LEVEL 1 REPLACEMENT RESERVE REPORT FY 2026
A SAMPLE HOMEOWNER'S ASSOCIATION

Community Management by:

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REPLACEMENT RESERVE REPORT

A SAMPLE HOMEOWNER'S ASSOCIATION

ANNAPOLIS, MARYLAND
January 18, 2025

Description. A Sample Homeowner's Association is a Homeowner's Association located in Annapolis, Maryland. Constructed between 2021 and 2022, the community consists of containing 801 units. The survey examined the common elements of the property, including:

- Asphalt roads and parking.
  Concrete sidewalks, and curb and gutter.
- Retaining walls, fencing, and railings.
- Swimming pools, courts, and other amenities.
- Community building, gatehouse, and maintenance buildings.

EXECUTIVE SUMMARY

This Reserve Study has been prepared for the A Sample Homeowner's Association for the Fiscal Year 2026 covering the period from January 1, 2026 to December 31, 2026. The Replacement Reserves Starting Balance as of January 1, 2026 is proposed to be $4,201,358. The reported Current Annual Funding for Reserves is $409,896. The Recommended Annual Reserve Funding level for 2026 is $531,204.

The Board has been prudent in increasing the Annual Reserve Funding levels since the last Reserve Study. However, higher-than-anticipated inflation has escalated costs in all facets of the construction industry. We recommend that the Association increase its Reserve Funding level as soon as possible. Given the high rates of inflation in today's construction industry, the longer that the Association delays in adequately funding its Reserves, the harder it will become to make up for the underfunding. Furthermore, delaying this increase will place an unfair financial burden on long-term and future owners, and may adversely affect property values.

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 A Sample Homeowner's Association (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 on the following:

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

- MillerDodson performed a visual evaluation commencing on January 18, 2025 to determine the 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. MillerDodson Associates would like to acknowledge the assistance and input of Ms. Liz Meusel 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 MillerDodson 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 - FINANCIAL ANALYSIS

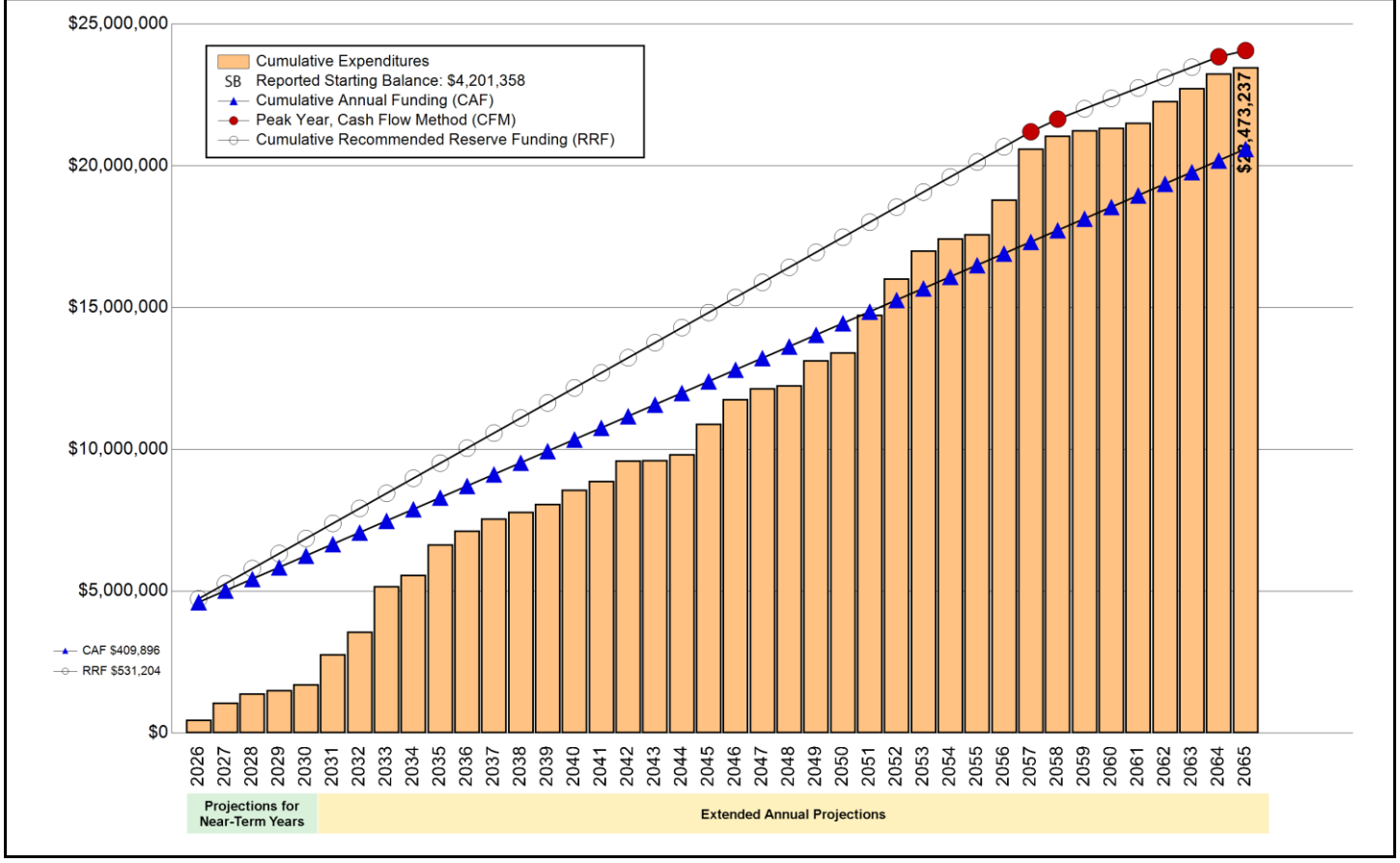
The A Sample Homeowner's Association Replacement Reserve Analysis uses the Cash Flow Method (CFM) to calculate Replacement Reserve funding for the periodic replacement of the 220 Projected Replacements identified in the Replacement Reserve Inventory.

$531,204 **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR THE STUDY YEAR, 2026**
$55.26 Per unit (average), minimum monthly funding of Replacement Reserves

We recommend the Association adopt a Replacement Reserve Funding Plan based on the annual funding recommendation above. Inflation adjusted funding for subsequent years is shown on Page A.5.

A Sample Homeowner's Association reports a Starting Balance of $4,201,358 and Annual Funding totaling $409,896, which is inadequate to fund projected replacements starting in 2051. See Page A.3 for a more detailed evaluation.

#1 - Cumulative Replacement Reserve Funding and Expenditures Graph



The Board has been prudent in increasing the Annual Reserve Funding levels since the last Reserve Study. However, higher-than-anticipated inflation has escalated costs in all facets of the construction industry. We recommend that the Association increase its Reserve Funding level as soon as possible. Given the high rates of inflation in today's construction industry, the longer that the Association delays in adequately funding its Reserves, the harder it will become to make up for the underfunding. Furthermore, delaying this increase will place an unfair financial burden on long-term and future owners, and may adversely affect property values.

REPLACEMENT RESERVE ANALYSIS - GENERAL INFORMATION

The A Sample Homeowner's Association 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.

2026 **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, 2026.

40 Years **STUDY PERIOD**

The Replacement Reserve Analysis evaluates the funding of Replacement Reserves over a 40-year Study Period

$4,201,358 **STARTING BALANCE**

The Association reports Replacement Reserves on Deposit totaling $4,201,358 at the start of the Study Year.

Level One **LEVEL OF SERVICE**

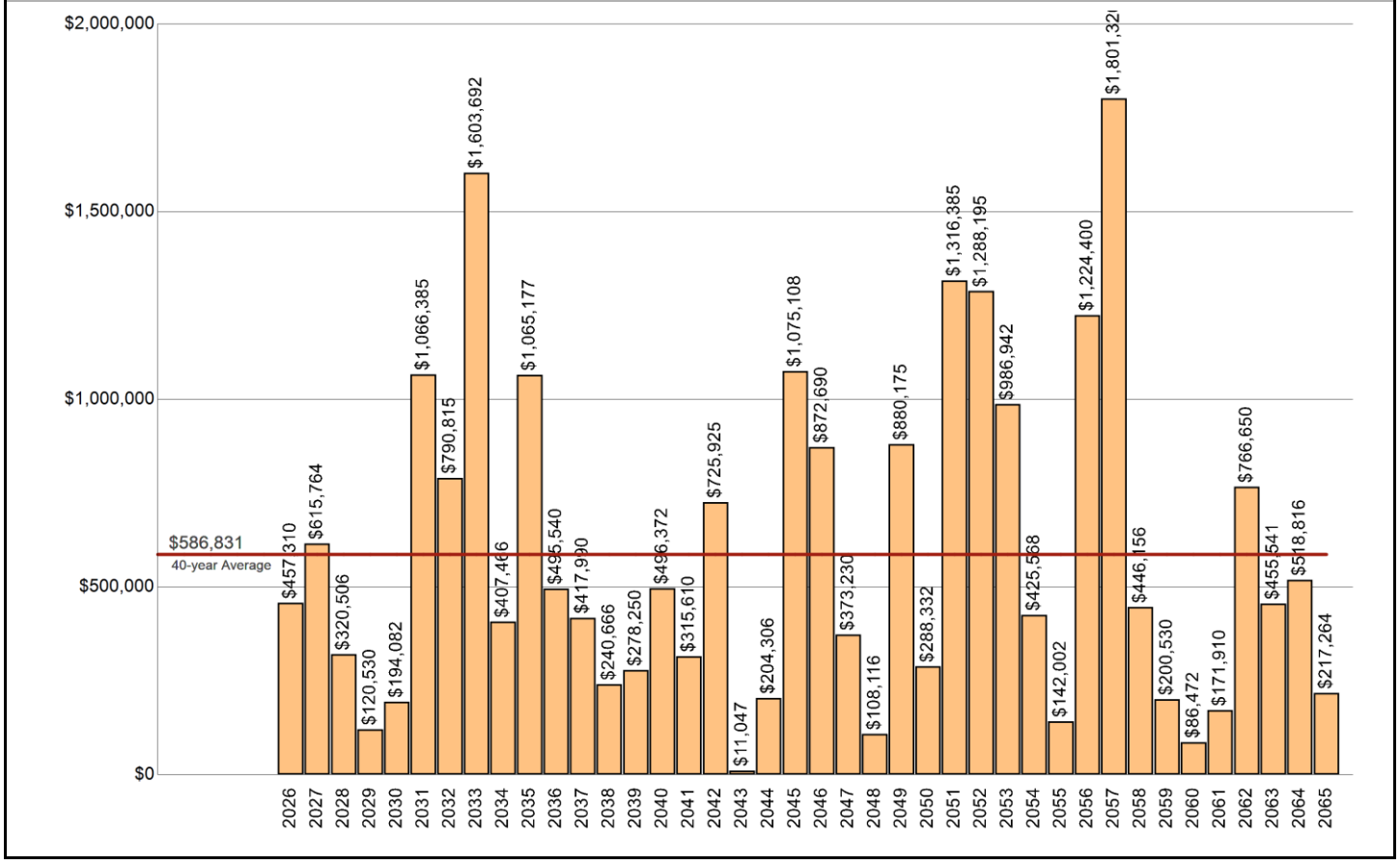
The Replacement Reserve Inventory has been developed in compliance with the National Reserve Study Standards for a Level One Study, as defined by the Community Associations Institute (CAI).

$23,473,237 **REPLACEMENT RESERVE INVENTORY - PROJECTED REPLACEMENTS**

The A Sample Homeowner's Association Replacement Reserve Inventory identifies 220 items that will require periodic replacement, that are to be funded from Replacement Reserves. We estimate the cost of these replacements will be $23,473,237 over the 40-year Study Period. The Projected Replacements are divided into 4 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 40-year Study Period. The red line shows the average annual expenditure of $586,831. Section C provides a year by year Calendar of these expenditures.



UPDATING OF THE FUNDING PLAN

The Association has a responsibility to review the Funding Plan annually. The review should include a comparison and evaluation of actual reserve funding with recommended levels shown on Page A.4 and A.5. 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. Inflation Adjusted Funding is discussed on Page A.5.

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. Updating may also be necessary if there is a meaningful discrepancy between the actual inflation rate and the inflation rate used for the Inflation Adjusted Funding of Replacement Reserves on Page A.5.

