



(Final Report, Revised October 2, 2025)
**Condition Assessment
&
Reserve Fund Plan Update
2025**

VILLAGES OF PIEDMONT
Haymarket, Virginia



Prepared for:
The Board of Directors
&
Property Management People



MASON & MASON
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October 2, 2025

Ms. Barbara Smith, Community Manager
Property Management People
552 Fort Evans Road, Suite 200
Leesburg, Virginia 20176

RE: **CONDITION ASSESSMENT AND RESERVE FUND PLAN UPDATE 2025**
Villages of Piedmont Homeowners Association
(Final Report, Revised October 2, 2025)
Haymarket, Virginia
Project No. 10300

Dear Ms. Smith:

Mason & Mason Capital Reserve Analysts, Inc. has completed the report for Villages of Piedmont Homeowners Association.

We have revised the report to reflect changes that were requested by you and the Board via email on August 27, 2025, and subsequent email exchanges on September 25, and October 2, and a phone conversation on October 1, 2025.

We genuinely appreciate the opportunity to work with you and the Association.

Sincerely,

Mason & Mason Capital Reserve Analysts, Inc.

Levi K. Mason, R.S.
Vice President



James G. Mason, R.S.
Principal



TABLE OF CONTENTS

TABLE OF CONTENTS.....	1
FOREWORD.....	2
SUMMARY OF KEY ISSUES.....	3
VISUAL EVALUATION METHODOLOGY.....	4
1. INTRODUCTION.....	5
2. METHODS OF FUNDING	8
3. FINANCIAL ANALYSIS.....	10
4. TYPES OF RESERVE STUDIES.....	12
5. RESERVE PROGRAMMING	13
6. UPDATING THE RESERVE FUND PLAN.....	15
7. PREVENTATIVE MAINTENANCE GUIDE (links).....	15
8. ASPHALT PAVEMENT REPORT	15

GENERAL RESERVE FUND PLAN

COMPONENT DATA AND ASSET REPLACEMENT SCHEDULE	TABLE 1
CALENDAR OF EXPENDITURES	TABLE 2
CURRENT FUNDING ANALYSIS, CASH FLOW METHOD	TABLE 3
ALTERNATIVE FUNDING ANALYSIS, CASH FLOW METHOD	TABLE 3.1
FUNDING ANALYSIS, COMPONENT METHOD	TABLE 4

TOWNHOMES RESERVE FUND PLAN

COMPONENT DATA AND ASSET REPLACEMENT SCHEDULE	TABLE 1
CALENDAR OF EXPENDITURES	TABLE 2
CURRENT FUNDING ANALYSIS, CASH FLOW METHOD	TABLE 3
ALTERNATIVE FUNDING ANALYSIS, CASH FLOW METHOD	TABLE 3.1
FUNDING ANALYSIS, COMPONENT METHOD	TABLE 4
PHOTOGRAPHS	#1 - #21

FOREWORD

PLEASE READ THIS FIRST

This report contains information the Board requires to fulfill its fiduciary responsibilities with respect to the financial health of the Association. Even if you are already familiar with the concepts of capital reserve planning, it requires some study. The information in this report is vital to your Association's financial health. Unless you understand it, your Association may not follow it. This may lead to underfunding and financial stress at some time in the future.

Our years of experience providing reserve analysis to both first-time and multi-update return clients have compelled us to develop a logical funding approach, which is based on generational equity and fairness to common-interest property owners that helps ensure realistic reserve funding levels.

Our approach is neither standard, nor is it necessarily easy to understand without first becoming familiar with some basic concepts. Section 2 explains these concepts in more detail. We want you to understand them because a well-informed Association makes the best decisions for its common-property owners.

SUMMARY OF KEY ISSUES

Different readers will look for different things from this report. Perhaps the homeowner will just be looking for the high points. A prospective buyer may be looking at the general financial condition of the Association's reserves. A Board member should probe deeper in order to understand the financial tools that will be helpful in fulfilling their fiduciary responsibilities to the Association.

The Summary of Key Issues presents a recapitulation of the most important findings of Villages of Piedmont's Reserve Fund Plan. Each is discussed in greater detail in the body of the report. We encourage the reader to 'go deeper' into the report, and we have written it in a way that is understandable to a first-time reader.

GENERAL RESERVES

Analyzing the capital reserves reveals that:

- The fund is approximately **90%** funded through 2024, **See Paragraph 2.1**. Our goal is to become fully funded by the end of the 20-year period (2044).

To achieve this goal, the Board should:

- Step increase the annual contribution from **\$72,954** to **\$92,242** in **2026**, and to **\$112,248** in **2027**, followed by annual adjustments of **4%** to reflect inflation thereafter.
- This represents a **2026** adjustment from **\$14.72** to **\$18.61** (a net adjustment of **\$3.89**) per residence, per month (based on **413** units).

TOWNHOMES RESERVES

Analyzing the capital reserves reveals that:

- The reserve fund is approximately **fully funded** through 2024. Our goal is to maintain fully funded status through the end of the 20-year period (2044).
- Despite being fully funded, the Townhomes have Borrowed money from the General Reserves to complete the asphalt and concrete restoration projects. The funds will be repaid to the General Reserves at the date of maturity for two CDs in early 2026.

To maintain fully funded status, the Board should:

- Reduce the annual contribution in **2026** from **\$60,900** to **\$53,713**, followed by annual adjustments of **4%** to reflect inflation thereafter.
- This represents a reduction from **\$19.82** to **\$17.48** (a net reduction of **\$2.34**) per residence, per month (based on **256** units).

Supporting data are contained in the body of this report, and we encourage the reader to take the time to understand it.

VISUAL EVALUATION METHODOLOGY

The first step in the process is collection of specific data on each of your community's commonly held components. This information includes quantity and condition of each included component. We collect most of this data during the on-site field survey. When this information is not available in the field, we may obtain it by discussion with those knowledgeable through management or service activities.

The field survey or condition assessment is visual and non-invasive. We do not perform destructive testing to uncover hidden conditions; perform operational testing of mechanical, electrical, plumbing, fire, and life safety protection; or perform code compliance analysis.

We make no warranty that every defect has been identified. Our scope of work does not include an evaluation of moisture penetration, mold, indoor air quality, or other environmental issues. While we may identify, pedestrian hazards observed during the course of the field survey, this report should not be considered a safety evaluation of components.

Replacement costs are sometimes based on published references, such as R. S. Means. However, our opinions of replacement costs usually include removal and disposal and are usually based on experience with similar projects including information provided by local contractors and reported client experience. Actual construction costs can vary significantly due to seasonal considerations, material availability, labor, economy of scale, and other factors beyond our control.

Projected useful service lives are based on statistical data and our opinion of their current visual condition. No guarantee of component service life expectancies is expressed or implied and none should be inferred by this report. Your actual experience in replacing components may differ significantly from the projections in the report, because of conditions beyond our control or that were not visually apparent at the time of the survey.

Visual Condition Ratings Definitions

Excellent Condition - No problems noted, like new condition.

Good Condition - No deterioration.

Fair Condition - Minor deterioration, but still serviceable.

Poor Condition - Significant deterioration, reaching the end of its service life.

Failed Condition - Beyond repair, must be removed and replaced.

1. INTRODUCTION

1.1 Background: Villages of Piedmont Homeowners Association is located on Market Ridge Boulevard in Haymarket, Virginia. There are 413 units including townhomes and single-family homes. Eight private streets, Hartzell Lane, Pitner Street, Boothe Lane, Hurd Lane, Orrington Lane, Grey Mill Manor Drive, MacKenzie Manor Road, and Heights Way will be included in the Townhome Reserves and the clubhouse parking area are included in the General Reserves. The roads serving the single-family homes are VDOT.

The common elements of the community include asphalt driveways and parking areas, concrete sidewalks, curbs and gutters, picnic gazebos with tables and grills, tennis and pickleball courts, a basketball court, tot lots, street and area lighting, street signage, fencing, storm water drainage system with drainage swales and two management ponds a raingarden, clubhouse interiors and exteriors including MEP systems, and the pool facility.

We are providing the Condition Assessment and Reserve Fund Plan Update based on Proposal Acceptance Agreement No. 10300 dated March 26, 2025. Our services are subject to all terms and conditions specified therein.

Mason & Mason did not review the declarations, covenants, or other organization documents pertaining to the establishment and governance of the Homeowners Association. Ultimately, the establishment, management, and expenditure of reserves are within the discretion of the Association and its Board of Directors pursuant to their organizational documents and subject to the laws of the applicable jurisdiction. We are not otherwise financially associated with the Management Company or the Association and we therefore do not have any conflicts of interest that would bias this report. Information provided by Management is deemed reliable. This report is not intended to be an audit or a forensic investigation. This report is not a mandate but is intended to be a guide for future planning.

Mason & Mason provided a Level I Condition Assessment and Reserve Fund Plan for Villages of Piedmont in 2015. This report is a Level II Update of the previous report and includes a new condition assessment. All common components were visually observed. Measurements and quantities were generally accepted from the previous report except where changes have occurred. The update report is a stand-alone document and reference to the previous report should not be necessary.

Levi K. Mason, R. S. conducted the field evaluation for this report on May 15, 2025. The sky was clear, and the temperature was approximately 85 degrees F. Precipitation had not occurred for several days prior to the site visit. The pavements, walkways, and grounds were generally dry and clean of debris.

1.2 Principal Findings: The common assets are in generally excellent condition, with relatively few deficiencies observed. The community should be congratulated on having recently completed the full restoration of all Townhome asphalt driveways and parking bays. This project was executed in 2025 by Brothers Paving for a total cost of approximately \$322,325. The community also corrected all concrete sidewalk, curb and gutter, and driveway apron deficiencies within the Townhomes in 2025, at a cost of approximately \$118,085. This project was also performed by Brothers Paving. The asphalt footpaths were restored in 2024 by Rose Paving for approximately \$26,000.

However, the asphalt parking lot serving the Community Center, while previously maintained with seal coating and crack filling, appears to have reached the end of its service life and is in very poor condition, exhibiting wide-area deflection and significant transverse and lateral cracking. We have scheduled the restoration of this parking lot in 2026. Additionally, we observed approximately five tripping hazards and several deteriorated sidewalk panels throughout the network of sidewalks serving the Community Center. These deficiencies have been scheduled for remediation to coincide with the paving project. However, due to the presence of tripping hazards, we suggest precision cutting to relieve the height differentials between panels as an affordable stopgap measure until full panel replacement can be accomplished. The liability and costs associated with personal injury lawsuits resulting from sidewalk, curb, and gutter tripping hazards are too significant to defer repair. It is our opinion that deficiencies posing a hazard to pedestrians should be corrected expeditiously. (Note for Final Report, October 2, 2025, Management reported that the deficient concrete will be addressed in 2025 for a price of \$14,000. We used this price in our calculations)

The concrete pool deck also appears to be in very good condition. While some limited unfilled cracking was observed, most cracking appears to have been properly routed and filled.

Site features throughout the community appear to be in generally excellent condition, with no significant deficiencies observed. A small park area has been installed at the end of Market Ridge Boulevard, providing access to Leopoldo's Preserve. The park includes concrete sidewalks (which have been added to the General sidewalk quantity), brick bollards with cast stone caps, painted wooden fencing, coated metal benches, and bike racks. These components have been added to the inventory under the General category.

The Community Center appears to be in excellent condition. The original asphalt shingle roofing has been replaced with coated standing seam metal roofing, matching the original porch roofing and dormers. This roofing should provide a very long service life and should be recoated as needed under operations. The building facades are also in generally very good condition, with no significant deficiencies observed. However, we did observe some damaged and detached fiber-cement siding on the eastern elevation, which should be addressed under operations. No window or door deficiencies were observed. The building mechanical systems are in good operating condition, and the water heater was reportedly replaced in approximately 2023, though no specific documentation could be located.

The interior finishes and furnishings, as well as the bathrooms and showers, are in very good condition, with no deficiencies observed or reported. Management provided documentation

for the carpet removal and replacement project, and flooring quantities have been updated accordingly.

The pool and ancillary equipment also appear to be in good condition. We understand that a coping replacement and expansion joint replacement project were executed recently, and that the pool furnishings were replaced in 2023. However, the pool white coating—while recently patched—is in generally poor condition. We have scheduled a re-coating project in the near-term. Two pergola shelters were added in recent years and have been included in the study. All mechanical equipment appears to be in good, serviceable condition. The chlorinators appear to have been replaced since the previous evaluation, as have the wading pool pump and filter. The main pool pump and strainer appear to be original and have surpassed their typical service life by several years; however, no problems were reported, and we have therefore extended the service life of the equipment.

The tennis and pickleball courts will be coated and the transverse and lateral cracks will be repaired in June 2025. However, based on the amount of cracking observed and the age of the courts, we have scheduled full restoration in 2035. We recommend obtaining proposals from multiple vendors prior to initiating restoration.

The basketball court appears to be in good condition and was coated in June of 2024. No deflection or cracking was observed. Restoration has been

Financially, the General reserve fund requires an increase in contributions to reserves. We have stepped the increases over two years to minimize the impact on individual homeowners but have established a sufficient contribution schedule to maintain fully funded status through to the end of twenty years.

The Townhomes reserve fund appears to be fully funded for the current cycle and the contributions should be lowered to address generational equity issues, while maintaining fully funded status long-term. The Association has adequate reserve funding and should be proactive in making the necessary common component repairs and replacements.

In order to maintain the physical attributes that preserve property values and provide a safe environment for occupants and guests, a series of capital expenditures should be anticipated. Consequently, we have scheduled near-, mid-, and late-term restoration and replacement projects based on anticipated need from our experience with similar properties.

Generally, our approach is to group appropriately related component replacement items into projects. This creates a more realistic model and allows a grouping timeline that is more convenient to schedule and logical to accomplish. Please see the Table 1 Discussion, Column 18, and the Asphalt Pavement Report in Section 8, for specific information.

2. METHODS OF FUNDING

Once the data are compiled, our proprietary software produces two distinct funding methods. These are the **Component Method and Cash Flow Method**. Each of these methods is used in analyzing your Association's reserve status and each plays a role in the Board's decision on how to fund reserves. While we provide the guidance, the choice of funding method is ultimately the prerogative of the Board. Considering the vulnerability of the Association's assets, its risk tolerance, and its ability to fund contributions, the Board should decide how the Association will fund its reserves and at what level.

2.1 Component Method: As reserve analysts, we recognize the value of Component Method calculations as they address both future replacement costs and the time remaining to fund them. **This is the foundation of the savings concept. You will see the term 'fully funded.'** **This simply means you are on schedule, in any given year, to accrue sufficient funds by the component's replacement date. It does not mean you must have 100% of the funds ahead of time.** Simplified Example: A component projected to cost \$1,000 at the end of its 10-year life cycle would require a \$100 annual contribution in each of the 10 years. As long as you follow this contribution plan, the component is 'fully funded.'

Prior to determining the actual required annual contribution, a complex calculation apportions the existing reserve fund to each component. Each component's remaining unfunded balance forms the basis for the required contribution going forward.

Funds set aside for replacement of individual components are not normally used for the replacement of other components, even though the funds reside in the same bank account. In rare cases where a reserve fund is actually overfunded, \$0 will be displayed on the Component Method tables, indicating that the component is fully funded for that cycle.

While the time basis for the report is a 20-year period, the Component Method allows for inclusion of long-life components that may require replacement after the specified period. **This allows for funding of long-life components contemporaneously, which is fundamentally fair if they are serving the current owners. This is in contrast to saying, 'if it doesn't require replacement within our 20-year period, we're going to ignore it.'**

Due to replacement cycle time and cost differentials, the Component Method typically results in annual contribution fluctuations, which often makes it difficult for a Board to implement. **However, its guidance is essential and invaluable for understanding funding liabilities and making informed recommendations.** Table 4 shows these calculations, as well as projects interest income, expenses with inflation, and yearly balances, which will be 'fully funded.'

