

# LEVEL 2 REPLACEMENT RESERVE REPORT FY 2024 WILLOW GLEN ESTATES AT BEAU RIVAGE



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WILLOW GLEN ESTATES AT BEAU RIVAGE

Community Management by:

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# REPLACEMENT RESERVE REPORT

## WILLOW GLEN ESTATES AT BEAU RIVAGE

WILMINGTON, NORTH CAROLINA  
November 09, 2023



**Description.** Willow Glen Estates at Beau Rivage is a homeowner's association located in Wilmington, North Carolina. Constructed in 2007, the community consists of 133 single-family homes, a club house, an outdoor swimming pool, and a pump house. The survey examined the common elements of the property, including:

- Entry Monument, Entry Gate, All Roadways, and Parking Areas
- Curb and Gutter
- Sidewalks
- Fencing, Retaining Walls, and Mailbox Clusters
- Stormwater Management and Pond
- Exterior Main Pool and Pump House
- Building Exteriors, Interiors, and Systems

### EXECUTIVE SUMMARY

This Reserve Study has been prepared for the Willow Glen Estates at Beau Rivage for the Fiscal Year 2024 covering the period from January 1, 2024 to December 31, 2024. The Replacement Reserves Starting Balance as of January 1, 2024 is proposed to be \$188,262. The reported Current Annual Funding for Reserves is \$56,700. The Recommended Annual Reserve Funding level for 2024 is \$79,788.

The increase in the Recommended Annual Funding level shown above is due, in part, to the current high rate of inflation in today's construction industry which is pushing replacement costs higher.

Please note that the Reserve Study shows, on Graph #1, Page A.1, that the Current Reserve Funding level is adequate to fund the near-term replacements. However, we recommend that the Association increase the Recommended Reserve Funding level soon in order to fund all future replacements. 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.

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The next step in the Reserve Study process is for the Board to carefully review the Component Inventory (Section B) to make sure that all included components are the responsibility of the Association, and that the priorities and the timing of the replacement are in keeping with the goals and objectives of the Community.

If, after that review, the Reserve Study still recommends a substantial increase in the Annual Reserve Funding, MillerDodson prepared to work with the Board to develop a Strategic Funding Plan at an additional cost. Strategic Funding Plans allow a ramp-up of the Funding levels incrementally to (hopefully) avoid a single significant increase.

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 2 Update with Site Visit/On-Site Review as defined by the Community Associations Institute's, National Reserve Study Standards. As such, the component inventory is based on the study that was performed by MillerDodson for FY 2020. This inventory was adjusted to reflect changes provided by the Community Manager and/or the Board of Directors, or adjustments made based on the site visit and visual assessment performed by the Analyst. The analysis, including fund status and funding plan, is developed from the adjusted 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 web site at [mdareserves.com](http://mdareserves.com).

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

- **Inventory of Items Owned by the Association.** Section B lists the Projected Replacements of the commonly owned items that require periodic replacement using funding from Replacement Reserves. The Replacement Reserve Inventory also provides information about excluded items, which are items whose replacements are not scheduled for funding from Replacement Reserves.
- **Condition of Items Owned by the Association.** Section B includes our estimates of the normal economic life and the remaining economic life for the projected replacements. Section C provides a year-by-year listing of the projected replacements. Section D provides additional detail for items that are unique or deserving of attention because of their condition or the manner in which they have been treated in this study.
- **Financial Plan.** The Association has a fiduciary responsibility to protect the appearance, value, and safety of the property and it is therefore essential the Association have a financial plan that provides funding for the projected replacements. In conformance with American Institute of Certified Public Accountant guidelines, Section A, Replacement Reserve Analysis evaluates the current funding of Replacement Reserves as reported by the Association and recommends annual funding of Replacement Reserves by the Cash Flow Method. Section A, Replacement Reserve Analysis includes graphic and tabular presentations of the reported current funding and the recommended funding based on the Cash Flow Method. An Executive Summary of these calculations is provided on Page A1.

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

- The Request for Proposal submitted and executed by the Association.
- Miller+Dodson performed a visual evaluation on September 25, 2023 to determine a remaining useful life and replacement cost for the commonly owned elements of this facility.
- This study contains additional recommendations to address inflation for the Cash Flow Method only. For this recommendation, Miller+Dodson 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, Miller+Dodson can provide scanning services.

