LEVEL 1 REPLACEMENT RESERVE REPORT FY 2025
OAKS AT BRUNSWICK

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REPLACEMENT RESERVE REPORT

OAKS AT BRUNSWICK

BRUNSWICK, NORTH CAROLINA
June 10, 2025

Description. The Oaks at Brunswick is a condominium community located in Brunswick, North Carolina. The Oaks at Brunswick was constructed in 2020. The community consists of ten, garden-style condominium buildings with a total of 216 units. The survey examined the common elements of the property, including:

- Asphalt drive and parking.
- Concrete curb, gutter, and sidewalks.
- Community building.
- Swimming pool and fitness center.
- Condominium building exteriors.
- Site lighting, mailboxes, and trash facilities.

EXECUTIVE SUMMARY

This Reserve Study has been prepared for the Oaks at Brunswick for the Fiscal Year 2025 covering the period from January 1, 2025 to December 31, 2025. The Replacement Reserves Starting Balance as of January 1, 2025 are reported to be $77,240. The reported Current Annual Funding for Reserves is $105,000. The Recommended Annual Reserve Funding level for 2025 is $145,938.

The increase in the Recommended Funding shown above is primarily due to two reasons: this is a new community with a low Starting Balance and the current high rate of inflation in today's construction industry which is pushing replacement costs higher.

The Next Step. In order to mitigate any detrimental effects of a nearly $41,000 increase in annual funding, we recommend that the condominium association increase the current $105,000 by $8,000 annually for the next five years. At that time, the Reserve Study is scheduled to be updated. Any further increases can be determined at that time. This Strategic Funding Plan is shown on the A.1 and A.2 Pages of this Report.

MillerDodson welcomes the opportunity to answer questions or to discuss this Reserve Study in more detail should the Board so desire.

Current Funding. The Starting Balance and Current Annual Reserve Funding figures have been supplied by the Managing Agent and/or Board of Directors. Confirmation or audit of these figures is beyond the scope of the study. For the purposes of this study, it is assumed that the annual contribution will be deposited at the end of each month.

Level of Service. This study has been performed as a Level 1 Full-Service Reserve Study with Site Visit/On-Site Review as defined by the Community Associations Institute's, National Reserve Study Standards. As such, a complete inventory of components, including their condition and cost for major repair or replacement, was established by the Analyst for the common and limited common elements of this facility based on information provided by the Community Manager and/or Board of Directors, or by those developed from visual assessments, field measurements, takeoffs from to-scale drawings, or review of provided historical data. The analysis, including fund status and funding plan, is developed from the inventory.

To aid in the understanding of this report and its concepts and practices, on our website, we have developed videos addressing frequently asked topics. In addition, there are posted links covering a variety of subjects under the resources page of our website at millerdodson.com.

Purpose. The purpose of this Replacement Reserve Study is to provide Oaks at Brunswick (hereinafter called the Association) with an inventory of the common community facilities and infrastructure components that require periodic replacement. The Study includes a general view of the condition of these items and an effective financial plan to fund projected periodic replacements.

- **Inventory of Items Owned by the Association.** Section B lists the Projected Replacements of the commonly owned items that require periodic replacement using funding from Replacement Reserves. The Replacement Reserve Inventory also provides information about excluded items, which are items whose replacements are not scheduled for funding from Replacement Reserves.

- **Condition of Items Owned by the Association.** Section B includes our estimates of the normal economic life and the remaining economic life for the projected replacements. Section C provides a year-by-year listing of the projected replacements. Section D provides additional detail for items that are unique or deserving of attention because of their condition or the manner in which they have been treated in this study.

- **Financial Plan.** The Association has a fiduciary responsibility to protect the appearance, value, and safety of the property and it is therefore essential the Association have a financial plan that provides funding for the projected replacements. In conformance with American Institute of Certified Public Accountant guidelines, Section A, Replacement Reserve Analysis evaluates the current funding of Replacement Reserves as reported by the Association and recommends annual funding of Replacement Reserves by the Cash Flow Method. Section A, Replacement Reserve Analysis includes graphic and tabular presentations of the reported current funding and the recommended funding based on the Cash Flow Method. An Executive Summary of these calculations is provided on Page A1.

Basis. The data contained in this Replacement Reserve Study is based upon the following:

- The Request for Proposal submitted and executed by the Association.

- MillerDodson performed a visual evaluation on June 21, 2025 to determine a remaining useful life and replacement cost for the commonly owned elements of this facility.

- This study contains additional recommendations to address inflation for the Cash Flow Method only. For this recommendation, MillerDodson uses the Producers Price Index (PPI), which gauges inflation in manufacturing and construction. Please see page A5 for further details.

To-Scale Drawings. Site and building plans were not used in the development of this study. We recommend the Association assemble and maintain a library of site and building plans of the entire facility. Record drawings should be scanned into an electronic format for safe storage and ease of distribution. Upon request for a nominal fee, MillerDodson can provide scanning services.

Acknowledgment. Miller+Dodson Associates would like to acknowledge the assistance and input of John Smith, President, who provided very helpful insight into the current operations of the property.

Mr. Peter B. Miller, RS, is a Founder and Principal of the firm Miller+Dodson Associates. Peter is widely recognized as a leading authority in the field of Reserve Studies and Strategic Reserve Planning for Community Associations. He is a graduate of the College of Architecture and Urban Studies at Virginia Tech. As an Architect, Peter began his work with Reserve Studies for community associations during the "condo conversion boom" of the late 1970's. A popular speaker and aurthor on the topic of Reserve Studies, his latest article "The Reserve Thruth, Lessons from the Champlain Towers Incident" was published in the September/October 2021 issue CAI's Common Ground Magazine. He frequently serves as an Expert Witness in matters concerning Replacement Reserve Studies and Reserve Funding. He has held the professional designation of Reserve Specialist (RS) since 1998.

Peter served as a Member of the CAI National Board of Trustees from 2018 through 2022. He was the 2020 Chair of CAI's Business Partners Council, and is a member of the CAI Foundation for Community Association Research (FCAR). Peter has previously served in leadership positions with several CAI Chapters. He served on the CAI National Reserves Standards Committee from 1997 to 2003 and again in 2016-2017 for the review and updating of the National Standards. Peter currently serves as Co-Chair of the Reserves, Maintenance, and Building Safety Taskforce tasked with updating CAI's National Reserve Study Standards in the wake of the 2021 condominium building tragedy in Florida. He has also served as a Subject Matter consultant for legislation in Maryland, Virginia, and Delaware.

Respectfully Submitted,

millerdodson
CAPITAL RESERVE CONSULTANTS

Peter Miller
Peter B. Miller, RS

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SECTION A - EXECUTIVE SUMMARY

STRATEGIC FUNDING PLAN - CONCEPT
This Strategic Funding Plan has been developed based on the fundamental concept that the Replacement Reserve Account is solvent if cumulative receipts always meet or exceed cumulative expenses.

STRATEGIC FUNDING PLAN - GOAL
The goal of a Strategic Funding Plan is to provide alternative reserve funding that responds to immediate financial requirements of Oaks at Brunswick, and models an alternative increase in funding needed to move Replacement Reserve Funding from the Current Annual Funding level to the level recommended by the Cash Flow Method as noted on Page A.3 of the Oaks at Brunswick Replacement Reserve Study (Oaks at Brunswick v1 06-10-2025).

STRATEGIC FUNDING PLAN TABLE
The highlighted and labeled rows provided in the table shown on Page A.2 show the alternate reserve funding being considered by Oaks at Brunswick for a period of 30 years.

This Strategic Funding Plan assumes the same reported Current Annual Funding (Page A.3), the same $77,240 Starting Balance, and the same Replacement Reserve Inventory with 99 Projected Replacements requiring $4,047,356 of expenditures over the 30-year Study Period.
It should be noted that for every year that the Reserves are funded at less than the Cash Flow Recommended Funding level, there will be a year or more that the Reserves must be funded above the Cash Flow Recommended Funding level. Unlike the Cash Flow Method, this Strategic Funding Plan may not assume the Minimum Balance.

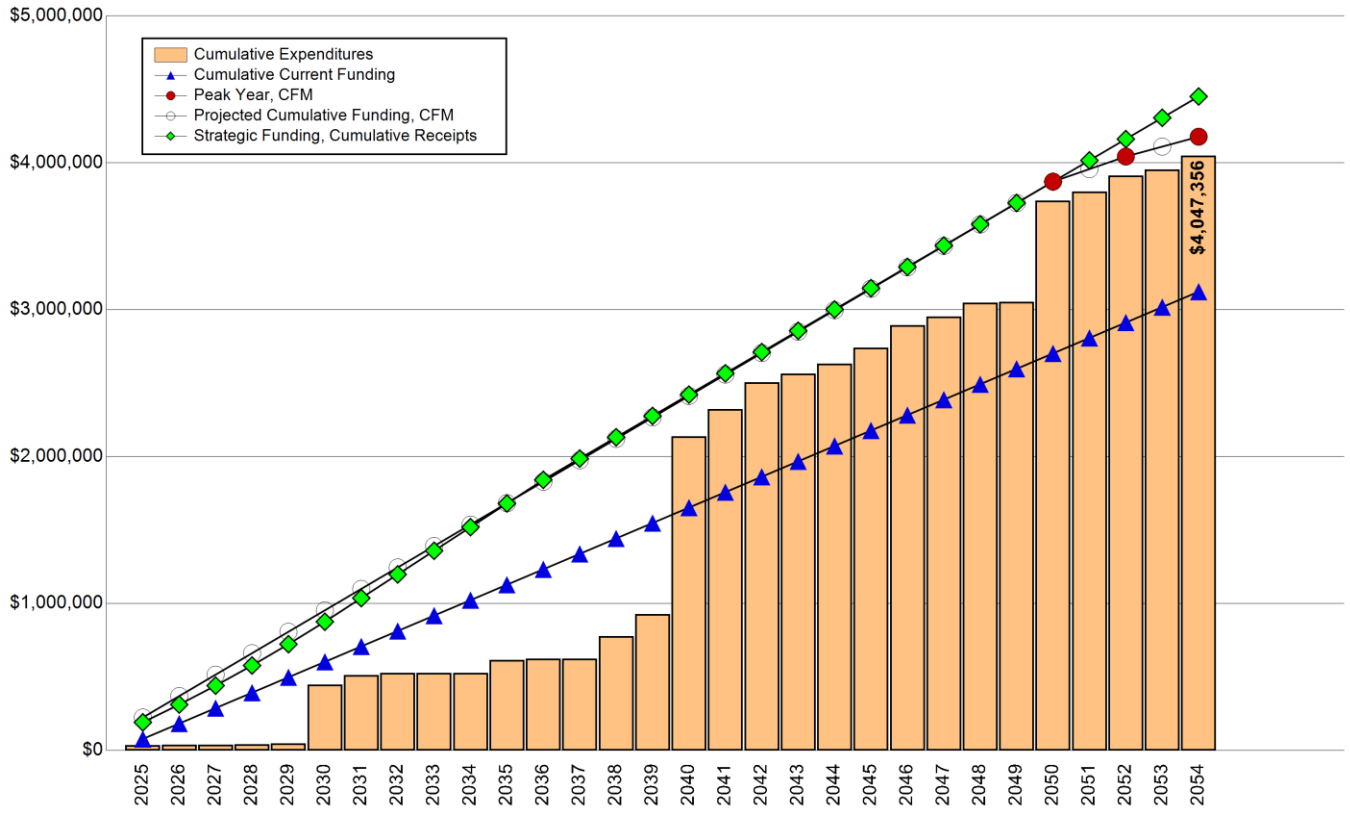
STRATEGIC FUNDING PLAN GRAPH
The graph on Page A.2 shows the Cumulative Expenditures in gold bars over the Study Period, which is the minimum that any funding plan must achieve. The blue triangled line represents the reported Current Annual Funding to reserves, and the circled line represents the recommended Cash Flow Method for annual reserve funding. Graphed in green diamonds, the alternative reserve funding being considered in this Strategic Funding Plan is shown for 2025 through 2054.

