful Life	Years Remaining	Notes
Site Improvements							
Common area drainage improvements	1	LS	$7,000.00	$7,000	5	3	
Building Exteriors							
Replace Building Roofs	275	SQ	$400.00	$110,000	20	14	
Replace gutters and downspouts	16	EA	$1,350.00	$21,600	40	14	
Paint/repair trim	1	LS	$45,000.00	$45,000	5	3	
Paint/repair siding	1	LS	$30,000.00	$30,000	10	6	
Mechanical/Electrical/Plumbing							
Allocation for buried utility repairs	1	LS	$4,000.00	$4,000	15	15	

SY: Square Yard, **SF:** Square Feet, **LF:** Linear Feet, **SQ:** Roofing Square, **EA:** Each, **LS:** Lump Sum, **SYS:** System

Annual Expense By Year With Inflation

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Site Improvements										
Common area drainage improvements				$7,874					$9,580	
Building Exteriors										
Replace Building Roofs										
Replace gutters and downspouts										
Paint/repair trim				$50,619					$61,586	
Paint/repair siding							$37,960			
Mechanical/Electrical/Plumbing										
Allocation for buried utility repairs										
Total	**$0**	**$0**	**$0**	**$58,493**	**$0**	**$0**	**$37,960**	**$0**	**$71,166**	**$0**

Annual Expense By Year With Inflation

Description	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Site Improvements										
Common area drainage improvements				$11,656					$14,181	
Building Exteriors										
Replace Building Roofs					$190,484					
Replace gutters and downspouts					$37,404					
Paint/repair trim				$74,928					$91,162	
Paint/repair siding							$56,189			
Mechanical/Electrical/Plumbing										
Allocation for buried utility repairs						$7,204				
Total	**$0**	**$0**	**$0**	**$86,584**	**$227,889**	**$7,204**	**$56,189**	**$0**	**$105,342**	**$0**

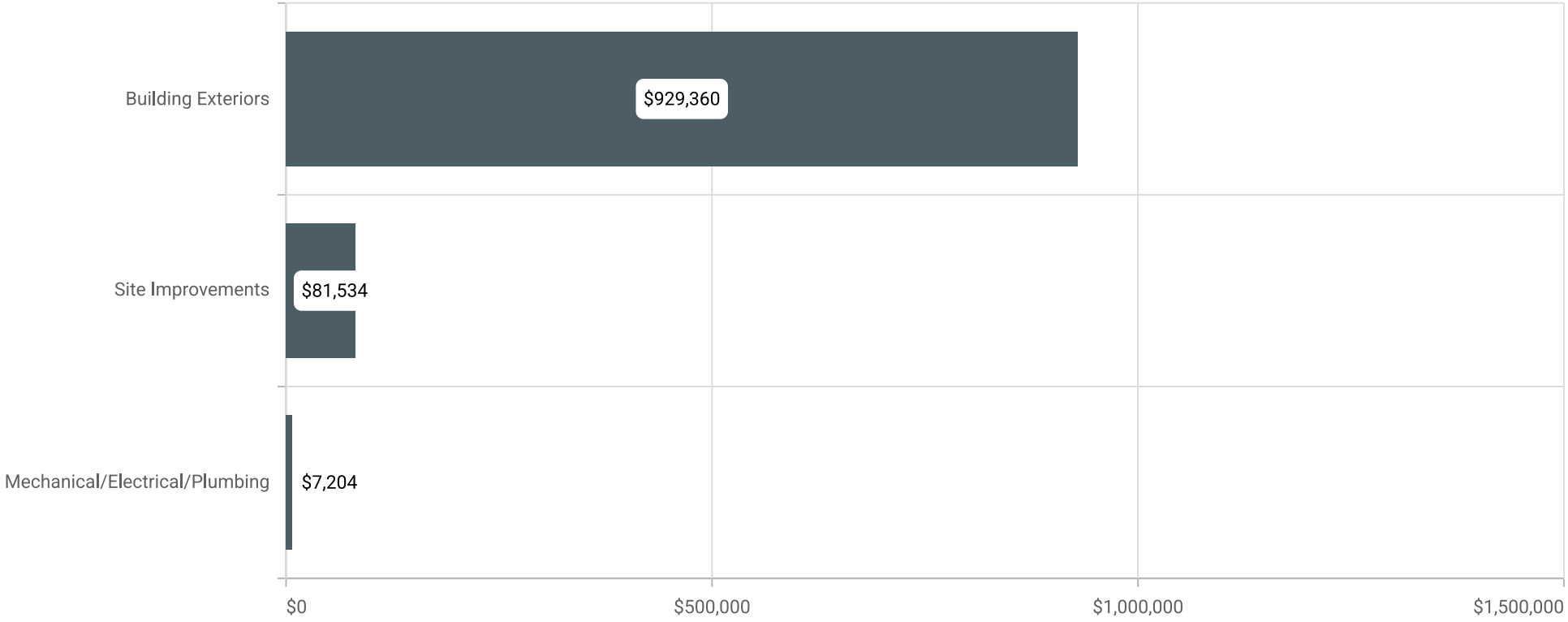
Annual Expense By Year With Inflation

Description	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Site Improvements										
Common area drainage improvements				$17,253					$20,991	
Building Exteriors										
Replace Building Roofs										
Replace gutters and downspouts										
Paint/repair trim				$110,912					$134,942	
Paint/repair siding							$83,174			
Mechanical/Electrical/Plumbing										
Allocation for buried utility repairs										
Total	**$0**	**$0**	**$0**	**$128,165**	**$0**	**$0**	**$83,174**	**$0**	**$155,933**	**$0**

Expense Summary

Total Over Term Capital Expenditure with Inflation:	$1,018,098
Average Estimated Annual Capital Expenditure with Inflation:	$33,937
Current Reserve Account Balance:	$41,492
Full Funding Balance:	$79,840
Percent Funded:	51.97%