2.2 Cash Flow Method: The Cash Flow Method is easier to implement. It is a simple 20-year spread sheet that includes the starting balance, current contribution, interest income, inflation rate, projected expenses, and resulting yearly balances. The Cash Flow Method pools the contributions allocated to each of the Association's common components into a single 'account.'

Table 3 shows these calculations. This table reflects the information you provided on your reserve fund balance and current contribution. It also shows projected yearly positive or negative balances. **The Cash Flow Method does not include replacement funding for anything beyond the 20-year period, thus leaving a potential shortfall in funding and failing to address generational equity if not specifically set to do so.** It does not provide any real guidance beyond the basic information. There are several variations on cash flow goals such as Threshold Funding (just enough to stay positive) and Percentage Funding (a predetermined level based on some arbitrary percentage), but these schemes don't address the reality of fully funding, and typically are just a way of passing the obligation on to the next generation.

2.3 Hybrid Approach: Please note that this is not a method, rather a way (approach) for us to utilize the Cash Flow Method, while ensuring the appropriate funding levels are achieved long-term. Our Hybrid Approach uses the projected fully funded balance at the end of the 20-year period from Table 4 as a funding goal. We then set up Cash Flow funding plans. Table 3 is your 'where we are now' Cash Flow spreadsheet modeling your reserve balance and current contribution. Table 3.1 (and possibly others) provides alternative(s) to this that meet the fully funded goal from Table 4.

We usually establish a new Cash Flow contribution that requires only small annual inflationary increases to reach the fully funded goal at the end of the 20-year period. This has the added effect of establishing a funding plan that addresses inflation. The contribution in the first year, adjusted for inflation, is equal to the contribution in the last year, based on inflated dollars (future value of money). This approach will also allow underfunded Associations the time to catch up, mitigating undue hardships. It balances the risk of temporary underfunding with the benefit of consistent predictable increasing contributions. The combination of the Component and Cash Flow Methods (Hybrid Approach) provides the advantages of both methods.

3. FINANCIAL ANALYSIS

We have tracked the annual inflation rate among our clients based on their reported costs for typical services for over 20 years. The average rate of inflation since the 2008 recession was 1.46% according to the U.S. Labor Department and is similar in our experience with clients. Substantially higher inflation rates did not materialize until recently. It is impossible to predict what these rates will do in the coming years, but the reported annual rate of 9.5% for the previous 12 months we are currently experiencing, in our opinion, is unsustainable, but may persist for a while. It appears that the Covid 19 impact on the world and U.S. economies, and a war in Europe are exerting significant upward pressure on inflation. We have programmed starting base costs in most cases higher than normal in anticipation that near-term high inflation will continue. Unless otherwise directed, we are using a **4.00% long-term annual rate of inflation**, with the assumption that higher inflation will not be too long lived. The next five years will be a critical time in this regard. Interest income is expected to rise as Federal Reserve rates rise to combat inflation. Unless otherwise directed, we are using a **2.00% long-term annual rate of return** on investments. However, unlike reserves, interest income can be taxable, which may reduce the net gain even further. Annual Administrative Updates are increasingly important to respond to rapidly changing inflationary pressures during these unprecedented times. It is prudent to keep a close watch on the economy and be ready to respond by updating the reserve fund plan as economic changes dictate.

GENERAL RESERVES

3.1 General Calculation Basics: The Association is on a calendar fiscal year. Management reported that the reserve fund balance, including cash and securities as of **December 31, 2024**, was **\$614,776**. We have used **4%** inflation factor and **2%** annual interest income in our calculations. The total expenditures for the twenty-year period for both the **Cash Flow Method** and **Component Method** are projected to be **\$2,176,125**.

3.2 Current Funding Analysis, Cash Flow Method (Table 3): The **2025** annual contribution to reserves has been set at **\$72,954** with a presumed **4%** annual increase. At this level, the total for all annual contributions for the twenty-year period would be **\$2,172,430**, and the total interest income is projected to be **\$328,843**. **This contribution level does not provide adequate funding.**

3.3 Alternative Funding Analysis, Cash Flow Method, Hybrid Approach (Table 3.1): This stepped plan provides the annual contributions necessary to maintain balances more consistent with the **fully funded goal by increasing the annual contribution to \$92,242 in 2026**, and **\$112,248 in 2027**, and then providing an annual adjustment of **4%**, matching inflation thereafter. **This alternative allows for a gradual increase over time after the initial series of stepped increases and addresses generational equity issues.** The total for all annual contributions for the twenty-year period would be **\$3,043,831**, and the total interest income is projected to be **\$489,630**. **The fully funded balance in 2044 is \$1,972,112.**

3.4 Funding Analysis, Component Method (Table 4): This method of funding would require variable annual contributions, averaging **\$149,723** over the twenty-year period. The total for

all annual contributions would be **\$2,994,469**, and the total interest income is projected to be **\$538,992**. **The fully funded balance in 2044 is \$1,972,112.** The Component Method model considers the current reserve fund balance in computing individual component contributions for current cycles.

TOWNHOME RESERVES

3.5 Townhomes Calculation Basics: The Association is on a calendar fiscal year. Management reported that the reserve fund balance, including cash and securities as of **December 31, 2024**, was **\$343,144**. We have used **4%** inflation factor and **2%** annual interest income in our calculations. The total expenditures for the twenty-year period for both the **Cash Flow Method** and **Component Method** are projected to be **\$1,640,267**.

3.6 Current Funding Analysis, Cash Flow Method (Table 3): The **2025** annual contribution to reserves has been set at **\$60,900** with a presumed **4%** annual increase. At this level, the total for all annual contributions for the twenty-year period would be **\$1,813,485**, and the total interest income is projected to be **\$199,263**. **This funding results in unnecessarily high balances throughout the twenty-year period and over funds the reserves.**

3.7 Alternative Funding Analysis, Cash Flow Method, Hybrid Approach (Table 3.1): This plan provides the annual contributions necessary to maintain balances more consistent with the **fully funded goal by reducing the annual contribution to \$53,713 in 2026 and providing a 4% annual adjustment matching inflation thereafter. This plan allows for a gradual increase over time after the initial reduction and addresses generational equity issues.** The total for all annual contributions for the twenty-year period would be **\$1,547,199**, and the total interest income is projected to be **\$148,886**. **The fully funded balance in 2044 is \$398,962.**

3.8 Funding Analysis, Component Method (Table 4): This method of funding would require variable annual contributions, averaging **\$74,532** over the twenty-year period. The total for all annual contributions would be **\$1,490,649**, and the total interest income is projected to be **\$205,436**. **The fully funded balance in 2044 is \$398,962.** The Component Method model considers the current reserve fund balance in computing individual component contributions for current cycles.

4. TYPES OF RESERVE STUDIES

4.1 Full Reserve Study, Level I, the analyst develops a component inventory and condition assessment which is based upon on-site visual observations, and is the basis for the estimated remaining-useful-life of the components as well as their replacement cost. This information is used to develop the Financial Analysis which includes the fund status and funding plan.

4.2 Full Update, With-Site-Visit, Level II, the analyst conducts an onsite verification of the component inventory included within the study being updated (not quantification) as well as performing a condition assessment), which is the basis for the estimated remaining-useful-life of the components and their replacement costs. This information is used to develop the Financial Plan which includes the fund status and funding plan.

4.3 Administrative Update, Level III, the analyst updates the remaining-useful-life of the components based on information provided by Management and not condition as a site visit is not performed. The replacement costs and other pertinent information are also updated. This information is used to develop the Financial Plan which includes the fund status and funding plan.

4.4 Residential and Commercial Development Services, before construction an analyst develops budget estimates based on design documents such as the architectural and engineering plans, and developer founding documents.

5. RESERVE PROGRAMMING

The Mason & Mason proprietary software used to produce the financial tables (Tables 1 through 4) have been under continual refinement for over a decade. It is unique in the industry as it provides comprehensive modeling through Microsoft Access and Excel that addresses the many challenges of reserve funding, allows analysts and clients to run 'what if' scenarios, provides an easy to understand matrix of views and functions, and is easily provided to clients through e-mail.

5.1 Interest Income on Reserve Funds: Most Associations invest at least part of their reserve funds. Small Associations may simply use a savings account or certificates of deposit, while large Associations may have multiple investments with short-, medium-, and long-term instruments. One issue that is difficult to quantify is the percentage of funds invested. Some Associations invest a fairly substantial portion, while others hold back due to current cash outflow obligations. Some Associations do not reinvest the investment proceeds in their reserves; rather they divert the cash into their operations fund. We do not agree with this approach as it has the effect of requiring additional reserve contributions to make up for the difference. There is also the issue of changing rates over the 20-year period. In the recent past we have seen large swings in relatively short time periods. While reserve funds are not usually taxable by the IRS, the investment income generated by the reserve fund is taxable in most situations. Even with all these potential pitfalls, investment income still represents a substantial source of additional funds and for this reason should not be ignored. There is no way to make 'one size fits all' with any accuracy for the individual Association. Our approach to this dilemma is to use lower approximations that compensate for less than 100% of funds invested. We feel this is still better than not recognizing it, and periodic updates allow for adjustments based on experience. The rate can be set at any level, including zero, for Associations desiring to not recognize interest. **The rate should reflect, as accurately as possible, the actual composite rate of return on all securities and other instruments of investment including allowances for taxes.**

The interest income displayed on Table 3 and Table 4 is the summation of the beginning reserve fund interest accrual and the interest earned on the contributions minus the interest lost by withdrawing the capital expenditures. This method of calculation, while not exact, approximates the averages of the three principal components of a reserve fund for each twelve-month period.

5.2 Future Replacement Costs (Inflation): Inflation is a fact of life. In order to replicate future financial conditions as accurately as possible, inflation on replacement costs should be recognized. The financial tables have been programmed to calculate inflation based upon a pre-determined rate. This rate can be set at any level, including zero. **A plan that does not include inflation is a 1-year plan, and any data beyond that first year will not reflect reality.**

5.3 Simultaneous Funding: This is a method of calculating funding for multiple replacement cycles of a single component over a period of time from the same starting date. Simple Example: Funding for a re-roofing project, while, at the same time, funding for a second, subsequent re-roofing project. This method serves a special purpose if multiple-phase projects

are all near-term but will result in higher annual contribution requirements and leads to generational equity issues otherwise. We use this type of programming only in special circumstances.

5.4 Sequential Funding: This is a method of calculating funding for multiple replacement cycles of a single component over a period of time where each funding cycle begins when the previous cycle ends. Simple Example: Funding for the second re-roofing project begins after the completion of the initial re-roofing project. This method of funding appears to be fundamentally equitable. We use this type of programming except in special circumstances.

5.5 Normal Replacement: Components are scheduled for complete replacement at the end of their useful service lives. Simple Example: An entrance sign is generally replaced all at once.

5.6 Cyclic Replacement: Components are replaced in stages over a period of time. Simple Example: Deficient sidewalk panels are typically replaced individually as a small percentage, rather than the complete system.

5.7 Minor Components: A minimum component value is usually established for inclusion in the reserve fund. Components of insignificant value in relation to the scale of the Association should not be included and should be deferred to the operations budget. A small Association might exclude components with aggregate values less than \$1,000, while a large Association might exclude components with aggregate values of less than \$10,000. Including many small components tends to over complicate the plan and does not provide any relative value or utility.

5.8 Long Life Components: Almost all Associations have some components with long or very long useful service lives typically ranging between thirty and sixty years. Traditionally, this type of component has been ignored completely. Simple Example: Single replacement components such as entrance monuments should be programmed for full replacement at their statistical service life. This allows for all common property owners to pay their fair share during the time the component serves them. This also has the added effect of reducing the funding burden significantly as it is carried over many years.

5.9 Projected Useful Service Life: Useful service lives of components are established using construction industry standards and our local experience as a guideline. Useful service lives can vary greatly due to initial quality and installation, inappropriate materials, maintenance practices or lack thereof, environment, parts attrition, and obsolescence. By visual observation, the projected useful service life may be shortened or extended due to the present condition. The projected useful service life is not a mandate, but a guideline, for anticipating when a component will require replacement and how many years remain to fund it.

5.10 Generational Equity: As the term applies to reserves, it is the state of fairness between and over the generations relating to responsibility for assets you are utilizing during your time of ownership. It is neither reasonable, nor good business to defer current liabilities to future owners. This practice is not only unfair; it can also have a very negative impact on future property values.

6. UPDATING THE RESERVE FUND PLAN

A reserve fund plan should be periodically updated to remain a viable planning tool. Changing financial conditions and widely varying aging patterns of components dictate that revisions should be undertaken periodically from one to five years, depending upon the complexity of the common assets and the age of the community. Weather, which is unpredictable, plays a large part in the aging process.

Full Updates (Level II) include a site visit to observe current conditions. These updates include adjustments to the component inventory, replacement schedules, annual contributions, balances, replacement costs, inflation rates, and interest income.

We encourage Associations that are undergoing multiple simultaneous or sequential costly restoration projects (usually high-rise buildings) to perform Level III Administrative Updates. Administrative updates do not include a condition assessment. They are accomplished by comparing original projections with actual experience during the interim period as reported by Management. These updates can be performed annually and include adjustments to the replacement schedules, contributions, balances, replacement costs, inflation rates, and interest income. The Level III Administrative Update can be a cost-effective way of keeping current between Level II Full Update cycles. Full Updates (Level II) and Administrative Updates (Level III) help to ensure the integrity of the reserve fund plan.

7. PREVENTATIVE MAINTENANCE GUIDE (links)

An asphalt pavement maintenance guide is available [here](#).

A general component maintenance guide is available [here](#).

8. ASPHALT PAVEMENT REPORT

All quantities approximate.

General Assets:

Street Name	Total SY Asphalt Pavement	SY Full-Depth Repairs	Linear Footage Cracks	Parking Spaces	Parking Bays
Clubhouse Parking Lot	1,891	M&R	M&R	46	8
TOTALS	1,891	M&R	M&R	46	8

M&R - Full mill and replacement restoration

Townhome Assets

Street Name	Total SY Asphalt Pavement	SY Full-Depth Repairs	Linear Footage Cracks	Parking Spaces	Parking Bays
Boothe Lane	683	0	0	0	0
Greymill Manor Drive	4,965	0	0	18(PAR)	2
Hartzell Hill Lane	2,481	0	0	17	3
Heights Way	862	0	0	0	0
Hurd Lane	1,522	0	0	31	2
Mackenzie Manor Road	5,303	0	0	38	3
Orrington Lane	2,175	0	0	23	22
Pitner Street	5,515	0	0	18(PAR)	2
TOTALS	23,506	0	0	145	34

COMPONENT DATA AND ASSET REPLACEMENT SCHEDULE TABLE 1 EXPLANATION

This table lists the common assets included in the reserve fund plan and provides details of the replacement schedules. A narrative discussion is provided adjacent to each component. Photo references and maintenance protocol reference numbers are also provided. An explanation of each column in the table follows:

- Column 1 **Component No.** is consistent throughout all tables.
- Column 2 **Component** is a brief description of the component.
- Column 3 **Quantity** of the component studied, which may be an exact number, a rough estimate, or simply a (1) if the expenditure forecast is a lump sum allowance for replacement of an unquantified component.
- Column 4 **Unit of Measurement** used to quantify the component:
- SY = Square Yards
 - SF = Square Feet
 - LF = Linear Feet
 - EA = Each
 - LS = Lump Sum
 - PR = Pair
 - CY = Cubic Yards
- Column 5 **Unit Cost** used to calculate the required expenditure. This unit cost includes removal of existing components and installation of new components, including materials, labor, and overhead and profit for the contractor.
- Column 6 **Total Asset Base** is the total value of common assets included in the study in current dollars. In addition to capital assets, this figure includes one cycle of maintenance liability.
- Column 7 **Typical Service Life (Yrs) or Cycle** is the typical life expectancy of similar components in average conditions or the length of years between replacement cycles, and does not necessarily reflect the conditions observed during the field evaluation. This number is furnished for reference and is not necessarily computed in the system.
- Column 8 **1st Cycle Year** is the scheduled year of the first projected replacement or repair.
- Column 9 **Percentage of Replacement** is the percentage of component value to be replaced in the first replacement cycle.
- Column 10 **Cost for 1st Cycle** is the future cost (with inflation) of the replacement. It is the product of Column 6 times Column 9 in future dollars.
- Column 11 **2nd Cycle Year** is the scheduled year of the second projected replacement or repair. If a second cycle is not listed, it is because the first cycle is beyond the end of the study.
- Column 12 **Percentage of Replacement** is the percentage of component value to be replaced in the second replacement cycle. This can vary from the percentage of the first cycle for various reasons, such as the increased age of a component may require a larger amount of repair.
- Columns 13 **Cycles, Percentage, and Cost** repeat as itemized above. Although not shown on the tables, Through 16 the cycles continue throughout the study period and beyond.
- Column 18 **Discussion** is the description and observed condition of the component and the methodology employed in the decision-making process. Includes the photo reference, **(Photo #1, #2, etc.)** and Maintenance Protocol reference numbers **(7.1, 7.2 etc.)** if applicable.

