

ASSUMPTIONS

To the best of our knowledge, all data set forth in this report are true and accurate. Although gathered from reliable sources, we make no guarantee nor assume liability for the accuracy of any data, opinions, or estimates identified as furnished by others that we used in formulating this analysis.

We did not make any soil analysis or geological study with this report; nor were any water, oil, gas, coal, or other subsurface mineral and use rights or conditions investigated.

Substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, environmental mold or other potentially hazardous materials could, if present, adversely affect the validity of this study. Unless otherwise stated in this report, the existence of hazardous substance, that may or may not be present on or in the property, was not considered. Our opinions are predicated on the assumption that there are no hazardous materials on or in the property. We assume no responsibility for any such conditions. We are not qualified to detect such substances, quantify the impact, or develop the remedial cost.

We have made a visual inspection of the property and noted visible physical defects, if any, in our report. Our inspection and analysis was made by employees generally familiar with real estate and building construction; however, we did not do any invasive testing. Accordingly, we do not opine on, nor are we responsible for, the structural integrity of the property including its conformity to specific governmental code requirements, such as fire, building and safety, earthquake, and occupancy, or any physical defects that were not readily apparent during the inspection.

Our opinions of the remaining useful lives of the property elements do not represent a guarantee or warranty of performance of the products, materials and workmanship.

PROFESSIONAL SERVICE CONDITIONS

Our Services - Reserve Advisors, Inc. will perform its service as an independent contractor in accordance with our professional practice standards. Our compensation is not contingent upon our conclusions.

Our inspection and analysis of the subject property is limited to visual observations and is noninvasive. We will inspect sloped roofs from the ground. We will inspect flat roofs where safe access (stairs or ladder permanently attached to the structure) is available. Reserve Advisors does not investigate, nor assume any responsibility for any existence or impact of any hazardous materials, structural, latent or hidden defects which may or may not be present on or within the property. Our opinions of estimated costs and remaining useful lives are not a guarantee of the actual costs of replacement, a warranty of the property elements, or guarantee of remaining useful lives.

We assume, without independent verification, the accuracy of all data provided to us. You agree to indemnify and hold us 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 as 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 controlling person of Reserve Advisors, Inc., including any director, officer, employee, affiliate, or agent. Liability of Reserve Advisors, Inc. 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 - Reserve Advisors, Inc. will complete this Study in accordance with the Proposal. In the event our service includes a Preliminary Report, we will consider any additional information made available to us in the interest of promptly issuing a Final Report to your satisfaction. However, the Preliminary Report represents a valid opinion of our findings and recommendations and is deemed complete and final if no Final Report or changes are requested within six months of our inspection. We retain the right to withhold the Preliminary or Final Reports if payment for services is not rendered in a timely manner. All files, work papers or documents developed by us during the course of the engagement remains our property.

Your Obligations - You agree to provide us access to the subject property during our on site visual inspection and tour. You will provide to us to the best of your ability and if reasonably available, historical and budgetary information, the governing documents, and other information that we request and deem necessary to complete our Study. You agree to abide by the payment schedule for our services in accordance with the Reserve Study Proposal.

Use of Our Report and Your Name - Use of our Report is limited to only the stated purpose stated herein. Any use or reliance for any other purpose, by you or third parties, is invalid. The Report in whole or part **is not and can not be used** as a *design specification, design engineering services or an appraisal*. You may show our report in its entirety to those third parties who need to review the information contained herein. You may show our report in its entirety to those third parties who need to review the information contained herein but can not reference our name or our report, in whole or in part, in any document prepared and/or distributed to third parties without our written consent. **This report** contains intellectual property developed by Reserve Advisors, Inc. specific to this engagement and **can not be reproduced or distributed to those who conduct reserve studies without the written consent of Reserve Advisors, Inc.**

We reserve the right to include your property's name in our client list, but we will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative process or proceedings. These conditions can only be modified by written documents executed by both parties.

CREDENTIALS

FIRM'S QUALIFICATIONS

HISTORY AND DEPTH OF SERVICE TO AMERICA

Founded in 1991, Reserve Advisors, Inc. is the leading provider of reserve studies and independent property consulting services, serving community associations, clubs, non-profit organizations, apartment building owners, religious institutions and educational facilities, office and commercial building owners, and other entities in over 40 states and Canada.

