

March 14, 2017

Mr. Pete Brown, Treasurer  
The Villas at Whispering Oaks  
153 Woodland Place Court  
St. Charles, MO 63303

Dear Mr. Brown:

Thank you for the opportunity to present The Villas at Whispering Oaks with a reserve study update proposal. I'm always available to answer any questions you may have about the proposal, the benefits of a reserve study or our value.

Following are just a few of the reasons **Reserve Advisors stands apart from all others.**

- Our reserve studies are **custom to your property**. Our experienced engineers listen to your concerns and develop a study with your objectives in mind.
- **All of our studies now come with ForeSite™** -- a powerful new, cloud-based software solution that will enhance how your association plans for the future. With ForeSite, you can **explore what-if scenarios** and much more!
- Our comprehensive studies include property-specific recommendations for maintenance and repairs that can **save you money**.
- **Your reserve study is developed by our team of engineers**, not just one person. This team approach ensures you're getting the best cost-saving recommendations and solutions.
- **We deliver long-term thinking and everyday commitment to you**. We take time to answer questions, address concerns and create a comprehensive reserve study for you.
- Board members of community associations have a fiduciary responsibility to their members. A Reserve Advisors Reserve Study is one of the best ways to fulfill that responsibility and eliminate claims of mismanagement.

Please contact me if I can be of further help and feel free to forward this to your board.

Sincerely,



Jacquie Martin  
West Regional Account Manager  
Jacque@reserveadvisors.com

## The Benefits of a Reserve Study

### How Does a Reserve Study Benefit the Board?

- Fulfills the board of directors' fiduciary responsibility and demonstrates due diligence.
- Provides a detailed, 30-year budgeting tool that guides the community.
- Delivers a schedule of major repairs or replacements to common property elements, along with local future cost estimates.
- Validates the proper amount of homeowner reserve contributions to meet future expenditures.
- Supplies third-party guidance to prioritize, plan and implement future projects.
- Establishes trust and confidence in the board.

### How Does a Reserve Study Benefit Homeowners?

- Ensures the property is well maintained.
- Preserves the property's value and protects homeowners' investment.
- Establishes buyer confidence so units are easier to sell.
- Satisfies mortgage lending requirements.
- Reduces the cost of maintaining the property.
- Helps minimize special assessments.
- Funds the reserves consistently year to year so current and future owners are treated equally and fairly.
- Promotes a harmonious community.



## 10 Distinct Reasons to Work with Us

### 1. Our Singular Focus

We are committed to meeting your individual goals and needs.

We invest the time to research your property, discuss your issues and answer your questions. Once we understand your community and its culture, then we build **your custom Reserve Study**.

Our dedication doesn't stop after your study is complete. Call us any time to ask questions or obtain advice. We're always available to you and new Board members...now and in the future.

### 2. Our Experienced Engineers

We have more than [35 engineers](#) with the most experience in the reserve study industry who personally inspect your property. Trust us, we don't use subcontractors.

**Our team of civil, mechanical, structural and environmental engineers** use their in-depth knowledge of construction, building systems, materials and environmental conditions to **provide engineering insights** that helps extend the life of your common elements.

### 3. Our Comprehensive Reports

You'll find our reports are the most custom and comprehensive in the industry.

We are the only company that takes the time to write a full Condition Assessment with detailed, [property-specific advice](#) that addresses problems before they escalate.

Our engineers look for and document issues and then deliver recommendations so you can implement cost-effective solutions. Our reports also offer money-saving replacement alternatives.

### 4. Our Realistic Replacement Costs

We don't cut corners or rely on standardized information to create your Reserve Study.

We use our proprietary database of **local project costs** to determine your specific replacement budget. That means we take the guesswork out of setting annual fees and planning future projects.



### 5. Our Unique Team Approach

Unlike other companies, multiple engineers participate in your reserve study. Our engineers are problem solvers who delve into each property to identify **the best solutions for you**.

For each community, our engineering team considers your repair and replacement options before recommending the most realistic Reserve Funding Plan for your Association.

## 6. Our Informative Content

The custom content in our reports is easy to understand and can be used to educate homeowners and alleviate their concerns.

We include an Executive Summary to concisely communicate our key findings and highlight upcoming funding requirements and major capital improvements. We deliver **project-specific best practices** that provide a solid basis for Board decisions and answer homeowner questions.

## 7. Our Money-saving Advice

We include industry information in our reports that gives Associations insider knowledge to better evaluate contractor bids and **negotiate more favorable contracts** to save thousands of dollars.

