

Revised **RESERVE STUDY**

The Jonathan Association



Chaska, Minnesota
Inspected - May 18, 2022
Revised - December 27, 2022



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The Jonathan Association
Chaska, Minnesota

Dear Board of Directors of The Jonathan Association:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Reserve Study* of The Jonathan Association in Chaska, Minnesota and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, May 18, 2022.

This *Reserve Study* exceeds the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a "Level II 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. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. We look forward to continuing to help The Jonathan Association 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 December 27, 2022 by

Reserve Advisors, LLC

Visual Inspection and Report by: Nicholas M. Johanning, RS¹

Review by: Alan M. Ebert, RS, PRA², 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: The Jonathan Association (The Jonathan Association)

Location: Chaska, Minnesota

Reference: 090700

Property Basics: The Jonathan Association is a master association which is responsible for the common elements shared by 2,610 units. Construction of the community began in the 1960s and is ongoing.

Reserve Components Identified: 136 Reserve Components.

Inspection Date: May 18, 2022. We conducted previous inspections in 2009, 2013, 2016 and 2019.

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 2030 due to replacement of the various neighborhood playground equipment and the asphalt pavement at the Karen House and storage facility and again in 2048 due to subsequent replacement of the various neighborhood playground equipment.

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
- 0.7% anticipated annual rate of return on invested reserves
- 3.5% 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.

Unaudited Cash Status of Reserve Fund:

- \$752,393 as of January 1, 2022
- 2022 budgeted Reserve Contributions of \$253,000

Project Prioritization: We note anticipated Reserve Expenditures for the next 30 years in the **Reserve Expenditures** tables and include a **Five-Year Outlook** table following the **Reserve Funding Plan** in Section 3. We recommend the Association prioritize the following projects in the next five years based on the conditions identified:

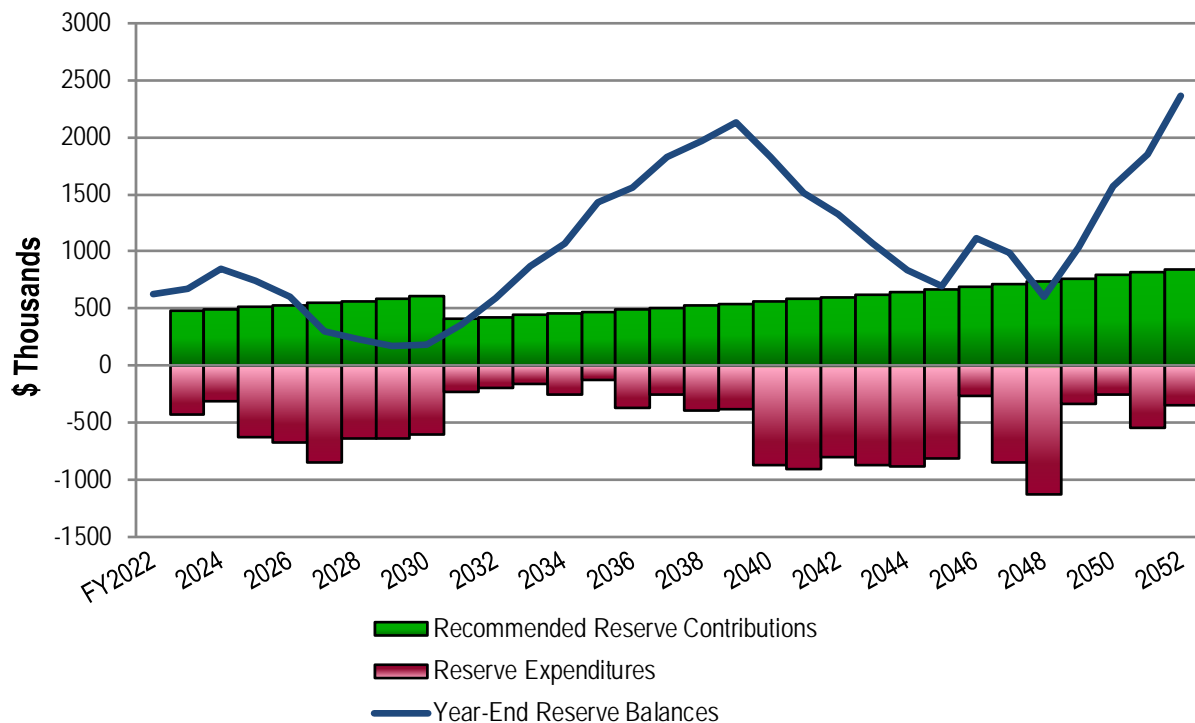
- Ongoing replacement of the various playground equipment throughout the community to maintain the overall safety of the play areas
- Ongoing repairs and replacements of the asphalt pavement walking paths to maintain a safe walking surface throughout the community
- Ongoing replacements of the signage and mailbox stations throughout the community to maintain the overall aesthetic of the neighborhoods

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

- Increase to \$478,000 in 2023
- Inflationary increases from 2023 through 2030
- Decrease to \$410,000 by 2031 due to fully funding for replacement of due to replacement of the various neighborhood playground equipment and the asphalt pavement at the Karen House and storage facility
- Inflationary increases through 2052, the limit of this study's Cash Flow Analysis
- Initial adjustment in Reserve Contributions of \$225,000 represents an average annual increase of \$86.21 per homeowner and about a twenty-three percent (22.6%) adjustment in the 2022 total Operating Budget of \$997,771.

The Jonathan Association
Recommended Reserve Funding Table and Graph

| Year | Reserve Contributions (\$) | Reserve Balances (\$) | Year | Reserve Contributions (\$) | Reserve Balances (\$) | Year | Reserve Contributions (\$) | Reserve Balances (\$) |
|------|----------------------------|-----------------------|------|----------------------------|-----------------------|------|----------------------------|-----------------------|
| 2023 | 475,000 | 666,725 | 2033 | 440,300 | 864,830 | 2043 | 621,000 | 1,073,176 |
| 2024 | 491,600 | 851,189 | 2034 | 455,700 | 1,072,503 | 2044 | 642,700 | 838,365 |
| 2025 | 508,800 | 741,544 | 2035 | 471,600 | 1,427,373 | 2045 | 665,200 | 690,581 |
| 2026 | 526,600 | 596,273 | 2036 | 488,100 | 1,558,099 | 2046 | 688,500 | 1,115,166 |
| 2027 | 545,000 | 296,602 | 2037 | 505,200 | 1,821,754 | 2047 | 712,600 | 983,452 |
| 2028 | 564,100 | 225,725 | 2038 | 522,900 | 1,962,135 | 2048 | 737,500 | 597,590 |
| 2029 | 583,800 | 173,745 | 2039 | 541,200 | 2,134,080 | 2049 | 763,300 | 1,029,965 |
| 2030 | 604,200 | 177,769 | 2040 | 560,100 | 1,832,559 | 2050 | 790,000 | 1,571,707 |
| 2031 | 411,000 | 358,931 | 2041 | 579,700 | 1,516,882 | 2051 | 817,700 | 1,851,479 |
| 2032 | 425,400 | 584,760 | 2042 | 600,000 | 1,321,291 | 2052 | 846,300 | 2,368,068 |





2.RESERVE STUDY REPORT

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

The Jonathan Association

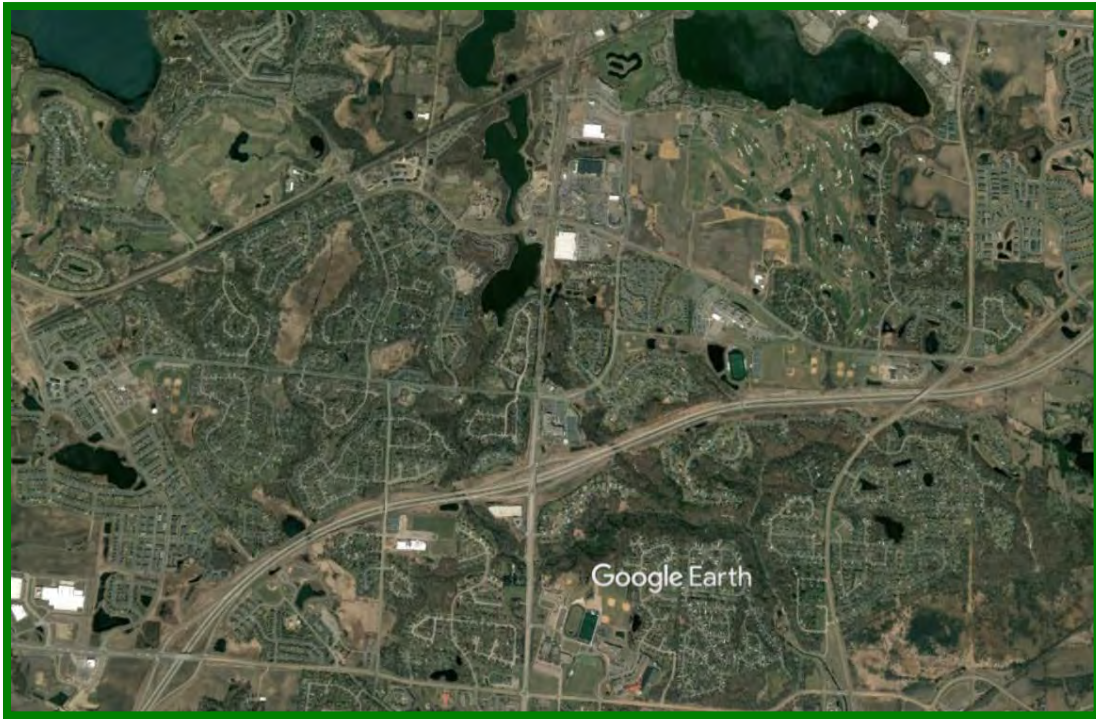
Chaska, Minnesota

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, May 18, 2022. We conducted previous inspections in 2009, 2013, 2016 and 2019.

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 anticipated 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 Association and through conversations with Management and the Board. 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:

- The Jonathan Association 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 the 30-year Reserve Expenditures at this time:

- Electrical Systems, Common
- Foundations, Common
- Pipes, Interior Buildings, Storage Facility (Constructed in 2011)
- Pipes, Subsurface Utilities, Common
- Silo, Total Replacement
- Structural Frames, Common
- Walls, Siding, Fiber Cement, Storage Facility (Constructed in 2011)
- Windmill, Karen House, Total Replacement

The operating budget provides money for the repair and replacement of certain Reserve Components. The Association 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 \$6,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Asphalt Pavement, Parking Area, Crack Repair, Patch and Seal Coat, Karen House
- Concrete Flatwork, Common
- Electrical and Plumbing Systems, Karen House
- Fences, Aluminum, Stone Creek Drive and Hundertmark Road
- Irrigation Systems, Clover Field, Clover Preserve, Clover Ridge and Traditions Neighborhoods
- Landscape, Annual Maintenance
- Light Fixtures, Exterior Buildings, Common
- Paint Finishes, Touch Up
- Propane and Unit Heater, Storage Facility
- Railings, Karen House
- Windows and Doors, Storage Facility
- 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 unit:

- Homes and Lots

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

- Art and Sculptures (Municipality)
- Eitel House (The Association recently sold the Eitel House to a separate entity)
- Light Poles and Fixtures (Municipality)
- Obelisk (Municipality)
- Ponds and Lakes (Municipality and Sub Associations)
- Retaining Walls (Except those maintained by The Jonathan) (Municipality and Sub Associations)
- Roadway Underpass Structures (Municipality)
- Signage, Sub Associations (Sub Associations)
- Street Systems (Municipality and Sub Associations)
- Walking Paths (Except those maintained by The Jonathan) (Municipality and Sub Associations)

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
- 2022 local cost of replacement
 - Per unit
 - Per phase
 - Replacement of total quantity
- Percentage of future expenditures 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

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

The purpose of a Reserve Study is to provide an opinion of reasonable annual Reserve Contributions. Prediction of exact timing and costs of minor Reserve Expenditures typically will not significantly affect the 30-year cash flow analysis. Adjustments to the times and/or costs of expenditures may not always result in an adjustment in the recommended Reserve Contributions.

Financial statements prepared by your association, 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***.

RESERVE EXPENDITURES

The Jonathan
Association
Chaska, Minnesota

Explanatory Notes:

- 1) 3.5% is the estimated Inflation Rate for estimating Future Replacement Costs.
2) FY2022 is Fiscal Year beginning January 1, 2022 and ending December 31, 2022.