ANNUAL EXPENDITURES AND CURRENT FUNDING

The annual expenditures that comprise the $23,473,237 of Projected Expenditures over the 40-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 0 through 39

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Starting Balance	$4,201,358									
Projected Replacements	($457,310)	($615,764)	($320,506)	($120,530)	($194,082)	($1,066,385)	($790,815)	($1,603,692)	($407,466)	($1,065,177)
Annual Deposit	$409,896	$409,896	$409,896	$409,896	$409,896	$409,896	$409,896	$409,896	$409,896	$409,896
End of Year Balance	$4,153,944	$3,948,076	$4,037,466	$4,326,832	$4,542,646	$3,886,157	$3,505,238	$2,311,442	$2,313,872	$1,658,590
Cumulative Expenditures	($457,310)	($1,073,074)	($1,393,580)	($1,514,110)	($1,708,192)	($2,774,577)	($3,565,392)	($5,169,084)	($5,576,550)	($6,641,728)
Cumulative Receipts	$4,611,254	$5,021,150	$5,431,046	$5,840,942	$6,250,838	$6,660,734	$7,070,630	$7,480,526	$7,890,422	$8,300,318
Year	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**
Projected Replacements	($495,540)	($417,990)	($240,666)	($278,250)	($496,372)	($315,610)	($725,925)	($11,047)	($204,306)	($1,075,108)
Annual Deposit	$409,896	$409,896	$409,896	$409,896	$409,896	$409,896	$409,896	$409,896	$409,896	$409,896
End of Year Balance	$1,572,946	$1,564,852	$1,734,082	$1,865,728	$1,779,252	$1,873,538	$1,557,509	$1,956,358	$2,161,948	$1,496,736
Cumulative Expenditures	($7,137,268)	($7,555,258)	($7,795,924)	($8,074,174)	($8,570,546)	($8,886,156)	($9,612,081)	($9,623,128)	($9,827,434)	($10,902,542)
Cumulative Receipts	$8,710,214	$9,120,110	$9,530,006	$9,939,902	$10,349,798	$10,759,694	$11,169,590	$11,579,486	$11,989,382	$12,399,278
Year	**2046**	**2047**	**2048**	**2049**	**2050**	**2051**	**2052**	**2053**	**2054**	**2055**
Projected Replacements	($872,690)	($373,230)	($108,116)	($880,175)	($288,332)	($1,316,385)	($1,288,195)	($986,942)	($425,568)	($142,002)
Annual Deposit	$409,896	$409,896	$409,896	$409,896	$409,896	$409,896	$409,896	$409,896	$409,896	$409,896
End of Year Balance	$1,033,942	$1,070,608	$1,372,388	$902,109	$1,023,673	$117,184	($761,115)	($1,338,161)	($1,353,833)	($1,085,940)
Cumulative Expenditures	($11,775,232)	($12,148,462)	($12,256,578)	($13,136,753)	($13,425,085)	($14,741,470)	($16,029,665)	($17,016,607)	($17,442,175)	($17,584,178)
Cumulative Receipts	$12,809,174	$13,219,070	$13,628,966	$14,038,862	$14,448,758	$14,858,654	$15,268,550	$15,678,446	$16,088,342	$16,498,238
Year	**2056**	**2057**	**2058**	**2059**	**2060**	**2061**	**2062**	**2063**	**2064**	**2065**
Projected Replacements	($1,224,400)	($1,801,320)	($446,156)	($200,530)	($86,472)	($171,910)	($766,650)	($455,541)	($518,816)	($217,264)
Annual Deposit	$409,896	$409,896	$409,896	$409,896	$409,896	$409,896	$409,896	$409,896	$409,896	$409,896
End of Year Balance	($1,900,444)	($3,291,868)	($3,328,128)	($3,118,762)	($2,795,338)	($2,557,352)	($2,914,106)	($2,959,751)	($3,068,671)	($2,876,039)
Cumulative Expenditures	($18,808,578)	($20,609,898)	($21,056,054)	($21,256,584)	($21,343,056)	($21,514,966)	($22,281,616)	($22,737,157)	($23,255,973)	($23,473,237)
Cumulative Receipts	$16,908,134	$17,318,030	$17,727,926	$18,137,822	$18,547,718	$18,957,614	$19,367,510	$19,777,406	$20,187,302	$20,597,198

EVALUATION OF CURRENT FUNDING

The evaluation of Current Funding (Starting Balance of $4,201,358 & annual funding of $409,896), 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 220 Projected Replacements identified in the Replacement Reserve Inventory and that the Association will continue Annual Funding of $409,896 throughout the 40-year Study Period.

Annual Funding of $409,896 is approximately 77 percent of the $531,204 recommended Annual Funding calculated by the Cash Flow Method for 2026, the Study Year.

See the Executive Summary for the Current Funding Statement.

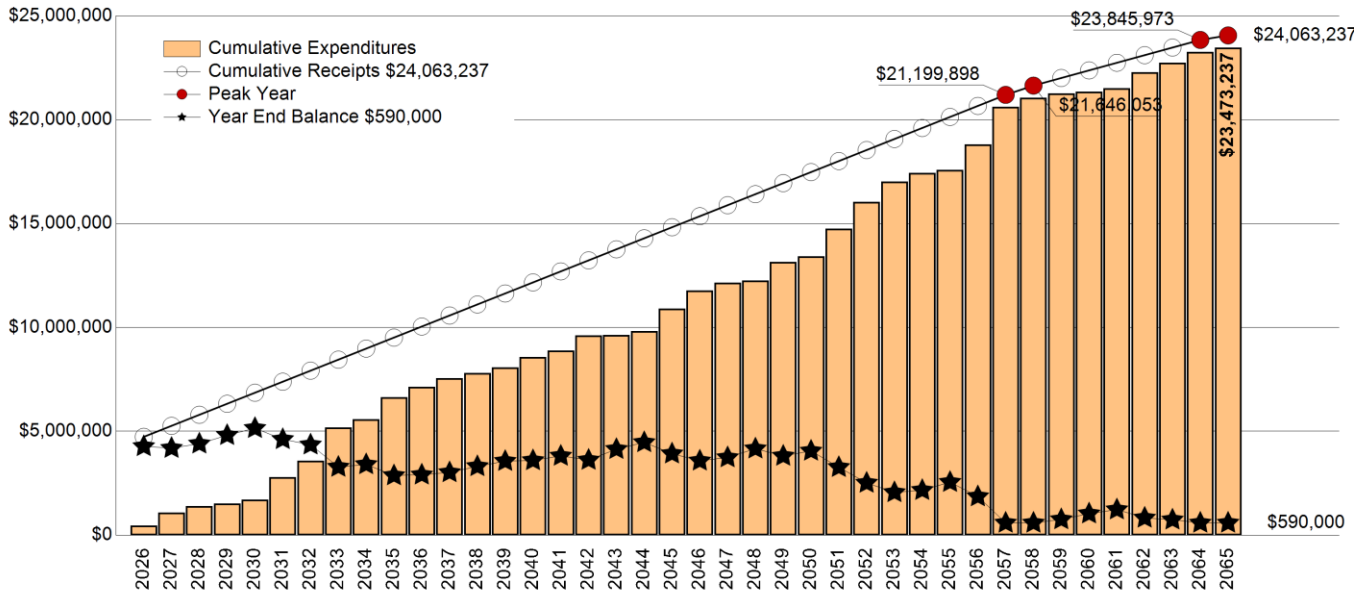
CASH FLOW METHOD FUNDING

$531,204 **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR 2026**
$55.26 Per unit (average), minimum monthly funding of Replacement Reserves

Recommended Replacement Reserve Funding has been calculated using the Cash Flow Method (also called the Straight Line or Threshold Method). This method calculates a constant annual funding between peaks in cumulative expenditures, while maintaining a Minimum Balance (threshold) in the Peak Years.

- **Peak Years.** The First Peak Year occurs in 2057 with Replacement Reserves on Deposit dropping to the Minimum Balance after the completion of $20,609,898 of replacements from 2026 to 2057. Recommended funding is anticipated to decline in 2058. Peak Years are identified in Chart 4 and Table 5.
- **Threshold (Minimum Balance).** The calculations assume a Minimum Balance of $590,000 will always be held in reserve, which is calculated by rounding the 12-month 40-year average annual expenditure of $586,831 as shown on Graph #2.
- **Cash Flow Method Study Period.** Cash Flow Method calculates funding for $23,473,237 of expenditures over the 40-year Study Period. It does not include funding for any projects beyond 2065 and in 2065, the end of year balance will always be the Minimum Balance.

#4 - Cash Flow Method - Graph of Cumulative Receipts and Expenditures - Years 0 through 39



#5 - Cash Flow Method - Table of Receipts & Expenditures - Years 0 through 39

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Starting Balance	$4,201,358									
Projected Replacements	($457,310)	($615,764)	($320,506)	($120,530)	($194,082)	($1,066,385)	($790,815)	($1,603,692)	($407,466)	($1,065,177)
Annual Deposit	$531,204	$531,204	$531,204	$531,204	$531,204	$531,204	$531,204	$531,204	$531,204	$531,204
End of Year Balance	$4,275,252	$4,190,693	$4,401,391	$4,812,066	$5,149,187	$4,614,007	$4,354,396	$3,281,909	$3,405,647	$2,871,674
Cumulative Expenditures	($457,310)	($1,073,074)	($1,393,580)	($1,514,110)	($1,708,192)	($2,774,577)	($3,565,392)	($5,169,084)	($5,576,550)	($6,641,728)
Cumulative Receipts	$4,732,562	$5,263,767	$5,794,971	$6,326,175	$6,857,380	$7,388,584	$7,919,789	$8,450,993	$8,982,197	$9,513,402

Year	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Projected Replacements	($495,540)	($417,990)	($240,666)	($278,250)	($496,372)	($315,610)	($725,925)	($11,047)	($204,306)	($1,075,108)
Annual Deposit	$531,204	$531,204	$531,204	$531,204	$531,204	$531,204	$531,204	$531,204	$531,204	$531,204
End of Year Balance	$2,907,338	$3,020,553	$3,311,091	$3,564,046	$3,598,878	$3,814,472	$3,619,751	$4,139,909	$4,466,807	$3,922,903
Cumulative Expenditures	($7,137,268)	($7,555,258)	($7,795,924)	($8,074,174)	($8,570,546)	($8,886,156)	($9,612,081)	($9,623,128)	($9,827,434)	($10,902,542)
Cumulative Receipts	$10,044,606	$10,575,810	$11,107,015	$11,638,219	$12,169,423	$12,700,628	$13,231,832	$13,763,037	$14,294,241	$14,825,445

Year	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Projected Replacements	($872,690)	($373,230)	($108,116)	($880,175)	($288,332)	($1,316,385)	($1,288,195)	($986,942)	($425,568)	($142,002)
Annual Deposit	$531,204	$531,204	$531,204	$531,204	$531,204	$531,204	$531,204	$531,204	$531,204	$531,204
End of Year Balance	$3,581,418	$3,739,392	$4,162,481	$3,813,510	$4,056,382	$3,271,201	$2,514,211	$2,058,473	$2,164,109	$2,553,311
Cumulative Expenditures	($11,775,232)	($12,148,462)	($12,256,578)	($13,136,753)	($13,425,085)	($14,741,470)	($16,029,665)	($17,016,607)	($17,442,175)	($17,584,178)
Cumulative Receipts	$15,356,650	$15,887,854	$16,419,058	$16,950,263	$17,481,467	$18,012,672	$18,543,876	$19,075,080	$19,606,285	$20,137,489

Year	2056	1st Peak - 2057	2nd Peak - 2058	2059	2060	2061	2062	2063	3rd Peak - 2064	4th Peak - 2065
Projected Replacements	($1,224,400)	($1,801,320)	($446,156)	($200,530)	($86,472)	($171,910)	($766,650)	($455,541)	($518,816)	($217,264)
Annual Deposit	$531,204	$531,204	$446,156	$366,653	$366,653	$366,653	$366,653	$366,653	$366,653	$217,264
End of Year Balance	$1,860,116	$590,000	$590,000	$756,123	$1,036,304	$1,231,047	$831,051	$742,163	$590,000	$590,000
Cumulative Expenditures	($18,808,578)	($20,609,898)	($21,056,054)	($21,256,584)	($21,343,056)	($21,514,966)	($22,281,616)	($22,737,157)	($23,255,973)	($23,473,237)
Cumulative Receipts	$20,668,693	$21,199,898	$21,646,053	$22,012,707	$22,379,360	$22,746,013	$23,112,667	$23,479,320	$23,845,973	$24,063,237

INFLATION ADJUSTED FUNDING

The Cash Flow Method calculations on Page A4 have been done in today's dollars with no adjustment for inflation. At MillerDodson, we believe that long-term inflation forecasting is effective at demonstrating the power of compounding, not at calculating appropriate funding levels for Replacement Reserves. We have developed this proprietary model to estimate the short-term impact of inflation on Replacement Reserve funding.

$531,204 **2026 - CASH FLOW METHOD RECOMMENDED FUNDING**

The 2026 Study Year calculations have been made using current replacement costs

$543,422 **2027 - 2.3% INFLATION ADJUSTED FUNDING**

A new analysis calculates the 2027 funding based on three assumptions:

- Starting Balance totaling $4,275,252 on January 1, 2027.
- 2027 Non-inflation replacement costs listed in Section C, $615,764, will be replaced at approximately $629,927, 2.30% compounded inflation increase to 2026 costs.
- The $543,422 inflation-adjusted funding in 2027 is a 2.3% increase over the non-inflation-adjusted funding of $531,204.

$555,905 **2028 - 2.3% INFLATION ADJUSTED FUNDING**

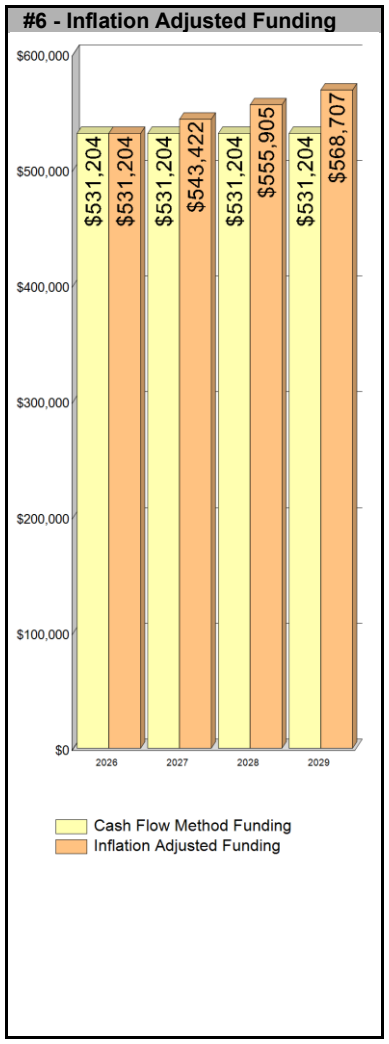
A new analysis calculates the 2028 funding based on three assumptions:

- Starting balance of approximately $4,188,748 = 2028 Starting Balance $4,275,252, plus Inflation Adjusted Funding $543,422 for 2027, minus $629,927 2027 Inflation Adjusted Cost.
- 2028 Non-inflation replacement costs listed in Section C, $320,506, will be replaced at approximately $335,419, 2.3% compounded inflation increase to 2026 costs.
- The $555,905 inflation-adjusted funding in 2028 is a 2.3% increase over the non-inflation-adjusted funding of $543,422 for 2027.

$568,707 **2029 - 2.3% INFLATION ADJUSTED FUNDING**

A new analysis calculates the 2029 funding based on three assumptions:

- Starting balance of approximately $4,409,249 = 2029 Starting Balance $4,188,748, plus Inflation Adjusted Funding $555,905 for 2028, minus $335,419 2028 Inflation Adjusted Cost.
- 2029 Non-inflation replacement costs listed in Section C, $120,530, will be replaced at approximately $129,039, 2.3% compounded inflation increase to 2026 costs.
- The $568,707 inflation-adjusted funding in 2029 is a 2.3% increase over the non-inflation-adjusted funding of $555,905 for 2028.



Year Four and Beyond

The inflation-adjusted funding calculations outlined above are not intended to be a substitute for periodic evaluation of common elements by an experienced Reserve Analyst. Industry Standards, lender requirements, and many state and local statutes require a Replacement Reserve Study to be professionally updated every 3 to 5 years.

