

Fairway Bunker Country Club

January 1, 2025 • Madison, USA

RESERVE STUDY



Fairway Bunker Country Club
Madison, USA

Dear Board of Directors of Fairway Bunker Country Club:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Reserve Study* of Fairway Bunker Country Club in Madison, USA and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, January 1, 2025.

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

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

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

Respectfully submitted on January 23, 2025 by

Reserve Advisors, LLC

Visual Inspection and Report by: RESERVE ADVISORS ENGINEER, RS¹

Review by: DIRECTOR OF QUALITY ASSURANCE, RS, PRA²

**Our report and experience backed by our
Personalized Experience Guarantee.**

Our trusted advisors work with you to tailor a reserve study that ensures clarity on the true cost of property ownership, providing you with peace of mind and expert guidance every step of the way.

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: Fairway Bunker Country Club (Fairway Bunker)

Location: Madison, USA

Reference: 123456

Property Basics: Fairway Bunker Country Club is a club style development which consists of amenities including a clubhouse, a pool complex, a tennis complex, an 18-hole golf course with associated equipment and buildings and various site components. The Club was initially established in 19XX. The main clubhouse was reportedly expanded in approximately 19XX. The Club completed a comprehensive renovation at the clubhouse in 20XX and 20XX.

Reserve Components Identified: 109 Reserve Components.

Inspection Date: January 1, 2025.

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 this threshold funding year in 2043 due to rebuilding of the tees and greens.

Methodology: 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
- 2.7% anticipated annual rate of return on invested reserves
- 3.3% 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:

- \$1,900,000 as of January 1, 2025
- 2025 budgeted Reserve Contributions of \$930,000
- A potential deficit in reserves might occur by 2035 based upon continuation of the most recent annual reserve contribution of and the identified Reserve Expenditures.

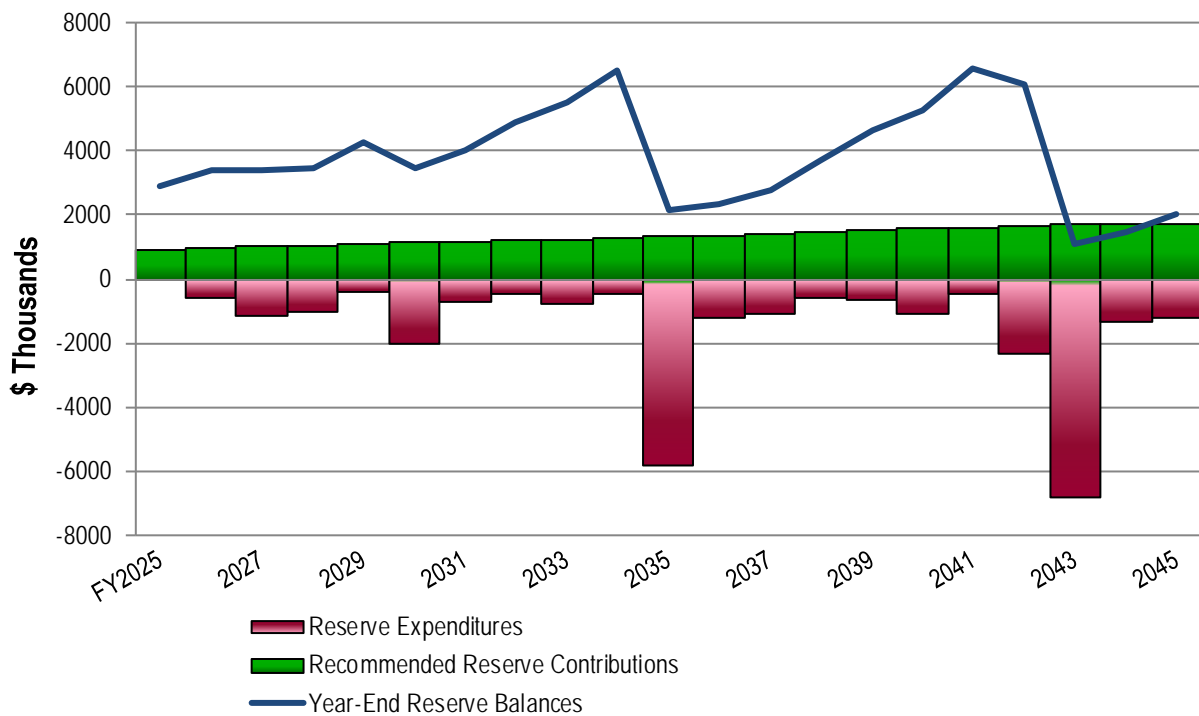
Recommended Reserve Funding: We recommend the following in order to achieve a stable and equitable Cash Flow Methodology Funding Plan:

- Increase Reserve Contributions to \$990,000 in 2026
- Inflationary increases from 2027 through 2043
- Stable contributions of \$1,719,300 from 2044 through 2045, the limit of this study's Cash Flow Analysis
- Initial adjustment in Reserve Contributions of \$60,000 represents an average monthly increase of \$5,000.00 per owner and about a two percent (2.0%) adjustment in the 2025 Total Budget of \$3,000,000.

The executive summary puts your community's financial roadmap and near-term priorities front and center, making it easy for all stakeholders to quickly understand the community's financial and physical needs.

Fairway Bunker
Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2026	990,000	3,380,972	2036	1,369,800	2,335,648
2027	1,022,700	3,364,911	2037	1,415,000	2,761,114
2028	1,056,400	3,479,232	2038	1,461,700	3,697,577
2029	1,091,300	4,255,898	2039	1,509,900	4,662,711
2030	1,127,300	3,454,926	2040	1,559,700	5,251,687
2031	1,164,500	3,996,302	2041	1,611,200	6,559,496
2032	1,202,900	4,856,413	2042	1,664,400	6,084,748
2033	1,242,600	5,488,678	2043	1,719,300	1,071,247
2034	1,283,600	6,495,134	2044	1,719,300	1,483,841
2035	1,326,000	2,137,550	2045	1,719,300	2,029,952



Threshold reserve funding ensures stable and the most equitable contributions over time, while reducing the risk of inadequate reserve funds over the next 30 years.



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

Fairway Bunker Country Club

Madison, USA

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, January 1, 2025.

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 20 years
- **Reserve Funding Plan** - Presents the recommended Reserve Contributions and year-end Reserve Balances for the next 20 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 or which were identified as part of your request for proposed services. The Expenditure tables in Section 3 list the elements contained in this study. Our analysis begins by segregating property elements by responsibility for repair and replacement.

Our process of identifying property elements and the management team understand whether replacement is required and certain replacements and assists in preparing the funding mechanism for each asset within the community. The 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

We advise the Board to 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. Reserve Components are defined by CAI as property elements with:

- Fairway Bunker responsibility
- Limited useful life expectancies
- Predictable remaining useful life expectancies
- Replacement cost above a minimum threshold

The following tables depict the items excluded from the Reserve Expenditure plan:

Excluded Components

for
Fairway Bunker
Country Club
Madison, USA

Operating Budget Components

Repairs normally funded through the Operating Budget and Expenditures less than \$12,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)

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.

- Bicycle Racks
- Ceiling Fans
- Clubhouse Awning, South Elevation
- Defibrillators
- Doors, Garage
- Doors, Golf Pro Shop
- Drinking Fountains
- Elevator Cab Finishes
- Exhaust Fans
- Floor Coverings, Vinyl, Golf Pro Shop Snack Bar
- Gate, Clubhouse Entrance, Paint Finishes and Capital Repairs
- Golf Maintenance Equipment, Hand Tools
- Guard House Renovations
- HVAC Equipment, Tennis Maintenance Room and Golf Facility Mechanics Shop
- Landscape
- Loading Dock Garage Doors, Clubhouse
- Paint Finishes and Interim Wood Deck Repairs, Tennis Pro Shop
- Paint Finishes, Golf Facility Buildings
- Paint Finishes, Pool Building Exteriors
- Paint Finishes, Touch Up
- Pool Benches
- Pool Lap Lanes
- Pumps Less Than Five-HP (horsepower)
- Rest Room Renovations, Tennis Pro Shop
- Roof Gutters, Interim Replacements
- Roofs, Interim Repairs
- Shutters, Teen Building and Clubhouse
- Staircase and Metal Railings, Golf Pro Shop, Repairs and Paint Finishes
- Staircase, Wood, Adult Cabana Rear Elevation
- Tennis Court Shade Structures
- Tennis Court Windscreens
- Transformers
- Trash Compactor, Leased (O'Leary Group)

Excluded Components

for
Fairway Bunker
Country Club
Madison, USA

Operating Budget Components (Continued)	
• Unit Heaters, Golf Facility Buildings	
• Valves, Small Diameter ¹	
• Walk-in Cooler and Freezer Compressors	
• Walls, Masonry, Golf Facility, and Golf Pro Shop, Inspections and Repointing	
• Water Heaters	
¹ We assume replacement as needed in lieu of an aggregate replacement of all the small diameter valves as a single event.	

Long-Lived Components		
These elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the scope of this 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.	Useful Life	Estimated Cost
• Concrete Pad, Golf Facility, Complete Replacement (20XX)	Indeterminate	N/A
• Electrical System, Clubhouse (20XX)	Indeterminate	N/A
• Electrical System, Golf Facility (20XX)	to 70+	N/A
• Elevator, Hydraulic Cylinder, Clubhouse (20XX)	to 45	N/A
• Fiber Cement Siding, Golf Facility (20XX)	to 50	N/A
• Fire Suppression Systems	to 65	N/A
• Fireplaces, Clubhouse	Indeterminate	N/A
• Foundations	Indeterminate	N/A
• Light Poles and Fixtures, Trail from Clubhouse to Stonebrook Road House (20XX)	to 35	N/A
• Pipes, Interior Building, Domestic Water, Sanitary Waste, Vent, and Building Heating and Cooling, Common (20XX)	to 70+	N/A
• Pipes, Subsurface Utilities	to 85+	N/A
• Roofs, Copper, Clubhouse, Replacement	Indeterminate	N/A
• Structural Frames	Indeterminate	N/A
• Valves, Large Diameter	to 50	N/A
• Walls and Roofs, Metal Siding, Golf Facility (20XX)	to 35	N/A
• Windows, Golf Pro Shop (20XX)	45 to 55	N/A

Others Responsibility Components	
Certain items have been designated as the responsibility of Others to repair or replace.	
• Golf Cart Fleet ¹	
• Trash Compactor, Leased ²	
¹ Leasing Company	
² O'Leary Group	



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
- 2025 local cost of replacement
 - Per unit
 - Per phase
 - Replacement of total quantity
- Percentage of future expenditures anticipated during the next 20 years
- Schedule of estimated future costs for each reserve component including inflation

Reserve Funding Plan

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

!Five-Year Outlook

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

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 20-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

Fairway Bunker
Country Club
Madison, USA

Explanatory Notes:

- 1) 3.3% is the estimated Inflation Rate for estimating Future Replacement Costs.
2) FY2025 is Fiscal Year beginning January 1, 2025 and ending December 31, 2025.