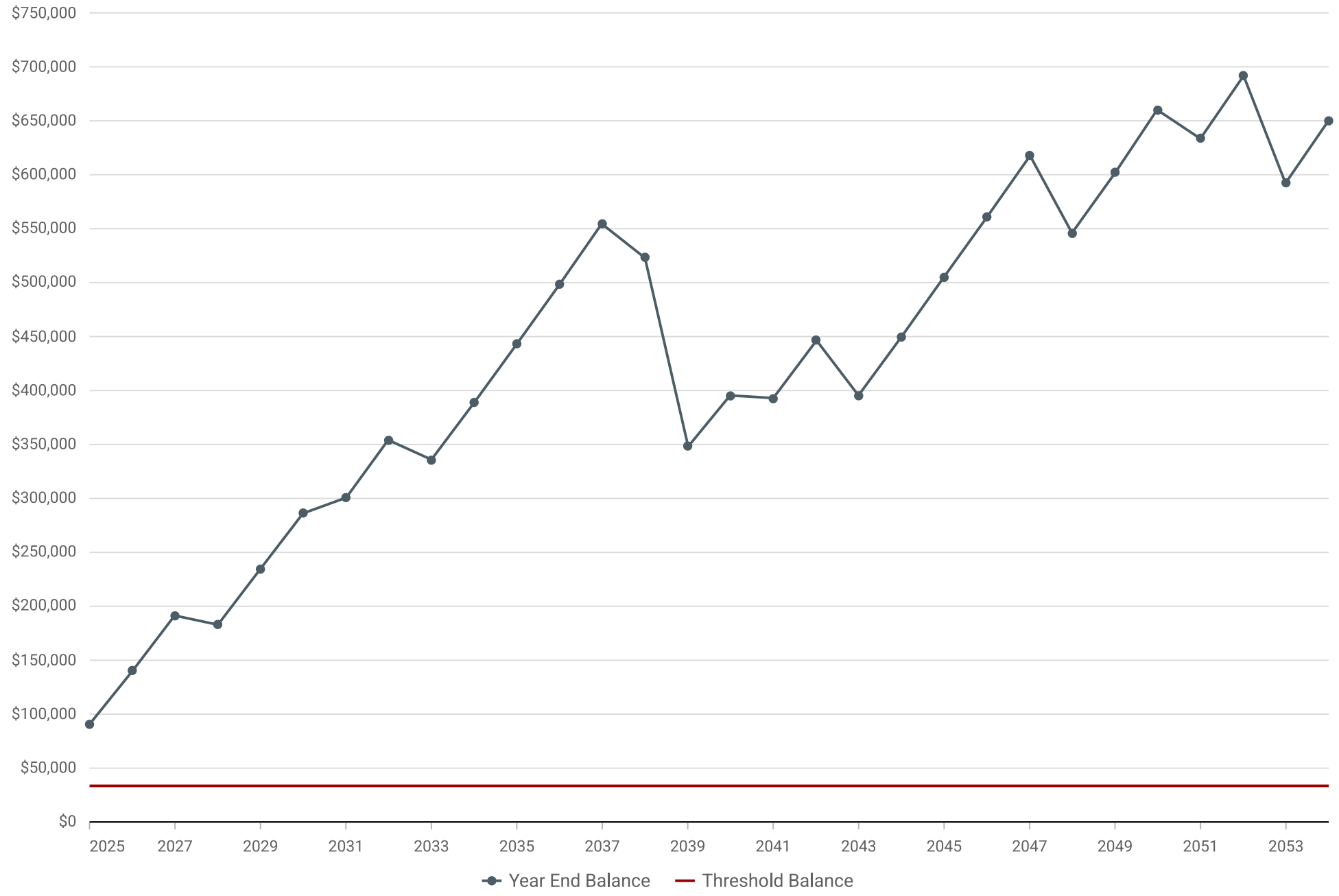
Breakdown of Total Costs by Type



Current Funding: Year End Balance Projection

Year	Starting Balance	Reserve Contribution	Average Per Unit Per Month	Return on Investment	Repair Expenses	Special Assessments	Year End Balance
2025	$41,492	$47,808	$249.00	$1,340	$0		$90,640
2026	$90,640	$47,808	$249.00	$2,077	$0		$140,524
2027	$140,524	$47,808	$249.00	$2,825	$0		$191,157
2028	$191,157	$47,808	$249.00	$2,707	$58,493		$183,179
2029	$183,179	$47,808	$249.00	$3,465	$0		$234,452
2030	$234,452	$47,808	$249.00	$4,234	$0		$286,494
2031	$286,494	$47,808	$249.00	$4,445	$37,960		$300,788
2032	$300,788	$47,808	$249.00	$5,229	$0		$353,825
2033	$353,825	$47,808	$249.00	$4,957	$71,166		$335,424
2034	$335,424	$47,808	$249.00	$5,748	$0		$388,980
2035	$388,980	$47,808	$249.00	$6,552	$0		$443,340
2036	$443,340	$47,808	$249.00	$7,367	$0		$498,516
2037	$498,516	$47,808	$249.00	$8,195	$0		$554,518
2038	$554,518	$47,808	$249.00	$7,736	$86,584		$523,479
2039	$523,479	$47,808	$249.00	$5,151	$227,889		$348,549
2040	$348,549	$47,808	$249.00	$5,837	$7,204		$394,991
2041	$394,991	$47,808	$249.00	$5,799	$56,189		$392,408
2042	$392,408	$47,808	$249.00	$6,603	$0		$446,819
2043	$446,819	$47,808	$249.00	$5,839	$105,342		$395,124
2044	$395,124	$47,808	$249.00	$6,644	$0		$449,576
2045	$449,576	$47,808	$249.00	$7,461	$0		$504,845
2046	$504,845	$47,808	$249.00	$8,290	$0		$560,943
2047	$560,943	$47,808	$249.00	$9,131	$0		$617,882
2048	$617,882	$47,808	$249.00	$8,063	$128,165		$545,588
2049	$545,588	$47,808	$249.00	$8,901	$0		$602,297
2050	$602,297	$47,808	$249.00	$9,752	$0		$659,856
2051	$659,856	$47,808	$249.00	$9,367	$83,174		$633,858
2052	$633,858	$47,808	$249.00	$10,225	$0		$691,891
2053	$691,891	$47,808	$249.00	$8,756	$155,933		$592,522
2054	$592,522	$47,808	$249.00	$9,605	$0		$649,935