STRATEGIC FUNDING PLAN EXPLAINED

An examination of the Strategic Funding Plan Graph on Page A.2 clearly shows that the Current Funding of $105,000 is insufficient to fund the “near-term” expenditures. The Strategic Funding Plan proposes to ramp up the Reserve Funding over a short period as shown in the Strategic Funding Plan Table.

In order to mitigate any detrimental effects of a nearly $41,000 increase in annual funding, we recommend that the condominium association increase the current $105,000 by $8,000 annually for the next five years. At that time, the Reserve Study is scheduled to be updated. Any further increases can be determined at that time. This Strategic Funding Plan is shown on the A.1 and A.2 Pages of this Report.

Strategic Funding Plan - Years 1 through 40



Strategic Funding Plan - Table of Annual Funding and Expenditures

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Starting Balance	$77,240									
Projected Replacements	($34,562)	($1,950)		($1,950)	($6,935)	($401,922)	($62,890)	($14,575)		($1,950)
Adjusted Annual Deposit	$105,000	$113,000	$121,000	$129,000	$137,000	$145,000	$153,000	$161,000	$161,000	$161,000
Alternate Funding (1)	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000	$8,000			
End of Year Balance	$155,678	$274,728	$403,728	$538,778	$676,843	$427,921	$526,031	$672,456	$833,456	$992,506
Cumulative Expenditures	($34,562)	($36,512)	($36,512)	($38,462)	($45,397)	($447,319)	($510,209)	($524,784)	($524,784)	($526,734)
Cumulative Receipts	$190,240	$311,240	$440,240	$577,240	$722,240	$875,240	$1,036,240	$1,197,240	$1,358,240	$1,519,240

Year	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Projected Replacements	($85,924)	($10,950)		($152,895)	($150,830)	($1,209,292)	($184,215)	($183,000)	($58,490)	($69,440)
AFP - Annual Funding	$161,000	$161,000	$145,000	$145,000	$145,000	$145,000	$145,000	$145,000	$145,000	$145,000
Alternate Funding (1)										
End of Year Balance	$1,067,582	$1,217,632	$1,362,632	$1,354,737	$1,348,907	$284,616	$245,401	$207,401	$293,911	$369,471
Cumulative Expenditures	($612,658)	($623,608)	($623,608)	($776,503)	($927,333)	($2,136,625)	($2,320,840)	($2,503,840)	($2,562,330)	($2,631,770)
Cumulative Receipts	$1,680,240	$1,841,240	$1,986,240	$2,131,240	$2,276,240	$2,421,240	$2,566,240	$2,711,240	$2,856,240	$3,001,240

Year	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Projected Replacements	($109,652)	($152,090)	($58,490)	($93,600)	($6,935)	($689,084)	($60,605)	($110,125)	($41,405)	($93,600)
AFP - Annual Funding	$145,000	$145,000	$145,000	$145,000	$145,000	$145,000	$145,000	$145,000	$145,000	$145,000
Alternate Funding (1)										
End of Year Balance	$404,819	$397,729	$484,239	$535,639	$673,704	$129,620	$214,015	$248,890	$352,485	$403,885
Cumulative Expenditures	($2,741,422)	($2,893,512)	($2,952,002)	($3,045,602)	($3,052,537)	($3,741,621)	($3,802,226)	($3,912,351)	($3,953,756)	($4,047,356)
Cumulative Receipts	$3,146,240	$3,291,240	$3,436,240	$3,581,240	$3,726,240	$3,871,240	$4,016,240	$4,161,240	$4,306,240	$4,451,240

NOTES

In order to mitigate any detrimental effects of a nearly $41,000 increase in annual funding, we recommend that the condominium association increase the current $105,000 by $8,000 annually for the next five years. At that time, the Reserve Study is scheduled to be updated. Any further increases can be determined at that time. This Strategic Funding Plan is shown on the A.1 and A.2 Pages of this Report.

Please note inflation is not included in the Strategic Funding Plan. The Association should use a 6.00% inflation rate to increase Annual Funding per year.

REPLACEMENT RESERVE ANALYSIS - GENERAL INFORMATION

The Oaks at Brunswick Replacement Reserve Analysis calculations of recommended funding of Replacement Reserves by the Cash Flow Method (CFM) and the evaluation of the Current Funding are based upon the same Study Year, Study Period, Beginning Balance, Replacement Reserve Inventory and Level of Service.

2025 **STUDY YEAR**

The Association reports that their accounting year begins on January 1, and the Study Year, the first year evaluated by the Replacement Reserve Analysis, begins on January 1, 2025.

30 Years **STUDY PERIOD**

The Replacement Reserve Analysis evaluates the funding of Replacement Reserves over a 30-year Study Period

$77,240 **STARTING BALANCE**

The Association reports Replacement Reserves on Deposit totaling $77,240 at the start of the Study Year.

Level One **LEVEL OF SERVICE**

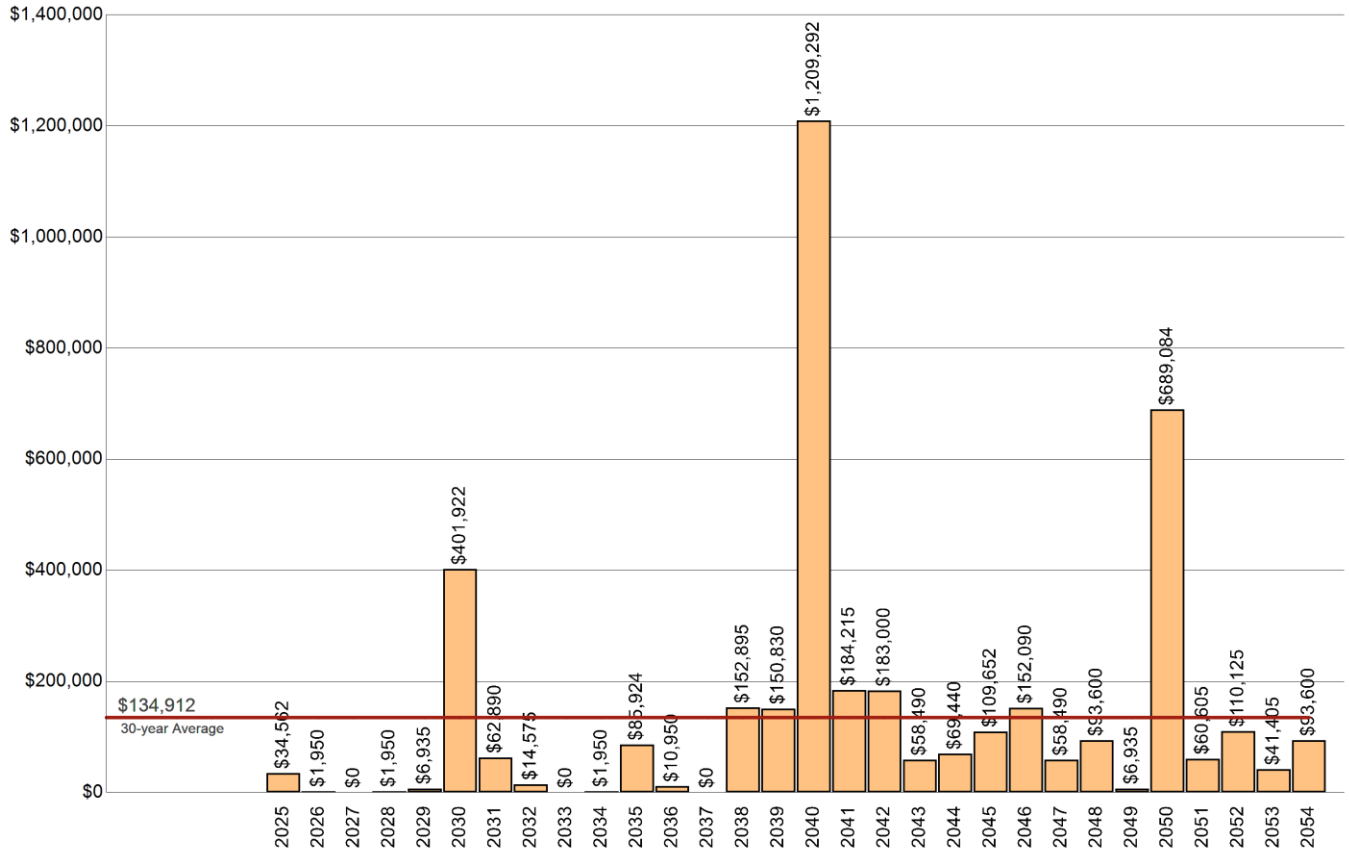
The Replacement Reserve Inventory has been developed in compliance with the National Reserve Study Standards for a Level One Study, as defined by the Community Associations Institute (CAI).

$4,047,356 **REPLACEMENT RESERVE INVENTORY - PROJECTED REPLACEMENTS**

The Oaks at Brunswick Replacement Reserve Inventory identifies 99 items that will require periodic replacement, that are to be funded from Replacement Reserves. We estimate the cost of these replacements will be $4,047,356 over the 30-year Study Period. The Projected Replacements are divided into 3 major categories starting on Page B.3. Pages B.1-B.2 provide detailed information on the Replacement Reserve Inventory.

#2 - Annual Expenditures for Projected Replacements Graph

This graph shows annual expenditures for Projected Replacements over the 30-year Study Period. The red line shows the average annual expenditure of $134,912. Section C provides a year by year Calendar of these expenditures.



UPDATING

UPDATING OF THE FUNDING PLAN

The Association has a responsibility to review the Funding Plan annually. The Projected Replacements listed on Page C.2 should be compared with any replacements accomplished and funded from Replacement Reserves. Discrepancies should be evaluated and if necessary, the Reserve Study should be updated or a new study commissioned. We recommend annual increases in replacement reserve funding to account for the impact of inflation.

UPDATING OF THE REPLACEMENT RESERVE STUDY

At a minimum, the Replacement Reserve Study should be professionally updated every three to five years or after completion of a major replacement project. Updating should also be considered if during the annual review of the Funding Plan, discrepancies are noted between projected and actual reserve funding or replacement costs.

ANNUAL EXPENDITURES AND CURRENT FUNDING

The annual expenditures that comprise the $4,047,356 of Projected Expenditures over the 30-year Study Period and the impact of the Association continuing to fund Replacement Reserves at the current level are detailed in Table 3.