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 FY2025	1 2026	2 2027	3 2028	4 2029	5 2030	6 2031	7 2032	8 2033	9 2034	10 2035								
						Useful	Remaining	Unit (2025)	Per Phase (2025)	Total (2025)																				
Exterior Building Elements																														
1.001	3,260	3,260	Square Feet	Balconies, Repairs and Waterproof Coating Applications (Incl. Tile)	2035	10 to 15	10	16.00	52,160	52,160	3.3%											72,167								
1.004	350	350	Linear Feet	Balconies, Railings, Metal	2045	to 50	20	75.00	26,250	26,250	1.0%																			
1.007	969	969	Square Feet	Floor Coverings, Granite	2035	to 30	10	37.00	35,853	35,853	1.0%											49,605								
1.010	1	1	Allowance	Furniture, East Patio	2035	10 to 15	10	75,000.00	75,000	75,000	2.0%											103,768								
1.013	6	6	Each	Gates, Metal	2030	to 25	5	3,750.00	22,500	22,500	0.5%						26,466													
1.016	140	140	Squares	Roofs, Flat, Built-up, EPDM and TPO	2033	15 to 20	8	2,100.00	294,000	294,000	7.4%								381,197											
1.019	240	240	Squares	Roofs, Faux and True Slate, Inspections and Repairs	2027	8 to 12	2	430.00	103,200	103,200	5.1%			110,124																
1.022	2	2	Each	Staircases, Metal with Concrete Treads	2045	to 50	20	13,000.00	26,000	26,000	1.0%																			
1.025	26,300	26,300	Square Feet	Walls, Paint Finishes (Incl. Repairs)	2027	8 to 10	2	3.00	78,900	78,900	6.5%			84,193								109,164								
1.028	1	1	Allowance	Windows and Doors, Remaining	2027	to 35	2	83,000.00	83,000	83,000	1.7%			88,568																
															Age, condition, history of repairs and maintenance, and local conditions form the foundation for timing of each capital project.															
Interior Building Elements																														
Lower Level-Grill, Lounge, Gallery and Adjacent Hallways																														
2.001	1	1	Allowance	Area Rugs	2027	8 to 12	2	22,500.00	22,500	22,500	1.1%			24,010																
2.004	100	100	Square Yards	Floor Coverings, Carpet	2027	8 to 12	2	100.00	10,000	10,000	0.5%			10,671																
2.007	4,360	4,360	Square Feet	Floor Coverings, Wood	2035	15 to 20	10	27.00	117,720	117,720	3.2%											162,875								
2.010	1	1	Allowance	Furniture, Fixed	2042	to 25	17	53,500.00	53,500	53,500	1.8%																			
2.013	1	1	Allowance	Furniture, Movable	2027	8 to 12	2	118,000.00	118,000	118,000	5.8%			125,917																
2.016	8,830	8,830	Square Feet	Paint Finishes	2027	8 to 12	2	2.00	17,660	17,660	0.9%			18,845																
Lower Level-Locker Rooms																														
2.018	1	1	Allowance	Bar, Renovation, Mens Locker Room	2035	15 to 20	10	10,700.00	10,700	10,700	0.3%											14,804								
2.021	970	970	Square Yards	Floor Coverings, Carpet	2027	8 to 12	2	120.00	116,400	116,400	5.7%			124,209																
2.024	1	1	Allowance	Furniture, Fixed	2042	to 25	17	10,300.00	10,300	10,300	0.3%																			
2.027	1	1	Allowance	Furniture, Movable	2027	8 to 12	2	29,000.00	29,000	29,000	1.4%			30,946																
2.030	896	896	Each	Lockers	2042	to 25	17	1,000.00	896,000	896,000	30.1%																			
2.033	9,300	9,300	Square Feet	Paint Finishes	2027	8 to 12	2	2.00	18,600	18,600	0.9%			19,848																
2.036	7,000	7,000	Square Feet	Wall Coverings	2030	10 to 15	5	8.50	59,500	59,500	3.4%						69,987													
2.039	1,620	1,620	Square Feet	Wet Areas	2035	15 to 20	10	85.00	137,700	137,700	3.7%											190,519								

Age, condition, history of repairs and maintenance, and local conditions form the foundation for timing of each capital project.

The sample unit costs shown herein are not applicable to estimate an actual reserve study.

RESERVE EXPENDITURES

Fairway Bunker
Country Club
Madison, USA

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	11 2036	12 2037	13 2038	14 2039	15 2040	16 2041	17 2042	18 2043	19 2044	20 2045								
						Useful	Remaining	Unit (2025)	Per Phase (2025)	Total (2025)																			
Exterior Building Elements																													
1.001	3,260	3,260	Square Feet	Balconies, Repairs and Waterproof Coating Applications (Incl. Tile)	2035	10 to 15	10	16.00	52,160	52,160	3.3%										99,849								
1.004	350	350	Linear Feet	Balconies, Railings, Metal	2045	to 50	20	75.00	26,250	26,250	1.0%										50,250								
1.007	969	969	Square Feet	Floor Coverings, Granite	2035	to 30	10	37.00	35,853	35,853	1.0%																		
1.010	1	1	Allowance	Furniture, East Patio	2035	10 to 15	10	75,000.00	75,000	75,000	2.0%																		
1.013	6	6	Each	Gates, Metal	2030	to 25	5	3,750.00	22,500	22,500	0.5%																		
1.016	140	140	Squares	Roofs, Flat, Built-up, EPDM and TPO	2033	15 to 20	8	2,100.00	294,000	294,000	7.4%																		
1.019	240	240	Squares	Roofs, Faux and True Slate, Inspections and Repairs	2027	8 to 12	2	430.00	103,200	103,200	5.1%		152,364																
1.022	2	2	Each	Staircases, Metal with Concrete Treads	2045	to 50	20	13,000.00	26,000	26,000	1.0%										49,771								
1.025	26,300	26,300	Square Feet	Walls, Paint Finishes (Incl. Repairs)	2027	8 to 10	2	3.00	78,900	78,900	6.5%																		
1.028	1	1	Allowance	Windows and Doors, Remaining	2027	to 35	2	83,000.00	83,000	83,000	1.7%																		
														You receive the expenditure and funding plan tables in Excel. Management and the Board can easily adjust project costs, timelines, and annual funding and see the results in real-time.															
Interior Building Elements																													
Lower Level-Grill, Lounge, Gallery and Adjacent Hallways																													
2.001	1	1	Allowance	Area Rugs	2027	8 to 12	2	22,500.00	22,500	22,500	1.1%		33,219																
2.004	100	100	Square Yards	Floor Coverings, Carpet	2027	8 to 12	2	100.00	10,000	10,000	0.5%		14,764																
2.007	4,360	4,360	Square Feet	Floor Coverings, Wood	2035	15 to 20	10	27.00	117,720	117,720	3.2%																		
2.010	1	1	Allowance	Furniture, Fixed	2042	to 25	17	53,500.00	53,500	53,500	1.8%							92,909											
2.013	1	1	Allowance	Furniture, Movable	2027	8 to 12	2	118,000.00	118,000	118,000	5.8%		174,215																
2.016	8,830	8,830	Square Feet	Paint Finishes	2027	8 to 12	2	2.00	17,660	17,660	0.9%		26,073																
Lower Level-Locker Rooms																													
2.018	1	1	Allowance	Bar, Renovation, Mens Locker Room	2035	15 to 20	10	10,700.00	10,700	10,700	0.3%																		
2.021	970	970	Square Yards	Floor Coverings, Carpet	2027	8 to 12	2	120.00	116,400	116,400	5.7%		171,853																
2.024	1	1	Allowance	Furniture, Fixed	2042	to 25	17	10,300.00	10,300	10,300	0.3%							17,887											
2.027	1	1	Allowance	Furniture, Movable	2027	8 to 12	2	29,000.00	29,000	29,000	1.4%		42,816																
2.030	896	896	Each	Lockers	2042	to 25	17	1,000.00	896,000	896,000	30.1%							1,556,014											
2.033	9,300	9,300	Square Feet	Paint Finishes	2027	8 to 12	2	2.00	18,600	18,600	0.9%		27,461																
2.036	7,000	7,000	Square Feet	Wall Coverings	2030	10 to 15	5	8.50	59,500	59,500	3.4%								106,739										
2.039	1,620	1,620	Square Feet	Wet Areas	2035	15 to 20	10	85.00	137,700	137,700	3.7%																		

You receive the expenditure and funding plan tables in Excel. Management and the Board can easily adjust project costs, timelines, and annual funding and see the results in real-time.

The sample unit costs shown herein are not applicable to estimate an actual reserve study.

RESERVE EXPENDITURES

Fairway Bunker
Country Club
Madison, USA

Explanatory Notes:

- 1) 3.3% is the estimated Inflation Rate for estimating Future Replacement Costs.
2) FY2025 is Fiscal Year beginning January 1, 2025 and ending December 31, 2025.