Reserve Fund Plan for
VILLAGES OF PIEDMONT GENERAL
RESERVE
Haymarket, Virginia

COMPONENT DATA AND
ASSET REPLACEMENT SCHEDULE
TABLE 1
2025 Through 2044



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Component No.	Component	Quantity	Unit of Measurement	Unit Cost	Total Asset Base	Typical Service or Cycle Life in Yrs	1st Cycle Year	Percentage of Replacement	Cost For 1st Cycle	2nd Cycle Year	Percentage of Replacement	Cost For 2nd Cycle	3rd Cycle Year	Percentage of Replacement	Cost For 3rd Cycle	
1 GENERAL ASPHALT COMPONENTS																
1.1	Asphalt Restoration Project, Clubhouse Parking Lot	1,891	SY	\$13.71	\$25,926	18	2026	100%	\$26,963	2044	100%	\$54,621	2062	100%	\$110,653	The asphalt pavement at the community center has achieved a full service life, is in very poor condition, and has been scheduled for restoration near-term. The thickness of the pavement could not be visually determined. The cost is based on the executed contract price for the 2025 townhomes asphalt restoration project, performed by Brother's Paving. The price for this restoration indicates that restoration included edgemoiling and a 1-1/2" overlay. However, specific information about the restoration other than price was not available in the invoicing or from Management. A full service life is dependent on preventive maintenance being performed.
1.2	Asphalt Seal Coat, Clubhouse Parking Lot	1,891	SY	\$1.80	\$3,404	6	2032	100%	\$4,479	2038	100%	\$5,668	2050	100%	\$9,074	The asphalt has been seal coated in recent years. Seal coating may help prevent water infiltration into the sub-base through micro-cracks, but is largely a cosmetic issue. To help improve curb appeal after repairs, we have scheduled seal coating projects every six years, except in the year of the pavement restoration project when it is not necessary. Crack filling and full-depth repairs should be completed prior to application to achieve maximum benefit from the seal coating. Seal coating projects include re-stripping.
1.3	Asphalt Repair Allowance, Clubhouse Parking Lot	1	LS	\$4,550.00	\$4,550	6	2032	33%	\$1,976	2038	66%	\$5,000	2044	100%	\$9,586	A large amount of deflected pavement, indicative of sub-base damage, as well as significant filled and unfilled cracking, was observed. The rate of deficiency indicates that the asphalt requires restoration near-term and has been scheduled as such. After restoration, as the pavement ages, deflection and cracking should be anticipated, and repairs will be essential in order to achieve the projected remaining service life of the pavement. Full-depth repairs and crack filling are scheduled every six years throughout the study period, including the year of the asphalt restoration project.
1.4	Asphalt Footpaths Restoration Project	1,717	SY	\$40.00	\$68,680	12	2036	100%	\$105,730	2048	100%	\$169,277				Asphalt footpaths are either 6' or 8' in width and provide access between sections of the community. The footpaths were restored in 2024 by Rose Paving for a price of \$26,037, or \$15.64 per square yard for a 1.5" overlay of all surfaces. This price is abnormally low, and Management reported that the restoration was unsatisfactory. While we did not observe any cracking, deflection, or tripping hazards, we did observe surface deficiencies. Based on information provided by Management, the price, and our observations, we have opted to use a more realistic restoration price for future restorations. Any trip hazards or hazardous surface deficiencies should be addressed as soon as practicable to prevent personal injury.
2 GENERAL CONCRETE COMPONENTS																
2.1	Concrete Sidewalks, Clubhouse, Annual Repair Allowance	6,735	SF	\$8.08	\$54,419	5	2025	25.69%	\$13,980	2031	3%	\$2,066	2036	3%	\$2,513	Concrete sidewalks at the community center and park are generally 5 feet wide. The quantity has been updated to include the sidewalk at the park located at the western end of Market Ridge Boulevard, which was added after our initial evaluation in 2015. The thickness of the concrete could not be visually determined. All concrete appears to be in generally good condition. However, we observed approximately five tripping hazards and a moderate amount of deteriorated sidewalk, primarily in the front of the community center as well as around the back near the tot lot. As sidewalks age, cracking, settlement, and scaling should be anticipated. Cyclic repairs are scheduled, as full replacement at one time is not appropriate or anticipated. Concrete repairs are scheduled to coincide with work on other concrete components to take advantage of economies of scale in packaging concrete restoration work. The Board should be aware that repairs to small quantities of concrete may be more costly because of the difficulty in attracting competitive bids for small projects, which may not meet contractor minimums. Any trip hazards or hazardous surface deficiencies should be addressed as soon as practicable to prevent personal injury. Management provided the cost for repairs to be executed in 2025. This has been used in our calculations.
2.2	Concrete Curbs & Gutters, Clubhouse, Annual Repair Allowance	1,092	LF	\$50.86	\$55,539	5	2026	2%	\$1,155	2031	2%	\$1,405	2036	2%	\$1,710	The driveways and parking bays are lined with standard-profile, cast-in-place, concrete curbs. They are in very good condition with minimal deficiencies observed. Concrete repairs are scheduled to coincide with work on other concrete components to take advantage of economies of scale in packaging concrete restoration work. The Board should be aware that repairs to small quantities of concrete may be more costly because of the difficulty of attracting competitive bids for small projects, which may not meet contractor minimums. Any trip hazards or hazardous surface deficiencies should be addressed as soon as practicable to prevent personal injury.
2.3	Concrete Pool Deck	10,191	SF	\$12.50	\$127,388	10	2034	20%	\$36,262	2044	20%	\$53,677	2054	20%	\$79,455	The pool deck is cast-in-place concrete on grade and is in very good condition. As concrete ages, cracking and deterioration should be anticipated. Most cracks have been properly routed and filled. However, we observed a small amount of hairline cracking, which should eventually be routed and sealed to prevent water infiltration into the deck. Concrete repairs are scheduled to coincide with work on other concrete components to take advantage of economies of scale in packaging concrete restoration work. The Board should be aware that repairs to small quantities of concrete may be more costly because of the difficulty in attracting competitive bids for small projects, which may not meet contractor minimums. Any trip hazards or hazardous surface deficiencies should be addressed as soon as practicable to prevent personal injury.
3 GENERAL SITE FEATURES																
3.1	Coated Metal Fencing	1,097	LF	\$25.00	\$27,425	30	2037	100%	\$43,908	2067	100%	\$142,412				Coated metal fencing is installed around the top of both retaining walls and the tot lot located within the townhome section of the community. The fencing appears to be in generally good condition with no significant deficiencies observed, though we observed some deflected sections likely due to falling trees or limbs, but no repairs appear necessary at this time.

Reserve Fund Plan for
VILLAGES OF PIEDMONT GENERAL
RESERVE
Haymarket, Virginia

COMPONENT DATA AND
ASSET REPLACEMENT SCHEDULE
TABLE 1
2025 Through 2044



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3.2	General Signage Allowance	17	EA	\$155.00	\$2,635	20	2027	25%	\$713	2032	25%	\$867	2037	25%	\$1,055	Standard metal signs mounted on galvanized metal posts or perforated metal posts are located throughout the community center parking lot. All posts and signs appear to be in good condition. We have budgeted an allowance for partial replacements throughout the study period as necessary.
3.3	Pet Waste Station Replacement Allowance	14	EA	\$200.00	\$2,800	20	2029	100%	\$3,276	2049	100%	\$7,177				Pet waste stations mounted on metal posts are located throughout the community. All stations appear to be in good condition.
3.4	Modular Block Retaining Wall	1,752	SF	\$50.00	\$87,600	40	2047	100%	\$207,605							A large modular block retaining wall using large pre-cast blocks with a metal safety railing installed behind it is constructed at the grade differential located within the townhome section. The wall appears to be in good condition. Modular block walls may provide a long service life if vegetation is properly controlled to prevent root damage. The walls may be rebuilt when necessary, new geotextile fabric installed, and the undamaged blocks re-used.
3.5	Stone Retaining Wall	1,371	SF	\$75.00	\$102,825	40	2047	100%	\$243,687							A large stone retaining wall is constructed with a metal safety railing installed behind it is constructed at the grade differential located within the single-family section. The wall appears to be in very good
3.6	Gazebos	1	LS	\$45,000.00	\$45,000	30	2037	100%	\$72,046	2067	100%	\$233,675				Three simple gazebos are constructed adjacent to the community center and tennis courts. They are constructed with composite trim, PVC post casement material, vinyl soffit and ceiling, and asphalt shingle roofs. Many of the deficiencies observed in the previous evaluation have been addressed, but continued maintenance is required. The gazebos should be maintained and painted under operations. Maintaining the gazebos may be critical in ensuring a full service life is achieved.
3.7	Irrigation System Allowance	1	LS	\$3,700.00	\$3,700	2	2025	100%	\$3,700	2027	100%	\$4,002	2029	100%	\$4,328	An irrigation system with multiple zones is installed. The number of heads is unknown. This allowance is for the replacement of individual components on an as-needed basis. Complete replacement of the system is not anticipated.
3.8	General Storm Water Drainage System Allowance	1	LS	\$20,000.00	\$20,000	7	2030	100%	\$24,333	2037	100%	\$32,021	2044	100%	\$42,137	Stormwater drainage is provided by concrete yard drains, curb drop inlets, and underground structures discharging into two large retention ponds with sedimentation forebays. Management reported that a raingarden was installed in an open area in 2023 at a cost of \$17,000, but no additional information was available. We understand that the ponds and drainage flumes are not the responsibility of the association. Although stormwater drainage systems are long-life components and catastrophic failure is not anticipated, it is prudent to plan for localized repairs and to address any ancillary damage as the system ages. This category may also be used to address localized erosion issues.
3.9	Brick Bollards	1	LS	\$14,000.00	\$14,000	40	2055	100%	\$45,408							Brick bollards have been constructed since the previous evaluation and are located at the park and at the townhome entrances. The bollards are constructed with cast-stone caps and are in good condition with no significant deficiencies observed. Any cracking or other deficiencies should be addressed under operations to ensure a full service life is achieved.
3.10	Wood Fencing	63	LF	\$18.00	\$1,134	20	2035	100%	\$1,679	2055	100%	\$3,678				Three sections of painted three-board fencing are installed between the brick bollards at the park. The fencing has been constructed since the previous evaluation and appears to be in good condition and with no significant deficiencies.
4 CLUB HOUSE BUILDING																
4.1	Standing Seam Metal Roofing	3,524	SF	\$25.00	\$88,100	35	2055	100%	\$285,743							The asphalt shingle roofing originally installed on the community center has been replaced with coated standing seam metal roofing matching the original porch roofing and dormers. The roofing appears to be in excellent condition. However, no information regarding cost or the replacement timing was provided, but satellite imaging suggests that the replacement occurred after 2020. The roofing should provide a very long service life and can be recoated as needed under operations to extend service life. Painted aluminum gutters and downspouts are installed at all proper roof terminations. Downspouts appear to be properly directed away from building foundations. Re-roofing projects include replacement of shingles, deteriorated sheathing, and gutters and downspouts.
4.2	Fiber-Cement Siding	2,250	SF	\$7.25	\$16,313	50	2057	100%	\$57,225							The building envelope is painted, fiber-cement, clapboard siding, which appears to be in good condition. However, we observed some damaged and detached siding on the eastern elevation above the pool mechanical room entrance. These sections should be repaired under operations.
4.3	Trim Restoration Allowance	1	LS	\$10,110.00	\$10,110	25	2031	20%	\$2,558	2036	20%	\$3,113	2041	20%	\$3,787	Extensive painted trim occurs at windows, doors, soffits, and rake boards. Its condition appears to be good, with no areas of deterioration or peeling paint observed. Partial replacements are scheduled at five-year intervals to coincide with repainting projects.

Reserve Fund Plan for
VILLAGES OF PIEDMONT GENERAL
RESERVE
Haymarket, Virginia

COMPONENT DATA AND
ASSET REPLACEMENT SCHEDULE
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2025 Through 2044



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4.4	Windows	1	LS	\$9,000.00	\$9,000	35	2036	100%	\$13,855	2071	100%	\$54,673				The windows of the community center are double-hung, vinyl-frame, insulating glass with internal muntins and appear to be in good condition. No window flashing leaks were reported or observed.
4.5	Interior Door Replacement Allowance	1	LS	\$6,100.00	\$6,100	30	2039	100%	\$10,563	2069	100%	\$34,261				This category includes all interior doors of the community center. Doors are either metal with glass and internal muntins or painted metal. All doors appear to be in good condition. Doors are generally replaced as individual units become damaged or deteriorated. We have budgeted an allowance to address replacement of damaged or deteriorated doors throughout the study period.
4.6	Exterior Doors Replacement Allowance	1	LS	\$13,700.00	\$13,700	25	2026	20%	\$2,850	2031	20%	\$3,467	2036	20%	\$4,218	This category includes all exterior doors of the community center. Doors are either metal with insulated glass and internal muntins, or painted metal, and may be single or double units. All doors appear to be in good condition, and the deficiencies identified in the previous evaluation have been addressed. Doors are typically replaced as individual units when they become damaged or deteriorated. Doors located in wet or chlorine-rich environments generally have a shorter-than-average service life. We have budgeted an allowance to address the replacement of damaged or deteriorated doors throughout the study period.
4.7	Brick Tuckpointing & Repair Allowance	1	LS	\$19,940.00	\$19,940	10	2026	10%	\$2,074	2036	10%	\$3,070	2046	10%	\$4,544	Mortared brick is installed as the finish for the patio, chimney, the first 2' of the exterior façade, and around the rear elevation of the community center. The brick and mortar appear to be in very good condition, although we observed some minor cracking and areas of deteriorated mortar, particularly on the patio. We have scheduled periodic brick tuckpointing and repair projects throughout the study period to address ongoing maintenance of the brick and mortar as the building ages. Our cost estimate is based on the repair of approximately 10% of the total area in each cycle.
4.8	Tile Flooring, Backsplash, & Restrooms	1,070	SF	\$11.00	\$11,770	30	2037	100%	\$18,844	2067	100%	\$61,119				Square tile flooring is installed in the kitchenette backsplash, main hall, and restrooms of the community center. It appears to be in good condition with no damaged tile or deteriorated grout observed.
4.9	Engineered Flooring	1,289	SF	\$7.50	\$9,668	20	2036	100%	\$14,883	2046	100%	\$22,030				The community center great room, hallways, and office have engineered laminate flooring. The flooring appears to be in excellent condition, and all previously noted deficiencies have been corrected. Additionally, the carpet inlay identified in the previous evaluation has been removed and replaced with engineered flooring. The quantity has been updated to reflect this renovation.
4.10	Furnishings, Millwork, & Office Equipment Replacement Allowance	1	LS	\$21,700.00	\$21,700	5	2027	25%	\$5,868	2032	25%	\$7,139	2037	25%	\$8,686	This category includes the sofas, chairs, mirrors, miscellaneous large and small tables, and miscellaneous benches. Additionally, we inventoried a large-screen television, desk, file cabinet, and a relatively large kitchenette millwork installation. Kitchenette appliances include a GE Monogram commercial refrigerator and a GE Profile microwave. This category also includes various large and small artworks and draperies. Office equipment and furnishings include computers, monitors, desks, chairs, a small printer, and other ancillary equipment related to the office. All components appear to be in good condition, with no significant deterioration observed beyond typical wear. Replacement of furnishings, artworks, appliances, and office equipment may be accomplished as a single project or in partial phases over time. Replacement cost and timing may be discretionary.
4.11	Split-System HVAC Unit	2	EA	\$11,000.00	\$22,000	15	2032	100%	\$28,950	2047	100%	\$52,138				The community center is heated and cooled by a 3-ton Carrier, forced-air, split-system and gas furnace and a 3.5-ton Carrier, forced-air, split-system and gas furnace. The systems were original and in operation during the site evaluation. No problems were reported.
4.12	Water Heater	1	EA	\$4,000.00	\$4,000	15	2038	100%	\$6,660	2053	100%	\$11,995				Domestic hot water is provided to the facility by a replacement Rinnai commercial, direct-vent, gas-fired, instantaneous water heater, Model RU199iN (REU-N3237FF-US), Serial ML.BA-134291. Based on the serial number, the unit was manufactured in 2023; however, no record of the replacement date or cost could be located.
4.13	Exterior & Interior Lighting Replacement Allowance	1	LS	\$15,250.00	\$15,250	30	2037	100%	\$24,416	2067	100%	\$79,190				This category includes all recessed lighting, ornate hanging fixtures, emergency flood lights, exit signs exterior flood lights, and surface mounted carriage lights. Lighting fixtures appear to be in good condition, and no problems were reported.
4.14	Electrical Systems Allowance	1	LS	\$11,000.00	\$11,000	40	2048	100%	\$27,112							This category includes the 200-amp disconnects and load centers. All components appear to be in serviceable condition. We have budgeted an allowance throughout the study period to address replacements as necessary.
4.15	Plumbing Fixture Allowance	1	LS	\$27,000.00	\$27,000	25	2030	100%	\$32,850	2050	100%	\$71,978				This category consists of sinks, commodes, urinals, showers, stall and shower room partitions, drinking fountains, a new Elkay bottle filling station (installed in 2023), and outdoor showers. All components appear to be in good condition, and we have extended the service life by five years. Replacement timing and costs for these components are generally considered discretionary.