| Line Item | Total Quantity | Per Phase Quantity | Units | Reserve Component Inventory | Estimated 1st Year of Event | Life Analysis, Years | | Costs, \$ | | | Percentage of Future Expenditures | RUL = 0 FY2022 | 1 2023 | 2 2024 | 3 2025 | 4 2026 | 5 2027 | 6 2028 | 7 2029 | 8 2030 | 9 2031 | 10 2032 | 11 2033 | 12 2034 | 13 2035 | 14 2036 | 15 2037 |
|--------------------------|----------------|--------------------|---|-----------------------------|-----------------------------|----------------------|-----------|-------------|------------------|--------------|-----------------------------------|----------------|--------|--------|--------|--------|--------|---------|--------|--------|--------|---------|---------|---------|---------|---------|---------|
| | | | | | | Useful | Remaining | Unit (2022) | Per Phase (2022) | Total (2022) | | | | | | | | | | | | | | | | | |
| Neighborhood #1 Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.360 | 1 | 1 Each | Bus Shelter, Wood, Renovation | | 2024 | to 20 | 2 | 5,000.00 | 5,000 | 5,000 | 0.1% | | 5,356 | | | | | | | | | | | | | | |
| 1.600 | 7 | 7 Each | Mailbox Stations, Metal | | 2028 | to 25 | 6 | 1,565.00 | 10,955 | 10,955 | 0.1% | | | | | | 13,466 | | | | | | | | | | |
| 1.660 | 1 | 1 Each | Playground Equipment, Arboretum Way (Near Trail Head) | | 2027 | 15 to 25 | 5 | 45,000.00 | 45,000 | 45,000 | 1.0% | | | | | | 53,446 | | | | | | | | | | |
| 1.661 | 1 | 1 Each | Playground Equipment, Jonathan Acres | | 2027 | 15 to 25 | 5 | 40,000.00 | 40,000 | 40,000 | 0.9% | | | | | | 47,507 | | | | | | | | | | |
| 1.790 | 360 | 360 Square Feet | Retaining Wall, Masonry | | 2045 | to 35 | 23 | 45.00 | 16,200 | 16,200 | 0.2% | | | | | | | | | | | | | | | | |
| 1.810 | 1 | 1 Each | Signage, Renovation | | 2037 | 15 to 20 | 15 | 3,500.00 | 3,500 | 3,500 | 0.0% | | | | | | | | | | | | | | | | 5,864 |
| Neighborhood #2 Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.600 | 1 | 1 Each | Mailbox Stations, Metal | | 2032 | to 25 | 10 | 1,565.00 | 1,565 | 1,565 | 0.0% | | | | | | | | | | 2,208 | | | | | | |
| 2.810 | 1 | 1 Each | Signage, Renovation | | 2037 | 15 to 20 | 15 | 3,500.00 | 3,500 | 3,500 | 0.0% | | | | | | | | | | | | | | | | 5,864 |
| Neighborhood #3 Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.601 | 3 | 3 Each | Mailbox Stations, Metal | | 2047 | to 25 | 25 | 1,565.00 | 4,695 | 4,695 | 0.1% | | | | | | | | | | | | | | | | |
| 3.660 | 1 | 1 Each | Playground Equipment | | 2036 | 15 to 25 | 14 | 30,000.00 | 30,000 | 30,000 | 0.3% | | | | | | | | | | | | | | | 48,561 | |
| 3.810 | 1 | 1 Each | Signage, Renovation | | 2037 | 15 to 20 | 15 | 3,500.00 | 3,500 | 3,500 | 0.0% | | | | | | | | | | | | | | | | 5,864 |
| 3.900 | 1 | 1 Each | Staircase, Wood, Warner Circle | | 2040 | 15 to 25 | 18 | 11,000.00 | 11,000 | 11,000 | 0.1% | | | | | | | | | | | | | | | | |
| Neighborhood #4 Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.601 | 4 | 4 Each | Mailboxe Stations, Metal, New | | 2047 | to 25 | 25 | 1,565.00 | 6,260 | 6,260 | 0.1% | | | | | | | | | | | | | | | | |
| 4.602 | 3 | 3 Each | Mailbox Stations, Metal, Original | | 2032 | to 25 | 10 | 1,565.00 | 4,695 | 4,695 | 0.0% | | | | | | | | | | 6,623 | | | | | | |
| 4.660 | 1 | 1 Each | Playground Equipment | | 2030 | 15 to 25 | 8 | 35,000.00 | 35,000 | 35,000 | 0.8% | | | | | | | 46,088 | | | | | | | | | |
| 4.810 | 1 | 1 Each | Signage, Renovation | | 2037 | 15 to 20 | 15 | 3,500.00 | 3,500 | 3,500 | 0.0% | | | | | | | | | | | | | | | | 5,864 |
| Neighborhood #5 Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5.601 | 4 | 4 Each | Mailboxe Stations, Metal | | 2047 | to 25 | 25 | 1,565.00 | 6,260 | 6,260 | 0.1% | | | | | | | | | | | | | | | | |
| 5.660 | 1 | 1 Each | Playground Equipment | | 2030 | 15 to 25 | 8 | 64,000.00 | 64,000 | 64,000 | 1.5% | | | | | | | 84,276 | | | | | | | | | |
| 5.810 | 1 | 1 Each | Signage, Renovation | | 2037 | 15 to 20 | 15 | 3,500.00 | 3,500 | 3,500 | 0.0% | | | | | | | | | | | | | | | | 5,864 |
| Neighborhood #6 Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6.100 | 600 | 600 Square Yards | Asphalt Pavement, Basketball Court, Total Replacement | | 2038 | 15 to 20 | 16 | 40.00 | 24,000 | 24,000 | 0.3% | | | | | | | | | | | | | | | | |
| 6.601 | 1 | 1 Each | Mailbox Stations, Metal, New | | 2047 | to 25 | 25 | 1,565.00 | 1,565 | 1,565 | 0.0% | | | | | | | | | | | | | | | | |
| 6.602 | 3 | 3 Each | Mailbox Stations, Metal, Original | | 2032 | to 25 | 10 | 1,565.00 | 4,695 | 4,695 | 0.0% | | | | | | | | | | 6,623 | | | | | | |
| 6.660 | 1 | 1 Each | Playground Equipment | | 2023 | 15 to 25 | 1 | 20,000.00 | 20,000 | 20,000 | 0.4% | 20,700 | | | | | | | | | | | | | | | |
| 6.810 | 3 | 3 Each | Signage, Renovation | | 2037 | 15 to 20 | 15 | 3,500.00 | 10,500 | 10,500 | 0.1% | | | | | | | | | | | | | | | | 17,591 |
| Neighborhood #7 Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7.601 | 15 | 15 Each | Mailbox Stations, Metal | | 2047 | to 25 | 25 | 1,565.00 | 23,475 | 23,475 | 0.3% | | | | | | | | | | | | | | | | |
| 7.660 | 2 | 2 Each | Playground Equipment | | 2029 | 15 to 25 | 7 | 43,000.00 | 86,000 | 86,000 | 1.9% | | | | | | | 109,416 | | | | | | | | | |
| 7.810 | 2 | 2 Each | Signage, Renovation | | 2036 | 15 to 20 | 14 | 3,500.00 | 7,000 | 7,000 | 0.2% | | | | | | | | | | | | | | | 11,331 | |

RESERVE EXPENDITURES

The Jonathan
Association
Chaska, Minnesota

| Line Item | Total Quantity | Per Phase Quantity | Units | Reserve Component Inventory | Estimated 1st Year of Event | Life Analysis, Years | | Costs, \$ | | | Percentage of Future Expenditures | 16 2038 | 17 2039 | 18 2040 | 19 2041 | 20 2042 | 21 2043 | 22 2044 | 23 2045 | 24 2046 | 25 2047 | 26 2048 | 27 2049 | 28 2050 | 29 2051 | 30 2052 | | |
|--------------------------|----------------|--------------------|---|-----------------------------|-----------------------------|----------------------|-----------|-------------|------------------|--------------|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--|--|
| | | | | | | Useful | Remaining | Unit (2022) | Per Phase (2022) | Total (2022) | | | | | | | | | | | | | | | | | | |
| Neighborhood #1 Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.360 | 1 | 1 Each | Bus Shelter, Wood, Renovation | | 2024 | to 20 | 2 | 5,000.00 | 5,000 | 5,000 | 0.1% | | | | | | | 10,658 | | | | | | | | | | |
| 1.600 | 7 | 7 Each | Mailbox Stations, Metal | | 2028 | to 25 | 6 | 1,565.00 | 10,955 | 10,955 | 0.1% | | | | | | | | | | | | | | | | | |
| 1.660 | 1 | 1 Each | Playground Equipment, Arboretum Way (Near Trail Head) | | 2027 | 15 to 25 | 5 | 45,000.00 | 45,000 | 45,000 | 1.0% | | | | | | | | 99,275 | | | | | | | | | |
| 1.661 | 1 | 1 Each | Playground Equipment, Jonathan Acres | | 2027 | 15 to 25 | 5 | 40,000.00 | 40,000 | 40,000 | 0.9% | | | | | | | | | | 94,530 | | | | | | | |
| 1.790 | 360 | 360 Square Feet | Retaining Wall, Masonry | | 2045 | to 35 | 23 | 45.00 | 16,200 | 16,200 | 0.2% | | | | | | | | 35,739 | | | | | | | | | |
| 1.810 | 1 | 1 Each | Signage, Renovation | | 2037 | 15 to 20 | 15 | 3,500.00 | 3,500 | 3,500 | 0.0% | | | | | | | | | | | | | | | | | |
| Neighborhood #2 Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.600 | 1 | 1 Each | Mailbox Stations, Metal | | 2032 | to 25 | 10 | 1,565.00 | 1,565 | 1,565 | 0.0% | | | | | | | | | | | | | | | | | |
| 2.810 | 1 | 1 Each | Signage, Renovation | | 2037 | 15 to 20 | 15 | 3,500.00 | 3,500 | 3,500 | 0.0% | | | | | | | | | | | | | | | | | |
| Neighborhood #3 Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3.601 | 3 | 3 Each | Mailbox Stations, Metal | | 2047 | to 25 | 25 | 1,565.00 | 4,695 | 4,695 | 0.1% | | | | | | | | | | 11,095 | | | | | | | |
| 3.660 | 1 | 1 Each | Playground Equipment | | 2036 | 15 to 25 | 14 | 30,000.00 | 30,000 | 30,000 | 0.3% | | | | | | | | | | | | | | | | | |
| 3.810 | 1 | 1 Each | Signage, Renovation | | 2037 | 15 to 20 | 15 | 3,500.00 | 3,500 | 3,500 | 0.0% | | | | | | | | | | | | | | | | | |
| 3.900 | 1 | 1 Each | Staircase, Wood, Warner Circle | | 2040 | 15 to 25 | 18 | 11,000.00 | 11,000 | 11,000 | 0.1% | | | | 20,432 | | | | | | | | | | | | | |
| Neighborhood #4 Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.601 | 4 | 4 Each | Mailboxe Stations, Metal, New | | 2047 | to 25 | 25 | 1,565.00 | 6,260 | 6,260 | 0.1% | | | | | | | | | | 14,794 | | | | | | | |
| 4.602 | 3 | 3 Each | Mailbox Stations, Metal, Original | | 2032 | to 25 | 10 | 1,565.00 | 4,695 | 4,695 | 0.0% | | | | | | | | | | | | | | | | | |
| 4.660 | 1 | 1 Each | Playground Equipment | | 2030 | 15 to 25 | 8 | 35,000.00 | 35,000 | 35,000 | 0.8% | | | | | | | | | | 85,609 | | | | | | | |
| 4.810 | 1 | 1 Each | Signage, Renovation | | 2037 | 15 to 20 | 15 | 3,500.00 | 3,500 | 3,500 | 0.0% | | | | | | | | | | | | | | | | | |
| Neighborhood #5 Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5.601 | 4 | 4 Each | Mailboxe Stations, Metal | | 2047 | to 25 | 25 | 1,565.00 | 6,260 | 6,260 | 0.1% | | | | | | | | | | 14,794 | | | | | | | |
| 5.660 | 1 | 1 Each | Playground Equipment | | 2030 | 15 to 25 | 8 | 64,000.00 | 64,000 | 64,000 | 1.5% | | | | | | | | | | 156,541 | | | | | | | |
| 5.810 | 1 | 1 Each | Signage, Renovation | | 2037 | 15 to 20 | 15 | 3,500.00 | 3,500 | 3,500 | 0.0% | | | | | | | | | | | | | | | | | |
| Neighborhood #6 Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6.100 | 600 | 600 Square Yards | Asphalt Pavement, Basketball Court, Total Replacement | | 2038 | 15 to 20 | 16 | 40.00 | 24,000 | 24,000 | 0.3% | 41,616 | | | | | | | | | | | | | | | | |
| 6.601 | 1 | 1 Each | Mailbox Stations, Metal, New | | 2047 | to 25 | 25 | 1,565.00 | 1,565 | 1,565 | 0.0% | | | | | | | | | | 3,698 | | | | | | | |
| 6.602 | 3 | 3 Each | Mailbox Stations, Metal, Original | | 2032 | to 25 | 10 | 1,565.00 | 4,695 | 4,695 | 0.0% | | | | | | | | | | | | | | | | | |
| 6.660 | 1 | 1 Each | Playground Equipment | | 2023 | 15 to 25 | 1 | 20,000.00 | 20,000 | 20,000 | 0.4% | | | | 38,450 | | | | | | | | | | | | | |
| 6.810 | 3 | 3 Each | Signage, Renovation | | 2037 | 15 to 20 | 15 | 3,500.00 | 10,500 | 10,500 | 0.1% | | | | | | | | | | | | | | | | | |
| Neighborhood #7 Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7.601 | 15 | 15 Each | Mailbox Stations, Metal | | 2047 | to 25 | 25 | 1,565.00 | 23,475 | 23,475 | 0.3% | | | | | | | | | | 55,477 | | | | | | | |
| 7.660 | 2 | 2 Each | Playground Equipment | | 2029 | 15 to 25 | 7 | 43,000.00 | 86,000 | 86,000 | 1.9% | | | | | | | | | | 203,239 | | | | | | | |
| 7.810 | 2 | 2 Each | Signage, Renovation | | 2036 | 15 to 20 | 14 | 3,500.00 | 7,000 | 7,000 | 0.2% | | | | | | | | | | | | | | | 19,648 | | |

RESERVE EXPENDITURES

The Jonathan
Association
Chaska, Minnesota

Explanatory Notes:
1) 3.5% is the estimated Inflation Rate for estimating Future Replacement Costs.
2) FY2022 is Fiscal Year beginning January 1, 2022 and ending December 31, 2022.