Inflation Adjustment

Prior to approving a budget based upon the 2027, 2028 and 2029 inflation-adjusted funding calculations above, the 4.00 percent base rate of inflation used in our calculations should be compared to rates published by the Bureau of Labor Statistics. If there is a significant discrepancy (over 1 percentage point), contact MillerDodson Associates prior to using the Inflation Adjusted Funding.

Interest on Reserves

The recommended funding calculations do not account for interest earned on Replacement Reserves. In 2026, based on a 1.00 percent interest rate, we estimate the Association may earn $42,383 on an average balance of $4,238,305, $42,320 on an average balance of $4,232,000 in 2027, and $42,991 on $4,299,084 in 2028. The Association may elect to attribute 100 percent of the earned interest to Reserves, resulting in a reduction in the 2026 funding from $531,204 to $488,821 (a 7.97 percent reduction), $543,422 to $501,102 in 2027 (a 7.78 percent reduction), and $555,921 to $512,930 in 2028 (a 7.73 percent reduction).

REPLACEMENT RESERVE STUDY - SUPPLEMENTAL COMMENTS

Maryland’s new Reserves and Reserve Study Law, HB-107, is intended to ensure that adequate Reserve Funding is available for capital repair and replacement projects when it is needed. This is done by funding the Reserve Fund annually. The law requires that the Recommended Annual Reserve Funding amount in the most recent Reserve Study be included in the Association’s annual budgets. If this is an Association’s “initial” (first) professionally conducted Reserve Study, HB-107 gives the Association up to three (3) fiscal years following the fiscal year in which the Reserve Study was completed, to attain the Annual Reserve Funding level recommended in the initial Reserve Study.

SECTION B - REPLACEMENT RESERVE INVENTORY

- **PROJECTED REPLACEMENTS.** A Sample Homeowner's Association - Replacement Reserve Inventory identifies 220 items that 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 $9,822,458. Cumulative Replacements totaling $23,473,237 are scheduled in the Replacement Reserve Inventory over the 40-year Study Period. Cumulative Replacements include those components that are replaced more than once during the period of the study.

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

- **TAX CODE.** The United States Tax Code grants 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.

- **EXCLUDED ITEMS.** Some of the items contained 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:

  Value. Items with a replacement cost of less than $1000 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 220 items included in the A Sample Homeowner's Association Replacement Reserve Inventory are divided into 4 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 the 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 220 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 40 YEARS.** The calculations do not include funding for initial replacements beyond 40 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 40-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 220 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
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 Pavement, rejuvenate	sf	1,084,000	$0.25	6	2	$271,000
2	Asphalt Pvmt, Mill & Overlay, Entry	sf	223,000	$2.45	12	7	$546,350
3	Asphalt pavement, mill and overlay, P1	sf	341,500	$2.45	18	5	$836,675
4	Asphalt pavement, mill and overlay, P2	sf	341,500	$2.45	18	7	$836,675
5	Asphalt pavement, mill and overlay, P3	sf	341,500	$2.45	18	9	$836,675
6	Full depth pavement (1% allowance)	sf	11,000	$4.50	6	2	$49,500
7	Concrete work (3%)	sf	4,200	$8.00	6	3	$33,600
8	Asphalt path, seal coat	sf	47,400	$0.25	6	none	$11,850
9	Asphalt path, repair and overlay (1/3)	sf	15,800	$2.45	6	none	$38,710
10	Asphalt path, root trim (allowance)	ft	1,600	$4.50	6	none	$7,200
11	Wooden bridge, structure	sf	415	$61.00	30	16	$25,315
12	Wooden bridge, railing	ft	92	$55.00	15	3	$5,060
13	Wooden bridge, PTL decking	sf	415	$18.00	15	3	$7,470
14	Steel bridge, structure	ea	240	$300.00	50	36	$72,000
15	Steel bridge, IPE decking	sf	240	$22.00	25	11	$5,280

Replacement Costs - Page Subtotal $3,583,360

COMMENTS

SITE ITEMS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
16	Reset pavers (20%)	sf	1,900	$8.00	6	6	$15,200
17	Repoint site & building masonry (10%)	sf	1,100	$15.00	10	10	$16,500
18	Entry signs, structure and sign	ea	2	$7,500.00	15	1	$15,000
19	Entry fencing, picket	ft	100	$40.00	20	6	$4,000
20	Entry fencing, rail	ft	1,600	$30.00	20	6	$48,000
21	Entry fountain, lining	sf	1,100	$8.00	15	11	$8,800
22	Entry fountain (repair allowance)	sf	220	$25.00	10	10	$5,500
23	Entry fountain pump, rebuild	ea	1	$3,500.00	10	10	$3,500
24	Entry fountain pump, replace & repipe	ea	1	$10,500.00	20	15	$10,500
25	Flag poles	ea	9	$1,800.00	30	16	$16,200
	Mailbox and post						EXCLUDED
26	Landscape lighting, ground, bollard, post	ea	1	$15,000.00	15	5	$15,000
27	Site and parking light, heads	ea	70	$700.00	20	6	$49,000
28	Site and parking light, poles	ea	60	$2,080.00	40	26	$124,800
29	Irrigation controller	ea	3	$10,000.00	8	4	$30,000
30	Foundation planting (allowance)	ls	1	$3,500.00	5	1	$3,500

Replacement Costs - Page Subtotal $365,500

COMMENTS

- Mailbox and post - [01/18/2022] excluded per board

SITE ITEMS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
31	Guardhouse, roof, shingles	sf	1,150	$5.00	20	6	$5,750
32	Guardhouse, trim, cupola & columns	ls	1	$15,000.00	30	16	$15,000
33	Guardhouse, windows & doors	ls	1	$5,000.00	30	16	$5,000
34	Guardhouse, HVAC	ls	1	$2,800.00	15	12	$2,800
35	Guardhouse, refurbish interior	ls	1	$1,000.00	20	6	$1,000
36	Entry gates, steel (25%)	ea	2	$7,500.00	10	10	$15,000
37	Gate actuators	ea	6	$3,000.00	15	13	$18,000
38	Barrier arm, sensor eye, loop det.	ea	2	$4,000.00	15	13	$8,000
39	Key pad system, Liftmaster	ea	1	$2,800.00	15	13	$2,800
40	Gate video security (allowance)	ea	1	$2,500.00	10	8	$2,500
41	Community entry gazebo	ea	1	$5,000.00	15	1	$5,000
42	Large gazebo, roof, shingles	ea	3	$2,400.00	20	6	$7,200
43	Large gazebo, trim, cupola & columns	ea	3	$12,000.00	20	6	$36,000
44	Reset CMU retaining wall (5%)	sf	3,100	$53.00	30	28	$164,300
45	RW Railing, aluminum (20%)	ft	1,350	$84.00	30	14	$113,400
46	RW Railing, aluminum (20%)	ft	1,350	$84.00	30	20	$113,400
47	RW Railing, aluminum (20%)	ft	1,350	$84.00	30	26	$113,400
48	RW Railing, aluminum (20%)	ft	1,350	$84.00	30	32	$113,400
49	RW Railing, aluminum (20%)	ft	1,350	$84.00	30	38	$113,400

Replacement Costs - Page Subtotal $855,350

COMMENTS

SITE ITEMS
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	Dredge ponds (allowance)	cy	1,200	$75.00	20	10	$90,000
51	Front pond liner (5% repair allowance)	sf	1,000	$12.00	10	none	$12,000
52	Front pond liner, replace	sf	19,800	$7.00	40	25	$138,600
53	Pond fountains	ea	4	$7,000.00	10	10	$28,000
54	Pond bubbles	ea	12	$1,000.00	5	5	$12,000
55	Air compressor	ea	3	$800.00	5	5	$2,400
56	Pond transfer pump	ea	1	$5,000.00	5	5	$5,000
57	Stormwater management, system (allowance)	ls	1	$450,000.00	30	30	$450,000
58	French drain (reconstruction)	ft	500	$30.00	3	none	$15,000
59	Water & Sanitary lines & Mains (allowance)	ls	1	$80,000.00	50	33	$80,000
60	Maintenance Shed roof, shingles	sf	900	$5.00	20	6	$4,500
61	Maintenance Shed, siding & trim	sf	760	$9.00	25	11	$6,840
62	Maintenance Shed, doors	ls	1	$2,400.00	20	6	$2,400
63	Maintenance Shed, restroom/miscellaneous	ls	1	$1,200.00	20	6	$1,200
64	Storage Lot, pavement	sf	7,000	$1.75	12	8	$12,250
65	Storage Lot, fence	ft	270	$22.00	30	26	$5,940
66	Storage Lot, gate	ea	1	$7,500.00	10	6	$7,500

Replacement Costs - Page Subtotal $873,630

COMMENTS

- Ponds have rubber liner. Dredging may require drain and refill.

CLUBHOUSE COMPONENTS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
67	CH Shingle roof	sf	24,300	$5.00	25	11	$121,500
68	CH Gutter & downspout	ft	1,180	$12.00	35	21	$14,160
69	CH Siding & trim	sf	8,050	$9.00	35	21	$72,450
70	CH Shutters, vinyl	pr	16	$150.00	10	4	$2,400
71	CH Windows	sf	1,100	$68.00	35	21	$74,800
72	CH Window film	sf	1,100	$13.70	10	4	$15,070
73	CH Back entrance, double doors	ea	9	$2,580.00	20	6	$23,220
74	CH Exterior doors	ea	7	$1,650.00	35	21	$11,550
75	Pool Atrium, fiberglass roof	sf	3,200	$58.00	30	16	$185,600
76	Pool Atrium, fixed window replacement	sf	2,200	$58.00	25	16	$127,600
77	Pool Atrium, roof, mechanical restoration	ea	1	$19,000.00	30	16	$19,000
78	Pool Atrium, roof, rebuild/reglaze/replace	ea	1	$10,000.00	15	1	$10,000
79	Carpet, vinyl & wood flooring	sf	13,200	$6.00	6	1	$79,200
80	Marble flooring	sf	1,160	$61.00	42	28	$70,760
81	Tile flooring	sf	1,990	$39.00	18	4	$77,610
82	Refurnish lobby	sf	2,000	$40.00	6	1	$80,000
83	Refurbish lobby	sf	2,000	$20.00	12	1	$40,000

Replacement Costs - Page Subtotal $1,024,920

COMMENTS

CLUBHOUSE COMPONENTS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
84	Refurnish library	sf	550	$15.00	10	5	$8,250
85	Refurbish library	sf	550	$25.00	10	5	$13,750
86	Gas fire place, library	ea	1	$1,500.00	20	5	$1,500
87	Cafe, refurnish & refurbish	sf	1,000	$45.00	10	4	$45,000
88	Gas fire place, cafe	ea	1	$1,500.00	20	4	$1,500
89	Bar counter & cabinets	ft	30	$450.00	20	4	$13,500
90	Ice maker	ea	1	$1,800.00	10	none	$1,800
91	Kitchen counter & cabinets	ft	25	$450.00	20	9	$11,250
92	Refrigerator	ea	2	$1,600.00	10	none	$3,200
93	Stove/oven with microwave hood	ls	1	$1,800.00	10	none	$1,800
94	Dishwasher & miscellaneous small equip.	ea	1	$1,000.00	10	none	$1,000
95	Card room, refurnish & refurbish	sf	1,000	$40.00	10	none	$40,000
96	Meeting room, refurnish & refurbish	sf	450	$40.00	10	none	$18,000
97	Billiard room, refurnish & refurbish	sf	580	$45.00	20	6	$26,100
98	Pool tables	ea	2	$5,000.00	20	6	$10,000
99	Locker room, refurbish	ea	2	$35,000.00	15	11	$70,000
100	Restroom, refurbish	ea	2	$6,500.00	15	none	$13,000

Replacement Costs - Page Subtotal $279,650

COMMENTS

CLUBHOUSE COMPONENTS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
101	Refurbish fitness room	sf	1,750	$20.00	20	6	$35,000
102	Fitness room, flooring	sf	1,750	$5.00	10	none	$8,750
103	Treadmill	ea	5	$7,400.00	10	6	$37,000
104	Elliptical trainer	ea	4	$7,000.00	10	6	$28,000
105	Recumbent bike	ea	3	$6,000.00	10	6	$18,000
106	Upright bike	ea	2	$4,800.00	10	6	$9,600
107	Rower	ea	2	$2,200.00	10	6	$4,400
108	Leg extension	ea	1	$6,500.00	10	5	$6,500
109	Seated leg curl	ea	1	$5,000.00	10	5	$5,000
110	Seated leg press	ea	1	$6,500.00	10	5	$6,500
111	Deltoid raise	ea	1	$2,420.00	10	5	$2,420
112	Vertical bench press	ea	1	$2,420.00	10	5	$2,420
113	Lat pull down	ea	1	$2,100.00	10	5	$2,100
114	Lat row	ea	1	$2,340.00	10	5	$2,340
115	Biceps arm curl	ea	1	$2,200.00	10	5	$2,200
116	Tricep extension	ea	1	$2,200.00	10	5	$2,200
117	Abdominal 250	ea	1	$2,340.00	10	5	$2,340
118	Straight line smith press	ea	1	$2,390.00	10	5	$2,390
119	Flat to incline with wheel	ea	2	$1,200.00	10	5	$2,400
120	Miscellaneous fitness equipment (30%)	ls	1	$1,370.00	5	1	$1,370
121	Medical life pack	ea	2	$1,800.00	3	none	$3,600

Replacement Costs - Page Subtotal $184,530

COMMENTS

CLUBHOUSE COMPONENTS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
122	Multipurpose room, refurnish & refurbish	sf	780	$25.00	10	1	$19,500
123	Ballroom, refurnish & refurbish	sf	3,000	$25.00	10	1	$75,000
124	Lifetime folding tables, lifetime round	ea	20	$180.00	15	11	$3,600
125	Stacking chairs	ea	200	$250.00	15	none	$50,000
126	Ballroom retractable screen	ea	1	$2,300.00	40	41	$2,300
127	Ballroom projector	ea	1	$9,300.00	40	41	$9,300
128	Ballroom sound & video system	ls	1	$40,000.00	10	9	$40,000
129	Ballroom portable stage	ea	1	$6,500.00	15	7	$6,500
130	Electric piano	ea	1	$4,500.00	10	3	$4,500
131	Game room, refurnish & refurbish	sf	590	$40.00	40	41	$23,600
	CC Retractable screen						EXCLUDED
	CC Projector with sound						EXCLUDED
132	Office, refurnish & refurbish	sf	400	$30.00	10	6	$12,000
133	Front desk, refurbish	ls	1	$2,200.00	10	6	$2,200
134	Computers	ea	15	$1,400.00	3	3	$21,000
135	Security system computer	ea	1	$4,500.00	5	5	$4,500
136	Security cameras (allowance)	ls	1	$5,000.00	5	5	$5,000
137	Security entry pad system, 6 points	ea	1	$16,000.00	15	8	$16,000
						Replacement Costs - Page Subtotal	$295,000