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 FY2025	1 2026	2 2027	3 2028	4 2029	5 2030	6 2031	7 2032	8 2033	9 2034	10 2035
						Useful	Remaining	Unit (2025)	Per Phase (2025)	Total (2025)												
Main Level-Ballroom																						
2.050	3,400	3,400	Square Feet	Floor Coverings, Wood	2035	15 to 20	10	27.00	91,800	91,800	2.5%											127,012
2.053	1	1	Allowance	Furniture, Movable	2027	8 to 12	2	25,000.00	25,000	25,000	1.2%		26,677									
2.056	3	3	Each	Light Fixtures, Suspended	2042	to 25	17	10,000.00	30,000	30,000	1.0%											
2.059	8	1	Each	Light Fixtures, Wall-mounted, Phased	2035	15 to 20	10 to 17	270.00	270	2,160	0.1%											374
2.062	10,100	10,100	Square Feet	Paint Finishes	2027	8 to 12	2	2.00	20,200	20,200	1.0%		21,555									
Main Level Kitchen-Banquet																						
2.080	1	1	Each	Bandsaw	2028	10 to 15	3	3,200.00	3,200	3,200	0.2%				3,527							
2.083	1	1	Each	Booster Heater, Hatco	2034	8 to 12	9	2,150.00	2,150	2,150	0.1%									2,880		
2.086	1	1	Each	Buffalo Chopper, Hobart	2028	to 20	3	8,600.00	8,600	8,600	0.2%				9,480							
2.089	1	1	Allowance	Chafing Dishes	2028	6 to 8	3	11,000.00	11,000	11,000	0.9%				12,125							15,219
2.112	1	1	Each	Freezer, Two-door, True #3/4 "pastry"	2032	8 to 12	7	4,000.00	4,000	4,000	0.2%								5,021			
2.115	1	1	Each	Freezer, Two-drawer, Delfield	2026	8 to 12	1	3,200.00	3,200	3,200	0.2%		3,306									
2.118	1	1	Each	Fryer, Four-basket, Dean	2026	8 to 12	1	7,500.00	7,500	7,500	0.4%		7,748									
2.121	1	1	Each	Garbage Disposal	2026	8 to 12	1	2,100.00	2,100	2,100	0.1%		2,169									
2.152	1	1	Each	Range, Six-burner with Conventional	2028	8 to 12	3	6,400.00	6,400	6,400	0.3%				7,055							
2.155	1	1	Each	Refrigerator, Superior	2032	8 to 12	7	3,500.00	3,500	3,500	0.2%								4,393			
2.158	1	1	Each	Refrigerator, Two-door Low, Victory	2026	8 to 12	1	3,000.00	3,000	3,000	0.1%		3,099									
2.161	1	1	Each	Robot Coupe	2032	8 to 12	7	1,000.00	1,000	1,000	0.1%								1,255			
2.164	1	1	Each	Sandwich Unit, Victory	2026	8 to 12	1	5,000.00	5,000	5,000	0.2%		5,165									
2.253	1	1	Allowance	Track Lights, Above Island	2031	10 to 15	6	2,000.00	2,000	2,000	0.1%							2,430				
2.256	3	3	Each	Walk-in Coolers	2036	to 20	11	21,500.00	64,500	64,500	1.8%											
2.259	1	1	Each	Walk-in Freezer	2036	to 20	11	21,500.00	21,500	21,500	0.6%											
Anticipated Expenditures, By Year (\$5,166,962 over 20 years)												0	21,486	685,562	32,187	0	96,453	2,430	10,669	381,197	2,880	845,508

RESERVE EXPENDITURES

Fairway Bunker
Country Club
Madison, USA

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	11 2036	12 2037	13 2038	14 2039	15 2040	16 2041	17 2042	18 2043	19 2044	20 2045
						Useful	Remaining	Unit (2025)	Per Phase (2025)	Total (2025)											
Main Level-Ballroom																					
2.050	3,400	3,400	Square Feet	Floor Coverings, Wood	2035	15 to 20	10	27.00	91,800	91,800	2.5%										
2.053	1	1	Allowance	Furniture, Movable	2027	8 to 12	2	25,000.00	25,000	25,000	1.2%		36,910								
2.056	3	3	Each	Light Fixtures, Suspended	2042	to 25	17	10,000.00	30,000	30,000	1.0%							52,099			
2.059	8	1	Each	Light Fixtures, Wall-mounted, Phased	2035	15 to 20	10 to 17	270.00	270	2,160	0.1%	386	399	412	425	439	454	469			
2.062	10,100	10,100	Square Feet	Paint Finishes	2027	8 to 12	2	2.00	20,200	20,200	1.0%		29,823								
Main Level Kitchen-Banquet																					
2.080	1	1	Each	Bandsaw	2028	10 to 15	3	3,200.00	3,200	3,200	0.2%					5,208					
2.083	1	1	Each	Booster Heater, Hatco	2034	8 to 12	9	2,150.00	2,150	2,150	0.1%								3,984		
2.086	1	1	Each	Buffalo Chopper, Hobart	2028	to 20	3	8,600.00	8,600	8,600	0.2%										
2.089	1	1	Allowance	Chafing Dishes	2028	6 to 8	3	11,000.00	11,000	11,000	0.9%							19,103			
2.112	1	1	Each	Freezer, Two-door, True #3/4 "pastry"	2032	8 to 12	7	4,000.00	4,000	4,000	0.2%							6,946			
2.115	1	1	Each	Freezer, Two-drawer, Delfield	2026	8 to 12	1	3,200.00	3,200	3,200	0.2%	4,574									
2.118	1	1	Each	Fryer, Four-basket, Dean	2026	8 to 12	1	7,500.00	7,500	7,500	0.4%	10,719									
2.121	1	1	Each	Garbage Disposal	2026	8 to 12	1	2,100.00	2,100	2,100	0.1%	3,001									
2.152	1	1	Each	Range, Six-burner with Conventional	2028	8 to 12	3	6,400.00	6,400	6,400	0.3%			9,761							
2.155	1	1	Each	Refrigerator, Superior	2032	8 to 12	7	3,500.00	3,500	3,500	0.2%							6,078			
2.158	1	1	Each	Refrigerator, Two-door Low, Victory	2026	8 to 12	1	3,000.00	3,000	3,000	0.1%	4,288									
2.161	1	1	Each	Robot Coupe	2032	8 to 12	7	1,000.00	1,000	1,000	0.1%							1,737			
2.164	1	1	Each	Sandwich Unit, Victory	2026	8 to 12	1	5,000.00	5,000	5,000	0.2%	7,146									
2.253	1	1	Allowance	Track Lights, Above Island	2031	10 to 15	6	2,000.00	2,000	2,000	0.1%							3,588			
2.256	3	3	Each	Walk-in Coolers	2036	to 20	11	21,500.00	64,500	64,500	1.8%	92,186									
2.259	1	1	Each	Walk-in Freezer	2036	to 20	11	21,500.00	21,500	21,500	0.6%	30,729									
Anticipated Expenditures, By Year (\$5,166,962 over 20 years)												153,028	709,897	10,173	425	5,647	454	1,753,242	251,868	3,984	199,870

RESERVE EXPENDITURES

Fairway Bunker
Country Club
Madison, USA

Explanatory Notes:

- 1) 3.3% is the estimated Inflation Rate for estimating Future Replacement Costs.
2) FY2025 is Fiscal Year beginning January 1, 2025 and ending December 31, 2025.

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 FY2025	1 2026	2 2027	3 2028	4 2029	5 2030	6 2031	7 2032	8 2033	9 2034	10 2035	
						Useful	Remaining	Unit (2025)	Per Phase (2025)	Total (2025)													
Site Elements																							
1.001	17,500	17,500	Square Yards	Asphalt Pavement, Crack Repair, Patch and Seal Coat	2032	3 to 5	7	2.00	35,000	35,000	3.8%								43,931				
1.004	17,500	17,500	Square Yards	Asphalt Pavement, Mill and Overlay (Incl. Catch Basin Repairs)	2028	15 to 20	3	16.00	280,000	280,000	14.6%				308,645								
1.007	1	1	Each	Gate, Metal, Biparting (Incl. Adjacent Fence)	2028	15 to 20	3	8,500.00	8,500	8,500	0.2%				9,370								
1.010	30	30	Each	Light Poles and Fixtures	2041	to 25	16	2,700.00	81,000	81,000	2.4%												
1.013	28,700	28,700	Square Feet	Pavers, Masonry, Clubhouse South Elevation	2042	15 to 20	17	8.50	243,950	243,950	7.5%												
Pool Elements																							
2.001	600	600	Square Feet	Arbor, Toddler and Baby Pools	2039	15 to 20	14	27.00	16,200	16,200	0.5%												
2.004	1,200	1,200	Square Feet	Awning, Canvas and Metal	2040	15 to 20	15	21.50	25,800	25,800	0.7%												
2.007	27,400	27,400	Square Feet	Concrete Deck, Inspections, Repairs and Coating Applications	2029	10 to 15	4	3.25	89,050	89,050	4.6%				101,399								
2.010	1	1	Allowance	Diving Boards and Starter Platforms	2028	15 to 20	3	13,500.00	13,500	13,500	0.3%				14,881								
2.013	460	460	Linear Feet	Fences, Aluminum, Replacement	2038	to 25	13	48.00	22,080	22,080	0.6%												
2.016	250	250	Linear Feet	Fences, Metal	2028	to 35	3	80.00	20,000	20,000	0.4%				22,046								
2.019	2	1	Allowance	Furniture, Phased	2028	to 12	3 to 9	53,500.00	53,500	107,000	3.8%				58,973					71,657			
2.023	10	10	Each	Light Poles and Fixtures	2028	to 25	3	3,100.00	31,000	31,000	0.6%				34,171								
2.026	1	1	Allowance	Mechanical Equipment	2035	10 to 15	10	53,600.00	53,600	53,600	3.1%										74,160		
2.029	9,700	9,700	Square Feet	Plaster Finishes and Tiles	2029	10 to 15	4	20.50	198,850	198,850	10.3%				226,426								
2.032	4	4	Each	Pool Covers	2029	to 20	4	5,400.00	21,600	21,600	1.0%				24,595								
2.035	1	1	Allowance	Retaining Walls, Masonry, Inspections and Capital Repairs	2028	8 to 12	3	8,000.00	8,000	8,000	0.4%				8,818								
Tennis Elements																							
2.018	4	4	Each	Asphalt Courts, Color Coat Applications and Repairs	2028	4 to 6	3	7,500.00	30,000	30,000	3.8%				33,069				37,655				
2.021	4	4	Each	Asphalt Courts, Surface Replacement (Incl. Fences)	2044	to 25	19	48,200.00	192,800	192,800	6.3%												
2.024	3	3	Each	Indoor Tennis Facility, Clay Courts, Resurfacing	2026	to 2	1	5,350.00	16,050	16,050	4.0%		16,580		17,692		18,879		20,145		21,497		
2.027	4	4	Each	Outdoor Illuminated Clay Courts, Complete Replacement	2026	to 30	1	70,000.00	280,000	280,000	5.1%		289,240										
2.030	4	4	Each	Outdoor Illuminated Clay Courts, Resurfacing	2027	to 2	2	5,000.00	20,000	20,000	5.1%			21,342		22,774		24,301		25,932		27,672	
2.033	8	8	Each	Outdoor Non-Illuminated Clay Courts, Complete Replacement	2036	to 30	11	54,000.00	432,000	432,000	10.9%												
2.036	8	8	Each	Outdoor Non-Illuminated Clay Courts, Resurfacing	2026	to 2	1	5,000.00	40,000	40,000	9.9%		41,320		44,092		47,050		50,207		53,575		
Anticipated Expenditures, By Year (\$5,663,958 over 20 years)												0	347,140	21,342	551,758	375,195	65,929	24,301	151,938	25,932	146,729	101,831	