## 8. Our Unbiased Recommendations

Reserve Advisors is an independent company. There is **no real or perceived conflict of interest** when you work with us.

We don't manage capital projects and don't profit from their implementation. Instead, we deliver an objective opinion on the timing and costs for repairs and replacements.

## 9. Our Unmatched Local Experience

We've worked in big cities, small towns and quaint communities throughout the country and **understand the local conditions** that affect your property.

Please visit our website [Experience Map](#) to see some of the communities we've served in your area.

## 10. Our Exclusive ForeSite

Our new proprietary software solution **takes your reserve study to the next level.**

Make an online copy of your reserve study, explore your options – change quantities, replacement timing and costs – and share the results.

In addition, with ForeSite, you can easily store and organize important capital project documents.



**FORESITE™**  
Tracking Your Past. Forecasting Your Future.

**COLLABORATE.  
CREATE.  
STORE & SHARE.**

**FORESITE™**  
Tracking Your Past. Forecasting Your Future.



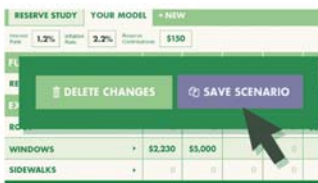
All our reserve studies now include **ForeSite Basic.**



- ✓ Secure, 24/7 online access to your original reserve study for 7 years.
- ✓ Export and print your study.
- ✓ Add notes and comments.
- ✓ Store project bids, contracts and photos.
- ✓ Receive unlimited support for 10 registered users.
- ✓ Get 60 days of free access to ForeSite Plus. Each user can create and print multiple "what if" scenarios.

Upgrade to **ForeSite Plus...**

**All the  
features of  
Basic and  
MORE!**



- ✓ **Answer all your questions with the ability to create *unlimited* "what if" scenarios.**
  - Change replacement timing, costs or quantities.
  - Reduce reserve contributions.
  - Raise the interest rate.
- ✓ **Designate an approved model to guide your community.**
  - Facilitate budgeting and reserve expenditure discussions.
  - Track actual capital projects.
  - Improve communication and streamline meetings.
  - Easily share information with new board members.



**The benefits of ForeSite Plus add up.**

## Our Commitment to You



### Principals

Reserve Advisors is led by John P. Poehlmann and Theodore J. Salgado who co-founded the company in 1991.

#### John P. Poehlmann, RS, M.S. Master of Science - Management; BBA

John has more than 25 years experience in the reserve study and valuation business and holds his Reserve Specialist (RS) designation. He's served on CAI's (Community Associations Institute) national Board of Trustees.

#### Theodore J. Salgado, P.E., B.S. Architectural Engineering

Ted is a professional engineer who has more than 30 years experience in the reserve study and valuation business. He is a past president of the Association of Professional Reserve Analysts (APRA) and holds his RS and PRA professional designations.

In all that we do, we go the extra mile for you. Your satisfaction with the custom reserve study update we create for your community is our primary concern.

- That's why we hire only engineers who have a deep knowledge of the principles of engineering, condition analysis, cost estimating and reserve funding.
- That's why you receive a comprehensive report that includes pages of recommendations detailing how to maintain your property and make smart, cost-effective repairs and replacements.
- That's why we deliver the most realistic reserve funding plan so you're able to effectively fund future capital expenditures without special assessments.

A reserve study from Reserve Advisors exceeds the industry standards established by the Community Associations Institute (CAI) and the Association of Professional Reserve Analysts (APRA).

Each of our studies is issued with our credentials and we are active members of numerous professional associations.



### PROFESSIONAL ASSOCIATIONS

- American Association of Cost Engineers (AACE)
- American Institute of Architects (AIA)
- American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE)
- Association of Construction Inspectors (ACI)
- Community Associations Institute (CAI)
- Construction Specifications Institute (CSI)
- Association of Professional Reserve Analysts (APRA)

## Who Needs an Insurance Appraisal?

An insurance appraisal from Reserve Advisors can avoid the costly mistake of Associations being either over or underinsured.

- If an Association is overinsured, you are paying too much in annual premiums.
- If an Association is underinsured, property owners run the risk of paying a portion of the rebuilding costs in the event of a loss.

An appraisal determines a property's new replacement cost and is based on a thorough on-site inspection conducted by an experienced, independent professional.