COMMENTS

- CC Retractable screen - [01/18/2022] excluded per board
- CC Projector with sound - [01/18/2022] excluded per board

CLUBHOUSE COMPONENTS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
138	Access control, entry doors & maglock (allow	ls	1	$17,000.00	10	3	$17,000
139	Facility audio & paging system	ls	1	$3,600.00	10	1	$3,600
140	Telephone system, VOIP	ls	1	$10,000.00	15	1	$10,000
141	Flat Panel TV, 80"	ea	3	$3,200.00	5	1	$9,600
142	Flat Panel TV, 48"	ea	2	$600.00	5	1	$1,200
143	Flat Panel TV, 36"	ea	6	$450.00	5	none	$2,700
144	Amp and miscellaneous (allowance)	ea	6	$300.00	5	none	$1,800
145	Gas furnace	ea	15	$2,400.00	24	6	$36,000
146	AC Compressor, split	ea	2	$12,000.00	12	none	$24,000
147	AC Compressor, 5 ton	ea	4	$8,000.00	12	none	$32,000
148	AC Compressor, 3 ton	ea	5	$6,000.00	12	none	$30,000
149	Energy recovery system (EVR)	ea	5	$10,000.00	10	none	$50,000
150	Hot water tank	ea	3	$10,500.00	10	none	$31,500
151	Dectron dehumidifier & pump	ea	1	$80,000.00	25	11	$80,000
152	Fulton boiler (3) pumps	ea	1	$24,000.00	15	1	$24,000
153	Spa exhaust fan	ea	1	$2,000.00	15	13	$2,000
154	Fire alarm & suppression (allowance)	ls	1	$20,000.00	15	13	$20,000
155	Maintenance vehicle, kubota	ea	2	$10,000.00	10	8	$20,000
156	Plow	ea	1	$2,200.00	5	none	$2,200
157	Turf Tiger mower	ea	1	$12,000.00	10	5	$12,000
				Replacement Costs - Page Subtotal			$409,600

COMMENTS

CLUBHOUSE COMPONENTS - (cont.)

PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
158	Tractor, John Deere	ea	1	$20,216.00	10	8	$20,216
159	Water tank/trailer, 300 gal	ea	1	$3,000.00	10	5	$3,000
160	Sprayer & pump, 100 gal	ea	1	$2,400.00	5	none	$2,400

Replacement Costs - Page Subtotal $25,616

COMMENTS

RECREATION ITEMS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
161	Main Pool, structure	sf	5,200	$120.00	45	31	$624,000
162	Main Pool, whitecoat	sf	5,200	$17.00	10	6	$88,400
163	Main Pool, waterline tile	ft	300	$22.00	10	6	$6,600
164	Main Pool, coping	ft	300	$60.00	10	6	$18,000
165	Indoor Pool, structure	sf	2,200	$120.00	45	31	$264,000
166	Indoor Pool, quartz diamond bright	sf	2,200	$15.00	10	9	$33,000
167	Indoor Pool, waterline tile	ft	150	$22.00	10	9	$3,300
168	Indoor Pool, coping	ft	150	$60.00	10	9	$9,000
169	Indoor Spa, structure	sf	250	$120.00	45	31	$30,000
170	Indoor Spa, quartz diamond bright	sf	250	$15.00	10	9	$3,750
171	Indoor Spa, waterline tile	ft	50	$22.00	10	9	$1,100
172	Indoor Spa, coping	ft	50	$60.00	10	9	$3,000
173	Pool Trellis	sf	970	$12.00	20	6	$11,640
174	Pool Fence	ft	560	$34.00	30	16	$19,040
175	Pool Bridge	sf	75	$45.00	20	6	$3,375
176	Pool, Pond lining & pump	ls	1	$3,250.00	10	none	$3,250
177	Pump, 5-HP	ea	3	$4,500.00	10	none	$13,500
178	Pump, small	ea	4	$1,500.00	5	none	$6,000
179	Filter	ea	5	$1,800.00	20	4	$9,000
180	Pool heaters	ea	2	$5,000.00	6	3	$10,000
181	Concrete Pool deck, interior	sf	700	$16.00	20	6	$11,200
182	Concrete Pool deck, exterior	sf	7,000	$16.00	20	6	$112,000

Replacement Costs - Page Subtotal $1,283,155

COMMENTS

RECREATION ITEMS - (cont.)

PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
183	Indoor Pool & Spa lighting	ea	15	$250.00	15	13	$3,750
184	Pool Lights, overhead LED	ea	8	$750.00	15	12	$6,000
185	Pool Lounge	ea	35	$350.00	10	none	$12,250
186	Patio Tables	ea	10	$450.00	10	none	$4,500
187	Chairs	ea	88	$155.00	10	10	$13,640
188	Umbrellas	ea	23	$400.00	5	none	$9,200
189	Refabric (exterior furniture)	ls	1	$3,300.00	3	3	$3,300

Replacement Costs - Page Subtotal $52,640

COMMENTS

RECREATION ITEMS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
190	Tennis Court, resurface/overlay	ea	2	$5.80	20	19	$12
191	Tennis Court, net post/footings	ea	4	$1,800.00	20	7	$7,200
192	Tennis Court, nets	ea	2	$450.00	5	none	$900
193	Tennis Court, color coat	ea	2	$1.20	5	4	$2
194	Tennis Court, fence, 10'	ft	480	$42.00	20	7	$20,160
195	Tennis Court, lights	ea	12	$2,300.00	20	7	$27,600
196	Bocce Ball Court, surface	ls	1	$5.80	5	2	$6
197	Bocce Ball Court, borders	ls	1	$1.20	10	7	$1
198	Bocce Ball Court, trellis	sf	920	$12.00	20	17	$11,040
199	Driving Cage, turf & net	ls	1	$4,000.00	5	5	$4,000
200	Putting Green, rebuild	ea	1	$26,000.00	10	9	$26,000
201	Miscellaneous benches & tables (20%)	ls	1	$2,000.00	10	9	$2,000
202	Outdoor grill	ea	2	$4,800.00	10	9	$9,600

Replacement Costs - Page Subtotal $108,521

COMMENTS

ADDITIONS TO STUDY
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
203	Asphalt pavement, mill & overlay, parking	sf	97,467	$2.45	18	1	$238,794
204	Irrigation pipe, valve, head (allowance)	ls	1	$6,500.00	5	5	$6,500
205	Lifetime folding tables, rectangle	ea	20	$110.00	15	11	$2,200
206	Pickup truck	ea	1	$16,000.00	10	8	$16,000
207	Storage lot, building	ea	1	$44,242.00	30	28	$44,242
208	Pool Atrium, sliding doors	ea	16	$4,550.00	25	5	$72,800
209	AC Compressor, 5 ton	ea	3	$8,000.00	12	10	$24,000
210	AC Compressor, 3 ton	ea	1	$6,000.00	12	11	$6,000
211	Pavement crack sealer	ea	1	$3,000.00	15	13	$3,000
212	Tractor Implements Backhow, Bucket, etc.	ls	1	$10,000.00	15	15	$10,000
213	Filter	ea	1	$1,800.00	20	16	$1,800
214	Indoor pool, sundeck (coating)	ls	1	$16,250.00	10	10	$16,250
215	Hayward Conditioning system	ea	3	$4,000.00	10	10	$12,000
216	Indoor Pool (UV)	ea	2	$2,500.00	10	10	$5,000
217	Outdoor Pool, lights	ea	8	$650.00	15	none	$5,200
218	Storage Lot, building roof	sf	1,200	$4.00	20	18	$4,800
219	Storage Lot, overhead doors	ea	3	$1,800.00	20	18	$5,400
220	Storage Lot, siding	sf	1,400	$5.00	30	18	$7,000
				Replacement Costs - Page Subtotal			$480,986

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
	Sprinkler head						EXCLUDED
	Interior doors						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 ($)	NEL	REL	REPLACEMENT COST ($)
	Masonry features						EXCLUDED
	Segmental retaining walls						EXCLUDED
	Exterior stone veneer						EXCLUDED
	Building foundation(s)						EXCLUDED
	Concrete floor slabs (interior)						EXCLUDED
	Wall, floor, and roof structure						EXCLUDED
	Electrical wiring						EXCLUDED
	Stainless steel pool fixtures						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 ($)	NEL	REL	REPLACEMENT COST ($)
	Domestic water pipes serving one unit						EXCLUDED
	Sanitary sewers serving one unit						EXCLUDED
	Electrical wiring serving one unit						EXCLUDED
	Cable TV service serving one unit						EXCLUDED
	Telephone service serving one unit						EXCLUDED
	Driveway on an individual lot						EXCLUDED
	Sidewalk on an individual lot						EXCLUDED
	Stairs on an individual lot						EXCLUDED
	Retaining wall on an individual lot						EXCLUDED
	Fence on an individual lot						EXCLUDED
	Unit exterior						EXCLUDED
	Unit deck, patio, and/or balcony						EXCLUDED
	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 ($)	NEL	REL	REPLACEMENT COST ($)
	Cleaning of asphalt pavement						EXCLUDED
	Crack sealing of asphalt pavement						EXCLUDED
	Painting of curbs						EXCLUDED
	Striping of parking spaces						EXCLUDED
	Landscaping and site grading						EXCLUDED
	Exterior painting						EXCLUDED
	Interior painting						EXCLUDED
	Janitorial service						EXCLUDED
	Repair services						EXCLUDED
	Partial replacements						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 and parking						EXCLUDED
	Government, lighting						EXCLUDED
	Government, stormwater mgmt.						EXCLUDED
	Government, ponds						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.

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SECTION C - CALENDAR OF PROJECTED ANNUAL REPLACEMENTS

GENERAL STATEMENT. The 220 Projected Replacements in the A Sample Homeowner's Association 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

- **REVIEW OF THE REPLACEMENT RESERVE STUDY.** For this study to be effective, it should be reviewed by the Board of Directors, those responsible for the management of the items included in the Replacement Reserve Inventory, and the accounting professionals employed by the Association.
- **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. We acknowledge that there are instances in which multiple revisions are necessary. However, unnecessary multiple revisions drain our time and manpower resources. Therefore, MillerDodson will exercise its sole discretion as to whether additional charges are incurred.
- **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 MillerDodson 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 MillerDodson 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	2026 - Study Year	$
8	Asphalt path, seal coat	$11,850
9	Asphalt path, repair and overlay (1/3)	$38,710
10	Asphalt path, root trim (allowance)	$7,200
51	Front pond liner (5% repair allowance)	$12,000
58	French drain (reconstruction)	$15,000
90	Ice maker	$1,800
92	Refrigerator	$3,200
93	Stove/oven with microwave hood	$1,800
94	Dishwasher & miscellaneous small equip.	$1,000
95	Card room, refurnish & refurbish	$40,000
96	Meeting room, refurnish & refurbish	$18,000
100	Restroom, refurbish	$13,000
102	Fitness room, flooring	$8,750
121	Medical life pack	$3,600
125	Stacking chairs	$50,000
143	Flat Panel TV, 36"	$2,700
144	Amp and miscellaneous (allowance)	$1,800
146	AC Compressor, split	$24,000
147	AC Compressor, 5 ton	$32,000
148	AC Compressor, 3 ton	$30,000
149	Energy recovery system (EVR)	$50,000
150	Hot water tank	$31,500
156	Plow	$2,200
160	Sprayer & pump, 100 gal	$2,400
176	Pool, Pond lining & pump	$3,250
177	Pump, 5-HP	$13,500
178	Pump, small	$6,000
185	Pool Lounge	$12,250
186	Patio Tables	$4,500
188	Umbrellas	$9,200
192	Tennis Court, nets	$900
217	Outdoor Pool, lights	$5,200
	Total Scheduled Replacements	$457,310

Item	2027 - YEAR 1	$
18	Entry signs, structure and sign	$15,000
30	Foundation planting (allowance)	$3,500
41	Community entry gazebo	$5,000
78	Pool Atrium, roof, rebuild/reglaze/replace	$10,000
79	Carpet, vinyl & wood flooring	$79,200
82	Refurnish lobby	$80,000
83	Refurbish lobby	$40,000
120	Miscellaneous fitness equipment (30%)	$1,370
122	Multipurpose room, refurnish & refurbish	$19,500
123	Ballroom, refurnish & refurbish	$75,000
139	Facility audio & paging system	$3,600
140	Telephone system, VOIP	$10,000
141	Flat Panel TV, 80"	$9,600
142	Flat Panel TV, 48"	$1,200
152	Fulton boiler (3) pumps	$24,000
203	Asphalt pavement, mill & overlay, parking	$238,794
	Total Scheduled Replacements	$615,764

PROJECTED REPLACEMENTS

Item	2028 - YEAR 2	$
1	Asphalt Pavement, rejuvenate	$271,000
6	Full depth pavement (1% allowance)	$49,500
196	Bocce Ball Court, surface	$6
	Total Scheduled Replacements	$320,506

Item	2029 - YEAR 3	$
7	Concrete work (3%)	$33,600
12	Wooden bridge, railing	$5,060
13	Wooden bridge, PTL decking	$7,470
58	French drain (reconstruction)	$15,000
121	Medical life pack	$3,600
130	Electric piano	$4,500
134	Computers	$21,000
138	Access control, entry doors & maglock (allow	$17,000
180	Pool heaters	$10,000
189	Refabric (exterior furniture)	$3,300
	Total Scheduled Replacements	$120,530

PROJECTED REPLACEMENTS

Item	2030 - YEAR 4	$
29	Irrigation controller	$30,000
70	CH Shutters, vinyl	$2,400
72	CH Window film	$15,070
81	Tile flooring	$77,610
87	Cafe, refurnish & refurbish	$45,000
88	Gas fire place, cafe	$1,500
89	Bar counter & cabinets	$13,500
179	Filter	$9,000
193	Tennis Court, color coat	$2
	Total Scheduled Replacements	$194,082