**Acknowledgment.** Miller+Dodson Associates would like to acknowledge the assistance and input of Katelyn Smith, Community Manager and Trish Whetham, Member at Large who provided very helpful insight into the current operations of the property.

**Analyst's Credentials.** **Mr. John W. Roberts** has over 40 years of experience as a Class "A" General Contractor, home builder and real estate developer in Virginia, Maryland and Washington, DC, having managed the construction of residential, commercial and development projects totaling in excess of \$450 million. Mr. Roberts has been the Owner's Representative for clients such as Prudential Insurance – Real investment and Hilton Hotels. He has provided expert witness testimony for client litigation. Mr. Roberts is Managing Member of Archer Enterprises, LLC, providing consultation services to the real estate development industry.

Respectfully Submitted,

**millerdodson**  
CAPITAL RESERVE CONSULTANTS

*John Roberts*  
John Roberts Sr

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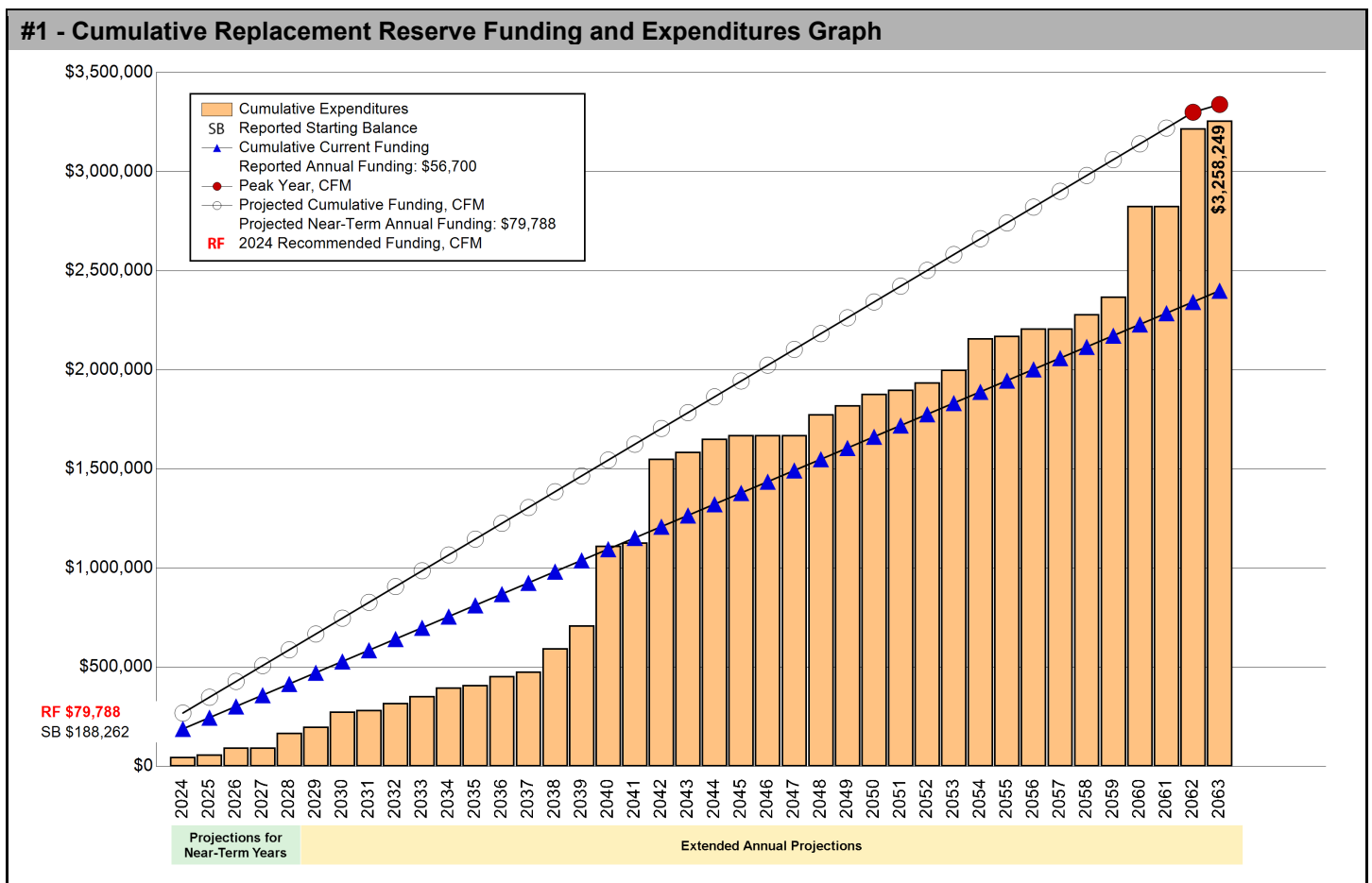
## SECTION A - FINANCIAL ANALYSIS

