

**EXHIBITS
&
STUDY INDEX**



Glossary of Commonly used Words and Phrases

Asset or Component - individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association Responsibility, 2) with limited Useful Life expectancies, 3) have predictable Remaining Life expectancies, 4) above a minimum threshold cost, and 5) required by local codes.

Cash Flow Method - A method of developing a Reserve Funding Plan 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 Inventory - The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representatives.

Contingency or allowance – An allotment for miscellaneous components or unpredictable expenses.

Deficit - An actual (or projected) Reserve Balance, which is less than the Fully Funded Balance.

Effective Age – Also referred to as “Adjusted Life”. The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

Financial Analysis - The portion of the Reserve Study where current status of the Reserves (Measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of the Reserve Study.

Component Full Funding - When the actual (or projected) cumulative Reserve balance for all components is equal to the Fully Funded Balance.

Fund Status - The status of the Reserve Fund as compared to an established benchmark, such as percent funding.

Funding Goals - Independent of methodology utilized, the following represent the basic categories of Funding Plan Goals.

- **Baseline Funding:** Establishing a Reserve funding goal of keeping the Reserve Balance above zero.
- **Component Full Funding:** Setting a Reserve funding goal of attaining and maintaining cumulative Reserves at or near 100% funded.
- **Threshold Funding:** Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than the "Component Fully Funding" method.

Funding Plan - An associations plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

Funding Principles -

- **Sufficient Funds When Required**
- **Stable Contribution Rate over the Years**
- **Evenly Distributed Contributions over the Years**
- **Fiscally Responsible**

Life and Valuation Estimates - The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.

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 accrued *Fund Balance*, expressed as a percentage.

Physical Analysis - The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

Remaining Useful Life (RUL) - Also referred to as "Remaining Life" (RL). The estimated time, in years, that a reserve component can be expected to *continue* to serve its intended function. Projects anticipated to occur in the Initial year have "0" Remaining Useful Life.

Replacement Cost - The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

Replacement Year - Also referred to as "Year Replaced". Year that component is projected to be replaced or repaired.

Reserve Balance - Actual or projected funds as of a particular point in time (typically the beginning of the fiscal year) that the association has identified for use to defray the future repair or replacement of those major components in which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves. This is based upon information provided and is not audited.

Reserve Provider - An individual that prepares Reserve Studies.

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. The Reserve Study consists of two parts: The Physical Analysis and the Financial Analysis.

Special Assessment - An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by governing documents or local statutes.

Surplus - An actual (or projected) Reserve Balance that is greater than the Fully Funded Balance.

Useful Life (U L) - Also known as "Life Expectancy". The estimated time, in years, that a Reserve component can be expected to serve its intended function if properly constructed and maintained in its present application or installation.

Unit Cost – Also referred to as "Item Cost". Cost per Unit

Unit of Measure – Also referred to as "Item Type". Unit used measure component (explanations shown below)

- Sq. Ft. – Square Feet
- Sq. Yd. – Square Yards
- Ln. Ft. - Linear Feet
- Total – Total cost for the component



RSI CONSULTANTS

**Twin Creeks
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Exhibits

January 24th 2009

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Exhibit 1

A view of the Brookston entrance wall. The wall is a cinder block core with culture stones veneer. The letter is individually mounted

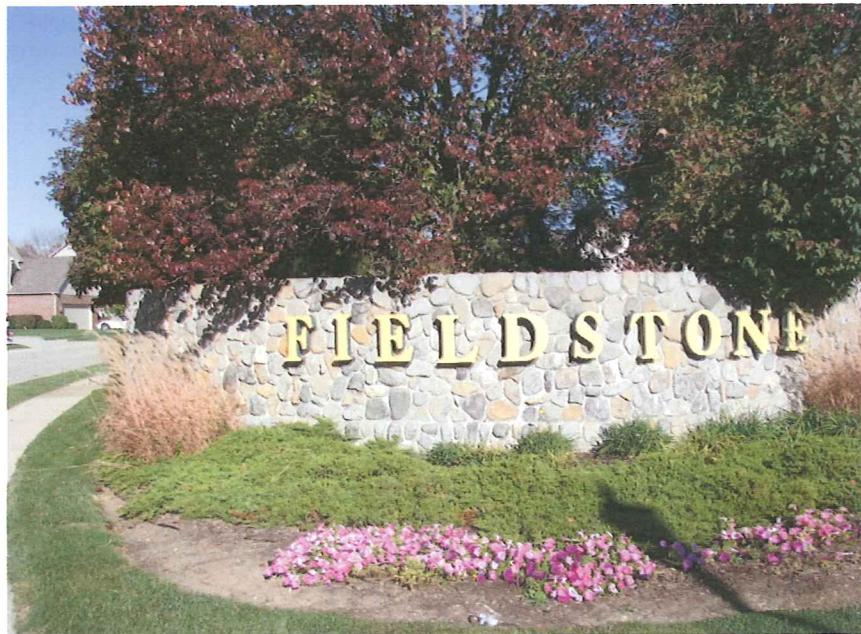


Exhibit 2

A view of the Fieldstone entrance wall. This wall is like the brookstone except it also acts as a retaining wall.

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Exhibit 3

A view of the vinyl fencing located at the Brookstone entrance.



Exhibit 4

A second example of the vinyl fencing.

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Exhibit 5

An example of stress factors on the entrance walls



Exhibit 6

Both entrance walls have similar failures.

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Exhibit 7

An example of vegetation overgrowth on the backline.



Exhibit 8

Signs of erosion and overgrowth of the pond banks.

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Exhibit 9

View of the Community stream and road over pass.



Exhibit 10

A second example of the Community stream.

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Exhibit 11

A view of the Community's basketball court and four foot screening fence. Currently the amenity is in disrepair.



Exhibit 12

An example of one of the wood bridges use on the Community's nature trail.

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Exhibit 13

Signs of damaged trees and overgrowth on the nature trial.



Exhibit 14

An example of stream correction and property encroachment.

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Exhibit 15
A view of the Community's playground facility.



Exhibit 16
Signs of deferred maintenance