Current Funding: Year End Balance Projection

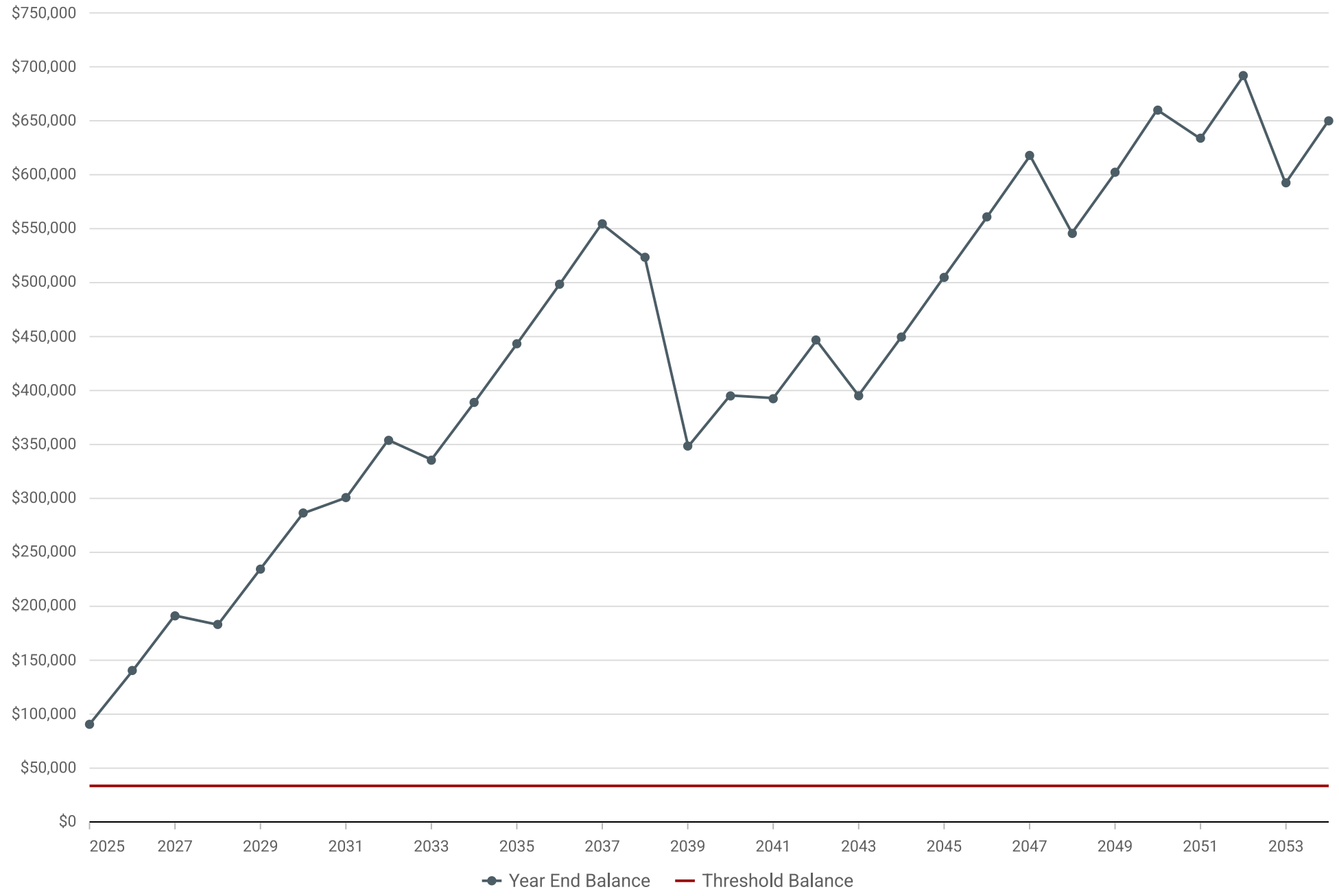


Funding Alternative 1: Year End Balance Projection

Maintain the current annual reserve contribution

Year	Starting Balance	Reserve Contribution	Average Per Unit Per Month	Return on Investment	Repair Expenses	Special Assessments	Year End Balance
2025	$41,492	$47,808	$249.00	$1,340	$0		$90,640
2026	$90,640	$47,808	$249.00	$2,077	$0		$140,524
2027	$140,524	$47,808	$249.00	$2,825	$0		$191,157
2028	$191,157	$47,808	$249.00	$2,707	$58,493		$183,179
2029	$183,179	$47,808	$249.00	$3,465	$0		$234,452
2030	$234,452	$47,808	$249.00	$4,234	$0		$286,494
2031	$286,494	$47,808	$249.00	$4,445	$37,960		$300,788
2032	$300,788	$47,808	$249.00	$5,229	$0		$353,825
2033	$353,825	$47,808	$249.00	$4,957	$71,166		$335,424
2034	$335,424	$47,808	$249.00	$5,748	$0		$388,980
2035	$388,980	$47,808	$249.00	$6,552	$0		$443,340
2036	$443,340	$47,808	$249.00	$7,367	$0		$498,516
2037	$498,516	$47,808	$249.00	$8,195	$0		$554,518
2038	$554,518	$47,808	$249.00	$7,736	$86,584		$523,479
2039	$523,479	$47,808	$249.00	$5,151	$227,889		$348,549
2040	$348,549	$47,808	$249.00	$5,837	$7,204		$394,991
2041	$394,991	$47,808	$249.00	$5,799	$56,189		$392,408
2042	$392,408	$47,808	$249.00	$6,603	$0		$446,819
2043	$446,819	$47,808	$249.00	$5,839	$105,342		$395,124
2044	$395,124	$47,808	$249.00	$6,644	$0		$449,576
2045	$449,576	$47,808	$249.00	$7,461	$0		$504,845
2046	$504,845	$47,808	$249.00	$8,290	$0		$560,943
2047	$560,943	$47,808	$249.00	$9,131	$0		$617,882
2048	$617,882	$47,808	$249.00	$8,063	$128,165		$545,588
2049	$545,588	$47,808	$249.00	$8,901	$0		$602,297
2050	$602,297	$47,808	$249.00	$9,752	$0		$659,856
2051	$659,856	$47,808	$249.00	$9,367	$83,174		$633,858
2052	$633,858	$47,808	$249.00	$10,225	$0		$691,891
2053	$691,891	$47,808	$249.00	$8,756	$155,933		$592,522
2054	$592,522	$47,808	$249.00	$9,605	$0		$649,935

