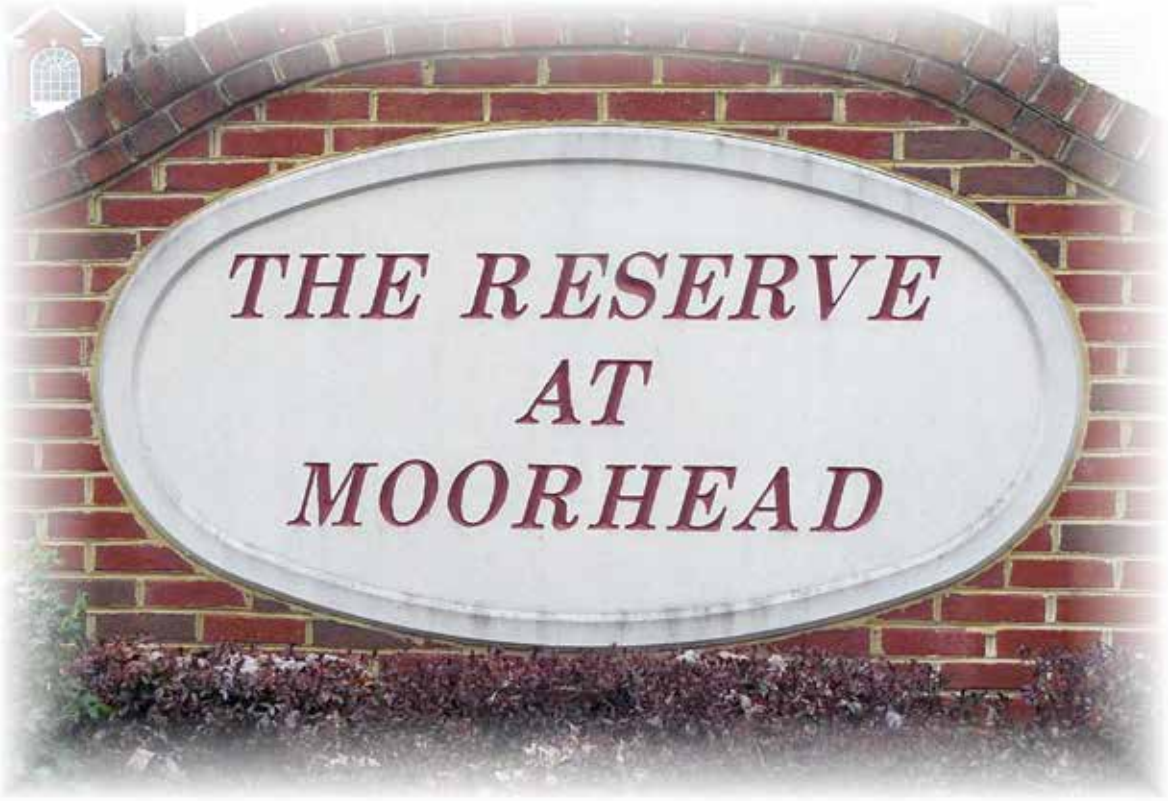
MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.

MEMBER OF community ASSOCIATIONS INSTITUTE

Condition Assessment
&
Reserve Fund Plan
2015
THE RESERVE AT MOORHEAD

Warrenton, Virginia



Prepared for:
The Board of Directors
&
Austin Realty Management & Investments, Inc.

MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.

MEMBER OF community ASSOCIATIONS INSTITUTE

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January 30, 2015

Ms. Anne Pfannenstiel / Ms. Cathi Stanley, Association Managers
Austin Realty Management & Investments, Inc.
10 Rock Pointe Lane
Warrenton, Virginia 20186

RE: CONDITION ASSESSMENT AND RESERVE FUND PLAN 2015
The Reserve at Moorhead Homeowners Association
Warrenton, Virginia
Project No. 7802

Dear Ms. Pfannenstiel & Ms. Stanley:

Mason & Mason Capital Reserve Analysts, Inc. has completed the report for The Reserve at Moorhead.

As outlined in our proposal, the report is being submitted to you and the Board of Directors for review and comment. A review of the Summary of Key Issues iii, and Sections 1 and 2 will provide you with our findings and financial analyses. We will be happy to meet with the Board to help them fully understand the issues. If no changes are necessary, please consider this version the final report. If changes are requested, Mason & Mason will make the revisions and re-issue the report. We encourage the Board to complete this process expeditiously and will support the effort.

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

Sincerely,

Mason & Mason Capital Reserve Analysts, Inc.

James G. Mason III, R. S.
Vice President

James G. Mason, R. S.
Principal

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RESERVE FUND PLAN

FOREWORD

PLEASE READ THIS FIRST

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

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

Our approach is neither standard, nor is it necessarily easy to understand without first becoming familiar with some basic concepts. Section 3 explains these concepts in more detail. We want you to understand them because a well-informed Association makes the best decisions for its common-property owners.

