

FULL RESERVE STUDY

Brighton Lakes Community Development District



**Kissimmee, Florida
November 29, 2018**



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RESERVE EXPENDITURES

Brighton Lakes
Community Development District
Kissimmee, Florida

Explanatory Notes:

- 1) 2.1% is the estimated future Inflation Rate for estimating Future Replacement Costs.
2) FY2019 is Fiscal Year beginning October 1, 2018 and ending September 30, 2019.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			RUL = 0 FY2019	1 2020	2 2021	3 2022	4 2023	5 2024	6 2025	7 2026	8 2027	9 2028	10 2029	11 2030	12 2031	13 2032	14 2033	15 2034	
						Useful	Remaining	Unit (2019)	Per Phase (2019)	Total (2019)																	30-Year Total (Inflated)
Property Site Elements																											
4.020	119,180	119,180	Square Yards	Asphalt Pavement, Patch	2027	3 to 5	8	0.35	41,713	41,713	354,728							49,258		52,427					55,800		
4.040	111,900	18,650	Square Yards	Asphalt Pavement, Mill and Overlay, Streets, Phased	2021	15 to 20	2 to 7	10.50	195,825	1,174,950	3,247,195		204,136	208,423	212,800	217,269	221,831	226,490									
4.080	7,280	1,213	Square Yards	Asphalt Pavement, Total Replacement, Walking Paths, Phased	2021	15 to 20	2 to 7	27.50	33,367	200,200	553,289		34,783	35,513	36,259	37,020	37,798	38,592									
4.100	200	33	Each	Catch Basins, Inspections and Capital Repairs, Phased	2021	15 to 20	2 to 7	500.00	16,665	100,000	276,341		17,372	17,737	18,110	18,490	18,878	19,275									
4.110	87,000	1,090	Linear Feet	Concrete Curbs and Gutters, Partial	2021	to 65	2 to 30+	25.00	27,250	2,175,000	451,863		28,407	29,003	29,612	30,234	30,869	31,517									
4.140	327,000	2,635	Square Feet	Concrete Sidewalks, Partial	2019	to 65	0 to 30+	8.00	21,080	2,616,000	908,023	21,080	21,523	21,975	22,436	22,907	23,388	23,879	24,381	24,893	25,416	25,949	26,494	27,051	27,619	28,199	28,791
4.220	1,800	1,800	Linear Feet	Fences, Chain Link	2027	to 25	8	19.00	34,200	34,200	40,386							40,386									
4.260	2,900	2,900	Linear Feet	Fences, Vinyl	2027	15 to 20	8	26.00	75,400	75,400	223,963							89,038									
4.301	10	10	Squares	Gate House, Concrete Tile Roof	2028	to 25	9	950.00	9,500	9,500	11,454								11,454								
4.310	3	3	Each	Gates, Entry Systems	2027	to 10	8	10,000.00	30,000	30,000	132,720							35,426									
4.320	3	3	Each	Gates, Security Systems	2029	10 to 15	10	12,000.00	36,000	36,000	101,184										44,316						
4.330	6	6	Each	Gates, Swing Arms	2027	to 10	8	5,000.00	30,000	30,000	132,720							35,426									
4.410	5	1	Each	Irrigation System, Pumps, Phased	2020	to 20	1 to 9	6,500.00	6,500	32,500	85,456	6,636		6,918		7,212		7,518		7,837							
4.420	4	1	Allowance	Irrigation System, Phased	2040	to 40	21 to 24	60,000.00	60,000	240,000	383,185																
4.620	6,400	6,400	Square Feet	Pavers, Masonry	2027	15 to 25	8	8.00	51,200	51,200	152,081							60,461									
4.660	1	1	Allowance	Playground Equipment	2030	15 to 20	11	90,000.00	90,000	90,000	113,116										113,116						
4.710	26,000	2,600	Linear Feet	Ponds, Erosion Control, Partial	2027	5 to 10	8	26.00	67,600	676,000	299,063							79,828									
4.800	1	1	Allowance	Signage, Entry and Bridge, Renovation	2027	20 to 25	8	35,000.00	35,000	35,000	41,331							41,331									
4.810	1	1	Allowance	Signage, Street Identification, Replacement	2026	15 to 20	7	26,500.00	26,500	26,500	77,095							30,650									
4.830	2,040	2,040	Square Yards	Tennis and Basketball Courts, Color Coat	2019	4 to 6	0	9.50	19,380	19,380	165,453	19,380				21,502									26,469		
4.840	740	740	Linear Feet	Tennis and Basketball Courts, Fences	2029	to 25	10	35.00	25,900	25,900	31,883									31,883							
4.850	4	4	Each	Tennis and Basketball Courts, Light Poles and Fixtures	2029	to 35	10	2,800.00	11,200	11,200	13,787									13,787							
4.860	2,040	2,040	Square Yards	Tennis and Basketball Courts, Surface Replacement	2029	to 25	10	39.00	79,560	79,560	97,938									97,938							
Clubhouse Elements																											
5.400	1	1	Allowance	Exercise Equipment, Phased (Includes Floor Coverings)	2022	5 to 15	3 to 10	26,500.00	26,500	26,500	142,194			28,205						32,621							
5.450	2	2	Each	HVAC Equipment, Split Systems	2033	12 to 18	14	4,000.00	8,000	8,000	25,318													10,702			
5.500	1	1	Allowance	Kitchen and Meeting Room, Renovation	2028	to 25	9	12,000.00	12,000	12,000	14,468							14,468									
5.510	2	2	Each	Rest Rooms, Renovation	2023	to 20	4	14,000.00	28,000	28,000	81,584				30,427												
5.600	40	40	Squares	Roof, Concrete Tiles	2028	to 25	9	950.00	38,000	38,000	45,816								45,816								
5.701	2	1	Allowance	Security and Access System, Phased (2019 is Budgeted)	2019	10 to 15	0 to 6	12,000.00	12,000	24,000	95,083	6,500					13,594				15,399						
5.800	400	400	Square Feet	Windows and Doors	2035	to 40	16	40.00	16,000	16,000	22,312																
Pool Elements																											
6.200	9,600	9,600	Square Feet	Deck, Pavers	2028	to 25	9	8.00	76,800	76,800	92,596								92,596								
6.400	480	480	Linear Feet	Fences, Aluminum	2028	to 25	9	40.00	19,200	19,200	23,149								23,149								
6.500	2	1	Allowance	Furniture, Phased	2021	to 12	2 to 8	10,000.00	10,000	20,000	67,930		10,424					11,809						13,377			

RESERVE EXPENDITURES

Brighton Lakes
Community Development District
Kissimmee, Florida

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$				16 2035	17 2036	18 2037	19 2038	20 2039	21 2040	22 2041	23 2042	24 2043	25 2044	26 2045	27 2046	28 2047	29 2048	30 2049	
						Useful	Remaining	Unit (2019)	Per Phase (2019)	Total (2019)	30-Year Total (Inflated)																
Property Site Elements																											
4.020	119,180	119,180	Square Yards	Asphalt Pavement, Patch	2027	3 to 5	8	0.35	41,713	41,713	354,728		59,389			63,210									74,644		
4.040	111,900	18,650	Square Yards	Asphalt Pavement, Mill and Overlay, Streets, Phased	2021	15 to 20	2 to 7	10.50	195,825	1,174,950	3,247,195						309,339	315,835	322,467	329,239	336,153	343,213					
4.080	7,280	1,213	Square Yards	Asphalt Pavement, Total Replacement, Walking Paths, Phased	2021	15 to 20	2 to 7	27.50	33,367	200,200	553,289						52,708	53,815	54,945	56,099	57,277	58,480					
4.100	200	33	Each	Catch Basins, Inspections and Capital Repairs, Phased	2021	15 to 20	2 to 7	500.00	16,665	100,000	276,341						26,325	26,878	27,442	28,019	28,607	29,208					
4.110	87,000	1,090	Linear Feet	Concrete Curbs and Gutters, Partial	2021	to 65	2 to 30+	25.00	27,250	2,175,000	451,863						43,046	43,950	44,873	45,815	46,777	47,760					
4.140	327,000	2,635	Square Feet	Concrete Sidewalks, Partial	2019	to 65	0 to 30+	8.00	21,080	2,616,000	908,023	29,396	30,013	30,643	31,287	31,944	32,615	33,299	33,999	34,713	35,442	36,186	36,946	37,722	38,514	39,323	
4.220	1,800	1,800	Linear Feet	Fences, Chain Link	2027	to 25	8	19.00	34,200	34,200	40,386																
4.260	2,900	2,900	Linear Feet	Fences, Vinyl	2027	15 to 20	8	26.00	75,400	75,400	223,963													134,925			
4.301	10	10	Squares	Gate House, Concrete Tile Roof	2028	to 25	9	950.00	9,500	9,500	11,454																
4.310	3	3	Each	Gates, Entry Systems	2027	to 10	8	10,000.00	30,000	30,000	132,720			43,610										53,684			
4.320	3	3	Each	Gates, Security Systems	2029	10 to 15	10	12,000.00	36,000	36,000	101,184							56,868									
4.330	6	6	Each	Gates, Swing Arms	2027	to 10	8	5,000.00	30,000	30,000	132,720			43,610										53,684			
4.410	5	1	Each	Irrigation System, Pumps, Phased	2020	to 20	1 to 9	6,500.00	6,500	32,500	85,456	9,064		9,449		9,850		10,268		10,704							
4.420	4	1	Allowance	Irrigation System, Phased	2040	to 40	21 to 24	60,000.00	60,000	240,000	383,185						92,831	94,780	96,771	98,803							
4.620	6,400	6,400	Square Feet	Pavers, Masonry	2027	15 to 25	8	8.00	51,200	51,200	152,081													91,620			
4.660	1	1	Allowance	Playground Equipment	2030	15 to 20	11	90,000.00	90,000	90,000	113,116																
4.710	26,000	2,600	Linear Feet	Ponds, Erosion Control, Partial	2027	5 to 10	8	26.00	67,600	676,000	299,063			98,268										120,967			
4.800	1	1	Allowance	Signage, Entry and Bridge, Renovation	2027	20 to 25	8	35,000.00	35,000	35,000	41,331																
4.810	1	1	Allowance	Signage, Street Identification, Replacement	2026	15 to 20	7	26,500.00	26,500	26,500	77,095												46,445				
4.830	2,040	2,040	Square Yards	Tennis and Basketball Courts, Color Coat	2019	4 to 6	0	9.50	19,380	19,380	165,453				29,368					32,583					36,151		
4.840	740	740	Linear Feet	Tennis and Basketball Courts, Fences	2029	to 25	10	35.00	25,900	25,900	31,883																
4.850	4	4	Each	Tennis and Basketball Courts, Light Poles and Fixtures	2029	to 35	10	2,800.00	11,200	11,200	13,787																
4.860	2,040	2,040	Square Yards	Tennis and Basketball Courts, Surface Replacement	2029	to 25	10	39.00	79,560	79,560	97,938																
Clubhouse Elements																											
5.400	1	1	Allowance	Exercise Equipment, Phased (Includes Floor Coverings)	2022	5 to 15	3 to 10	26,500.00	26,500	26,500	142,194		37,730					43,638									
5.450	2	2	Each	HVAC Equipment, Split Systems	2033	12 to 18	14	4,000.00	8,000	8,000	25,318													14,616			
5.500	1	1	Allowance	Kitchen and Meeting Room, Renovation	2028	to 25	9	12,000.00	12,000	12,000	14,468																
5.510	2	2	Each	Rest Rooms, Renovation	2023	to 20	4	14,000.00	28,000	28,000	81,584													51,157			
5.600	40	40	Squares	Roof, Concrete Tiles	2028	to 25	9	950.00	38,000	38,000	45,816																
5.701	2	1	Allowance	Security and Access System, Phased (2019 is Budgeted)	2019	10 to 15	0 to 6	12,000.00	12,000	24,000	95,083			17,444					19,761						22,385		
5.800	400	400	Square Feet	Windows and Doors	2035	to 40	16	40.00	16,000	16,000	22,312	22,312															
Pool Elements																											
6.200	9,600	9,600	Square Feet	Deck, Pavers	2028	to 25	9	8.00	76,800	76,800	92,596																
6.400	480	480	Linear Feet	Fences, Aluminum	2028	to 25	9	40.00	19,200	19,200	23,149																
6.500	2	1	Allowance	Furniture, Phased	2021	to 12	2 to 8	10,000.00	10,000	20,000	67,930					15,154					17,166						