Item	2031 - YEAR 5	$
3	Asphalt pavement, mill and overlay, P1	$836,675
26	Landscape lighting, ground, bollard, post	$15,000
54	Pond bubbles	$12,000
55	Air compressor	$2,400
56	Pond transfer pump	$5,000
84	Refurnish library	$8,250
85	Refurbish library	$13,750
86	Gas fire place, library	$1,500
108	Leg extension	$6,500
109	Seated leg curl	$5,000
110	Seated leg press	$6,500
111	Deltoid raise	$2,420
112	Vertical bench press	$2,420
113	Lat pull down	$2,100
114	Lat row	$2,340
115	Biceps arm curl	$2,200
116	Tricep extension	$2,200
117	Abdominal 250	$2,340
118	Straight line smith press	$2,390
119	Flat to incline with wheel	$2,400
135	Security system computer	$4,500
136	Security cameras (allowance)	$5,000
143	Flat Panel TV, 36"	$2,700
144	Amp and miscellaneous (allowance)	$1,800
156	Plow	$2,200
157	Turf Tiger mower	$12,000
159	Water tank/trailer, 300 gal	$3,000
160	Sprayer & pump, 100 gal	$2,400
178	Pump, small	$6,000
188	Umbrellas	$9,200
192	Tennis Court, nets	$900
199	Driving Cage, turf & net	$4,000
204	Irrigation pipe, valve, head (allowance)	$6,500
208	Pool Atrium, sliding doors	$72,800
	Total Scheduled Replacements	$1,066,385

PROJECTED REPLACEMENTS

Item	2032 - YEAR 6	$
8	Asphalt path, seal coat	$11,850
9	Asphalt path, repair and overlay (1/3)	$38,710
10	Asphalt path, root trim (allowance)	$7,200
16	Reset pavers (20%)	$15,200
19	Entry fencing, picket	$4,000
20	Entry fencing, rail	$48,000
27	Site and parking light, heads	$49,000
30	Foundation planting (allowance)	$3,500
31	Guardhouse, roof, shingles	$5,750
35	Guardhouse, refurbish interior	$1,000
42	Large gazebo, roof, shingles	$7,200
43	Large gazebo, trim, cupola & columns	$36,000
58	French drain (reconstruction)	$15,000
60	Maintenance Shed roof, shingles	$4,500
62	Maintenance Shed, doors	$2,400
63	Maintenance Shed, restroom/miscellaneous	$1,200
66	Storage Lot, gate	$7,500
73	CH Back entrance, double doors	$23,220
97	Billiard room, refurnish & refurbish	$26,100
98	Pool tables	$10,000
101	Refurbish fitness room	$35,000
103	Treadmill	$37,000
104	Elliptical trainer	$28,000
105	Recumbent bike	$18,000
106	Upright bike	$9,600
107	Rower	$4,400
120	Miscellaneous fitness equipment (30%)	$1,370
121	Medical life pack	$3,600
132	Office, refurnish & refurbish	$12,000
133	Front desk, refurbish	$2,200
134	Computers	$21,000
141	Flat Panel TV, 80"	$9,600
142	Flat Panel TV, 48"	$1,200
145	Gas furnace	$36,000
162	Main Pool, whitecoat	$88,400
163	Main Pool, waterline tile	$6,600
164	Main Pool, coping	$18,000
173	Pool Trellis	$11,640
175	Pool Bridge	$3,375
181	Concrete Pool deck, interior	$11,200
182	Concrete Pool deck, exterior	$112,000
189	Refabric (exterior furniture)	$3,300
	Total Scheduled Replacements	$790,815

Item	2033 - YEAR 7	$
2	Asphalt Pvmt, Mill & Overlay, Entry	$546,350
4	Asphalt pavement, mill and overlay, P2	$836,675
79	Carpet, vinyl & wood flooring	$79,200
82	Refurnish lobby	$80,000
129	Ballroom portable stage	$6,500
191	Tennis Court, net post/footings	$7,200
194	Tennis Court, fence, 10'	$20,160
195	Tennis Court, lights	$27,600
196	Bocce Ball Court, surface	$6
197	Bocce Ball Court, borders	$1
	Total Scheduled Replacements	$1,603,692

PROJECTED REPLACEMENTS

Item	2034 - YEAR 8	$
1	Asphalt Pavement, rejuvenate	$271,000
6	Full depth pavement (1% allowance)	$49,500
40	Gate video security (allowance)	$2,500
64	Storage Lot, pavement	$12,250
137	Security entry pad system, 6 points	$16,000
155	Maintenance vehicle, kubota	$20,000
158	Tractor, John Deere	$20,216
206	Pickup truck	$16,000
	Total Scheduled Replacements	$407,466

Item	2035 - YEAR 9	$
5	Asphalt pavement, mill and overlay, P3	$836,675
7	Concrete work (3%)	$33,600
58	French drain (reconstruction)	$15,000
91	Kitchen counter & cabinets	$11,250
121	Medical life pack	$3,600
128	Ballroom sound & video system	$40,000
134	Computers	$21,000
166	Indoor Pool, quartz diamond bright	$33,000
167	Indoor Pool, waterline tile	$3,300
168	Indoor Pool, coping	$9,000
170	Indoor Spa, quartz diamond bright	$3,750
171	Indoor Spa, waterline tile	$1,100
172	Indoor Spa, coping	$3,000
180	Pool heaters	$10,000
189	Refabric (exterior furniture)	$3,300
193	Tennis Court, color coat	$2
200	Putting Green, rebuild	$26,000
201	Miscellaneous benches & tables (20%)	$2,000
202	Outdoor grill	$9,600
	Total Scheduled Replacements	$1,065,177

PROJECTED REPLACEMENTS

Item	2036 - YEAR 10	$
17	Repoint site & building masonry (10%)	$16,500
22	Entry fountain (repair allowance)	$5,500
23	Entry fountain pump, rebuild	$3,500
36	Entry gates, steel (25%)	$15,000
50	Dredge ponds (allowance)	$90,000
51	Front pond liner (5% repair allowance)	$12,000
53	Pond fountains	$28,000
54	Pond bubbles	$12,000
55	Air compressor	$2,400
56	Pond transfer pump	$5,000
90	Ice maker	$1,800
92	Refrigerator	$3,200
93	Stove/oven with microwave hood	$1,800
94	Dishwasher & miscellaneous small equip.	$1,000
95	Card room, refurnish & refurbish	$40,000
96	Meeting room, refurnish & refurbish	$18,000
102	Fitness room, flooring	$8,750
135	Security system computer	$4,500
136	Security cameras (allowance)	$5,000
143	Flat Panel TV, 36"	$2,700
144	Amp and miscellaneous (allowance)	$1,800
149	Energy recovery system (EVR)	$50,000
150	Hot water tank	$31,500
156	Plow	$2,200
160	Sprayer & pump, 100 gal	$2,400
176	Pool, Pond lining & pump	$3,250
177	Pump, 5-HP	$13,500
178	Pump, small	$6,000
185	Pool Lounge	$12,250
186	Patio Tables	$4,500
187	Chairs	$13,640
188	Umbrellas	$9,200
192	Tennis Court, nets	$900
199	Driving Cage, turf & net	$4,000
204	Irrigation pipe, valve, head (allowance)	$6,500
209	AC Compressor, 5 ton	$24,000
214	Indoor pool, sundeck (coating)	$16,250
215	Hayward Conditioning system	$12,000
216	Indoor Pool (UV)	$5,000
	Total Scheduled Replacements	$495,540

Item	2037 - YEAR 11	$
15	Steel bridge, IPE decking	$5,280
21	Entry fountain, lining	$8,800
30	Foundation planting (allowance)	$3,500
61	Maintenance Shed, siding & trim	$6,840
67	CH Shingle roof	$121,500
99	Locker room, refurbish	$70,000
120	Miscellaneous fitness equipment (30%)	$1,370
122	Multipurpose room, refurnish & refurbish	$19,500
123	Ballroom, refurnish & refurbish	$75,000
124	Lifetime folding tables, lifetime round	$3,600
139	Facility audio & paging system	$3,600
141	Flat Panel TV, 80"	$9,600
142	Flat Panel TV, 48"	$1,200
151	Dectron dehumidifier & pump	$80,000
205	Lifetime folding tables, rectangle	$2,200
210	AC Compressor, 3 ton	$6,000
	Total Scheduled Replacements	$417,990

PROJECTED REPLACEMENTS

Item	2038 - YEAR 12	$
8	Asphalt path, seal coat	$11,850
9	Asphalt path, repair and overlay (1/3)	$38,710
10	Asphalt path, root trim (allowance)	$7,200
16	Reset pavers (20%)	$15,200
29	Irrigation controller	$30,000
34	Guardhouse, HVAC	$2,800
58	French drain (reconstruction)	$15,000
121	Medical life pack	$3,600
134	Computers	$21,000
146	AC Compressor, split	$24,000
147	AC Compressor, 5 ton	$32,000
148	AC Compressor, 3 ton	$30,000
184	Pool Lights, overhead LED	$6,000
189	Refabric (exterior furniture)	$3,300
196	Bocce Ball Court, surface	$6
	Total Scheduled Replacements	$240,666

Item	2039 - YEAR 13	$
37	Gate actuators	$18,000
38	Barrier arm, sensor eye, loop det.	$8,000
39	Key pad system, Liftmaster	$2,800
79	Carpet, vinyl & wood flooring	$79,200
82	Refurnish lobby	$80,000
83	Refurbish lobby	$40,000
130	Electric piano	$4,500
138	Access control, entry doors & maglock (allow	$17,000
153	Spa exhaust fan	$2,000
154	Fire alarm & suppression (allowance)	$20,000
183	Indoor Pool & Spa lighting	$3,750
211	Pavement crack sealer	$3,000
	Total Scheduled Replacements	$278,250

PROJECTED REPLACEMENTS

Item	2040 - YEAR 14	$
1	Asphalt Pavement, rejuvenate	$271,000
6	Full depth pavement (1% allowance)	$49,500
45	RW Railing, aluminum (20%)	$113,400
70	CH Shutters, vinyl	$2,400
72	CH Window film	$15,070
87	Cafe, refurnish & refurbish	$45,000
193	Tennis Court, color coat	$2
	Total Scheduled Replacements	$496,372

Item	2041 - YEAR 15	$
7	Concrete work (3%)	$33,600
24	Entry fountain pump, replace & repipe	$10,500
54	Pond bubbles	$12,000
55	Air compressor	$2,400
56	Pond transfer pump	$5,000
58	French drain (reconstruction)	$15,000
84	Refurnish library	$8,250
85	Refurbish library	$13,750
100	Restroom, refurbish	$13,000
108	Leg extension	$6,500
109	Seated leg curl	$5,000
110	Seated leg press	$6,500
111	Deltoid raise	$2,420
112	Vertical bench press	$2,420
113	Lat pull down	$2,100
114	Lat row	$2,340
115	Biceps arm curl	$2,200
116	Tricep extension	$2,200
117	Abdominal 250	$2,340
118	Straight line smith press	$2,390
119	Flat to incline with wheel	$2,400
121	Medical life pack	$3,600
125	Stacking chairs	$50,000
134	Computers	$21,000
135	Security system computer	$4,500
136	Security cameras (allowance)	$5,000
143	Flat Panel TV, 36"	$2,700
144	Amp and miscellaneous (allowance)	$1,800
156	Plow	$2,200
157	Turf Tiger mower	$12,000
159	Water tank/trailer, 300 gal	$3,000
160	Sprayer & pump, 100 gal	$2,400
178	Pump, small	$6,000
180	Pool heaters	$10,000
188	Umbrellas	$9,200
189	Refabric (exterior furniture)	$3,300
192	Tennis Court, nets	$900
199	Driving Cage, turf & net	$4,000
204	Irrigation pipe, valve, head (allowance)	$6,500
212	Tractor Implements Backhow, Bucket, etc.	$10,000
217	Outdoor Pool, lights	$5,200
	Total Scheduled Replacements	$315,610

PROJECTED REPLACEMENTS

Item	2042 - YEAR 16	$
11	Wooden bridge, structure	$25,315
18	Entry signs, structure and sign	$15,000
25	Flag poles	$16,200
30	Foundation planting (allowance)	$3,500
32	Guardhouse, trim, cupola & columns	$15,000
33	Guardhouse, windows & doors	$5,000
41	Community entry gazebo	$5,000
66	Storage Lot, gate	$7,500
75	Pool Atrium, fiberglass roof	$185,600
76	Pool Atrium, fixed window replacement	$127,600
77	Pool Atrium, roof, mechanical restoration	$19,000
78	Pool Atrium, roof, rebuild/reglaze/replace	$10,000
103	Treadmill	$37,000
104	Elliptical trainer	$28,000
105	Recumbent bike	$18,000
106	Upright bike	$9,600
107	Rower	$4,400
120	Miscellaneous fitness equipment (30%)	$1,370
132	Office, refurnish & refurbish	$12,000
133	Front desk, refurbish	$2,200
140	Telephone system, VOIP	$10,000
141	Flat Panel TV, 80"	$9,600
142	Flat Panel TV, 48"	$1,200
152	Fulton boiler (3) pumps	$24,000
162	Main Pool, whitecoat	$88,400
163	Main Pool, waterline tile	$6,600
164	Main Pool, coping	$18,000
174	Pool Fence	$19,040
213	Filter	$1,800
	Total Scheduled Replacements	$725,925

Item	2043 - YEAR 17	$
196	Bocce Ball Court, surface	$6
197	Bocce Ball Court, borders	$1
198	Bocce Ball Court, trellis	$11,040
	Total Scheduled Replacements	$11,047

PROJECTED REPLACEMENTS

Item	2044 - YEAR 18	$
8	Asphalt path, seal coat	$11,850
9	Asphalt path, repair and overlay (1/3)	$38,710
10	Asphalt path, root trim (allowance)	$7,200
12	Wooden bridge, railing	$5,060
13	Wooden bridge, PTL decking	$7,470
16	Reset pavers (20%)	$15,200
40	Gate video security (allowance)	$2,500
58	French drain (reconstruction)	$15,000
121	Medical life pack	$3,600
134	Computers	$21,000
155	Maintenance vehicle, kubota	$20,000
158	Tractor, John Deere	$20,216
189	Refabric (exterior furniture)	$3,300
206	Pickup truck	$16,000
218	Storage Lot, building roof	$4,800
219	Storage Lot, overhead doors	$5,400
220	Storage Lot, siding	$7,000
	Total Scheduled Replacements	$204,306