Funding Alternative 1: Year End Balance Projection

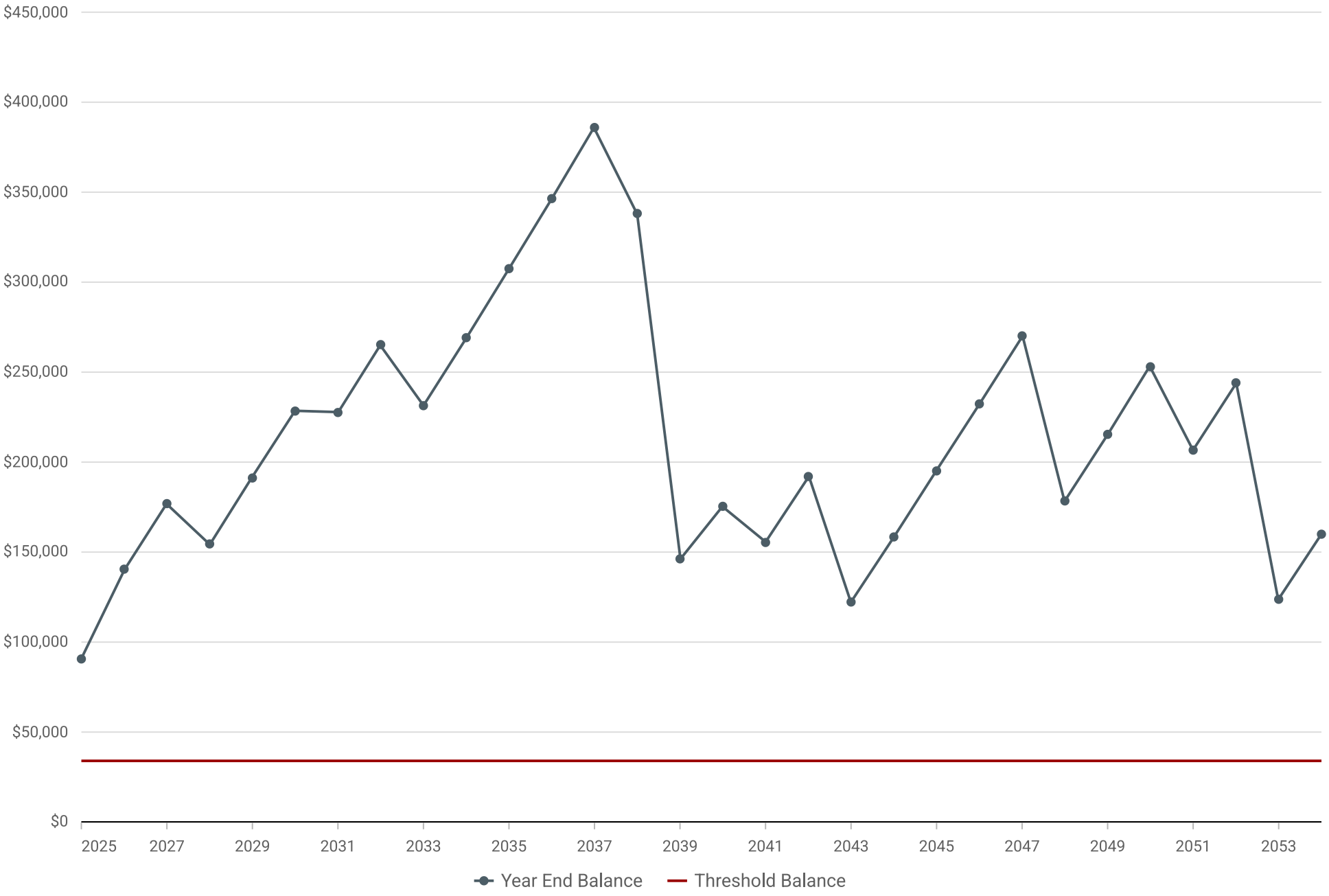


Funding Alternative 2: Year End Balance Projection

Decrease by $14,000 in 2027

Year	Starting Balance	Reserve Contribution	Average Per Unit Per Month	Return on Investment	Repair Expenses	Special Assessments	Year End Balance
2025	$41,492	$47,808	$249.00	$1,340	$0		$90,640
2026	$90,640	$47,808	$249.00	$2,077	$0		$140,524
2027	$140,524	$33,808	$176.08	$2,615	$0		$176,947
2028	$176,947	$33,808	$176.08	$2,284	$58,493		$154,546
2029	$154,546	$33,808	$176.08	$2,825	$0		$191,180
2030	$191,180	$33,808	$176.08	$3,375	$0		$228,362
2031	$228,362	$33,808	$176.08	$3,363	$37,960		$227,574
2032	$227,574	$33,808	$176.08	$3,921	$0		$265,303
2033	$265,303	$33,808	$176.08	$3,419	$71,166		$231,364
2034	$231,364	$33,808	$176.08	$3,978	$0		$269,150
2035	$269,150	$33,808	$176.08	$4,544	$0		$307,502
2036	$307,502	$33,808	$176.08	$5,120	$0		$346,430
2037	$346,430	$33,808	$176.08	$5,704	$0		$385,941
2038	$385,941	$33,808	$176.08	$4,997	$86,584		$338,163
2039	$338,163	$33,808	$176.08	$2,161	$227,889		$146,244
2040	$146,244	$33,808	$176.08	$2,593	$7,204		$175,441
2041	$175,441	$33,808	$176.08	$2,296	$56,189		$155,355
2042	$155,355	$33,808	$176.08	$2,837	$0		$192,001
2043	$192,001	$33,808	$176.08	$1,807	$105,342		$122,273
2044	$122,273	$33,808	$176.08	$2,341	$0		$158,422
2045	$158,422	$33,808	$176.08	$2,883	$0		$195,114
2046	$195,114	$33,808	$176.08	$3,434	$0		$232,356
2047	$232,356	$33,808	$176.08	$3,992	$0		$270,156
2048	$270,156	$33,808	$176.08	$2,637	$128,165		$178,436
2049	$178,436	$33,808	$176.08	$3,184	$0		$215,427
2050	$215,427	$33,808	$176.08	$3,739	$0		$252,974
2051	$252,974	$33,808	$176.08	$3,054	$83,174		$206,662
2052	$206,662	$33,808	$176.08	$3,607	$0		$244,077
2053	$244,077	$33,808	$176.08	$1,829	$155,933		$123,782
2054	$123,782	$33,808	$176.08	$2,364	$0		$159,954

Funding Alternative 2: Year End Balance Projection



APPENDIX D: RESERVE FUND PROJECTIONS – TOWNHOME II

2024 Reserve Study

Client Name:	Southern Village - Townhome II
Service:	2024 Reserve Study
Number of Units:	55
Location:	Chapel Hill, NC
Date of Inspection:	December 4, 2024
Term of Study in Years:	30
Beginning Year:	2025
Estimated Starting Reserve:	$166,302
Current Annual Contribution:	$114,180
Annual Inflation Rate:	4.00%
Assumed Rate of Return on Reserve Funds:	1.50%
Total Over Term Capital Expenditure with Inflation:	$1,708,843
Recommended Threshold Reserve Balance: (Average Annual Capital Expenditure with Inflation)	$56,961