RESERVE EXPENDITURES

Brighton Lakes
Community Development District
Kissimmee, Florida

Explanatory Notes:

- 1) 2.1% is the estimated future Inflation Rate for estimating Future Replacement Costs.
2) FY2019 is Fiscal Year beginning October 1, 2018 and ending September 30, 2019.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$				RUL = 0 FY2019	1 2020	2 2021	3 2022	4 2023	5 2024	6 2025	7 2026	8 2027	9 2028	10 2029	11 2030	12 2031	13 2032	14 2033	15 2034
						Useful	Remaining	Unit (2019)	Per Phase (2019)	Total (2019)	30-Year Total (Inflated)																
6.600	3	1	Allowance	Mechanical Equipment, Phased	2021	to 15	2 to 12	15,000.00	15,000	45,000	150,090			15,637				17,349						19,249			
6.800	4,800	4,800	Square Feet	Pool Finishes, Plaster	2019	8 to 12	0	12.50	60,000	60,000	336,705	60,000									73,860						
6.801	360	360	Linear Feet	Pool Finishes, Tile	2019	15 to 25	0	42.00	15,120	15,120	38,032	15,120															
6.950	1	1	Each	Water Feature	2023	to 15	4	8,700.00	8,700	8,700	23,780				9,454												
		1	Allowance	Reserve Study Update with Site Visit	2021	2	2	3,950.00	3,950	3,950	3,950			3,950													
				Anticipated Expenditures, By Year							9,057,261	122,080	28,159	336,684	348,235	359,569	355,115	346,849	395,772	467,856	220,736	320,354	192,037	61,699	27,619	108,078	55,260

RESERVE EXPENDITURES

Brighton Lakes Community Development District Kissimmee, Florida																										
Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$				16 2035	17 2036	18 2037	19 2038	20 2039	21 2040	22 2041	23 2042	24 2043	25 2044	26 2045	27 2046	28 2047	29 2048	30 2049
						Useful	Remaining	Unit (2019)	Per Phase (2019)	Total (2019)	30-Year Total (Inflated)															
6.600	3	1	Allowance	Mechanical Equipment, Phased	2021	to 15	2 to 12	15,000.00	15,000	45,000	150,090	20,917				23,208					25,749				27,981	
6.800	4,800	4,800	Square Feet	Pool Finishes, Plaster	2019	8 to 12	0	12.50	60,000	60,000	336,705				90,921										111,924	
6.801	360	360	Linear Feet	Pool Finishes, Tile	2019	15 to 25	0	42.00	15,120	15,120	38,032				22,912											
6.950	1	1	Each	Water Feature	2023	to 15	4	8,700.00	8,700	8,700	23,780							14,326								
		1	Allowance	Reserve Study Update with Site Visit	2021	2	2	3,950.00	3,950	3,950	3,950															
Anticipated Expenditures, By Year											\$9,057,261	81,689	127,132	243,024	31,287	263,359	148,654	626,633	571,248	671,672	527,197	547,915	562,052	567,246	104,287	237,764

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS																	
Brighton Lakes																	
Community Development District																	
Kissimmee, Florida		Individual Reserve Budgets & Cash Flows for the Next 30 Years															
		FY2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	Reserves at Beginning of Year (Note 1)	772,833	750,411	862,143	704,463	572,289	466,273	402,783	352,601	258,379	96,111	180,305	95,274	143,146	328,321	556,157	711,967
	Total Recommended Reserve Contributions (Note 2)	86,820	126,300	165,800	205,300	244,800	284,300	290,300	296,400	302,600	302,600	233,000	237,900	242,900	248,000	253,200	258,500
Plus	Estimated Interest Earned, During Year (Note 3)	12,838	13,591	13,204	10,761	8,753	7,325	6,367	5,150	2,988	2,330	2,323	2,009	3,974	7,455	10,688	13,831
Less	Anticipated Expenditures, By Year	(122,080)	(28,159)	(336,684)	(348,235)	(359,569)	(355,115)	(346,849)	(395,772)	(467,856)	(220,736)	(320,354)	(192,037)	(61,699)	(27,619)	(108,078)	(55,260)
	Anticipated Reserves at Year End	<u>\$750,411</u>	<u>\$862,143</u>	<u>\$704,463</u>	<u>\$572,289</u>	<u>\$466,273</u>	<u>\$402,783</u>	<u>\$352,601</u>	<u>\$258,379</u>	<u>\$96,111</u>	<u>\$180,305</u>	<u>\$95,274</u>	<u>\$143,146</u>	<u>\$328,321</u>	<u>\$556,157</u>	<u>\$711,967</u>	<u>\$929,038</u>
										(NOTE 5)							
	Predicted Reserves based on 2019 funding level of:	\$86,820	750,411	822,328	584,320	330,616	61,169	(208,367)	(474,148)								

(continued)																
		Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued														
		2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Reserves at Beginning of Year		929,038	1,128,591	1,291,254	1,345,554	1,620,163	1,671,346	1,845,130	1,545,978	1,303,950	962,985	768,481	556,534	333,584	108,665	353,977
Total Recommended Reserve Contributions		263,900	269,400	275,100	280,900	286,800	292,800	298,900	305,200	311,600	318,100	324,800	331,600	338,600	345,700	353,000
Plus	Estimated Interest Earned, During Year	17,342	20,395	22,224	24,996	27,742	29,638	28,581	24,020	19,107	14,593	11,168	7,502	3,727	3,899	6,997
Less	Anticipated Expenditures, By Year	(81,689)	(127,132)	(243,024)	(31,287)	(263,359)	(148,654)	(626,633)	(571,248)	(671,672)	(527,197)	(547,915)	(562,052)	(567,246)	(104,287)	(237,764)
Anticipated Reserves at Year End		<u>\$1,128,591</u>	<u>\$1,291,254</u>	<u>\$1,345,554</u>	<u>\$1,620,163</u>	<u>\$1,671,346</u>	<u>\$1,845,130</u>	<u>\$1,545,978</u>	<u>\$1,303,950</u>	<u>\$962,985</u>	<u>\$768,481</u>	<u>\$556,534</u>	<u>\$333,584</u>	<u>\$108,665</u>	<u>\$353,977</u>	<u>\$476,210</u>
														(NOTE 5)		(NOTE 4)

Explanatory Notes:

- 1) Year 2019 starting reserves are as of October 1, 2018; FY2019 starts October 1, 2018 and ends September 30, 2019.
- 2) Reserve Contributions for 2019 are budgeted; 2020 is the first year of recommended contributions.
- 3) 1.7% is the estimated annual rate of return on invested reserves.
- 4) Accumulated year 2049 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Years (reserve balance at critical point).