The Willow Glen Estates at Beau Rivage Replacement Reserve Analysis uses the Cash Flow Method (CFM) to calculate Replacement Reserve funding for the periodic replacement of the 63 Projected Replacements identified in the Replacement Reserve Inventory.

**\$79,788** RECOMMENDED REPLACEMENT RESERVE FUNDING FOR THE STUDY YEAR, 2024  
\$49.99 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.

Willow Glen Estates at Beau Rivage reports a Starting Balance of \$188,262 and Annual Funding totaling \$56,700, which is inadequate to fund projected replacements starting in 2040. See Page A.3 for a more detailed evaluation.



The increase in the Recommended Annual Funding level shown above is due, in part, to the current high rate of inflation in today's construction industry which is pushing replacement costs higher.

Please note that the Reserve Study shows, on Graph #1, Page A.1, that the Current Reserve Funding level is adequate to fund the near-term replacements. However, we recommend that the Association increase the Recommended Reserve Funding level soon in order to fund all future replacements. 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.

The next step in the Reserve Study process is for the Board to carefully review the Component Inventory (Section B) to make sure that all included components are the responsibility of the Association, and that the priorities and the timing of the replacement are in keeping with the goals and objectives of the Community.

**REPLACEMENT RESERVE ANALYSIS - GENERAL INFORMATION**

The Willow Glen Estates at Beau Rivage 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.