SUMMARY OF KEY ISSUES

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

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

Analyzing the capital reserves reveals that:

- The reserve fund is approximately fully funded through 2014. Our goal is to maintain fully funded status by the end of the 20-year period (2034).

In order to achieve this goal the Association should:

- Set the annual contribution in 2016 to $9,873, and plan on annual increases of 2.5% to reflect inflation thereafter.
- This sets the reserve contribution to $11.92 per residential unit, per month (based on 69 homes).

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

VISUAL EVALUATION METHODOLOGY

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

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

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

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

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

1. INTRODUCTION

1.1 Background: The Reserve at Moorhead Homeowners Association is comprised of 69 single-family homes, located on Moorhead Drive and Blackwell Road in Warrenton, Virginia. The community was constructed circa 2006. All streets and sidewalks in the community are public, with exception of one pipestem, which is Association responsibility. Other components in the community include an entrance monument, large retaining wall, vinyl fencing, one storm water detention pond, and one storm water retention pond.

We are providing the Condition Assessment and Reserve Fund Plan based on Proposal Acceptance Agreement No. 7802 dated September 17, 2014. Our services are subject to all terms and conditions specified therein.

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

James G. Mason III, R. S. conducted the field evaluation for this report on January 20, 2015. The weather was overcast and the temperature was approximately 48 degrees F. Precipitation had occurred for several days prior to the site visit in the form of snow. The pavements, walkways, and grounds were generally dry and clean of debris.

1.2 Principal Findings: The common assets appear to be in overall fair to good condition. The asphalt pipestem is in good condition. It appears to be newer than the original community construction date of 2006. No deflection, longitudinal, or transverse cracking was observed. We understand that the pipestem received seal coating circa 2014, and we have continued this pavement maintenance every five years. Pavement maintenance in the future should include full-depth repair of deflected asphalt, crack filling, and seal coating in order to reach the projected service life of 20 years.

Site features such as the entrance monument, monument lighting, vinyl fencing, and the stone retaining wall range from fair to good condition. We have included a repair allowance for the retaining wall instead of one full replacement, which will allow the wall to receive periodic repair if needed, and help lower the overall cost of the funding model. The wall should be professionally observed over the years to insure this approach remains viable.

The east side retention pond's inflow comes from a gulley above the pond, which may be depositing sediment on the pond floor. This may eventually necessitate dredging of the pond, which is a major expense. We have included a Storm Water Drainage System Allowance to help curb this expense in the future. An engineering evaluation of this pond would help develop a long term plan, which could be included in the reserves. The second detention pond on the south side of the community appears to be in good condition, with exception of the vegetation, which should be cleared and controlled.

We understand that the community does not plan to contribute to the reserve fund in 2015, and therefore we have established a sufficient contribution schedule to begin in 2016, that will eventually achieve the fully funded goal.

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

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

2. FINANCIAL ANALYSIS

We track the annual inflation rate among our clients based on their reported costs for typical services. A 3.5% annual rate reflects their general pre-recession experience. However, currently we are seeing somewhat lower rates and we are using 2.5%. Interest income has dropped substantially, and many smaller Associations and Condominiums are reduced to savings accounts or certificates of deposit, which are yielding 1% or less. Unlike reserves, interest income is taxable, so this further reduces the net gain. It is prudent to keep a close watch on the economy and be ready to respond by updating the reserve fund plan as economic changes dictate.

2.1 Calculation Basics: The Association is on a calendar fiscal year. Management reported that the un-audited reserve fund balance, including cash and securities, as of December 31, 2014, was $53,567. We understand that an additional $32,052 resides in a money market account, but at the time of this report, these funds were not earmarked for reserves. We have used a 1.00% annual interest income factor and a 2.50% inflation factor in our calculations. The total expenditures for the twenty-year period for both the Cash Flow Method and Component Method are projected to be $216,690.

2.2 Funding Analysis, Cash Flow Method, Hybrid Approach (Table 3): This plan provides the annual contributions necessary to maintain balances consistent with the fully funded goal by setting the annual contribution to $9,873 in 2016 and providing an annual escalation factor of 2.50%, matching inflation thereafter. This plan allows for a gradual increase over time and addresses generational equity issues. The total for all annual contributions for the twenty-year period would be $236,414, and the total interest income is projected to be $21,041. The fully funded balance in 2034 is $94,332.

2.3 Funding Analysis, Component Method (Table 4): This method of funding would require variable annual contributions, averaging $11,818 over the twenty-year period. The total for all annual contributions would be $236,360, and the total interest income is projected to be $21,095. The fully funded balance in 2034 is $94,332. The Component Method model considers the current reserve fund balance in computing individual component contributions for current cycles.