Reserve Fund Plan for
VILLAGES OF PIEDMONT GENERAL
RESERVE
Haymarket, Virginia

COMPONENT DATA AND
ASSET REPLACEMENT SCHEDULE
TABLE 1
2025 Through 2044



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4.16	Surveillance System Allowance	1	LS	\$3,000.00	\$3,000	5	2030	100%	\$3,650	2035	100%	\$4,441	2040	100%	\$5,403	An IP enabled surveillance system with 6 cameras is installed in the office closet. The system uses a modem, a monitor, and an AVERT AVX-PC168T, w PC-based Network Video Recorder (NVR). This allowance should be used for periodic system upgrades and camera replacements.
5 POOL FACILITY																
5.1	Pool Renovation Project	4,172	SF	\$55.00	\$229,460	30	2040	100%	\$413,244	2070	100%	1,340,316				The swimming pools are in-ground, cast-in-place concrete structures. The pools appear to be in very good condition, and no problems were observed or reported. Most outdoor pools of this type, in this region, require major renovation between 20 and 40 years of age. Restoration may include beam reconstruction, plumbing replacement or remediation, and removal and replacement of the white coat, waterline tiles, coping, and sealants. Given the potential expense, it is prudent to plan for structural renovation in advance. This project should also include ADA upgrades and modified dual-drain systems for safety, if not already installed. As part of regular maintenance and pre-opening work, a recent invoice from High Sierra Pools includes plaster patching of delaminated areas, resetting of coping stones, replacement of perimeter and expansion joint caulking, and troubleshooting of light fixtures in the main pool. The total cost for these near-term repairs is \$10,592. These actions are preventive in nature and reflect typical aging conditions found in pools approaching this age.
5.2	Pool White Coat	4,172	SF	\$10.52	\$43,889	7	2026	100%	\$45,645	2033	100%	\$60,066	2047	100%	\$104,014	The pool white coating was observed to be in poor condition, with visible scaling and cracking. We have scheduled a near-term recoating project. The white coating seals the pool surface and helps prevent water infiltration into the pool structure. This coating type generally has a service life of approximately seven years. Management provided the cost, based on a proposal from High Sierra Pools, which has been used in our calculations.
5.3	Pool Coping	260	LF	\$78.00	\$20,280	3	2027	5%	\$1,097	2030	5%	\$1,234	2033	5%	\$1,388	Standard cast stone bullnose coping is installed around the perimeter of both pools. We understand that 25 tiles were recently re-bedded or replaced. An allowance has been scheduled throughout the study period to address the replacement of cracked, loose, or "hollow" tiles. The soft sealant between the coping and the pool deck should be addressed during each cycle. Diligent maintenance of this joint sealant will help prevent water infiltration behind the pool shell, which—if not controlled—can result in freeze/thaw damage to the pool beam.
5.4	Pool Perimeter Equipment	1	LS	\$18,000.00	\$18,000	30	2040	100%	\$32,417	2070	100%	\$105,141				Pool perimeter equipment consists of a composite lifeguard stand, four stainless steel ladders, two newer Sunshade umbrellas, and an ADA accessible railing. All components appear to be in good condition. Replacement is scheduled to coincide with the eventual pool restoration project.
5.5	Pool Furniture Allowance	1	LS	\$30,000.00	\$30,000	15	2033	25%	\$10,264	2037	50%	\$24,015	2042	25%	\$14,609	This category includes aluminum-frame and vinyl webbing lounges, chairs, and trash receptacles, tables, and umbrellas. Management reported that the furnishings were replaced in 2023 and are in excellent condition. Re-webbing of damaged pieces periodically may extend the service life of the entire set of furniture.
5.7	Pool Fencing	481	LF	\$50.00	\$24,050	30	2038	100%	\$40,045	2068	100%	\$129,882				Coated aluminum fencing is installed around the pool perimeter. The fencing appears to be in very good condition with no deficiencies observed.
5.8	Main Pool Pump	1	EA	\$6,500.00	\$6,500	20	2027	100%	\$7,030	2047	100%	\$15,404				The main pool is served by a Marathon Electric, Model EV 213TCDW7014AB, 7.5 HP metal pump and bronze strainer assembly. The equipment appears to be original and has exceeded its typical service life by two years. However, the pump was reported to be in good condition, so we have extended its service life.
5.9	Main Pool Filters	1	EA	\$10,000.00	\$10,000	20	2027	100%	\$10,816	2042	100%	\$19,479	2057	100%	\$35,081	The main pool filtration is provided by a Miami Filter, LLC vertical commercial filter, Model VCOM 63-4, Serial No. V06040281. Based on the serial number, the unit was likely manufactured in 2006. It appears to be in good condition, and we have extended the service life of the filter.
5.10	Wading Pool Pump & Filter	1	LS	\$3,000.00	\$3,000	10	2030	100%	\$3,650	2040	100%	\$5,403	2050	100%	\$7,998	The wading pool is served by a replacement Century Pool and Spa Duty pump, Catalog No. B2661, Serial No. 05021CH. This is a 3/4 HP, single-phase pump with a plastic strainer assembly. Filtration is provided by a Triton II permanent media filter. The equipment appears to have been replaced in recent years, although no specific documentation was available.
5.11	Pool Chlorination Systems	2	EA	\$1,000.00	\$2,000	10	2030	100%	\$2,433	2040	100%	\$3,602	2050	100%	\$5,332	Chlorination for both pools is provided by two Stenner Pump Company metering pumps, Model 85M5. This type of peristaltic metering pump is commonly used for pool chemical injection and is designed for the precise dosing of chlorine or other treatment chemicals. No installation date was available, but the units appear to be in serviceable condition and are replacements for the original Blue and White chemical feeders.

Reserve Fund Plan for
VILLAGES OF PIEDMONT GENERAL
RESERVE
Haymarket, Virginia

COMPONENT DATA AND
ASSET REPLACEMENT SCHEDULE
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2025 Through 2044



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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	18
Component No.	Component	Quantity	Unit of Measurement	Unit Cost	Total Asset Base	Typical Service or Cycle Life in Yrs	1st Cycle Year	Percentage of Replacement	Cost For 1st Cycle	2nd Cycle Year	Percentage of Replacement	Cost For 2nd Cycle	3rd Cycle Year	Percentage of Replacement	Cost For 3rd Cycle	DISCUSSION
5.12	Pool Covers	4,485	SF	\$2.75	\$12,334	10	2030	100%	\$15,006	2040	100%	\$22,212	2050	100%	\$32,880	We understand the pools are covered off-season. We did not observe the covers, but have scheduled their replacement after a typical service life.
5.13	Pool Pergolas	1	LS	\$9,114.00	\$9,114	20	2041	100%	\$17,070	2061	100%	\$37,403				TW Perry installed two 12' x 12' white vinyl pergola kits in February 2021. The pergola kits include 6" or 8" square tapered posts, hollow aluminum-reinforced rafters and beams, shade covers, beam and column mounts, and decorative post trim components. The total cost for both pergolas was \$9,114.15. The pergolas appear to be in excellent condition, with no deficiencies observed.
6 SITE RECREATION																
6.1	Tennis Courts Restoration Project	2	LS	\$31,499.00	\$62,998	20	2030	100%	\$76,647	2050	100%	\$167,942				The tennis courts appear to be in generally poor condition, with at least 300 linear feet of cracking observed between the two courts. We understand that the courts will be repaired and resurfaced in June 2025 based on a proposal dated July 2024 by K&C Construction & Landscaping LLC, DBA Superior Tennis Courts, at a reported cost of \$33,900. Currently, most of the crack repairs have failed, and the color coating is in serviceable condition. After the color coating project is executed, we anticipate that five additional years of service from the existing court will be possible. We recommend soliciting bids in the near-term and planning for full restoration within the next few years. Restoration has been scheduled for 2030, following a typical service life. As over-tensioning of the nets is a common cause of surface damage, homeowners should be advised to release net tension when the courts are not in use and to avoid over-tightening during play. Management provided a proposal from Resurface, Inc. for \$62,998 for full restoration of both courts. We have used this price in our calculations.
6.2	Tennis Courts Color Coat	2	LS	\$16,525.00	\$33,050	5	2025	100%	\$33,050	2035	100%	\$48,922	2040	100%	\$59,521	The tennis courts will be color coated and cracks will be repaired in June of 2025. Color coating generally has a service life of approximately five years. The cost used in our calculations is based on the July 2024 quote from K&C Construction & Landscaping LLC, DBA Superior Tennis Courts. Management provided the cost for the resurfacing project.
6.3	Tennis Court Fencing	720	LF	\$25.00	\$18,000	30	2030	100%	\$21,900	2050	100%	\$47,985				Ten-foot-high, vinyl-coated chain link fencing is installed around the perimeter of the tennis courts. It appears to be in continuing good condition with no significant damage or deterioration observed. If appropriate, the fencing can be reused after the courts restoration project but we have scheduled funding for replacement if necessary.
6.5	Tot Lots & Outdoor Furniture Allowance	1	LS	\$136,581.00	\$136,581	20	2030	75%	\$124,629	2035	25%	\$50,543	2050	75%	\$273,077	Two tot lots are constructed within the community. Tot lot equipment includes vinyl-sleeved, pressure-treated timber post play modules with plastic slides and play equipment, coated metal climbing equipment and rails, vinyl-coated metal steps and platforms, plastic borders, coated metal trash receptacles, and spring toys. All equipment appears to be in serviceable condition, though some fading and general deterioration were observed. Management reported that approximately \$570 was recently spent on hardware replacement. Based on our observations, and despite some deterioration, we have extended the service life of the play modules. Additionally, Management provided proposals for replacement, and we have used one of these proposals in our calculations. Frequent, periodic safety checks of all components should be conducted to prevent personal injury. Replacement costs are based on U.S. Consumer Product Safety Commission (CPSC)-compliant play modules. We have updated this category to include the furnishings at Leopoldo's Preserve entrance, which consist of two bike racks and four coated metal benches. Additionally, we have updated the inventory to include the two barbecue grills, hot ash disposal receptacles, and picnic tables.
6.6	Tennis Court Accessory Equipment	1	LS	\$4,000.00	\$4,000	30	2035	100%	\$5,921	2055	100%	\$12,974				This category includes the tennis court backboard, a court squeegee, and pickleball posts and nets. All observed equipment appears to be in good condition, and no problems were reported.
6.7	Basketball Court Restoration Project	1	LS	\$25,000.00	\$25,000	20	2039	100%	\$43,292	2059	100%	\$94,858				The basketball court appears to be in good condition and no deflection or transverse or longitudinal cracking was observed. The court is scheduled for restoration after a statistical service life.
6.8	Basketball Court Color Coat	1	LS	\$17,000.00	\$17,000	5	2029	100%	\$19,888	2034	100%	\$24,196	2039	100%	\$29,438	We understand that a coating and crack repair project was executed by K&C Construction & Landscaping LLC, DBA Superior Tennis Courts for a price of \$17,000 in June 2024. Basketball court color coating seals the surface and helps prevent water infiltration into the court structure. It is typically included in full restoration projects and is reapplied at five-year intervals between restorations. A near-term color coat project has been scheduled based on the observed condition.
6.9	Basketball Court Standards	2	EA	\$2,900.00	\$5,800	20	2039	100%	\$10,044	2059	100%	\$22,007				Two basketball goals mounted on galvanized metal standards are installed at each basketball court. They appear to be in continuing good condition.

CALENDAR OF EXPENDITURES TABLE 2 EXPLANATION

This table is a yearly plan of action of replacements and costs. A description of the columns in the table follows:

- Column 1 **Year** is the year of the projected replacement and expenditure.
- Column 2 **Component No.** itemizes the components and is consistent throughout the tables.
- Column 3 **Component** is a brief description of the component.
- Column 4 **Present Cost** is the cost for the cycle in today's dollars.
- Column 5 **Future Cost (Inflated)** is the cost for the cycle in future dollars.
- Column 6 **Total Annual Expenditures** gives the total expenditures by year.
- Column 7 **Action** is an area provided for the Board to make notations as to action taken on each component.