RESERVE EXPENDITURES

Fairway Bunker
Country Club
Madison, USA

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	11 2036	12 2037	13 2038	14 2039	15 2040	16 2041	17 2042	18 2043	19 2044	20 2045
						Useful	Remaining	Unit (2025)	Per Phase (2025)	Total (2025)											
Site Elements																					
1.001	17,500	17,500	Square Yards	Asphalt Pavement, Crack Repair, Patch and Seal Coat	2032	3 to 5	7	2.00	35,000	35,000	3.8%	50,023				56,960				64,860	
1.004	17,500	17,500	Square Yards	Asphalt Pavement, Mill and Overlay (Incl. Catch Basin Repairs)	2028	15 to 20	3	16.00	280,000	280,000	14.6%									518,877	
1.007	1	1	Each	Gate, Metal, Biparting (Incl. Adjacent Fence)	2028	15 to 20	3	8,500.00	8,500	8,500	0.2%										
1.010	30	30	Each	Light Poles and Fixtures	2041	to 25	16	2,700.00	81,000	81,000	2.4%						136,173				
1.013	28,700	28,700	Square Feet	Pavers, Masonry, Clubhouse South Elevation	2042	15 to 20	17	8.50	243,950	243,950	7.5%							423,649			
Pool Elements																					
2.001	600	600	Square Feet	Arbor, Toddler and Baby Pools	2039	15 to 20	14	27.00	16,200	16,200	0.5%				25,522						
2.004	1,200	1,200	Square Feet	Awning, Canvas and Metal	2040	15 to 20	15	21.50	25,800	25,800	0.7%					41,988					
2.007	27,400	27,400	Square Feet	Concrete Deck, Inspections, Repairs and Coating Applications	2029	10 to 15	4	3.25	89,050	89,050	4.6%								159,750		
2.010	1	1	Allowance	Diving Boards and Starter Platforms	2028	15 to 20	3	13,500.00	13,500	13,500	0.3%										
2.013	460	460	Linear Feet	Fences, Aluminum, Replacement	2038	to 25	13	48.00	22,080	22,080	0.6%				33,675						
2.016	250	250	Linear Feet	Fences, Metal	2028	to 35	3	80.00	20,000	20,000	0.4%										
2.019	2	1	Allowance	Furniture, Phased	2028	to 12	3 to 9	53,500.00	53,500	107,000	3.8%					87,068					
2.023	10	10	Each	Light Poles and Fixtures	2028	to 25	3	3,100.00	31,000	31,000	0.6%										
2.026	1	1	Allowance	Mechanical Equipment	2035	10 to 15	10	53,600.00	53,600	53,600	3.1%										102,606
2.029	9,700	9,700	Square Feet	Plaster Finishes and Tiles	2029	10 to 15	4	20.50	198,850	198,850	10.3%								356,723		
2.032	4	4	Each	Pool Covers	2029	to 20	4	5,400.00	21,600	21,600	1.0%				32,943						
2.035	1	1	Allowance	Retaining Walls, Masonry, Inspections and Capital Repairs	2028	8 to 12	3	8,000.00	8,000	8,000	0.4%				12,201						
Tennis Elements																					
2.018	4	4	Each	Asphalt Courts, Color Coat Applications and Repairs	2028	4 to 6	3	7,500.00	30,000	30,000	3.8%	42,877				48,823				55,594	
2.021	4	4	Each	Asphalt Courts, Surface Replacement (Incl. Fences)	2044	to 25	19	48,200.00	192,800	192,800	6.3%									357,284	
2.024	3	3	Each	Indoor Tennis Facility, Clay Courts, Resurfacing	2026	to 2	1	5,350.00	16,050	16,050	4.0%	22,939		24,478		26,120		27,873		29,743	
2.027	4	4	Each	Outdoor Illuminated Clay Courts, Complete Replacement	2026	to 30	1	70,000.00	280,000	280,000	5.1%										
2.030	4	4	Each	Outdoor Illuminated Clay Courts, Resurfacing	2027	to 2	2	5,000.00	20,000	20,000	5.1%		29,528		31,509		33,623		35,879		38,286
2.033	8	8	Each	Outdoor Non-Illuminated Clay Courts, Complete Replacement	2036	to 30	11	54,000.00	432,000	432,000	10.9%	617,429									
2.036	8	8	Each	Outdoor Non-Illuminated Clay Courts, Resurfacing	2026	to 2	1	5,000.00	40,000	40,000	9.9%	57,169		61,005		65,098		69,465		74,125	
Anticipated Expenditures, By Year (\$5,663,958 over 20 years)												790,438	29,528	164,301	57,031	326,057	169,796	520,987	552,351	1,100,482	140,891

RESERVE EXPENDITURES

Fairway Bunker
Country Club
Madison, USA

Explanatory Notes:

- 1) 3.3% is the estimated Inflation Rate for estimating Future Replacement Costs.
2) FY2025 is Fiscal Year beginning January 1, 2025 and ending December 31, 2025.

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 FY2025	1 2026	2 2027	3 2028	4 2029	5 2030	6 2031	7 2032	8 2033	9 2034	10 2035
						Useful	Remaining	Unit (2025)	Per Phase (2025)	Total (2025)												
Course Elements																						
5.001	6	6 Each	Bridges, Suspension Style, Wood		2040	to 25	15	53,500.00	321,000	321,000	2.7%											
5.004	4	2 Each	Bridges, Deck Style, Wood, Phased		2035	to 20	10 to 20	26,500.00	53,000	106,000	0.9%											73,330
5.007	15,820	5,273 Square Yards	Cart Paths, Asphalt, Phased		2026	to 15	1 to 11	27.00	142,380	427,140	3.9%	147,078						173,002				
5.010	1	1 Allowance	Drainage Improvements		2035	to 10	10	215,000.00	215,000	215,000	3.7%											297,469
5.013	1	1 Allowance	Fairway Improvements		2035	to 10	10	53,500.00	53,500	53,500	0.9%											74,021
5.016	1	1 Allowance	Fences, Chain Link, Perimeter		2043	to 20	18	1,070,000.00	1,070,000	1,070,000	9.9%											
5.019	22	22 Each	Greens, Rebuild (Incl. Practice Facility Greens)		2035	to 20	10	115,000.00	2,530,000	2,530,000	18.1%											3,500,449
5.022	2	1 Each	Halfway Houses, Renovations, Phased		2029	10 to 15	4 to 6	26,800.00	26,800	53,600	0.8%					30,517		32,564				
5.025	1	1 Allowance	Irrigation System, Controllers/Satellite System		2032	10 to 12	7	64,300.00	64,300	64,300	1.0%								80,707			
5.028	4	4 Each	Irrigation System, Pumps (Incl. Controls and VFDs)		2034	to 25	9	53,600.00	214,400	214,400	1.5%										287,162	
5.031	1	1 Allowance	Irrigation System, Partial		2027	to 25	2	320,000.00	320,000	320,000	11.6%			341,468				388,823				442,745
5.034	1	1 Allowance	Lightning Detection System		2035	10 to 15	10	32,000.00	32,000	32,000	0.2%											44,274
5.037	1	1 Allowance	Ponds, Dredging		2035	to 10	10	42,800.00	42,800	42,800	0.7%											59,217
5.040	6	3 Each	Rain Shelters, Roofs, Asphalt Shingles, Phased		2027	to 10	2 to 7	6,400.00	19,200	38,400	0.5%			20,488					24,099			
5.043	2,500	833 Linear Feet	Retaining Walls, Stone, Phased	The sample unit costs shown herein are not applicable to estimate an actual reserve study.	2031	to 20	6 to 18	100.00	83,333	250,000	1.9%							101,256				
5.046	117	117 Each	Sand Bunkers, Rebuild		2030	10 to 15	5	7,500.00	877,500	877,500	13.5%						1,032,164					
5.049	90	90 Each	Tees, Course, Rebuild		2030	10 to 15	5	7,400.00	666,000	666,000	10.2%						783,386					
5.052	6	6 Each	Tees, Practice, Rebuild		2037	10 to 15	12	6,400.00	38,400	38,400	0.3%											
Equipment																						
6.002	1	1 Each	Attachments, Toro Workman Dumpbody		2028	to 20	3	2,200.00	2,200	2,200	0.0%				2,425							
6.003	1	1 Each	Attachments, Tycrop MII 400		2026	15 to 20	1	23,500.00	23,500	23,500	0.4%	24,276										
6.006	1	1 Each	Compound Storage, Toro Multi Pro 5800 Sprayer		2028	to 4	3	59,000.00	59,000	59,000	2.2%				65,036				74,055			
6.007	7	7 Each	Greens Equipment, Toro Flex 21 Greens Mowers		2027	10 to 15	2	8,000.00	56,000	56,000	0.8%			59,757								
6.008	26	26 Each	Greens Equipment, Turf Breeze Fan With Pole Large		2035	to 20	10	10,000.00	260,000	260,000	1.9%											359,730
6.009	1	1 Each	Mechanics Shop, Reel Grinder		2033	10 to 15	8	13,000.00	13,000	13,000	0.1%								16,856			
6.010	4	4 Each	Riding Mowers, Toro 5400- D Fairway		2028	to 5	3	59,000.00	236,000	236,000	7.0%				260,143				305,995			
6.011	1	1 Each	Riding Mowers, Toro 4500-D Rough Mower		2028	10 to 15	3	60,000.00	60,000	60,000	0.8%				66,138							
6.012	1	1 Each	Small Engine, Bed Edger-Brown MGF		2030	20 to 25	5	3,700.00	3,700	3,700	0.0%						4,352					
6.013	1	1 Each	Small Engine, Concrete Mixer- Multiquip MC-64P		2030	10 to 15	5	3,600.00	3,600	3,600	0.1%						4,235					
6.014	1	1 Each	Tractors, Kubota L4630		2030	to 10	5	32,000.00	32,000	32,000	0.5%						37,640					
6.015	2	2 Each	Trailers, Gator Trailer		2030	to 10	5	900.00	1,800	1,800	0.0%						2,117					