GILES FLYTHE
ENGINEERS

Expense Estimates

Description	Quantity	Unit of Measure	Unit Cost	Total Cost per Cycle	Years of Useful Life	Years Remaining	Notes
Site Improvements							
Common area drainage improvements	1	LS	$5,000.00	$5,000	5	3	
Building Exteriors							
Replace Building Roofs - Phase 1	275	SQ	$400.00	$110,000	20	14	
Replace Building Roofs - Phase 2	225	SQ	$400.00	$90,000	20	16	
Replace Building Roofs - Phase 3	175	SQ	$400.00	$70,000	20	17	
Replace Building Roofs - Phase 4	175	SQ	$400.00	$70,000	20	18	
Replace Building Roofs - Phase 5	175	SQ	$400.00	$70,000	20	19	
Replace gutters and downspouts - Phase1	17	EA	$1,350.00	$22,950	40	14	
Replace gutters and downspouts - Phase 2	12	EA	$1,350.00	$16,200	40	16	
Replace gutters and downspouts - Phase 3	8	EA	$1,350.00	$10,800	40	17	
Replace gutters and downspouts - Phase 4	9	EA	$1,350.00	$12,150	40	18	
Replace gutters and downspouts - Phase 5	9	EA	$1,350.00	$12,150	40	19	
Paint/repair trim	1	LS	$26,000.00	$26,000	5	0	
Paint/repair siding	1	LS	$76,000.00	$76,000	10	5	
Mechanical/Electrical/Plumbing							
Allocation for buried utility repairs	1	LS	$13,000.00	$13,000	15	15	

SY: Square Yard, **SF:** Square Feet, **LF:** Linear Feet, **SQ:** Roofing Square, **EA:** Each, **LS:** Lump Sum, **SYS:** System

Annual Expense By Year With Inflation

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Site Improvements										
Common area drainage improvements				$5,624					$6,843	
Building Exteriors										
Replace Building Roofs - Phase 1										
Replace Building Roofs - Phase 2										
Replace Building Roofs - Phase 3										
Replace Building Roofs - Phase 4										
Replace Building Roofs - Phase 5										
Replace gutters and downspouts - Phase1										
Replace gutters and downspouts - Phase 2										
Replace gutters and downspouts - Phase 3										
Replace gutters and downspouts - Phase 4										
Replace gutters and downspouts - Phase 5										
Paint/repair trim	$26,000					$31,633				
Paint/repair siding						$92,466				
Mechanical/Electrical/Plumbing										
Allocation for buried utility repairs										
Total	**$26,000**	**$0**	**$0**	**$5,624**	**$0**	**$124,099**	**$0**	**$0**	**$6,843**	**$0**

Annual Expense By Year With Inflation

Description	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Site Improvements										
Common area drainage improvements				$8,325					$10,129	
Building Exteriors										
Replace Building Roofs - Phase 1					$190,484					
Replace Building Roofs - Phase 2							$168,568			
Replace Building Roofs - Phase 3								$136,353		
Replace Building Roofs - Phase 4									$141,807	
Replace Building Roofs - Phase 5										$147,479
Replace gutters and downspouts - Phase1					$39,742					
Replace gutters and downspouts - Phase 2							$30,342			
Replace gutters and downspouts - Phase 3								$21,037		
Replace gutters and downspouts - Phase 4									$24,614	
Replace gutters and downspouts - Phase 5										$25,598
Paint/repair trim	$38,486					$46,825				
Paint/repair siding						$136,872				
Mechanical/Electrical/Plumbing										
Allocation for buried utility repairs						$23,412				
Total	**$38,486**	**$0**	**$0**	**$8,325**	**$230,226**	**$207,109**	**$198,911**	**$157,390**	**$176,550**	**$173,078**

Annual Expense By Year With Inflation

Description	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Site Improvements										
Common area drainage improvements				$12,324					$14,994	
Building Exteriors										
Replace Building Roofs - Phase 1										
Replace Building Roofs - Phase 2										
Replace Building Roofs - Phase 3										
Replace Building Roofs - Phase 4										
Replace Building Roofs - Phase 5										
Replace gutters and downspouts - Phase1										
Replace gutters and downspouts - Phase 2										
Replace gutters and downspouts - Phase 3										
Replace gutters and downspouts - Phase 4										
Replace gutters and downspouts - Phase 5										
Paint/repair trim	$56,969					$69,312				
Paint/repair siding						$202,604				
Mechanical/Electrical/Plumbing										
Allocation for buried utility repairs										
Total	**$56,969**	**$0**	**$0**	**$12,324**	**$0**	**$271,915**	**$0**	**$0**	**$14,994**	**$0**