Item	2045 - YEAR 19	$
2	Asphalt Pvmt, Mill & Overlay, Entry	$546,350
79	Carpet, vinyl & wood flooring	$79,200
82	Refurnish lobby	$80,000
128	Ballroom sound & video system	$40,000
166	Indoor Pool, quartz diamond bright	$33,000
167	Indoor Pool, waterline tile	$3,300
168	Indoor Pool, coping	$9,000
170	Indoor Spa, quartz diamond bright	$3,750
171	Indoor Spa, waterline tile	$1,100
172	Indoor Spa, coping	$3,000
190	Tennis Court, resurface/overlay	$12
193	Tennis Court, color coat	$2
200	Putting Green, rebuild	$26,000
201	Miscellaneous benches & tables (20%)	$2,000
202	Outdoor grill	$9,600
203	Asphalt pavement, mill & overlay, parking	$238,794
	Total Scheduled Replacements	$1,075,108

PROJECTED REPLACEMENTS

Item	2046 - YEAR 20	$
1	Asphalt Pavement, rejuvenate	$271,000
6	Full depth pavement (1% allowance)	$49,500
17	Repoint site & building masonry (10%)	$16,500
22	Entry fountain (repair allowance)	$5,500
23	Entry fountain pump, rebuild	$3,500
26	Landscape lighting, ground, bollard, post	$15,000
29	Irrigation controller	$30,000
36	Entry gates, steel (25%)	$15,000
46	RW Railing, aluminum (20%)	$113,400
51	Front pond liner (5% repair allowance)	$12,000
53	Pond fountains	$28,000
54	Pond bubbles	$12,000
55	Air compressor	$2,400
56	Pond transfer pump	$5,000
64	Storage Lot, pavement	$12,250
90	Ice maker	$1,800
92	Refrigerator	$3,200
93	Stove/oven with microwave hood	$1,800
94	Dishwasher & miscellaneous small equip.	$1,000
95	Card room, refurnish & refurbish	$40,000
96	Meeting room, refurnish & refurbish	$18,000
102	Fitness room, flooring	$8,750
135	Security system computer	$4,500
136	Security cameras (allowance)	$5,000
143	Flat Panel TV, 36"	$2,700
144	Amp and miscellaneous (allowance)	$1,800
149	Energy recovery system (EVR)	$50,000
150	Hot water tank	$31,500
156	Plow	$2,200
160	Sprayer & pump, 100 gal	$2,400
176	Pool, Pond lining & pump	$3,250
177	Pump, 5-HP	$13,500
178	Pump, small	$6,000
185	Pool Lounge	$12,250
186	Patio Tables	$4,500
187	Chairs	$13,640
188	Umbrellas	$9,200
192	Tennis Court, nets	$900
199	Driving Cage, turf & net	$4,000
204	Irrigation pipe, valve, head (allowance)	$6,500
214	Indoor pool, sundeck (coating)	$16,250
215	Hayward Conditioning system	$12,000
216	Indoor Pool (UV)	$5,000
	Total Scheduled Replacements	$872,690

Item	2047 - YEAR 21	$
7	Concrete work (3%)	$33,600
30	Foundation planting (allowance)	$3,500
58	French drain (reconstruction)	$15,000
68	CH Gutter & downspout	$14,160
69	CH Siding & trim	$72,450
71	CH Windows	$74,800
74	CH Exterior doors	$11,550
120	Miscellaneous fitness equipment (30%)	$1,370
121	Medical life pack	$3,600
122	Multipurpose room, refurnish & refurbish	$19,500
123	Ballroom, refurnish & refurbish	$75,000
134	Computers	$21,000
139	Facility audio & paging system	$3,600
141	Flat Panel TV, 80"	$9,600
142	Flat Panel TV, 48"	$1,200
180	Pool heaters	$10,000
189	Refabric (exterior furniture)	$3,300
	Total Scheduled Replacements	$373,230

PROJECTED REPLACEMENTS

Item	2048 - YEAR 22	$
81	Tile flooring	$77,610
129	Ballroom portable stage	$6,500
196	Bocce Ball Court, surface	$6
209	AC Compressor, 5 ton	$24,000
	Total Scheduled Replacements	$108,116

Item	2049 - YEAR 23	$
3	Asphalt pavement, mill and overlay, P1	$836,675
130	Electric piano	$4,500
137	Security entry pad system, 6 points	$16,000
138	Access control, entry doors & maglock (allow	$17,000
210	AC Compressor, 3 ton	$6,000
	Total Scheduled Replacements	$880,175

PROJECTED REPLACEMENTS

Item	2050 - YEAR 24	$
8	Asphalt path, seal coat	$11,850
9	Asphalt path, repair and overlay (1/3)	$38,710
10	Asphalt path, root trim (allowance)	$7,200
16	Reset pavers (20%)	$15,200
58	French drain (reconstruction)	$15,000
70	CH Shutters, vinyl	$2,400
72	CH Window film	$15,070
87	Cafe, refurnish & refurbish	$45,000
88	Gas fire place, cafe	$1,500
89	Bar counter & cabinets	$13,500
121	Medical life pack	$3,600
134	Computers	$21,000
146	AC Compressor, split	$24,000
147	AC Compressor, 5 ton	$32,000
148	AC Compressor, 3 ton	$30,000
179	Filter	$9,000
189	Refabric (exterior furniture)	$3,300
193	Tennis Court, color coat	$2
	Total Scheduled Replacements	$288,332

Item	2051 - YEAR 25	$
4	Asphalt pavement, mill and overlay, P2	$836,675
52	Front pond liner, replace	$138,600
54	Pond bubbles	$12,000
55	Air compressor	$2,400
56	Pond transfer pump	$5,000
79	Carpet, vinyl & wood flooring	$79,200
82	Refurnish lobby	$80,000
83	Refurbish lobby	$40,000
84	Refurnish library	$8,250
85	Refurbish library	$13,750
86	Gas fire place, library	$1,500
108	Leg extension	$6,500
109	Seated leg curl	$5,000
110	Seated leg press	$6,500
111	Deltoid raise	$2,420
112	Vertical bench press	$2,420
113	Lat pull down	$2,100
114	Lat row	$2,340
115	Biceps arm curl	$2,200
116	Tricep extension	$2,200
117	Abdominal 250	$2,340
118	Straight line smith press	$2,390
119	Flat to incline with wheel	$2,400
135	Security system computer	$4,500
136	Security cameras (allowance)	$5,000
143	Flat Panel TV, 36"	$2,700
144	Amp and miscellaneous (allowance)	$1,800
156	Plow	$2,200
157	Turf Tiger mower	$12,000
159	Water tank/trailer, 300 gal	$3,000
160	Sprayer & pump, 100 gal	$2,400
178	Pump, small	$6,000
188	Umbrellas	$9,200
192	Tennis Court, nets	$900
199	Driving Cage, turf & net	$4,000
204	Irrigation pipe, valve, head (allowance)	$6,500
	Total Scheduled Replacements	$1,316,385

PROJECTED REPLACEMENTS

Item	2052 - YEAR 26	$
1	Asphalt Pavement, rejuvenate	$271,000
6	Full depth pavement (1% allowance)	$49,500
19	Entry fencing, picket	$4,000
20	Entry fencing, rail	$48,000
21	Entry fountain, lining	$8,800
27	Site and parking light, heads	$49,000
28	Site and parking light, poles	$124,800
30	Foundation planting (allowance)	$3,500
31	Guardhouse, roof, shingles	$5,750
35	Guardhouse, refurbish interior	$1,000
42	Large gazebo, roof, shingles	$7,200
43	Large gazebo, trim, cupola & columns	$36,000
47	RW Railing, aluminum (20%)	$113,400
60	Maintenance Shed roof, shingles	$4,500
62	Maintenance Shed, doors	$2,400
63	Maintenance Shed, restroom/miscellaneous	$1,200
65	Storage Lot, fence	$5,940
66	Storage Lot, gate	$7,500
73	CH Back entrance, double doors	$23,220
97	Billiard room, refurnish & refurbish	$26,100
98	Pool tables	$10,000
99	Locker room, refurbish	$70,000
101	Refurbish fitness room	$35,000
103	Treadmill	$37,000
104	Elliptical trainer	$28,000
105	Recumbent bike	$18,000
106	Upright bike	$9,600
107	Rower	$4,400
120	Miscellaneous fitness equipment (30%)	$1,370
124	Lifetime folding tables, lifetime round	$3,600
132	Office, refurnish & refurbish	$12,000
133	Front desk, refurbish	$2,200
141	Flat Panel TV, 80"	$9,600
142	Flat Panel TV, 48"	$1,200
162	Main Pool, whitecoat	$88,400
163	Main Pool, waterline tile	$6,600
164	Main Pool, coping	$18,000
173	Pool Trellis	$11,640
175	Pool Bridge	$3,375
181	Concrete Pool deck, interior	$11,200
182	Concrete Pool deck, exterior	$112,000
205	Lifetime folding tables, rectangle	$2,200
	Total Scheduled Replacements	$1,288,195

Item	2053 - YEAR 27	$
5	Asphalt pavement, mill and overlay, P3	$836,675
7	Concrete work (3%)	$33,600
34	Guardhouse, HVAC	$2,800
58	French drain (reconstruction)	$15,000
121	Medical life pack	$3,600
134	Computers	$21,000
180	Pool heaters	$10,000
184	Pool Lights, overhead LED	$6,000
189	Refabric (exterior furniture)	$3,300
191	Tennis Court, net post/footings	$7,200
194	Tennis Court, fence, 10'	$20,160
195	Tennis Court, lights	$27,600
196	Bocce Ball Court, surface	$6
197	Bocce Ball Court, borders	$1
	Total Scheduled Replacements	$986,942

PROJECTED REPLACEMENTS

Item	2054 - YEAR 28	$
29	Irrigation controller	$30,000
37	Gate actuators	$18,000
38	Barrier arm, sensor eye, loop det.	$8,000
39	Key pad system, Liftmaster	$2,800
40	Gate video security (allowance)	$2,500
44	Reset CMU retaining wall (5%)	$164,300
80	Marble flooring	$70,760
153	Spa exhaust fan	$2,000
154	Fire alarm & suppression (allowance)	$20,000
155	Maintenance vehicle, kubota	$20,000
158	Tractor, John Deere	$20,216
183	Indoor Pool & Spa lighting	$3,750
206	Pickup truck	$16,000
207	Storage lot, building	$44,242
211	Pavement crack sealer	$3,000
	Total Scheduled Replacements	$425,568

Item	2055 - YEAR 29	$
91	Kitchen counter & cabinets	$11,250
128	Ballroom sound & video system	$40,000
166	Indoor Pool, quartz diamond bright	$33,000
167	Indoor Pool, waterline tile	$3,300
168	Indoor Pool, coping	$9,000
170	Indoor Spa, quartz diamond bright	$3,750
171	Indoor Spa, waterline tile	$1,100
172	Indoor Spa, coping	$3,000
193	Tennis Court, color coat	$2
200	Putting Green, rebuild	$26,000
201	Miscellaneous benches & tables (20%)	$2,000
202	Outdoor grill	$9,600
	Total Scheduled Replacements	$142,002

PROJECTED REPLACEMENTS

Item	2056 - YEAR 30	$
8	Asphalt path, seal coat	$11,850
9	Asphalt path, repair and overlay (1/3)	$38,710
10	Asphalt path, root trim (allowance)	$7,200
16	Reset pavers (20%)	$15,200
17	Repoint site & building masonry (10%)	$16,500
22	Entry fountain (repair allowance)	$5,500
23	Entry fountain pump, rebuild	$3,500
36	Entry gates, steel (25%)	$15,000
50	Dredge ponds (allowance)	$90,000
51	Front pond liner (5% repair allowance)	$12,000
53	Pond fountains	$28,000
54	Pond bubbles	$12,000
55	Air compressor	$2,400
56	Pond transfer pump	$5,000
57	Stormwater management, system (allowance)	$450,000
58	French drain (reconstruction)	$15,000
90	Ice maker	$1,800
92	Refrigerator	$3,200
93	Stove/oven with microwave hood	$1,800
94	Dishwasher & miscellaneous small equip.	$1,000
95	Card room, refurnish & refurbish	$40,000
96	Meeting room, refurnish & refurbish	$18,000
100	Restroom, refurbish	$13,000
102	Fitness room, flooring	$8,750
121	Medical life pack	$3,600
125	Stacking chairs	$50,000
134	Computers	$21,000
135	Security system computer	$4,500
136	Security cameras (allowance)	$5,000
143	Flat Panel TV, 36"	$2,700
144	Amp and miscellaneous (allowance)	$1,800
145	Gas furnace	$36,000
149	Energy recovery system (EVR)	$50,000
150	Hot water tank	$31,500
156	Plow	$2,200
160	Sprayer & pump, 100 gal	$2,400
176	Pool, Pond lining & pump	$3,250
177	Pump, 5-HP	$13,500
178	Pump, small	$6,000
185	Pool Lounge	$12,250
186	Patio Tables	$4,500
187	Chairs	$13,640
188	Umbrellas	$9,200
189	Refabric (exterior furniture)	$3,300
192	Tennis Court, nets	$900
199	Driving Cage, turf & net	$4,000
204	Irrigation pipe, valve, head (allowance)	$6,500
208	Pool Atrium, sliding doors	$72,800
212	Tractor Implements Backhow, Bucket, etc.	$10,000
214	Indoor pool, sundeck (coating)	$16,250
215	Hayward Conditioning system	$12,000
216	Indoor Pool (UV)	$5,000
217	Outdoor Pool, lights	$5,200
	Total Scheduled Replacements	$1,224,400

Item	2057 - YEAR 31	$
2	Asphalt Pvmt, Mill & Overlay, Entry	$546,350
18	Entry signs, structure and sign	$15,000
30	Foundation planting (allowance)	$3,500
41	Community entry gazebo	$5,000
78	Pool Atrium, roof, rebuild/reglaze/replace	$10,000
79	Carpet, vinyl & wood flooring	$79,200
82	Refurnish lobby	$80,000
120	Miscellaneous fitness equipment (30%)	$1,370
122	Multipurpose room, refurnish & refurbish	$19,500
123	Ballroom, refurnish & refurbish	$75,000
139	Facility audio & paging system	$3,600
140	Telephone system, VOIP	$10,000
141	Flat Panel TV, 80"	$9,600
142	Flat Panel TV, 48"	$1,200
152	Fulton boiler (3) pumps	$24,000
161	Main Pool, structure	$624,000
165	Indoor Pool, structure	$264,000
169	Indoor Spa, structure	$30,000
	Total Scheduled Replacements	$1,801,320