The sample unit costs shown herein are not applicable to estimate an actual reserve study.

RESERVE EXPENDITURES

Fairway Bunker
Country Club
Madison, USA

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	11 2036	12 2037	13 2038	14 2039	15 2040	16 2041	17 2042	18 2043	19 2044	20 2045	
						Useful	Remaining	Unit (2025)	Per Phase (2025)	Total (2025)												
Course Elements																						
5.001	6	6 Each	Bridges, Suspension Style, Wood		2040	to 25	15	53,500.00	321,000	321,000	2.7%					522,408						
5.004	4	2 Each	Bridges, Deck Style, Wood, Phased		2035	to 20	10 to 20	26,500.00	53,000	106,000	0.9%										101,457	
5.007	15,820	5,273 Square Yards	Cart Paths, Asphalt, Phased		2026	to 15	1 to 11	27.00	142,380	427,140	3.9%	203,494					239,361					
5.010	1	1 Allowance	Drainage Improvements		2035	to 10	10	215,000.00	215,000	215,000	3.7%										411,571	
5.013	1	1 Allowance	Fairway Improvements		2035	to 10	10	53,500.00	53,500	53,500	0.9%										102,414	
5.016	1	1 Allowance	Fences, Chain Link, Perimeter		2043	to 20	18	1,070,000.00	1,070,000	1,070,000	9.9%								1,919,506			
5.019	22	22 Each	Greens, Rebuild (Incl. Practice Facility Greens)		2035	to 20	10	115,000.00	2,530,000	2,530,000	18.1%											
5.022	2	1 Each	Halfway Houses, Renovations, Phased		2029	10 to 15	4 to 6	26,800.00	26,800	53,600	0.8%						45,055		48,077			
5.025	1	1 Allowance	Irrigation System, Controllers/Satellite System		2032	10 to 12	7	64,300.00	64,300	64,300	1.0%								115,350			
5.028	4	4 Each	Irrigation System, Pumps (Incl. Controls and VFDs)		2034	to 25	9	53,600.00	214,400	214,400	1.5%											
5.031	1	1 Allowance	Irrigation System, Partial		2027	to 25	2	320,000.00	320,000	320,000	11.6%				504,144				574,058			
5.034	1	1 Allowance	Lightning Detection System		2035	10 to 15	10	32,000.00	32,000	32,000	0.2%											
5.037	1	1 Allowance	Ponds, Dredging		2035	to 10	10	42,800.00	42,800	42,800	0.7%										81,931	
5.040	6	3 Each	Rain Shelters, Roofs, Asphalt Shingles, Phased		2027	to 10	2 to 7	6,400.00	19,200	38,400	0.5%		28,347					33,343				
5.043	2,500	833 Linear Feet	Retaining Walls, Stone, Phased		2031	to 20	6 to 18	100.00	83,333	250,000	1.9%		123,033						149,494			
5.046	117	117 Each	Sand Bunkers, Rebuild		2030	10 to 15	5	7,500.00	877,500	877,500	13.5%								1,574,175			
5.049	90	90 Each	Tees, Course, Rebuild		2030	10 to 15	5	7,400.00	666,000	666,000	10.2%								1,194,758			
5.052	6	6 Each	Tees, Practice, Rebuild		2037	10 to 15	12	6,400.00	38,400	38,400	0.3%		56,694									
Equipment																						
6.002	1	1 Each	Attachments, Toro Workman Dumpbody		2028	to 20	3	2,200.00	2,200	2,200	0.0%											
6.003	1	1 Each	Attachments, Tycrop MII 400		2026	15 to 20	1	23,500.00	23,500	23,500	0.4%									43,549		
6.006	1	1 Each	Compound Storage, Toro Multi Pro 5800 Sprayer		2028	to 4	3	59,000.00	59,000	59,000	2.2%	84,325				96,019				109,335		
6.007	7	7 Each	Greens Equipment, Toro Flex 21 Greens Mowers		2027	10 to 15	2	8,000.00	56,000	56,000	0.8%					91,137						
6.008	26	26 Each	Greens Equipment, Turf Breeze Fan With Pole Large		2035	to 20	10	10,000.00	260,000	260,000	1.9%											
6.009	1	1 Each	Mechanics Shop, Reel Grinder		2033	10 to 15	8	13,000.00	13,000	13,000	0.1%											
6.010	4	4 Each	Riding Mowers, Toro 5400- D Fairway		2028	to 5	3	59,000.00	236,000	236,000	7.0%			359,928					423,368			
6.011	1	1 Each	Riding Mowers, Toro 4500-D Rough Mower		2028	10 to 15	3	60,000.00	60,000	60,000	0.8%			94,527								
6.012	1	1 Each	Small Engine, Bed Edger-Brown MGF		2030	20 to 25	5	3,700.00	3,700	3,700	0.0%											
6.013	1	1 Each	Small Engine, Concrete Mixer- Multiquip MC-64P		2030	10 to 15	5	3,600.00	3,600	3,600	0.1%						6,052					
6.014	1	1 Each	Tractors, Kubota L4630		2030	to 10	5	32,000.00	32,000	32,000	0.5%					52,078						
6.015	2	2 Each	Trailers, Gator Trailer		2030	to 10	5	900.00	1,800	1,800	0.0%					2,929						

The sample unit costs shown herein are not applicable to estimate an actual reserve study.

RESERVE EXPENDITURES

Fairway Bunker
Country Club
Madison, USA

Explanatory Notes:

- 1) 3.3% is the estimated Inflation Rate for estimating Future Replacement Costs.
2) FY2025 is Fiscal Year beginning January 1, 2025 and ending December 31, 2025.

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 FY2025	1 2026	2 2027	3 2028	4 2029	5 2030	6 2031	7 2032	8 2033	9 2034	10 2035
						Useful	Remaining	Unit (2025)	Per Phase (2025)	Total (2025)												
6.016	1	1 Each		Trailers, Licensed Heavy Duty Trailer	2030	to 10	5	4,000.00	4,000	4,000	0.1%						4,705					
6.017	3	3 Each		Trailers, Pronvost Dump Trailer	2028	to 10	3	5,000.00	15,000	15,000	0.2%				16,535							
6.018	1	1 Each		Uilitty Vechicles, Toro Sand Pro 5040	2028	to 10	3	21,400.00	21,400	21,400	0.3%				23,589							
6.019	6	6 Each		Walk Mowers, Toro 1000 GM	2026	15 to 20	1	7,500.00	45,000	45,000	0.7%		46,485									
Facility Elements																						
Exterior Building Elements																						
7.001	190	190 Squares		Roofs, Asphalt Shingles (Incl. Pump Houses, Agronomy, Intern and Fertility Storage)	2032	10 to 15	7	500.00	95,000	95,000	1.6%								119,241			
7.004	28	28 Squares		Roofs, Metal, Cart Storage	2028	to 30	3	500.00	14,000	14,000	0.4%				15,432					18,152		
7.007	1	1 Allowance		Windows and Doors (Excl. New 2011 Facility Buildings)	2029	to 35	4	10,500.00	10,500	10,500	0.1%					11,956						
Interior Building Elements																						
7.010	3,820	3,820 Square Feet		Acoustical Ceiling Tiles and Grid	2037	15 to 20	12	5.50	21,010	21,010	0.2%											
7.013	2,460	2,460 Square Feet		Floor Coverings, Tile, Intern Housing and Agronomy	2037	15 to 20	12	10.75	26,445	26,445	0.2%											
7.016	1	1 Allowance		Rest Rooms and Locker Rooms, Renovation	2037	15 to 20	12	27,000.00	27,000	27,000	0.2%											
Anticipated Expenditures, By Year (\$19,348,651 over 20 years)												0	217,839	421,714	449,299	42,473	1,868,599	695,644	298,103	341,003	287,162	4,851,235