Reserve Fund Plan for
VILLAGES OF PIEDMONT GENERAL RESERVE
 Haymarket, Virginia

CALENDAR OF EXPENDITURES

TABLE 2
 2025 Through 2044

YEAR	COMPONENT NO.	COMPONENT	PRESENT COST 2025	FUTURE COST (INFLATED)	TOTAL ANNUAL EXPENDITURES	ACTION
1	2	3	4	5	6	7
2025						2025
	2.1	Concrete Sidewalks, Clubhouse, Annual Repair Al	\$13,980	\$13,980	TOTAL EXPENDITURES	
	3.7	Irrigation System Allowance	\$3,700	\$3,700		
	6.2	Tennis Courts Color Coat	\$33,050	\$33,050		
					\$50,730	
2026						2026
	1.1	Asphalt Restoration Project, Clubhouse Parking L	\$25,926	\$26,963	TOTAL EXPENDITURES	
	2.2	Concrete Curbs & Gutters, Clubhouse, Annual Rep	\$1,111	\$1,155		
	4.6	Exterior Doors Replacement Allowance	\$2,740	\$2,850		
	4.7	Brick Tuckpointing & Repair Allowance	\$1,994	\$2,074		
	5.2	Pool White Coat	\$43,889	\$45,645		
					\$78,686	
2027						2027
	3.2	General Signage Allowance	\$659	\$713	TOTAL EXPENDITURES	
	3.7	Irrigation System Allowance	\$3,700	\$4,002		
	4.10	Furnishings, Millwork, & Office Equipment Replac	\$5,425	\$5,868		
	5.3	Pool Coping	\$1,014	\$1,097		
	5.8	Main Pool Pump	\$6,500	\$7,030		
	5.9	Main Pool Filters	\$10,000	\$10,816		
					\$29,525	
2028						2028
						NO EXPENDITURES
2029						2029
	3.3	Pet Waste Station Replacement Allowance	\$2,800	\$3,276	TOTAL EXPENDITURES	
	3.7	Irrigation System Allowance	\$3,700	\$4,328		
	6.8	Basketball Court Color Coat	\$17,000	\$19,888		
					\$27,492	
2030						2030
	3.8	General Storm Water Drainage System Allowance	\$20,000	\$24,333	TOTAL EXPENDITURES	
	4.15	Plumbing Fixture Allowance	\$27,000	\$32,850		
	4.16	Surveillance System Allowance	\$3,000	\$3,650		
	5.3	Pool Coping	\$1,014	\$1,234		
	5.10	Wading Pool Pump & Filter	\$3,000	\$3,650		
	5.11	Pool Chlorination Systems	\$2,000	\$2,433		
	5.12	Pool Covers	\$12,334	\$15,006		
	6.1	Tennis Courts Restoration Project	\$62,998	\$76,647		
	6.3	Tennis Court Fencing	\$18,000	\$21,900		
	6.5	Tot Lots & Outdoor Furniture Allowance	\$102,436	\$124,629		
					\$306,331	
2031						2031
	2.1	Concrete Sidewalks, Clubhouse, Annual Repair Al	\$1,633	\$2,066	TOTAL EXPENDITURES	
	2.2	Concrete Curbs & Gutters, Clubhouse, Annual Rep	\$1,111	\$1,405		
	3.7	Irrigation System Allowance	\$3,700	\$4,682		
	4.3	Trim Restoration Allowance	\$2,022	\$2,558		
	4.6	Exterior Doors Replacement Allowance	\$2,740	\$3,467		
					\$14,178	
2032						2032
	1.2	Asphalt Seal Coat, Clubhouse Parking Lot	\$3,404	\$4,479	TOTAL EXPENDITURES	
	1.3	Asphalt Repair Allowance, Clubhouse Parking Lot	\$1,502	\$1,976		
	3.2	General Signage Allowance	\$659	\$867		
	4.10	Furnishings, Millwork, & Office Equipment Replac	\$5,425	\$7,139		
	4.11	Split-System HVAC Unit	\$22,000	\$28,950		

Reserve Fund Plan for
VILLAGES OF PIEDMONT GENERAL RESERVE
 Haymarket, Virginia

CALENDAR OF EXPENDITURES

TABLE 2
 2025 Through 2044

YEAR	COMPONENT NO.	COMPONENT	PRESENT COST 2025	FUTURE COST (INFLATED)	TOTAL ANNUAL EXPENDITURES	ACTION
1	2	3	4	5	6	7
					\$43,411	
2033					2033	
	3.7	Irrigation System Allowance	\$3,700	\$5,064	TOTAL EXPENDITURES	
	5.2	Pool White Coat	\$43,889	\$60,066		
	5.3	Pool Coping	\$1,014	\$1,388		
	5.5	Pool Furniture Allowance	\$7,500	\$10,264		
					\$76,781	
2034					2034	
	2.3	Concrete Pool Deck	\$25,478	\$36,262	TOTAL EXPENDITURES	
	6.8	Basketball Court Color Coat	\$17,000	\$24,196		
					\$60,459	
2035					2035	
	3.7	Irrigation System Allowance	\$3,700	\$5,477	TOTAL EXPENDITURES	
	3.10	Wood Fencing	\$1,134	\$1,679		
	4.16	Surveillance System Allowance	\$3,000	\$4,441		
	6.2	Tennis Courts Color Coat	\$33,050	\$48,922		
	6.5	Tot Lots & Outdoor Furniture Allowance	\$34,145	\$50,543		
	6.6	Tennis Court Accessory Equipment	\$4,000	\$5,921		
					\$116,983	
2036					2036	
	1.4	Asphalt Footpaths Restoration Project	\$68,680	\$105,730	TOTAL EXPENDITURES	
	2.1	Concrete Sidewalks, Clubhouse, Annual Repair Al	\$1,633	\$2,513		
	2.2	Concrete Curbs & Gutters, Clubhouse, Annual Rep	\$1,111	\$1,710		
	4.3	Trim Restoration Allowance	\$2,022	\$3,113		
	4.4	Windows	\$9,000	\$13,855		
	4.6	Exterior Doors Replacement Allowance	\$2,740	\$4,218		
	4.7	Brick Tuckpointing & Repair Allowance	\$1,994	\$3,070		
	4.9	Engineered Flooring	\$9,668	\$14,883		
	5.3	Pool Coping	\$1,014	\$1,561		
					\$150,652	
2037					2037	
	3.1	Coated Metal Fencing	\$27,425	\$43,908	TOTAL EXPENDITURES	
	3.2	General Signage Allowance	\$659	\$1,055		
	3.6	Gazebos	\$45,000	\$72,046		
	3.7	Irrigation System Allowance	\$3,700	\$5,924		
	3.8	General Storm Water Drainage System Allowance	\$20,000	\$32,021		
	4.8	Tile Flooring, Backsplash, & Restrooms	\$11,770	\$18,844		
	4.10	Furnishings, Millwork, & Office Equipment Replac	\$5,425	\$8,686		
	4.13	Exterior & Interior Lighting Replacement Allowanc	\$15,250	\$24,416		
	5.5	Pool Furniture Allowance	\$15,000	\$24,015		
					\$230,915	
2038					2038	
	1.2	Asphalt Seal Coat, Clubhouse Parking Lot	\$3,404	\$5,668	TOTAL EXPENDITURES	
	1.3	Asphalt Repair Allowance, Clubhouse Parking Lot	\$3,003	\$5,000		
	4.12	Water Heater	\$4,000	\$6,660		
	5.7	Pool Fencing	\$24,050	\$40,045		
					\$57,373	
2039					2039	
	3.7	Irrigation System Allowance	\$3,700	\$6,407	TOTAL EXPENDITURES	
	4.5	Interior Door Replacement Allowance	\$6,100	\$10,563		
	5.3	Pool Coping	\$1,014	\$1,756		
	6.7	Basketball Court Restoration Project	\$25,000	\$43,292		

Reserve Fund Plan for
VILLAGES OF PIEDMONT GENERAL RESERVE
 Haymarket, Virginia

CALENDAR OF EXPENDITURES

TABLE 2
 2025 Through 2044



YEAR	COMPONENT NO.	COMPONENT	PRESENT COST 2025	FUTURE COST (INFLATED)	TOTAL ANNUAL EXPENDITURES	ACTION
1	2	3	4	5	6	7
	6.8	Basketball Court Color Coat	\$17,000	\$29,438		
	6.9	Basketball Court Standards	\$5,800	\$10,044		
					\$101,500	
2040					2040	
	4.16	Surveillance System Allowance	\$3,000	\$5,403	TOTAL EXPENDITURES	
	5.1	Pool Renovation Project	\$229,460	\$413,244		
	5.4	Pool Perimeter Equipment	\$18,000	\$32,417		
	5.10	Wading Pool Pump & Filter	\$3,000	\$5,403		
	5.11	Pool Chlorination Systems	\$2,000	\$3,602		
	5.12	Pool Covers	\$12,334	\$22,212		
	6.2	Tennis Courts Color Coat	\$33,050	\$59,521		
					\$541,803	
2041					2041	
	2.1	Concrete Sidewalks, Clubhouse, Annual Repair Al	\$1,633	\$3,058	TOTAL EXPENDITURES	
	2.2	Concrete Curbs & Gutters, Clubhouse, Annual Rep	\$1,111	\$2,080		
	3.7	Irrigation System Allowance	\$3,700	\$6,930		
	4.3	Trim Restoration Allowance	\$2,022	\$3,787		
	4.6	Exterior Doors Replacement Allowance	\$2,740	\$5,132		
	5.13	Pool Pergolas	\$9,114	\$17,070		
					\$38,058	
2042					2042	
	3.2	General Signage Allowance	\$659	\$1,283	TOTAL EXPENDITURES	
	4.10	Furnishings, Millwork, & Office Equipment Replac	\$5,425	\$10,567		
	5.3	Pool Coping	\$1,014	\$1,975		
	5.5	Pool Furniture Allowance	\$7,500	\$14,609		
	5.9	Main Pool Filters	\$10,000	\$19,479		
					\$47,914	
2043					2043	
	3.7	Irrigation System Allowance	\$3,700	\$7,496	TOTAL EXPENDITURES	
					\$7,496	
2044					2044	
	1.1	Asphalt Restoration Project, Clubhouse Parking L	\$25,926	\$54,621	TOTAL EXPENDITURES	
	1.3	Asphalt Repair Allowance, Clubhouse Parking Lot	\$4,550	\$9,586		
	2.3	Concrete Pool Deck	\$25,478	\$53,677		
	3.8	General Storm Water Drainage System Allowance	\$20,000	\$42,137		
	6.8	Basketball Court Color Coat	\$17,000	\$35,816		
					\$195,838	

CURRENT FUNDING ANALYSIS CASH FLOW METHOD TABLE 3.0 EXPLANATION

and, if applicable,

ALTERNATIVE FUNDING ANALYSIS CASH FLOW METHOD TABLE 3.1, 3.2, 3.3 (etc.) EXPLANATION

Table 3.0 shows the financial picture over the twenty-year study period, using the current annual contribution and the reserve fund balance reported at the beginning of the study year. If the results of the study indicate a need to increase the annual contribution to maintain adequate balances throughout the study period, Table 3.1, and possibly, 3.2 will be provided for consideration. Alternatives might also be provided if a community is over-funded and desires to adjust the annual contribution downward.

Alternative funding may be achieved by increasing the annual contribution to a fixed yearly amount or by applying an annual escalation factor to increase contributions over time, or a combination of both methods. An inflation factor and interest income factor may be included in the calculations on this page.

A description of the columns in the table follows:

- Column 1 **Year**
- Column 2 **Total Asset Base** of all common capital assets included in the reserve fund with costs adjusted for inflation.
- Column 3 **Beginning Reserve Fund Balance** is the reserve fund balance after all activity in the prior year is completed.
- Column 4 **Annual Contribution**, on Table 3, is the amount contributed annually to the reserve fund as reported by the Board of Directors. On the Alternative Funding Analysis tables (3.1, 3.2, etc.), the annual contribution is projected to maintain positive balances throughout the study period.
- Column 5 **Interest Income**, which is indicated in the heading of the table, is applied to the reserve fund balance and is accrued monthly throughout each year after the yearly expenditures are deducted. The interest income percentage may be varied to reflect actual experience of the community investments.
- Column 6 **Capital Expenditures** are annual totals of expenditures for each year of the study period adjusted by the inflation percentage listed in the heading of the table.
- Column 7 **Ending Reserve Fund Balance** is the result of the beginning reserve fund balance plus the annual contribution, plus interest income, less capital expenditures for the year.
- Column 8 **Balance to Asset Base Ratio**, expressed as a percentage, is the ratio between the ending reserve fund balance and the total asset base for that year. The ratio is useful to the analysts in understanding general financial condition, but there is no standard ratio as each community's condition and complexity varies.

Reserve Fund Plan for
VILLAGES OF PIEDMONT GENERAL
RESERVE
Haymarket, Virginia

CURRENT FUNDING ANALYSIS
CASH FLOW METHOD
TABLE 3



Beginning Reserve Fund Balance: **614,776** Annual Contribution To Reserves: **72,954** Contribution Percentage Increase: **4.00%** Annual Inflation Factor: **4.00%** Annual Interest Income Factor: **2.00%**

In Dollars

YEAR	TOTAL ASSET BASE	BEGINNING RESERVE FUND BALANCE	ANNUAL CONTRIBUTION	INTEREST INCOME	CAPITAL EXPENDITURES	ENDING RESERVE FUND BALANCE
1	2	3	4	5	6	7
2025	1,646,730	614,776	72,954	12,653	50,730	649,653
2026	1,712,599	649,653	75,872	13,085	78,687	659,923
2027	1,781,103	659,923	78,907	13,859	29,526	723,163
2028	1,852,347	723,163	82,063	15,491	0	820,717
2029	1,926,441	820,717	85,346	17,197	27,492	895,769
2030	2,003,499	895,769	88,760	15,719	306,332	693,915
2031	2,083,639	693,915	92,310	14,858	14,178	786,906
2032	2,166,984	786,906	96,002	16,458	43,411	855,955
2033	2,253,664	855,955	99,843	17,531	76,782	896,547
2034	2,343,810	896,547	103,836	18,571	60,458	958,496
2035	2,437,563	958,496	107,990	19,253	116,983	968,755
2036	2,535,065	968,755	112,309	19,141	150,653	949,552
2037	2,636,468	949,552	116,802	17,930	230,915	853,369
2038	2,741,927	853,369	121,474	17,925	57,373	935,395
2039	2,851,604	935,395	126,333	19,154	101,500	979,382
2040	2,965,668	979,382	131,386	15,313	541,802	584,279
2041	3,084,294	584,279	136,641	12,869	38,057	695,733
2042	3,207,666	695,733	142,107	15,071	47,913	804,998
2043	3,335,973	804,998	147,791	17,778	7,496	963,071
2044	3,469,412	963,071	153,703	18,986	195,837	939,924

STUDY PERIOD TOTALS

2,172,430 **328,843** **2,176,125**

Reserve Fund Plan for
VILLAGES OF PIEDMONT GENERAL
RESERVE
Haymarket, Virginia

ALTERNATIVE FUNDING ANALYSIS
CASH FLOW METHOD
HYBRID APPROACH
TABLE 3.1



Beginning Reserve Fund Balance: **614,776** Annual Contribution To Reserves: **72,954** Contribution Percentage Increase: **4.00%** Annual Inflation Factor: **4.00%** Annual Interest Income Factor: **2.00%**

In Dollars

YEAR	TOTAL ASSET BASE	BEGINNING RESERVE FUND BALANCE	ANNUAL CONTRIBUTION	INTEREST INCOME	CAPITAL EXPENDITURES	ENDING RESERVE FUND BALANCE
1	2	3	4	5	6	7
2025	1,646,730	614,776	72,954	12,653	50,730	649,653
2026	1,712,599	649,653	92,242	13,263	78,687	676,471
2027	1,781,103	676,471	112,248	14,557	29,526	773,749
2028	1,852,347	773,749	116,737	16,890	0	907,376
2029	1,926,441	907,376	121,407	19,339	27,492	1,020,631
2030	2,003,499	1,020,631	126,263	18,648	306,332	859,210
2031	2,083,639	859,210	131,314	18,620	14,178	994,966
2032	2,166,984	994,966	136,566	21,100	43,411	1,109,221
2033	2,253,664	1,109,221	142,029	23,103	76,782	1,197,571
2034	2,343,810	1,197,571	147,710	25,125	60,458	1,309,948
2035	2,437,563	1,309,948	153,619	26,844	116,983	1,373,427
2036	2,535,065	1,373,427	159,763	27,826	150,653	1,410,364
2037	2,636,468	1,410,364	166,154	27,769	230,915	1,373,371
2038	2,741,927	1,373,371	172,800	28,981	57,373	1,517,779
2039	2,851,604	1,517,779	179,712	31,491	101,500	1,627,482
2040	2,965,668	1,627,482	186,900	28,999	541,802	1,301,580
2041	3,084,294	1,301,580	194,376	27,977	38,057	1,485,876
2042	3,207,666	1,485,876	202,152	31,674	47,913	1,671,789
2043	3,335,973	1,671,789	210,238	35,954	7,496	1,910,485
2044	3,469,412	1,910,485	218,647	38,817	195,837	1,972,112

STUDY PERIOD TOTALS

3,043,831 489,630 2,176,125

FULLY FUNDED BALANCE GOAL

FUNDING ANALYSIS COMPONENT METHOD TABLE 4 EXPLANATION

Table 4 is a yearly list of annual contributions toward each component, which must be made to achieve 100% funding. The reserve fund balance is the balance at the beginning of the study year. The beginning reserve fund balance is applied, proportionately, to each component prior to calculating the yearly contribution for each component. Future costs (inflation) are factored into the replacement cycles. The annual contribution for each year is calculated in the bottom row of the study labeled **Annual Component Contribution Totals**. Interest and inflation are calculated at the same annual rates as the Cash Flow Method (Table 3).