FIVE YEAR OUTLOOK**Brighton Lakes
Community Development District
Kissimmee, Florida**

Line Item	Reserve Component Inventory	RUL = 0 FY2019	1 2020	2 2021	3 2022	4 2023	5 2024
<u>Property Site Elements</u>							
4.040	Asphalt Pavement, Mill and Overlay, Streets, Phased			204,136	208,423	212,800	217,269
4.080	Asphalt Pavement, Total Replacement, Walking Paths, Phased			34,783	35,513	36,259	37,020
4.100	Catch Basins, Inspections and Capital Repairs, Phased			17,372	17,737	18,110	18,490
4.110	Concrete Curbs and Gutters, Partial			28,407	29,003	29,612	30,234
4.140	Concrete Sidewalks, Partial	21,080	21,523	21,975	22,436	22,907	23,388
4.410	Irrigation System, Pumps, Phased		6,636		6,918		7,212
4.830	Tennis and Basketball Courts, Color Coat	19,380					21,502
<u>Clubhouse Elements</u>							
5.400	Exercise Equipment, Phased (Includes Floor Coverings)				28,205		
5.510	Rest Rooms, Renovation					30,427	
5.701	Security and Access System, Phased (2019 is Budgeted)	6,500					
<u>Pool Elements</u>							
6.500	Furniture, Phased			10,424			
6.600	Mechanical Equipment, Phased			15,637			
6.800	Pool Finishes, Plaster	60,000					
6.801	Pool Finishes, Tile	15,120					
6.950	Water Feature					9,454	
Reserve Study Update with Site Visit				3,950			
Anticipated Expenditures, By Year		122,080	28,159	336,684	348,235	359,569	355,115

COMPONENT METHOD RESERVE ANALYSIS

for
Brighton Lakes
Community Development District
Kissimmee, Florida

Line Item	Total Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Replacement	Life Analysis, Years		Unit Cost, \$	Percentage Ownership	2019 Cost of Replacement, \$	Oct 1, 2018 Estimated Balance, \$	2019 Budgeted Contributions, \$	2019 Remaining Contributions, \$	2019 Remaining Expenditures, \$	Oct 1, 2019 Projected Balance, \$	2020 Budgeted Contributions, \$	2020 Budgeted Expenditures, \$	Oct 1, 2020 Projected Balance, \$	Unfunded Residual Balance, \$	2020 Recommended Contribution, \$	Reserve Category
					Useful	Remaining ³														
Property Site Elements																				
4.020	119,180	Square Yards	Asphalt Pavement, Patch	2027	3 to 5	8	0.35	100%	41,713	0	0	0	0	0	0	0	0	41,713	5,214	Roadways
4.040	111,900	Square Yards	Asphalt Pavement, Mill and Overlay, Streets	2021	15 to 20	4	10.50	100%	1,174,950	350,049	0	0	0	350,049	0	0	350,049	824,901	206,225	Roadways
4.080	7,280	Square Yards	Asphalt Pavement, Total Replacement, Walking Paths	2021	15 to 20	4	27.50	100%	200,199	0	0	0	0	0	0	0	0	200,199	50,050	Roadways
4.100	200	Each	Catch Basins, Inspections and Capital Repairs	2021	15 to 20	4	500.00	100%	99,990	10,787	25,740	25,740	0	36,527	0	0	36,527	63,463	15,866	Field
4.110	6,540	Linear Feet	Concrete Curbs and Gutters, Partial	2021	to 65	4	25.00	100%	163,500	0	0	0	0	0	0	0	0	163,500	40,875	Roadways
4.140	2,635	Square Feet	Concrete Sidewalks, Partial	2019	to 65	0	8.00	100%	21,080	21,080	21,080	21,080	21,080	21,080	0	0	21,080	0	0	Field
4.220	1,800	Linear Feet	Fences, Chain Link	2027	to 25	8	19.00	100%	34,200	0	0	0	0	0	0	0	0	34,200	4,275	Other
4.260	2,900	Linear Feet	Fences, Vinyl	2027	15 to 20	8	26.00	100%	75,400	0	0	0	0	0	0	0	0	75,400	9,425	Other
4.301	10	Squares	Gate House, Concrete Tile Roof	2028	to 25	9	950.00	100%	9,500	0	0	0	0	0	0	0	0	9,500	1,056	Other
4.310	3	Each	Gates, Entry Systems	2027	to 10	8	10,000.00	100%	30,000	0	0	0	0	0	0	0	0	30,000	3,750	Other
4.320	3	Each	Gates, Security Systems	2029	10 to 15	10	12,000.00	100%	36,000	0	0	0	0	0	0	0	0	36,000	3,600	Other
4.330	6	Each	Gates, Swing Arms	2027	to 10	8	5,000.00	100%	30,000	0	0	0	0	0	0	0	0	30,000	3,750	Other
4.410	5	Each	Irrigation System, Pumps	2020	to 20	5	6,500.00	100%	32,500	0	0	0	0	0	0	0	0	32,500	6,500	Field
4.420	4	Allowance	Irrigation System	2040	to 40	22	60,000.00	100%	240,000	120,000	0	0	0	120,000	0	0	120,000	120,000	5,455	Field
4.620	6,400	Square Feet	Pavers, Masonry	2027	15 to 25	8	8.00	100%	51,200	0	0	0	0	0	0	0	0	51,200	6,400	Recreation Facilities
4.660	1	Allowance	Playground Equipment	2030	15 to 20	11	90,000.00	100%	90,000	0	0	0	0	0	0	0	0	90,000	8,182	Recreation Facilities
4.710	2,600	Linear Feet	Ponds, Erosion Control, Partial	2027	5 to 10	8	26.00	100%	67,600	67,600	0	0	0	67,600	0	0	67,600	0	0	Field
4.800	1	Allowance	Signage, Entry and Bridge, Renovation	2027	20 to 25	8	35,000.00	100%	35,000	35,000	0	0	0	35,000	0	0	35,000	0	0	Field
4.810	1	Allowance	Signage, Street Identification, Replacement	2026	15 to 20	7	26,500.00	100%	26,500	26,500	0	0	0	26,500	0	0	26,500	0	0	Field
4.830	2,040	Square Yards	Tennis and Basketball Courts, Color Coat	2019	4 to 6	0	9.50	100%	19,380	19,380	0	0	19,380	0	0	0	0	19,380	3,876	Recreation Facilities
4.840	740	Linear Feet	Tennis and Basketball Courts, Fences	2029	to 25	10	35.00	100%	25,900	0	0	0	0	0	0	0	0	25,900	2,590	Recreation Facilities
4.850	4	Each	Tennis and Basketball Courts, Light Poles and Fixtures	2029	to 35	10	2,800.00	100%	11,200	0	0	0	0	0	0	0	0	11,200	1,120	Recreation Facilities
4.860	2,040	Square Yards	Tennis and Basketball Courts, Surface Replacement	2029	to 25	10	39.00	100%	79,560	0	0	0	0	0	0	0	0	79,560	7,956	Recreation Facilities
Clubhouse Elements																				
5.400	1	Allowance	Exercise Equipment (Includes Floor Coverings)	2022	5 to 15	3	26,500.00	100%	26,500	26,500	0	0	0	26,500	0	0	26,500	0	0	Clubhouse
5.450	2	Each	HVAC Equipment, Split Systems	2033	12 to 18	14	4,000.00	100%	8,000	0	0	0	0	0	0	0	0	8,000	571	Clubhouse
5.500	1	Allowance	Kitchen and Meeting Room, Renovation	2028	to 25	9	12,000.00	100%	12,000	0	0	0	0	0	0	0	0	12,000	1,333	Clubhouse
5.510	2	Each	Rest Rooms, Renovation	2023	to 20	4	14,000.00	100%	28,000	7,000	21,000	21,000	0	28,000	0	0	28,000	0	0	Clubhouse
5.600	40	Squares	Roof, Concrete Tiles	2028	to 25	9	950.00	100%	38,000	0	19,000	19,000	0	19,000	0	0	19,000	19,000	2,111	Clubhouse
5.701	1	Allowance	Security and Access System (2019 is Budgeted)	2019	10 to 15	6	12,000.00	100%	12,000	6,500	0	0	6,500	0	0	0	0	12,000	2,000	Clubhouse
5.800	400	Square Feet	Windows and Doors	2035	to 40	16	40.00	100%	16,000	0	0	0	0	0	0	0	0	16,000	1,000	Clubhouse
Pool Elements																				
6.200	9,600	Square Feet	Deck, Pavers	2028	to 25	9	8.00	100%	76,800	0	0	0	0	0	0	0	0	76,800	8,533	Recreation Facilities
6.400	480	Linear Feet	Fences, Aluminum	2028	to 25	9	40.00	100%	19,200	0	0	0	0	0	0	0	0	19,200	2,133	Recreation Facilities
6.500	1	Allowance	Furniture	2021	to 12	2	10,000.00	100%	10,000	0	0	0	0	0	0	0	0	10,000	5,000	Recreation Facilities

COMPONENT METHOD RESERVE ANALYSIS

for
Brighton Lakes
Community Development District
Kissimmee, Florida

Line Item	Total Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Replacement	Life Analysis, Years		Unit Cost, \$	Percentage Ownership	2019 Cost of Replacement, \$	Oct 1, 2018 Estimated Balance, \$	2019 Budgeted Contributions, \$	2019 Remaining Contributions, \$	2019 Remaining Expenditures, \$	Oct 1, 2019 Projected Balance, \$	2020 Budgeted Contributions, \$	2020 Budgeted Expenditures, \$	Oct 1, 2020 Projected Balance, \$	Unfunded Residual Balance, \$	2020 Recommended Contribution, \$	Reserve Category
					Useful	Remaining ³														
6.600	3	Allowance	Mechanical Equipment	2021	to 15	7	15,000.00	100%	45,000	0	0	0	0	0	0	0	0	45,000	6,429	Recreation Facilities
6.800	4,800	Square Feet	Pool Finishes, Plaster	2019	8 to 12	0	12.50	100%	60,000	60,000	0	0	60,000	0	0	0	0	60,000	6,000	Recreation Facilities
6.801	360	Linear Feet	Pool Finishes, Tile	2019	15 to 25	0	42.00	100%	15,120	15,120	0	0	15,120	0	0	0	0	15,120	756	Recreation Facilities
6.950	1	Each	Water Feature	2023	to 15	4	8,700.00	100%	8,700	7,317	0	0	0	7,317	0	0	7,317	1,383	346	Recreation Facilities
	1	Allowance	Reserve Study Update with Site Visit	2021	2	2	3,950.00	100%	3,950	0	0	0	0	0	0	0	0	3,950	1,975	Other
										\$772,833 (Note 1)	\$86,820	\$86,820 (Note 2)	\$122,080	\$737,573				\$2,237,069	\$424,352	

Explanatory Notes:

- 1) Year 2019 starting reserves are as of October 1, 2018; FY2019 starts October 1, 2018 and ends September 30, 2019.
- 2) Our estimates of remaining useful life reflect averages for phased projects. The estimated first year of replacement indicates the year of the initial phase.