#3 - Table of Annual Expenditures and Current Funding Data - Years 1 through 30

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Starting Balance	$77,240									
Projected Replacements	($34,562)	($1,950)		($1,950)	($6,935)	($401,922)	($62,890)	($14,575)		($1,950)
Annual Deposit	$105,000	$105,000	$105,000	$105,000	$105,000	$105,000	$105,000	$105,000	$105,000	$105,000
End of Year Balance	$147,678	$250,728	$355,728	$458,778	$556,843	$259,921	$302,031	$392,456	$497,456	$600,506
Cumulative Expenditures	($34,562)	($36,512)	($36,512)	($38,462)	($45,397)	($447,319)	($510,209)	($524,784)	($524,784)	($526,734)
Cumulative Receipts	$182,240	$287,240	$392,240	$497,240	$602,240	$707,240	$812,240	$917,240	$1,022,240	$1,127,240
Year	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
Projected Replacements	($85,924)	($10,950)		($152,895)	($150,830)	($1,209,292)	($184,215)	($183,000)	($58,490)	($69,440)
Annual Deposit	$105,000	$105,000	$105,000	$105,000	$105,000	$105,000	$105,000	$105,000	$105,000	$105,000
End of Year Balance	$619,582	$713,632	$818,632	$770,737	$724,907	($379,385)	($458,600)	($536,600)	($490,090)	($454,530)
Cumulative Expenditures	($612,658)	($623,608)	($623,608)	($776,503)	($927,333)	($2,136,625)	($2,320,840)	($2,503,840)	($2,562,330)	($2,631,770)
Cumulative Receipts	$1,232,240	$1,337,240	$1,442,240	$1,547,240	$1,652,240	$1,757,240	$1,862,240	$1,967,240	$2,072,240	$2,177,240
Year	**2045**	**2046**	**2047**	**2048**	**2049**	**2050**	**2051**	**2052**	**2053**	**2054**
Projected Replacements	($109,652)	($152,090)	($58,490)	($93,600)	($6,935)	($689,084)	($60,605)	($110,125)	($41,405)	($93,600)
Annual Deposit	$105,000	$105,000	$105,000	$105,000	$105,000	$105,000	$105,000	$105,000	$105,000	$105,000
End of Year Balance	($459,182)	($506,272)	($459,762)	($448,362)	($350,297)	($934,381)	($889,986)	($895,111)	($831,516)	($820,116)
Cumulative Expenditures	($2,741,422)	($2,893,512)	($2,952,002)	($3,045,602)	($3,052,537)	($3,741,621)	($3,802,226)	($3,912,351)	($3,953,756)	($4,047,356)
Cumulative Receipts	$2,282,240	$2,387,240	$2,492,240	$2,597,240	$2,702,240	$2,807,240	$2,912,240	$3,017,240	$3,122,240	$3,227,240

EVALUATION OF CURRENT FUNDING

The evaluation of Current Funding (Starting Balance of $77,240 & annual funding of $105,000), is done in today's dollars with no adjustments for inflation or interest earned on Replacement Reserves. The evaluation assumes Replacement Reserves will only be used for the 99 Projected Replacements identified in the Replacement Reserve Inventory and that the Association will continue Annual Funding of $105,000 throughout the 30-year Study Period.

Annual Funding of $105,000 is approximately 72 percent of the $145,938 recommended Annual Funding calculated by the Cash Flow Method for 2025, the Study Year.

The progression and effect of continued Current Annual Funding coupled with this studies Projected Replacements over the Study Period are evaluated in Table 3 above. Maintaining Current Annual Funding may result in inadequate End of Year Balances, noted in red.

See the Executive Summary for the Current Funding Statement.

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SECTION B - REPLACEMENT RESERVE INVENTORY

- **PROJECTED REPLACEMENTS.** 99 of the items are Projected Replacements and the periodic replacements of these items are scheduled for funding from Replacement Reserves. The Projected Replacements have an estimated one-time replacement cost of $3,279,266. Cumulative Replacements totaling $4,047,356 are scheduled in the Replacement Reserve Inventory over the 30-year Study Period.

  Projected Replacements are the replacement of commonly-owned physical assets that require periodic replacement and whose replacement is to be funded from Replacement Reserves.

- **EXCLUDED ITEMS.** None of the items included in the Replacement Reserve Inventory are 'Excluded Items'. Multiple categories of items are typically excluded from funding by Replacement Reserves, including but not limited to:

  Tax Code. The United States Tax Code grants very favorable tax status to Replacement Reserves, conditioned on expenditures being made within certain guidelines. These guidelines typically exclude maintenance activities, minor repairs, and capital improvements.

  Value. Items with a replacement cost of less than $1,000 and/or a normal economic life of less than 3 years are typically excluded from funding from Replacement Reserves. This exclusion should reflect the Association policy on the administration of Replacement Reserves. If the Association has selected an alternative level, it will be noted in the Replacement Reserve Inventory - General Comments on Page B.2.

  Long-lived Items. Items are excluded from the Replacement Reserve Inventory when items are properly maintained and are assumed to have a life equal to the property.

  Unit improvements. Items owned by a single unit and where the items serve a single unit are generally assumed to be the responsibility of that unit, not the Association.

  Other non-common improvements. Items owned by the local government, public and private utility companies, the United States Postal Service, Master Associations, state and local highway authorities, etc., may be installed on property that is owned by the Association. These types of items are generally not the responsibility of the Association and are excluded from the Replacement Reserve Inventory.

- **CATEGORIES.** The 99 items included in the Oaks at Brunswick Replacement Reserve Inventory are divided into 3 major categories. Each category is printed on a separate page, beginning on page B.3

- **LEVEL OF SERVICE.** This Replacement Reserve Inventory has been developed in compliance with the standards established for a Level One Study - Full Service, as defined by the National Reserve Study Standards, established in 1998 by Community Associations Institute, which states:

  A Level I - Full-Service Reserve Study includes the computation of complete component inventory information regarding commonly owned components provided by the Association, quantities derived from field measurements, and/or quantity takeoffs from to-scale engineering drawings that may be made available. The condition of all components is ascertained from a visual inspection of each component by the analyst. The remaining economic life and the value of the components are provided based on these observations and the funding status and funding plan are then derived from the analysis of this data.

REPLACEMENT RESERVE INVENTORY - GENERAL INFORMATION (CONT'D)

- **INVENTORY DATA**. Each of the 99 Projected Replacements listed in the Replacement Reserve Inventory includes the following data:

  Item Number. The Item Number is assigned sequentially and is intended for identification purposes only.

  Item Description. We have identified each item included in the Inventory. Additional information may be included in the Comments section at the bottom of each page of the Inventory.

  Units. We have used standard abbreviations to identify the number of units including SF-square feet, LF-lineal feet, SY-square yard, LS-lump sum, EA-each, and PR-pair. Non-standard abbreviations are noted in the Comments section at the bottom of the page.

  Number of Units. The methods used to develop the quantities are discussed in "Level of Service" above.

  Unit Replacement Cost. We use four sources to develop the unit cost data shown in the Inventory; actual replacement cost data provided by the client, information provided by local contractors and suppliers, industry standard estimating manuals, and a cost database we have developed based upon our detailed interviews with contractors and service providers who are specialists in their respective lines of work.

  Normal Economic Life (Years). The number of years that a new and properly installed item should be expected to remain in service.

  Remaining Economic Life (Years). The estimated number of years before an item will need to be replaced. In "normal" conditions, this could be calculated by subtracting the age of the item from the Normal Economic Life of the item, but only rarely do physical assets age "normally". Some items may have longer or shorter lives depending on many factors such as environment, initial quality of the item, maintenance, etc.

  Total Replacement Cost. This is calculated by multiplying the Unit Replacement Cost by the Number of Units.

- **PARTIAL FUNDING.** Items may have been included in the Replacement Reserve Inventory at less than 100 percent of their full quantity and/or replacement cost. This is done on items that will never be replaced in their entirety, but which may require periodic replacements over an extended period of time. The assumptions that provide the basis for any partial funding are noted in the Comments section.
- **REMAINING ECONOMIC LIFE GREATER THAN 30 YEARS.** The calculations do not include funding for initial replacements beyond 30 years. These replacements are included in this Study for tracking and evaluation. They should be included for funding in future Studies when they enter the 30-year window.
- **ACCURACY OF THE ANALYSIS.** The accuracy of the Replacement Reserve Analysis is dependent upon expenditures from Replacement Reserves being made ONLY for the 99 Projected Replacements specifically listed in the Replacement Reserve Inventory. The inclusion/exclusion of items from the Replacement Reserve Inventory is discussed on Page B.1.

SITE ITEMS - PAGE 1
PROJECTED REPLACEMENTS

NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs)

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
1	Asphalt road and parking area	sf	157,100	$2.25	20	15	$353,475
2	Seal coat asphalt	sf	157,100	$0.22	5	none	$34,562
3	Concrete curb & gutter (20% allowance)	lf	1,080	$34.00	54	6	$36,720
4	Concrete flatwork (6% allowance)	sf	820	$8.50	60	6	$6,970
5	Entrance sign & repoint	ls	1	$1,400.00	15	10	$1,400
6	Segmental retaining wall (30% allowance)	sf	700	$55.00	40	35	$38,500
7	Mailboxes	ls	1	$18,000.00	25	15	$18,000
8	Dumpster pad	sf	820	$10.00	25	20	$8,200
9	Dumpster enclosure stucco repair	sf	810	$12.75	50	45	$10,328
10	Dumpster trellis	ls	1	$1,500.00	20	15	$1,500
11	Dumpster gates	pr	1	$1,000.00	10	5	$1,000
12	Site lighting	ea	26	$2,100.00	30	25	$54,600
13	Sanitary sewer, mains (10% allowance)	units	216	$155.00	20	15	$33,480
14	Domestic water, mains (10% allowance)	units	216	$95.00	20	15	$20,520
15	Stormwater, structure & pipe (10% allowance)	units	216	$185.00	20	15	$39,960
16	Stormwater pond dredging	ls	1	$50,000.00	20	15	$50,000

Replacement Costs - Page Subtotal $709,215

COMMENTS

- Item #16: Stormwater pond dredging - Item #16. Stormwater Pond Dredging (allowance). Without Bathymetric data, it is not possible to accurately estimate the amount of dredging that will be required to return the ponds to their designed holding capacity. It is strongly suggested that the Association make arrangements to undertake Bathymetric Surveys. These Surveys can be arranged through your Pond and Lake contactor.