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 has the **largest staff of Reserve Specialists** with bachelors degrees in engineering dedicated to Reserve Study services. Our principals are founders of Community Associations Institute's (CAI) Reserve Committee. Also, 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 a historical analyses are keys to our determining accurate remaining useful life estimates of building components.

No Conflict of Interest - As 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 Peer Review, exclusive to Reserve Advisors, Inc., and by utilizing the experience of other staff gained from serving hundreds of other clients. A peer review is an internal quality assurance review of an assignment including the inspection, costing, lifing and technical report phases of the assignment. Each peer review requires the attendance of at least four staff including a Principal of the Firm, a Review Coordinator and other participatory peers. 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, Inc. has conducted reserve studies for a variety of different communities and building types. Our clients include institutional governmental entities, master associations, clubs, schools and religious organizations. We've analyzed thousands of buildings, from as small as a 3,500 square-foot day care center to the 100-story John Hancock Center 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 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.

THEODORE J. SALGADO, P.E., PRA
Principal

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 consulting services for a nationwide portfolio of more than 4,000 clients. Under his direction, the firm conducts reserve study services for apartment complexes, churches, hotels, resorts, office towers and vintage architecturally ornate buildings.



PRIOR RELEVANT EXPERIENCE

Before founding Reserve Advisors, Inc. 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 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 - Senior Designated Member and Certified Construction Inspector
Association of Professional Reserve Analysts - Past President, and Professional Reserve Analyst (PRA).
Community Associations Institute - Member and Volunteer Leader of multiple chapters throughout USA
Concordia Seminary, St. Louis - Member, National Steering Committee
Milwaukee School of Engineering - Member, Corporation Board
Professional Engineer, Wisconsin, Registered in 1982.

Reserve Advisors, Inc.

JOHN P. POEHLMANN, RS Principal

CURRENT CLIENT SERVICES

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 Peer Reviews of Reserve Study reports.

Mr. Poehlmann directs corporate marketing, including advertising, press releases, conference exhibiting, and direct mail promotions. 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.



Mr. Poehlmann also served on the national Board of Trustees of Community Associations Institute. Community Associations Institute (CAI) is a national, nonprofit 501(c)(6) trade association created in 1973 to provide education and resources to America's nearly 286,000 residential condominium, cooperative and homeowner associations and related professionals and service providers. The Institute is dedicated to fostering vibrant, responsive, competent community associations that promote harmony, community, and responsible leadership.

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 Planning for Replacement of Property Doesn't Have to Be Like a Trip to the Dentist, Reserve Studies for the First Time Buyer, Sound Association Planning Parallels Business Concepts, and Reserve Studies Minimize Liability. He has worked with a variety of publications, including the Chicago Tribune, The Milwaukee Journal/Sentinel, Common Ground, Common Interest, and Condo Management. He also co-authored "Reserves", an educational videotape produced by Reserve Advisors on the subject of Reserve Studies and the benefits of maintaining appropriate reserves. The videotape is available through Reserve Advisors or CAI's website, www.caionline.org. It is also available in all libraries in the State of Virginia.

INDUSTRY SERVICE AWARDS

CAI National Rising Star Award, 2002 - To an individual whose leadership abilities and professional contributions have earmarked them for even greater accomplishments in the future.

CAI Michigan Chapter Award, 2003 - "Given to the individual who contributed their time, expertise, and resources toward improving the quality of services offered by the chapter. Mr. Poehlmann was unanimously selected as the winner of the 2002 CAI Michigan Chapter Award."

EDUCATION

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

PROFESSIONAL AFFILIATIONS

Community Associations Institute (CAI): Serving national Board of Trustees; Reserve Professionals Committee, founding member; Reserve Specialist (RS) designation; Member of multiple chapters
Association of Condominium, Townhouse, & Homeowners Associations (ACTHA), member
United Condominium Owners of Michigan (UCOM), member

Reserve Advisors, Inc.

QUALIFICATIONS Paul J. Grifoni, E.I.T. Responsible Advisor

CURRENT CLIENT SERVICES

Paul J. Grifoni, a civil engineer, is an Advisor for *Reserve Advisors, Inc.* Mr. Grifoni is responsible for the inspection and analysis of the condition of clients' property, and recommending engineering solutions to prolong the lives of the components. He also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. He is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast services and the preparation of Reserve Study Reports for condominiums, townhomes and homeowners associations. Paul Grifoni frequently participates in the Peer Review Meetings for Recreational, Townhome, Mid Rise communities.