- In conjunction with a reserve study, Reserve Advisors will measure, photograph and evaluate all buildings to prepare an updated insurance appraisal.
- We provide an accurate valuation, as well as proof-of-loss documentation, that meets all American Society of Appraiser standards.
- In the event of a loss, our detailed documentation will help you get faster claim processing and settlement/payout.
- You'll save time and benefit from working with a single provider who can deliver cost savings when the two services are done together.

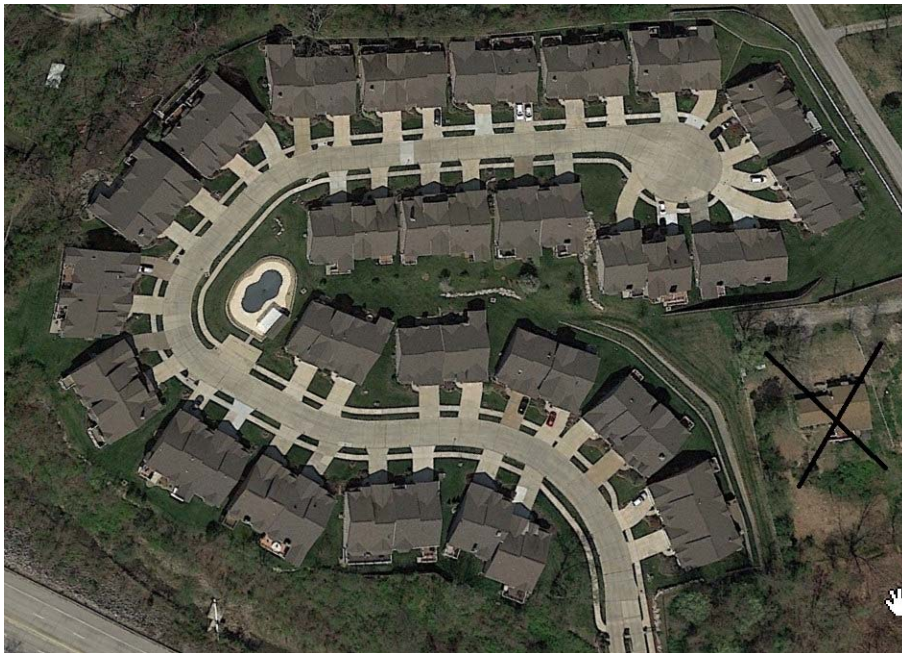


The Villas at Whispering Oaks comprises 50 units within 25 buildings in St. Charles. The specific property to be included in your Reserve Study Update includes:

**Site Components**

- Pool including Fence, Deck, Mechanicals & Furniture
- Pool House
- Streets & Curbs
- Driveways
- Catch Basins
- Sidewalks
- Irrigation System
- Retaining Walls
- Fences
- Gates
- Gate Operator
- Railings, Aluminum

The Villas at Whispering Oaks Reference Photograph:



Property to be included also includes other improvements to the property owned-in-common as defined in your Association's declaration and other property that you'd like us to include \*(significant structural elements not listed above are subject to approval).



**Please initial to authorize** the following services for **The Villas at Whispering Oaks** in this proposal dated **March 14, 2017**, in accordance with the Professional Service Conditions herein. Prices valid for 45 days.

Time from authorization to inspection varies depending on demand for our services. You will receive your report approximately 5 weeks after our inspection and timely receipt of any information necessary to complete the assignment.

**This update fee is based on the same property components that were contained in your last Reserve Advisors' reserve study or update. We are pleased to include property additions for an additional fee.**

**Full Reserve Study Update** for an investment of **\$2,700** (including all expenses).

- Meeting with our engineer on the day of the visual onsite property inspection
- Custom reserve study report with Comprehensive Condition Assessment
- One (1) 30 Year Funding Plan based on the Cash Flow Analysis Funding Method
- Excel® spreadsheet with Reserve Expenditures and Funding Plan
- Unlimited video/teleconference support with our engineer
- **ForeSite Basic** - Read your reserve study online, download a copy or Excel spreadsheets, store comments, photos and bids. And, try **ForeSite Plus** free for 60 days

**ForeSite Plus**, 3-year subscription of **\$270** per year.

*Includes ForeSite Basic and allows 10 users the ability to create unlimited what if scenarios. Change replacement costs, timing, contributions and more! Use it to streamline budget meetings.*