COMPONENT METHOD SUMMARY

for
Brighton Lakes
Community Development District
Kissimmee, Florida

Existing Reserve Categories	Life Analysis, Years		2019 Cost of Replacement, \$	Oct 1, 2019 Projected Balance, \$	2020 Recommended Contribution, \$
	Useful	Remaining			
Field	5 to 65	0 to 22	\$522,670	\$306,707	\$27,820
Recreation Facilities	4 to 35	0 to 11	\$512,060	\$7,317	\$59,321
Clubhouse	5 to 40	3 to 16	\$140,500	\$73,500	\$7,016
Roadways	3 to 65	4 to 8	\$1,580,362	\$350,049	\$302,364
Subtotal			\$2,755,592	\$737,573	\$396,521
Other (Currently Unfunded)	2 to 25	8 to 10	\$219,050	\$0	\$27,831
Grand Total			\$2,974,642	\$737,573	\$424,352

Explanatory Notes:

- 1) We allocate the existing Landscape Reserve Funds to Reserve Components associated with the Field Reserve Funds.

Brighton Lakes Community Development District
Kissimmee, Florida

Dear Board of Directors of Brighton Lakes Community Development District:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of Brighton Lakes Community Development District in Kissimmee, Florida and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, November 29, 2018.

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

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. We look forward to continuing to help Brighton Lakes Community Development District plan for a successful future.

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

Respectfully submitted on January 10, 2019 by

Reserve Advisors, Inc.

Visual Inspection and Report by: Nicole L. Lowery, RS¹, PRA²
Review by: Alan M. Ebert, RS, PRA, Director of Quality Assurance



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

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



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1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Brighton Lakes Community Development District (Brighton Lakes)

Location: Kissimmee, Florida

Reference: 181077

Property Basics: Brighton Lakes Community Development District is a planned unit development which is responsible for the common elements shared by 751 single family homes. The common elements of the District were built from 2000 to 2006.

Reserve Components Identified: 37 Reserve Components.

Inspection Date: November 29, 2018.

Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes these threshold funding years in 2027 and 2047 due to replacement of repaving of the asphalt pavement.

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

- Current and future local costs of replacement
- 1.7% anticipated annual rate of return on invested reserves
- 2.1% future Inflation Rate for estimating Future Replacement Costs

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

Cash Status of Reserve Fund:

- \$772,833 as of October 1, 2018
- 2019 budgeted Reserve Contributions of \$86,820
- A potential deficit in reserves might occur by 2024 based upon continuation of the most recent annual reserve contribution of \$86,820 and the identified Reserve Expenditures.

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

- Phased increases of approximately \$39,500 from 2020 through 2024
- Inflationary increases from 2025 through 2027
- Stable contributions of \$302,600 in 2028
- Decrease to \$233,000 by 2029 due to fully funding for repaving of the asphalt pavement
- Inflationary increases through 2049, the limit of this study's Cash Flow Analysis
- Initial adjustment in Reserve Contributions of \$39,480 represents an average monthly increase of \$4.38 per homeowner and about a five percent (4.8%) adjustment in the 2019 total Operating Budget of \$814,371.

Component Method Funding: In addition to the Reserve Funding Plan, we have included a Component Method Reserve Analysis in the Reserve Funding Plan at the request of the Board. This method applies the concept of simple straight line depreciation to determine an annual provision of reserve funding for each common element segregated into separate Reserve

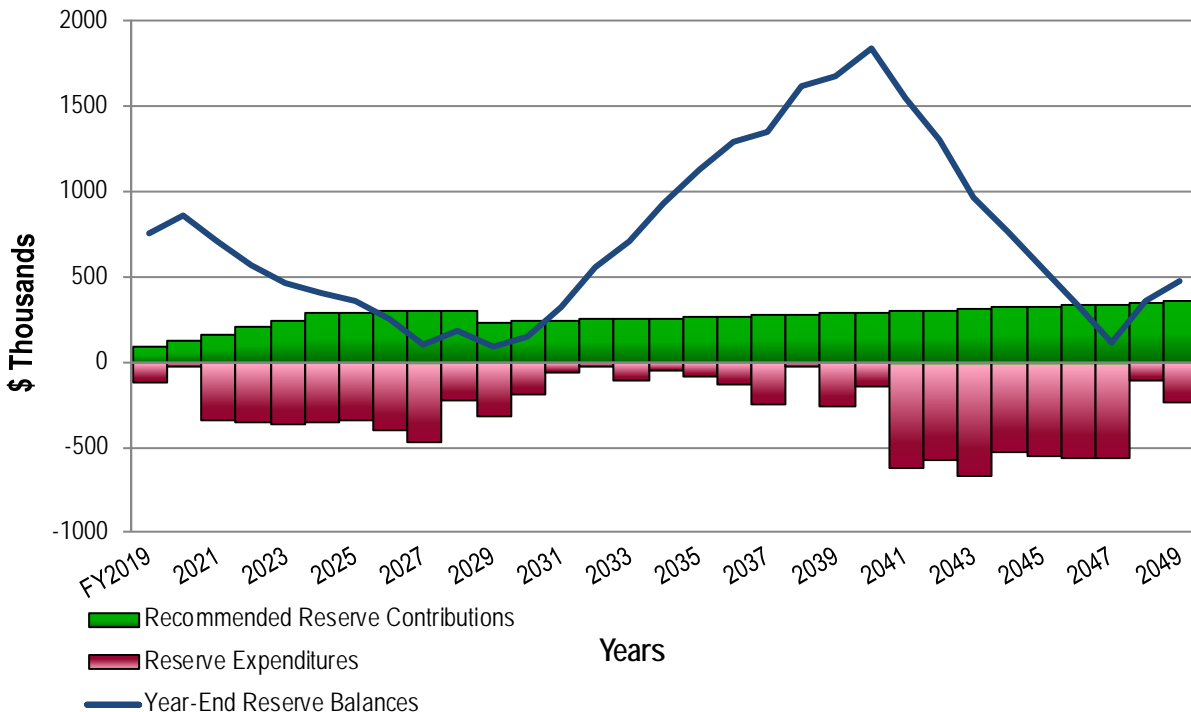


Accounts. Simply, the annual provision for reserve funding is the replacement cost of a common element (less any existing reserves) divided by its remaining useful life. Using the same physical data as in the Cash Flow Analysis, the Component Method Reserve Analysis for Brighton Lakes results in a 2020 recommended Reserve Contribution of \$424,352. This difference emphasizes our recommendation to fund the Reserve Account using the Cash Flow or "Threshold" method of Reserve Analysis.

If the District currently calculates reserves based on the Component Method and allocates funds to individual line items, the reclassification of existing funds as pooled reserves would not be allowed unless approved by a majority vote of the owners at a duly called meeting of the District. In lieu of obtaining a vote of the owners, a Board may vote to fund future reserves based on a pooled analysis. The District then simply spends the funds in their existing segregated accounts on the initial repair or replacement project for that item. When all of the existing segregated funds in an account are expended, the account is eliminated thus eliminating the need to get an owner vote to reallocate.

Brighton Lakes
Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2020	126,300	862,143	2030	237,900	143,146	2040	292,800	1,845,130
2021	165,800	704,463	2031	242,900	328,321	2041	298,900	1,545,978
2022	205,300	572,289	2032	248,000	556,157	2042	305,200	1,303,950
2023	244,800	466,273	2033	253,200	711,967	2043	311,600	962,985
2024	284,300	402,783	2034	258,500	929,038	2044	318,100	768,481
2025	290,300	352,601	2035	263,900	1,128,591	2045	324,800	556,534
2026	296,400	258,379	2036	269,400	1,291,254	2046	331,600	333,584
2027	302,600	96,111	2037	275,100	1,345,554	2047	338,600	108,665
2028	302,600	180,305	2038	280,900	1,620,163	2048	345,700	353,977
2029	233,000	95,274	2039	286,800	1,671,346	2049	353,000	476,210





2.RESERVE STUDY REPORT

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

Brighton Lakes Community Development District

Kissimmee, Florida

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, November 29, 2018.

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

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

IDENTIFICATION OF PROPERTY



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

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

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

We advise the Board conduct an annual review of these classes of property to confirm its policy concerning the manner of funding, i.e., from reserves or the operating budget. The Reserve Study identifies Reserve Components as set forth in your Declaration or which were identified as part of your request for proposed services. Reserve Components are defined by CAI as property elements with:

- Brighton Lakes responsibility
- Limited useful life expectancies
- Predictable remaining useful life expectancies
- Replacement cost above a minimum threshold

Long-Lived Property Elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the 30-year scope of the study. The operating budget should fund infrequent repairs. Funding untimely or unexpected replacements from reserves will necessitate increases to Reserve Contributions. Periodic updates of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan. We identify the following Long-Lived Property Elements as excluded from reserve funding at this time.