RESERVE EXPENDITURES

Fairway Bunker
Country Club
Madison, USA

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	11 2036	12 2037	13 2038	14 2039	15 2040	16 2041	17 2042	18 2043	19 2044	20 2045
						Useful	Remaining	Unit (2025)	Per Phase (2025)	Total (2025)											
6.016	1	1 Each		Trailers, Licensed Heavy Duty Trailer	2030	to 10	5	4,000.00	4,000	4,000	0.1%					6,510					
6.017	3	3 Each		Trailers, Pronvost Dump Trailer	2028	to 10	3	5,000.00	15,000	15,000	0.2%			22,877							
6.018	1	1 Each		Uilitty Vechicles, Toro Sand Pro 5040	2028	to 10	3	21,400.00	21,400	21,400	0.3%			32,638							
6.019	6	6 Each		Walk Mowers, Toro 1000 GM	2026	15 to 20	1	7,500.00	45,000	45,000	0.7%								83,391		
Facility Elements																					
Exterior Building Elements																					
7.001	190	190 Squares		Roofs, Asphalt Shingles (Incl. Pump Houses, Agronomy, Intern and Fertility Storage)	2032	10 to 15	7	500.00	95,000	95,000	1.6%										181,857
7.004	28	28 Squares		Roofs, Metal, Cart Storage	2028	to 30	3	500.00	14,000	14,000	0.4%			21,352				25,115			
7.007	1	1 Allowance		Windows and Doors (Excl. New 2011 Facility Buildings)	2029	to 35	4	10,500.00	10,500	10,500	0.1%										
Interior Building Elements																					
7.010	3,820	3,820 Square Feet		Acoustical Ceiling Tiles and Grid	2037	15 to 20	12	5.50	21,010	21,010	0.2%		31,019								
7.013	2,460	2,460 Square Feet		Floor Coverings, Tile, Intern Housing and Agronomy	2037	15 to 20	12	10.75	26,445	26,445	0.2%		39,043								
7.016	1	1 Allowance		Rest Rooms and Locker Rooms, Renovation	2037	15 to 20	12	27,000.00	27,000	27,000	0.2%		39,863								
Anticipated Expenditures, By Year (\$19,348,651 over 20 years)												287,819	317,999	436,795	598,671	771,081	290,468	33,343	6,023,901	236,274	879,231

RESERVE FUNDING PLAN

Our reports evaluate current reserve funds and return on investments in order to create the most stable recommended annual reserve contributions.

CASH FLOW ANALYSIS

Fairway Bunker
Country Club
Madison, USA

Country Club Madison, USA		Individual Reserve Budgets & Cash Flows for the Next 20 Years										
		FY2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Reserves at Beginning of Year	(Note 1)	1,900,000	2,893,855	3,380,972	3,364,911	3,479,232	4,255,898	3,454,926	3,996,302	4,856,413	5,488,678	6,495,134
Total Recommended Reserve Contributions	(Note 2)	930,000	990,000	1,022,700	1,056,400	1,091,300	1,127,300	1,164,500	1,202,900	1,242,600	1,283,600	1,326,000
Estimated Interest Earned, During Year	(Note 3)	63,855	83,582	89,856	91,165	103,033	102,710	99,252	117,920	137,798	159,627	114,989
Anticipated "Funding Plan", By Year		0	(586,465)	(1,128,617)	(1,033,244)	(417,667)	(2,030,981)	(722,376)	(460,710)	(748,132)	(436,771)	(5,798,574)
Anticipated Reserves at Year End		<u>\$2,893,855</u>	<u>\$3,380,972</u>	<u>\$3,364,911</u>	<u>\$3,479,232</u>	<u>\$4,255,898</u>	<u>\$3,454,926</u>	<u>\$3,996,302</u>	<u>\$4,856,413</u>	<u>\$5,488,678</u>	<u>\$6,495,134</u>	<u>\$2,137,550</u>

(continued)

(continued)	Individual Reserve Budgets & Cash Flows for the Next 20 Years, Continued									
	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Reserves at Beginning of Year	2,137,550	2,335,648	2,761,114	3,697,577	4,662,711	5,251,687	6,559,496	6,084,748	1,071,247	1,483,841
Total Recommended Reserve Contributions	1,369,800	1,415,000	1,461,700	1,509,900	1,559,700	1,611,200	1,664,400	1,719,300	1,719,300	1,719,300
Estimated Interest Earned, During Year	59,584	67,890	86,031	111,361	132,062	157,327	168,424	95,319	34,034	46,804
Anticipated "Funding Plan", By Year	(1,231,286)	(1,057,424)	(611,268)	(656,127)	(1,102,785)	(460,718)	(2,307,572)	(6,828,120)	(1,340,740)	(1,219,993)
Anticipated Reserves at Year End	<u>\$2,335,648</u>	<u>\$2,761,114</u>	<u>\$3,697,577</u>	<u>\$4,662,711</u>	<u>\$5,251,687</u>	<u>\$6,559,496</u>	<u>\$6,084,748</u>	<u>\$1,071,247</u>	<u>\$1,483,841</u>	<u>\$2,029,952</u>

(NOTE 5)

Explanatory Notes:

- 1) Year 2025 starting reserves are as of January 1, 2025; FY2025 starts January 1, 2025 and ends December 31, 2025.
- 2) Reserve Contributions for 2025 are budgeted; 2026 is the first year of recommended contributions.
- 3) 2.7% is the estimated annual rate of return on invested reserves.
- 4) Accumulated year 2045 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Year (reserve balance at critical point).

Interested in modeling alternate funding recommendations? The Excel spreadsheets included in your report let you change annual reserve contributions, interest rates, and inflation when creating alternate funding scenarios.

Clubhouse
FIVE-YEAR OUTLOOK

**Fairway Bunker
Country Club**
Madison, USA

**Easily focus on near-term
major projects and priorities
with the 5-Year Outlook table.**

Line Item	Reserve Component Inventory	RUL = 0 FY2025	1 2026	2 2027	3 2028	4 2029	5 2030
<u>Exterior Building Elements</u>							
1.013	Gates, Metal						26,466
1.019	Roofs, Faux and True Slate, Inspections and Repairs			110,124			
1.025	Walls, Paint Finishes (Incl. Repairs)			84,193			
1.028	Windows and Doors, Remaining			88,568			
<u>Interior Building Elements</u>							
<i>Lower Level-Grill, Lounge, Gallery and Adjacent Hallways</i>							
2.001	Area Rugs			24,010			
2.004	Floor Coverings, Carpet			10,671			
2.013	Furniture, Movable			125,917			
2.016	Paint Finishes			18,845			
<i>Lower Level-Locker Rooms</i>							
2.021	Floor Coverings, Carpet			124,209			
2.027	Furniture, Movable			30,946			
2.033	Paint Finishes			19,848			
2.036	Wall Coverings						69,987
<i>Main Level-Ballroom</i>							
2.053	Furniture, Movable			26,677			
2.062	Paint Finishes			21,555			
<i>Main Level Kitchen-Banquet</i>							
2.080	Bandsaw				3,527		
2.086	Buffalo Chopper, Hobart				9,480		
2.089	Chafing Dishes				12,125		
2.115	Freezer, Two-drawer, Delfield		3,306				
2.118	Fryer, Four-basket, Dean		7,748				

Clubhouse

FIVE-YEAR OUTLOOK

Fairway Bunker
Country Club
Madison, USA

Easily focus on near-term
major projects and priorities
with the 5-Year Outlook table.

Line Item	Reserve Component Inventory	RUL = 0 FY2025	1 2026	2 2027	3 2028	4 2029	5 2030
2.121	Garbage Disposal		2,169				
2.152	Range, Six-burner with Conventional				7,055		
2.158	Refrigerator, Two-door Low, Victory		3,099				
2.164	Sandwich Unit, Victory		5,165				
Anticipated Expenditures, By Year (\$835,689 over 5 years)		0	21,486	685,562	32,187	0	96,453

Site
FIVE-YEAR OUTLOOK

**Fairway Bunker
Country Club**
Madison, USA

Line Item	Reserve Component Inventory	RUL = 0 FY2025	1 2026	2 2027	3 2028	4 2029	5 2030
<u>Site Elements</u>							
1.004	Asphalt Pavement, Mill and Overlay (Incl. Catch Basin Repairs)				308,645		
1.007	Gate, Metal, Biparting (Incl. Adjacent Fence)				9,370		
<u>Pool Elements</u>							
2.007	Concrete Deck, Inspections, Repairs and Coating Applications					101,399	
2.010	Diving Boards and Starter Platforms				14,881		
2.016	Fences, Metal				22,046		
2.019	Furniture, Phased				58,973		
2.023	Light Poles and Fixtures				34,171		
2.029	Plaster Finishes and Tiles					226,426	
2.032	Pool Covers					24,595	
2.035	Retaining Walls, Masonry, Inspections and Capital Repairs				8,818		
<u>Tennis Elements</u>							
2.018	Asphalt Courts, Color Coat Applications and Repairs				33,069		
2.024	Indoor Tennis Facility, Clay Courts, Resurfacing		16,580		17,692		18,879
2.027	Outdoor Illuminated Clay Courts, Complete Replacement		289,240				
2.030	Outdoor Illuminated Clay Courts, Resurfacing			21,342		22,774	
2.036	Outdoor Non-Illuminated Clay Courts, Resurfacing		41,320		44,092		47,050
Anticipated Expenditures, By Year (\$1,361,363 over 5 years)		0	347,140	21,342	551,758	375,195	65,929

Golf
FIVE-YEAR OUTLOOK

**Fairway Bunker
Country Club**
Madison, USA

Line Item	Reserve Component Inventory	RUL = 0 FY2025	1 2026	2 2027	3 2028	4 2029	5 2030
<u>Course Elements</u>							
5.007	Cart Paths, Asphalt, Phased		147,078				
5.022	Halfway Houses, Renovations, Phased					30,517	
5.031	Irrigation System, Partial			341,468			
5.040	Rain Shelters, Roofs, Asphalt Shingles, Phased			20,488			
5.046	Sand Bunkers, Rebuild						1,032,164
5.049	Tees, Course, Rebuild						783,386
<u>Equipment</u>							
6.002	Attachments, Toro Workman Dumpbody				2,425		
6.003	Attachments, Tycrop MII 400		24,276				
6.006	Compound Storage, Toro Multi Pro 5800 Sprayer				65,036		
6.007	Greens Equipment, Toro Flex 21 Greens Mowers			59,757			
6.010	Riding Mowers, Toro 5400- D Fairway				260,143		
6.011	Riding Mowers, Toro 4500-D Rough Mower				66,138		
6.012	Small Engine, Bed Edger-Brown MGF						4,352
6.013	Small Engine, Concrete Mixer- Multiquip MC-64P						4,235
6.014	Tractors, Kubota L4630						37,640
6.015	Trailers, Gator Trailer						2,117
6.016	Trailers, Licensed Heavy Duty Trailer						4,705
6.017	Trailers, Pronvost Dump Trailer				16,535		
6.018	Utility Vehicles, Toro Sand Pro 5040				23,589		
6.019	Walk Mowers, Toro 1000 GM		46,485				
<u>Exterior Building Elements</u>							
7.004	Roofs, Metal, Cart Storage				15,432		
7.007	Windows and Doors (Excl. New 2011 Facility Buildings)					11,956	
Anticipated Expenditures, By Year (\$2,999,923 over 5 years)		0	217,839	421,714	449,299	42,473	1,868,599