3. METHODS OF FUNDING

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

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

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

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

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

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

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

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

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

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

4. RESERVE PROGRAMMING

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

4.1 Interest Income on Reserve Funds: Most Associations invest at least part of their reserve funds. Small Associations may simply use a savings account or certificates of deposit, while large Associations may have multiple investments with short-, medium-, and long-term instruments. One issue that is difficult to quantify is the percentage of funds invested. Some Associations invest a fairly substantial portion, while others hold back due to current cash outflow obligations. Some Associations do not reinvest the investment proceeds in their reserves; rather they divert the cash into their operations fund. We do not agree with this approach as it has the effect of requiring additional reserve contributions to make up for the difference. There is also the issue of changing rates over the 20-year period. In the recent past we have seen large swings in relatively short time periods. While reserve funds are not usually taxable by the IRS, the investment income generated by the reserve fund is taxable in most

situations. Even with all these potential pitfalls, investment income still represents a substantial source of additional funds and for this reason should not be ignored. There is no way to make "one size fits all" with any accuracy for the individual Association. Our approach to this dilemma is to use lower approximations that compensate for less than 100% of funds invested. We feel this is still better than not recognizing it, and periodic updates allow for adjustments based on experience. The rate can be set at any level, including zero, for Associations desiring to not recognize interest. The rate should reflect, as accurately as possible, the actual composite rate of return on all securities and other instruments of investment including allowances for taxes.

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

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

4.3 Simultaneous Funding: This is a method of calculating funding for multiple replacement cycles of a single component over a period of time from the same starting date. Simple Example: Funding for a re-roofing project, while, at the same time, funding for a second, subsequent re-roofing project. This method serves a special purpose if multiple-phase projects are all near-term, but will result in higher annual contribution requirements and leads to generational equity issues otherwise. We use this type of programming only in special circumstances.

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

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

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

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

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

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

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

5. UPDATING THE RESERVE FUND PLAN

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

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

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

6. PREVENTIVE MAINTENANCE

The following preventive maintenance practices are suggested to assist the Association in the development of a routine maintenance program. The recommendations are not to be considered the only maintenance required, but should be included in an overall program. The development of a maintenance checklist and an annual condition survey will help extend the useful service lives of the Association's assets.

This section includes best maintenance practices or life-extension maintenance for many, but not necessarily all, components in the report. Items for which no maintenance is necessary, appropriate or beyond the purview of this report are not included in this section. We typically include them for townhomes and garden condominiums while mid- and high-rise buildings are generally too complex.

6.1 Asphalt Pavement: Pavement maintenance is the routine work performed to keep a pavement, subjected to normal traffic and the ordinary forces of nature, as close as possible to its as-constructed condition. Asphalt overlays may be used to correct both surface deficiencies and structural deficiencies. Surface deficiencies in asphalt pavement usually are corrected by thin resurfacing, but structural deficiencies require overlays designed on factors such as pavement properties and traffic loading. Any needed full-depth repairs and crack filling should be accomplished prior to overlaying. The edgemill and overlay process includes milling the edges of the pavement at the concrete gutter and feathering the depth of cut toward the center of the drive lane. Milling around meter heads and utility features is sometimes required. The typical useful life for an asphalt overlay is twenty years.

6.2 Asphalt Seal Coating: The purpose is to seal and add new life to a roadway surface. It protects the existing pavement but does not add significant structural strength. A surface treatment can range from a single, light application of emulsified asphalt as a "fog" seal, to a multiple-surface course made up of alternate applications of asphalt and fine aggregate. Seal coating of all asphalt pavements should be performed at approximately six-year intervals, or approximately twice during the service life of the asphalt pavement. Seal coating more often is generally not cost-effective. The material used should be impervious to petroleum products and should be applied after crack filling, oil-spot cleaning, and full-depth repairs have been accomplished. Seal coating is a cost-effective way of extending the life of asphaltic concrete pavement. Seal coating is generally not scheduled for up to five years after an asphalt restoration project.

6.3 Asphalt Full-Depth Repairs: In areas where significant alligator cracking, potholes, or deflection of the pavement surface develops, the existing asphalt surface should be removed to the stone base course and the pavement section replaced with new asphalt. Generally, this type of failure is directly associated with the strength of the base course. When the pavement is first constructed, the stone base consists of a specific grain size distribution that provides strength and rigidity to the pavement section. Over time, the stone base course can become contaminated with fine-grained soil particles from the supporting soils beneath the base course. The most positive repair to such an area is to remove the contaminated base course and replace it with new base stone to the design depth. It is appropriate to perform these types of repairs immediately prior to asphalt restoration projects. Generally, this type of repair should not be required for approximately five years after an asphalt restoration project.

6.4 Asphalt Crack Filling: Cracks that develop throughout the life of the asphalt should be thoroughly cleaned of plant growth and debris (lanced) and then filled with a rubberized asphalt crack sealant. If the crack surfaces are not properly prepared, the sealant will not adhere. Crack filling should be accomplished every three to six years to prevent infiltration of water through the asphalt into the sub-grade, causing damage to the road base. It is appropriate to perform these types of repairs immediately prior to edgemill and overlay. Generally, this type of repair should not be required for approximately five years after an edgemill and overlay project.