**2024 | 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, 2024.

**40 Years | STUDY PERIOD**

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

**\$188,262 | STARTING BALANCE**

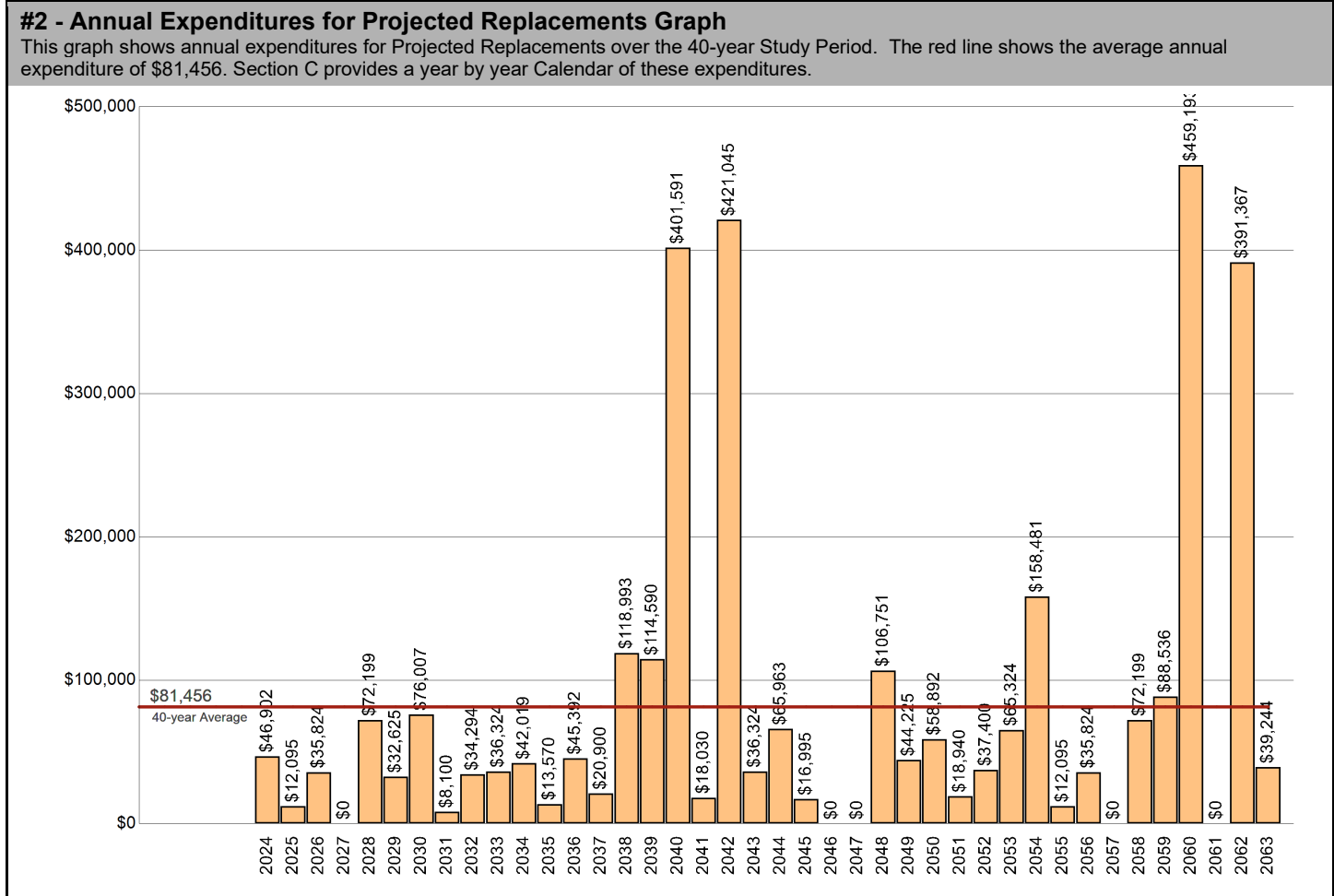
The Association reports Replacement Reserves on Deposit totaling \$188,262 at the start of the Study Year.

**Level Two | LEVEL OF SERVICE**

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

**\$3,258,249 | REPLACEMENT RESERVE INVENTORY - PROJECTED REPLACEMENTS**

The Willow Glen Estates at Beau Rivage Replacement Reserve Inventory identifies 63 items that will require periodic replacement, that are to be funded from Replacement Reserves. We estimate the cost of these replacements will be \$3,258,249 over the 40-year Study Period. The Projected Replacements are divided into 5 major categories starting on Page B.3. Pages B.1-B.2 provide detailed information on the Replacement Reserve Inventory.





**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 \$3,258,249 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.