Expense Summary

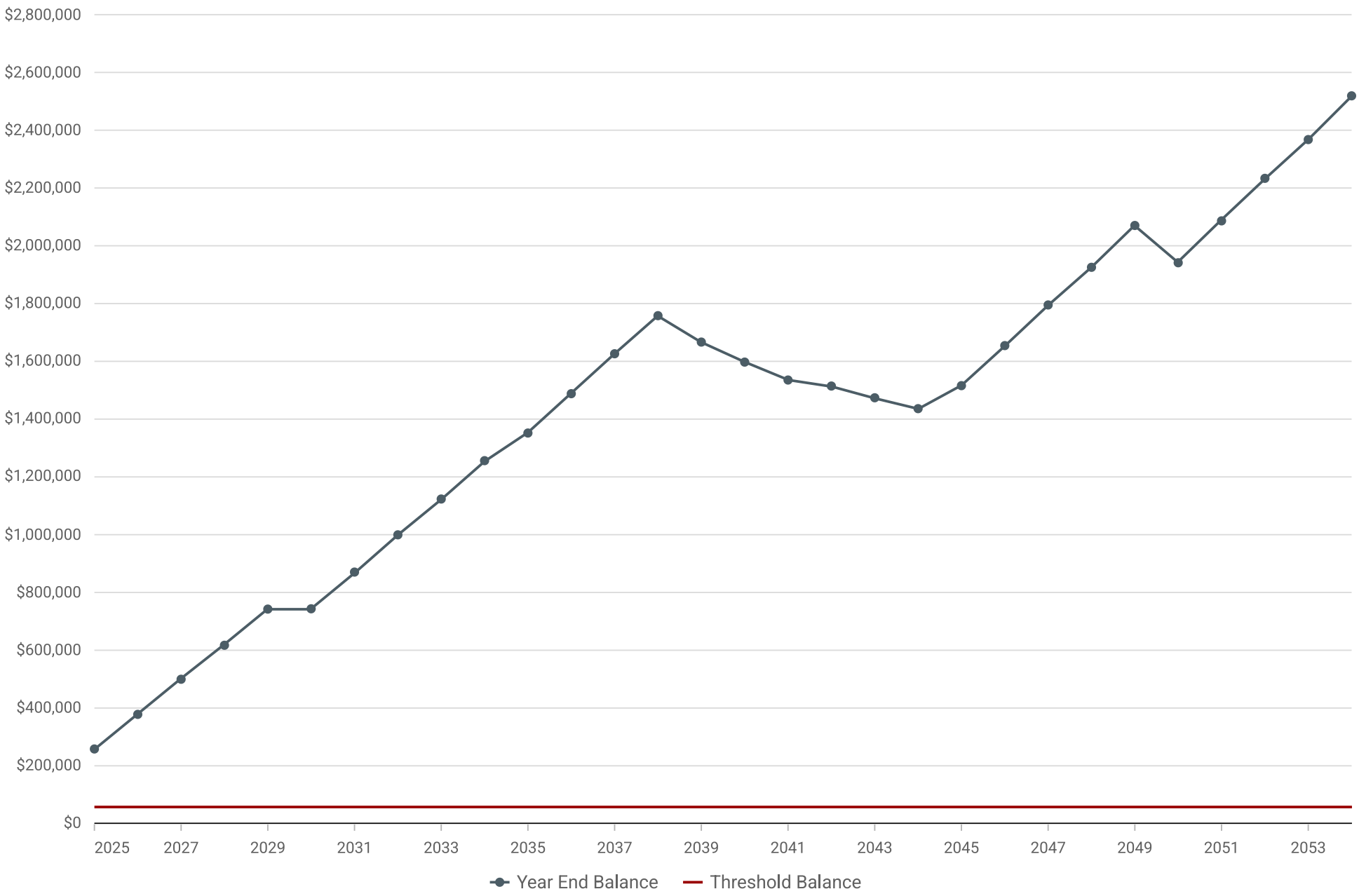
Total Over Term Capital Expenditure with Inflation:	$1,708,843
Average Estimated Annual Capital Expenditure with Inflation:	$56,961
Current Reserve Account Balance:	$166,302
Full Funding Balance:	$181,909
Percent Funded:	91.42%

Breakdown of Total Costs by Type

Current Funding: Year End Balance Projection

Year	Starting Balance	Reserve Contribution	Average Per Unit Per Month	Return on Investment	Repair Expenses	Special Assessments	Year End Balance
2025	$166,302	$114,180	$173.00	$3,817	$26,000		$258,299
2026	$258,299	$114,180	$173.00	$5,587	$0		$378,066
2027	$378,066	$114,180	$173.00	$7,384	$0		$499,630
2028	$499,630	$114,180	$173.00	$9,123	$5,624		$617,309
2029	$617,309	$114,180	$173.00	$10,972	$0		$742,461
2030	$742,461	$114,180	$173.00	$10,988	$124,099		$743,530
2031	$743,530	$114,180	$173.00	$12,866	$0		$870,576
2032	$870,576	$114,180	$173.00	$14,771	$0		$999,527
2033	$999,527	$114,180	$173.00	$16,603	$6,843		$1,123,468
2034	$1,123,468	$114,180	$173.00	$18,565	$0		$1,256,212
2035	$1,256,212	$114,180	$173.00	$19,979	$38,486		$1,351,885
2036	$1,351,885	$114,180	$173.00	$21,991	$0		$1,488,055
2037	$1,488,055	$114,180	$173.00	$24,034	$0		$1,626,269
2038	$1,626,269	$114,180	$173.00	$25,982	$8,325		$1,758,106
2039	$1,758,106	$114,180	$173.00	$24,631	$230,226		$1,666,690
2040	$1,666,690	$114,180	$173.00	$23,606	$207,109		$1,597,368
2041	$1,597,368	$114,180	$173.00	$22,690	$198,911		$1,535,327
2042	$1,535,327	$114,180	$173.00	$22,382	$157,390		$1,514,498
2043	$1,514,498	$114,180	$173.00	$21,782	$176,550		$1,473,910
2044	$1,473,910	$114,180	$173.00	$21,225	$173,078		$1,436,238
2045	$1,436,238	$114,180	$173.00	$22,402	$56,969		$1,515,850
2046	$1,515,850	$114,180	$173.00	$24,450	$0		$1,654,481
2047	$1,654,481	$114,180	$173.00	$26,530	$0		$1,795,191
2048	$1,795,191	$114,180	$173.00	$28,456	$12,324		$1,925,503
2049	$1,925,503	$114,180	$173.00	$30,595	$0		$2,070,278
2050	$2,070,278	$114,180	$173.00	$28,688	$271,915		$1,941,231
2051	$1,941,231	$114,180	$173.00	$30,831	$0		$2,086,242
2052	$2,086,242	$114,180	$173.00	$33,006	$0		$2,233,428
2053	$2,233,428	$114,180	$173.00	$34,989	$14,994		$2,367,604
2054	$2,367,604	$114,180	$173.00	$37,227	$0		$2,519,011