| Line Item | Total Quantity | Per Phase Quantity | Units | Reserve Component Inventory | Estimated 1st Year of Event | Life Analysis, Years | | Costs, \$ | | Percentage of Future Expenditures | RUL = 0 FY2022 | 1 2023 | 2 2024 | 3 2025 | 4 2026 | 5 2027 | 6 2028 | 7 2029 | 8 2030 | 9 2031 | 10 2032 | 11 2033 | 12 2034 | 13 2035 | 14 2036 | 15 2037 | |
|---|----------------|--------------------|--|-----------------------------|-----------------------------|----------------------|-----------|-------------|------------------|-----------------------------------|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|--------------|
| | | | | | | Useful | Remaining | Unit (2022) | Per Phase (2022) | | | | | | | | | | | | | | | | | | Total (2022) |
| Neighborhood #8 Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8.600 | 8 | 8 Each | Mailbox Stations, Metal | | 2045 | to 25 | 23 | 1,565.00 | 12,520 | 12,520 | 0.2% | | | | | | | | | | | | | | | | |
| 8.660 | 1 | 1 Each | Playground Equipment | | 2027 | 15 to 25 | 5 | 64,000.00 | 64,000 | 64,000 | 1.4% | | | | | 76,012 | | | | | | | | | | | |
| 8.810 | 1 | 1 Each | Signage, Renovation | | 2037 | 15 to 20 | 15 | 3,500.00 | 3,500 | 3,500 | 0.0% | | | | | | | | | | | | | | | 5,864 | |
| Nighborhood #9 Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9.601 | 3 | 3 Each | Mailbox Stations, Metal | | 2047 | to 25 | 25 | 1,565.00 | 4,695 | 4,695 | 0.1% | | | | | | | | | | | | | | | | |
| 9.660 | 1 | 1 Each | Playground Equipment | | 2027 | 15 to 25 | 5 | 47,000.00 | 47,000 | 47,000 | 1.0% | | | | | 55,821 | | | | | | | | | | | |
| 9.810 | 2 | 2 Each | Signage, Renovation | | 2035 | 15 to 20 | 13 | 3,500.00 | 7,000 | 7,000 | 0.2% | | | | | | | | | | | | | 10,948 | | | |
| Neighborhood #10 Elements (Tuscany Hills) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10.601 | 8 | 8 Each | Mailbox Stations, Metal | | 2047 | to 25 | 25 | 1,565.00 | 12,520 | 12,520 | 0.2% | | | | | | | | | | | | | | | | |
| 10.660 | 1 | 1 Each | Playground Equipment | | 2027 | 15 to 25 | 5 | 44,000.00 | 44,000 | 44,000 | 0.9% | | | | | 52,258 | | | | | | | | | | | |
| 10.810 | 2 | 2 Each | Signage, Renovation | | 2037 | 15 to 20 | 15 | 3,500.00 | 7,000 | 7,000 | 0.1% | | | | | | | | | | | | | | | 11,727 | |
| Neighborhood #11 Elements (Victoria Way) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11.601 | 16 | 16 Each | Mailbox Stations, Metal, New | | 2047 | to 25 | 25 | 1,565.00 | 25,040 | 25,040 | 0.4% | | | | | | | | | | | | | | | | |
| 11.602 | 2 | 2 Each | Mailbox Stations, Metal, Original | | 2032 | to 25 | 10 | 1,565.00 | 3,130 | 3,130 | 0.0% | | | | | | | | | | 4,415 | | | | | | |
| 11.660 | 1 | 1 Each | Playground Equipment, Schindler Crossing | | 2030 | 15 to 25 | 8 | 43,000.00 | 43,000 | 43,000 | 1.0% | | | | | | | | 56,623 | | | | | | | | |
| 11.661 | 1 | 1 Each | Playground Equipment, Van Sloun Road | | 2030 | 15 to 25 | 8 | 35,000.00 | 35,000 | 35,000 | 0.8% | | | | | | | | 46,088 | | | | | | | | |
| 11.790 | 120 | 120 Square Feet | Retaining Walls, Masonry | | 2034 | to 35 | 12 | 45.00 | 5,400 | 5,400 | 0.1% | | | | | | | | | | | | 8,160 | | | | |
| 11.811 | 2 | 2 Each | Signage, Renovation, Subsequent | | 2037 | 15 to 20 | 15 | 3,500.00 | 7,000 | 7,000 | 0.1% | | | | | | | | | | | | | | | 11,727 | |
| Neighborhood #12 Elements (Heather Ridge) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12.601 | 4 | 4 Each | Mailbox Stations, Metal | | 2047 | to 25 | 25 | 1,565.00 | 6,260 | 6,260 | 0.1% | | | | | | | | | | | | | | | | |
| 12.660 | 1 | 1 Each | Playground Equipment | | 2027 | 15 to 25 | 5 | 39,000.00 | 39,000 | 39,000 | 0.8% | | | | | 46,320 | | | | | | | | | | | |
| 12.811 | 2 | 2 Each | Signage, Renovation, Subsequent | | 2038 | 15 to 20 | 16 | 3,500.00 | 7,000 | 7,000 | 0.1% | | | | | | | | | | | | | | | | |
| Clover Field Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13.601 | 9 | 9 Each | Mailbox Stations, Metal, New | | 2047 | to 25 | 25 | 1,565.00 | 14,085 | 14,085 | 0.2% | | | | | | | | | | | | | | | | |
| 13.602 | 4 | 4 Each | Mailbox Stations, Metal, Original | | 2043 | to 25 | 21 | 1,565.00 | 6,260 | 6,260 | 0.1% | | | | | | | | | | | | | | | | |
| 13.660 | 1 | 1 Each | Playground Equipment, Hundertmark Road | | 2036 | 15 to 25 | 14 | 75,000.00 | 75,000 | 75,000 | 0.8% | | | | | | | | | | | | | | | 121,402 | |
| 13.661 | 1 | 1 Each | Playground Equipment, Juliet Park | | 2036 | 15 to 25 | 14 | 30,000.00 | 30,000 | 30,000 | 0.3% | | | | | | | | | | | | | | | 48,561 | |
| 13.810 | 1 | 1 Each | Signage, Replacement | | 2023 | N/A | 1 | 25,000.00 | 25,000 | 25,000 | 0.2% | | 25,875 | | | | | | | | | | | | | | |
| 13.811 | 1 | 1 Each | Signage, Renovation, Subsequent | | 2039 | 15 to 20 | 17 | 3,500.00 | 3,500 | 3,500 | 0.0% | | | | | | | | | | | | | | | | |
| Clover Preserve Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14.601 | 6 | 6 Each | Mailbox Stations, Metal | | 2047 | to 25 | 25 | 1,565.00 | 9,390 | 9,390 | 0.1% | | | | | | | | | | | | | | | | |
| 14.660 | 1 | 1 Each | Playground Equipment | | 2030 | 15 to 25 | 8 | 67,000.00 | 67,000 | 67,000 | 1.6% | | | | | | | 88,226 | | | | | | | | | |

RESERVE EXPENDITURES

The Jonathan
Association
Chaska, Minnesota

| Line Item | Total Quantity | Per Phase Quantity | Units | Reserve Component Inventory | Estimated 1st Year of Event | Life Analysis, Years | | Costs, \$ | | Percentage of Future Expenditures | 16 2038 | 17 2039 | 18 2040 | 19 2041 | 20 2042 | 21 2043 | 22 2044 | 23 2045 | 24 2046 | 25 2047 | 26 2048 | 27 2049 | 28 2050 | 29 2051 | 30 2052 | | |
|---|----------------|--------------------|--|-----------------------------|-----------------------------|----------------------|-----------|-------------|------------------|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|--|
| | | | | | | Useful | Remaining | Unit (2022) | Per Phase (2022) | | | | | | | | | | | | | | | | | Total (2022) | |
| Neighborhood #8 Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8.600 | 8 | 8 Each | Mailbox Stations, Metal | | 2045 | to 25 | 23 | 1,565.00 | 12,520 | 12,520 | 0.2% | | | | | | | | | | | | | | | 27,621 | |
| 8.660 | 1 | 1 Each | Playground Equipment | | 2027 | 15 to 25 | 5 | 64,000.00 | 64,000 | 64,000 | 1.4% | | | | | | | | | | | | | | | 141,191 | |
| 8.810 | 1 | 1 Each | Signage, Renovation | | 2037 | 15 to 20 | 15 | 3,500.00 | 3,500 | 3,500 | 0.0% | | | | | | | | | | | | | | | | |
| Nighborhood #9 Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9.601 | 3 | 3 Each | Mailbox Stations, Metal | | 2047 | to 25 | 25 | 1,565.00 | 4,695 | 4,695 | 0.1% | | | | | | | | | | | | | | | 11,095 | |
| 9.660 | 1 | 1 Each | Playground Equipment | | 2027 | 15 to 25 | 5 | 47,000.00 | 47,000 | 47,000 | 1.0% | | | | | | | | | | | | | | | 103,687 | |
| 9.810 | 2 | 2 Each | Signage, Renovation | | 2035 | 15 to 20 | 13 | 3,500.00 | 7,000 | 7,000 | 0.2% | | | | | | | | | | | | | | | 18,983 | |
| Neighborhood #10 Elements (Tuscany Hills) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10.601 | 8 | 8 Each | Mailbox Stations, Metal | | 2047 | to 25 | 25 | 1,565.00 | 12,520 | 12,520 | 0.2% | | | | | | | | | | | | | | | 29,588 | |
| 10.660 | 1 | 1 Each | Playground Equipment | | 2027 | 15 to 25 | 5 | 44,000.00 | 44,000 | 44,000 | 0.9% | | | | | | | | | | | | | | | 97,069 | |
| 10.810 | 2 | 2 Each | Signage, Renovation | | 2037 | 15 to 20 | 15 | 3,500.00 | 7,000 | 7,000 | 0.1% | | | | | | | | | | | | | | | | |
| Neighborhood #11 Elements (Victoria Way) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11.601 | 16 | 16 Each | Mailbox Stations, Metal, New | | 2047 | to 25 | 25 | 1,565.00 | 25,040 | 25,040 | 0.4% | | | | | | | | | | | | | | | 59,176 | |
| 11.602 | 2 | 2 Each | Mailbox Stations, Metal, Original | | 2032 | to 25 | 10 | 1,565.00 | 3,130 | 3,130 | 0.0% | | | | | | | | | | | | | | | | |
| 11.660 | 1 | 1 Each | Playground Equipment, Schindler Crossing | | 2030 | 15 to 25 | 8 | 43,000.00 | 43,000 | 43,000 | 1.0% | | | | | | | | | | | | | | | 105,176 | |
| 11.661 | 1 | 1 Each | Playground Equipment, Van Sloun Road | | 2030 | 15 to 25 | 8 | 35,000.00 | 35,000 | 35,000 | 0.8% | | | | | | | | | | | | | | | 85,609 | |
| 11.790 | 120 | 120 Square Feet | Retaining Walls, Masonry | | 2034 | to 35 | 12 | 45.00 | 5,400 | 5,400 | 0.1% | | | | | | | | | | | | | | | | |
| 11.811 | 2 | 2 Each | Signage, Renovation, Subsequent | | 2037 | 15 to 20 | 15 | 3,500.00 | 7,000 | 7,000 | 0.1% | | | | | | | | | | | | | | | | |
| Neighborhood #12 Elements (Heather Ridge) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12.601 | 4 | 4 Each | Mailbox Stations, Metal | | 2047 | to 25 | 25 | 1,565.00 | 6,260 | 6,260 | 0.1% | | | | | | | | | | | | | | | 14,794 | |
| 12.660 | 1 | 1 Each | Playground Equipment | | 2027 | 15 to 25 | 5 | 39,000.00 | 39,000 | 39,000 | 0.8% | | | | | | | | | | | | | | | 86,038 | |
| 12.811 | 2 | 2 Each | Signage, Renovation, Subsequent | | 2038 | 15 to 20 | 16 | 3,500.00 | 7,000 | 7,000 | 0.1% | 12,138 | | | | | | | | | | | | | | | |
| Clover Field Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13.601 | 9 | 9 Each | Mailbox Stations, Metal, New | | 2047 | to 25 | 25 | 1,565.00 | 14,085 | 14,085 | 0.2% | | | | | | | | | | | | | | | 33,286 | |
| 13.602 | 4 | 4 Each | Mailbox Stations, Metal, Original | | 2043 | to 25 | 21 | 1,565.00 | 6,260 | 6,260 | 0.1% | | | | | | | | | | | | | | | 12,892 | |
| 13.660 | 1 | 1 Each | Playground Equipment, Hundertmark Road | | 2036 | 15 to 25 | 14 | 75,000.00 | 75,000 | 75,000 | 0.8% | | | | | | | | | | | | | | | | |
| 13.661 | 1 | 1 Each | Playground Equipment, Juliet Park | | 2036 | 15 to 25 | 14 | 30,000.00 | 30,000 | 30,000 | 0.3% | | | | | | | | | | | | | | | | |
| 13.810 | 1 | 1 Each | Signage, Replacement | | 2023 | N/A | 1 | 25,000.00 | 25,000 | 25,000 | 0.2% | | | | | | | | | | | | | | | | |
| 13.811 | 1 | 1 Each | Signage, Renovation, Subsequent | | 2039 | 15 to 20 | 17 | 3,500.00 | 3,500 | 3,500 | 0.0% | | 6,281 | | | | | | | | | | | | | | |
| Clover Preserve Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14.601 | 6 | 6 Each | Mailbox Stations, Metal | | 2047 | to 25 | 25 | 1,565.00 | 9,390 | 9,390 | 0.1% | | | | | | | | | | | | | | | 22,191 | |
| 14.660 | 1 | 1 Each | Playground Equipment | | 2030 | 15 to 25 | 8 | 67,000.00 | 67,000 | 67,000 | 1.6% | | | | | | | | | | | | | | | 163,879 | |

RESERVE EXPENDITURES

**The Jonathan
Association**
Chaska, Minnesota

Explanatory Notes:

1) **3.5%** is the estimated Inflation Rate for estimating Future Replacement Costs.