EXTERIOR ITEMS - CONDOMINIUM BUILDING (CB)

PROJECTED REPLACEMENTS

NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs)

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
17	CB Asphalt shingles, Phase 1 (20% allowance)	sf	29,400	$4.85	20	13	$142,590
18	CB Asphalt shingles, Phase 2 (20% allowance)	sf	29,400	$4.85	20	14	$142,590
19	CB Asphalt shingles, Phase 3 (20% allowance)	sf	29,400	$4.85	20	15	$142,590
20	CB Asphalt shingles, Phase 4 (20% allowance)	sf	29,400	$4.85	20	16	$142,590
21	CB Asphalt shingles, Phase 5 (20% allowance)	sf	29,400	$4.85	20	17	$142,590
22	CB Gutter & downspout, Phase 1 (20% allowance)	ft	290	$4.50	20	13	$1,305
23	CB Gutter & downspout, Phase 2 (20% allowance)	ft	290	$4.50	20	14	$1,305
24	CB Gutter & downspout, Phase 3 (20% allowance)	ft	290	$4.50	20	15	$1,305
25	CB Gutter & downspout, Phase 4 (20% allowance)	ft	290	$4.50	20	16	$1,305
26	CB Gutter & downspout, Phase 5 (20% allowance)	ft	290	$4.50	20	17	$1,305
27	CB EIFS coating	sf	98,560	$3.50	10	5	$344,960
28	CB EIFS repairs (10% allowance)	sf	9,900	$10.00	20	15	$99,000
29	CB Vinyl siding, Phase 1 (20% allowance)	sf	9,100	$4.55	35	26	$41,405
30	CB Vinyl siding, Phase 2 (20% allowance)	sf	9,100	$4.55	35	28	$41,405
31	CB Vinyl siding, Phase 3 (20% allowance)	sf	9,100	$4.55	35	30	$41,405
32	CB Vinyl siding, Phase 4 (20% allowance)	sf	9,100	$4.55	35	32	$41,405
33	CB Vinyl siding, Phase 5 (20% allowance)	sf	9,100	$4.55	35	34	$41,405

Replacement Costs - Page Subtotal $1,370,460

COMMENTS

EXTERIOR ITEMS - CONDOMINIUM BUILDING CONT. (CB)

PROJECTED REPLACEMENTS

NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs)

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
34	CB Windows, Phase 1 (20% allowance)	sf	2,240	$35.00	30	21	$78,400
35	CB Windows, Phase 2 (20% allowance)	sf	2,240	$35.00	30	23	$78,400
36	CB Windows, Phase 3 (20% allowance)	sf	2,240	$35.00	30	25	$78,400
37	CB Windows, Phase 4 (20% allowance)	sf	2,240	$35.00	30	27	$78,400
38	CB Windows, Phase 5 (20% allowance)	sf	2,240	$35.00	30	29	$78,400
39	CB Window shutters	pr	160	$125.00	15	10	$20,000
40	CB Doors, Phase 1 (20% allowance)	ea	43	$950.00	25	18	$40,850
41	CB Doors, Phase 2 (20% allowance)	ea	43	$950.00	25	19	$40,850
42	CB Doors, Phase 3 (20% allowance)	ea	43	$950.00	25	20	$40,850
43	CB Doors, Phase 4 (20% allowance)	ea	43	$950.00	25	21	$40,850
44	CB Doors (20%) Phase 5 (20% allowance)	ea	43	$950.00	25	22	$40,850
45	CB Patio doors, Phase 1 (20% allowance)	ea	12	$1,470.00	25	18	$17,640
46	CB Patio doors, Phase 2 (20% allowance)	ea	12	$1,470.00	25	19	$17,640
47	CB Patio doors, Phase 3 (20% allowance)	ea	12	$1,470.00	25	20	$17,640
48	CB Patio doors, Phase 4 (20% allowance)	ea	12	$1,470.00	25	21	$17,640
49	CB Patio doors, Phase 5 (20% allowance)	ea	12	$1,470.00	25	22	$17,640

Replacement Costs - Page Subtotal $704,450

COMMENTS

EXTERIOR ITEMS - CONDOMINIUM BUILDING, CONT. (CB)

PROJECTED REPLACEMENTS

NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs)

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
50	CB Garage doors, Phase 1 (20% allowance)	ea	12	$750.00	20	11	$9,000
51	CB Garage doors, Phase 2 (20% allowance)	ea	12	$750.00	20	13	$9,000
52	CB Garage doors, Phase 3 (20% allowance)	ea	12	$750.00	20	15	$9,000
53	CB Garage doors, Phase 4 (20% allowance)	ea	12	$750.00	20	17	$9,000
54	CB Garage doors, Phase 5 (20% allowance)	ea	12	$750.00	20	19	$9,000
55	CB Balcony structure	sf	2,800	$21.00	30	25	$58,800
56	CB Balcony surface	sf	2,800	$7.54	15	10	$21,112
57	CB Balcony railing	lf	640	$4.50	35	30	$2,880
58	CB Stairs, Phase 1 (per landing) (20% allowance)	ea	8	$1,900.00	30	21	$15,200
59	CB Stairs, Phase 2 (per landing) (20% allowance)	ea	8	$1,900.00	30	23	$15,200
60	CB Stairs, Phase 3 (per landing) (20% allowance)	ea	8	$1,900.00	30	25	$15,200
61	CB Stairs, Phase 4 (per landing) (20% allowance)	ea	8	$1,900.00	30	27	$15,200
62	CB Stairs, Phase 5 (per landing) (20% allowance)	ea	8	$1,900.00	30	29	$15,200
63	CB Light fixtures	ea	70	$120.00	25	20	$8,400
64	CB Emergency lights	ea	30	$250.00	20	15	$7,500
65	CB Exit lights	ea	60	$75.00	30	25	$4,500

Replacement Costs - Page Subtotal $224,192

COMMENTS

- Please note that a Reserve Study is based on a visual assessment of those conditions that are visible and apparent at the time of the condition assessment. A comprehensive structural evaluation of the deck/balcony structures is beyond the scope of a Reserve Study. It is recommended that the Association engage a Structural Engineer to conduct a more comprehensive evaluation of the decks/balconies and other building structural elements.

RECREATION ITEMS - SWIMMING POOL

PROJECTED REPLACEMENTS

NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs)

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
66	Swimming pool, structure	sf	990	$85.00	45	40	$84,150
67	Swimming pool, finish	sf	990	$6.50	10	4	$6,435
68	Swimming pool, waterline tile	ft	135	$40.00	15	10	$5,400
69	Swimming pool, pump (2 - 5 hp)	ea	1	$3,200.00	10	5	$3,200
70	Swimming pool, filter/chlorinator	sf	990	$4.00	20	15	$3,960
71	Swimming pool, valves & plumbing	sf	990	$2.00	20	15	$1,980
72	Swimming pool, concrete deck	sf	1,920	$11.00	30	16	$21,120
73	Swimming pool, deck coating	sf	1,920	$10.00	10	6	$19,200
74	Swimming pool furniture (50% allowance)	ls	1	$1,950.00	8	1	$1,950
75	Swimming pool furniture (50% allowance)	ls	1	$1,950.00	8	3	$1,950
76	Spa structure	sf	50	$100.00	45	40	$5,000
77	Spa finish	sf	50	$10.00	10	4	$500
78	Spa waterline tile	lf	25	$40.00	15	10	$1,000
79	Spa filter/chlorinator	ls	1	$2,500.00	20	15	$2,500
80	Swimming pool lighting	ea	7	$900.00	30	25	$6,300
81	Pool perimeter fence, 6' (metal)	ft	190	$55.00	30	25	$10,450
82	Swimming pool retaining wall	sf	165	$40.00	35	30	$6,600

Replacement Costs - Page Subtotal $181,695

COMMENTS

RECREATION ITEMS - COMMUNITY BUILDING (CO)

PROJECTED REPLACEMENTS

NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs)

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
83	CO Roofing, gutter & downspout	sf	2,800	$4.85	20	17	$13,580
84	CO EIFS coating	sf	3,100	$3.50	10	5	$10,850
85	CO EIFS repairs (10% allowance)	sf	310	$10.00	20	15	$3,100
86	CO Windows	sf	260	$35.00	30	25	$9,100
87	CO Window shutters	pr	10	$125.00	15	10	$1,250
88	CO Main door	ea	1	$1,500.00	20	15	$1,500
89	CO Patio doors	ea	3	$1,100.00	20	15	$3,300

Replacement Costs - Page Subtotal $42,680

COMMENTS

RECREATION ITEMS - FITNESS CENTER EXTERIOR

PROJECTED REPLACEMENTS

NEL- Normal Economic Life (yrs)
REL- Remaining Economic Life (yrs)

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
90	FC Roofing, gutters & downspouts	sf	1,670	$4.85	20	15	$8,100
91	FC EIFS coating	sf	1,100	$3.50	10	5	$3,850
92	FC EIFS repairs (10% allowance)	sf	110	$10.00	20	15	$1,100
93	FC Windows	sf	150	$35.00	35	30	$5,250
94	FC Carpet	sf	530	$5.50	10	7	$2,915
95	FC HVAC system	ea	1	$3,500.00	30	5	$3,500
96	FC HVAC condensing unit	ea	1	$1,200.00	15	10	$1,200
97	FC Exercise equipment	ls	1	$11,660.00	10	7	$11,660
98	FC Restroom fixtures	ls	2	$2,000.00	20	15	$4,000
99	FC Restroom finishes	ls	2	$2,500.00	20	15	$5,000

Replacement Costs - Page Subtotal $46,575

COMMENTS

VALUATION EXCLUSIONS

Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Miscellaneous signage						EXCLUDED
	Bollard/access control devices						EXCLUDED
	Fire extinguisher cabinet						EXCLUDED
	Sprinkler head						EXCLUDED
	Emergency lighting, exit light, etc.						EXCLUDED
	Electric heaters						EXCLUDED

VALUATION EXCLUSIONS

Comments

- Valuation Exclusions. For ease of administration of the Replacement Reserves and to reflect accurately how Replacement Reserves are administered, items with a dollar value less than $1000 have not been scheduled for funding from Replacement Reserve. Examples of items excluded by Replacement Reserves by this standard are listed above.
- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

LONG-LIFE EXCLUSIONS
Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Building foundation(s)						EXCLUDED
	Concrete floor slabs (interior)						EXCLUDED
	Wall, floor, & roof structure						EXCLUDED

LONG-LIFE EXCLUSIONS
Comments

- Long Life Exclusions. Components that when properly maintained, can be assumed to have a life equal to the property as a whole, are normally excluded from the Replacement Reserve Inventory. Examples of items excluded from funding by Replacement Reserves by this standard are listed above.
- Exterior masonry is generally assumed to have an unlimited economic life, but periodic repointing is required, and we have included this for funding in the Replacement Reserve Inventory.
- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

UNIT IMPROVEMENTS EXCLUSIONS

Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Unit interior						EXCLUDED
	Unit HVAC system						EXCLUDED

UNIT IMPROVEMENTS EXCLUSIONS

Comments

- Unit improvement Exclusions. We understand that the elements of the project that relate to a single unit are the responsibility of that unit owner. Examples of items excluded from funding by Replacement Reserves by this standard are listed above.
- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

UTILITY EXCLUSIONS
Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Primary electric feeds						EXCLUDED
	Electric transformers						EXCLUDED
	Cable TV systems and structures						EXCLUDED
	Telephone cables and structures						EXCLUDED
	Gas mains and meters						EXCLUDED
	Water mains and meters						EXCLUDED
	Sanitary sewers						EXCLUDED

UTILITY EXCLUSIONS
Comments

- Utility Exclusions. Many improvements owned by utility companies are on property owned by the Association. We have assumed that repair, maintenance, and replacements of these components will be done at the expense of the appropriate utility company. Examples of items excluded from funding Replacement Reserves by this standard are listed above.

- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

MAINTENANCE AND REPAIR EXCLUSIONS

Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Landscaping and site grading						EXCLUDED
	Exterior painting						EXCLUDED
	Janitorial service						EXCLUDED
	Repair services						EXCLUDED
	Capital improvements						EXCLUDED

MAINTENANCE AND REPAIR EXCLUSIONS

Comments

- Maintenance activities, one-time-only repairs, and capital improvements. These activities are NOT appropriately funded from Replacement Reserves. The inclusion of such component in the Replacement Reserve Inventory could jeopardize the special tax status of ALL Replacement Reserves, exposing the Association to significant tax liabilities. We recommend that the Board of Directors discuss these exclusions and Revenue Ruling 75-370 with a Certified Public Accountant.