4. RESERVE COMPONENT DETAIL

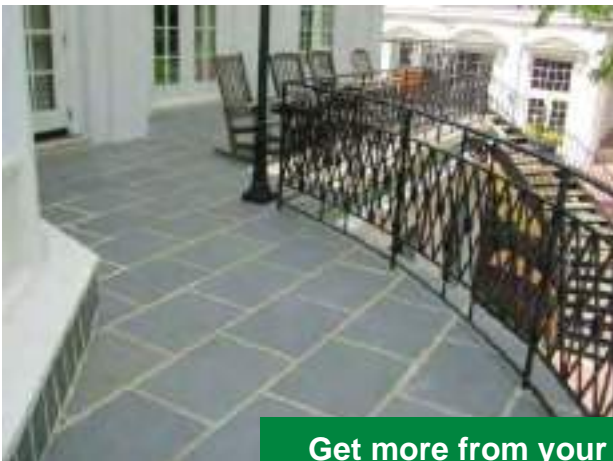
The Reserve Component Detail of this *Reserve Study* includes enhanced solutions and procedures for select significant components. This section describes the Reserve Components, documents specific problems and condition assessments, and may include detailed solutions and procedures for necessary capital 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.*

CLUBHOUSE

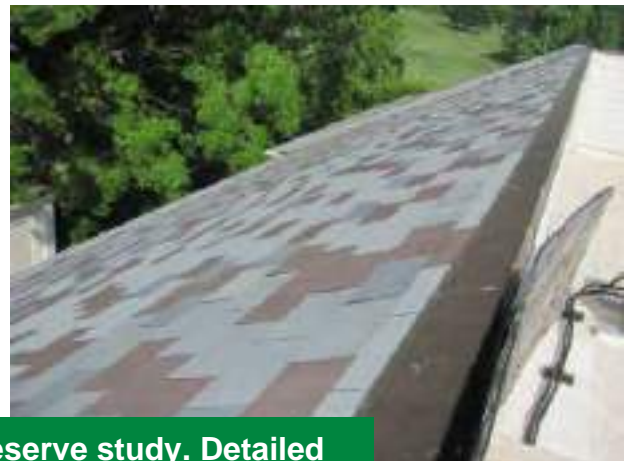
The Clubhouse category of the Reserve Study comprises the Exterior, Interior and Property Site.

Exterior Building Elements

The exterior of the clubhouse comprises concrete balconies and metal railing systems, EPDM, TPO and built-up flat roofs, asphalt shingle, copper, faux slate and true slate sloped roofs, painted exterior facades, two metal and concrete staircases, and doors and windows. The clubhouse was originally constructed in 19XX, and renovated in 19XX and again from 20XX to 20XX. The Club replaced the flat roofs and the faux slate roofs as part of the 20XX to 20XX renovation. In addition, the Club expanded the clubhouse west of the ballroom as part of the 19XX renovation. The most significant future expenditures for the clubhouse exterior building elements include replacement of the flat roofs, and paint finishes and repairs to the exterior facade.



Elevated concrete
railing



clubhouse

Get more from your reserve study. Detailed condition assessments provide valuable insights for management and your board, helping you evaluate project bids, understand property conditions with photo-based documentation, reduce total cost of ownership through timely maintenance, and more.

Narrative throughout report reduced for brevity



True slate roof at clubhouse



TPO roof at clubhouse



EPDM roof at clubhouse



Built-up roof at clubhouse



Metal and concrete staircase at clubhouse



Windows and doors at clubhouse

Project Prioritization: We recommend the Club prioritize the following clubhouse exterior building projects in the next five years based on the conditions identified:

- Inspections and repairs to the true and faux slate roofs, including replacement of the lesser quantity of asphalt shingle roofing

Narrative throughout report reduced for brevity

- Restoration and paint finish applications to the façade to prevent water infiltration and maintain a uniformly clean and consistent appearance clubhouse exterior
- Replacement of the windows and doors which were not replaced as part of the 20XX to 20XX renovation

Interior Building Elements

The clubhouse interior includes the lower, main and upper levels. The lower level comprises the Grill, Lounge, Gallery, Hallways, a Kitchen, Locker Rooms and Rest Rooms. The main level comprises the Ballroom, Governors Room, Foyer, Reception, Coat Room, the Banquet Kitchen, Pine Room, Presidents Room, Rest Rooms, Staff Offices and Hallways. The upper level comprises Administration offices. As previously stated, the Club last renovated the clubhouse from 20XX to 20XX. This comprehensive renovation reportedly included replacement of all floor, wall and ceiling coverings, lighting and plumbing fixtures, and furniture. Updates of this Reserve Study will again consider the need to modify the anticipated scope and estimated costs associated the clubhouse interior building elements.



Ladies Locker Room



Ballroom



Men's Locker Room



Lower level kitchen

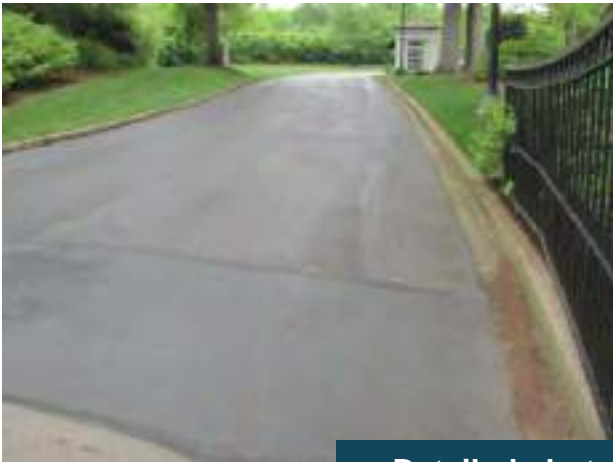
Narrative throughout report reduced for brevity

Project Prioritization: Although discretionary in nature, we include the following clubhouse interior building projects in the next five years based on the reported ages and general useful lives:

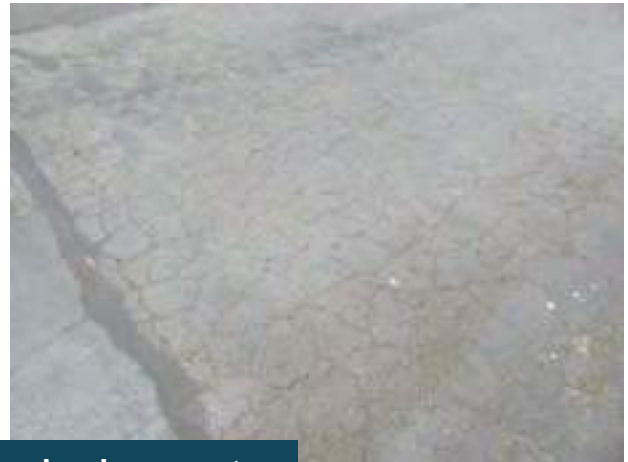
- Replacement of carpet floor coverings, as needed
- Paint finish applications to the painted interior surfaces, including stain applications
- Replacement of the movable furniture, as needed

Property Site Elements

The clubhouse property site elements include the asphalt pavement parking area, a metal gate at the clubhouse entrance, light poles and fixtures and masonry pavers. The Club repaved the parking area in 20XX and applied a seal coat in 20XX. The most significant future expenditure for the clubhouse property site elements includes subsequent milling and overlayment of the asphalt pavement parking area.



Asphalt pavement



Asphalt pavement overview - Note cracks and existing crack repairs

Detailed photographs document early signs of problems so you can address them before they escalate.



Asphalt pavement overview - Note cracks and existing crack repairs



Typical catch basin

Narrative throughout report reduced for brevity



Masonry pavers



Masonry pavers

Project Prioritization: We recommend the Club prioritize milling and overlayment of the asphalt pavement parking area.

POOL

The Pool category of the Reserve Study comprises the concrete deck, pool plaster finishes and tiles, pool furniture and mechanical equipment. The most significant pool amenity components include replacement of the plaster finishes and tiles, inspections, repairs and coating applications to the concrete deck, and phased replacement of the furniture.



Concrete pool deck overview



Pool plaster finish and tiles

Narrative throughout report reduced for brevity



Pool furniture, and light poles and fixtures



Pool mechanical equipment

Project Prioritization: We recommend the Club prioritize the following pool projects in the next five years based on the conditions identified:

- Replacement of the plaster finishes and tiles
- Repairs and coating applications to the concrete deck

TENNIS

The Tennis category of the Reserve Study comprises 12 outdoor clay courts, one of which comprises four pickleball courts, and four asphalt courts. Four of the 12 clay courts are illuminated. In addition, the Club maintains three indoor clay courts at a separate indoor tennis facility. The most significant future expenditures for the tennis court elements include resurfacing and replacement of the clay courts.



Typical outdoor clay tennis court

Project Prioritization: We include near term conversion of the four illuminated outdoor clay courts from above-ground irrigation to hydrogrid irrigation based on conversations with Management the conditions identified:

Narrative throughout report reduced for brevity

GOLF COURSE

The Golf Course category of the Reserve Study comprises the turf renovations and related infrastructure an 18-hole championship course, including the practice facility. Management informs us that the Club rebuilt the greens, sand bunkers and tees in 20XX and rebuilt the practice facility tees in approximately 20XX. The most significant expenditures related to the golf course are rebuilding of the greens, tees and sand bunkers, as well as partial replacement of the course irrigation system.