6.5 Concrete Curbs and Gutters: Vehicle impacts, differential settlement, construction damage, and cracking and spalling of the concrete will eventually result in the need for replacement of some curb sections. A typical damaged or settled section, usually 10 feet in length, will be removed by saw cutting or jack hammer and re-cast. Replacements are scheduled in cycles because the necessity of full replacement at one time is unlikely.

6.6 Brick Entrance Monument: Brick monuments should be inspected periodically for step cracks in the mortar and shear cracks through the brick and mortar, indicating settlement problems. Signs of efflorescence on the brick face and mortar or spalling brick faces should be investigated. Efflorescence, a residue of fine white crystals resulting from salts leaching from the mortar, serves as a warning that water is infiltrating the structure. Water infiltration problems are usually initiated at the top of an improperly sealed coping. Eliminating the infiltration of water into the monument from the coping can be accomplished by various methods, depending on the brick detail. Installation of a metal coping is sometimes a cost-effective method of solving these problems and extending the life of the brick structure. Sealing of brick surfaces with breathable coatings will also extend the useful service life of the brick. All vegetation, such as vines or tree limbs should be kept clear of the monument to prevent damage. As brick components age, depending upon the initial quality of the mortar and the long-term environment of the monument, mortar joints may deteriorate. This condition can be corrected by tuckpointing. Applying soft sealants to the deteriorated joints or to cover up mortar joint cracks is not recommended. Deteriorated or cracked mortar joints should be repaired by cutting damaged material ¾-inch deep with a diamond blade masonry saw. The void should then be filled with new mortar and the joints struck to match the original work

6.7 Stone Retaining Wall Repair: Stone retaining walls should be inspected periodically for cracks indicating settlement problems. All vegetation, such as vines, tree limbs, and tree roots should be kept clear of the stone wall to prevent damage. As stone retaining walls age, depending upon the initial quality of the mortar and the long-term environment of the wall, mortar joints may deteriorate. This condition can be corrected by tuckpointing. Deteriorated or cracked mortar should be removed, and the void should then be filled with new mortar. Major settlement cracks or deflection may require the rebuilding of that section of the wall.

6.8 Storm Water Retention Ponds/Storm Water Drainage Systems: Vegetation control in the ponds and on adjacent banks is required to prevent root damage to the earthen structures. Sedimentation problems can result in dredging requirements to maintain capacity of the pond in the long term. Pond sediment levels should be monitored to establish the rate over a multi-year period. The information would be helpful in determining future reserve funding for dredging if found to be necessary. Typically, storm water drainage systems have a fifty-year estimated service life, and problems are not anticipated. However, as the systems age, it is prudent to maintain funding should problems occur. Inflow and outflow structures should be periodically examined for damage, leaks, or deterioration, and cleaned of debris to prevent clogging.

6.9 Tree Trimming, Removal, and Replacement: As communities age, trees, both native and planted, may become problematic if periodic care is not accomplished. Trees may become damaged by weather or disease, or they may outsize their location. Proper, diligent tree trimming may alleviate future problems with regard to damage to adjacent structures. Proper tree trimming also helps maintain a healthy tree and may reduce windage in inclement weather. Proper tree trimming should not be confused with the common practice of topping, which produces not only an unattractive tree, but also an unhealthy one due to weakening of the root structure. Tree root damage of asphalt footpaths and sidewalks is also a common problem. The best solution is re-routing the adjacent structure, if possible, to prevent future damage. If re-routing is not possible, tree roots causing the damage may be pruned back when replacement of the damaged component is accomplished. The practice of moderate mulching is beneficial for trees. However, repeated mulching against the tree trunk, year after year, without removal of the old mulch can eventually kill trees by trapping moisture against the bark, allowing fungi and insects to easily infiltrate the tree. Mulch should be placed around trees to the drip line, but should not be touching the bark.

COMPONENT DATA AND ASSET REPLACEMENT SCHEDULE
TABLE 1 EXPLANATION

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

Column 1 **Component No.** is consistent throughout all tables.

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

Column 3 **Quantity** of the component studied, which may be an exact number, a rough estimate, or simply a (1) if the expenditure forecast is a lump sum allowance for replacement of an unquantified component.

Column 4 **Unit of Measurement** used to quantify the component:

SY = Square Yards
SF = Square Feet
LF = Linear Feet
EA = Each
LS = Lump Sum
PR = Pair
CY = Cubic Yards

Column 5 **Unit Cost** used to calculate the required expenditure. This unit cost includes removal of existing components and installation of new components, including materials, labor, and overhead and profit for the contractor.

Column 6 **Total Asset Base** is the total value of common assets included in the study in current dollars. In addition to capital assets, this figure includes one cycle of maintenance liability.

Column 7 **Typical Service Life (Yrs) or Cycle** is the typical life expectancy of similar components in average conditions or the length of years between replacement cycles, and does not necessarily reflect the conditions observed during the field evaluation. This number is furnished for reference and is not necessarily computed in the system.