- Examples of items excluded from funding by Replacement Reserves are listed above. The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

GOVERNMENT EXCLUSIONS

Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Government, roadways & parking						EXCLUDED
	Government, sidewalks & curbs						EXCLUDED

GOVERNMENT EXCLUSIONS

Comments

- Government Exclusions. We have assumed that some of the improvements installed on property owned by the Association will be maintained by the state, county, or local government, or other association or other responsible entity. Examples of items excluded from funding by Replacement Reserves by this standard are listed above.
- Excluded rights-of-way, including adjacent properties and adjacent roadways.
- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

IRRIGATION SYSTEM EXCLUSIONS

Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Subsurface irrigation pipe						EXCLUDED
	Subsurface irrigation valve						EXCLUDED
	Subsurface irrigation control wiring						EXCLUDED

IRRIGATION SYSTEM EXCLUSIONS

Comments

- Irrigation System Exclusions. We have assumed that the maintenance, repair, and periodic replacement of the components of the extensive irrigation systems at the property will not be funded from Replacement Reserves. These systems should be inspected each spring when the systems are brought online and again each fall when they are winterized. Repair(s) and or replacement(s) should be made in conjunction with these semiannual inspections.

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SECTION C - CALENDAR OF PROJECTED ANNUAL REPLACEMENTS

GENERAL STATEMENT. The 99 Projected Replacements in the Oaks at Brunswick Replacement Reserve Inventory whose replacement is scheduled to be funded from Replacement Reserves are broken down on a year-by-year basis, beginning on Page C.2.

REPLACEMENT RESERVE ANALYSIS AND INVENTORY POLICIES, PROCEDURES, AND ADMINISTRATION

- **REVISIONS.** Revisions will be made to the Replacement Reserve Analysis and Replacement Reserve Inventory in accordance with the written instructions of the Board of Directors. No additional charge is incurred for the first revision, if requested in writing within three months of the date of the Replacement Reserve Study. It is our policy to provide revisions in electronic (Adobe PDF) format only.
- **TAX CODE**. The United States Tax Code grants favorable tax status to a common interest development (CID) meeting certain guidelines for their Replacement Reserve. If a CID files their taxes as a 'Corporation' on Form 1120 (IRC Section 277), these guidelines typically require maintenance activities, partial replacements, minor replacements, capital improvements, and one-time only replacements to be excluded from Reserves. A CID cannot co-mingle planning for maintenance activities with capital replacement activities in the Reserves (Revenue Ruling 75-370). Funds for maintenance activities and capital replacement activities must be held in separate accounts. If a CID files taxes as an "Exempt Homeowners Association" using Form 1120H (IRC Section 528), the CID does not have to segregate these activities. However, because the CID may elect to change their method of filing from year to year within the Study Period, we advise using the more restrictive approach. We further recommend that the CID consult with their Accountant and consider creating separate and independent accounts and reserves for large maintenance items, such as painting.
- **CONFLICT OF INTEREST.** Neither Miller - Dodson Associates nor the Reserve Analyst has any prior or existing relationship with this Association which would represent a real or perceived conflict of interest.
- **RELIANCE ON DATA PROVIDED BY THE CLIENT.** Information provided by an official representative of the Association regarding financial, physical conditions, quality, or historical issues is deemed reliable.
- **INTENT.** This Replacement Reserve Study is a reflection of the information provided by the Association and the visual evaluations of the Analyst. It has been prepared for the sole use of the Association and is not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records.
- **PREVIOUS REPLACEMENTS.** Information provided to Miller - Dodson Associates regarding prior replacements is considered to be accurate and reliable. Our visual evaluation is not a project audit or quality inspection.
- **EXPERIENCE WITH FUTURE REPLACEMENTS.** The Calendar of Annual Projected Replacements, lists replacements we have projected to occur over the Study Period, and begins on Page C2. Actual experience in replacing the items may differ significantly from the cost estimates and time frames shown because of conditions beyond our control. These differences may be caused by maintenance practices, inflation, variations in pricing and market conditions, future technological developments, regulatory actions, acts of God, and luck. Some items may function normally during our visual evaluation and then fail without notice.

PROJECTED REPLACEMENTS

Item	2025 - Study Year	$
2	Seal coat asphalt	$34,562
Total Scheduled Replacements		$34,562

Item	2026 - YEAR 1	$
74	Swimming pool furniture (50% allowance)	$1,950
Total Scheduled Replacements		$1,950

Item	2027 - YEAR 2	$
No Scheduled Replacements		

Item	2028 - YEAR 3	$
75	Swimming pool furniture (50% allowance)	$1,950
Total Scheduled Replacements		$1,950

PROJECTED REPLACEMENTS

Item	2029 - YEAR 4	$
67	Swimming pool, finish	$6,435
77	Spa finish	$500
	Total Scheduled Replacements	$6,935

Item	2030 - YEAR 5	$
2	Seal coat asphalt	$34,562
11	Dumpster gates	$1,000
27	CB EIFS coating	$344,960
69	Swimming pool, pump (2 - 5 hp)	$3,200
84	CO EIFS coating	$10,850
91	FC EIFS coating	$3,850
95	FC HVAC system	$3,500
	Total Scheduled Replacements	$401,922

Item	2031 - YEAR 6	$
3	Concrete curb & gutter (20% allowance)	$36,720
4	Concrete flatwork (6% allowance)	$6,970
73	Swimming pool, deck coating	$19,200
	Total Scheduled Replacements	$62,890

Item	2032 - YEAR 7	$
94	FC Carpet	$2,915
97	FC Exercise equipment	$11,660
	Total Scheduled Replacements	$14,575

PROJECTED REPLACEMENTS

Item	2033 - YEAR 8	$

No Scheduled Replacements

Item	2034 - YEAR 9	$
74	Swimming pool furniture (50% allowance)	$1,950
	Total Scheduled Replacements	$1,950

Item	2035 - YEAR 10	$
2	Seal coat asphalt	$34,562
5	Entrance sign & repoint	$1,400
39	CB Window shutters	$20,000
56	CB Balcony surface	$21,112
68	Swimming pool, waterline tile	$5,400
78	Spa waterline tile	$1,000
87	CO Window shutters	$1,250
96	FC HVAC condensing unit	$1,200
	Total Scheduled Replacements	$85,924

Item	2036 - YEAR 11	$
50	CB Garage doors, Phase 1 (20% allowance)	$9,000
75	Swimming pool furniture (50% allowance)	$1,950
	Total Scheduled Replacements	$10,950

PROJECTED REPLACEMENTS

Item	2037 - YEAR 12	$
	No Scheduled Replacements	

Item	2038 - YEAR 13	$
17	CB Asphalt shingles, Phase 1 (20% allowance)	$142,590
22	CB Gutter & downspout, Phase 1 (20% allowance)	$1,305
51	CB Garage doors, Phase 2 (20% allowance)	$9,000
	Total Scheduled Replacements	$152,895

Item	2039 - YEAR 14	$
18	CB Asphalt shingles, Phase 2 (20% allowance)	$142,590
23	CB Gutter & downspout, Phase 2 (20% allowance)	$1,305
67	Swimming pool, finish	$6,435
77	Spa finish	$500
	Total Scheduled Replacements	$150,830

Item	2040 - YEAR 15	$
1	Asphalt road and parking area	$353,475
2	Seal coat asphalt	$34,562
7	Mailboxes	$18,000
10	Dumpster trellis	$1,500
11	Dumpster gates	$1,000
13	Sanitary sewer, mains (10% allowance)	$33,480
14	Domestic water, mains (10% allowance)	$20,520
15	Stormwater, structure & pipe (10% allowance)	$39,960
16	Stormwater pond dredging	$50,000
19	CB Asphalt shingles, Phase 3 (20% allowance)	$142,590
24	CB Gutter & downspout, Phase 3 (20% allowance)	$1,305
27	CB EIFS coating	$344,960
28	CB EIFS repairs (10% allowance)	$99,000
52	CB Garage doors, Phase 3 (20% allowance)	$9,000
64	CB Emergency lights	$7,500
69	Swimming pool, pump (2 - 5 hp)	$3,200
70	Swimming pool, filter/chlorinator	$3,960
71	Swimming pool, valves & plumbing	$1,980
79	Spa filter/chlorinator	$2,500
84	CO EIFS coating	$10,850
85	CO EIFS repairs (10% allowance)	$3,100
88	CO Main door	$1,500
89	CO Patio doors	$3,300
90	FC Roofing, gutters & downspouts	$8,100
91	FC EIFS coating	$3,850
92	FC EIFS repairs (10% allowance)	$1,100
98	FC Restroom fixtures	$4,000
99	FC Restroom finishes	$5,000
	Total Scheduled Replacements	$1,209,292

PROJECTED REPLACEMENTS

Item	2041 - YEAR 16	$
20	CB Asphalt shingles, Phase 4 (20% allowance)	$142,590
25	CB Gutter & downspout, Phase 4 (20% allowance)	$1,305
72	Swimming pool, concrete deck	$21,120
73	Swimming pool, deck coating	$19,200
	Total Scheduled Replacements	$184,215

Item	2042 - YEAR 17	$
21	CB Asphalt shingles, Phase 5 (20% allowance)	$142,590
26	CB Gutter & downspout, Phase 5 (20% allowance)	$1,305
53	CB Garage doors, Phase 4 (20% allowance)	$9,000
74	Swimming pool furniture (50% allowance)	$1,950
83	CO Roofing, gutter & downspout	$13,580
94	FC Carpet	$2,915
97	FC Exercise equipment	$11,660
	Total Scheduled Replacements	$183,000

Item	2043 - YEAR 18	$
40	CB Doors, Phase 1 (20% allowance)	$40,850
45	CB Patio doors, Phase 1 (20% allowance)	$17,640
	Total Scheduled Replacements	$58,490

Item	2044 - YEAR 19	$
41	CB Doors, Phase 2 (20% allowance)	$40,850
46	CB Patio doors, Phase 2 (20% allowance)	$17,640
54	CB Garage doors, Phase 5 (20% allowance)	$9,000
75	Swimming pool furniture (50% allowance)	$1,950
	Total Scheduled Replacements	$69,440

PROJECTED REPLACEMENTS

Item	2045 - YEAR 20	$
2	Seal coat asphalt	$34,562
8	Dumpster pad	$8,200
42	CB Doors, Phase 3 (20% allowance)	$40,850
47	CB Patio doors, Phase 3 (20% allowance)	$17,640
63	CB Light fixtures	$8,400
	Total Scheduled Replacements	$109,652

Item	2046 - YEAR 21	$
34	CB Windows, Phase 1 (20% allowance)	$78,400
43	CB Doors, Phase 4 (20% allowance)	$40,850
48	CB Patio doors, Phase 4 (20% allowance)	$17,640
58	CB Stairs, Phase 1 (per landing) (20% allowance)	$15,200
	Total Scheduled Replacements	$152,090

Item	2047 - YEAR 22	$
44	CB Doors (20%) Phase 5 (20% allowance)	$40,850
49	CB Patio doors, Phase 5 (20% allowance)	$17,640
	Total Scheduled Replacements	$58,490

Item	2048 - YEAR 23	$
35	CB Windows, Phase 2 (20% allowance)	$78,400
59	CB Stairs, Phase 2 (per landing) (20% allowance)	$15,200
	Total Scheduled Replacements	$93,600

PROJECTED REPLACEMENTS

Item	2049 - YEAR 24	$
67	Swimming pool, finish	$6,435
77	Spa finish	$500
	Total Scheduled Replacements	$6,935

Item	2050 - YEAR 25	$
2	Seal coat asphalt	$34,562
5	Entrance sign & repoint	$1,400
11	Dumpster gates	$1,000
12	Site lighting	$54,600
27	CB EIFS coating	$344,960
36	CB Windows, Phase 3 (20% allowance)	$78,400
39	CB Window shutters	$20,000
55	CB Balcony structure	$58,800
56	CB Balcony surface	$21,112
60	CB Stairs, Phase 3 (per landing) (20% allowance)	$15,200
65	CB Exit lights	$4,500
68	Swimming pool, waterline tile	$5,400
69	Swimming pool, pump (2 - 5 hp)	$3,200
74	Swimming pool furniture (50% allowance)	$1,950
78	Spa waterline tile	$1,000
80	Swimming pool lighting	$6,300
81	Pool perimeter fence, 6' (metal)	$10,450
84	CO EIFS coating	$10,850
86	CO Windows	$9,100
87	CO Window shutters	$1,250
91	FC EIFS coating	$3,850
96	FC HVAC condensing unit	$1,200
	Total Scheduled Replacements	$689,084