Irrigation system controllers



Rain shelter



Green



Halfway house

Project Prioritization: We recommend the Club prioritize the following golf course projects in the next five years based on the conditions identified:

- Phased replacement of the asphalt cart paths
- Partial replacements of the irrigation system

Narrative throughout report reduced for brevity

GOLF EQUIPMENT

Fairway Bunker Country Club maintains numerous pieces of maintenance equipment to maintain the golf course. We have evaluated the conditions and the remaining useful lives of the equipment with the Golf Course Superintendent and use our professional experience to determine replacement times and costs.



Golf course maintenance equipment



Golf course maintenance equipment



Golf course maintenance equipment



Golf course maintenance equipment

GOLF FACILITY

The golf facility at includes the intern housing, agronomy shop, pump houses, equipment storage, cart storage, fertility storage, and fuel pumps and tanks. All aforementioned buildings were reportedly constructed in 20XX, excluding the auxiliary pump house and cart storage buildings, the ages of which are unknown. The most significant future expenditures for the golf facility elements include replacement of the asphalt shingle and metal roof assemblies.

Narrative throughout report reduced for brevity

Exterior Building Elements



Asphalt shingle roof at pump house



Asphalt shingle roof at intern housing

Interior Building Elements



Intern house interior



Intern house interior

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

Narrative throughout report reduced for brevity



- 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 every 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.

Narrative throughout report reduced for brevity



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.

Fairway Bunker can fund capital repairs and replacements in any combination of the following:

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

We do not advocate special assessments or loans unless near term circumstances dictate otherwise. Although loans provide a gradual method of funding a replacement, the costs are higher than if the 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 Owners 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 III Reserve Study Update No-Site-Visit." These standards require a Reserve Component to have a "predictable remaining Useful Life." Estimating Remaining Useful Lives and Reserve Expenditures beyond 20 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 20-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 Madison, USA at an annual inflation rate³. Isolated or regional markets of greater

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.



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

- The past and current maintenance practices of Fairway Bunker 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.



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 Fairway Bunker responsibility not likely to require capital repair or replacement during the next 20 years with an unpredictable remaining Useful Life beyond the next 20 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) Fairway Bunker 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 subject property. The purpose of our energy benchmarking services is to track, collect and summarize the subject property's energy consumption over time for your use in comparison with other buildings of similar size and establishing a performance baseline for your planning of long-term energy efficiency goals.

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. Our energy benchmarking services with respect to the subject property is limited to collecting energy and utility data and summarizing such data in the form of an Energy Star Portfolio Manager Report or any other similar report, and hereby expressly excludes any recommendations with respect to the results of such energy benchmarking services or the accuracy of the energy information obtained from utility companies and other third-party sources with respect to the subject property. The reserve report and any energy benchmarking report (i.e., any Energy Star Portfolio Manager Report) (including any subsequent revisions thereto pursuant to the terms hereof, collectively, the "Report") are based upon a "snapshot in time" at the moment of inspection. RA may note visible physical defects in the Report. The inspection is made by employees generally familiar with real estate and building construction. Except to the extent readily apparent to RA, RA cannot and shall not opine on the structural integrity of or other physical defects in the property under any circumstances. Without limitation to the foregoing, RA cannot and shall not opine on, nor is RA responsible for, the property's conformity to specific governmental code requirements for fire, building, earthquake, occupancy or otherwise.

RA is not responsible for conditions that have changed between the time of inspection and the issuance of the Report. RA does not provide invasive testing on any mechanical systems that provide energy to the property, nor can RA opine on any system components that are not easily accessible during the inspection. 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 vapor, water, oil, gas, coal, or other subsurface mineral and use rights or such hidden conditions, and RA assumes no responsibility for any such conditions. The Report contains opinions of estimated replacement costs or deferred maintenance expenses and remaining useful lives, which are neither a guarantee of the actual costs or expenses of replacement or deferred maintenance nor a guarantee of remaining useful lives of any property element.

RA assumes, without independent verification, the accuracy of all data provided to it. Except to the extent resulting from RA's willful misconduct in connection with the performance of its obligations under this agreement, you agree to indemnify, defend, and hold RA and its affiliates, officers, managers, employees, agents, successors and assigns (each, an "RA Party") harmless from and against (and promptly reimburse each RA Party for) any and all losses, claims, actions, demands, judgments, orders, damages, expenses or liabilities, including, without limitation, reasonable attorneys' fees, asserted against or to which any RA Party may become subject in connection with this engagement, including, without limitation, as a result of any false, misleading or incomplete information which RA relied upon that was 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 or to whom you provided the Report. NOTWITHSTANDING ANY OTHER PROVISION HEREIN TO THE CONTRARY, THE AGGREGATE LIABILITY (IF ANY) OF RA WITH RESPECT TO THIS AGREEMENT AND RA'S OBLIGATIONS HEREUNDER IS LIMITED TO THE AMOUNT OF THE FEES ACTUALLY RECEIVED BY RA FROM YOU FOR THE SERVICES AND REPORT PERFORMED BY RA UNDER THIS AGREEMENT, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. YOUR REMEDIES SET FORTH HEREIN ARE EXCLUSIVE AND ARE YOUR SOLE REMEDIES FOR ANY FAILURE OF RA TO COMPLY WITH ITS OBLIGATIONS HEREUNDER OR OTHERWISE. RA SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY KIND, INCLUDING, BUT NOT LIMITED TO, ANY LOST PROFITS AND LOST SAVINGS, LOSS OF USE OR INTERRUPTION OF BUSINESS, HOWEVER CAUSED, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), BREACH OF WARRANTY, STRICT LIABILITY OR OTHERWISE, EVEN IF RA HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT WILL RA BE LIABLE FOR THE COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES. RA DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES WHATSOEVER, EXPRESS OR IMPLIED OR OF ANY NATURE, WITH REGARD TO THE SERVICES AND THE REPORT, INCLUDING, WITHOUT LIMITATION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Report - RA will complete the services in accordance with the Proposal. The Report represents a valid opinion of RA's findings and recommendations with respect to the reserve study and is deemed complete. RA will consider any additional information made available to RA within 6 months of issuing the Report and issue a revised Report based on such additional information if a timely request for a revised Report is made by you. 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. RA reserves the right to, and you acknowledge and agree that RA may, use any data provided by you in connection with the services, or gathered as a result of providing such services, including in connection with creating and issuing any Report, in a de-identified and aggregated form for RA's business purposes.

Your Obligations - You agree to provide us access to the subject property for an 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. Additionally, you agree to provide historical replacement schedules, utility bills and historical energy usage files that RA requests and deems necessary to complete the energy benchmarking services, and you agree to provide any utility release(s) reasonably requested by RA permitting RA to obtain any such data and/or information from any utility representative or other third party. 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 the Report is limited to only the purpose stated herein. You acknowledge that RA is the exclusive owner of all intellectual property rights in and relating to the Report. You hereby acknowledge that any use or reliance by you on the Report for any unauthorized purpose is at your own risk and that you will be liable for the consequences of any unauthorized use or distribution of the Report. Use or possession of the Report by any unauthorized third party is prohibited. 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 the Report in its entirety to the following third parties: members of your organization (including your directors, officers, tenants and prospective purchasers), your accountants, attorneys, financial institutions and property managers who need to review the information contained herein, and any other third party who has a right to inspect the Report under applicable law including, but not limited to, any government entity or agency, or any utility companies. Without the written consent of RA, you shall not disclose the Report to any other third party. By engaging our services, you agree that the Report contains intellectual property developed (and owned solely) by RA and agree that you will not reproduce or distribute the Report ***to any party that conducts reserve studies without the written consent of RA.***

RA will include (and you hereby agree that RA may include) your name in our client lists. RA reserves the right to use (and you hereby agree that RA may 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 - If reserve study and energy benchmarking services are performed by RA, then the retainer payment is due upon execution of this agreement and prior to the inspection by RA, and any balance is due net 30 days from the Report shipment date. If only energy benchmarking services are performed by RA, then the retainer payment is due upon execution of this agreement and any balance is due net 30 days from the Report shipment date. In any case, any balance remaining 30 days after delivery of the Report shall accrue an interest charge of 1.5% per month. Unless this agreement is earlier terminated by RA in the event you breach or otherwise fail to comply with your obligations under this agreement, RA's obligations under this agreement shall commence on the date you execute and deliver this agreement and terminate on the date that is 6 months from the date of delivery of the Report by RA. Notwithstanding anything herein to the contrary, each provision that by its context and nature should survive the expiration or early termination of this agreement shall so survive, including, without limitation, any provisions with respect to payment, intellectual property rights, limitations of liability and governing law. We reserve the right to limit or decline refunds in our sole discretion. Refunds vary based on the applicable facts and circumstances.

Miscellaneous – Neither party shall be liable for any failures or delays in performance due to fire, flood, strike or other labor difficulty, act of God, act of any governmental authority, riot, embargo, fuel or energy shortage, pandemic, wrecks or delays in transportation, or due to any other cause beyond such party's reasonable control; provided, however, that you shall not be relieved from your obligations to make any payment(s) to RA as and when due hereunder. In the event of a delay in performance due to any such cause, the time for completion or date of delivery will be extended by a period of time reasonably necessary to overcome the effect of such delay. You may not assign or otherwise transfer this agreement, in whole or in part, without the prior written consent of RA. RA may freely assign or otherwise transfer this agreement, in whole or in part, without your prior consent. This agreement shall be governed by the laws of the State of Wisconsin without regard to any principles of conflicts of law that would apply the laws of another jurisdiction. Any dispute with respect to this agreement shall be exclusively venued in Milwaukee County Circuit Court or in the United States District Court for the Eastern District of Wisconsin. Each party hereto agrees and hereby waives the right to a trial by jury in any action, proceeding or claim brought by or on behalf of the parties hereto with respect to any matter related to this agreement.