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

Vista Lakes Community Development District This single family neighborhood located in Orlando, Florida has an olympic size pool w/waterslide, and clubhouse.

Mutual 15 Community Association In the north suburbs of Washington DC is this mid rise building built in 1975.

Bayfront Condominium Association A 156-unit residential development in Naples, Florida. This property's first floor is commercial with four residential floors up above.

Port of the Island Resort This hotel was built in the early 1960's and recently converted to condominiums.

University Park Located in suburban Sarasota, has 16 ponds

PRIOR RELEVANT EXPERIENCE

Before joining *Reserve Advisors, Inc.*, Mr. Grifoni was a Field Engineer for Heavy Civil Projects in New England. He also was a supervisor for a custom home building company based in Florida.

EDUCATION - University of Massachusetts, Lowell - B.S. Civil Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Reserve Specialist (R.S.) - Community Associations Institute

Engineer In Training (E.I.T.) Registration - *Massachusetts 2001*

Reserve Advisors, Inc.

QUALIFICATIONS MICHELLE A. STEPHANS, P.E., RS, PRA Director of Quality Assurance

CURRENT CLIENT SERVICES

Michelle Stephans, a graduate of Milwaukee School of Engineering, is an Advisor for *Reserve Advisors, Inc.* Ms. Stephans is responsible for the inspection and analysis of the property's current condition, applying principles of engineering to prolong the lives of the building components, forecasting capital expenditures for the repair and/or replacement of the property components, and preparing technical Reserve Study reports on assignments.

The following is a partial list of clients served by Michelle Stephans demonstrating her breadth of experiential knowledge of community associations in construction and related buildings systems.

The Fordham Upscale postmodern 52-story apartment style condominium located in the Cathedral District of downtown Chicago. Amenities include 11th floor rooftop plaza, wine cellar, indoor pool and fitness room.

Fox Meadow Community Association Upscale community of 53 single family homes with private roads and ponds, located in suburban Chicago.

Indian Hills Village Condominiums Located in Louisville, Indian Hills Village condominiums comprise 53 townhome style units in 11 buildings.

Lighthouse Cove Owners Association Community of 101 apartment style condominiums located lakeside in Wisconsin Dells. Amenities include tennis courts, indoor and outdoor pools, clubhouse and a volleyball court.

Le Marin Condominiums and Marina Townhome style development in Port Clinton, Ohio comprising 117 units in 22 buildings. This lakeside community offers a 117 slip marina, tennis courts, indoor pool and clubhouse.

400 E. Ohio Condominium Association A 50-story apartment style condominium located in downtown Chicago. Amenities include indoor pool, fitness room, third floor rooftop deck and parking garage.

The John Thomas Dye School Located in the hills of Bel Air, Los Angeles, California, this independent primary school consists of 320 students. The campus includes various classroom buildings, a main hall, athletic field and gymnasium.

Grand Sierra Hotel Condominium This community of 824 units occupies the top 11 floors within the Grand Sierra Resort and Casino in Reno, Nevada.

Franciscan Ministries of Illinois Seven housing properties located throughout Suburban Chicago, including unit interiors and common amenities.

Village of Glenview Municipal buildings owned by the Village of Glenview, including two police stations, the village hall, three public works buildings, five fire stations, two parking garages, two pavilions, and two train stations.

PRIOR RELEVANT EXPERIENCE

Before joining *Reserve Advisors, Inc.*, Ms. Stephans was a Mechanical Engineer at Affiliated Engineers, Inc. in the State of Wisconsin. She was responsible for the design of heating, ventilating and air conditioning systems for research and development laboratories throughout the United States, including Bayer Pharmaceuticals and University of Illinois-Chicago. Ms. Stephans also worked at Monroe Equipment, Inc. where she designed heating, ventilating and air conditioning systems for commercial buildings.

EDUCATION

Milwaukee School of Engineering - B.S. Architectural Engineering

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

Professional Engineering Licenses - Wisconsin 2004, Minnesota 2006, Illinois 2008

Reserve Specialist (RS) - Community Associations Institute

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

American Society of Heating, Refrigeration and Air Conditioning Engineers (ASHRAE)

Reserve Advisors, Inc.