- Electrical Systems, Common
- Foundations, Common
- Pipes, Interior Building, Water and Sewer, Common
- Pipes, Subsurface Utilities
- Pool Structures
- Structural Frames, Common

The operating budget provides money for the repair and replacement of certain Reserve Components. The District may develop independent criteria for use of operating and reserve funds. For purposes of calculating appropriate Reserve Contributions, we identify the following list of Operating Budget Funded Repairs and Replacements:

- General Maintenance to the Common Elements
- Expenditures less than \$8,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Awning, Tennis Courts
- Gate House, Interior Renovations
- Irrigation System, Controllers and Interim Partial Replacements
- Landscape
- Paint Finishes, Clubhouse Interior
- Paint Finishes, Touch Up
- Ponds, Aerators
- Site Furniture, Benches and Trash Receptacles
- Speaker System, Clubhouse
- Valves, Small Diameter (We assume replacement as needed in lieu of an aggregate replacement of all small diameter valves as a single event.)
- Walls, Stone, Repairs, Clubhouse and Gate House
- Walls, Stucco, Paint Finishes and Capital Repairs, Clubhouse and Gate House Exterior
- Other Repairs normally funded through the Operating Budget



Certain items have been designated as the responsibility of the homeowners to repair or replace at their cost. Property Maintained by Homeowners, including items billed back to Homeowners, relates to:

- Homes and Lots

Certain items have been designated as the responsibility of others to repair or replace. Property Maintained by Others relates to:

- Lift Stations (Osceola County)
- Light Poles and Fixtures (Kissimmee Utility Authority)
- Mailboxes (United States Postal Service)

3. RESERVE EXPENDITURES and FUNDING PLAN

The tables following this introduction present:

Reserve Expenditures

- Line item numbers
- Total quantities
- Quantities replaced per phase (in a single year)
- Reserve component inventory
- Estimated first year of event (i.e., replacement, application, etc.)
- Life analysis showing
 - useful life
 - remaining useful life
- 2019 local cost of replacement
 - Per unit
 - Per phase
 - Replacement of total quantity
- Total future costs of replacement anticipated during the next 30 years
- Schedule of estimated future costs for each reserve component including inflation

Reserve Funding Plan

- Reserves at the beginning of each year
- Total recommended reserve contributions
- Estimated interest earned from invested reserves
- Anticipated expenditures by year
- Anticipated reserves at year end
- Predicted reserves based on current funding level

Five Year Outlook

- Line item numbers
- Reserve component inventory of only the expenditures anticipated to occur within the first five years
- Schedule of estimated future costs for each reserve component anticipated to occur within the first five years

Financial statements prepared by your district, by you or others might rely in part on information contained in this section. For your convenience, we have provided an electronic data file containing the tables of ***Reserve Expenditures*** and ***Reserve Funding Plan***.

4. RESERVE COMPONENT DETAIL

The Reserve Component Detail of this *Full Reserve Study* includes enhanced solutions and procedures for select significant components. This section describes the Reserve Components, documents specific problems and condition assessments, and may include detailed solutions and procedures for necessary capital repairs and replacements for the benefit of current and future board members. We advise the Board use this information to help define the scope and procedures for repair or replacement when soliciting bids or proposals from contractors. *However, the Report in whole or part is not and should not be used as a design specification or design engineering service.*

Property Site Elements

Asphalt Pavement, Patch

Line Item: 4.020

Quantity: Approximately 119,180 square yards including the streets and walking paths

History: Original

Condition: Fair to poor overall

Useful Life: Three- to five-years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost includes an allowance for patching of up to one percent (1%) of the pavement.

Asphalt Pavement, Repaving, Streets

Line Item: 4.040

Quantity: Approximately 111,900 square yards

History: Original

Condition: Fair to poor overall with slippage, alligator, transverse and block cracks, pot holes, upheaval and shoving evident



Asphalt pavement overview



Asphalt pavement with slippage cracks



Asphalt pavement with alligator cracks



Asphalt pavement with alligator cracks



Asphalt pavement with block cracks



Asphalt pavement with block cracks



Asphalt pavement with block cracks



Asphalt pavement with block cracks



Asphalt pavement with severe transverse cracks and upheaval



Asphalt pavement with severe block cracks



Asphalt pavement with pot hole



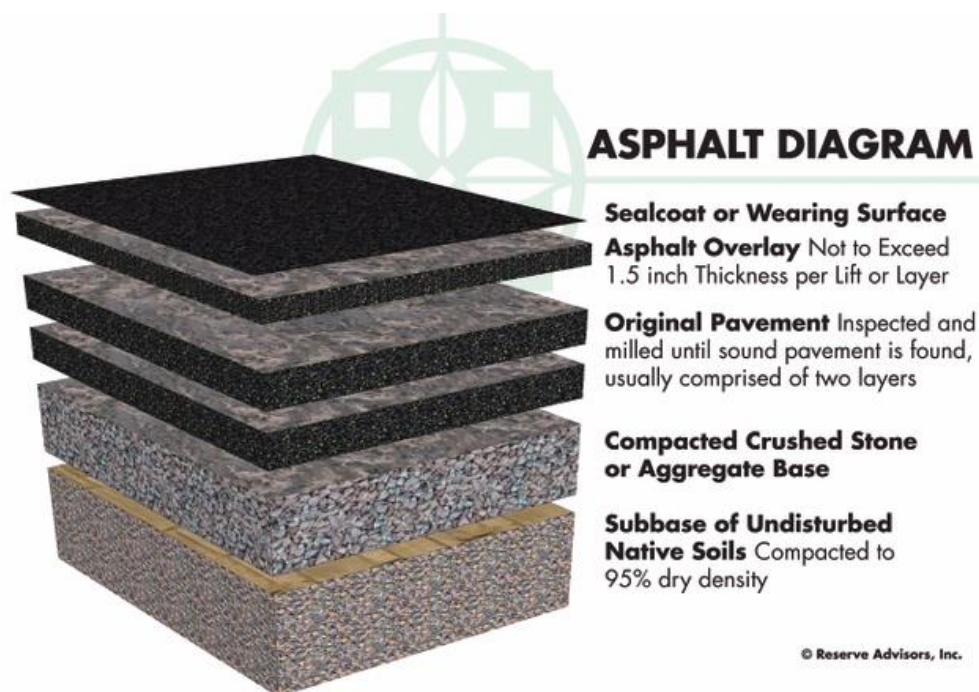
Asphalt pavement with alligator cracks and shoving



Asphalt pavement with pot hole

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

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



The manner of repaving is either a mill and overlay or total replacement. A mill and overlay is a method of repaving where cracked, worn and failed pavement is mechanically removed or milled until sound pavement is found. A new layer of asphalt is overlaid atop the remaining base course of pavement. Total replacement includes

the removal of all existing asphalt down to the base course of aggregate and native soil followed by the application of two or more new lifts of asphalt. We recommend mill and overlayment on asphalt pavement that exhibits normal deterioration and wear. We recommend total replacement of asphalt pavement that exhibits severe deterioration, inadequate drainage, pavement that has been overlaid multiple times in the past or where the configuration makes overlayment not possible. Based on the apparent visual condition and configuration of the asphalt pavement, we recommend the mill and overlay method of repaving at Brighton Lakes.

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

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

Asphalt Pavement, Repaving, Walking Paths

Line Item: 4.080

Quantity: 7,280 square yards

History: Original

Condition: Good to fair overall with surface deterioration, and edge and block cracks evident



Asphalt walking path with surface deterioration



Asphalt walking path with surface deterioration



Asphalt pavement walkway with edge cracks



Asphalt pavement walkway with block cracks

Useful Life: The need to maintain a safe pedestrian surface results in a useful life of 15- to 20-years

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

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

Catch Basins

Line Item: 4.100

Quantity: 200 each

History: Original

Condition: Good to fair overall with settlement visually apparent



Severe settlement behind catch basin



Settlement adjacent to catch basin



Severe settlement behind catch basin

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

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

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

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

Concrete Curbs and Gutters

Line Item: 4.110

Quantity: 87,000 linear feet

Condition: Good to fair overall with cracks evident



Typical concrete gutter



Concrete gutter with cracks

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

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We estimate that up to 13,080 linear feet of curbs and gutters, or fifteen percent (15%) of the total, will require replacement during the next 30 years.

Concrete Sidewalks

Line Item: 4.140

Quantity: 327,000 square feet

Condition: Good to fair overall with cracks and trip hazards evident



Concrete sidewalk with cracks



Concrete sidewalk with cracks and trip hazard



Concrete sidewalk with trip hazard



Concrete sidewalk with cracks



Concrete sidewalk with cracks

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

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We estimate that up to 81,685 square feet of concrete sidewalks, or twenty-five percent (25%) of the total, will require replacement during the next 30 years.

Fences, Chain Link

Line Item: 4.220

Quantity: 1,800 linear feet behind Biel Court and Vanern Way

History: Original

Condition: Good to fair overall with lean evident



Chain link fence with lean evident

Useful Life: Up to 25 years

Priority/Criticality: Per Board discretion

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

Fences, Vinyl

Line Item: 4.260

Quantity: 2,900 linear feet near Fox Glen and Heliotrope Loops

History: Original

Condition: Good overall



Vinyl fence



Vinyl fence

Useful Life: 15- to 20-years

Priority/Criticality: Per Board discretion

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

Gate House, Concrete Tile Roof

Line Item: 4.301

Quantity: 10 squares¹

History: Original

Condition: Good to fair overall



Gate house roof

Useful Life: Up to 25 years

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

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

Gates

Line Items: 4.310 through 4.330

Quantity: Three gate entry systems, three security systems at the gates and six swing arm gates

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

History: Mostly replaced between 2014 and 2017

Condition: Good overall



Gate entry system equipment



Gate entry system equipment



Swing arm gate



Swing arm gates



Security system equipment

Useful Life: Up to 10 years for the gate entry systems and swing arm gates, and 10- to 15-years for the security systems

Priority/Criticality: Not recommended to defer

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

Irrigation System, Pumps

Line Item: 4.410

Quantity: Five each

History: Three pumps were replaced in the last few years. The remaining two pumps are reportedly original.