Column 8 **1st Cycle Year** is the scheduled year of the first projected replacement or repair.

Column 9 **Percentage of Replacement** is the percentage of component value to be replaced in the first replacement cycle.

Column 10 **Cost for 1st Cycle** is the future cost (with inflation) of the replacement. It is the product of Column 6 times Column 9 in future dollars.

Column 11 **2nd Cycle Year** is the scheduled year of the second projected replacement or repair. If a second cycle is not listed, it is because the first cycle is beyond the end of the study.

Column 12 **Percentage of Replacement** is the percentage of component value to be replaced in the second replacement cycle. This can vary from the percentage of the first cycle for various reasons, such as the increased age of a component may require a larger amount of repair.

Columns 13 Through 16 **Cycles, Percentage, and Cost** repeat as itemized above. Although not shown on the tables, the cycles continue throughout the study period and beyond.

Column 18 **Discussion** is the description and observed condition of the component and the methodology employed in the decision-making process. Includes the photo reference, (Photo #1, #2, etc.) and Maintenance Protocol reference numbers (7.1, 7.2 etc.) if applicable.

Reserve Fund Plan for
THE RESERVE AT MOORHEAD
HOMEOWNERS ASSOCIATION
Warrenton, Virginia

COMPONENT DATA AND ASSET REPLACEMENT SCHEDULE
TABLE 1
2015 Through 2034

MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.
www.masonreserves.com 800-776-6980 Fax 800-776-6408

Component No.	Component	Quantity	Unit of Measurement	Unit Cost	Total Asset Base	Typical Service or Cycle Life in Yrs	1st Cycle Year	Percentage of Replacement	Cost For 1st Cycle	2nd Cycle Year	Percentage of Replacement	Cost For 2nd Cycle	3rd Cycle Year	Percentage of Replacement	Cost For 3rd Cycle	DISCUSSION
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	18
1 ASPHALT COMPONENTS																
1.1	Asphalt Restoration Project	780	SY	$12.00	$9,360	20	2030	100%	$13,556	2050	100%	$22,213				This component includes a single asphalt drivelane (pipe stem) at the end of Preston Drive. The drivelane has a concrete curb on one side, but not the other. Neither the depth nor the sub-base of the pavement could be visually determined. It appears that the pavement is newer than the 2006 community construction date, and it is in very good condition. No areas of deflecting cracking (indicative of sub-base damage or insufficient asphalt depth) were observed. Restoration includes edgemilling and overlay with 1-½" new compacted asphalt. Core sampling should be used to determine the depth and condition of the sub-base and pavement prior to restoration. Costs do not include replacement of any inadequate sub-base.
1.2	Asphalt Seal Coat	780	SY	$1.20	$936	5	2020	100%	$1,059	2025	100%	$1,198	2035	100%	$1,534	We understand that the drivelane was seal coated circa 2014. Seal coating may help prevent water infiltration into the sub-base through micro-cracks, but is largely a cosmetic issue. To help improve curb appeal after repairs, we have scheduled seal coating projects every five years, except in the years immediately after the pavement restoration project when it is not necessary. Crack filling and full-depth repairs should be completed prior to application to achieve maximum benefit from the seal coating.
1.3	Asphalt Repair Allowance	1	LS	$2,800.00	$2,800	5	2020	50%	$1,584	2025	75%	$2,688	2030	100%	$4,055	No deflected pavement (indicative of sub-base damage), longitudinal or transverse cracking was observed. Repairs are essential in order to achieve the projected remaining service life of the pavement. Full-depth repairs and crack filling are scheduled every five years throughout the study period, including the year of the asphalt restoration project.
2 CONCRETE COMPONENTS																
2.1	Concrete Curbs	390	LF	$30.00	$11,700	5	2020	10%	$1,324	2025	10%	$1,498	2030	10%	$1,695	The private drivelane is lined with a single standard-profile, cast-in-place, concrete curb, but no gutters. It is in good condition with none of the length exhibiting transverse cracks or settlement. Minor chips usually do not justify replacement. Cyclic repairs are scheduled, as full replacement at one time is not appropriate or anticipated. Curb repairs are scheduled to coincide with work on other concrete and/or asphalt components to maximize economies of scale. The Board should be aware that repairs to small quantities of concrete may be more costly because of the difficulty of attracting competitive bids for small projects, which may not meet contractor minimums. Any trip hazards or hazardous surface deficiencies should be addressed as soon as practicable to prevent personal injury.