Column 1 **Component Number** is consistent throughout the tables.

Column 2 **Component** is a brief description of the component.

Columns 3 - 22 **Years** lists the annual contribution amount toward each component throughout the twenty-year study period, which is totaled at the bottom of the component table.

COMPONENT METHOD SUMMARY

The component method summary computes the beginning reserve fund balance, the annual component contribution, the annual expenditures, and interest income. It then provides the ending reserve fund balance for each year of the study.

Reserve Fund Plan for
VILLAGES OF PIEDMONT GENERAL RESERVE
Haymarket, Virginia

FUNDING ANALYSIS
COMPONENT METHOD
TABLE 4



Beginning Reserve Fund Balance:

In Dollars **614,776**

Component Number	COMPONENT	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
1 GENERAL ASPHALT COMPONENTS																					
1.1	Asphalt Restoration Project, Clubhouse Park	7,428	2,519	2,519	2,519	2,519	2,519	2,519	2,519	2,519	2,519	2,519	2,519	2,519	2,519	2,519	2,519	2,519	2,519	2,519	5,104
1.2	Asphalt Seal Coat, Clubhouse Parking Lot	596	596	596	596	596	596	596	888	888	888	888	888	888	669	669	669	669	669	669	669
1.3	Asphalt Repair Allowance, Clubhouse Parkir	263	263	263	263	263	263	263	784	784	784	784	784	784	1,503	1,503	1,503	1,503	1,503	1,503	499
1.4	Asphalt Footpaths Restoration Project	7,876	7,876	7,876	7,876	7,876	7,876	7,876	7,876	7,876	7,876	7,876	12,472	12,472	12,472	12,472	12,472	12,472	12,472	12,472	12,472
2 GENERAL CONCRETE COMPONENTS																					
2.1	Concrete Sidewalks, Clubhouse, Annual Rep	1,814	324	324	324	324	324	478	478	478	478	478	581	581	581	581	581	707	707	707	707
2.2	Concrete Curbs & Gutters, Clubhouse, Annu	1,143	267	267	267	267	267	325	325	325	325	325	395	395	395	395	395	481	481	481	481
2.3	Concrete Pool Deck	3,317	3,317	3,317	3,317	3,317	3,317	3,317	3,317	3,317	4,845	4,845	4,845	4,845	4,845	4,845	4,845	4,845	4,845	4,845	7,172
3 GENERAL SITE FEATURES																					
3.1	Coated Metal Fencing	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	3,463	3,463	3,463	3,463	3,463	3,463	3,463	3,463
3.2	General Signage Allowance	109	109	165	165	165	165	165	200	200	200	200	200	244	244	244	244	244	297	297	297
3.3	Pet Waste Station Replacement Allowance	287	287	287	287	292	292	292	292	292	292	292	292	292	292	292	292	292	292	292	292
3.4	Modular Block Retaining Wall	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422	4,422
3.5	Stone Retaining Wall	8,812	8,812	8,812	8,812	8,812	8,812	8,812	8,812	8,812	8,812	8,812	8,812	8,812	8,812	8,812	8,812	8,812	8,812	8,812	8,812
3.6	Gazebos	2,871	2,871	2,871	2,871	2,871	2,871	2,871	2,871	2,871	2,871	2,871	2,871	5,682	5,682	5,682	5,682	5,682	5,682	5,682	5,682
3.7	Irrigation System Allowance	2,387	1,960	2,120	2,120	2,292	2,292	2,480	2,480	2,682	2,682	2,901	2,901	3,137	3,137	3,393	3,393	3,670	3,670	3,970	3,970
3.8	General Storm Water Drainage System Allow	4,624	4,624	4,624	4,624	4,624	4,258	4,258	4,258	4,258	4,258	4,258	4,258	5,604	5,604	5,604	5,604	5,604	5,604	5,604	7,374
3.9	Brick Bollards	808	808	808	808	808	808	808	808	808	808	808	808	808	808	808	808	808	808	808	808
3.10	Wood Fencing	84	84	84	84	84	84	84	84	84	84	149	149	149	149	149	149	149	149	149	149
4 CLUB HOUSE BUILDING																					
4.1	Standing Seam Metal Roofing	6,948	6,948	6,948	6,948	6,948	6,948	6,948	6,948	6,948	6,948	6,948	6,948	6,948	6,948	6,948	6,948	6,948	6,948	6,948	6,948
4.2	Fiber-Cement Siding	819	819	819	819	819	819	819	819	819	819	819	819	819	819	819	819	819	819	819	819
4.3	Trim Restoration Allowance	162	162	162	162	162	162	591	591	591	591	591	720	720	720	720	720	876	876	876	876
4.4	Windows	527	527	527	527	527	527	527	527	527	527	527	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078
4.5	Interior Door Replacement Allowance	350	350	350	350	350	350	350	350	350	350	350	350	350	350	833	833	833	833	833	833
4.6	Exterior Doors Replacement Allowance	847	659	659	659	659	659	802	802	802	802	802	975	975	975	975	975	1,186	1,186	1,186	1,186
4.7	Brick Tuckpointing & Repair Allowance	518	277	277	277	277	277	277	277	277	277	277	410	410	410	410	410	410	410	410	410
4.8	Tile Flooring, Backsplash, & Restrooms	751	751	751	751	751	751	751	751	751	751	751	751	1,486	1,486	1,486	1,486	1,486	1,486	1,486	1,486
4.9	Engineered Flooring	1,209	1,209	1,209	1,209	1,209	1,209	1,209	1,209	1,209	1,209	1,209	1,989	1,989	1,989	1,989	1,989	1,989	1,989	1,989	1,989
4.10	Furnishings, Millwork, & Office Equipment R	926	926	1,357	1,357	1,357	1,357	1,357	1,650	1,650	1,650	1,650	1,650	2,008	2,008	2,008	2,008	2,008	2,443	2,443	2,443
4.11	Split-System HVAC Unit	1,740	1,740	1,740	1,740	1,740	1,740	1,740	2,978	2,978	2,978	2,978	2,978	2,978	2,978	2,978	2,978	2,978	2,978	2,978	2,978
4.12	Water Heater	388	388	388	388	388	388	388	388	388	388	388	388	388	685	685	685	685	685	685	685
4.13	Exterior & Interior Lighting Replacement Allc	896	896	896	896	896	896	896	896	896	896	896	896	1,925	1,925	1,925	1,925	1,925	1,925	1,925	1,925
4.14	Electrical Systems Allowance	560	560	560	560	560	560	560	560	560	560	560	560	560	560	560	560	560	560	560	560
4.15	Plumbing Fixture Allowance	2,460	2,460	2,460	2,460	2,460	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925
4.16	Surveillance System Allowance	694	694	694	694	694	844	844	844	844	844	844	1,027	1,027	1,027	1,027	1,027	1,249	1,249	1,249	1,249

Reserve Fund Plan for
VILLAGES OF PIEDMONT GENERAL RESERVE
Haymarket, Virginia

FUNDING ANALYSIS
COMPONENT METHOD
TABLE 4



Beginning Reserve Fund Balance:

In Dollars **614,776**

Component Number	COMPONENT	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
5 POOL FACILITY																					
5.1	Pool Renovation Project	13,127	13,127	13,127	13,127	13,127	13,127	13,127	13,127	13,127	13,127	13,127	13,127	13,127	13,127	13,127	32,588	32,588	32,588	32,588	32,588
5.2	Pool White Coat	12,001	7,988	7,988	7,988	7,988	7,988	7,988	7,988	6,433	6,433	6,433	6,433	6,433	6,433	6,433	6,433	6,433	6,433	6,433	6,433
5.3	Pool Coping	374	374	399	399	399	448	448	448	504	504	504	567	567	567	638	638	638	718	718	718
5.4	Pool Perimeter Equipment	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	2,556	2,556	2,556	2,556	2,556
5.5	Pool Furniture Allowance	956	956	956	956	956	956	956	956	5,762	5,762	5,762	5,762	2,776	2,776	2,776	2,776	2,776	6,755	6,755	6,755
5.7	Pool Fencing	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	3,158	3,158	3,158	3,158	3,158	3,158
5.8	Main Pool Pump	1,043	1,043	626	626	626	626	626	626	626	626	626	626	626	626	626	626	626	626	626	626
5.9	Main Pool Filters	1,604	1,604	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	1,113	2,004	2,004	2,004
5.10	Wading Pool Pump & Filter	382	382	382	382	382	488	488	488	488	488	488	488	488	488	488	722	722	722	722	722
5.11	Pool Chlorination Systems	254	254	254	254	254	325	325	325	325	325	325	325	325	325	325	481	481	481	481	481
5.12	Pool Covers	1,569	1,569	1,569	1,569	1,569	2,005	2,005	2,005	2,005	2,005	2,005	2,005	2,005	2,005	2,005	2,968	2,968	2,968	2,968	2,968
5.13	Pool Pergolas	722	722	722	722	722	722	722	722	722	722	722	722	722	722	722	722	1,520	1,520	1,520	1,520
6 SITE RECREATION																					
6.1	Tennis Courts Restoration Project	5,715	5,715	5,715	5,715	5,715	6,825	6,825	6,825	6,825	6,825	6,825	6,825	6,825	6,825	6,825	6,825	6,825	6,825	6,825	6,825
6.2	Tennis Courts Color Coat	9,093	4,416	4,416	4,416	4,416	4,416	4,416	4,416	4,416	4,416	11,310	11,310	11,310	11,310	11,310	13,760	13,760	13,760	13,760	13,760
6.3	Tennis Court Fencing	1,640	1,640	1,640	1,640	1,640	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950
6.5	Tot Lots & Outdoor Furniture Allowance	9,293	9,293	9,293	9,293	9,293	9,604	9,604	9,604	9,604	9,604	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600	15,600
6.6	Tennis Court Accessory Equipment	295	295	295	295	295	295	295	295	295	295	527	527	527	527	527	527	527	527	527	527
6.7	Basketball Court Restoration Project	1,899	1,899	1,899	1,899	1,899	1,899	1,899	1,899	1,899	1,899	1,899	1,899	1,899	1,899	3,855	3,855	3,855	3,855	3,855	3,855
6.8	Basketball Court Color Coat	3,886	3,886	3,886	3,886	4,598	4,598	4,598	4,598	4,598	5,594	5,594	5,594	5,594	5,594	6,806	6,806	6,806	6,806	6,806	8,280
6.9	Basketball Court Standards	440	440	440	440	440	440	440	440	440	440	440	440	440	440	894	894	894	894	894	894
ANNUAL COMPONENT CONTRIBUTION TOTALS		135,951	119,130	118,894	118,894	119,783	122,425	123,397	125,776	129,285	131,809	145,398	151,996	156,432	158,995	163,427	188,439	190,093	195,531	195,831	202,983

COMPONENT METHOD SUMMARY	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
BEGINNING RESERVE FUND BALANCE	614,776	713,888	770,039	876,245	1,014,122	1,128,188	968,387	1,098,497	1,204,405	1,282,628	1,381,304	1,439,185	1,471,234	1,428,152	1,560,333	1,655,536	1,337,643	1,518,750	1,699,154	1,923,920
PLUS ANNUAL COMPONENT CONTRIBUTION	135,951	119,130	118,894	118,894	119,783	122,425	123,397	125,776	129,285	131,809	145,398	151,996	156,432	158,995	163,427	188,439	190,093	195,531	195,831	202,983
CAPITAL EXPENDITURES	50,730	78,687	29,526	0	27,492	306,332	14,178	43,411	76,782	60,458	116,983	150,653	230,915	57,373	101,500	541,802	38,057	47,913	7,496	195,837
SUBTOTAL	699,997	754,331	859,407	995,139	1,106,413	944,281	1,077,606	1,180,862	1,256,908	1,353,979	1,409,719	1,440,528	1,396,751	1,529,774	1,622,260	1,302,173	1,489,679	1,666,368	1,887,489	1,931,066
PLUS INTEREST INCOME @ 2.00%	13,891	15,708	16,839	18,982	21,775	24,106	20,891	23,543	25,719	27,326	29,466	30,706	31,401	30,559	33,276	35,470	29,071	32,786	36,431	41,046
FULLY FUNDED RESERVE FUND BALANCE	713,888	770,039	876,245	1,014,122	1,128,188	968,387	1,098,497	1,204,405	1,282,628	1,381,304	1,439,185	1,471,234	1,428,152	1,560,333	1,655,536	1,337,643	1,518,750	1,699,154	1,923,920	1,972,112

PERCENT FUNDED FOR CURRENT CYCLE **90%**

TOTAL EXPENDITURES **2,176,125**

TOTAL CONTRIBUTIONS **2,994,469**

STUDY PERIOD TOTAL INTEREST **538,992**

AVERAGE ANNUAL CONTRIBUTION **149,723**

FULLY FUNDED BALANCE GOAL

COMPONENT DATA AND ASSET REPLACEMENT SCHEDULE TABLE 1 EXPLANATION

This table lists the common assets included in the reserve fund plan and provides details of the replacement schedules. A narrative discussion is provided adjacent to each component. Photo references and maintenance protocol reference numbers are also provided. An explanation of each column in the table follows:

- Column 1 **Component No.** is consistent throughout all tables.
- Column 2 **Component** is a brief description of the component.
- Column 3 **Quantity** of the component studied, which may be an exact number, a rough estimate, or simply a (1) if the expenditure forecast is a lump sum allowance for replacement of an unquantified component.
- Column 4 **Unit of Measurement** used to quantify the component:
- SY = Square Yards
 - SF = Square Feet
 - LF = Linear Feet
 - EA = Each
 - LS = Lump Sum
 - PR = Pair
 - CY = Cubic Yards
- Column 5 **Unit Cost** used to calculate the required expenditure. This unit cost includes removal of existing components and installation of new components, including materials, labor, and overhead and profit for the contractor.
- Column 6 **Total Asset Base** is the total value of common assets included in the study in current dollars. In addition to capital assets, this figure includes one cycle of maintenance liability.
- Column 7 **Typical Service Life (Yrs) or Cycle** is the typical life expectancy of similar components in average conditions or the length of years between replacement cycles, and does not necessarily reflect the conditions observed during the field evaluation. This number is furnished for reference and is not necessarily computed in the system.
- Column 8 **1st Cycle Year** is the scheduled year of the first projected replacement or repair.
- Column 9 **Percentage of Replacement** is the percentage of component value to be replaced in the first replacement cycle.
- Column 10 **Cost for 1st Cycle** is the future cost (with inflation) of the replacement. It is the product of Column 6 times Column 9 in future dollars.
- Column 11 **2nd Cycle Year** is the scheduled year of the second projected replacement or repair. If a second cycle is not listed, it is because the first cycle is beyond the end of the study.
- Column 12 **Percentage of Replacement** is the percentage of component value to be replaced in the second replacement cycle. This can vary from the percentage of the first cycle for various reasons, such as the increased age of a component may require a larger amount of repair.
- Columns 13 **Cycles, Percentage, and Cost** repeat as itemized above. Although not shown on the tables, Through 16 the cycles continue throughout the study period and beyond.
- Column 18 **Discussion** is the description and observed condition of the component and the methodology employed in the decision-making process. Includes the photo reference, **(Photo #1, #2, etc.)** and Maintenance Protocol reference numbers **(7.1, 7.2 etc.)** if applicable.