2) FY2022 is Fiscal Year beginning January 1, 2022 and ending December 31, 2022.

| Line Item | Total Quantity | Per Phase Quantity | Units | Reserve Component Inventory | Estimated 1st Year of Event | Life Analysis, Years | | Costs, \$ | | Percentage of Future Expenditures | RUL = 0 FY2022 | 1 2023 | 2 2024 | 3 2025 | 4 2026 | 5 2027 | 6 2028 | 7 2029 | 8 2030 | 9 2031 | 10 2032 | 11 2033 | 12 2034 | 13 2035 | 14 2036 | 15 2037 |
|----------------------------|----------------|--------------------|-------|--|-----------------------------|----------------------|-----------|-------------|------------------|-----------------------------------|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|
| | | | | | | Useful | Remaining | Unit (2022) | Per Phase (2022) | | | | | | | | | | | | | | | | | |
| Clover Ridge Elements | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15.360 | 1 | 1 | Each | Bus Shelter, Wood, Refurbishment | 2024 | to 20 | 2 | 5,000.00 | 5,000 | 5,000 | 0.1% | | 5,356 | | | | | | | | | | | | | |
| 15.600 | 18 | 18 | Each | Mailbox Stations, Metal | 2032 | to 25 | 10 | 1,565.00 | 28,170 | 28,170 | 0.2% | | | | | | | | | | 39,737 | | | | | |
| Traditions Elements | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16.601 | 4 | 4 | Each | Mailboxes Stations, Metal, New | 2047 | to 25 | 25 | 1,565.00 | 6,260 | 6,260 | 0.1% | | | | | | | | | | | | | | | |
| 16.602 | 9 | 9 | Each | Mailbox Stations, Metal, Original | 2032 | to 25 | 10 | 1,565.00 | 14,085 | 14,085 | 0.1% | | | | | | | | | | 19,868 | | | | | |
| 16.660 | 1 | 1 | Each | Playground Equipment | 2030 | 15 to 25 | 8 | 43,000.00 | 43,000 | 43,000 | 1.0% | | | | | | | | 56,623 | | | | | | | |
| Autumn Woods Elements | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17.360 | 1 | 1 | Each | Mail Pavilion, Masonry, Refurbishment | 2026 | to 20 | 4 | 7,000.00 | 7,000 | 7,000 | 0.1% | | | | 8,033 | | | | | | | | | | | |
| 17.601 | 4 | 4 | Each | Mailbox Stations, Metal, New | 2047 | to 25 | 25 | 1,565.00 | 6,260 | 6,260 | 0.1% | | | | | | | | | | | | | | | |
| 17.602 | 8 | 8 | Each | Mailbox Stations, Metal, Original | 2028 | to 25 | 6 | 1,565.00 | 12,520 | 12,520 | 0.1% | | | | | | 15,390 | | | | | | | | | |
| 17.603 | 5 | 5 | Each | Mailbox Stations, Wood Frame (Replaced with Metal Cluster Boxes) | 2047 | to 25 | 25 | 1,565.00 | 7,825 | 7,825 | 0.1% | | | | | | | | | | | | | | | |
| 17.660 | 1 | 1 | Each | Playground Equipment, Acorn Road (Incl. Basketball Court) | 2038 | 15 to 25 | 16 to 17 | 125,000.00 | 62,500 | 125,000 | 1.4% | | | | | | | | | | | | | | | |
| 17.661 | 1 | 1 | Each | Playground Equipment, Ironwood Boulevard | 2039 | 15 to 25 | 17 to 18 | 41,000.00 | 20,500 | 41,000 | 0.5% | | | | | | | | | | | | | | | |
| 17.810 | 1 | 1 | Each | Signage, Replacement, Remaining | 2023 | N/A | 1 | 25,000.00 | 25,000 | 25,000 | 0.2% | 25,875 | | | | | | | | | | | | | | |
| 17.811 | 5 | 5 | Each | Signage, Renovation, Subsequent | 2038 | 15 to 20 | 16 | 3,500.00 | 17,500 | 17,500 | 0.2% | | | | | | | | | | | | | | | |
| Oak Valley Elements | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 18.600 | 4 | 4 | Each | Mailbox Stations, Metal | 2032 | to 25 | 10 | 1,565.00 | 6,260 | 6,260 | 0.1% | | | | | | | | | | 8,830 | | | | | |
| 18.810 | 1 | 1 | Each | Signage, Replacement | 2023 | N/A | 1 | 25,000.00 | 25,000 | 25,000 | 0.2% | 25,875 | | | | | | | | | | | | | | |
| 18.811 | 1 | 1 | Each | Signage, Renovation, Subsequent | 2039 | 15 to 20 | 17 | 3,500.00 | 3,500 | 3,500 | 0.0% | | | | | | | | | | | | | | | |
| High Point Elements | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 19.600 | 1 | 1 | Each | Mailbox Station, Concrete Pad Installation | 2023 | N/A | 1 | 750.00 | 750 | 750 | 0.0% | 776 | | | | | | | | | | | | | | |
| 19.601 | 1 | 1 | Each | Mailbox Stations, Metal | 2023 | to 25 | 1 | 1,565.00 | 1,565 | 1,565 | 0.0% | 1,620 | | | | | | | | | | | | | | |
| 19.810 | 1 | 1 | Each | Signage, Installation | 2023 | N/A | 1 | 25,000.00 | 25,000 | 25,000 | 0.2% | 25,875 | | | | | | | | | | | | | | |
| 19.811 | 1 | 1 | Each | Signage, Renovation, Subsequent | 2039 | 15 to 20 | 17 | 3,500.00 | 3,500 | 3,500 | 0.0% | | | | | | | | | | | | | | | |
| Carvers Green Elements | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20.600 | 2 | 2 | Each | Mailbox Stations, Metal | 2046 | to 25 | 24 | 1,565.00 | 3,130 | 3,130 | 0.0% | | | | | | | | | | | | | | | |
| 20.810 | 1 | 1 | Each | Signage, Installation | 2023 | N/A | 1 | 25,000.00 | 25,000 | 25,000 | 0.2% | 25,875 | | | | | | | | | | | | | | |
| 20.811 | 1 | 1 | Each | Signage, Renovation, Subsequent | 2039 | 15 to 20 | 17 | 3,500.00 | 3,500 | 3,500 | 0.0% | | | | | | | | | | | | | | | |
| Hazelline Estates Elements | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 21.601 | 1 | 1 | Each | Mailbox Station, Metal | 2047 | to 25 | 25 | 1,565.00 | 1,565 | 1,565 | 0.0% | | | | | | | | | | | | | | | |
| 21.810 | 1 | 1 | Each | Signage, Installation | 2023 | N/A | 1 | 25,000.00 | 25,000 | 25,000 | 0.2% | 25,875 | | | | | | | | | | | | | | |
| 21.811 | 1 | 1 | Each | Signage, Renovation, Subsequent | 2039 | 15 to 20 | 17 | 3,500.00 | 3,500 | 3,500 | 0.0% | | | | | | | | | | | | | | | |

RESERVE EXPENDITURES

| The Jonathan Association Chaska, Minnesota | | | | Estimated 1st Year of Event | Life Analysis, Years | | Costs, \$ | | | Percentage of Future Expenditures | 16 2038 | 17 2039 | 18 2040 | 19 2041 | 20 2042 | 21 2043 | 22 2044 | 23 2045 | 24 2046 | 25 2047 | 26 2048 | 27 2049 | 28 2050 | 29 2051 | 30 2052 |
|---|-------------------|-----------------------|-------|--|-------------------------|----------|----------------|---------------------|-----------------|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Line Item | Total Quantity | Per Phase Quantity | Units | | | | Unit (2022) | Per Phase (2022) | Total (2022) | | | | | | | | | | | | | | | | |
| Clover Ridge Elements | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15.360 | 1 | 1 | Each | Bus Shelter, Wood, Refurbishment | 2024 | to 20 | 2 | 5,000.00 | 5,000 | 5,000 | 0.1% | | | | | | 10,658 | | | | | | | | |
| 15.600 | 18 | 18 | Each | Mailbox Stations, Metal | 2032 | to 25 | 10 | 1,565.00 | 28,170 | 28,170 | 0.2% | | | | | | | | | | | | | | |
| Traditions Elements | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16.601 | 4 | 4 | Each | Mailboxes Stations, Metal, New | 2047 | to 25 | 25 | 1,565.00 | 6,260 | 6,260 | 0.1% | | | | | | | | 14,794 | | | | | | |
| 16.602 | 9 | 9 | Each | Mailbox Stations, Metal, Original | 2032 | to 25 | 10 | 1,565.00 | 14,085 | 14,085 | 0.1% | | | | | | | | | | | | | | |
| 16.660 | 1 | 1 | Each | Playground Equipment | 2030 | 15 to 25 | 8 | 43,000.00 | 43,000 | 43,000 | 1.0% | | | | | | | | | 105,176 | | | | | |
| Autumn Woods Elements | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17.360 | 1 | 1 | Each | Mail Pavilion, Masonry, Refurbishment | 2026 | to 20 | 4 | 7,000.00 | 7,000 | 7,000 | 0.1% | | | | | | | 15,983 | | | | | | | |
| 17.601 | 4 | 4 | Each | Mailbox Stations, Metal, New | 2047 | to 25 | 25 | 1,565.00 | 6,260 | 6,260 | 0.1% | | | | | | | | 14,794 | | | | | | |
| 17.602 | 8 | 8 | Each | Mailbox Stations, Metal, Original | 2028 | to 25 | 6 | 1,565.00 | 12,520 | 12,520 | 0.1% | | | | | | | | | | | | | | |
| 17.603 | 5 | 5 | Each | Mailbox Stations, Wood Frame (Replaced with Metal Cluster Boxes) | 2047 | to 25 | 25 | 1,565.00 | 7,825 | 7,825 | 0.1% | | | | | | | | 18,492 | | | | | | |
| 17.660 | 1 | 1 | Each | Playground Equipment, Acorn Road (Incl. Basketball Court) | 2038 | 15 to 25 | 16 to 17 | 125,000.00 | 62,500 | 125,000 | 1.4% | 108,374 | 112,167 | | | | | | | | | | | | |
| 17.661 | 1 | 1 | Each | Playground Equipment, Ironwood Boulevard | 2039 | 15 to 25 | 17 to 18 | 41,000.00 | 20,500 | 41,000 | 0.5% | | 36,791 | 38,079 | | | | | | | | | | | |
| 17.810 | 1 | 1 | Each | Signage, Replacement, Remaining | 2023 | N/A | 1 | 25,000.00 | 25,000 | 25,000 | 0.2% | | | | | | | | | | | | | | |
| 17.811 | 5 | 5 | Each | Signage, Renovation, Subsequent | 2038 | 15 to 20 | 16 | 3,500.00 | 17,500 | 17,500 | 0.2% | 30,345 | | | | | | | | | | | | | |
| Oak Valley Elements | | | | | | | | | | | | | | | | | | | | | | | | | |
| 18.600 | 4 | 4 | Each | Mailbox Stations, Metal | 2032 | to 25 | 10 | 1,565.00 | 6,260 | 6,260 | 0.1% | | | | | | | | | | | | | | |
| 18.810 | 1 | 1 | Each | Signage, Replacement | 2023 | N/A | 1 | 25,000.00 | 25,000 | 25,000 | 0.2% | | | | | | | | | | | | | | |
| 18.811 | 1 | 1 | Each | Signage, Renovation, Subsequent | 2039 | 15 to 20 | 17 | 3,500.00 | 3,500 | 3,500 | 0.0% | | 6,281 | | | | | | | | | | | | |
| High Point Elements | | | | | | | | | | | | | | | | | | | | | | | | | |
| 19.600 | 1 | 1 | Each | Mailbox Station, Concrete Pad Installation | 2023 | N/A | 1 | 750.00 | 750 | 750 | 0.0% | | | | | | | | | | | | | | |
| 19.601 | 1 | 1 | Each | Mailbox Stations, Metal | 2023 | to 25 | 1 | 1,565.00 | 1,565 | 1,565 | 0.0% | | | | | | | | | 3,828 | | | | | |
| 19.810 | 1 | 1 | Each | Signage, Installation | 2023 | N/A | 1 | 25,000.00 | 25,000 | 25,000 | 0.2% | | | | | | | | | | | | | | |
| 19.811 | 1 | 1 | Each | Signage, Renovation, Subsequent | 2039 | 15 to 20 | 17 | 3,500.00 | 3,500 | 3,500 | 0.0% | | 6,281 | | | | | | | | | | | | |
| Carvers Green Elements | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20.600 | 2 | 2 | Each | Mailbox Stations, Metal | 2046 | to 25 | 24 | 1,565.00 | 3,130 | 3,130 | 0.0% | | | | | | | | 7,147 | | | | | | |
| 20.810 | 1 | 1 | Each | Signage, Installation | 2023 | N/A | 1 | 25,000.00 | 25,000 | 25,000 | 0.2% | | | | | | | | | | | | | | |
| 20.811 | 1 | 1 | Each | Signage, Renovation, Subsequent | 2039 | 15 to 20 | 17 | 3,500.00 | 3,500 | 3,500 | 0.0% | | 6,281 | | | | | | | | | | | | |
| Hazzeltine Estates Elements | | | | | | | | | | | | | | | | | | | | | | | | | |
| 21.601 | 1 | 1 | Each | Mailbox Station, Metal | 2047 | to 25 | 25 | 1,565.00 | 1,565 | 1,565 | 0.0% | | | | | | | | 3,698 | | | | | | |
| 21.810 | 1 | 1 | Each | Signage, Installation | 2023 | N/A | 1 | 25,000.00 | 25,000 | 25,000 | 0.2% | | | | | | | | | | | | | | |
| 21.811 | 1 | 1 | Each | Signage, Renovation, Subsequent | 2039 | 15 to 20 | 17 | 3,500.00 | 3,500 | 3,500 | 0.0% | | 6,281 | | | | | | | | | | | | |

RESERVE EXPENDITURES

The Jonathan
Association
Chaska, Minnesota

Explanatory Notes:

- 1) 3.5% is the estimated Inflation Rate for estimating Future Replacement Costs.
2) FY2022 is Fiscal Year beginning January 1, 2022 and ending December 31, 2022.