QUALIFICATIONS JUSTIN J. MAIER, P.E., RS, PRA Quality Assurance Review Coordinator

CURRENT CLIENT SERVICES

Justin Maier, an Architectural / Structural Engineer, is an Advisor for *Reserve Advisors, Inc.* Mr. Maier is responsible for the inspection and analysis of the common property's current condition, recommending engineering solutions to prolong the lives of building components, forecasting capital expenditures for the repair and/or replacement of the property components, and technical report preparation on assignments. Justin Maier frequently serves as the *Quality Assurance Review Coordinator* for Recreational and Townhome communities. Mr. Maier is fully versed in: *Reserve Studies, Transition Defect Studies and Property Insurance Advisory Studies*

The following is a partial list of clients served by Justin Maier demonstrating his breadth of experiential knowledge of community associations in architecture, civil construction and related buildings systems.

Park Row at Burnham Place Elegant, historicist townhome development exemplifying the city's redevelopment efforts in the South Loop of Chicago. Part of the Mayor's effort to "cul-de-sac the city."

Valley Ranch Home of the Dallas Cowboys and Dallas Stars, Valley Ranch has almost 4,000 single family homes and 21 apartment communities. Residents of this attractive community enjoy nearly five miles of lushly landscaped canal walkways, association parks and an extravagant irrigation system.

Crystal Mountain Resort Family resort development of 232 condominiums, townhomes and hotel suites within 33 buildings. Multiple building styles, materials and functions. Resort Property located in the shadow of Crystal Mountain in Northern Michigan.

St. Andrews Located in the heart of the St. Andrews Country Club in Delray Beach, Florida, this multiple Association development embraces both townhomes and condominium units. Homes boast views of either the intercoastal waterway or the Atlantic Ocean.

Shaker Courts Historic development from the early 1940's within walking distance of Cleveland's historic Shaker Square. Stately buildings with elegant rooftop gardens and first floor garage parking.

Whitehall Community of exclusive townhomes and high rise buildings overlooking a swimming pool located within the northwest Washington, D.C. Beltway. Homes are conditioned by centralized boilers and cooling towers.

Fishhawk Lake Recreation Club, Inc. Located in Northwest Oregon, this man-made lake development includes 305 platted lots on approximately 300 acres of land. Components of the property maintained by the Association include a sewage treatment plant, potable water treatment plant, earthen dam and site amenities.

Harborage Marina Marina development of 227 floating boat slips on Lake Charlevoix in Northern Michigan. Features private boat slips, utility connections, fuel dispensers, break walls and a clubhouse.

860-880 Lake Shore Drive Designed by Ludwig Mies van der Rohe and built between 1949 and 1951, this twin 26-story Chicago Landmark is said to have set the standard by which all subsequent glass and steel high rises are judged.

Southwood Shores Quiet luxury on the man-made Lake of the Ozarks. Fronted by a seawall, this development prizes townhomes, multiple swimming pools, a clubhouse, boat docks, recreational facilities and maintains its own lift stations, water treatment plant and water softener equipment.

PRIOR RELEVANT EXPERIENCE

Before joining *Reserve Advisors, Inc.*, Mr. Maier was an Assistant Engineer for Crest Consulting Engineers, P.C., in Oak Brook, Illinois. He was responsible for the evaluation and analysis of construction defects, design of remedial construction repairs and implementation of the repairs by the contractor. Mr. Maier has designed structural and architectural repairs for projects throughout the greater Chicago area.

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

PROFESSIONAL AFFILIATIONS

Professional Engineering License - WI, MI, IL, PA, VA, OH, MD, NY, DC, MN, TX
Professional Reserve Analyst (PRA) - Association of Professional Reserve Analysts
Reserve Specialist (RS) - Community Associations Institute

RESOURCES WE USE IN OUR ANALYSIS

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 <http://www.iami.org>. Several advisors and a Principal of Reserve Advisors, Inc. hold Senior Memberships with ACI.

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 <http://www/ashrae.org>. Reserve Advisors, Inc. actively participates in its local chapter and holds individual memberships.

Community Associations Institute, 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 <http://www.msbinfo.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 <http://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.