3 SITE FEATURES																
3.1	Brick Entrance Monument Allowance	1	LS	$27,000.00	$27,000	40	2046	100%	$58,050							One brick and mortar monument is constructed at the entrance to the community on Moorhead Drive. The monument construction includes 60 linear feet of varying height walls ranging from three feet to six feet. Four, 4' x 4' x 4' bollards are constructed with cast concrete caps and ball finales. The walls are constructed with standard running brickwork with a curved top detail using bullnose brick with a stack bond pattern. An oval 5' x 4' cast concrete name sign is embedded in the main wall. All brick and mortar appear to be in good condition with no deteriorated mortar, cracked mortar or brick, or spalled brick faces observed. With periodic maintenance performed under the operations budget such as tuckpointing and pressure washing to maintain appearance, the monument should have a very long service life.
3.2	Landscape Lighting Allowance	1	LS	$2,000.00	$2,000	10	2019	100%	$2,208	2029	100%	$2,826	2039	100%	$3,617	Two small halogen lights and two small round ground lights are installed at the entrance to the community, providing light to the brick monument. They appear to be in serviceable condition, although lighting was not observed after dark. Landscape lighting generally has a short service life due to the proximity to ground and moisture and damage from landscaping practices.
3.3	Vinyl Fencing	500	LF	$14.00	$7,000	25	2031	100%	$10,392	2056	100%	$19,265				Vinyl fencing is constructed around the storm water detention pond on the south corner of the community. Field wire is attached to the inside of the fencing for safety. It appears to range from fair to good condition. A majority of the fencing is heavily algae stained and should be pressure-washed to improve appearance. Vinyl fencing has a long service life and generally requires little maintenance other than periodic replacement of damaged components and cleaning to maintain appearance.
3.4	Stone Retaining Wall	8,580	SF	$60.00	$514,800	60	2024	10%	$64,291	2034	10%	$82,299	2044	20%	$210,698	A single large stone and mortar retaining wall is constructed starting at the end of the pipestem to Preston Drive and continues behind three additional homes on Preston Drive. It totals 725 linear feet from one end to the other. The wall greatly varies in height from 1' to approximately 25' at its tallest point. The wall appears to be properly constructed with weep holes for drainage. We did not observe any cracking or loose stone or mortar. We are budgeting a major restoration allowance throughout the study, as we do not foresee the entire wall being demolished and rebuilt at one time. With proper maintenance, such as tuckpointing and periodic masonry cleaning to improve appearance, the wall should provide a very long service life. These observations should be viewed in the context of capital reserve budget projections, and not as a structural analysis. Any questions regarding the safety or structural integrity of the walls should be referred to a professional engineer.
3.5	Storm Water Drainage System Allowance	1	LS	$10,000.00	$10,000	7	2022	100%	$11,887	2029	100%	$14,130	2036	100%	$16,796	Storm water drainage is provided by concrete yard drains, curb drop inlets, and underground structures, leading storm water offsite. One storm water detention pond is located behind the single-family homes on the south side of Preston Drive and has a round concrete and metal drainage riser. The vegetation and debris should be removed from this pond. A second retention pond is constructed on the east side of the community. This pond is accessed from the east neighboring communities asphalt footpath. The retention pond has a round concrete and metal drainage riser and an earthen impoundment structure. This pond is choked with vegetation all around its perimeter and may necessitate dredging in the future. We understand that responsibility for some or parts of the system may rest with local government. Though storm water drainage systems are a long life component and catastrophic failure is not anticipated, it is prudent for the community to plan for localized repairs and repairs to ancillary damage, even if a public entity has primary responsibility. This category may also be used to address localized erosion issues. This line item addresses potential storm water collection, drainage, and erosion issues throughout the study period and does not represent a single expense or action already identified as necessary.