| Line Item | Total Quantity | Per Phase Quantity | Units | Reserve Component Inventory | Estimated 1st Year of Event | Life Analysis, Years | | Costs, \$ | | | Percentage of Future Expenditures | RUL = 0 FY2022 | 1 2023 | 2 2024 | 3 2025 | 4 2026 | 5 2027 | 6 2028 | 7 2029 | 8 2030 | 9 2031 | 10 2032 | 11 2033 | 12 2034 | 13 2035 | 14 2036 | 15 2037 |
|--|----------------|--------------------|--------------|--|-----------------------------|----------------------|-----------|-------------|------------------|--------------|-----------------------------------|----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | | | | | | Useful | Remaining | Unit (2022) | Per Phase (2022) | Total (2022) | | | | | | | | | | | | | | | | | |
| Karen House Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 22.040 | 1,850 | 1,850 | Square Yards | Asphalt Pavement, Total Replacement, Parking Areas and Driveway | 2030 | 15 to 20 | 8 | 35.00 | 64,750 | 64,750 | 1.5% | | | | | | | | 85,263 | | | | | | | | |
| 22.110 | 1 | 1 | Allowance | Building Services Equipment | 2032 | 12 to 18 | 10 | 8,000.00 | 8,000 | 8,000 | 0.1% | | | | | | | | | | | 11,285 | | | | | |
| 22.450 | 1 | 1 | Allowance | Exterior Renovations, Partial | 2031 | 10 to 15 | 9 | 12,000.00 | 12,000 | 12,000 | 0.4% | | | | | | | | | | | 16,355 | | | | | |
| 22.500 | 1 | 1 | Allowance | Interior Renovations, Complete | 2038 | to 20 | 16 | 40,000.00 | 40,000 | 40,000 | 0.4% | | | | | | | | | | | | | | | | |
| 22.510 | 1 | 1 | Allowance | Interior Renovations, Partial | 2028 | to 10 | 6 | 20,000.00 | 20,000 | 20,000 | 0.5% | | | | | | 24,585 | | | | | | | | | | |
| 22.600 | 4 | 4 | Each | Light Poles and Fixtures | 2030 | to 25 | 8 | 3,000.00 | 12,000 | 12,000 | 0.1% | | | | | | | | 15,802 | | | | | | | | |
| 22.650 | 12 | 12 | Squares | Roof, Asphalt Shingles | 2031 | 15 to 20 | 9 | 1,000.00 | 12,000 | 12,000 | 0.3% | | | | | | | | | | 16,355 | | | | | | |
| 22.810 | 1 | 1 | Each | Signage, Renovation | 2038 | 15 to 20 | 16 | 4,000.00 | 4,000 | 4,000 | 0.0% | | | | | | | | | | | | | | | | |
| 22.950 | 400 | 400 | Square Feet | Windows and Doors | 2031 | to 40 | 9 | 60.00 | 24,000 | 24,000 | 0.2% | | | | | | | | | | 32,710 | | | | | | |
| Property Site Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 23.020 | 41,450 | 8,290 | Square Yards | Asphalt Pavement, Crack Repair, Patch and Seal Coat, Phased | 2023 | 3 to 5 | 1 to 5 | 2.80 | 23,212 | 116,060 | 7.7% | | 24,024 | 24,865 | 25,736 | 26,636 | 27,569 | 28,533 | 29,532 | 30,566 | 31,636 | 32,743 | 33,889 | 35,075 | 36,303 | 37,573 | 38,888 |
| 23.080 | 41,450 | 8,290 | Square Yards | Asphalt Pavement, Total Replacement, Walking Paths, Phased | 2025 | 10 to 15 | 3 to 7 | 40.00 | 331,600 | 1,658,000 | 32.8% | | | | | 367,651 | 380,519 | 393,837 | 407,621 | 421,888 | | | | | | | |
| 23.450 | 3 | 1 | Allowance | Landscape, Tree Treatment and Removal, Emerald Ash Borer, Phased (Remaining) | 2023 | N/A | 1 to 4 | 158,000.00 | 158,000 | 474,000 | 4.3% | | 163,530 | 169,254 | 175,177 | 181,309 | | | | | | | | | | | |
| 23.500 | 1 | 1 | Allowance | Landscape, Partial Repacements and Tree Trimming (Near Term Remaining) | 2023 | ongoing | 1 | 50,000.00 | 50,000 | 50,000 | 16.6% | | 51,750 | 53,561 | 55,436 | 57,376 | 59,384 | 61,463 | 63,614 | 65,840 | 68,145 | 70,530 | 72,998 | 75,553 | 78,198 | 80,935 | 83,767 |
| 23.620 | 7,900 | 1,975 | Square Feet | Pavers, Masonry, Clover Field, Phased | 2024 | to 25 | 2 to 8 | 10.00 | 19,750 | 79,000 | 1.2% | | | 21,157 | | 22,664 | | 24,278 | | 26,007 | | | | | | | |
| 23.630 | 20 | 20 | Squares | Pavilion, Roof, Metal, Replacement | 2049 | to 30 | 27 | 1,500.00 | 30,000 | 30,000 | 0.5% | | | | | | | | | | | | | | | | |
| 23.700 | 500 | 500 | Square Feet | Retaining Wall, Masonry, Underpass, Stone Creek Drive and Hundertmark Road | 2034 | to 35 | 12 | 60.00 | 30,000 | 30,000 | 0.3% | | | | | | | | | | | | 45,332 | | | | |
| 23.810 | 1 | 1 | Allowance | Signage, Marsh Halberg Sliding Hill, Replacement | 2023 | 15 to 20 | 1 | 5,000.00 | 5,000 | 5,000 | 0.1% | | 5,175 | | | | | | | | | | | | | | |
| 23.820 | 3 | 1 | Allowance | Site Furniture, Phased | 2027 | 15 to 25 | 5 to 17 | 30,000.00 | 30,000 | 90,000 | 1.7% | | | | | | 35,631 | | | | | 43,799 | | | | | |
| 23.900 | 1 | 1 | Allowance | Silo, Paint Finishes and Capital Repairs | 2028 | 5 to 7 | 6 | 35,000.00 | 35,000 | 35,000 | 2.1% | | | | | | | 43,024 | | | | | 52,887 | | | | |
| 23.990 | 1 | 1 | Each | Windmill, Karen House, Inspections and Capital Repairs | 2028 | 15 to 20 | 6 | 15,000.00 | 15,000 | 15,000 | 0.3% | | | | | | | 18,439 | | | | | | | | | |
| Storage Facility Elements | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 24.050 | 3 | 3 | Each | Doors, Garage, Sectional | 2036 | to 25 | 14 | 4,000.00 | 12,000 | 12,000 | 0.1% | | | | | | | | | | | | | | | 19,424 | |
| 24.500 | 2 | 1 | Each | Maintenance Vehicles, Golf Cart, Phased | 2023 | to 10 | 1 to 7 | 10,000.00 | 10,000 | 20,000 | 0.6% | | 10,350 | | | | | 12,723 | | | | 14,600 | | | | | |
| 24.510 | 1 | 1 | Each | Maintenance Vehicles, Pick-up Truck | 2031 | to 10 | 9 | 35,000.00 | 35,000 | 35,000 | 1.3% | | | | | | | | | | 47,701 | | | | | | |
| 24.520 | 1 | 1 | Each | Maintenance Vehicles, Trailer | 2037 | 10 to 15 | 15 | 7,500.00 | 7,500 | 7,500 | 0.2% | | | | | | | | | | | | | | | 12,565 | |
| 24.530 | 2 | 1 | Each | Maintenance Vehicles, Utility Task Vehicle, Phased | 2024 | 10 to 15 | 2 to 12 | 25,000.00 | 25,000 | 50,000 | 1.4% | | | 26,781 | | | | | | | | 37,777 | | | | 41,884 | |
| 24.710 | 23 | 23 | Squares | Roof, Asphalt Shingles | 2031 | 15 to 20 | 9 | 600.00 | 13,800 | 13,800 | 0.4% | | | | | | | | | | 18,808 | | | | | | |
| | | 1 | Allowance | Reserve Study Update with Site Visit | 2024 | 2 | 2 | 6,100.00 | 6,100 | 6,100 | 0.0% | | | 6,100 | | | | | | | | | | | | | |
| Anticipated Expenditures, By Year (\$16,056,688 over 30 years) | | | | | | | | | | | | 0 | 433,175 | 312,430 | 624,000 | 676,537 | 847,785 | 636,799 | 637,173 | 601,402 | 231,710 | 202,862 | 165,286 | 254,784 | 125,449 | 367,787 | 253,333 |

RESERVE EXPENDITURES

| The Jonathan Association Chaska, Minnesota | | | | Estimated 1st Year of Event | Life Analysis, Years | | Costs, \$ | | | Percentage of Future Expenditures | 16 2038 | 17 2039 | 18 2040 | 19 2041 | 20 2042 | 21 2043 | 22 2044 | 23 2045 | 24 2046 | 25 2047 | 26 2048 | 27 2049 | 28 2050 | 29 2051 | 30 2052 | |
|--|-------------------|-----------------------|--------------|--|-------------------------|---------------------|-----------------|------------|---------|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|---------|
| Line Item | Total Quantity | Per Phase Quantity | Units | | Unit (2022) | Per Phase (2022) | Total (2022) | | | | | | | | | | | | | | | | | | | |
| Reserve Component Inventory | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Karen House Elements | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 22.040 | 1,850 | 1,850 | Square Yards | Asphalt Pavement, Total Replacement, Parking Areas and Driveway | 2030 | 15 to 20 | 8 | 35.00 | 64,750 | 64,750 | 1.5% | | | | | | | | | | | 158,376 | | | | |
| 22.110 | 1 | 1 | Allowance | Building Services Equipment | 2032 | 12 to 18 | 10 | 8,000.00 | 8,000 | 8,000 | 0.1% | | | | | | | | | | | | | | | |
| 22.450 | 1 | 1 | Allowance | Exterior Renovations, Partial | 2031 | 10 to 15 | 9 | 12,000.00 | 12,000 | 12,000 | 0.4% | | | | 23,070 | | | | | | | | | 32,543 | | |
| 22.500 | 1 | 1 | Allowance | Interior Renovations, Complete | 2038 | to 20 | 16 | 40,000.00 | 40,000 | 40,000 | 0.4% | 69,359 | | | | | | | | | | | | | | |
| 22.510 | 1 | 1 | Allowance | Interior Renovations, Partial | 2028 | to 10 | 6 | 20,000.00 | 20,000 | 20,000 | 0.5% | | | | | | | | | | 48,919 | | | | | |
| 22.600 | 4 | 4 | Each | Light Poles and Fixtures | 2030 | to 25 | 8 | 3,000.00 | 12,000 | 12,000 | 0.1% | | | | | | | | | | | | | | | |
| 22.650 | 12 | 12 | Squares | Roof, Asphalt Shingles | 2031 | 15 to 20 | 9 | 1,000.00 | 12,000 | 12,000 | 0.3% | | | | | | | | | | | | | 32,543 | | |
| 22.810 | 1 | 1 | Each | Signage, Renovation | 2038 | 15 to 20 | 16 | 4,000.00 | 4,000 | 4,000 | 0.0% | 6,936 | | | | | | | | | | | | | | |
| 22.950 | 400 | 400 | Square Feet | Windows and Doors | 2031 | to 40 | 9 | 60.00 | 24,000 | 24,000 | 0.2% | | | | | | | | | | | | | | | |
| Property Site Elements | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 23.020 | 41,450 | 8,290 | Square Yards | Asphalt Pavement, Crack Repair, Patch and Seal Coat, Phased | 2023 | 3 to 5 | 1 to 5 | 2.80 | 23,212 | 116,060 | 7.7% | 40,249 | 41,658 | 43,116 | 44,625 | 46,187 | 47,804 | 49,477 | 51,208 | 53,001 | 54,856 | 56,776 | 58,763 | 60,819 | 62,948 | 65,151 |
| 23.080 | 41,450 | 8,290 | Square Yards | Asphalt Pavement, Total Replacement, Walking Paths, Phased | 2025 | 10 to 15 | 3 to 7 | 40.00 | 331,600 | 1,658,000 | 32.8% | | | 615,943 | 637,501 | 659,814 | 682,907 | 706,809 | | | | | | | | |
| 23.450 | 3 | 1 | Allowance | Landscape, Tree Treatment and Removal, Emerald Ash Borer, Phased (Remaining) | 2023 | N/A | 1 to 4 | 158,000.00 | 158,000 | 474,000 | 4.3% | | | | | | | | | | | | | | | |
| 23.500 | 1 | 1 | Allowance | Landscape, Partial Repacements and Tree Trimming (Near Term Remaining) | 2023 | ongoing | 1 | 50,000.00 | 50,000 | 50,000 | 16.6% | 86,699 | 89,734 | 92,874 | 96,125 | 99,489 | 102,972 | 106,576 | 110,306 | 114,166 | 118,162 | 122,298 | 126,578 | 131,009 | 135,594 | 140,340 |
| 23.620 | 7,900 | 1,975 | Square Feet | Pavers, Masonry, Clover Field, Phased | 2024 | to 25 | 2 to 8 | 10.00 | 19,750 | 79,000 | 1.2% | | | | | | | | | | | | 49,998 | | 53,560 | |
| 23.630 | 20 | 20 | Squares | Pavilion, Roof, Metal, Replacement | 2049 | to 30 | 27 | 1,500.00 | 30,000 | 30,000 | 0.5% | | | | | | | | | | | | 75,947 | | | |
| 23.700 | 500 | 500 | Square Feet | Retaining Wall, Masonry, Underpass, Stone Creek Drive and Hundertmark Road | 2034 | to 35 | 12 | 60.00 | 30,000 | 30,000 | 0.3% | | | | | | | | | | | | | | | |
| 23.810 | 1 | 1 | Allowance | Signage, Marsh Halberg Sliding Hill, Replacement | 2023 | 15 to 20 | 1 | 5,000.00 | 5,000 | 5,000 | 0.1% | | | | | | 10,297 | | | | | | | | | |
| 23.820 | 3 | 1 | Allowance | Site Furniture, Phased | 2027 | 15 to 25 | 5 to 17 | 30,000.00 | 30,000 | 90,000 | 1.7% | | 53,840 | | | | 66,183 | | | | | | | 81,356 | | |
| 23.900 | 1 | 1 | Allowance | Silo, Paint Finishes and Capital Repairs | 2028 | 5 to 7 | 6 | 35,000.00 | 35,000 | 35,000 | 2.1% | | | 65,012 | | | | 79,916 | | | | | | | 98,238 | |
| 23.990 | 1 | 1 | Each | Windmill, Karen House, Inspections and Capital Repairs | 2028 | 15 to 20 | 6 | 15,000.00 | 15,000 | 15,000 | 0.3% | | | | | | | | | | 36,689 | | | | | |
| Storage Facility Elements | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 24.050 | 3 | 3 | Each | Doors, Garage, Sectional | 2036 | to 25 | 14 | 4,000.00 | 12,000 | 12,000 | 0.1% | | | | | | | | | | | | | | | |
| 24.500 | 2 | 1 | Each | Maintenance Vehicles, Golf Cart, Phased | 2023 | to 10 | 1 to 7 | 10,000.00 | 10,000 | 20,000 | 0.6% | | 17,947 | | | | 20,594 | | | | | 25,316 | | | | |
| 24.510 | 1 | 1 | Each | Maintenance Vehicles, Pick-up Truck | 2031 | to 10 | 9 | 35,000.00 | 35,000 | 35,000 | 1.3% | | | | 67,288 | | | | | | | | | 94,916 | | |
| 24.520 | 1 | 1 | Each | Maintenance Vehicles, Trailer | 2037 | 10 to 15 | 15 | 7,500.00 | 7,500 | 7,500 | 0.2% | | | | | | | | | | | | | | 21,051 | |
| 24.530 | 2 | 1 | Each | Maintenance Vehicles, Utility Task Vehicle, Phased | 2024 | 10 to 15 | 2 to 12 | 25,000.00 | 25,000 | 50,000 | 1.4% | | | | | | | | | 59,081 | | | 65,504 | | | |
| 24.710 | 23 | 23 | Squares | Roof, Asphalt Shingles | 2031 | 15 to 20 | 9 | 600.00 | 13,800 | 13,800 | 0.4% | | | | | | | | | | | | | | 37,424 | |
| | | 1 | Allowance | Reserve Study Update with Site Visit | 2024 | 2 | 2 | 6,100.00 | 6,100 | 6,100 | 0.0% | | | | | | | | | | | | | | | |
| Anticipated Expenditures, By Year (\$16,056,688 over 30 years) | | | | | | | | | | | | 395,716 | 383,542 | 875,456 | 907,059 | 805,490 | 877,466 | 884,178 | 818,317 | 270,213 | 851,634 | 1,128,876 | 336,602 | 257,332 | 549,867 | 344,428 |