Condition: Reported satisfactory



Irrigation pump



Irrigation pump



Irrigation pump



Irrigation pump

Useful Life: Up to 20 years

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

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

Irrigation System, Replacement

Line Item: 4.420

History: Original

Condition: Reported satisfactory

Useful Life: Up to 40 years

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

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

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

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

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

Pavers, Masonry

Line Item: 4.620

Quantity: 6,400 square feet at the clubhouse walking paths

History: Original

Condition: Good to fair overall with isolated cracks evident



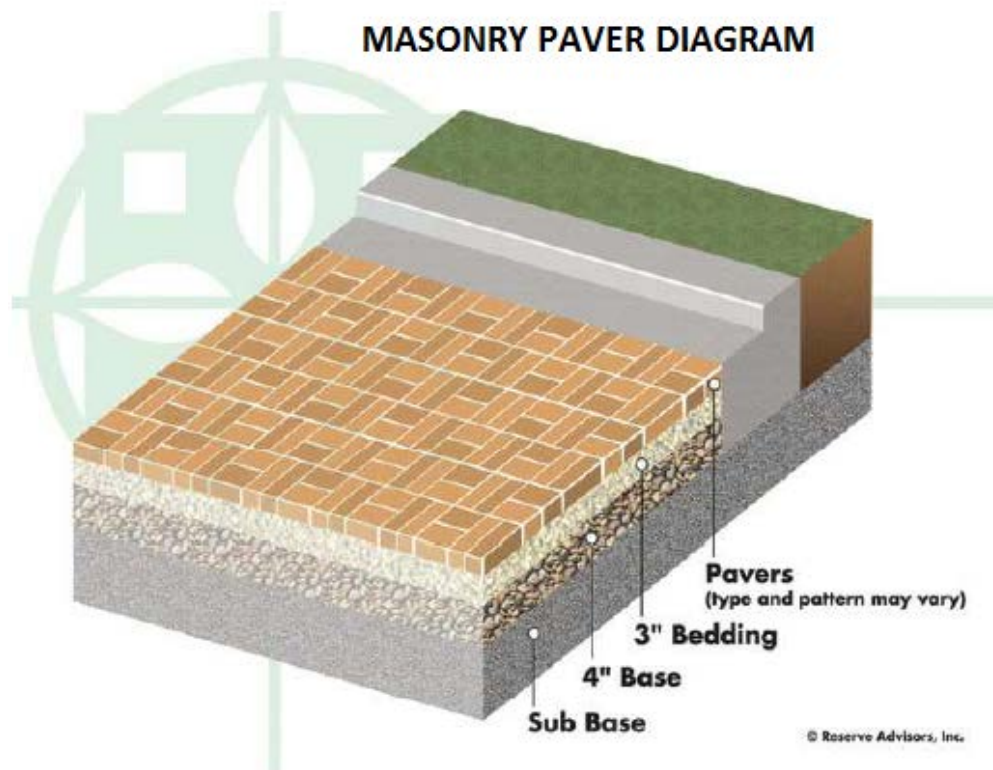
Masonry pavers



Masonry pavers with isolated cracks evident

Useful Life: 15- to 25-years

Component Detail Notes: The following diagram depicts the typical components of a masonry paver system although it may not reflect the actual configuration at Brighton Lakes:



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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We suggest the Association conduct interim resetting and replacement of minor areas of pavers as normal maintenance, funded from the operating budget.

Playground Equipment

Line Item: 4.660

Quantity: There are three playgrounds and approximately five exercise stations

History: Mostly replaced in 2014

Condition: Good overall with isolated split wood evident



Playground equipment at clubhouse



Playground equipment at clubhouse



Playground equipment at clubhouse with isolated split wood evident



Playground equipment at Volta Circle



Playground equipment at Chapala Drive



Playground equipment at Chapala Drive



Exercise station

Useful Life: 15- to 20-years

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

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

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

Ponds, Erosion Control

Line Item: 4.710

Quantity: 26,000 linear feet of natural vegetation

Condition: Good overall



Pond overview



Pond overview



Pond overview



Pond overview



Pond overview

Useful Life: Shorelines are subject to fluctuations in water levels, increased plant growth and migrating storm and ground water resulting in the need for erosion control measures every 5- to 10-years.

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

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

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

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the District plan to install a combination of plantings and rip rap around the ponds along 2,600 linear feet, or approximately ten percent (10%), of the shorelines per event.

Signage, Entry and Bridge, Renovation

Line Item: 4.800

Quantity: One property identification sign and a decorative bridge

History: Original

Condition: Good to fair overall with coping damage and finish deterioration evident



Masonry walls at entrance signage



Coping damage at entrance signage



Finish deterioration at bridge railing



Finish deterioration at bridge light fixture



Bridge railings and columns

Useful Life: 15- to 20-years

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

- Light poles and fixtures
- Railings
- Letters
- Masonry, Stone
- Coping, Foam

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost for renovation includes repairs to the stone masonry and foam coping, and replacement of the remaining components listed above. We suggest interim paint finish and repairs be funded through the operating budget as necessary.

Signage, Street Identification

Line Item: 4.810

Quantity: Approximately 55 street and stop signs

History: Original

Condition: Good overall



Typical street and stop sign

Useful Life: 15- to 20-years

Component Detail Notes: The community signs contribute to the overall aesthetic appearance of the property to owners and potential buyers. Replacement of community signs is often predicated upon the desire to "update" the perceived identity of the community rather than for utilitarian concerns. Therefore, the specific time for replacement of the signs is discretionary.

Priority/Criticality: Per Board discretion

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

Tennis and Basketball Courts, Color Coat

Line Item: 4.830

Quantity: 2,040 square yards comprising two tennis courts and one basketball court

History: The age of the last color coat is unknown

Condition: The color coat is worn away



Tennis court color coat



Basketball color coat

Useful Life: Four- to six-years

Component Detail Notes: Prior to the application of the color coat, the District should require the contractor to rout and fill all cracks with hot emulsion. This deters water infiltration and further deterioration of the asphalt playing surface.

Priority/Criticality: Not recommended to defer

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

Tennis and Basketball Courts, Fences

Line Item: 4.840

Quantity: 740 linear feet

History: Original

Condition: Good to fair overall



Basketball court fence



Tennis court fence

Useful Life: Up to 25 years

Priority/Criticality: Per Board discretion

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

Tennis and Basketball Courts, Light Poles and Fixtures

Line Item: 4.850

Quantity: Four each

History: Original

Condition: Good to fair overall



Light pole and fixtures

Useful Life: Up to 35 years

Priority/Criticality: Per Board discretion

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

Tennis and Basketball Courts, Surfaces

Line Item: 4.860

Quantity: 2,040 square yards of asphalt comprising two tennis courts and one basketball court

History: Original

Condition: Good overall with isolated hairline cracks at edges



Overview of tennis court



Overview of basketball court



Hairline cracks evident

Useful Life: Up to 25 years

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

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

Clubhouse Elements



Clubhouse

Exercise Equipment

Line Item: 5.400

Quantity: In addition to the carpet floor coverings, the exercise room contains the following types of cardiovascular aerobic training equipment:

- Ellipticals
- Stationary cycles

- Televisions
- Treadmills

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

- Benches
- Dumbbells
- Weight training stations

History: Varying ages

Conditions: Good to fair overall with stains evident on the carpet floor coverings



Exercise equipment



Carpet floor coverings with stains evident

Useful Life: 5- to 15-years

Priority/Criticality: Per Board discretion

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

HVAC Equipment

Line Item: 5.450

Quantity: Two each

History: Replaced in 2018

Condition: Reported satisfactory



Condensing units for split systems

Useful Life: 12- to 18-years

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of cost is based on a historical cost provided by the District.

Kitchen and Meeting Room

Line Item: 5.500

History: Components are original

Condition: Good overall



Meeting room



Kitchen

Useful Life: Renovation up to every 25 years

Component Detail Notes: Components of the kitchen include:

- Tile floor coverings
- Paint finishes
- Appliances
- Cabinets and countertops
- Light fixtures

Priority/Criticality: Per Board discretion

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

Rest Rooms

Line Item: 5.510

Quantity: Two common located at the clubhouse

History: Components are original

Condition: Fair overall with partition wear evident



Men's rest room



Women's rest room



Partition wear evident



Partition wear evident

Useful Life: Renovation up to every 20 years

Component Detail Notes: Components include:

- Tile floor and wall coverings
- Paint finishes
- Light fixtures
- Plumbing fixtures
- Partitions
- Drinking fountains

Priority/Criticality: Per Board discretion

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

Roof, Concrete Tiles

Line Item: 5.600

Quantity: 40 squares

History: Original

Condition: Good to fair condition with loose and broken tiles evident



Concrete tile roof with loose tiles



Concrete tile roof with broken tiles



Concrete tile roof with broken tile

Useful Life: Up to 25 years

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

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

Security and Access System

Line Item: 5.701

Quantity: Brighton Lakes utilizes the following security system components:

- Automated card reading system
- Cameras
- Recorder
- Monitor

History: Original

Condition: Reported satisfactory



Cameras

Useful Life: 10- to 15-years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association should anticipate replacement of up to fifty percent (50%) of the security system components per event. The 2019 expenditure is budgeted for the installation of 10 cameras.