Item	2051 - YEAR 26	$
29	CB Vinyl siding, Phase 1 (20% allowance)	$41,405
73	Swimming pool, deck coating	$19,200
	Total Scheduled Replacements	$60,605

Item	2052 - YEAR 27	$
37	CB Windows, Phase 4 (20% allowance)	$78,400
61	CB Stairs, Phase 4 (per landing) (20% allowance)	$15,200
75	Swimming pool furniture (50% allowance)	$1,950
94	FC Carpet	$2,915
97	FC Exercise equipment	$11,660
	Total Scheduled Replacements	$110,125

PROJECTED REPLACEMENTS

Item	2053 - YEAR 28	$
30	CB Vinyl siding, Phase 2 (20% allowance)	$41,405
	Total Scheduled Replacements	$41,405

Item	2054 - YEAR 29	$
38	CB Windows, Phase 5 (20% allowance)	$78,400
62	CB Stairs, Phase 5 (per landing) (20% allowance)	$15,200
	Total Scheduled Replacements	$93,600

Item	2055 (beyond study period)	$
2	Seal coat asphalt	$34,562
31	CB Vinyl siding, Phase 3 (20% allowance)	$41,405
57	CB Balcony railing	$2,880
82	Swimming pool retaining wall	$6,600
93	FC Windows	$5,250
	Total Scheduled Replacements	$90,697

Item	2056 (beyond study period)	$
50	CB Garage doors, Phase 1 (20% allowance)	$9,000
	Total Scheduled Replacements	$9,000

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SECTION D - CONDITION ASSESSMENT

General Comments. Miller+Dodson Associates conducted a Reserve Study at Oaks at Brunswick in June 2025. Oaks at Brunswick is in generally good condition for a homeowner's association. A review of the Replacement Reserve Inventory will show that we are anticipating most of the components achieving their normal economic lives.

The following comments pertain to the larger, more significant components in the Replacement Reserve Inventory and to those items that are unique or deserving of attention because of their condition or the manner in which they have been treated in the Replacement Reserve Analysis or Inventory.

IMPORTANT NOTE: This Condition Assessment is based upon visual and apparent conditions of the common elements of the community which were observed by the Reserve Analyst at the time of the site visit. This Condition Assessment does not constitute, nor is it a substitute for, a professional Structural Evaluation of the buildings, amenities, or systems. Miller Dodson strongly recommends that the Association retain the services of a Structural Engineer to conduct thorough and periodic evaluations of the buildings, balconies, and any other structural components of the buildings and amenities of the Association.

General Condition Statements.

Excellent. 100% to 90% of Normal Economic Life expected, with no appreciable wear or defects.

Good. 90% to 60% of Normal Economic Life expected, minor wear or cosmetic defects found. Normal maintenance should be expected. If performed properly, normal maintenance may increase the useful life of a component. Otherwise, the component is wearing normally.

Fair. 60% to 30% of Normal Economic Life expected, moderate wear with defects found. Repair actions should be taken to extend the life of the component or to correct repairable defects and distress. Otherwise, the component is wearing normally.

Marginal. 30% to 10% of Normal Economic Life expected, with moderate to significant wear or distress found. Repair actions are expected to be cost-effective for localized issues, but normal wear and use are evident. The component is reaching the end of the Normal Economic Life.

Poor. 10% to 0% of Normal Economic Life expected, with significant distress and wear. Left unattended, additional damage to underlying structures is likely to occur. Further maintenance is unlikely to be cost-effective.

(Continued on next page)

SITE ITEMS

Asphalt Pavement. The association includes asphalt pavement for vehicle access and parking. In general, the asphalt pavement appears to be in good condition with limited cracking, alligatoring, or deterioration. The Association maintains an inventory of 157,053 square feet of asphalt pavement.

The Defects noted include the following:

- **Open Cracks.** There are multiple locations where open cracks are allowing water to penetrate to the asphalt base and the bearing soils beneath. Over time, water will erode the base and accelerate the deterioration of the asphalt pavement. If cracks extend to the base and bearing materials, remove the damaged areas, and replace defective materials. As a part of normal maintenance, clean and fill all other cracks.
- **Alligatoring.** There are multiple locations where the asphalt has developed a pattern of cracking known as alligatoring. The primary cause of alligatoring is an unstable base. Once these cracks extend through the asphalt, they will allow water to penetrate to the base, accelerating the rate of deterioration, and eventually leading to potholes. The only solution is to remove the defective asphalt, compact the base, and install new base materials and asphalt.
- **Improper Grading.** The asphalt pavement is not properly graded, resulting in the ponding of water. Proper grading of the asphalt pavement will require replacing portions of the asphalt. It may also require resetting improperly sloped curb and gutter segments that are not conveying water to the stormwater management system. If ponding is left unattended it can result in unsafe travel areas, by creating conditions for hydroplaning and pockets of ice to form.
- **Potholes.** Potholes have formed as the result of full-depth pavement failure, including base materials. The repair will require the removal of the asphalt and base materials, installation and compaction of new base materials, and asphalt resurfacing.
- **Depressions.** There are areas where the asphalt surface is depressed due to deformation in the surface or underlying layers. These depressions may continue to grow with exposure to traffic. Water ponding is evident in several of these areas. Repair of these areas will require the removal of the asphalt and base material and reinstallation, by compacting the new base material and resurfacing with asphalt.
- **Wheel Rutting.** Depressions along the wheel lines extend along portions of the roadway. Repair of these areas will require full-depth and full-width pavement replacement. Wheel rutting, if left unattended can adversely affect vehicle steering.
- **Shoving.** Occurring at locations of sharp braking or turning. The primary cause of this defect is from large truck traffic. If addressed early, surface milling and overlay using a stiffer topcoat of asphalt pavement shoving can be mitigated.
- **Tree Root Damage.** This is known as Heaving, there are locations where tree roots caused heaving in the pavement surface. The repair of these areas requires the removal of the asphalt and the tree roots, then replenish and re-compact the base material and resurface the asphalt. Root trimming can also be an effective way to control this defect.
- **Edge Cracking.** Sections of the asphalt pavement have developed cracks along the pavement edges due to improper confinement. Installation of curbs or installation of a compacted gravel shoulder at the time of an overlay project can address this defect.
- **Reflective Cracking.** The asphalt pavement has a significant number of reflective cracks. Reflective cracks occur when placing a new asphalt overlay over and existing cracked pavement. With time and movement, existing cracks will migrate through the new asphalt. Installing a bridging membrane or fabric at the time of overlay can control reflective cracking.

A more detailed summary of pavement distress can be found at http://www.asphaltinstitute.org/engineering/maintenance-and-rehabilitation/pavement-distress-summary/.

In an effort to maintain the condition of the pavement throughout the community and ensure the longest life of the asphalt, we recommend the Association adopts a systematic and comprehensive maintenance program that includes: As a rule of thumb, asphalt should be overlaid when approximately 5% of the surface area is cracked or otherwise deteriorated. The normal service life of asphalt pavement is typically 18 to 20 years.

- **Cleaning.** Long-term exposure to oil or gas breaks down asphalt. Because this asphalt pavement is generally not used for long-term parking, it is unlikely that frequent cleaning will be necessary. When necessary, spill areas should be cleaned or patched if deterioration has penetrated the asphalt. This is a maintenance activity, and we have assumed that it will not be funded from Reserves.
- **Crack Repair.** All cracks should be repaired with an appropriate compound to prevent water infiltration through the asphalt into the base. This repair should be done annually. Crack repair is normally considered a maintenance activity and is not funded from Reserves. Areas of extensive cracking or deterioration that cannot be made watertight should be cut out and patched.
- **Seal Coating.** The asphalt should be seal coated every five to seven years. For this maintenance, activity to be effective in extending the life of the asphalt, cleaning, and crack repair should be performed first.

The pricing used is based on recent contracts for a two-inch overlay, which reflects the current local market for this work.

For seal coating, several different products are available. The older, more traditional seal coating product is paint. They coat the surface of the asphalt and they are minimally effective. However, the newer coating materials, such as those from Total Asphalt Management, Asphalt Restoration Technologies, Inc., and others, are penetrating. They are engineered, so to speak, to ‘remoisturize’ the pavement. Asphalt pavement is intended to be flexible. Over time, the volatile chemicals in the pavement dry, the pavement becomes brittle, and degradation follows in the forms of cracking and potholes. Remoisturizing the pavement can return its flexibility and extend the life of the pavement.

Concrete Work. The concrete flatwork includes the community sidewalks and unit lead walks. The Association maintains an inventory of approximately 13,620 square feet of concrete flatwork. The overall condition of the concrete flatwork appears to be good.

The standards we use for recommending replacement are as follows:

- Trip hazard, ½ inch height difference.
- Severe cracking.
- Severe spalling and scale.
- Uneven riser heights on steps.
- Steps with risers in excess of 8¼ inches.

Because it is highly unlikely that all of the concrete components will fail and require replacement in the period of the study, we have programmed funds for the replacement of these inventories and spread the funds over an extended timeframe to reflect the incremental nature of this work.

The relevant links on our website may provide useful information related to concrete terminology, maintenance, and repair. Please see http://mdareserves.com/resources/links/site-components.

Curb and Gutter. The Association maintains an inventory of 5,630 linear feet of concrete curb and gutter. All components have been well-maintained and are in excellent condition. Any problems noted are in the form of minor cracks, spalling, or settlement that can be repaired by continued periodic replacement of broken sections.

Because it is highly unlikely that all of the community's concrete curb and gutter sections will fail and require replacement in the period of the study, we have programmed funds for the replacement of 100% of the inventory and spread those funds over a 54-year timeframe to reflect the incremental nature of this work.

Segmental Block Retaining Walls. The community maintains an inventory of 2,324 square feet of segmental block retaining wall. The overall condition of these walls is good.

Retaining walls, in general, are designed to provide slope stabilization and soil retention by means of a structural system. Typically, walls that are three feet high or more require some level of design.

Movement and displacement of any retaining wall is a sign of general settlement or failure. This typically is in the form of leaning and bowing and can involve the entire wall or localized sections of the wall. Typically, these types of movements are gradual and may require the replacement of the wall. Movement of retaining walls located near other buildings or structures may negatively affect the stability of the adjacent structure. These conditions can become extremely costly if not properly identified, monitored, and addressed.

Segmental block retaining walls can have an extended useful life, and if stable, are likely to only require localized resetting of displaced blocks, typically near the top of the wall. This study assumes that resetting will be performed incrementally as needed. Segmental block retaining walls can have a service life of 80 years or more.

Retaining wall replacement can be costly, and early planning on the part of the Association can help to reduce the impact of this work on the community's budget in the future. We, therefore, recommend having a Professional Engineer inspect the walls and develop preliminary replacement alternatives and recommendations based on the site conditions, replacement costs, and recommended replacement wall types. This information can then be incorporated into future updates to the Reserve Study.