Reserve Fund Plan for
VILLAGES OF PIEDMONT TOWNHOMES
RESERVE
Haymarket, Virginia

COMPONENT DATA AND
ASSET REPLACEMENT SCHEDULE
TABLE 1
2025 Through 2044



The cells within these Excel spreadsheets contain proprietary code and are intended only for the client and its management. Unauthorized use of the formulae for other clients or other purposes is strictly forbidden and will be considered piracy.

Component No.	Component	Quantity	Unit of Measurement	Unit Cost	Total Asset Base	Typical Service or Cycle Life in Yrs	1st Cycle Year	Percentage of Replacement	Cost For 1st Cycle	2nd Cycle Year	Percentage of Replacement	Cost For 2nd Cycle	3rd Cycle Year	Percentage of Replacement	Cost For 3rd Cycle	DISCUSSION
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	18
1 TOWNHOME ASPHALT COMPONENTS																
1.1	Asphalt Restoration Project, Townhomes	23,506	SY	\$13.71	\$322,502	18	2025	100%	\$322,325	2043	100%	\$653,331	2061	100%	1,323,528	The asphalt throughout the townhome section was restored by Brothers Paving in April 2025. The restoration cost a total of \$322,325, or approximately \$13.71 per square yard. While restoration details were not provided, the pricing suggests that the work included edgemilling and an overlay with 1-½" of new compacted asphalt. The restoration appears to have been well executed, with no deficiencies observed. Core sampling should be conducted prior to the third-cycle restoration to assess the depth and condition of the sub-base and pavement. This next restoration cycle has been scheduled following a typical 20-year service life. Costs include striping but do not cover the replacement of any inadequate sub-base. Achieving the full service life is contingent on ongoing preventative maintenance. Refer to the Asphalt Pavement Report, Section 8, for additional details.
1.2	Asphalt Repair Allowance	1	LS	\$63,700.00	\$63,700	6	2031	33%	\$26,598	2037	66%	\$67,311	2043	100%	\$129,045	After the 2025 restoration, no deflection or transverse cracking was observed. As the asphalt ages, deficiencies should be anticipated. Full-depth repairs and crack filling maintenance are scheduled at five-year intervals throughout the study period, including the year of the asphalt restoration project. These repairs will be essential to achieving the projected service life of the pavement.
2 TOWNHOME CONCRETE COMPONENTS																
2.1	Concrete Sidewalks, Townhomes, Annual Repair Allowance	44,850	SF	\$8.08	\$362,388	5	2025	32.59%	\$118,085	2030	3%	\$13,227	2035	3%	\$16,093	Concrete sidewalks throughout the community are generally 4' wide. The thickness of the concrete could not be visually determined. Overall, the sidewalks are in excellent condition, with significant repairs completed in 2025 by Brothers Paving. Management provided the contract price, which has been used in our calculations. As sidewalks age, cracking, settlement, and scaling should be anticipated. Cyclic repairs are scheduled, as full replacement at one time is neither appropriate nor anticipated. Concrete repairs are planned to coincide with other concrete restoration efforts to take advantage of economies of scale. The Board should be aware that small concrete repairs can be more costly due to the difficulty of attracting competitive bids for projects that may not meet contractor minimums. Any trip hazards or hazardous surface deficiencies should be addressed as soon as practicable to prevent personal injury. Note that Management provided the total concrete replacement cost which included all concrete sidewalk repairs, concrete curbs and gutters, and driveway aprons. However, the cost was not broken out between the components and we have scheduled the expenditure to be covered under the sidewalk category but it applies to all concrete components.
2.2	Concrete Curbs & Gutters, Townhomes, Annual Repair Allowance	14,317	LF	\$50.86	\$728,163	5	2030	2%	\$17,718	2035	2%	\$21,557	2040	2%	\$26,228	The driveways and parking bays are lined with standard-profile, cast-in-place concrete curbs. They are in excellent condition, and all deficiencies were repaired in 2025 by Brothers Paving. Management provided the contract price for the project, which has been used in our calculations. Cyclic repairs are scheduled, as full replacement at one time is neither appropriate nor anticipated. Concrete repairs are planned to coincide with work on other concrete components to take advantage of economies of scale when packaging restoration work. The Board should be aware that repairs to small quantities of concrete may be more costly due to the difficulty of attracting competitive bids for small projects, which may not meet contractor minimums. Any trip hazards or hazardous surface deficiencies should be addressed as soon as practicable to prevent personal injury.
2.3	Concrete Driveway Aprons, Townhomes, Annual Repair Allowance	37,632	SF	\$12.79	\$481,313	5	2030	4%	\$23,424	2035	4%	\$28,498	2040	4%	\$34,673	Concrete driveway aprons of varying dimensions provide access to the driveways and garages of each townhome. All aprons are in excellent condition and were significantly repaired in 2025 by Brothers Paving. Management provided the contract price for the project, which has been used in our calculations. Cyclic repairs are scheduled, as full replacement at one time is neither appropriate nor anticipated. Concrete repairs are planned to coincide with work on other concrete components to take advantage of economies of scale when packaging restoration work. The Board should be aware that repairs to small quantities of concrete may be more costly due to the difficulty of attracting competitive bids for small projects, which may not meet contractor minimums. Any trip hazards or hazardous surface deficiencies should be addressed as soon as practicable to prevent personal injury.
3 TOWNHOME SITE FEATURES																
3.1	Signage Replacement Allowance, Townhomes	139	EA	\$155.00	\$21,545	20	2027	25%	\$5,826	2037	50%	\$17,247	2047	25%	\$12,765	Standard metal signs mounted on galvanized metal posts or perforated metal posts are located throughout the townhome sections. All posts appear to be in generally good condition. Damaged, faded, or rusted signs and posts should be replaced as needed.
3.2	Coated Metal Fencing	21	LF	\$25.00	\$525	20	2034	100%	\$747	2054	100%	\$1,637				Coated metal fencing is installed adjacent to a section of sidewalk which transects a drainage swale along Hartzell Hill Lane. The fencing appears to be in good condition with no deficiencies observed.
3.3	Mailbox Modules	23	EA	\$3,100.00	\$71,300	25	2032	100%	\$93,826	2057	100%	\$250,125				Twenty-three large and small mailbox modules are installed strategically throughout the community. The modules appear to be in generally good condition but typical wear and deterioration was observed.
3.4	Storm Water Drainage System Allowance, Townhomes	1	LS	\$1,000.00	\$1,000	5	2029	100%	\$1,170	2036	100%	\$1,539	2043	100%	\$2,026	Storm water drainage is provided by concrete yard drains, curb drop inlets, and underground structures. All observable components appear to be in continuing good condition. Though storm water drainage systems are a long life component and catastrophic failure is not anticipated, it is prudent to plan for localized repairs and repairs to ancillary damage as the system ages. This category may also be used to address localized erosion issues.

CALENDAR OF EXPENDITURES TABLE 2 EXPLANATION

This table is a yearly plan of action of replacements and costs. A description of the columns in the table follows:

- Column 1 **Year** is the year of the projected replacement and expenditure.
- Column 2 **Component No.** itemizes the components and is consistent throughout the tables.
- Column 3 **Component** is a brief description of the component.
- Column 4 **Present Cost** is the cost for the cycle in today's dollars.
- Column 5 **Future Cost (Inflated)** is the cost for the cycle in future dollars.
- Column 6 **Total Annual Expenditures** gives the total expenditures by year.
- Column 7 **Action** is an area provided for the Board to make notations as to action taken on each component.

Reserve Fund Plan for
VILLAGES OF PIEDMONT TOWNHOMES RESERVE
 Haymarket, Virginia

CALENDAR OF EXPENDITURES
TABLE 2
 2025 Through 2044

YEAR	COMPONENT NO.	COMPONENT	PRESENT COST 2025	FUTURE COST (INFLATED)	TOTAL ANNUAL EXPENDITURES	ACTION
1	2	3	4	5	6	7
2025					2025	
	1.1	Asphalt Restoration Project, Townhomes	\$322,502	\$322,325	TOTAL EXPENDITURES	
	2.1	Concrete Sidewalks, Townhomes, Annual Repair /	\$118,102	\$118,085		
					\$440,410	
2026					2026	
					NO EXPENDITURES	
2027					2027	
	3.1	Signage Replacement Allowance, Townhomes	\$5,386	\$5,826	TOTAL EXPENDITURES	
					\$5,826	
2028					2028	
					NO EXPENDITURES	
2029					2029	
	3.4	Storm Water Drainage System Allowance, Townh	\$1,000	\$1,170	TOTAL EXPENDITURES	
					\$1,170	
2030					2030	
	2.1	Concrete Sidewalks, Townhomes, Annual Repair /	\$10,872	\$13,227	TOTAL EXPENDITURES	
	2.2	Concrete Curbs & Gutters, Townhomes, Annual R	\$14,563	\$17,718		
	2.3	Concrete Driveway Aprons, Townhomes, Annual F	\$19,253	\$23,424		
					\$54,369	
2031					2031	
	1.2	Asphalt Repair Allowance	\$21,021	\$26,598	TOTAL EXPENDITURES	
					\$26,598	
2032					2032	
	3.3	Mailbox Modules	\$71,300	\$93,826	TOTAL EXPENDITURES	
					\$93,826	
2033					2033	
					NO EXPENDITURES	
2034					2034	
	3.2	Coated Metal Fencing	\$525	\$747	TOTAL EXPENDITURES	
					\$747	
2035					2035	
	2.1	Concrete Sidewalks, Townhomes, Annual Repair /	\$10,872	\$16,093	TOTAL EXPENDITURES	
	2.2	Concrete Curbs & Gutters, Townhomes, Annual R	\$14,563	\$21,557		
	2.3	Concrete Driveway Aprons, Townhomes, Annual F	\$19,253	\$28,498		
					\$66,148	
2036					2036	
	3.4	Storm Water Drainage System Allowance, Townh	\$1,000	\$1,539	TOTAL EXPENDITURES	
					\$1,539	
2037					2037	
	1.2	Asphalt Repair Allowance	\$42,042	\$67,311	TOTAL EXPENDITURES	
	3.1	Signage Replacement Allowance, Townhomes	\$10,773	\$17,247		
					\$84,558	
2038					2038	
					NO EXPENDITURES	
2039					2039	
					NO EXPENDITURES	
2040					2040	
	2.1	Concrete Sidewalks, Townhomes, Annual Repair /	\$10,872	\$19,579	TOTAL EXPENDITURES	
	2.2	Concrete Curbs & Gutters, Townhomes, Annual R	\$14,563	\$26,228		
	2.3	Concrete Driveway Aprons, Townhomes, Annual F	\$19,253	\$34,673		
					\$80,480	

Reserve Fund Plan for
VILLAGES OF PIEDMONT TOWNHOMES RESERVE
 Haymarket, Virginia

CALENDAR OF EXPENDITURES
TABLE 2
 2025 Through 2044

YEAR	COMPONENT NO.	COMPONENT	PRESENT COST 2025	FUTURE COST (INFLATED)	TOTAL ANNUAL EXPENDITURES	ACTION
1	2	3	4	5	6	7
2041					2041	
					NO EXPENDITURES	
2042					2042	
					NO EXPENDITURES	
2043					2043	
	1.1	Asphalt Restoration Project, Townhomes	\$322,502	\$653,331	TOTAL EXPENDITURES	
	1.2	Asphalt Repair Allowance	\$63,700	\$129,045		
	3.4	Storm Water Drainage System Allowance, Townho	\$1,000	\$2,026		
					\$784,401	
2044					2044	
					NO EXPENDITURES	

CURRENT FUNDING ANALYSIS CASH FLOW METHOD TABLE 3.0 EXPLANATION

and, if applicable,

ALTERNATIVE FUNDING ANALYSIS CASH FLOW METHOD TABLE 3.1, 3.2, 3.3 (etc.) EXPLANATION

Table 3.0 shows the financial picture over the twenty-year study period, using the current annual contribution and the reserve fund balance reported at the beginning of the study year. If the results of the study indicate a need to increase the annual contribution to maintain adequate balances throughout the study period, Table 3.1, and possibly, 3.2 will be provided for consideration. Alternatives might also be provided if a community is over-funded and desires to adjust the annual contribution downward.

Alternative funding may be achieved by increasing the annual contribution to a fixed yearly amount or by applying an annual escalation factor to increase contributions over time, or a combination of both methods. An inflation factor and interest income factor may be included in the calculations on this page.

A description of the columns in the table follows:

- Column 1 **Year**
- Column 2 **Total Asset Base** of all common capital assets included in the reserve fund with costs adjusted for inflation.
- Column 3 **Beginning Reserve Fund Balance** is the reserve fund balance after all activity in the prior year is completed.
- Column 4 **Annual Contribution**, on Table 3, is the amount contributed annually to the reserve fund as reported by the Board of Directors. On the Alternative Funding Analysis tables (3.1, 3.2, etc.), the annual contribution is projected to maintain positive balances throughout the study period.
- Column 5 **Interest Income**, which is indicated in the heading of the table, is applied to the reserve fund balance and is accrued monthly throughout each year after the yearly expenditures are deducted. The interest income percentage may be varied to reflect actual experience of the community investments.
- Column 6 **Capital Expenditures** are annual totals of expenditures for each year of the study period adjusted by the inflation percentage listed in the heading of the table.
- Column 7 **Ending Reserve Fund Balance** is the result of the beginning reserve fund balance plus the annual contribution, plus interest income, less capital expenditures for the year.
- Column 8 **Balance to Asset Base Ratio**, expressed as a percentage, is the ratio between the ending reserve fund balance and the total asset base for that year. The ratio is useful to the analysts in understanding general financial condition, but there is no standard ratio as each community's condition and complexity varies.