Current Funding: Year End Balance Projection

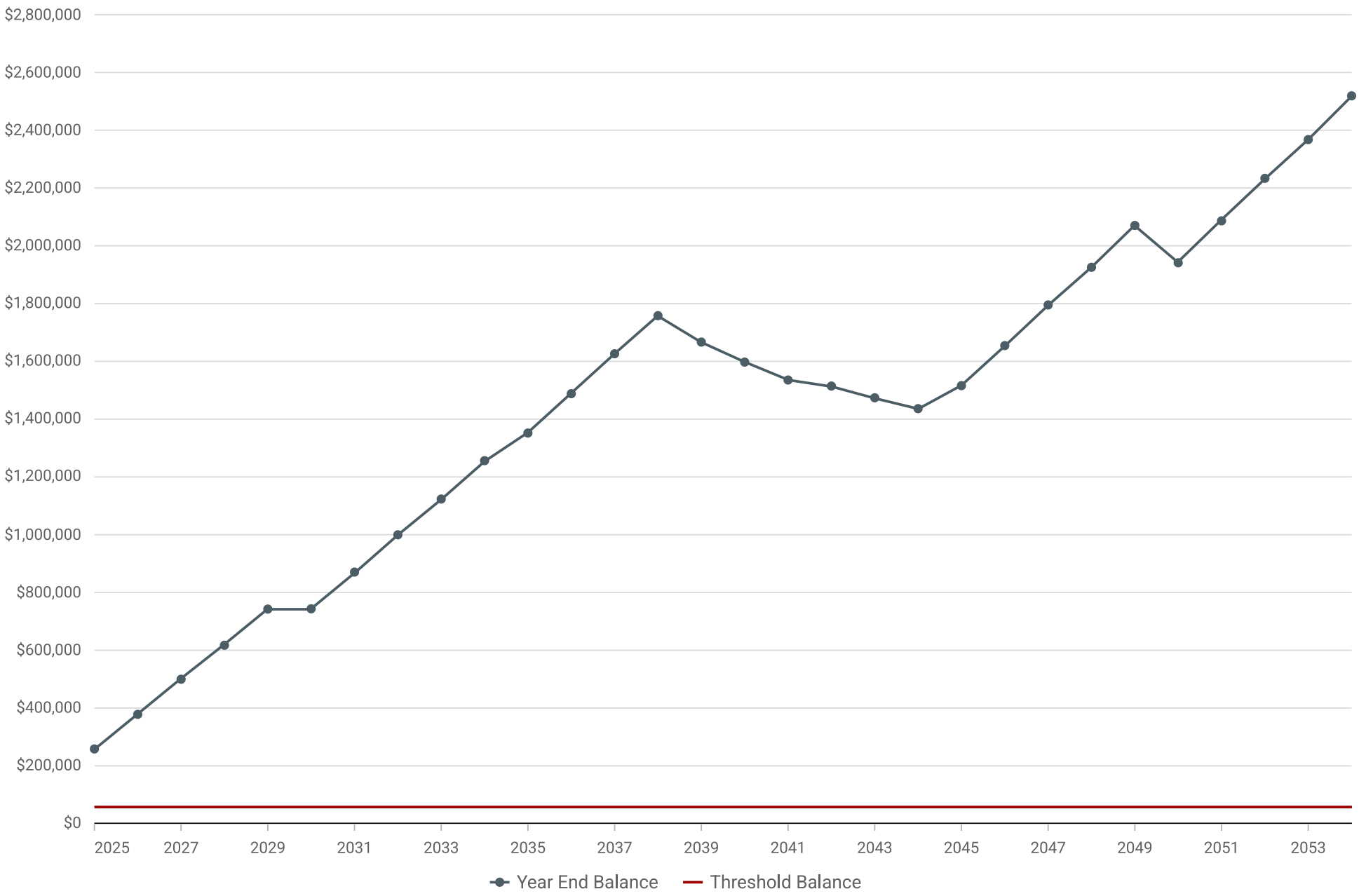


Funding Alternative 1: Year End Balance Projection

Maintain the current annual reserve contribution

Year	Starting Balance	Reserve Contribution	Average Per Unit Per Month	Return on Investment	Repair Expenses	Special Assessments	Year End Balance
2025	$166,302	$114,180	$173.00	$3,817	$26,000		$258,299
2026	$258,299	$114,180	$173.00	$5,587	$0		$378,066
2027	$378,066	$114,180	$173.00	$7,384	$0		$499,630
2028	$499,630	$114,180	$173.00	$9,123	$5,624		$617,309
2029	$617,309	$114,180	$173.00	$10,972	$0		$742,461
2030	$742,461	$114,180	$173.00	$10,988	$124,099		$743,530
2031	$743,530	$114,180	$173.00	$12,866	$0		$870,576
2032	$870,576	$114,180	$173.00	$14,771	$0		$999,527
2033	$999,527	$114,180	$173.00	$16,603	$6,843		$1,123,468
2034	$1,123,468	$114,180	$173.00	$18,565	$0		$1,256,212
2035	$1,256,212	$114,180	$173.00	$19,979	$38,486		$1,351,885
2036	$1,351,885	$114,180	$173.00	$21,991	$0		$1,488,055
2037	$1,488,055	$114,180	$173.00	$24,034	$0		$1,626,269
2038	$1,626,269	$114,180	$173.00	$25,982	$8,325		$1,758,106
2039	$1,758,106	$114,180	$173.00	$24,631	$230,226		$1,666,690
2040	$1,666,690	$114,180	$173.00	$23,606	$207,109		$1,597,368
2041	$1,597,368	$114,180	$173.00	$22,690	$198,911		$1,535,327
2042	$1,535,327	$114,180	$173.00	$22,382	$157,390		$1,514,498
2043	$1,514,498	$114,180	$173.00	$21,782	$176,550		$1,473,910
2044	$1,473,910	$114,180	$173.00	$21,225	$173,078		$1,436,238
2045	$1,436,238	$114,180	$173.00	$22,402	$56,969		$1,515,850
2046	$1,515,850	$114,180	$173.00	$24,450	$0		$1,654,481
2047	$1,654,481	$114,180	$173.00	$26,530	$0		$1,795,191
2048	$1,795,191	$114,180	$173.00	$28,456	$12,324		$1,925,503
2049	$1,925,503	$114,180	$173.00	$30,595	$0		$2,070,278
2050	$2,070,278	$114,180	$173.00	$28,688	$271,915		$1,941,231
2051	$1,941,231	$114,180	$173.00	$30,831	$0		$2,086,242
2052	$2,086,242	$114,180	$173.00	$33,006	$0		$2,233,428
2053	$2,233,428	$114,180	$173.00	$34,989	$14,994		$2,367,604
2054	$2,367,604	$114,180	$173.00	$37,227	$0		$2,519,011