Underground Utilities. The Association is responsible for the maintenance of the domestic water laterals and sanitary sewer laterals between the mains located in the streets and the individual units. Engineering drawings were not used in the determination of these underground components. Instead, we have provided an estimate of the approximate replacement costs based on our experience with other communities of similar size and configuration. The inspection and evaluation of underground lines and structures is beyond the scope of work for this Study.

Stormwater System. We have included the catch basins and underground piping portions of the stormwater system in the Reserve Analysis. No engineering drawings were available to accurately determine distances, sizes of lines, and materials used for underground components of the system. Accordingly, we have provided an estimate of the approximate replacement cost based on our experience with other communities of similar size and on our inspection of the visible components while on site. Inspection of the underground lines and structures is beyond the scope of work of this study.

Stormwater Pond. The community is served by a stormwater pond that has an approximate total surface area of one acre (45,000 sq, feet.).

Estimates of cost and the frequency of dredging ponds are a function of many variables, including the volume of the pond, the siltation rate, the nature of the material being removed, the method of removal, and the haul distance to a site that will accept the spoil material. The siltation rate and cost of periodic dredging are speculative, varying greatly depending on local conditions. Ponds will accumulate silt and over time and lose the ability to store stormwater at design levels, which could result in overflows and minor local flooding. In addition, water quality can be negatively affected by increased siltation and debris accumulation. Accordingly, ponds require periodic dredging. Without Bathymetric data, however, it is not possible to accurately estimate the amount of dredging that will be required to return the ponds to their designed holding capacity. It is strongly suggested that the Association make arrangements to undertake Bathymetric Surveys. These Surveys can be arranged through your Pond and Lake contactor.

As a rule of thumb, dredging should be performed when approximately one-third of the volume of the pond has been filled with silt. We have assumed that the material being removed is free of heavy metals and hydrocarbons and that it will be accepted as fill at a local landfill. A more accurate prediction of cost and cycles will require a hydrologic analysis and testing, which is beyond the scope of our study. As a supplement to traditional dredging methods, hydro-raking can prolong the interval between dredging.

Based on our understanding, we recommend the following:

- Periodically remove accumulated debris and vegetation growing in the ponds.
- Have a Bathymetric Study conducted to establish the current profile of the bottom. After five years of operation, have the pond re-surveyed to establish new depths to determine the local siltation rate. This will establish the frequency required for periodic dredging.
- Periodically sample and test for contaminants.
- Consult with local contractors to determine the cost of removing and disposing of the spoil once its nature is known.

Firms that specialize in this work can be typically found by internet searching “Lake and Pond, Construction and Maintenance” for your state or area of the country. Some states provide shortlists of companies that specialize in this type of work.

Please note that the periodic removal of overgrown vegetation from the pond is considered a maintenance activity and has not been reserved for or included in this study.

Stormwater Structures. Stormwater structures must be maintained over time so that they may perform their two major functions - stormwater storage and stormwater quality improvement. A well-planned maintenance program is the best way to ensure that these structures will continue to perform their water quality and quantity functions.

The following information outlines the general maintenance considerations for storm-water management structures. Storm-water management structures will require routine and non-routine maintenance. Routine maintenance such as visual inspections, vegetation management, and the regular removal of debris and litter provides a variety of benefits such as reducing the chance of clogging outlet structures, trash racks, risers, and other facility components. It is important to note that while general maintenance tasks are suggested, actual maintenance needs are very site-specific. Below is a list of the general component of a standard maintenance program.

Routine:	Non-Routine:
Visual Inspection	Bank Stabilization
Vegetation Management	Sediment Removal
Debris/Litter Control Outlet	Structure Maintenance / Replacement
Maintaining Undisturbed Areas Around Infiltration Trenches/Basins (routine)	Maintenance of Mechanical Components (dependent on age of structure; non-routine)

Minimum Inspection Checklist for Ponds:

- Obstructions of the inlet or outlet devices by trash and debris
- Excessive erosion or sedimentation in the basin
- Cracking or settling of the dam
- Low spots in the bottom of a dry pond
- Deterioration of pipes
- Condition of the emergency spillway
- Stability of the side-slopes
- Upstream and downstream channel conditions
- Signs of vandalism

Vegetation Management. Grass is usually used around and in storage, ponds to prevent erosion and to filter sediment. The grass near the pond should not be over-fertilized, or the excessive nutrients will be washed into the pond and contribute to the growth of algae. Grass should be cut no shorter than 6-8 inches.

Please note that the periodic removal of overgrown vegetation from the pond is considered a maintenance activity and has not been reserved for or included in this study.

EXTERIOR ITEMS

Asphalt Shingle Roofing. The asphalt shingle roofs appear to be in good condition. We have estimated the remaining useful life of the roofs based on the conditions seen at the site as well as the age of the roofs. We have assumed that when the roofs eventually will require replacement, all roofs will be replaced with 20-year roofs. We have assumed that the gutters and downspouts will be replaced when the roofs are replaced.

Due to the large inventory and the varying rates at which the roofing materials will age and require replacement, we have divided the roof inventory into five equal components and spread their replacement over a 14-year period.

As roofing systems age, periodic inspections are recommended and repair work may be required. In order to obtain the maximum useful life possible, we recommend performing routine inspections and cleanings at decreasing intervals as the roof ages. Access, inspection, and repair work should be performed by contractors and personnel who are experienced in the types of roofing used for the facility.

For additional information on roofs and roof maintenance, please see the appropriate links on our website at http://mdareserves.com/resources/links/building-exterior.

EIFS Siding. Portions of the buildings have an Exterior Insulation and Finish Systems (EIFS) finish. The EIFS material appears to be in good condition.

EIFS, also known as imitation stucco, is a multi-layered exterior wall system that includes an insulation board secured to the exterior wall surface, a water-resistant base coat, and a finish coat. While the exterior surface of the system is water-resistant, the entire wall structure can be weakened by moisture entering around doors, windows, and other wall penetrations that becomes trapped behind the wall.

EIFS systems have historically experienced problems resulting from faulty installation and inappropriate design details that trap moisture behind the weather barrier. These conditions have caused leaks and structural damage at other locations. Improper detailing can also cause surface cracking. These defects can only be found by close inspection from scaffolding and by removal of small sections of the material to test if moisture is present. This activity is beyond the scope of this study. We recommend periodic inspection of the building by a professional certified and equipped to conduct this type of inspection.

For the reserve study, we have included an allowance for re-coating and caulking of the EIFS surface every 10 years. We included the joint caulking at the same time as re-coating. We have also included funding for replacement of ten percent of the EIFS area every twenty years.

For EIFS systems, we recommend contacting EIMA (EIFS Industry Manufacturers Association) at http://mdareserves.com/resources/links/building-exterior. In addition to EIMA, contacting a manufacturer such as Dryvit or

similar products may provide a better understanding of EIFS, including standard inspection and maintenance procedures. Further inspection of the EIFS and exterior components and repair of any latent and concealed damage are not accounted for in this study.

Vinyl Siding. The vinyl siding on the buildings is in good overall condition. We have estimated the remaining useful life of the siding based on the conditions seen at the site as well as the age of the siding.

Due to the large inventory and the varying rates at which the siding materials will age and require replacement, we have divided the siding inventory into five equal components and spread their replacement over a nine-year period.

Windows. The windows appear to be in good condition. We have assumed a service life of 30 years for the windows.

Due to the large inventory and the varying rates at which the windows will age and require replacement, we have divided the window inventory into five equal components and spread their replacement over a nine-year period. For more information, please see our links at http://mdareserves.com/resources/links/building-exterior.

Window Shutters. The condition of the window shutters appears to range from good to very good. Window shutters of this type have a typical service life of 15 years.

Doors. We have included the front entry doors and the balcony doors in the reserve analysis. All doors appear to be in good condition. We have assumed a service life of 25 years for all doors.

For more information, please see our links at http://mdareserves.com/resources/links/building-exterior.

Balconies. The wood balconies appear to be in good condition. We have separated the balconies into three components to reflect their different service lives; the balcony surfaces, the balcony structures, and the balcony railings.

Stairs. The stairs are of metal construction with concrete treads. All appear to be in good condition. Due to the exposure of these components to the weather, we have included them in the reserve analysis.

RECREATION ITEMS

Swimming Pool. The community operates an outdoor pool and spa of concrete construction with a concrete deck. The concrete deck is coated. Listed below are the major components of the pool facilities:

- Pool Shell. The shell for the swimming pool appears to be in good condition.
- Pool Deck. The pool has a concrete deck. The overall condition of the deck appears to be in good condition with tripping hazards.
- Pool Deck Coating. The concrete pool deck is coated with an elastomeric coating. The coating appears to be in good condition. We have assumed a service life for the coating of ten years.

- Whitecoat. The pool whitecoat appears to be in fair condition. We have assumed a service life of ten years for the pool whitecoat.
- Waterline Tile. The waterline tile appears to be in good condition. We have assumed that the waterline tile will be replaced or restored when the pool is whitecoated.
- Pump and Filter System. The filter system appears to be in good operating condition. We have assumed a service life of 20 years for the filter system and 10 years for the pump.

Community Building. The Association operates a community building. The second floor of the building includes two condominium units, which have been excluded from the Reserve Analysis. The first floor is currently being used as a sales office. Listed below are the major components of the community building:

- Asphalt Shingle Roofing. The asphalt shingle roof appears to be in good condition. We have estimated the remaining useful life of the roof based on the conditions seen at the site as well as the age of the roof. We have assumed that when the roof eventually will require replacement, it will be replaced with a 20-year roof. We have assumed that the gutters and downspouts will be replaced when the roof is replaced.
- EIFS Siding. The exterior of the buildings has an Exterior Insulation and Finish Systems (EIFS) finish. The EIFS material appears to be in good condition. For the Reserve Study, we have included an allowance for re-coating and caulking of the EIFS surface every 10 years. We included the joint caulking at the same time as re-coating. We have also included funding for replacement of ten percent of the EIFS area every twenty years.
- Windows. The windows appear to be in good condition. We have assumed a service life of 30 years for the windows.
- Window Shutters. The condition of the window shutters appears to range from good to very good. Window shutters of this type have a typical service life of 15 years.
- Doors. We have included the front entry door and the patio doors in the Reserve Analysis. All doors appears to be in good condition. We have assumed a service life of 20 years for all doors.
- Heat Pumps. A single heat pump serves the building. We have included two items in the Reserve Analysis for the heat pump; the heat pump system and the system's compressor. For the system, we have assumed a service life of 30 years. For the system's compressor, we have assumed a service life of 15 years.

Fitness Center. The Association operates a fitness center located by the swimming pool. The Fitness Center includes an exercise room and restrooms. We have included the major interior and exterior components of the building, including the roofing, siding, windows, carpet, HVAC system, exercise equipment, and restroom fixtures and finishes.

For the building's heat pump, we have included two items in the Reserve Analysis for the heat pumps; the heat pump system and the system's compressor. For the system, we have assumed a service life of 30 years. For the system's compressor, we have assumed a service life of 15 years.

This Condition Assessment is based upon our visual survey of the property. The sole purpose of the visual survey was an evaluation of the common and limited common elements of the property to ascertain their remaining useful life and replacement cost. Our evaluation assumed that all components met building code requirements in force at the time of construction. Our visual survey was conducted with care by experienced persons, but no warranty or guarantee is expressed or implied.