RESERVE FUNDING PLAN

| CASH FLOW ANALYSIS | | Individual Reserve Budgets & Cash Flows for the Next 30 Years | | | | | | | | | | | | | | | |
|---|----------|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|
| The Jonathan Association | | FY2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 |
| Chaska, Minnesota | | | | | | | | | | | | | | | | | |
| Reserves at Beginning of Year | (Note 1) | N/A | 620,411 | 666,725 | 851,189 | 741,544 | 596,273 | 296,602 | 225,725 | 173,745 | 177,769 | 358,931 | 584,760 | 864,830 | 1,072,503 | 1,427,373 | 1,558,099 |
| Total Recommended Reserve Contributions | (Note 2) | N/A | 475,000 | 491,600 | 508,800 | 526,600 | 545,000 | 564,100 | 583,800 | 604,200 | 411,000 | 425,400 | 440,300 | 455,700 | 471,600 | 488,100 | 505,200 |
| Estimated Interest Earned, During Year | (Note 3) | N/A | 4,489 | 5,294 | 5,555 | 4,666 | 3,114 | 1,822 | 1,393 | 1,226 | 1,872 | 3,291 | 5,056 | 6,757 | 8,719 | 10,413 | 11,788 |
| Anticipated Expenditures, By Year | | N/A | (433,175) | (312,430) | (624,000) | (676,537) | (847,785) | (636,799) | (637,173) | (601,402) | (231,710) | (202,862) | (165,286) | (254,784) | (125,449) | (367,787) | (253,333) |
| Anticipated Reserves at Year End | | <u>\$620,411</u> | <u>\$666,725</u> | <u>\$851,189</u> | <u>\$741,544</u> | <u>\$596,273</u> | <u>\$296,602</u> | <u>\$225,725</u> | <u>\$173,745</u> | <u>\$177,769</u> | <u>\$358,931</u> | <u>\$584,760</u> | <u>\$864,830</u> | <u>\$1,072,503</u> | <u>\$1,427,373</u> | <u>\$1,558,099</u> | <u>\$1,821,754</u> |
| | | | | | | | | | | (NOTE 5) | | | | | | | |

| (continued) | | Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued | | | | | | | | | | | | | | | |
|---|--|--|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|------------------|--------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|----------|
| | | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 | |
| Reserves at Beginning of Year | | 1,821,754 | 1,962,135 | 2,134,080 | 1,832,559 | 1,516,882 | 1,321,291 | 1,073,176 | 838,365 | 690,581 | 1,115,166 | 983,452 | 597,590 | 1,029,965 | 1,571,707 | 1,851,479 | |
| Total Recommended Reserve Contributions | | 522,900 | 541,200 | 560,100 | 579,700 | 600,000 | 621,000 | 642,700 | 665,200 | 688,500 | 712,600 | 737,500 | 763,300 | 790,000 | 817,700 | 846,300 | |
| Estimated Interest Earned, During Year | | 13,197 | 14,287 | 13,835 | 11,682 | 9,899 | 8,351 | 6,667 | 5,333 | 6,298 | 7,320 | 5,514 | 5,677 | 9,074 | 11,939 | 14,717 | |
| Anticipated Expenditures, By Year | | (395,716) | (383,542) | (875,456) | (907,059) | (805,490) | (877,466) | (884,178) | (818,317) | (270,213) | (851,634) | (1,128,876) | (336,602) | (257,332) | (549,867) | (344,428) | |
| Anticipated Reserves at Year End | | <u>\$1,962,135</u> | <u>\$2,134,080</u> | <u>\$1,832,559</u> | <u>\$1,516,882</u> | <u>\$1,321,291</u> | <u>\$1,073,176</u> | <u>\$838,365</u> | <u>\$690,581</u> | <u>\$1,115,166</u> | <u>\$983,452</u> | <u>\$597,590</u> | <u>\$1,029,965</u> | <u>\$1,571,707</u> | <u>\$1,851,479</u> | <u>\$2,368,068</u> | (NOTE 4) |
| | | | | | | | | | | | | (NOTE 5) | | | | | |

Explanatory Notes:

- 1) Year 2022 ending reserves are projected by Management and the Board as of December 31, 2022; FY2022 starts January 1, 2022 and ends December 31, 2022.
- 2) 2023 is the first year of recommended contributions.
- 3) 0.7% is the estimated annual rate of return on invested reserves
- 4) Accumulated year 2052 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**The Jonathan
Association**
Chaska, Minnesota

| Line Item | Reserve Component Inventory | RUL = 0 FY2022 | 1 2023 | 2 2024 | 3 2025 | 4 2026 | 5 2027 |
|---|---|-------------------|-----------|-----------|-----------|-----------|-----------|
| <u>Neighborhood #1 Elements</u> | | | | | | | |
| 1.360 | Bus Shelter, Wood, Renovation | | | 5,356 | | | |
| 1.660 | Playground Equipment, Arboretum Way (Near Trail Head) | | | | | | 53,446 |
| 1.661 | Playground Equipment, Jonathan Acres | | | | | | 47,507 |
| <u>Neighborhood #6 Elements</u> | | | | | | | |
| 6.660 | Playground Equipment | | 20,700 | | | | |
| <u>Neighborhood #8 Elements</u> | | | | | | | |
| 8.660 | Playground Equipment | | | | | | 76,012 |
| <u>Neighborhood #9 Elements</u> | | | | | | | |
| 9.660 | Playground Equipment | | | | | | 55,821 |
| <u>Neighborhood #10 Elements (Tuscany Hills)</u> | | | | | | | |
| 10.660 | Playground Equipment | | | | | | 52,258 |
| <u>Neighborhood #12 Elements (Heather Ridge)</u> | | | | | | | |
| 12.660 | Playground Equipment | | | | | | 46,320 |
| <u>Clover Field Elements</u> | | | | | | | |
| 13.810 | Signage, Replacement | | 25,875 | | | | |
| <u>Clover Ridge Elements</u> | | | | | | | |
| 15.360 | Bus Shelter, Wood, Refurbishment | | | 5,356 | | | |
| <u>Autumn Woods Elements</u> | | | | | | | |
| 17.360 | Mail Pavilion, Masonry, Refurbishment | | | | | 8,033 | |
| 17.810 | Signage, Replacement, Remaining | | 25,875 | | | | |
| <u>Oak Valley Elements</u> | | | | | | | |
| 18.810 | Signage, Replacement | | 25,875 | | | | |

FIVE-YEAR OUTLOOK**The Jonathan
Association**
Chaska, Minnesota

| Line Item | Reserve Component Inventory | RUL = 0 FY2022 | 1 2023 | 2 2024 | 3 2025 | 4 2026 | 5 2027 |
|---|--|-------------------|----------------|----------------|----------------|----------------|----------------|
| <u>High Point Elements</u> | | | | | | | |
| 19.600 | Mailbox Station, Concrete Pad Installation | | 776 | | | | |
| 19.601 | Mailbox Stations, Metal | | 1,620 | | | | |
| 19.810 | Signage, Installation | | 25,875 | | | | |
| <u>Carvers Green Elements</u> | | | | | | | |
| 20.810 | Signage, Installation | | 25,875 | | | | |
| <u>Hazeltine Estates Elements</u> | | | | | | | |
| 21.810 | Signage, Installation | | 25,875 | | | | |
| <u>Property Site Elements</u> | | | | | | | |
| 23.020 | Asphalt Pavement, Crack Repair, Patch and Seal Coat, Phased | | 24,024 | 24,865 | 25,736 | 26,636 | 27,569 |
| 23.080 | Asphalt Pavement, Total Replacement, Walking Paths, Phased | | | | 367,651 | 380,519 | 393,837 |
| 23.450 | Landscape, Tree Treatment and Removal, Emerald Ash Borer, Phased (Remaining) | | 163,530 | 169,254 | 175,177 | 181,309 | |
| 23.500 | Landscape, Partial Repacements and Tree Trimming (Near Term Remaining) | | 51,750 | 53,561 | 55,436 | 57,376 | 59,384 |
| 23.620 | Pavers, Masonry, Clover Field, Phased | | | 21,157 | | 22,664 | |
| 23.810 | Signage, Marsh Halberg Sliding Hill, Replacement | | 5,175 | | | | |
| 23.820 | Site Furniture, Phased | | | | | | 35,631 |
| <u>Storage Facility Elements</u> | | | | | | | |
| 24.500 | Maintenance Vehicles, Golf Cart, Phased | | 10,350 | | | | |
| 24.530 | Maintenance Vehicles, Utility Task Vehicle, Phased | | | 26,781 | | | |
| Reserve Study Update with Site Visit | | | | 6,100 | | | |
| Anticipated Expenditures, By Year (\$16,056,688 over 30 years) | | 0 | 433,175 | 312,430 | 624,000 | 676,537 | 847,785 |

4. RESERVE COMPONENT DETAIL

The Reserve Component Detail of this *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.*

Neighborhood Elements

Bus Shelters

Line Items: 1.360, 6.360 and 15.360

Quantity: The Jonathan maintains a bus shelter at Neighborhood 1, Neighborhood 6 and Clover Ridge. The bus shelters comprise wood and composite hardboard siding, asphalt shingle roofs and acrylic windows

History: Likely original to construction

Condition: Good to fair overall with finish deterioration evident



Bus shelter at Neighborhood 1



Bus shelter at Clover Ridge



Finish deterioration at Bus shelter in Neighborhood 1

Useful Life: Restoration of the bus shelters up to every 20 years including replacement of the roof and replacement of deteriorated siding and windows as needed.

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association conduct interim paint finish applications to the siding through the operating budget as needed.

Mail Pavilions

Line Item: Refer to table below

Quantity, History and Condition: The Jonathan maintains 27 wood mail pavilions and one masonry mail pavilion throughout the community. The pavilions are in various conditions and the Association is in the process of replacing the mailboxes with metal mailbox stations and removing the wood mail pavilions. The Association does not plan to remove the masonry mailbox at the Autumn Woods neighborhood at this time.

The following table depicts the line items, locations and quantities of the mail pavilions:

| Line Item | Location | Quantity |
|-----------|---------------------------------|----------|
| 3.360 | Neighborhood 3 | 1 |
| 4.360 | Neighborhood 4 | 1 |
| 5.360 | Neighborhood 5 | 1 |
| 6.360 | Neighborhood 6 | 2 |
| 7.360 | Neighborhood 7 | 5 |
| 9.360 | Neighborhood 9 | 1 |
| 10.360 | Neighborhood 10 (Tuscany Hills) | 3 |
| 11.360 | Neighborhood 11 (Victoria Way) | 4 |
| 12.360 | Neighborhood 12 (Heather Ridge) | 2 |
| 13.360 | Clover Field | 1 |
| 14.360 | Clover Preserve | 2 |
| 16.360 | Traditions | 2 |
| 17.360 | Autumn Woods (Masonry) | 1 |
| 17.361 | Autumn Woods (Wood) | 2 |



Mail pavilion at Neighborhood 6; Note the Association plans to remove the mail pavilions



Mail pavilion at Neighborhood 7; Note the Association plans to remove the mail pavilions



Mail pavilion at Neighborhood 11; Note the Association plans to remove the mail pavilions



Mail pavilion at Traditions; Note the Association plans to remove the mail pavilions



Mail pavilion at Clover Field; Note the Association plans to remove the mail pavilions



Masonry mail pavilion at Autumn Woods

Useful Life: Refurbishment of the masonry mail pavilion up to every 20 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of costs are based on information provided by the Association.

Mailbox Stations

Line Items: Refer to table below

Quantity, History and Condition: The Jonathan currently maintains metal mailboxes and metal cluster mailbox stations throughout the community and the Association is in the process of replacing the mailboxes at the mail pavilions with metal cluster mailbox stations. Along with installation of the metal cluster mailbox stations, the Association has

to install concrete pads. The mailbox stations are in good overall condition. The following table depicts the line items, locations and quantities of the mailbox stations:

| Line Item(s) | Location | Quantity | History and Notes |
|-----------------------|---------------------------------|-----------------------|--|
| 1.600 | Neighborhood 1 | 7 | Installed in 2004 |
| 2.600 | Neighborhood 2 | 1 | Installed in 2004 |
| 3.600 and 3.601 | Neighborhood 3 | 3 | Installation of the stations and concrete pads planned in 2022 |
| 4.600 through 4.602 | Neighborhood 4 | 4 new and 3 original | Installation of the new stations and concrete pads planned in 2022 and the original are at an unknown age |
| 5.600 and 5.601 | Neighborhood 5 | 4 | Installation of the stations and concrete pads planned in 2022 |
| 6.600 through 6.602 | Neighborhood 6 | 1 new and 3 original | Installation of the new station and concrete pad planned in 2022 and the original are at an unknown age |
| 7.600 and 7.601 | Neighborhood 7 | 15 | Installation of the stations and concrete pads planned in 2022 |
| 8.600 | Neighborhood 8 | 8 | Installed in 2020 |
| 9.600 and 9.601 | Neighborhood 9 | 3 | Installation of the stations and concrete pads planned in 2022 |
| 10.600 and 10.601 | Neighborhood 10 (Tuscany Hills) | 8 | Installation of the stations and concrete pads planned in 2022 |
| 11.600 through 11.602 | Neighborhood 11 (Victoria Way) | 16 new and 2 original | Installation of the new station and concrete pad planned in 2022 and the original are at an unknown age |
| 12.600 and 12.601 | Neighborhood 12 (Heather Ridge) | 4 | Installation of the stations and concrete pads planned in 2022 |
| 13.600 through 13.602 | Clover Field | 9 new and 4 original | Installation of the new station and concrete pad planned in 2022 and the original are at an unknown age |
| 14.600 and 14.601 | Clover Preserve | 6 | Installation of the stations and concrete pads planned in 2022 |
| 15.600 and 15.601 | Clover Ridge | 18 | Unknown ages |
| 16.600 through 16.602 | Traditions | 4 new and 9 original | Installation of the new station and concrete pad planned in 2022 and the original are at an unknown age |
| 17.600 through 17.603 | Autumn Woods | 4 new, 13 original | Installation of the new station and concrete pad planned in 2022 and the original are at an unknown age and five of the original are wood framed |
| 18.600 | Oak Valley | 4 | Unknown ages |
| 19.600 and 19.601 | High Point | 1 | Currently maintain single mailboxes and Installation of the stations and concrete pads planned in 2023 |
| 20.600 | Carvers Green | 2 | Installed in 2021 |
| 21.600 and 21.601 | Hazeltine Estates | 1 | Installation of the stations and concrete pads planned in 2023 |



Mailbox stations at Neighborhood 1



Mailbox stations at Oak Valley



Mailboxes at Highpoint; Note these will be replaced with metal mailbox stations



Mailboxes at the Neighborhood 3 mail pavilion; Note these will be replaced with metal mailbox stations

Useful Life: Up to 25 years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- As-needed:
 - Inspect and repair damage, vandalism, and finish deterioration
 - Verify posts are anchored properly

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of costs for installation of the concrete pads and mailbox stations is based on information provided by the Association.