PROJECTED REPLACEMENTS

Item	2058 - YEAR 32	$
1	Asphalt Pavement, rejuvenate	$271,000
6	Full depth pavement (1% allowance)	$49,500
48	RW Railing, aluminum (20%)	$113,400
64	Storage Lot, pavement	$12,250
196	Bocce Ball Court, surface	$6
	Total Scheduled Replacements	$446,156

Item	2059 - YEAR 33	$
7	Concrete work (3%)	$33,600
12	Wooden bridge, railing	$5,060
13	Wooden bridge, PTL decking	$7,470
58	French drain (reconstruction)	$15,000
59	Water & Sanitary lines & Mains (allowance)	$80,000
121	Medical life pack	$3,600
130	Electric piano	$4,500
134	Computers	$21,000
138	Access control, entry doors & maglock (allow	$17,000
180	Pool heaters	$10,000
189	Refabric (exterior furniture)	$3,300
	Total Scheduled Replacements	$200,530

PROJECTED REPLACEMENTS

Item	2060 - YEAR 34	$
70	CH Shutters, vinyl	$2,400
72	CH Window film	$15,070
87	Cafe, refurnish & refurbish	$45,000
193	Tennis Court, color coat	$2
209	AC Compressor, 5 ton	$24,000
	Total Scheduled Replacements	$86,472

Item	2061 - YEAR 35	$
24	Entry fountain pump, replace & repipe	$10,500
26	Landscape lighting, ground, bollard, post	$15,000
54	Pond bubbles	$12,000
55	Air compressor	$2,400
56	Pond transfer pump	$5,000
84	Refurnish library	$8,250
85	Refurbish library	$13,750
108	Leg extension	$6,500
109	Seated leg curl	$5,000
110	Seated leg press	$6,500
111	Deltoid raise	$2,420
112	Vertical bench press	$2,420
113	Lat pull down	$2,100
114	Lat row	$2,340
115	Biceps arm curl	$2,200
116	Tricep extension	$2,200
117	Abdominal 250	$2,340
118	Straight line smith press	$2,390
119	Flat to incline with wheel	$2,400
135	Security system computer	$4,500
136	Security cameras (allowance)	$5,000
143	Flat Panel TV, 36"	$2,700
144	Amp and miscellaneous (allowance)	$1,800
156	Plow	$2,200
157	Turf Tiger mower	$12,000
159	Water tank/trailer, 300 gal	$3,000
160	Sprayer & pump, 100 gal	$2,400
178	Pump, small	$6,000
188	Umbrellas	$9,200
192	Tennis Court, nets	$900
199	Driving Cage, turf & net	$4,000
204	Irrigation pipe, valve, head (allowance)	$6,500
210	AC Compressor, 3 ton	$6,000
	Total Scheduled Replacements	$171,910

PROJECTED REPLACEMENTS

Item	2062 - YEAR 36	$
8	Asphalt path, seal coat	$11,850
9	Asphalt path, repair and overlay (1/3)	$38,710
10	Asphalt path, root trim (allowance)	$7,200
14	Steel bridge, structure	$72,000
15	Steel bridge, IPE decking	$5,280
16	Reset pavers (20%)	$15,200
29	Irrigation controller	$30,000
30	Foundation planting (allowance)	$3,500
58	French drain (reconstruction)	$15,000
61	Maintenance Shed, siding & trim	$6,840
66	Storage Lot, gate	$7,500
67	CH Shingle roof	$121,500
103	Treadmill	$37,000
104	Elliptical trainer	$28,000
105	Recumbent bike	$18,000
106	Upright bike	$9,600
107	Rower	$4,400
120	Miscellaneous fitness equipment (30%)	$1,370
121	Medical life pack	$3,600
132	Office, refurnish & refurbish	$12,000
133	Front desk, refurbish	$2,200
134	Computers	$21,000
141	Flat Panel TV, 80"	$9,600
142	Flat Panel TV, 48"	$1,200
146	AC Compressor, split	$24,000
147	AC Compressor, 5 ton	$32,000
148	AC Compressor, 3 ton	$30,000
151	Dectron dehumidifier & pump	$80,000
162	Main Pool, whitecoat	$88,400
163	Main Pool, waterline tile	$6,600
164	Main Pool, coping	$18,000
189	Refabric (exterior furniture)	$3,300
213	Filter	$1,800
	Total Scheduled Replacements	$766,650

Item	2063 - YEAR 37	$
79	Carpet, vinyl & wood flooring	$79,200
82	Refurnish lobby	$80,000
83	Refurbish lobby	$40,000
129	Ballroom portable stage	$6,500
196	Bocce Ball Court, surface	$6
197	Bocce Ball Court, borders	$1
198	Bocce Ball Court, trellis	$11,040
203	Asphalt pavement, mill & overlay, parking	$238,794
	Total Scheduled Replacements	$455,541

PROJECTED REPLACEMENTS

Item	2064 - YEAR 38	$
1	Asphalt Pavement, rejuvenate	$271,000
6	Full depth pavement (1% allowance)	$49,500
40	Gate video security (allowance)	$2,500
49	RW Railing, aluminum (20%)	$113,400
137	Security entry pad system, 6 points	$16,000
155	Maintenance vehicle, kubota	$20,000
158	Tractor, John Deere	$20,216
206	Pickup truck	$16,000
218	Storage Lot, building roof	$4,800
219	Storage Lot, overhead doors	$5,400
	Total Scheduled Replacements	$518,816

Item	2065 - YEAR 39	$
7	Concrete work (3%)	$33,600
58	French drain (reconstruction)	$15,000
121	Medical life pack	$3,600
128	Ballroom sound & video system	$40,000
134	Computers	$21,000
166	Indoor Pool, quartz diamond bright	$33,000
167	Indoor Pool, waterline tile	$3,300
168	Indoor Pool, coping	$9,000
170	Indoor Spa, quartz diamond bright	$3,750
171	Indoor Spa, waterline tile	$1,100
172	Indoor Spa, coping	$3,000
180	Pool heaters	$10,000
189	Refabric (exterior furniture)	$3,300
190	Tennis Court, resurface/overlay	$12
193	Tennis Court, color coat	$2
200	Putting Green, rebuild	$26,000
201	Miscellaneous benches & tables (20%)	$2,000
202	Outdoor grill	$9,600
	Total Scheduled Replacements	$217,264

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SECTION D - CONDITION ASSESSMENT

General Comments. MillerDodson Associates conducted a Reserve Study at A Sample Homeowner's Association in January 2025. A Sample Homeowner's Association appears to be generally in ???? condition for a homeowner's association constructed between 2021 and 2022. A review of the Replacement Reserve Inventory will show that we anticipate 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. MillerDodson 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)

BUILDING SYSTEMS

Entry Monument and Signage. The Association maintains an entry monument. The monument is made of stone and wood that are in good condition. We recommend repointing and replacement of defective areas of the masonry as needed. The Association may want to consider applying a coat of Siloxane or other appropriate breathable sealant to mitigate water penetration and further degradation of the masonry work. For additional information, please see the appropriate links on our web site at http://mdareserves.com/resources/links/building-exterior. A portion of the monument is made of wood. In order to keep the monument fresh and appealing, we recommend replacement every 15 to 20 years. In addition to the monuments, the Association is responsible for the community's signage including stop, speed, street, and other major signs. Other small miscellaneous signs are not considered in this study and should be replaced using other funds.

Asphalt Pavement. The Association is responsible for the roadways and parking areas except for the alley ways within the community; other roadways are maintained by the City, County, or other municipality. In general, the Association's asphalt pavements are in good to fair condition, with minor cracking.

The Association maintains an inventory of asphalt pavement along the following streets and areas:

Street	Sq Ft
Street 1	223000
Street 2	341500
Street 3	341500
Street 4	341500
Total	1247500

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.

In order to maintain the condition of the pavement throughout the community and to ensure the longest life of the asphalt, we recommend a systematic and comprehensive maintenance program that includes:

- **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 products are simply paints. 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.

Lastly, the resource links provided on our website may provide insight into the general terms and concerns, including maintenance related advantages and disadvantages, which may help the Association better manage the asphalt pavements throughout the community: http://mdareserves.com/resources/links/site-components.

Concrete Work. The concrete work includes the community curbs, sidewalks, concrete pads and other flatwork. We have modeled for curb replacement when the concrete flatwork is replaced. The overall condition of the concrete work is good to poor with a few tripping hazards and poor patching of the curbs.

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

Stone Steps. The community has several sets of exterior steps that are of stone construction. The general condition of the steps is good to fair with a number of defects.

The defects noted include the following:

- Failed Mortar Joints. A number of the mortar joints between the stones have failed and are in need of repointing.
- Cracks. Movement of the base material under the bricks has resulted in the development of cracks in a number of the stone steps.
- Settlement. We noted some locations where steps have settled, creating uneven surfaces that pose a trip hazard.

Because it is highly unlikely that all of the community's stone steps will fail and require replacement in the period of the study, we have programmed funds for the incremental repointing of the inventory and spread those funds over an extended timeframe to reflect the incremental nature of this work.

Exterior Wood Stairs. The exterior stairs consist of wood treads and landings with wood stringers. The stairs are in good condition.

The wood in the exterior stairs expands and contracts with changes in temperature and moisture levels within the wood, leading to cracks. Untreated, these cracks will expand and can lead to the development of rot within the wood.

It is recommended that the Association inspect all stairs at least once each year. All areas with moderate cracking or rot should be replaced. Areas covered with mold should be cleaned and treated.

Retaining Walls. The Association maintains several stone and segmental block retaining walls. The retaining walls are in good condition.

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.

Stone walls can have an extended useful life of 80 years or more, and if stable, may only require periodic repointing and localized repair. Repoint is the process of raking out defective masonry joints and tooling in new mortar into the joints. Properly mortared and tooled joints will repel the weather and keep water from penetrating the wall. Siloxane or other breathable sealants should be considered to provide additional protection to the wall from water penetration. This study assumes that repointing will be performed incrementally as needed.

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.

When and if it becomes necessary to replace these walls, we recommend the Association consider one of the segmental block retaining wall systems. These systems are very low maintenance. If over time the wall experiences movement, sections of the walls can be re-stacked at a very small portion of the cost of a new wall. Segmental block retaining walls can have a service life of 80 years or more. As a general source of information about retaining walls, we offer several links from our website at http://mdareserves.com/resources/links/site-components.

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.

Fencing. The Association maintains wood, aluminum and chain-link fencing that is in generally good condition. Fencing systems have a large number of configurations and finishes that can usually be repaired as a maintenance activity by replacing individual components as they become damaged or weathered.

Protection from string machine damage during lawn maintenance can extend the useful life of some fence types. Protection from this type of damage is typically provided by applying herbicides around post bases or installing protective sheathing.

Pressure treated wood fencing should be cleaned and sealed every year or two. Typically the least cost fencing option, this type of fence can last 15 to 20 years if maintained properly.

Aluminum fencing can have a useful life of 40 years or more. Periodic cleaning and touch-up painting may be required to keep the fence attractive.

Chain link fencing can have a useful life of 40 years or more. Periodic weed control may be required to protect and maintain the fence.

For more information on fencing, visit our website link to the American Fence Association.

Mailboxes. The cluster mailboxes located in the community are in good condition. Mailboxes should be maintained to the extent that all mail slot doors remain intact and hinges and locks remain operable. Our replacement estimate assumes that these units will be replaced with fiberglass or composite units. We have provided for the repointing of the stone structure.

Ponds. The community is served by two feature ponds. The ponds are lined with a membrane that is reported to be leaking. The pond is fed by a well and the water is used for irrigation in the common areas. We have provided for the replacement of the pumps and membrane. Keeping the ponds clean is a maintenance function and not included in the analysis.

Based on our understanding, we recommend the following:

- Periodically remove accumulated debris and vegetation growing in and around the ponds.

- Survey the ponds 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 short lists 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.

Building Roofing. The clubhouse is roofed in a green roof product that has a recall for product failure. Roof is not expected to last for normal life and we have programmed replacement accordingly with a 25-year asphalt roof product.

Asphalt shingle roofs can have a useful life of 20 to 50 years depending on the weight and quality of the shingle. Weathered, curled, and missing shingles are all indications that the shingles may be nearing the end of their useful life. Access to the roof was not provided at the time of inspection. Annual inspections are recommended, with cleaning, repair, and mitigation of vegetation performed as needed.

Access, inspection, and repair work should be performed by contractors and personnel with the appropriate access equipment 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 web site at http://mdareserves.com/resources/links/building-exterior.

Gutters and Downspouts. The buildings has aluminum gutters and downspouts. The gutters and downspouts are in good condition.

A gutter and downspout system will remove rainwater from the area of the building roof, siding, and foundation. This will protect building's exterior surfaces from water damage. Gutters should run the full length of all drip edges of the building roof. Even with full gutters, it is important to inspection the function of the gutters during heavy rain to identify any deficiencies. It may be necessary to periodically adjust the slope of sections, repair connections, replace hangers, and install shrouds to the gutters. Downspouts should be securely attached to the side of the structure. Any broken straps should be replaced. The area of the outlet should be inspected to promote run-off in the desired direction. Long straight runs should have an elbow at the bottom. Splash blocks should be installed to fray the water out-letting from the downspout.

It is recommended that all gutters be cleaned at least twice each year. If there are a large number of trees located close to a building, consider installing a gutter debris shield that will let water into the gutters but will filter out leaves, twigs, and other debris.

Siding and Trim. The exterior of the clubhouse is clad in cementitious and stone veneer siding and trim. The siding and trim materials are in generally good condition.

Wooden exterior materials are typically repaired as needed during normal painting cycles. Painting cycles for wooden exteriors vary between five and ten years depending on the grade of wood and the quality of the materials and finish work. In this study, we have modeled for incremental wood material replacement to coincide with the painting cycle of the facility.

Cementitious materials typically have an extended useful life and require repainting and recaulking every 10 to 15 years. Following the manufacturer's recommendations for cleaning, painting, and caulking, we expect cementitious products to have a useful life of 50 years or more.

Stone masonry is used as the main exterior cladding of the building. As masonry weathers, the mortar joints will become damaged by water penetration. As additional water gains access to the joints, repeated freeze-thaw cycles gradually increase the damage to the mortar joints. If allowed to progress, even the masonry units such as brick, block, and stone can have their surfaces affected and masonry units can become loose.