**Please send signed confirmation page to:**

Email: [Jacque@reserveadvisors.com](mailto:Jacque@reserveadvisors.com) or


Fax: (414) 272-3663

**Mail \$1,350 retainer to: Reserve Advisors, Inc.**

**Attn: Accounting**

**735 N. Water Street, Suite 175**

**Milwaukee, WI 53202**

by:  \_\_\_\_\_

Jacquie Martin, West Regional Account Manager

for Reserve Advisors, Inc.,

on March 14, 2017

Ref. 110878

Signature: \_\_\_\_\_

(Print Name) \_\_\_\_\_

Title \_\_\_\_\_

for **The Villas at Whispering Oaks**

On \_\_\_\_\_,

Phone \_\_\_\_\_

Email \_\_\_\_\_

Management Co. \_\_\_\_\_

Payment Terms: Retainer payment is due upon authorization and prior to inspection. The balance is due net 30 days from the report shipment date. Following receipt of balance due, you may request one set of complimentary changes within six months of the report shipment. Any outstanding balance after 30 days of the final invoice date is subject to an interest charge of 1.5% per month. This agreement is subject to our Professional Services Conditions.

## PROFESSIONAL SERVICE CONDITIONS

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

Our inspection and analysis of the subject property is limited to visual observations and is noninvasive. We will inspect sloped roofs from the ground. We will inspect flat roofs where safe access (stairs or ladder permanently attached to the structure) is available. The report is based upon a "snapshot in time" at the moment of our observation. Conditions can change between the time of inspection and the issuance of the report. Reserve Advisors does not investigate, nor assume any responsibility for any existence or impact of any hazardous materials, structural, latent or hidden defects which may or may not be present on or within the property. Our opinions of estimated costs and remaining useful lives are not a guarantee of the actual costs of replacement, a warranty of the common elements or other property elements, or a guarantee of remaining useful lives.

We assume, without independent verification, the accuracy of all data provided to us. You agree to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which we have relied upon as supplied by you or others under your direction, or which may result from any improper use or reliance on the report by you or third parties under your control or direction. Your obligation for indemnification and reimbursement shall extend to any controlling person of Reserve Advisors, Inc., including any director, officer, employee, affiliate, or agent. Liability of Reserve Advisors, Inc. and its employees, affiliates, and agents for errors and omissions, if any, in this work is limited to the amount of its compensation for the work performed in this engagement.

**Report** -Reserve Advisors, Inc. will complete the services in accordance with the Proposal. The Report represents a valid opinion of our findings and recommendations and is deemed complete. However, we will consider any additional information made available to us in the interest of promptly issuing a Revised Report if changes are requested within six months of receiving the Report. We retain the right to withhold a Revised Report if payment for services is not rendered in a timely manner. All files, work papers or documents developed by us during the course of the engagement remains our property.

**Your Obligations** - You agree to provide us access to the subject property during our on-site visual inspection and tour. You will provide to us to the best of your ability and if reasonably available, historical and budgetary information, the governing documents, and other information that we request and deem necessary to complete our Study. You agree to pay our actual attorneys' fees and any other costs incurred in the event we have to initiate litigation to collect on any unpaid balance for our services.

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

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

**Payment Terms, Due Dates, and Interest Charges** - Retainer payment is due upon authorization and prior to inspection. The balance is due net 30 days from the report shipment date. You may request one set of complimentary revisions within six months of the report shipment. Any outstanding balance after 30 days of the final invoice date is subject to an interest charge of 1.5% per month. Any litigation necessary to collect an unpaid balance shall be venued in Milwaukee County Circuit Court in the State of Wisconsin.

March 14, 2017

The Villas at Whispering Oaks  
c/o 153 Woodland Place Court  
St. Charles, MO 63303

**RETAINER INVOICE #**

**1758698R**

**Amount Due Now:**

**\$1,350**

**PROPERTY:**

**The Villas at Whispering Oaks  
St. Charles, Missouri**

Invoice Date: March 14, 2017

Contract Number: 110878

RETAINER DUE: **\$1,350**

Terms: ***Retainer Due Upon Receipt of Authorized Contract and Prior to Inspection***

**Mail \$1,350 retainer to:**

**Reserve Advisors, Inc.  
Attn: Accounting  
735 N. Water Street, Suite 175  
Milwaukee, WI 53202**

**OR**

**CONTACT US FOR  
CREDIT CARD PAYMENT**



Payment Terms: Retainer payment is due upon authorization and prior to inspection. The balance is due net 30 days from the report shipment date. You may request one set of complimentary revisions within six months of the report shipment. Any outstanding balance after 30 days of the final invoice date is subject to an interest charge of 1.5% per month. This agreement is subject to our Professional Services Conditions.