<b>#3 - Table of Annual Expenditures and Current Funding Data - Years 1 through 40</b>										
Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Starting Balance	\$188,262									
Projected Replacements	(\$46,902)	(\$12,095)	(\$35,824)		(\$72,199)	(\$32,625)	(\$76,007)	(\$8,100)	(\$34,294)	(\$36,324)
Annual Deposit	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700
End of Year Balance	\$198,060	\$242,665	\$263,541	\$320,241	\$304,743	\$328,818	\$309,511	\$358,111	\$380,517	\$400,893
Cumulative Expenditures	(\$46,902)	(\$58,997)	(\$94,821)	(\$94,821)	(\$167,020)	(\$199,645)	(\$275,652)	(\$283,752)	(\$318,046)	(\$354,369)
Cumulative Receipts	\$244,962	\$301,662	\$358,362	\$415,062	\$471,762	\$528,462	\$585,162	\$641,862	\$698,562	\$755,262
<b>Year</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>	<b>2042</b>	<b>2043</b>
Projected Replacements	(\$42,019)	(\$13,570)	(\$45,392)	(\$20,900)	(\$118,993)	(\$114,590)	(\$401,591)	(\$18,030)	(\$421,045)	(\$36,324)
Annual Deposit	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700
End of Year Balance	\$415,574	\$458,704	\$470,012	\$505,812	\$443,520	\$385,630	\$40,739	\$79,409	(\$284,936)	(\$264,560)
Cumulative Expenditures	(\$396,388)	(\$409,958)	(\$455,350)	(\$476,250)	(\$595,243)	(\$709,833)	(\$1,111,424)	(\$1,129,454)	(\$1,550,498)	(\$1,586,822)
Cumulative Receipts	\$811,962	\$868,662	\$925,362	\$982,062	\$1,038,762	\$1,095,462	\$1,152,162	\$1,208,862	\$1,265,562	\$1,322,262
<b>Year</b>	<b>2044</b>	<b>2045</b>	<b>2046</b>	<b>2047</b>	<b>2048</b>	<b>2049</b>	<b>2050</b>	<b>2051</b>	<b>2052</b>	<b>2053</b>
Projected Replacements	(\$65,963)	(\$16,995)			(\$106,751)	(\$44,225)	(\$58,892)	(\$18,940)	(\$37,400)	(\$65,324)
Annual Deposit	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700
End of Year Balance	(\$273,823)	(\$234,118)	(\$177,418)	(\$120,718)	(\$170,768)	(\$158,293)	(\$160,485)	(\$122,725)	(\$103,425)	(\$112,049)
Cumulative Expenditures	(\$1,652,785)	(\$1,669,780)	(\$1,669,780)	(\$1,669,780)	(\$1,776,530)	(\$1,820,755)	(\$1,879,647)	(\$1,898,587)	(\$1,935,987)	(\$2,001,311)
Cumulative Receipts	\$1,378,962	\$1,435,662	\$1,492,362	\$1,549,062	\$1,605,762	\$1,662,462	\$1,719,162	\$1,775,862	\$1,832,562	\$1,889,262
<b>Year</b>	<b>2054</b>	<b>2055</b>	<b>2056</b>	<b>2057</b>	<b>2058</b>	<b>2059</b>	<b>2060</b>	<b>2061</b>	<b>2062</b>	<b>2063</b>
Projected Replacements	(\$158,481)	(\$12,095)	(\$35,824)		(\$72,199)	(\$88,536)	(\$459,193)		(\$391,367)	(\$39,244)
Annual Deposit	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700	\$56,700
End of Year Balance	(\$213,830)	(\$169,225)	(\$148,349)	(\$91,649)	(\$107,147)	(\$138,983)	(\$541,476)	(\$484,776)	(\$819,443)	(\$801,987)
Cumulative Expenditures	(\$2,159,792)	(\$2,171,887)	(\$2,207,711)	(\$2,207,711)	(\$2,279,909)	(\$2,368,445)	(\$2,827,638)	(\$2,827,638)	(\$3,219,005)	(\$3,258,249)
Cumulative Receipts	\$1,945,962	\$2,002,662	\$2,059,362	\$2,116,062	\$2,172,762	\$2,229,462	\$2,286,162	\$2,342,862	\$2,399,562	\$2,456,262

**EVALUATION OF CURRENT FUNDING**

The evaluation of Current Funding (Starting Balance of \$188,262 & annual funding of \$56,700), 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 63 Projected Replacements identified in the Replacement Reserve Inventory and that the Association will continue Annual Funding of \$56,700 throughout the 40-year Study Period.

Annual Funding of \$56,700 is approximately 71 percent of the \$79,788 recommended Annual Funding calculated by the Cash Flow Method for 2024, the Study Year.

See the Executive Summary for the Current Funding Statement.