Reserve Fund Plan for
VILLAGES OF PIEDMONT TOWNHOMES
 RESERVE
 Haymarket, Virginia

CURRENT FUNDING ANALYSIS
CASH FLOW METHOD
TABLE 3



Beginning Reserve Fund Balance: **343,144** Annual Contribution To Reserves: **60,900** Contribution Percentage Increase: **4.00%** Annual Inflation Factor: **4.00%** Annual Interest Income Factor: **2.00%**

In Dollars

YEAR	TOTAL ASSET BASE	BEGINNING RESERVE FUND BALANCE	ANNUAL CONTRIBUTION	INTEREST INCOME	CAPITAL EXPENDITURES	ENDING RESERVE FUND BALANCE
1	2	3	4	5	6	7
2025	2,052,436	343,144	60,900	0	440,604	(36,560)
2026	2,134,534	(36,560)	63,336	690	0	27,466
2027	2,219,915	27,466	65,869	1,209	5,826	88,719
2028	2,308,712	88,719	68,504	2,537	0	159,760
2029	2,401,060	159,760	71,244	3,988	1,170	233,823
2030	2,497,102	233,823	74,094	4,936	54,369	258,485
2031	2,596,987	258,485	77,058	5,768	26,598	314,713
2032	2,700,866	314,713	80,140	6,206	93,826	307,234
2033	2,808,901	307,234	83,346	7,110	0	397,689
2034	2,921,257	397,689	86,680	8,964	747	492,586
2035	3,038,107	492,586	90,147	10,206	66,148	526,791
2036	3,159,631	526,791	93,753	11,638	1,539	630,643
2037	3,286,017	630,643	97,503	12,873	84,558	656,461
2038	3,417,457	656,461	101,403	14,356	0	772,219
2039	3,554,155	772,219	105,459	16,736	0	894,414
2040	3,696,322	894,414	109,677	18,374	80,480	941,986
2041	3,844,175	941,986	114,065	20,257	0	1,076,307
2042	3,997,942	1,076,307	118,627	23,018	0	1,217,952
2043	4,157,859	1,217,952	123,372	17,405	784,402	574,327
2044	4,324,174	574,327	128,307	12,991	0	715,625

STUDY PERIOD TOTALS

1,813,485 **199,263** **1,640,267**

Reserve Fund Plan for
VILLAGES OF PIEDMONT TOWNHOMES
 RESERVE
 Haymarket, Virginia

ALTERNATIVE FUNDING ANALYSIS
CASH FLOW METHOD
 HYBRID APPROACH
TABLE 3.1



Beginning Reserve Fund Balance: **343,144** Annual Contribution To Reserves: **60,900** Contribution Percentage Increase: **4.00%** Annual Inflation Factor: **4.00%** Annual Interest Income Factor: **2.00%**

In Dollars

YEAR	TOTAL ASSET BASE	BEGINNING RESERVE FUND BALANCE	ANNUAL CONTRIBUTION	INTEREST INCOME	CAPITAL EXPENDITURES	ENDING RESERVE FUND BALANCE
1	2	3	4	5	6	7
2025	2,052,436	343,144	60,900	0	440,604	(36,560)
2026	2,134,534	(36,560)	53,713	585	0	17,738
2027	2,219,915	17,738	55,861	904	5,826	68,677
2028	2,308,712	68,677	58,096	2,019	0	128,792
2029	2,401,060	128,792	60,420	3,245	1,170	191,287
2030	2,497,102	191,287	62,836	3,955	54,369	203,710
2031	2,596,987	203,710	65,350	4,535	26,598	246,997
2032	2,700,866	246,997	67,964	4,707	93,826	225,841
2033	2,808,901	225,841	70,682	5,329	0	301,853
2034	2,921,257	301,853	73,510	6,886	747	381,501
2035	3,038,107	381,501	76,450	7,815	66,148	399,618
2036	3,159,631	399,618	79,508	8,916	1,539	486,503
2037	3,286,017	486,503	82,688	9,802	84,558	494,436
2038	3,417,457	494,436	85,996	10,917	0	591,349
2039	3,554,155	591,349	89,436	12,911	0	693,695
2040	3,696,322	693,695	93,013	14,141	80,480	720,370
2041	3,844,175	720,370	96,734	15,595	0	832,698
2042	3,997,942	832,698	100,603	17,904	0	951,205
2043	4,157,859	951,205	104,627	11,816	784,402	283,247
2044	4,324,174	283,247	108,812	6,903	0	398,962

STUDY PERIOD TOTALS

1,547,199 **148,886** **1,640,267**

FULLY FUNDED BALANCE GOAL

FUNDING ANALYSIS COMPONENT METHOD TABLE 4 EXPLANATION

Table 4 is a yearly list of annual contributions toward each component, which must be made to achieve 100% funding. The reserve fund balance is the balance at the beginning of the study year. The beginning reserve fund balance is applied, proportionately, to each component prior to calculating the yearly contribution for each component. Future costs (inflation) are factored into the replacement cycles. The annual contribution for each year is calculated in the bottom row of the study labeled **Annual Component Contribution Totals**. Interest and inflation are calculated at the same annual rates as the Cash Flow Method (Table 3).

- Column 1 **Component Number** is consistent throughout the tables.
- Column 2 **Component** is a brief description of the component.
- Columns 3 - 22 **Years** lists the annual contribution amount toward each component throughout the twenty-year study period, which is totaled at the bottom of the component table.

COMPONENT METHOD SUMMARY

The component method summary computes the beginning reserve fund balance, the annual component contribution, the annual expenditures, and interest income. It then provides the ending reserve fund balance for each year of the study.

Beginning Reserve Fund Balance:

In Dollars **343,144**

Component Number	COMPONENT	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	
1 TOWNHOME ASPHALT COMPONENTS																						
1.1	Asphalt Restoration Project, Townhomes	143,245	30,134	30,134	30,134	30,134	30,134	30,134	30,134	30,134	30,134	30,134	30,134	30,134	30,134	30,134	30,134	30,134	30,134	61,045	61,045	
1.2	Asphalt Repair Allowance	4,169	4,169	4,169	4,169	4,169	4,169	10,551	10,551	10,551	10,551	10,551	10,551	20,227	20,227	20,227	20,227	20,227	20,227	20,227	7,452	7,452
2 TOWNHOME CONCRETE COMPONENTS																						
2.1	Concrete Sidewalks, Townhomes, Annual R	29,494	2,513	2,513	2,513	2,513	3,058	3,058	3,058	3,058	3,058	3,720	3,720	3,720	3,720	3,720	4,526	4,526	4,526	4,526	4,526	
2.2	Concrete Curbs & Gutters, Townhomes, Ann	3,367	3,367	3,367	3,367	3,367	4,096	4,096	4,096	4,096	4,096	4,984	4,984	4,984	4,984	4,984	6,063	6,063	6,063	6,063	6,063	
2.3	Concrete Driveway Aprons, Townhomes, An	4,451	4,451	4,451	4,451	4,451	5,415	5,415	5,415	5,415	5,415	6,588	6,588	6,588	6,588	6,588	8,016	8,016	8,016	8,016	8,016	
3 TOWNHOME SITE FEATURES																						
3.1	Signage Replacement Allowance, Townhom	1,186	1,186	1,557	1,557	1,557	1,557	1,557	1,557	1,557	1,557	1,557	1,557	1,152	1,152	1,152	1,152	1,152	1,152	1,152	1,152	
3.2	Coated Metal Fencing	44	44	44	44	44	44	44	44	44	67	67	67	67	67	67	67	67	67	67	67	
3.3	Mailbox Modules	6,290	6,290	6,290	6,290	6,290	6,290	6,290	7,707	7,707	7,707	7,707	7,707	7,707	7,707	7,707	7,707	7,707	7,707	7,707	7,707	
3.4	Storm Water Drainage System Allowance, Td	236	236	236	236	205	205	205	205	205	205	205	269	269	269	269	269	269	269	269	355	355
ANNUAL COMPONENT CONTRIBUTION TOTALS		192,482	52,390	52,761	52,761	52,730	54,968	61,350	62,767	62,767	62,790	65,513	65,577	74,848	74,848	74,848	78,161	78,161	78,161	96,383	96,383	

COMPONENT METHOD SUMMARY	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
BEGINNING RESERVE FUND BALANCE	343,144	104,046	159,107	209,829	267,400	324,932	332,689	374,825	352,016	422,572	493,829	503,875	578,798	581,587	668,990	758,157	771,993	866,588	963,092	295,563
PLUS ANNUAL COMPONENT CONTRIBUTION	192,482	52,390	52,761	52,761	52,730	54,968	61,350	62,767	62,767	62,790	65,513	65,577	74,848	74,848	74,848	78,161	78,161	78,161	96,383	96,383
CAPITAL EXPENDITURES	440,604	0	5,826	0	1,170	54,369	26,598	93,826	0	747	66,148	1,539	84,558	0	0	80,480	0	0	784,402	0
SUBTOTAL	95,022	156,436	206,042	262,590	318,960	325,531	367,441	343,766	414,783	484,615	493,194	567,913	569,088	656,435	743,838	755,838	850,154	944,749	275,073	391,946
PLUS INTEREST INCOME @ 2.00%	9,024	2,671	3,787	4,810	5,972	7,158	7,384	8,250	7,789	9,214	10,682	10,885	12,499	12,555	14,319	16,155	16,434	18,343	20,490	7,016
FULLY FUNDED RESERVE FUND BALANCE	104,046	159,107	209,829	267,400	324,932	332,689	374,825	352,016	422,572	493,829	503,875	578,798	581,587	668,990	758,157	771,993	866,588	963,092	295,563	398,962

PERCENT FUNDED FOR CURRENT CYCLE	78%
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TOTAL EXPENDITURES	1,640,267
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TOTAL CONTRIBUTIONS	1,490,649
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STUDY PERIOD TOTAL INTEREST	205,436
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AVERAGE ANNUAL CONTRIBUTION	74,532
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**FULLY FUNDED
 BALANCE GOAL**

**PHOTOGRAPHS
WITH
DESCRIPTIVE
NARRATIVES**



MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.



Photo #1

The community center parking lot is in very poor condition despite having been maintained. We observed wide-area deflective cracking and significant transverse and lateral cracking. We have scheduled restoration for 2026.



Photo #2

The townhome asphalt has been fully restored in 2025 and is in excellent condition. Significant repairs to the sidewalks, curbs and gutters, and driveway aprons were also executed contemporaneously. Management provided the invoices for these projects, which have been used in our calculations.

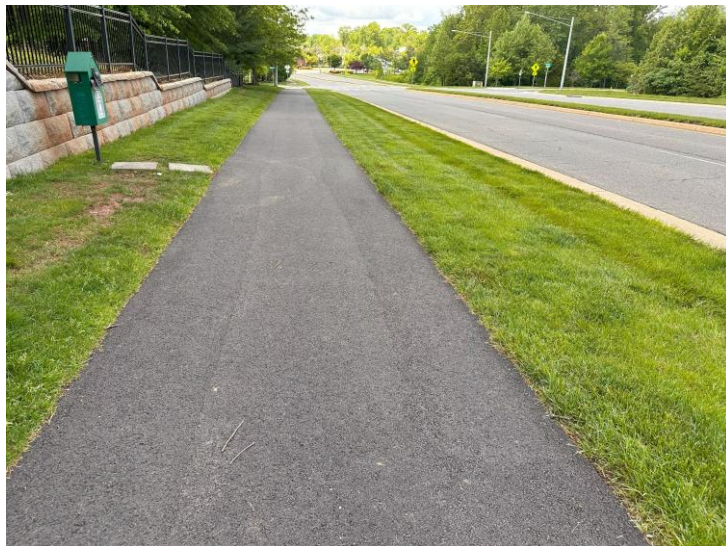


Photo #3

The asphalt footpaths have also been restored and are in excellent condition with only a few minor deficiencies observed.

Photo #4



Management reported that the sidewalk deficiencies around the community center were addressed after the site evaluation for a cost of \$14,000. We used this cost in our calculations.



Photo #5

The townhome concrete repairs totaled approximately \$117,000 and addressed approximately 2,660 square feet of sidewalk, 5,444 square feet of driveway apron, and 488 linear feet of curb and gutter. The community should be congratulated on this accomplishment.



Photo #6

The retaining walls and railings are in excellent condition. A few localized areas of damaged fencing were observed due to falling limbs but none of the damage is significant and no remediation is required at this time.



Photo #7

The park at the entrance to Leopold's Preserve was constructed since the previous evaluation and we have updated the inventory to include the sidewalks, benches, bike racks, brick bollards, and wooden fencing. No deficiencies were observed throughout any of these components.



Photo #8

The three picnic pavilions are in improved condition relative to the previous evaluation. We observed some minor deficiencies none of which require remediation at this time. The inventory has been updated to include the grills ash receptacles and picnic tables.



Photo #9

The original asphalt shingle roofing has been replaced with coated standing seam metal roofing which is in excellent condition. This is a significant improvement, and the new roofing should provide a very long service life. As the roofing ages and rust appears the roofing should be recoated under operations.



Photo #10

The building facades are in excellent condition. However, we observed one section of damaged and detached fiber cement siding. This section should be repaired under operations to prevent water intrusion and further damage.



Photo #11

The brick tuck pointing throughout the building appears to be in excellent condition. This one area located on the western elevation of the front porch is the exception. These cracks should be routed and filled under operations to prevent water intrusion and further damage during freeze thaw events.



Photo #12

The community interiors are in excellent condition with no deficiencies observed. We have updated flooring quantities to reflect the removal of the carpet. No significant deteriorated furnishings or office equipment was observed or reported. Items should be replaced as needed but timing and cost is discretionary.



Photo #13

The mechanical systems are in good operating condition with no deficiencies observed or reported. The water heater was replaced in approximately 2023 but no information on the replacement project was able to be found.

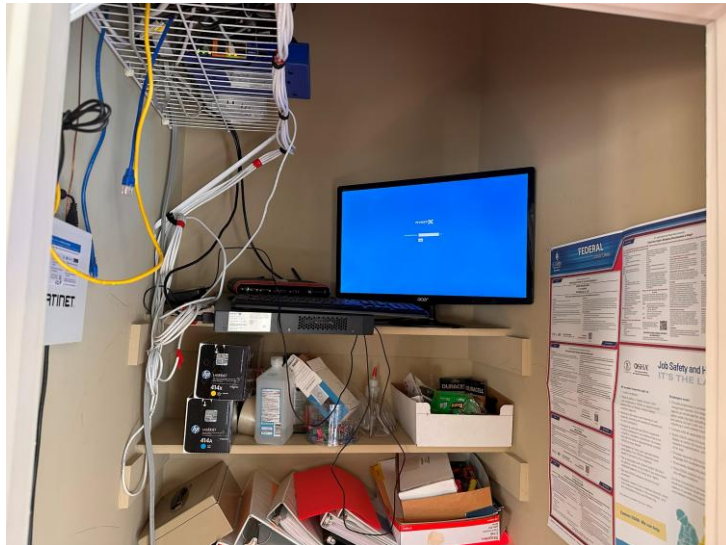


Photo #14

We have updated the inventory to include the surveillance system. We have provided an allowance for the upgrade and replacement of individual components on an as needed basis.



Photo #15

The pool structure was reported to be in good condition and received approximately \$10,000 worth of repairs recently, which included the re-bedding of approximately twenty-five coping tiles, the full replacement of the expansion joint, patching of the white coat, and the repair of pool lighting.

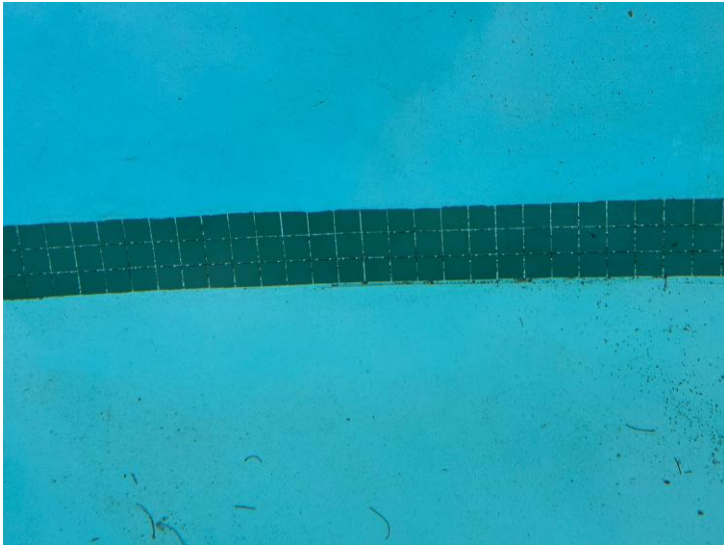


Photo #16

The pool white coat was observed to be in fair condition with moderate scaling and cracking. Additionally, we observed some eroded grout along the racing tile lines. We have scheduled a repair project near-term.



Photo #17

The ancillary pool equipment including umbrellas, pergola shelters, replacement pool furnishings (2023), lifeguard stand, and pull ladders are all in excellent condition with no deficiencies observed. The inventories have been updated appropriately.



Photo #18

The pool mechanical equipment is in good condition, and no problems were reported. The main pool pump is original and has surpassed typical service life. However, no problems were reported so we have extended the service life by five years.



Photo #19

Both tot lots appear to be in generally very good condition. We understand that they are frequently inspected and maintained including the replacement of deteriorated hardware. We observed minor fading and typical wear, but the equipment is serviceable, and we have therefore extended the service life.



Photo #20

The tennis and pickleball courts are in poor condition but will be repaired and coated in June of 2025. Based on our observations and the age of the courts we have scheduled full replacement in 2030.



Photo #21

The basketball court is in excellent condition with no deficiencies observed. We understand that the court has been recently coated for a price of approximately \$17,000. Restoration has been scheduled after a typical service life. The basketball standards and goals are also in good condition.