Playground Equipment

Line Item: Refer to table below

Quantity, History and Condition: The neighborhood playground equipment varies in age and condition ranging from good to fair with finish deterioration evident. The following table depicts the line items, location, and age of the playground equipment throughout the community:

| Line item | Location | Age |
|-----------|---|---------|
| 1.660 | Neighborhood 1 - Trail Head | Unknown |
| 3.660 | Neighborhood 3 - Warner Cir | 2018 |
| 4.660 | Neighborhood 4 - Bender Rd and Bender Ct | 2012 |
| 5.660 | Neighborhood 5 - Van Sloun Rd and Ramsey Ct | 2012 |
| 6.660 | Neighborhood 6 - Von Herten Cir | Unknown |
| 7.660 | Neighborhood 7 - Koehnen Cir | 2011 |
| 7.661 | Neighborhood 7 - Innsbruck Dr | 2011 |
| 8.550 | Neighborhood 8 - Eitel House | Unknown |
| 9.660 | Neighborhood 9 - Haering Cir | Unknown |
| 10.660 | Neighborhood 10 - Ashley Dr | Unknown |
| 11.660 | Neighborhood 11 - Schindler Crossing and Grimm Rd | 2012 |
| 11.661 | Neighborhood 11 - Maxwell Ln and Van Sloun Rd | 2012 |
| 12.660 | Neighborhood 12 - Lane St and Brinkhaus St | Unknown |
| 13.660 | Clover Field - Mark Twain Dr and Hundertmark Rd | 2018 |
| 13.661 | Clover Field - Juliet Park | 2018 |
| 14.660 | Clover Preserve - Clover Preserve Dr and Clover Field Cir | Unknown |
| 16.660 | Traditions - Legacy Ln and Kerber Pass | Unknown |
| 17.660 | Autumn Woods - Acord Rd and Autumn Woods Dr | 2020 |
| 17.661 | Autumn Woods - Butternut Dr and Ironwood Blvd | 2021 |



Playground equipment at Neighborhood 1



Playground equipment at Neighborhood 4



Playground equipment at Neighborhood 6



Equipment finish deterioration at playground equipment at Neighborhood 6



Playground equipment at Neighborhood 9



Equipment finish deterioration at Playground equipment at Neighborhood 9



Playground equipment at Neighborhood 12



Equipment finish deterioration at playground equipment at Neighborhood 12



Hundertmark Road Playground equipment at Clover Field



Playground equipment at Clover Preserve



Playground equipment at Traditions



Playground equipment at Autumn Woods

Useful Life: 15- to 25-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 Association 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.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair loose connections and fasteners or damaged elements
 - Inspect for safety hazards and adequate coverage of ground surface cover



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 and border when applicable.

Signage

Line Item: Refer to table below

Quantity, History and Condition: The Association is in the process of currently replacing all the neighborhood entrance monument signage. The following table depicts the line item, location, age and history of the monuments:

| Line Item | Location | Quantity | Age and History |
|-------------------|---------------------------------|----------|--|
| 1.810 | Neighborhood 1 | 1 | Replaced in 2021 |
| 2.810 | Neighborhood 2 | 1 | Replaced in 2021 |
| 3.810 | Neighborhood 3 | 1 | Replaced in 2021 |
| 4.810 | Neighborhood 4 | 1 | Replaced in 2021 |
| 5.810 | Neighborhood 5 | 1 | Replaced in 2021 |
| 6.810 | Neighborhood 6 | 3 | Replaced in 2021 |
| 7.810 | Neighborhood 7 | 2 | Replaced in 2020 |
| 8.810 | Neighborhood 8 | 1 | Replaced in 2021 |
| 9.810 | Neighborhood 9 | 2 | Replaced in 2019 |
| 10.810 and 10.811 | Neighborhood 10 (Tuscany Hills) | 2 | Planned to be replaced in 2022 |
| 11.810 | Neighborhood 11 (Victoria Way) | 2 | Replaced in 2021 |
| 12.810 and 12.811 | Neighborhood 12 (Heather Ridge) | 2 | Planned to be replaced in 2022 |
| 13.810 and 13.811 | Clover Field | 1 | Planned to be replaced in 2023 |
| 17.810 and 17.811 | Autumn Woods | 5 | Four were replaced in 2021 and 2022 and the remaining sign is planned to be replaced in 2023 |
| 18.810 and 18.811 | Oak Valley | 1 | Planned to be replaced in 2023 |
| 19.810 and 19.811 | High Point | 1 | Planned to be installed in 2023 |
| 20.810 and 20.811 | Carvers Green | 1 | Planned to be installed in 2023 |
| 21.810 and 21.811 | Hazeltine Estates | 1 | Planned to be installed in 2023 |



Neighborhood 5 entrance monument



Neighborhood 7 entrance monument



Neighborhood 8 entrance monument



Victoria way entrance monument



Heather Ridge entrance monument



Clover Field entrance monument



Oak Valley entrance monument



Autumn woods entrance monument

Useful Life: Following replacement of the signs we recommend renovations of the monuments every 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.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair damage, vandalism and loose components
 - Verify lighting is working properly
 - Touch-up paint finish applications if applicable

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of cost for replacement of the signage is based on information provided by the Association.

Asphalt Pavement, Basketball Court

Line Item: 6.100

Quantity: Approximately 600 square yards of asphalt pavement comprising the basketball court at Neighborhood 6

History: Repaved around 2018

Condition: Good overall



Basketball court overview

Useful Life: 15- to 20-years with the benefit of timely crack repairs and patching, and the need to maintain a safe pedestrian surface

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.

Gazebo

Line Item: 13.200

Quantity: One wood frame gazebo near the roundabout at Clover Field

History: Original to approximately 2004

Condition: Good to fair overall with finish deterioration evident



Gazebo



Finish deterioration

Useful Life: Up to 25 years with periodic maintenance

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association budget for paint applications and repairs through the operating budget.

Retaining Walls, Masonry

Line Items: 1.790 and 11.790

Quantity: Approximately 480 square feet of masonry retaining walls at Neighborhood 1 and 11

History: Likely original

Condition: Good overall



Masonry retaining wall at Neighborhood 1

Useful Life: Up to 35 years

Component Detail Notes: Properly constructed interlocking masonry retaining walls utilize geosynthetic reinforcement and a drainage system to stabilize the wall and prevent the buildup of hydrostatic pressure behind the wall. Water stains may indicate inadequate drainage or blocked drainage from behind the wall.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair leaning sections or damaged areas
 - Water stains which may indicate possible blocked drainage should be investigated further

- Inspect and repair erosion at the wall base and backside

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.

Trellis, Columns and Pavers

Line Item: 16.750

Quantity: The Association maintains one wood trellis with masonry columns over a walkway of masonry pavers at Traditions

History: Unknown age

Condition: Good to fair overall



Wood trellis

Useful Life: 15- to 25-years with periodic maintenance

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect for wood deterioration, and loose or missing fasteners
- Every three years:
 - Power wash with algaecide and application of sealer/stain

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association budget for paint applications and repairs through the operating budget.

Karen House Elements



Karen house overview

Asphalt Pavement, Repaving

Line Item: 22.040

Quantity: Approximately 1,850 square yards of asphalt pavement at the Karen House and storage facility building

History: Replaced around 2012

Condition: Good to fair overall with frequent cracks evident



Asphalt pavement parking lot overview



Pavement cracks



Pavement cracks



Pavement cracks



Pavement cracks

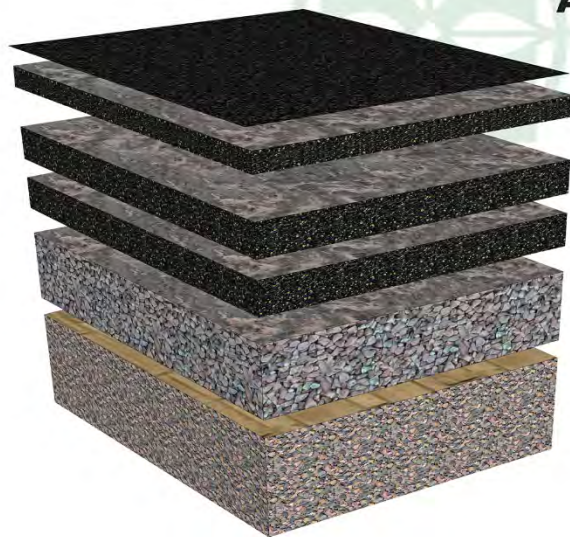


Pavement cracks

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 The Jonathan Association:



ASPHALT DIAGRAM

Sealcoat or Wearing Surface

Asphalt Overlay Not to Exceed 1.5 inch Thickness per Lift or Layer

Original Pavement Inspected and milled until sound pavement is found, usually comprised of two layers

Compacted Crushed Stone or Aggregate Base

Subbase of Undisturbed Native Soils Compacted to 95% dry density

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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 total replacement method of repaving at The Jonathan Association.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect for settlement, large cracks and trip hazards, and ensure proper drainage
 - Repair areas which could cause vehicular damage such as potholes
- As needed:
 - Perform crack repairs and patching

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.

Building Services Equipment

Line Item: 22.110

Quantity: The Karen House includes one remote condensing units and a gas-fired forced air unit

History: The condensing unit is at an unknown age and the furnace was replaced in 2017

Condition: Reported satisfactory without operational deficiencies



Condensing unit

Useful Life: 12- to 18-years

Component Detail Notes: A split system air conditioner consists of an outside condensing unit, an interior evaporator coil, refrigerant lines and an interior furnace.

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - Lubricate motors and bearings
 - Change or clean air filters as needed
 - Inspect condenser base and piping insulation
 - Inspect base pan, coil, cabinet and clear obstructions as necessary
- Annually:
 - Clean coils and drain pans, clean fan assembly, check refrigerant charge, inspect fan drive system and controls
 - Inspect and clean accessible ductwork as needed

- Clean debris from inside cabinet, inspect condenser compressor and associated tubing for damage

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. The condensing unit may require replacement prior to replacement of the related interior forced air unit. For purposes of this Reserve Study, we assume coordination of replacement of the interior forced air unit, evaporator coil, refrigerant lines and exterior condensing unit.

Exterior Renovations

Line Item: 22.450

Quantity: The building exterior comprises:

- Brick masonry
- Wood porch and columns
- Windows and doors
- Asphalt shingle roof
- Aluminum gutters and downspouts
- Exterior light fixtures

History: The Association applied paint finishes to the wood finishes, replaced the gutters and repaired the masonry in 2019

Condition: Conditions vary with masonry cracks and mortar deterioration evident.



Masonry cracks



Masonry step cracks and mortar deterioration



Masonry step cracks



Masonry step cracks

Useful Life: Repairs and partial replacements every 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. Renovations should include the following:

- Inspection and repairs to the exterior masonry walls
- Applications of paint finishes including partial replacement at the wood trim and columns
- Replacement of the window and door sealants as needed

Interior Renovations

Line Items: 22.500 and 22.510

Quantity: The clubhouse interior components include:

- Laminate wood floor coverings on the first floor
- Carpet floor coverings on the second floor
- Paint finishes on the walls and ceilings
- Plumbing fixtures
- Light fixtures
- Furnishings
- Kitchen cabinets, countertops, and appliances

History: The Association partially renovated the interior of the Karen House in 2018. This partial renovation included paint finish applications to the walls and ceilings, replacement of the flooring and a partial replacement of the furnishings.

Condition: Good overall



Karen house interior overview



Karen house interior overview



Karen house interior overview



Karen house interior overview

Useful Life: Complete renovation up to every 20 years and partial renovation up to every 10 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The complete renovation should include replacement of all components listed above and the partial renovations should include the following:

- Paint finish applications to the ceilings and walls
- Replacement of the carpet floor coverings on the second floor
- Replacement of up to fifty percent (50%) of the furnishings

Light Poles and Fixtures

Line Item: 22.600

Quantity: Four poles with light fixtures at the parking area by the Karen House and storage facility

History: The age was unavailable at the time of our inspection

Condition: Good overall



Light pole and fixture

Useful Life: Up to 25 years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- As-needed:
 - Inspect and repair broken or dislodged fixtures, and leaning or damaged poles
 - Replaced burned out bulbs as needed

Priority/Criticality: Per Board discretion

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

Roofs, Asphalt Shingles

Line Item: 22.650

Quantity: Approximately 12 squares¹

History: Replaced in 2013

Condition: Good overall with isolated shingle lift evident from our visual inspection from the ground. Management and the Board do not report a history of leaks.



Karen house asphalt shingle roof overview



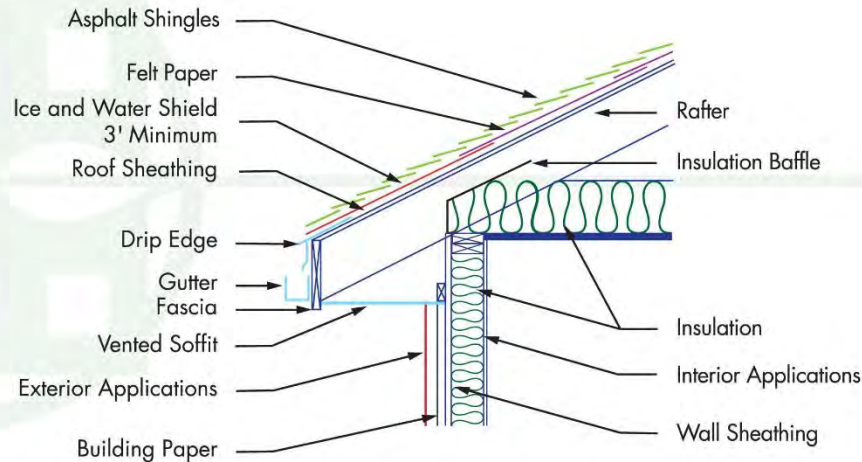
Shingle lift

Useful Life: 15- to 20-years

Component Detail Notes: The following cross-sectional schematic illustrates a typical asphalt shingle roof system although it may not reflect the actual configuration at The Jonathan Association:

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

ROOF SCHEMATIC



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Contractors use one of two methods for replacement of sloped roofs, either an overlayment or a tear-off. Overlayment is the application of new shingles over an existing roof. However, there are many disadvantages to overlayment including hidden defects of the underlying roof system, absorption of more heat resulting in accelerated deterioration of the new and old shingles, and an uneven visual appearance. Therefore, we recommend only the tear-off method of replacement. The tear-off method of replacement includes removal of the existing shingles, flashings if required and underlayments.