In general, masonry is considered a long-life item and is therefore excluded from reserve funding. However, because weather and other conditions result in the slow deterioration of the mortar in masonry joints, we have included funding in this study for repointing. Repointing is the process of raking and cutting out damaged sections of mortar and replacing them with new mortar.

Periodic repointing and local replacement of damaged masonry units will limit the damage done by moisture penetration. For this study, we assume that 10% of the masonry will require repointing every 10 years after approximately 30 years. For additional information about masonry and repointing, please view the relevant links at http://mdareserves.com/resources/links/building-exterior.

Windows and Doors. The Association is responsible for the common windows and exterior doors of the clubhouse and the individual owners are responsible for the windows and doors attributed to their unit. The windows and doors are in generally good condition.

Window and door units play an integral part in a facility's overall comfort, efficiency, and energy use. The quality of the installed units and the care taken in their installation and maintenance are major factors in their effectiveness and useful life. These units can have a useful life of 20 to 35 years or more depending on their use and other factors mentioned above.

In general, we recommend coordinating the replacement of these units with other exterior work, such as siding and roof replacements. The weather tightness of the building envelope often requires transitional flashing and caulking that should be performed in coordination with each other. Warranties and advantages in 'economy of scale' can often result in lower overall replacement costs and results that are more reliable. Lastly, coordinated replacements offer the opportunity to correct initial construction defects and improve the effectiveness of details with improved construction techniques and materials.

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

Building Access. The building and pool area are an access-controlled facility with electrically operated doors activated by key fobs. The system is reported to be operating normally.

Systems of this type typically have a service life of 15 to 20 years. Beyond that point, it becomes increasingly difficult to find replacement parts. Additionally, changes in technology help render the systems obsolete. For these reasons, we have assumed a service life of 15 years for this type of system.

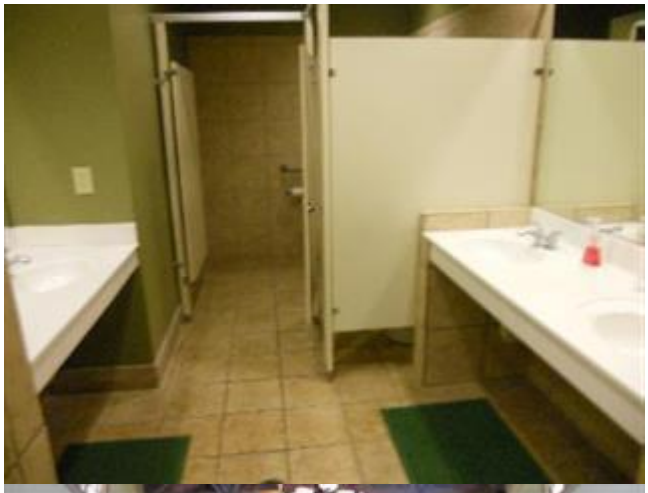
Decks/landings. The Association maintains the decks and landings at the clubhouse. The wooden deck structures are in good condition, with the synthetic decking in good condition and the metal railings in good condition.

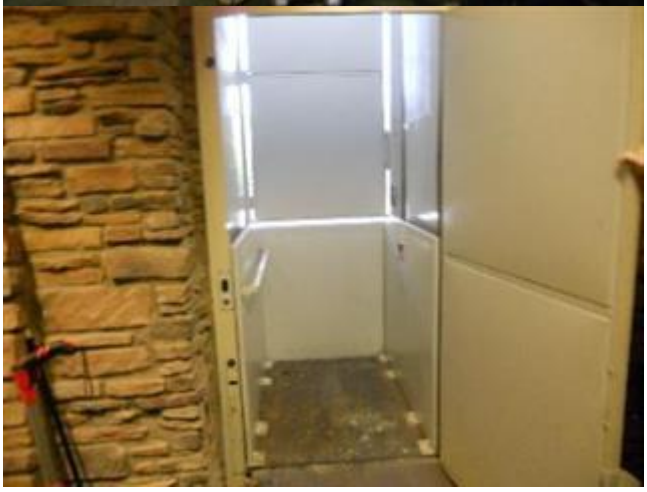
We recommend for the Association implement an annual inspection and power-washing program. Installation of carpet or other water trapping coverings should be prohibited and potted plants should be placed on raised feet to allow for proper air circulation and drying.

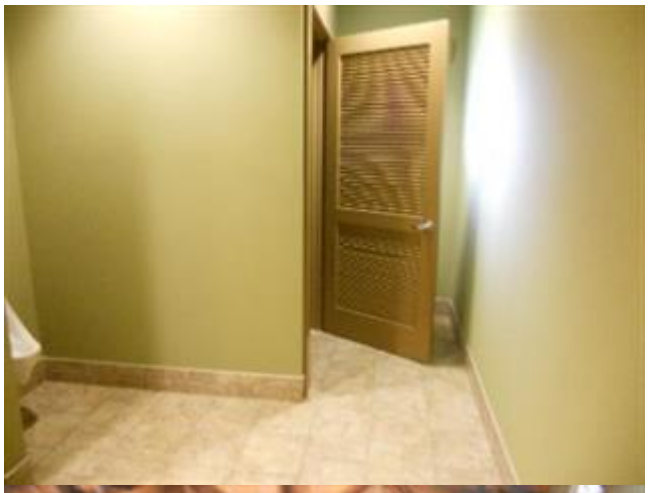
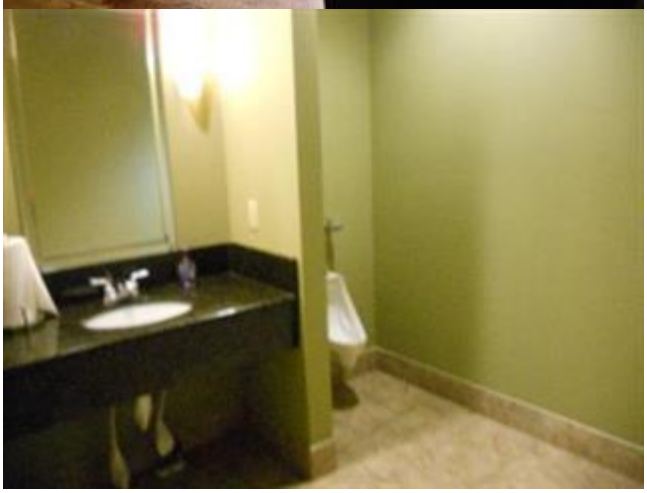
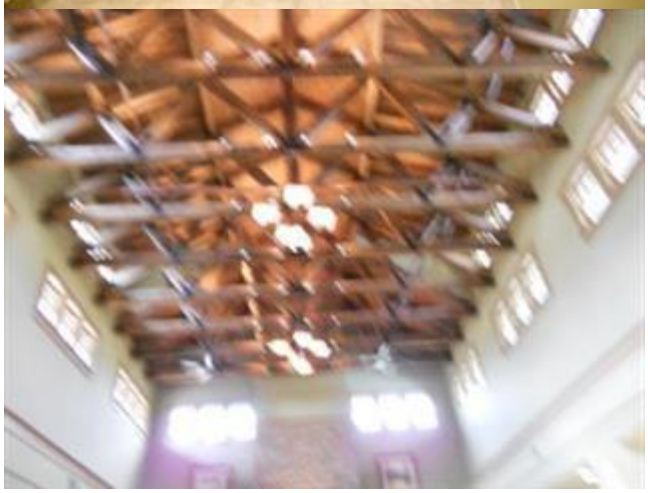
Please note that your State or local jurisdiction may have specific requirements for deck and balcony inspections, such as the recently enacted Maryland HB 947 (Jonathan's Law). This level of inspection is beyond the scope of work for this Reserve Study.

Club House Contents. The inventory of the Club House contents is as comprehensive as practical and includes the furniture, fixtures and equipment that were noted during the site visit. Items have been programmed for replacement based upon the normal economic life and with a value that is comparable to the existing components. The wood trim and interior doors in the club house are excluded as a long-lived item as these typically do not wear out.

Restrooms. The two restrooms and two locker rooms in the Club House are in good condition. We have provided an allowance for the renovation of all four rooms.





Elevator. The Association maintains a handicap lift that services three levels to include the pool level. The lift appears to be in good operating condition

Split and Package HVAC Systems. The heating ventilation and air conditioning (HVAC) of the facility are reported to be in good operating condition. Detailed inspection and testing of these systems is beyond the scope of this study.


The Association maintains a number of HVAC systems that use one of the new generation refrigerants. Unlike the old R22 refrigerant, the new refrigerants are expected to be available throughout the period of this study. However, the operating pressure for new refrigerant systems is approximately twice as high as older systems. Many of the standard components have not been redesigned for these higher pressures, including the coils, which generally fail due to metal fatigue.

Even though manufacturers continue to predict 15 to 20-year life cycles for HVAC equipment that use these new refrigerants, this is not proven by historical data. We therefore recommend anticipating a normal economic life of 15 years for all HVAC equipment that uses pressurized refrigerants of these types.

In addition, the Association maintains air handlers/furnaces throughout the facility, and these components can have a useful life of 20 to 40 years. With fan, motor, and coil replacements performed as needed, the casings of these systems can last significantly longer.

As is the case with most equipment, to achieve a maximum useful economic life, proper maintenance is essential. In some cases, proper and proactive maintenance can greatly extend the useful life of these components.

Fire Safety Systems. The building is fitted with a fire safety system that includes sprinklers and alarms, and these are reported to be operating normally.? Testing and inspection of fire safety systems are not included in this study.

Sprinkler pipe systems have a wide variety of configurations and requirements depending on their age, condition, and jurisdictional location.? Specific county and municipal codes can make a significant difference on what your facility's specific requirements may be.

Building fire alarm systems have a service life of 15 to 25 years.? While the panels may continue to operate past this point, changes in fire safety technology and building fire safety codes tend to render them obsolete.? In addition, manufacturers only support their systems for a limited period, typically about 15 years.? After this time, it may be increasingly difficult to obtain replacement parts and service.? When it becomes necessary to upgrade the fire alarm system, differences in the technologies and new code requirements are likely to require upgrades in lighting, sensors, alarms, and other system and sub components.

For wet and dry pipe systems, we have assumed that these are long life components and will not require whole scale replacement. It is imperative however for these pipes to be properly drained or for the water to be properly conditioned. Other components such as heads, gauges, and valves are assumed normal maintenance items and are therefore excluded from the study.

We recommend having your entire fire safety system inspected and evaluated by a professional in this field who is familiar with your area of the country.? In addition, a comprehensive preventative maintenance program will ensure the maximum possible useful life from these components, and a qualified professional will be able to help in setting up and implementing such a program.

Your local CAI chapter may have a service provider list on their web site that may refer you to a local fire and life safety consultant. As an alternative, please contact our office and we will provide recommendations.

As a preliminary estimate, we have provided an allowance every 15 years for the major repair and upgrade of the fire safety systems.? A detailed evaluation of the facility's fire safety system should include an estimate of reserve funding for these components and this funding estimate should be incorporated in the next reserve study update.? Inspections and annual maintenance work are not accounted for or included in this study.

Swimming Pool. The community operates an outdoor pool and wading pool of concrete construction. Listed below are the major components of the pool facilities:




- Pool Shell. The shell for the swimming pool is in good condition.
- Pool Deck. The pool has a concrete and pavers deck. The overall condition of the deck is good.
- Pool Deck Coating. The concrete pool deck is coated. The coating is in fair condition. We have assumed a service life for the coating of ten years.
- Whitecoat. The pool whitecoat is in good condition. We have assumed a service life of eight to ten years for the pool whitecoat.
- Waterline Tile. The waterline tile is in good condition. We have assumed that the waterline tile will be replaced or restored when the pool is whitecoated.
- Coping. The pool is edged with masonry coping. The coping is in good condition.
- Pump and Filter System. The filter system is in fair operating condition.
- Pool Fence. The swimming pool is enclosed by a metal fence that is in good condition.

Tot Lots. The community maintains a tot lot. The tot lot includes play structures, miscellaneous play equipment, synthetic borders, and a wood chip surface. The facility is in generally good condition. The wood chip surface is displaced or missing or does not appear to be adequate.

The safety of each individual piece of playground equipment as well as the layout of the entire play area should be considered when evaluating a playground for safety. The installation and maintenance of the protective surfacing under and around all equipment is crucial. Please note that the evaluation of the equipment and these facilities for safety is beyond the scope of this work.

Information for playground design and safety can be found in the Public Playground Safety Handbook, U.S. Consumer Product Safety Commission (Pub Number 325). For a link to this handbook, please see our web site at www.mdareserves.com/resources/links/recreation.

Our estimates for playground equipment are based on comparing photos of the existing equipment with equipment of a similar size in manufacturers' catalogs. We use the pricing that is quoted by manufacturers for comparable equipment and add 30% for the disposal of the old equipment and installation of new equipment.

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

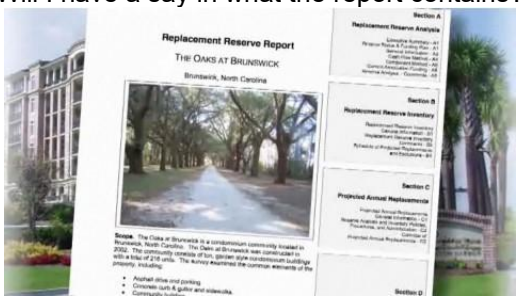
What is my role as a community Board Member?
Will a Reserve Study meet my needs?

https://youtu.be/aARD1B1Oa3o

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

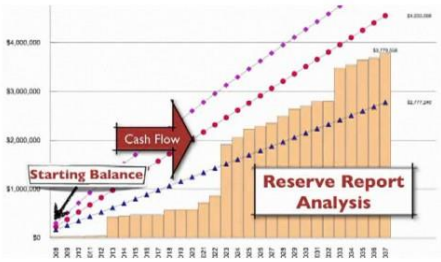
https://youtu.be/diZfM1IyJYU

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?

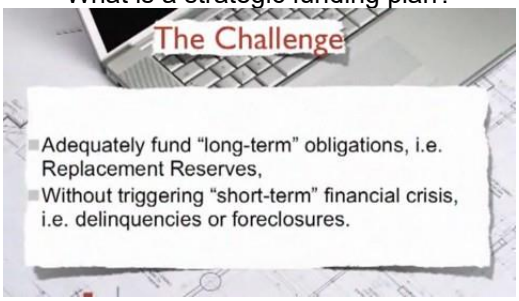


https://youtu.be/SePdwVDvHWI

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