

May 15, 2016

TO: Crow Creek Executive Board (Henry Bennett, Amy Bennett)

FROM: Reserve Study Committee

Re: Reserve Study

At the October 2014 Annual Meeting the POA Board approved establishment of a Reserve Committee. This Committee was formed by volunteers from the Crow Creek Community, and charged with the responsibility to work with Benchmark Project Management Company to hire an expert (Tim Donohue) to complete a Reserve Study.

Attached is the completed Reserve Study that identifies a \$ 1 million shortfall in terms of funding dollars available vs. current need. This study is the result of numerous meetings between the Committee and Benchmark over a sixteen month period of time. We want to complement Jane Whieldon and Theron Miller for the time and effort they put into this report.

This Reserve Study was paid from the Crow Creek Budget. Jane Whieldon worked with Tim Donohue , a professional engineer to put together the Reserve Study for Crow Creek Community.

Additional recommendations/comments the Reserve Committee are providing the POA Crow Creek Board is as follows:

The Committee recognized during our work that we are under-funded in all the Reserve Accounts. The POA Crow Creek Board of Directors, with the intent to start funding the Reserve Accounts, increased the dues by 20% (maximum allowed per by-laws) for the 2016 Budget Year. This was done at the Annual Meeting held in October and December 2015 for the 2016 Business Year. The 20% increase is earmarked for the Reserve Funds, with the exception of the Amenity Center.

In December 2015 the Reserve Committee recommended to the POA Crow Creek Board that they take action to address the funding shortfall in the Reserve

Account. The POA Crow Creek Board made the decision to charge an assessment of \$ 1500 to be paid by current homes and lot owners, plus assess a new property owner fee of \$ 1500 (Road Capital Contribution). The Reserve Committee was notified of this plan from Benchmark December 10, 2015. The POA Crow Creek Board is requested to provide the Reserve Committee the current status of this action.

In order to provide additional funds to address road repair needs the Committee also recommends the Board accept the Landscape proposal, which includes a three year rate guarantee (General Commons/Limited Commons areas). The quote from LandCare is the same company currently doing the work at the Crow Creek Condos. The Scope of Work is detailed and reflects property owner's review that reflects current practices for work on land owned by the Property Owners. Acceptance by the POA Crow Creek Board of this proposal will represent an annual savings of \$ 220,000. If applied to the 2016 Budget, it would eliminate the projected \$ 120,000 deficit that Henry Bennett must fund, and leave \$ 100,000 left over to apply to the needed Reserve Funds (annually).

With the POA Crow Creek Board adoption of the two suggestions, noted above, Crow Creek will have a plan to address the \$ 1million current shortfall in the Reserve Accounts (message to deliver to all property owners).

Based on the Reserve Study findings several items note a 'zero life' (critical items requiring immediate action supported by funding). Before action is taken, it is important to confirm the condition of the road bed (area beneath the asphalt). We recommend that 16 core holes be drilled (identified by civil engineers of two firms- third party experts) to determine soil conditions on roads throughout the Community (excludes Honey Tree Lane). The cost to complete the work, including recommendations supported by lab work to test the soil beneath the asphalt, approximates \$ 7000. This dollar amount of funding was approved to be spent by the POA Crow Creek Board at a meeting with Benchmark in December 2015. POA Crow Creek Board has taken no action to date.

The results of the lab tests of the Core Hole samples will determine what work is required by specific section of each of the five miles (approximate) of roads in the

Community. This may include installing curbside drains on North Crow Creek Drive, Oldfield Road, and Old Salem Way prior to November 2016, and holding off on any resurfacing/sealing until a second set of core samples is completed in July 2017 (allow time for road bed to dry out and confirm drain system is working as proposed). Also, the road from Hwy. 17 to Hwy. 57 will require sealing and some additional resurfacing. The sealing has been designated for completion by November 2016 (subject to results of the Core hole lab test results). The Committee consulted with the following experts to arrive at preliminary recommendations noted above: two Civil Engineer Companies, one asphalt repaving company that did the work at the Condos last summer, the Director for the DOT for Brunswick County, and the Storm water & Roadway Planning Department Director for Brunswick County.

At the Single Family Amenity Center we recommend sealing and stripping the parking lot (\$ 8800) and painting the outside of the Amenity Center (\$ 12,000). The current funds for the Amenity Center will cover this cost. These items are noted in the Reserve Study. Action is required before November 2016.

One item listed in the General Commons Reserve Study report requires a comment from the Reserve Committee. 'Entrance Features and Signage' listed on the Reserve Study Report, is on land owned by the Golf Course (sign states "Crow Creek Golf Club). In the Reserve Committee opinion, this item should not be included as the responsibility of the property owners since a nonprofit POA at Crow Creek cannot be responsible to perform capital improvement on property they do not own. It is the Law. Responsibility for yard maintenance is limited to 15 feet on each side of the road (S. Crow Creek Drive), deeded to the property owners in 2002.

We are available to discuss the Reserve Committees short term recommendations and the appropriate means to inform all property owners in the Crow Creek Community, at a time convenient to the POA Crow Creek Board.

Regards

Reserve Committee – Crow Creek Community

CC: Jane Whieldon, Theron Miller