CALENDAR OF EXPENDITURES
TABLE 2 EXPLANATION

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

Column 1 **Year** is the year of the projected replacement and expenditure.

Column 2 **Component No.** itemizes the components and is consistent throughout the tables.

Column 3 **Component** is a brief description of the component.

Column 4 **Present Cost** is the cost for the cycle in today's dollars.

Column 5 **Future Cost (Inflated)** is the cost for the cycle in future dollars.

Column 6 **Total Annual Expenditures** gives the total expenditures by year.

Column 7 **Action** is an area provided for the Board to make notations as to action taken on each component.

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Reserve Fund Plan for
THE RESERVE AT MOORHEAD HOMEOWNERS ASSOCIATION
Warrenton, Virginia

CALENDAR OF EXPENDITURES
TABLE 2
2015 Through 2034

MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.
www.masonreserves.com 800-776-6980 Fax 800-776-6408

YEAR	COMPONENT NO.	COMPONENT	PRESENT COST 2015	FUTURE COST (INFLATED)	TOTAL ANNUAL EXPENDITURES	ACTION
1	2	3	4	5	6	7
2015					2015	
					NO EXPENDITURES	
2016					2016	
					NO EXPENDITURES	
2017					2017	
					NO EXPENDITURES	
2018					2018	
					NO EXPENDITURES	
2019					2019	
	3.2	Landscape Lighting Allowance	$2,000	$2,208	TOTAL EXPENDITURES	
					$2,208	
2020					2020	
	1.2	Asphalt Seal Coat	$936	$1,059	TOTAL EXPENDITURES	
	1.3	Asphalt Repair Allowance	$1,400	$1,584		
	2.1	Concrete Curbs	$1,170	$1,324		
					$3,967	
2021					2021	
					NO EXPENDITURES	
2022					2022	
	3.5	Storm Water Drainage System Allowance	$10,000	$11,887	TOTAL EXPENDITURES	
					$11,887	
2023					2023	
					NO EXPENDITURES	
2024					2024	
	3.4	Stone Retaining Wall	$51,480	$64,291	TOTAL EXPENDITURES	
					$64,291	
2025					2025	
	1.2	Asphalt Seal Coat	$936	$1,198	TOTAL EXPENDITURES	
	1.3	Asphalt Repair Allowance	$2,100	$2,688		
	2.1	Concrete Curbs	$1,170	$1,498		
					$5,384	
2026					2026	
					NO EXPENDITURES	
2027					2027	
					NO EXPENDITURES	
2028					2028	
					NO EXPENDITURES	
2029					2029	
	3.2	Landscape Lighting Allowance	$2,000	$2,826	TOTAL EXPENDITURES	
	3.5	Storm Water Drainage System Allowance	$10,000	$14,130		
					$16,956	
2030					2030	
	1.1	Asphalt Restoration Project	$9,360	$13,556	TOTAL EXPENDITURES	
	1.3	Asphalt Repair Allowance	$2,800	$4,055		
	2.1	Concrete Curbs	$1,170	$1,695		
					$19,306	
2031					2031	
	3.3	Vinyl Fencing	$7,000	$10,392	TOTAL EXPENDITURES	
					$10,392	
2032					2032	
					NO EXPENDITURES	
2033					2033	
					NO EXPENDITURES	
2034					2034	
	3.4	Stone Retaining Wall	$51,480	$82,299	TOTAL EXPENDITURES	
					$82,299	

CURRENT FUNDING ANALYSIS CASH FLOW METHOD
TABLE 3.0 EXPLANATION
and, if applicable,
ALTERNATIVE FUNDING ANALYSIS CASH FLOW METHOD
TABLE 3.1, 3.2, 3,3 (etc.) EXPLANATION

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

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

A description of the columns in the table follows:

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

Reserve Fund Plan for
THE RESERVE AT MOORHEAD
HOMEOWNERS ASSOCIATION
Warrenton, Virginia

FUNDING ANALYSIS
CASH FLOW METHOD
HYBRID APPROACH
TABLE 3

MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.
www.masonreserves.com 800-776-6980 Fax 800-776-6408

In Dollars

Beginning Reserve Fund Balance:	Annual Contribution To Reserves:	Contribution Percentage Increase:	Annual Inflation Factor:	Annual Interest Income Factor:
53,567	1	2.50%	2.50%	1.00%

YEAR	TOTAL ASSET BASE	BEGINNING RESERVE FUND BALANCE	ANNUAL CONTRIBUTION	INTEREST INCOME	CAPITAL EXPENDITURES	ENDING RESERVE FUND BALANCE
1	2	3	4	5	6	7
2015	585,596	53,567	1	538	0	54,106
2016	600,236	54,106	9,873	597	0	64,576
2017	615,242	64,576	10,120	704	0	75,399
2018	630,623	75,399	10,373	814	0	86,586
2019	646,388	86,586	10,632	916	2,208	95,925
2020	662,548	95,925	10,898	1,001	3,967	103,857
2021	679,112	103,857	11,170	1,104	0	116,131
2022	696,090	116,131	11,449	1,164	11,887	116,858
2023	713,492	116,858	11,736	1,238	0	129,831
2024	731,329	129,831	12,029	1,021	64,291	78,590
2025	749,612	78,590	12,330	827	5,384	86,363
2026	768,353	86,363	12,638	936	0	99,937
2027	787,562	99,937	12,954	1,074	0	113,966
2028	807,251	113,966	13,278	1,217	0	128,460
2029	827,432	128,460	13,610	1,272	16,956	126,386
2030	848,118	126,386	13,950	1,241	19,306	122,271
2031	869,321	122,271	14,299	1,250	10,392	127,427
2032	891,054	127,427	14,656	1,360	0	143,443
2033	913,330	143,443	15,023	1,523	0	159,988
2034	936,163	159,988	15,398	1,244	82,299	94,332
STUDY PERIOD TOTALS			236,414	21,041	216,690	FULLY FUNDED BALANCE GOAL

FUNDING ANALYSIS COMPONENT METHOD
TABLE 4 EXPLANATION

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

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

COMPONENT METHOD SUMMARY

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

Reserve Fund Plan for
THE RESERVE AT MOORHEAD HOMEOWNERS ASSOCIATION
Warrenton, Virginia

FUNDING ANALYSIS
COMPONENT METHOD
TABLE 4

MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.
www.masonreserves.com 800-776-6980 Fax 800-776-6408

Beginning Reserve Fund Balance:

In Dollars **53,567**

Component Number	COMPONENT	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
1 ASPHALT COMPONENTS																					
1.1	**Asphalt Restoration Project**	514	514	514	514	514	514	514	514	514	514	514	514	514	514	514	1,003	1,003	1,003	1,003	1,003
1.2	**Asphalt Seal Coat**	127	127	127	127	127	234	234	234	234	234	146	146	146	146	146	146	146	146	146	146
1.3	**Asphalt Repair Allowance**	190	190	190	190	190	524	524	524	524	524	791	791	791	791	791	447	447	447	447	447
2 CONCRETE COMPONENTS																					
2.1	**Concrete Curbs**	159	159	159	159	159	292	292	292	292	292	330	330	330	330	330	374	374	374	374	374
3 SITE FEATURES																					
3.1	**Brick Entrance Monument Allowance**	981	981	981	981	981	981	981	981	981	981	981	981	981	981	981	981	981	981	981	981
3.2	**Landscape Lighting Allowance**	332	332	332	332	269	269	269	269	269	269	269	269	269	269	344	344	344	344	344	344
3.3	**Vinyl Fencing**	368	368	368	368	368	368	368	368	368	368	368	368	368	368	368	368	678	678	678	678
3.4	**Stone Retaining Wall**	4,191	4,191	4,191	4,191	4,191	4,191	4,191	4,191	4,191	7,822	7,822	7,822	7,822	7,822	7,822	7,822	7,822	7,822	7,822	20,026
3.5	**Storm Water Drainage System Allowance**	1,006	1,006	1,006	1,006	1,006	1,006	1,006	1,948	1,948	1,948	1,948	1,948	1,948	1,948	2,315	2,315	2,315	2,315	2,315	2,315
ANNUAL COMPONENT CONTRIBUTION TOTALS		7,868	7,868	7,868	7,868	7,805	8,379	8,379	9,321	9,321	12,952	13,169	13,169	13,169	13,169	13,611	13,800	14,110	14,110	14,110	26,314

COMPONENT METHOD SUMMARY	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
BEGINNING RESERVE FUND BALANCE	53,567	62,016	70,550	79,169	87,875	94,397	99,803	109,230	107,812	118,267	68,187	76,728	90,739	104,892	119,186	117,112	112,858	117,786	133,156	148,680
PLUS ANNUAL COMPONENT CONTRIBUTION	7,868	7,868	7,868	7,868	7,805	8,379	8,379	9,321	9,321	12,952	13,169	13,169	13,169	13,169	13,611	13,800	14,110	14,110	14,110	26,314
CAPITAL EXPENDITURES	0	0	0	0	2,208	3,967	0	11,887	0	64,291	5,384	0	0	0	16,956	19,306	10,392	0	0	82,299
SUBTOTAL	61,435	69,884	78,418	87,037	93,472	98,809	108,182	106,664	117,133	66,928	75,972	89,897	103,908	118,061	115,841	111,606	116,576	131,896	147,266	92,695
PLUS INTEREST INCOME @ 1.00%	581	666	751	838	925	994	1,048	1,148	1,134	1,258	757	842	983	1,125	1,271	1,251	1,210	1,260	1,414	1,637
FULLY FUNDED RESERVE FUND BALANCE	62,016	70,550	79,169	87,875	94,397	99,803	109,230	107,812	118,267	68,187	76,728	90,739	104,892	119,186	117,112	112,858	117,786	133,156	148,680	94,332

FULLY FUNDED BALANCE GOAL

PERCENT FUNDED FOR CURRENT CYCLE	220%	**TOTAL EXPENDITURES**	216,690	**TOTAL CONTRIBUTIONS**	236,360	**STUDY PERIOD TOTAL INTEREST**	21,095	**AVERAGE ANNUAL CONTRIBUTION**	11,818

PHOTOGRAPHS
WITH
DESCRIPTIVE NARRATIVES

MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.

PHOTO #1
The asphalt pipestem at the end of Preston Drive appears to be in good condition.

PHOTO #2
We understand that the pipestem received seal coating around 2014. We did not observe any deflecting, transverse, or longitudinal cracking.

PHOTO #3
The pipestem is lined on one side with a single concrete curb. This will require the next restoration project to include edgemilling, to prevent a loss of height at the curb during the next overlay.

PHOTO #4
The brick and mortar entrance monument is in good condition. The monument should receive periodic appropriate masonry cleaning to improve appearance.

PHOTO #5
The vinyl fencing installed around the detention pond is in good condition. Pressure washing will help to maintain its appearance. The trees against the fencing should be trimmed to prevent future deflection of the fencing.

PHOTO #6
The stone retaining wall appears to be in good condition. We did not observe any major cracking or settlement.

PHOTO #7
The wall appears to be properly constructed with weep (drainage) holes at the bottom of the wall. This will reduce hydrostatic pressure and contribute to a long service life.

PHOTO #8
The storm water detention pond should be cleared of all vegetation and debris.

PHOTO #9
The storm water retention pond on the east side of the community could become problematic in later years, if conditions allow for sediment build-up resulting in the need for dredging. Vegetation around this pond should be cleared and kept clear.