Windows and Doors

Line Item: 5.800

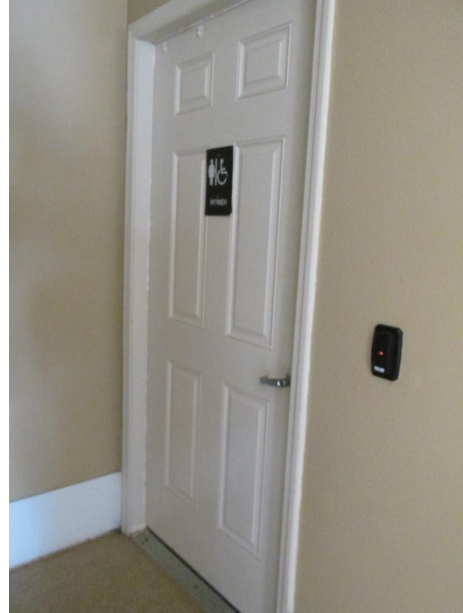
Quantity: 400 square feet

History: Original

Condition: Good condition



Clubhouse windows



Clubhouse door

Useful Life: Up to 35 years

Priority/Criticality: Not recommended to defer

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

Pool Elements



Overview of pool



Overview of kiddie pool

Deck, Pavers

Line Item: 6.200

Quantity: 9,600 square feet

History: Original to 2003

Condition: Good to fair condition with isolated settlement evident



Deck pavers



Deck pavers with isolated settlement evident

Useful Life: Up to 25 years

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

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

Fences, Aluminum

Line Item: 6.400

Quantity: 480 linear feet

History: Original to 2003

Condition: Good overall condition



Pool fence

Useful Life: Up to 25 years

Priority/Criticality: Not recommended to defer

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

Furniture

Line Item: 6.500

Quantity:

- Chairs (25)
- Lounges (51)
- Tables (3)
- Pool handicap lift (1)
- Ladders and life safety equipment

History: Varying ages

Condition: Good to fair overall



Pool furniture



Pool furniture

Useful Life: Up to 12 years

Priority/Criticality: Per Board discretion

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

Mechanical Equipment

Line Item: 6.600

Quantity:

- Automatic chlorinators
- Controls
- Filters
- Interconnected pipe, fittings and valves
- Pumps
- Electrical panel
- Fiberglass enclosures
- Valves

History: Varying ages

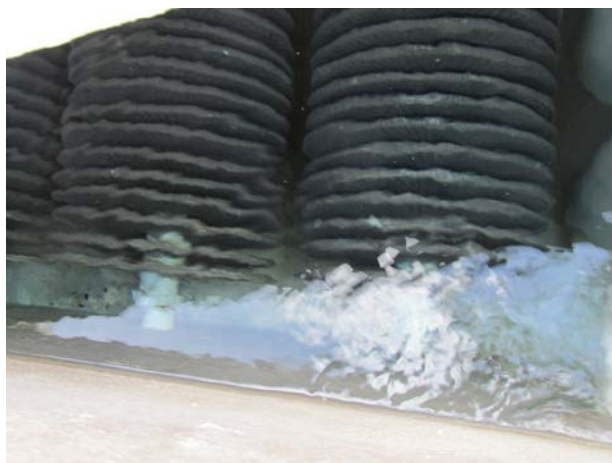
Condition: Reported satisfactory



Mechanical equipment



Mechanical equipment



Mechanical equipment

Useful Life: Up to 15 years

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

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

Pool Finishes, Plaster and Tile

Line Items: 6.800 and 6.801

Quantity: 4,800 square feet of plaster based on the horizontal surface area and approximately 360 linear feet of tile

History: Original to 2003

Condition: The tile is in good condition. The plaster finishes are in poor condition with missing plaster evident throughout.



Missing plaster evident



Missing plaster evident

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

Component Detail Notes: Removal and replacement provides the opportunity to inspect the pool structures and to allow for partial repairs of the underlying concrete surfaces as needed. To maintain the integrity of the pool structures, we recommend the District budget for the following:

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

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

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the District budget for full tile replacement every other plaster replacement event.

Water Feature

Line Item: 6.950

History: Original to 2003

Conditions: Satisfactory condition overall



Water feature

Useful Life: Up to 15 years

Priority/Criticality: Per Board discretion

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

Reserve Study Update

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

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

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

5.METHODOLOGY

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

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

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

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

This Reserve Study is in compliance with and exceeds the National standards¹ set forth by the Community Associations Institute (CAI) and the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Full Reserve Study." These standards require a Reserve Component to have a "predictable remaining Useful Life." Estimating Remaining Useful Lives and Reserve Expenditures beyond 30 years is often indeterminate. Long-Lived Property Elements are necessarily excluded from this analysis. We considered the following factors in our analysis:

- The Cash Flow Method to compute, project and illustrate the 30-year Reserve Funding Plan
- Local² costs of material, equipment and labor
- Current and future costs of replacement for the Reserve Components
- Costs of demolition as part of the cost of replacement
- Local economic conditions and a historical perspective to arrive at our estimate of long term future inflation for construction costs in Kissimmee,

¹ Identified in the APRA "Standards - Terms and Definitions" and the CAI "Terms and Definitions".

² See Credentials for additional information on our use of published sources of cost data.

Florida at an annual inflation rate³. Isolated or regional markets of greater construction (development) activity may experience slightly greater rates of inflation for both construction materials and labor.

- The past and current maintenance practices of Brighton Lakes and their effects on remaining useful lives
- Financial information provided by the District pertaining to the cash status of the reserve fund and budgeted reserve contribution
- The anticipated effects of appreciation of the reserves over time in accord with a return or yield on investment of your cash equivalent assets. (We did not consider the costs, if any, of Federal and State Taxes on income derived from interest and/or dividend income).
- The Funding Plan excludes necessary operating budget expenditures. It is our understanding that future operating budgets will provide for the ongoing normal maintenance of Reserve Components.

Updates to this Reserve Study will continue to monitor historical facts and trends concerning the external market conditions.

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



6. CREDENTIALS

HISTORY AND DEPTH OF SERVICE

Founded in 1991, Reserve Advisors, Inc. is the leading provider of reserve studies, insurance appraisals, developer turnover transition studies, expert witness services, and other engineering consulting services. Clients include community associations, resort properties, hotels, clubs, non-profit organizations, apartment building owners, religious and educational institutions, and office/commercial building owners in 48 states, Canada and throughout the world.

The **architectural engineering consulting firm** was formed to take a leadership role in helping fiduciaries, boards, and property managers manage their property like a business with a long range master plan known as a Reserve Study.

Reserve Advisors employs the **largest staff of Reserve Specialists** with bachelor's degrees in engineering dedicated to Reserve Study services. Our principals are founders of Community Associations Institute's (CAI) Reserve Committee that developed national standards for reserve study providers. One of our principals is a Past President of the Association of Professional Reserve Analysts (APRA). Our vast experience with a variety of building types and ages, on-site examination and historical analyses are keys to determining accurate remaining useful life estimates of building components.

No Conflict of Interest - As consulting specialists, our **independent opinion** eliminates any real or perceived conflict of interest because we do not conduct or manage capital projects.

TOTAL STAFF INVOLVEMENT

Several staff members participate in each assignment. The responsible advisor involves the staff through a Team Review, exclusive to Reserve Advisors, and by utilizing the experience of other staff members, each of whom has served hundreds of clients. We conduct Team Reviews, an internal quality assurance review of each assignment, including: the inspection; building component costing; lifing; and technical report phases of the assignment. Due to our extensive experience with building components, we do not have a need to utilize subcontractors.

OUR GOAL

To help our clients fulfill their fiduciary responsibilities to maintain property in good condition.

VAST EXPERIENCE WITH A VARIETY OF BUILDINGS

Reserve Advisors has conducted reserve studies for a multitude of different communities and building types. We've analyzed thousands of buildings, from as small as a 3,500-square foot day care center to the 2,600,000-square foot 98-story Trump International Hotel and Tower in Chicago. We also routinely inspect buildings with various types of mechanical systems such as simple electric heat, to complex systems with air handlers, chillers, boilers, elevators, and life safety and security systems.

We're familiar with all types of building exteriors as well. Our well versed staff regularly identifies optimal repair and replacement solutions for such building exterior surfaces such as adobe, brick, stone, concrete, stucco, EIFS, wood products, stained glass and aluminum siding, and window wall systems.

OLD TO NEW

Reserve Advisors experience includes ornate and vintage buildings as well as modern structures. Our specialists are no strangers to older buildings. We're accustomed to addressing the unique challenges posed by buildings that date to the 1800's. We recognize and consider the methods of construction employed into our analysis. We recommend appropriate replacement programs that apply cost effective technologies while maintaining a building's character and appeal.

QUALIFICATIONS

THEODORE J. SALGADO

Principal Owner

CURRENT CLIENT SERVICES

Theodore J. Salgado is a co-founder of Reserve Advisors, Inc., which is dedicated to serving community associations, city and country clubs, religious organizations, educational facilities, and public and private entities throughout the United States. He is responsible for the production, management, review, and quality assurance of all reserve studies, property inspection services and consulting services for a nationwide portfolio of more than 6,000 clients. Under his direction, the firm conducts reserve study services for community associations, apartment complexes, churches, hotels, resorts, office towers and vintage architecturally ornate buildings.



PRIOR RELEVANT EXPERIENCE

Before founding Reserve Advisors, Inc. with John P. Poehlmann in 1991, Mr. Salgado, a professional engineer registered in the State of Wisconsin, served clients for over 15 years through American Appraisal Associates, the world's largest full service valuation firm. Mr. Salgado conducted facilities analyses of hospitals, steel mills and various other large manufacturing and petrochemical facilities and casinos.

He has served clients throughout the United States and in foreign countries, and frequently acted as project manager on complex valuation, and federal and state tax planning assignments. His valuation studies led to negotiated settlements on property tax disputes between municipalities and property owners.

Mr. Salgado has authored articles on the topic of reserve studies and facilities maintenance. He also co-authored *Reserves*, an educational videotape produced by Reserve Advisors on the subject of Reserve Studies and maintaining appropriate reserves. Mr. Salgado has also written in-house computer applications manuals and taught techniques relating to valuation studies.

EXPERT WITNESS

Mr. Salgado has testified successfully before the Butler County Board of Tax Revisions in Ohio. His depositions in pretrial discovery proceedings relating to reserve studies of Crestview Estates Condominium Association in Wauconda, Illinois, Rivers Point Row Property Owners Association, Inc. in Charleston, South Carolina and the North Shore Club Associations in South Bend, Indiana have successfully assisted the parties in arriving at out of court settlements.

EDUCATION - Milwaukee School of Engineering - B.S. Architectural Engineering

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

American Association of Cost Engineers - Past President, Wisconsin Section

Association of Construction Inspectors - Certified Construction Inspector

Association of Professional Reserve Analysts - Past President & Professional Reserve Analyst (PRA)

Community Associations Institute - Member and Volunteer Leader of multiple chapters

Concordia Seminary, St. Louis - Member, National Steering Committee

Milwaukee School of Engineering - Member, Corporation Board

Professional Engineer, Wisconsin (1982) and North Carolina (2014)

Ted continually maintains his professional skills through American Society of Civil Engineers, ASHRAE, Association of Construction Inspectors, and continuing education to maintain his professional engineer licenses.