Preventative Maintenance Notes: We recommend the Association maintain a service and inspection contract with a qualified professional and record all documentation of repairs conducted. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Record any areas of water infiltration, flashing deterioration, damage or loose shingles
 - Implement repairs as needed if issues are reoccurring
 - Trim tree branches that are near or in contact with roof
- As-needed:
 - Ensure proper ventilation and verify vents are clear of debris and not blocked from attic insulation

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 includes an allowance for replacement of the aluminum gutters and downspouts.

Signage

Line Item: 22.810

Quantity: One entrance monument at the entrance to the Karen House and storage facility area

History: Replaced in 2021

Condition: Good overall



Karen House and storage facility entrance monument

Useful Life: Renovations every 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.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair damage, vandalism and loose components
 - Verify lighting is working properly
 - Touch-up paint finish applications if applicable

Priority/Criticality: Per Board discretion

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

Windows and Doors

Line Item: 22.950

Quantity: Approximately 400 square feet

History: Approximately 200 square feet of windows at the lower level have been replaced and are at an unknown age. The age of the remaining windows and doors is unknown.

Condition: Good condition



Karen house windows and doors

Useful Life: Up to 40 years

Priority/Criticality: Not recommended to defer

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

Property Site Elements

Asphalt Pavement, Walking Paths, Crack Repair, Patch and Seal Coat

Line Item: 23.020

Quantity: Approximately 41,450 square yards of walking paths throughout the community

History and Condition: The walking paths are at various ages and conditions and the Association has completed repairs as needed in the past five years

Useful Life: Three- to five-years

Component Detail Notes: Proposals for seal coat applications should include crack repairs and patching. The contractor should only apply seal coat applications after repairs are completed. A seal coat does not bridge or close cracks; therefore, unrepaired cracks render the seal coat applications useless.

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 crack repairs and patching of up to two percent (2%) of the pavement.

Asphalt Pavement, Repaving, Walking Paths

Line Item: 23.080

Quantity: Approximately 41,450 square yards of walking paths throughout the community

History: Various ages

Condition: Various conditions ranging from good to poor overall with areas of significant cracks evident.



Asphalt pavement walking path



Walking path cracks



Walking path cracks



Walking path cracks



Walking path cracks



Walking path cracks



Walking path cracks



Walking path cracks



Walking path cracks



Walking path cracks

Useful Life: 10- to 15-years with the benefit of timely crack repairs and patching, and the need to maintain a safe pedestrian surface

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.

Landscape

Line Items: 23.450 and 23.500

Component Detail Notes: The Association contains a large quantity of trees, shrubbery and other landscape elements. Replacement of these elements is an ongoing need. Many associations budget for these replacements as normal maintenance. Other associations fund ongoing replacements from reserves. Large amounts of landscape may need replacement due to disease, drought or other forces of nature. If the cost of removal and replacement is substantial, funding from reserves is logical. The Association may also desire to periodically update the appearance of the community through major improvements to the landscape.

Useful Life: Based on discussion with Management and the Board, we include an allowance of \$158,000 plus inflation for the partial replacement and treatment of trees due to the emerald ash borer from 2022 through 2025. Additionally, we include an ongoing annual landscape allowance of \$50,000 plus inflation.

Priority/Criticality: Per Board discretion

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

Pavers, Masonry

Line Item: 23.620

Quantity: Approximately 7,900 square feet of masonry pavers at the roundabout and gazebo on Hundertmark Drive

History: Original to approximately 2006

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



Masonry pavers



Paver settlement



Paver trip hazards

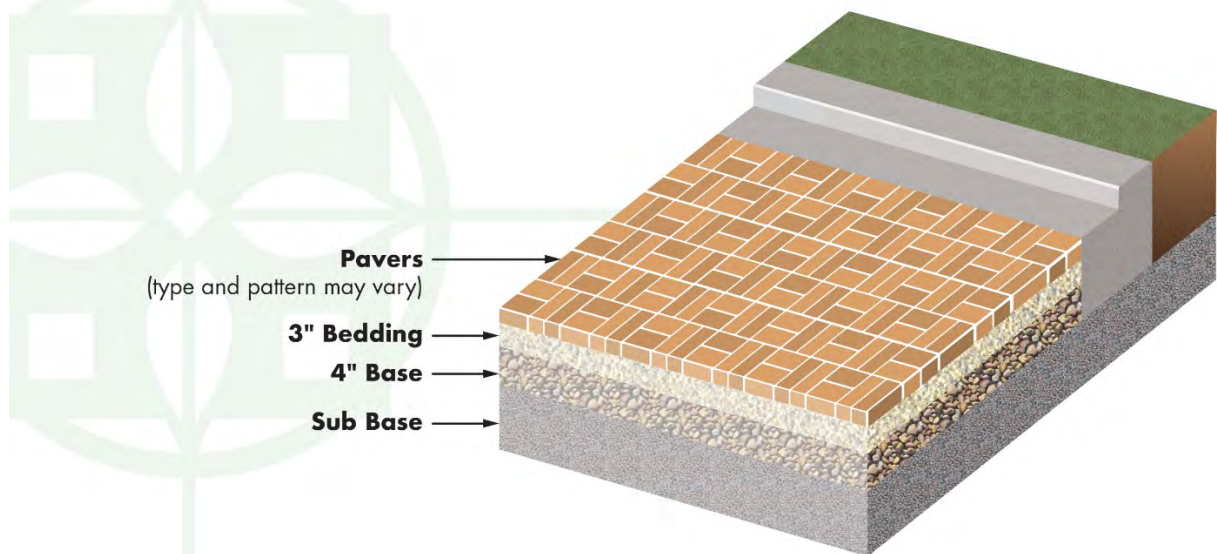


Paver settlement and cracks

Useful Life: 15- to 20-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 The Jonathan Association:

MASONRY PAVER DIAGRAM



© Reserve Advisors

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair settlement, trip hazards and paver spalls at heavy traffic areas
 - Re-set and/or reseal damaged pavers as necessary
 - Periodically clean and remove overgrown vegetation 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 suggest the Association conduct interim resetting and replacement of minor areas of pavers as normal maintenance, funded from the operating budget.

Pavilion, Roof, Metal

Line Item: 23.630

Quantity: 20 squares at the metal pavilion located near Lake Grace

History: Installed in 2020

Condition: Good overall



Lake Grace pavilion metal roof

Useful Life: Up to 30 years

Priority/Criticality: Per Board discretion

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

Playground Equipment

Line Item: 23.660

Quantity: One playground located near Windmill Court

History: The age was unavailable at the time of our inspection.

Condition: Good overall

Useful Life: 15- to 20-years

Component Detail Notes: See “**Neighborhood Elements: Playground Equipment**” for our recommendations on replacement of playground equipment.

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.

Retaining Wall, Masonry

Line Item: 23.700

Quantity: Approximately 500 square feet of masonry retaining walls at the underpass by Stone Creek Drive and Hundertmark Road

History: Original

Condition: Good overall with no significant deterioration evident



Masonry retaining wall located near the Stone Creek Drive and Hundertmark Road underpass

Useful Life: Up to 35 years

Component Detail Notes: See “**Neighborhood Elements: Retaining Walls, Masonry**” for our recommendations on replacement of masonry retaining walls.

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.

Signage

Line Item: 23.810

Quantity: One wood sign located near the Marsh Halberg sliding hill

History: The age was unavailable at the time of our inspection.

Condition: Good to fair overall



Marsh Halberg sliding hill sign

Useful Life: 15- to 20-years

Component Detail Notes: See “**Neighborhood Elements: Signage**” for our recommendations on replacements and renovations of community signage.

Priority/Criticality: Per Board discretion

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

Site Furniture

Line Item: 23.820

Quantity:

- Benches
- Picnic tables
- Trash receptacles
- Dog waste stations
- Grills

History: The site furniture varies in age

Condition: Conditions vary from good to fair overall



Site furniture



Site furniture

Useful Life: 15- 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.

Silo

Line Items: 23.900

Quantity: One silo located near the intersection of Hundertmark Road and North Chestnut Street near Neighborhood 4

History: The Association had already funded and was in the process of painting the silo during our inspection

Condition: Good overall



Silo overview; Note finish deterioration

Useful Life: Paint finish applications every five- to seven-years

Priority/Criticality: Per Board discretion

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

Windmill

Line Item: 23.990

Quantity: One windmill located near the Karen House

History: Original

Condition: Good to fair overall with frame damage evident



Windmill overview



Windmill frame damage

Useful Life: Inspections and capital repairs every 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.

Storage Facility Elements



Storage facility

Doors, Garage

Line Item: 24.050

Quantity: Three wood garage doors

History: Original to 2011

Condition: Good overall



Storage facility garage doors

Useful Life: Up to 25 years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - Inspect and repair any vehicle damage, base panel corrosion or alignment issues
 - Replace loose weather stripping 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.

Maintenance Vehicles

Line Items: 24.500 through 24.530

Quantity, History and Condition:

- Golf Carts: Two each, One is original and one was added around 2019, Reported satisfactory
- Pickup Truck: One each, Replaced in 2021, Reported satisfactory
- Trailer: One each, Unknown age, Reported satisfactory
- Utility Task Vehicles: Two each, One is original and one was added in 2021, Reported satisfactory



Recently added golf cart



2021 Silverado pick-up truck



Trailer



Utility task vehicle

Useful Lives:

- Golf Carts: Up to 10 years
- Pickup Trucks: Up to 10 years
- Trailer: 10- to 15-years
- Utility Task Vehicles: 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.

Roof, Asphalt Shingles

Line Item: 24.710

Quantity: Approximately 23 squares

History: Original to 2011

Condition: Good to fair overall with minor shingle lift evident and Management and the Board do not report a history of leaks.



Storage facility asphalt shingle roof overview



Shingle lift

Useful Life: 15- to 20-years

Component Detail Notes: See “Karen House Elements: Roof, Asphalt Shingle” for our recommendations on replacement of asphalt shingle roofs.

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.

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. 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.

The Jonathan Association 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 annual 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 Association 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 Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Level II Reserve Study Update." 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 Chaska, Minnesota at an annual inflation rate³. Isolated or regional markets of

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.

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

greater construction (development) activity may experience slightly greater rates of inflation for both construction materials and labor.

- The past and current maintenance practices of The Jonathan Association and their effects on remaining useful lives
- Financial information provided by the Association 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.



6. CREDENTIALS

HISTORY AND DEPTH OF SERVICE

Founded in 1991, Reserve Advisors 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 founders are also founders of Community Associations Institute's (CAI) Reserve Committee that developed national standards for reserve study providers. One of our founders 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 a 2,600,000-square foot 98-story highrise. 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.

NICHOLAS M. JOHANNING, E.I.T., RS
Responsible Advisor

CURRENT CLIENT SERVICES

Nicholas M. Johanning, a Civil Engineer, is an Advisor for Reserve Advisors. Mr. Johanning is responsible for the inspection and analysis of the condition of clients' properties, 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 on townhomes, homeowners associations, planned unit developments and recreational associations.



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

Ranch at Roaring Fork Homeowners Association, Inc. Situated in Carbondale, Colorado, this community features 162 single family homes and 60 units in 14 condominium buildings. The Association features a golf course, water treatment facility and asphalt pavement streets.

Hampden Terrace Homeowners Association Built in 2002, this community of 50 units in seven buildings is located in Aurora, CO. These uniquely shaped buildings feature masonry veneer walls, balconies, patios and asphalt shingle roofs. The property includes concrete access streets and sidewalks, masonry retaining walls and an inviting entrance monument.

Lorian at Prospect Creek Owners Association, Inc. Located in picturesque Mountain Village, Colorado, this condominium style development of 20 units features an outdoor pool, concrete plaza deck and two common underground garages.

The Town Homes at Coal Creek Homeowners Association This townhome style development of 112 units in 29 buildings and is located in Louisville, Colorado. Exterior features of the buildings include stucco wall finishes and asphalt shingle roofs and the site contains a pool, concrete flatwork and asphalt pavement streets.

Cornerstone Lake Condominium Association, Inc. This townhome style development of 122 units in 16 buildings is located in Farmington, Minnesota. Exterior features of the buildings include vinyl siding, brick masonry and asphalt shingle roofs. The site consists of a pond, asphalt pavement, concrete flatwork, vinyl fences and an irrigation system.

Blue Water Keyes Horizontal Property Regime Built in 2006, this 14-story mid-rise in Myrtle Beach, South Carolina includes stucco exterior finishes, a modified bitumen roof, indoor and outdoor poles, and concrete breezeways and balconies. The building also utilizes two elevators, and various pool mechanical equipment, including a dehumidifier.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Mr. Johanning attended the University of Toledo in Toledo, Ohio where he attained his Bachelor of Science degree in Civil Engineering. During his time at the University of Toledo, Mr. Johanning helped his senior design group develop a water reduction plan for the buildings on the University of Toledo's campus. This project included designs for improving fixture efficiencies within selected buildings and estimations of water reduction and financial savings. Mr. Johanning also interned for The Douglas Company and R.A. Plumbing and Heating as an estimating engineer.

EDUCATION

University of Toledo - B.S. Civil Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Engineer In Training (E.I.T.) Registration

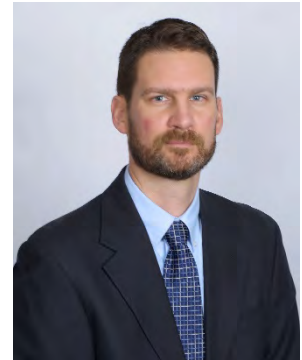
Reserve Specialist (RS) - Community Associations Institute

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 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.

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 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' 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 The Jonathan Association 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) The Jonathan Association 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, LLC (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.