End of Condition Assessment

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1. COMMON INTEREST DEVELOPMENTS - AN OVERVIEW

Over the past 40 years, the responsibility for many services, facilities, and infrastructure around our homes has shifted from the local government to Community Associations. Thirty years ago, a typical new townhouse abutted a public street on the front and a public alley on the rear. Open space was provided by a nearby public park, and recreational facilities were purchased ala carte from privately owned country clubs, swim clubs, tennis clubs, and gymnasiums. Today, 60% of all new residential construction, i.e., townhouses, single-family homes, condominiums, and cooperatives, is in Common Interest Developments (CID). In a CID, a homeowner is bound to a Community Association that owns, maintains, and is responsible for periodic replacements of various components that may include the roads, curbs, sidewalks, playgrounds, streetlights, recreational facilities, and other community facilities and infrastructure.

The growth of Community Associations has been explosive. In 1965, there were only approximately 500 Community Associations in the United States. According to the 1990 U.S. Census, there were roughly 130,000 Community Associations. The Community Associations Institute (CAI), a national trade association, estimated in 2020 that there were more than 350,000 communities with over 75 million residents.

The shift of responsibility for billions of dollars of community facilities and infrastructure from the local government and private sector to Community Associations has generated new and unanticipated issues. Although Community Associations have succeeded in solving many short-term issues, many Associations still fail to properly plan for the significant expenses of replacing community facilities and infrastructure components. When inadequate Replacement Reserve funding results in less than timely replacements of failing components, homeowners are invariably exposed to the burden of special assessments, major increases in Association fees, and often a decline in property values.

2. REPLACEMENT RESERVE STUDY

The purpose of a Replacement Reserve Study is to provide the Association with an inventory of the common community facilities and infrastructure components that require periodic major repair or replacement, a general view of the physical condition of these components, and an effective financial plan to fund projected periodic replacements or major repairs. The Replacement Reserve Study consists of the following:

Replacement Reserve Study Introduction. The introduction provides a description of the property, an Executive Summary of the Funding Recommendations, Level of Reserve Study service, and a statement of the Purpose of the Replacement Reserve Study. It also lists documents and site evaluations upon which the Replacement Reserve Study is based and provides the Credentials of the Reserve Analyst.

Section A Replacement Reserve Analysis. Many components that are owned by the Association have a limited life and require periodic replacement. Therefore, it is essential that the Association have a financial plan that provides funding for the timely replacement of these components in order to protect the safety, appearance, and ultimately, the property value of the homes in the community. In conformance with National Reserve Study Standards, a Replacement Reserve Analysis evaluates the current funding of Replacement Reserves as reported by the Association and recommends annual funding of Replacement Reserves using the Threshold Cash Flow Method. See the definition below.

Section B Replacement Reserve Inventory. The Replacement Reserve Inventory lists the commonly owned components within the community that require periodic replacement using funding from Replacement Reserves. Replacement Reserve Inventory includes estimates of the Normal Economic Life (NEL) and the Remaining Economic Life (REL) for those components whose replacement is scheduled for funding from Replacement Reserves.

The Replacement Reserve Inventory also provides information about those components that are excluded from the Replacement Reserve Inventory and whose replacement is not scheduled for funding from Replacement Reserves.

Section C Projected Annual Replacements. The Calendar of Projected Annual Replacements provides a year-by-year listing of the Projected Replacements based on the data in the Replacement Reserve Inventory.

Section D Condition Assessment. The observed condition of the major items listed in the Replacement Reserve Inventory is discussed in more detail. The Condition Assessment includes a narrative and photographs that document conditions at the property observed at the time of our visual evaluation.

The Appendix is provided as an attachment to the Replacement Reserve Study. Additional attachments may include supplemental photographs to document conditions at the property and additional information specific to the property cited in the Conditions Assessment (i.e., Consumer Product Safety Commission, Handbook for Public Playground Safety, information on segmental retaining walls, manufacturer recommendations for asphalt shingles or siding, etc.).

3. METHODS OF ANALYSIS

The Replacement Reserve industry generally recognizes two different methods of accounting for Replacement Reserve Analysis, the Cash Flow Method. Due to the difference in accounting methodologies, these methods lead to different calculated values for the Recommended Annual Funding to the Reserves. A brief description is included below:

Cash Flow Threshold Method. This Reserve Study uses the Threshold Cash Flow Method, sometimes referred to as the "Pooling Method." It calculates the minimum constant annual funding to reserves (Minimum Annual Deposit) required to meet projected expenditures without allowing total reserves on hand to fall below the predetermined Minimum Balance, or Threshold, in any year.

4. REPLACEMENT RESERVE STUDY DATA

Identification of Reserve Components. The Reserve Analyst has only two methods of identifying Reserve Components; (1) information provided by the Association and (2) observations made at the site. The Reserve Analyst must be provided with all available information detailing the components owned by the Association. It is our policy to request such information prior to bidding on a project and to meet with the parties responsible for maintaining the community after acceptance of our proposal. Upon submission of the Initial Study, the Study should be reviewed by the Board of Directors and the individuals responsible for maintaining the community. We depend upon the Association for correct information, documentation, and drawings. We also look to the Association representative to help us fashion the Reserve Study so that it reflects what the community hopes to accomplish in the coming years.

Unit Costs. Unit costs are developed using nationally published standards and estimating guides and are adjusted by state or region. In some instances, recent data received in the course of our work is used to modify these figures. Contractor proposals or actual cost experience may be available as part of the Association records. This is useful information, which should be incorporated into your report. Please bring any such available data to our attention, preferably before the report is commenced.

Replacement vs. Repair and Maintenance. A Replacement Reserve Study addresses the required funding for Capital Replacement Expenditures. This should not be confused with operational costs or the cost of regular repairs or maintenance.

5. DEFINITIONS

Adjusted Cash Flow Analysis. Cash flow analysis adjusted to take into account annual cost increases due to inflation and interest earned on invested reserves. In this method, the annual contribution is assumed to grow annually at the inflation rate.

Cash Flow Analysis. See the Cash Flow Threshold Method, above.

Contingency. An allowance for unexpected requirements. The “Threshold” used in the Cash Flow Method is a predetermined minimum balance that serves the same purpose as a “contingency.” However, IRS Guidelines do not allow for a “contingency” line item in the inventory. Therefore, it is built into the mathematical model as a “Threshold.”

Cyclic Replacement Item. A component item that typically begins to fail after an initial period (Estimated Initial Replacement), but which will be replaced in increments over a number of years (the Estimated Replacement Cycle). The Reserve Analysis program divides the number of years in the Estimated Replacement Cycle into five equal increments. It then allocates the Estimated Replacement Cost equally over those five increments. (As distinguished from Normal Replacement Items, see below)

Estimated Normal Economic Life (NEL). Used in the Normal Replacement Schedules. This represents the industry average number of years that a new item should be expected to last until it has to be replaced. This figure is sometimes modified by climate, region, or original construction conditions.

Estimated Remaining Economic Life (REL). Used in the Normal Replacement Schedules. Number of years until the item is expected to need replacement. Normally, this number would be considered to be the difference between the Estimated Economic Life and the age of the item. However, this number must be modified to reflect maintenance practice, climate, original construction, quality, or other conditions. For the purpose of this report, this number is determined by the Reserve Analyst based on the present condition of the item relative to the actual age.

Minimum Annual Deposit. Shown on the Summary Sheet A1. The calculated requirement for annual contribution to reserves is calculated by the Cash Flow Method (see above).

Minimum Balance. Otherwise referred to as the Threshold, this amount is used in the Cash Flow Threshold Method only. Normally derived using the average annual expenditure over the study period, this is the minimum amount held in reserves in the Peak Year.

National Reserve Study Standards. A set of Standards developed by the Community Associations Institute in 1995 (and updated in 2017) which establishes the accepted methods of Reserve Calculation and stipulates what data must be included in the Reserve Study for each component listed in the inventory. These Standards can be found at CAIonline.org.

Normal Replacement Item. A component of the property that, after an expected economic life, is replaced in its entirety. (As distinguished from Cyclic Replacement Items, see above.)

Number of Years of the Study. The number of years into the future for which expenditures are projected and reserve levels calculated. This number should be large enough to include the projected replacement of every item on the schedule, at least once. The Reserve Study must cover a minimum of 20 years to comply with the National Reserve Study Standards. However, your study covers a 40-year period.

Peak Year. In the Cash Flow Threshold Method, a year in which the reserves on hand are projected to fall to the established threshold level. See Minimum Balance, above.

Reserves Currently on Deposit. Shown on the Summary Sheet A1, this is the amount of accumulated reserves as reported by the Association in the current year.

Replacement Reserve Study. An analysis of all of the components of the common property of a Community Association for which replacement should be anticipated within the economic life of the property as a whole. The analysis involves estimation for each component of its Estimated Replacement Cost, Normal Economic Life, and Remaining Economic Life. The objective of the study is to calculate a Recommended Annual Funding for the Association's Replacement Reserve Fund.

Total Replacement Cost. Shown on the Summary Sheet A1, this is total of the Estimated Replacement Costs for all items on the schedule if they were to be replaced once.

Unit Replacement Cost. Estimated replacement cost for a single unit of a given item on the schedule.

Unit (of Measure). Non-standard abbreviations are defined on the page of the Replacement Reserve Inventory where the item appears. The following standard abbreviations are used in this report:

ea each	**ls** lump sum	**sy** square yard
ft or lf linear foot	**pr** pair	**cy** cubic yard
sf square foot		

What is a Reserve Study?
Who are we?

https://youtu.be/m4BcOE6q3Aw

What kind of property uses a Reserve Study?
Who are our clients?

https://youtu.be/40SodajTW1g

Who conducts a Reserve Study?
Reserve Specialist (RS) what does this mean?

https://youtu.be/pYSMZO13VjQ

When should a Reserve Study be updated?
What are the different types of Reserve Studies?

https://youtu.be/Qx8WHB9Cgnc

What's in a Reserve Study and what's out?
Improvement/Component, what's the difference?

https://youtu.be/ZfBoAEhtf3E

What is my role as a Community Manager?
Will the report help me explain Reserves?

https://youtu.be/1J2h7FIU3qw

What is my role as a community Board Member?
Will a Reserve Study meet my needs?

https://youtu.be/aARD1B1Oa3o

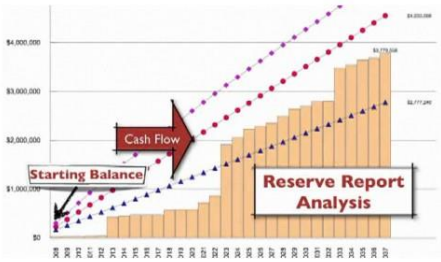
Community dues, how can a Reserve Study help?
Will a study keep my property competitive?

https://youtu.be/diZfM1IyJYU

How do I read the report?
Will I have a say in what the report contains?

https://youtu.be/qCeVJhFf9ag

Where do the numbers come from?
Cumulative expenditures and funding, what?

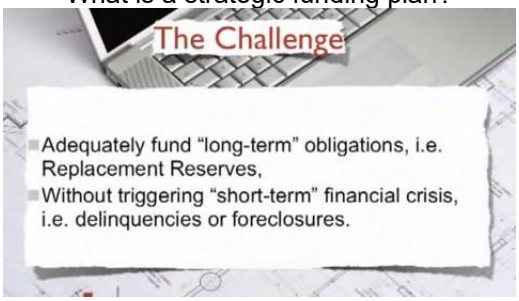


https://youtu.be/SePdwVDvHWI

How are interest and inflation addressed?
Inflation, what should we consider?

https://youtu.be/W8CDLwRIv68

A community needs more help, where do we go?
What is a strategic funding plan?



https://youtu.be/hIxV9X1tIcA