JOHN P. POEHLMANN, RS
Principal

John P. Poehlmann is a co-founder of Reserve Advisors, Inc. He is responsible for the finance, accounting, marketing, and overall administration of Reserve Advisors, Inc. He also regularly participates in internal Quality Control Team Reviews of Reserve Study reports.



Mr. Poehlmann directs corporate marketing, including business development, advertising, press releases, conference and trade show exhibiting, and electronic marketing campaigns. He frequently speaks throughout the country at seminars and workshops on the benefits of future planning and budgeting for capital repairs and replacements of building components and other assets.

PRIOR RELEVANT EXPERIENCE

Mr. Poehlmann served on the national Board of Trustees of Community Associations Institute. An international organization, Community Associations Institute (CAI) is a nonprofit 501(c)(3) trade association created in 1973 to provide education and resources to America's 335,000 residential condominium, cooperative and homeowner associations and related professionals and service providers.

He is a founding member of the Institute's Reserve Committee. The Reserve Committee developed national standards and the Reserve Specialist (RS) Designation Program for Reserve Study providers. Mr. Poehlmann has authored numerous articles on the topic of Reserve Studies, including Reserve Studies for the First Time Buyer, Minimizing Board Liability, Sound Association Planning Parallels Business Concepts, and Why Have a Professional Reserve Study. He is also a contributing author in Condo/HOA Primer, a book published for the purpose of sharing a wide background of industry knowledge to help boards in making informed decisions about their communities.

INDUSTRY SERVICE AWARDS

CAI Wisconsin Chapter Award
CAI National Rising Star Award
CAI Michigan Chapter Award

EDUCATION

University of Wisconsin-Milwaukee - Master of Science Management
University of Wisconsin - Bachelor of Business Administration

PROFESSIONAL AFFILIATIONS

Community Associations Institute (CAI) - Founding member of Reserve Committee;
former member of National Board of Trustees; Reserve Specialist (RS) designation;
Member of multiple chapters

Association of Condominium, Townhouse, & Homeowners Associations (ACTHA) –
member



NICOLE L. LOWERY, PRA, RS
Responsible Advisor

CURRENT CLIENT SERVICES

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

Ms. Lowery has been involved with hundreds of Reserve Study assignments. The following is a partial list of clients served by Nicole Lowery demonstrating her breadth of experiential knowledge of community associations in construction and related buildings systems.

Amelia Surf & Racquet Club This oceanfront condominium community comprises 156 units in three mid rise buildings. This Fernandina Beach, Florida development contains amenities such as clay tennis courts, two pools and boardwalks.

Ten Museum Park This boutique, luxury 50-story high rise building in downtown Miami, Florida consists of 200 condominium units. The amenities comprise six pools including resistance and plunge pools, a full-service spa and a state-of-the-art fitness center. The property also contains a multi-level parking garage.

3 Chisolm Street Homeowners Association This historic Charleston, South Carolina community was constructed in 1929 and 1960 and comprises brick and stucco construction with asphalt shingle and modified bitumen roofs. The unique buildings were originally the Murray Vocational School. The buildings were transformed in 2002 to 27 high-end condominiums. The property includes a courtyard and covered parking garage.

Lakes of Pine Run Condominium Association This condominium community comprises 112 units in 41 buildings of stucco construction with asphalt shingle roofs. Located in Ormond Beach, Florida, it has a domestic water treatment plant and wastewater treatment plant for the residents of the property.

Rivertowne on the Wando Homeowners Association This exclusive river front community is located on the Wando River in Mount Pleasant, South Carolina. This unique Association includes several private docks along the Wando River, a pool and tennis courts for use by its residents.

Biltmore Estates Homeowners Association This private gated community is located in Miramar, Florida, just northwest of Miami, Florida and consists of 128 single family homes. The lake front property maintains a pool, a pool house and private streets.

Bellavista at Miromar Lakes Condominium Association Located in the residential waterfront resort community of Miromar Lakes Beach & Golf Club in Fort Myers, Florida, this property comprises 60 units in 15 buildings. Amenities include a clubhouse and a pool.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Ms. Lowery was a project manager with Kipcon in New Brunswick, New Jersey and the Washington, D.C. Metro area for eight years, where she was responsible for preparing reserve studies and transition studies for community associations. Ms. Lowery successfully completed the bachelors program in Civil Engineering from West Virginia University in Morgantown, West Virginia.

EDUCATION

West Virginia University - B.S. Civil Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Reserve Specialist (RS) - Community Associations Institute

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



ALAN M. EBERT, P.E., PRA, RS
Director of Quality Assurance

CURRENT CLIENT SERVICES

Alan M. Ebert, a Professional Engineer, is the Director of Quality Assurance for Reserve Advisors. Mr. Ebert is responsible for the management, review and quality assurance of reserve studies. In this role, he assumes the responsibility of stringent report review analysis to assure report accuracy and the best solution for Reserve Advisors' clients.

Mr. Ebert has been involved with thousands of Reserve Study assignments. The following is a partial list of clients served by Alan Ebert demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

Brownsville Winter Haven Located in Brownsville, Texas, this unique homeowners association contains 525 units. The Association maintains three pools and pool houses, a community and management office, landscape and maintenance equipment, and nine irrigation canals with associated infrastructure.

Rosemont Condominiums This unique condominium is located in Alexandria, Virginia and dates to the 1940's. The two mid-rise buildings utilize decorative stone and brick masonry. The development features common interior spaces, multi-level wood balconies and common asphalt parking areas.

Stillwater Homeowners Association Located in Naperville, Illinois, Stillwater Homeowners Association maintains four tennis courts, an Olympic sized pool and an upscale ballroom with commercial-grade kitchen. The community also maintains three storm water retention ponds and a detention basin.

Birchfield Community Services Association This extensive Association comprises seven separate parcels which include 505 townhome and single family homes. This Community Services Association is located in Mt. Laurel, New Jersey. Three lakes, a pool, a clubhouse and management office, wood carports, aluminum siding, and asphalt shingle roofs are a few of the elements maintained by the Association.

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

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

PRIOR RELEVANT EXPERIENCE

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

EDUCATION

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

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

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

Reserve Specialist (RS) - Community Associations Institute

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



RESOURCES

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

Association of Construction Inspectors, (ACI) the largest professional organization for those involved in construction inspection and construction project management. ACI is also the leading association providing standards, guidelines, regulations, education, training, and professional recognition in a field that has quickly become important procedure for both residential and commercial construction, found on the web at www.iami.org. Several advisors and a Principal of Reserve Advisors, Inc. hold Senior Memberships with ACI.

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

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

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

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

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

7. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8. PROFESSIONAL SERVICE CONDITIONS

Our Services - Reserve Advisors, Inc. (RA) performs its services as an independent contractor in accordance with our professional practice standards and its compensation is not contingent upon our conclusions. The purpose of our reserve study is to provide a budget planning tool that identifies the current status of the reserve fund, and an opinion recommending an annual funding plan to create reserves for anticipated future replacement expenditures of the property.

Our inspection and analysis of the subject property is limited to visual observations, is noninvasive and is not meant to nor does it include investigation into statutory, regulatory or code compliance. RA inspects sloped roofs from the ground and inspects flat roofs where safe access (stairs or ladder permanently attached to the structure) is available. The report is based upon a "snapshot in time" at the moment of inspection. RA may note visible physical defects in our report. The inspection is made by employees generally familiar with real estate and building construction but in the absence of invasive testing RA cannot opine on, nor is RA responsible for, the structural integrity of the property including its conformity to specific governmental code requirements for fire, building, earthquake, and occupancy, or any physical defects that were not readily apparent during the inspection.

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

RA assumes, without independent verification, the accuracy of all data provided to it. You agree to indemnify and hold RA harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which we have relied upon supplied by you or others under your direction, or which may result from any improper use or reliance on the Report by you or third parties under your control or direction. Your obligation for indemnification and reimbursement shall extend to any director, officer, employee, affiliate, or agent of RA. Liability of RA and its employees, affiliates, and agents for errors and omissions, if any, in this work is limited to the amount of its compensation for the work performed in this engagement.

Report - RA completes the services in accordance with the Proposal. The Report represents a valid opinion of RA's findings and recommendations and is deemed complete. RA, however, considers any additional information made available to us within 6 months of issuing the Report if a timely request for a revised Report is made. RA retains the right to withhold a revised Report if payment for services was not tendered in a timely manner. All information received by RA and all files, work papers or documents developed by RA during the course of the engagement shall remain the property of RA and may be used for whatever purpose it sees fit.

Your Obligations - You agree to provide us access to the subject property for an on-site visual inspection. You agree to provide RA all available, historical and budgetary information, the governing documents, and other information that we request and deem necessary to complete the Report. You agree to pay actual attorneys' fees and any other costs incurred to collect on any unpaid balance for RA's services.

Use of Our Report and Your Name - Use of this Report is limited to only the purpose stated herein. You hereby acknowledge that any use or reliance by you on the Report for any unauthorized purpose is at your own risk and you shall hold RA harmless from any consequences of such use. Use by any unauthorized third party is unlawful. The Report in whole or in part **is not and cannot be used as a design specification for design engineering purposes or as an appraisal**. You may show our Report in its entirety to the following third parties: members of your organization, your accountant, attorney, financial institution and property manager who need to review the information contained herein. Without the written consent of RA, you shall not disclose the Report to any other third party. The Report contains intellectual property developed by RA and **shall not be reproduced or distributed to any party that conducts reserve studies without the written consent of RA**.

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

Payment Terms, Due Dates and Interest Charges - Retainer payment is due upon authorization and prior to inspection. The balance is due net 30 days from the report shipment date. Any balance remaining 30 days after delivery of the Report shall accrue an interest charge of 1.5% per month. Any litigation necessary to collect an unpaid balance shall be venued in Milwaukee County Circuit Court for the State of Wisconsin.