Funding Alternative 1: Year End Balance Projection

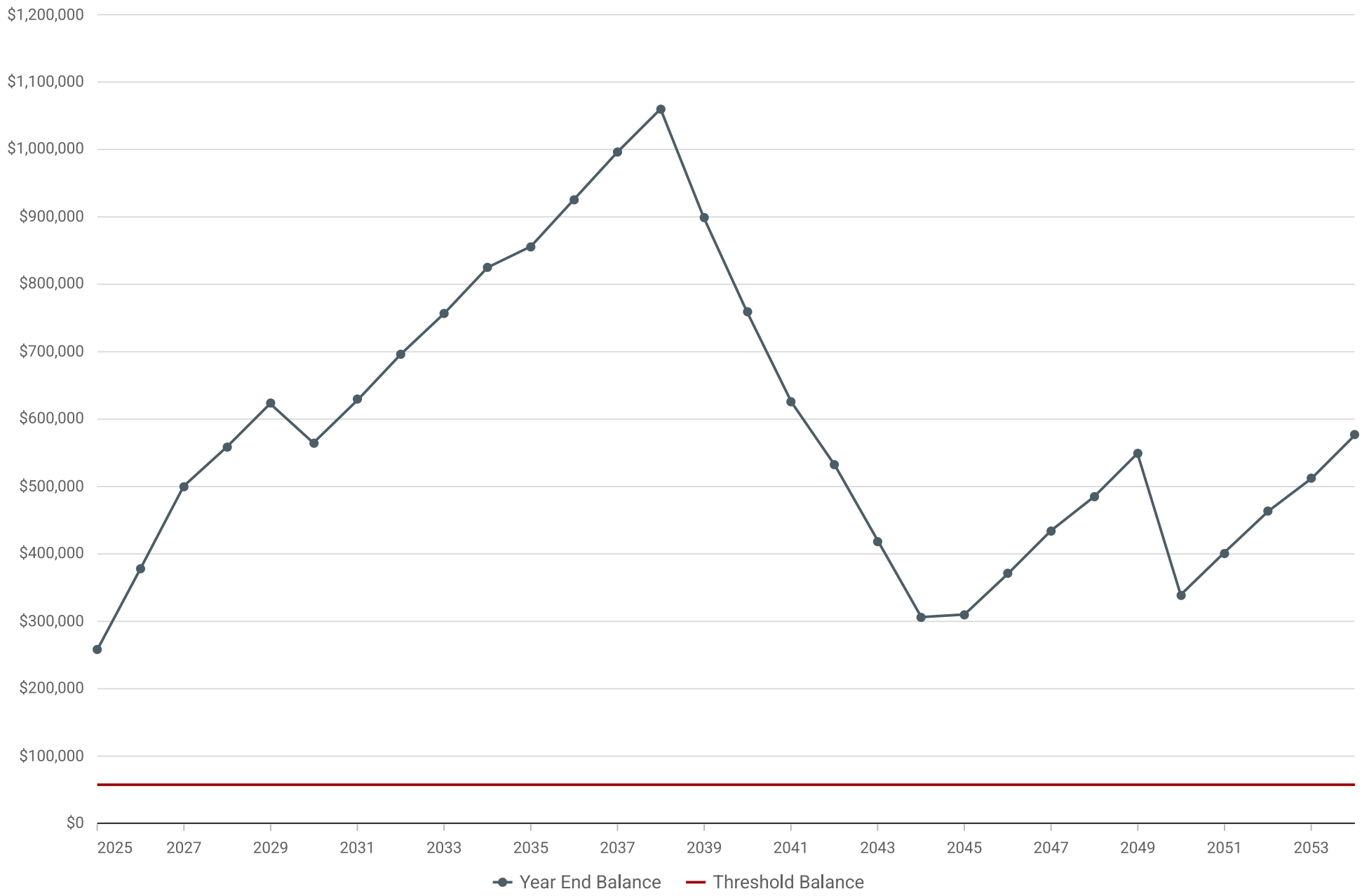


Funding Alternative 2: Year End Balance Projection

Decrease by $58,000 in 2028

Year	Starting Balance	Reserve Contribution	Average Per Unit Per Month	Return on Investment	Repair Expenses	Special Assessments	Year End Balance
2025	$166,302	$114,180	$173.00	$3,817	$26,000		$258,299
2026	$258,299	$114,180	$173.00	$5,587	$0		$378,066
2027	$378,066	$114,180	$173.00	$7,384	$0		$499,630
2028	$499,630	$56,180	$85.12	$8,253	$5,624		$558,439
2029	$558,439	$56,180	$85.12	$9,219	$0		$623,838
2030	$623,838	$56,180	$85.12	$8,339	$124,099		$564,258
2031	$564,258	$56,180	$85.12	$9,307	$0		$629,745
2032	$629,745	$56,180	$85.12	$10,289	$0		$696,213
2033	$696,213	$56,180	$85.12	$11,183	$6,843		$756,734
2034	$756,734	$56,180	$85.12	$12,194	$0		$825,108
2035	$825,108	$56,180	$85.12	$12,642	$38,486		$855,443
2036	$855,443	$56,180	$85.12	$13,674	$0		$925,298
2037	$925,298	$56,180	$85.12	$14,722	$0		$996,200
2038	$996,200	$56,180	$85.12	$15,661	$8,325		$1,059,715
2039	$1,059,715	$56,180	$85.12	$13,285	$230,226		$898,954
2040	$898,954	$56,180	$85.12	$11,220	$207,109		$759,246
2041	$759,246	$56,180	$85.12	$9,248	$198,911		$625,763
2042	$625,763	$56,180	$85.12	$7,868	$157,390		$532,421
2043	$532,421	$56,180	$85.12	$6,181	$176,550		$418,232
2044	$418,232	$56,180	$85.12	$4,520	$173,078		$305,854
2045	$305,854	$56,180	$85.12	$4,576	$56,969		$309,641
2046	$309,641	$56,180	$85.12	$5,487	$0		$371,308
2047	$371,308	$56,180	$85.12	$6,412	$0		$433,900
2048	$433,900	$56,180	$85.12	$7,166	$12,324		$484,923
2049	$484,923	$56,180	$85.12	$8,117	$0		$549,220
2050	$549,220	$56,180	$85.12	$5,002	$271,915		$338,487
2051	$338,487	$56,180	$85.12	$5,920	$0		$400,587
2052	$400,587	$56,180	$85.12	$6,852	$0		$463,618
2053	$463,618	$56,180	$85.12	$7,572	$14,994		$512,377
2054	$512,377	$56,180	$85.12	$8,528	$0		$577,085

Funding Alternative 2: Year End Balance Projection



APPENDIX E: PROJECT PHOTOGRAPHS

Description	
Loss of ground cover at drainage piping (900 Highgrove Drive)	
Photo No. 1	

Description	
Clogged drainage inlet east of 900 Highgrove Drive	
Photo No. 2	

Description	
Typical Highgrove townhome front elevation	
Photo No. 3	

Description	
Typical townhome building roof	
Photo No. 4	

Description	
Damage to fiber cement siding at Westend unit	
Photo No. 5	

Description	
Paint deterioration on wood window box	
Photo No. 6	

Description	
Paint deterioration on Highgrove garage	
Photo No. 7	

Description	
Deterioration in fiber cement siding at Westend garage unit	
Photo No. 8	

Description	
Leaning railing at townhome entrance	
Photo No. 9	

Description	
Damaged wood railing at townhome entrance	
Photo No. 10	

Description	
Rear elevation of Townhome II unit	
Photo No. 11	

Description	
Westend mail kiosk	
Photo No. 12	

Description	
Typical fire alarm control room	
Photo No. 13	

Description	
Typical Westend and Highgrove fire sprinkler rooms	
Photo No. 14	

Description	
Typical fire suppression equipment	
Photo No. 15	