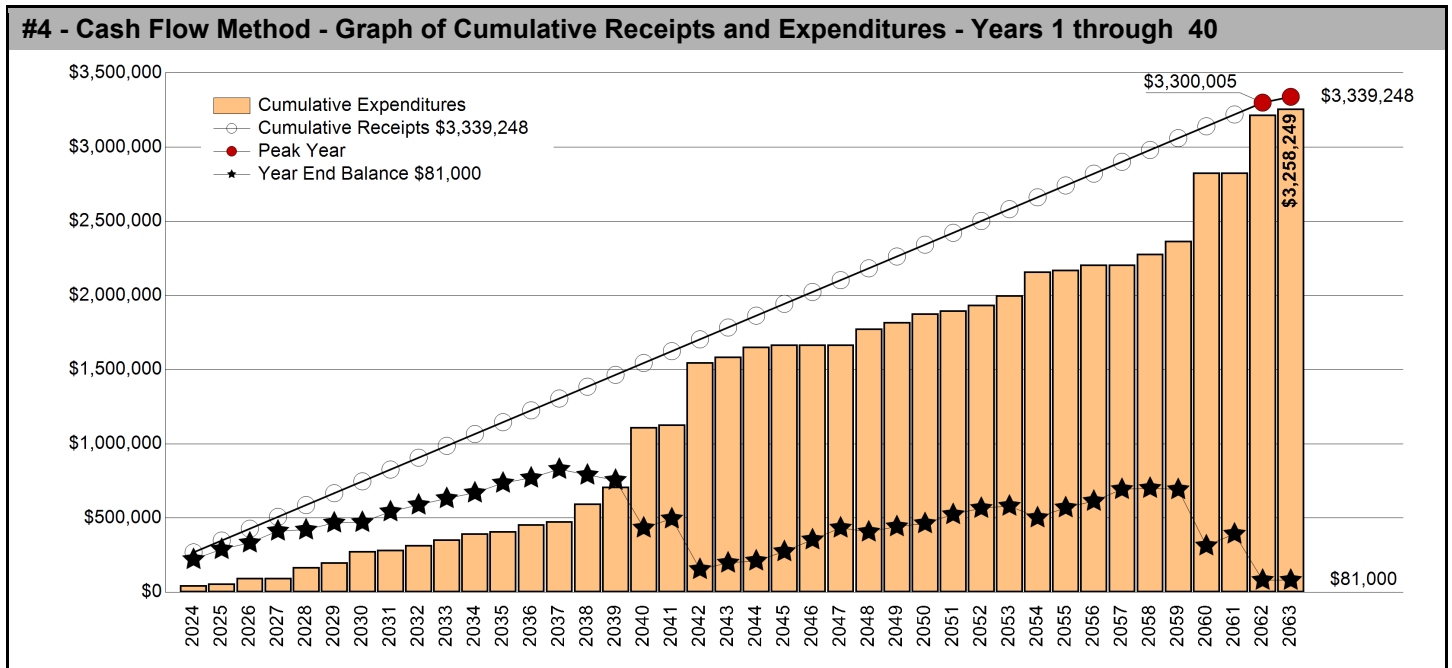
# CASH FLOW METHOD FUNDING

## **\$79,788** RECOMMENDED REPLACEMENT RESERVE FUNDING FOR 2024

\$49.99 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 2062 with Replacement Reserves on Deposit dropping to the Minimum Balance after the completion of \$3,219,005 of replacements from 2024 to 2062. Recommended funding is anticipated to decline in 2063. Peak Years are identified in Chart 4 and Table 5.
- Threshold (Minimum Balance).** The calculations assume a Minimum Balance of \$81,000 will always be held in reserve, which is calculated by rounding the 12-month 40-year average annual expenditure of \$81,456 as shown on Graph #2.
- Cash Flow Method Study Period.** Cash Flow Method calculates funding for \$3,258,249 of expenditures over the 40-year Study Period. It does not include funding for any projects beyond 2063 and in 2063, the end of year balance will always be the Minimum Balance.



Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Starting Balance	\$188,262									
Projected Replacements	(\$46,902)	(\$12,095)	(\$35,824)		(\$72,199)	(\$32,625)	(\$76,007)	(\$8,100)	(\$34,294)	(\$36,324)
Annual Deposit	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788
End of Year Balance	\$221,148	\$288,842	\$332,806	\$412,594	\$420,184	\$467,347	\$471,128	\$542,817	\$588,311	\$631,776
Cumulative Expenditures	(\$46,902)	(\$58,997)	(\$94,821)	(\$94,821)	(\$167,020)	(\$199,645)	(\$275,652)	(\$283,752)	(\$318,046)	(\$354,369)
Cumulative Receipts	\$268,050	\$347,839	\$427,627	\$507,415	\$587,203	\$666,992	\$746,780	\$826,568	\$906,357	\$986,145
Year	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Projected Replacements	(\$42,019)	(\$13,570)	(\$45,392)	(\$20,900)	(\$118,993)	(\$114,590)	(\$401,591)	(\$18,030)	(\$421,045)	(\$36,324)
Annual Deposit	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788
End of Year Balance	\$669,545	\$735,763	\$770,160	\$829,048	\$789,844	\$755,042	\$433,239	\$494,998	\$153,741	\$197,206
Cumulative Expenditures	(\$396,388)	(\$409,958)	(\$455,350)	(\$476,250)	(\$595,243)	(\$709,833)	(\$1,111,424)	(\$1,129,454)	(\$1,550,498)	(\$1,586,822)
Cumulative Receipts	\$1,065,933	\$1,145,721	\$1,225,510	\$1,305,298	\$1,385,086	\$1,464,875	\$1,544,663	\$1,624,451	\$1,704,239	\$1,784,028
Year	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Projected Replacements	(\$65,963)	(\$16,995)			(\$106,751)	(\$44,225)	(\$58,892)	(\$18,940)	(\$37,400)	(\$65,324)
Annual Deposit	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788
End of Year Balance	\$211,031	\$273,824	\$353,613	\$433,401	\$406,439	\$442,002	\$462,898	\$523,747	\$566,135	\$580,600
Cumulative Expenditures	(\$1,652,785)	(\$1,669,780)	(\$1,669,780)	(\$1,669,780)	(\$1,776,530)	(\$1,820,755)	(\$1,879,647)	(\$1,898,587)	(\$1,935,987)	(\$2,001,311)
Cumulative Receipts	\$1,863,816	\$1,943,604	\$2,023,392	\$2,103,181	\$2,182,969	\$2,262,757	\$2,342,546	\$2,422,334	\$2,502,122	\$2,581,910
Year	2054	2055	2056	2057	2058	2059	2060	2061	1st Peak - 2062	2nd Peak - 2063
Projected Replacements	(\$158,481)	(\$12,095)	(\$35,824)		(\$72,199)	(\$88,536)	(\$459,193)		(\$391,367)	(\$39,244)
Annual Deposit	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788	\$79,788
End of Year Balance	\$501,907	\$569,600	\$613,565	\$693,353	\$700,943	\$692,195	\$312,790	\$392,578	\$81,000	\$81,000
Cumulative Expenditures	(\$2,159,792)	(\$2,171,887)	(\$2,207,711)	(\$2,207,711)	(\$2,279,909)	(\$2,368,445)	(\$2,827,638)	(\$2,827,638)	(\$3,219,005)	(\$3,258,249)
Cumulative Receipts	\$2,661,699	\$2,741,487	\$2,821,275	\$2,901,064	\$2,980,852	\$3,060,640	\$3,140,428	\$3,220,217	\$3,300,005	\$3,339,248

## INFLATION ADJUSTED FUNDING

The Cash Flow Method calculations on Page A4 have been done in today's dollars with no adjustment for inflation. At Miller+Dodson, 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.

### **\$79,788** 2024 - CASH FLOW METHOD RECOMMENDED FUNDING

The 2024 Study Year calculations have been made using current replacement costs (see Page B.2), modified by the Analyst for any project specific conditions.

### **\$84,576** 2025 - INFLATION ADJUSTED FUNDING

A new analysis calculates the 2025 funding based on three assumptions:

- Replacement Reserves on Deposit totaling \$221,148 on January 1, 2025.
- All 2024 Projected Replacements listed on Page C.2 accomplished at a cost to Replacement Reserves less than \$46,902.
- Construction Cost Inflation of 6.00 percent in 2024.

The \$84,576 inflation adjusted funding in 2025 is a 5.99 percent increase over the non-inflation adjusted funding of \$79,788.

### **\$89,650** 2026 - INFLATION ADJUSTED FUNDING

A new analysis calculates the 2026 funding based on three assumptions:

- Replacement Reserves on Deposit totaling \$257,268 on January 1, 2026.
- All 2025 Projected Replacements listed on Page C.2 accomplished at a cost to Replacement Reserves less than \$12,185.
- Construction Cost Inflation of 6.00 percent in 2025.

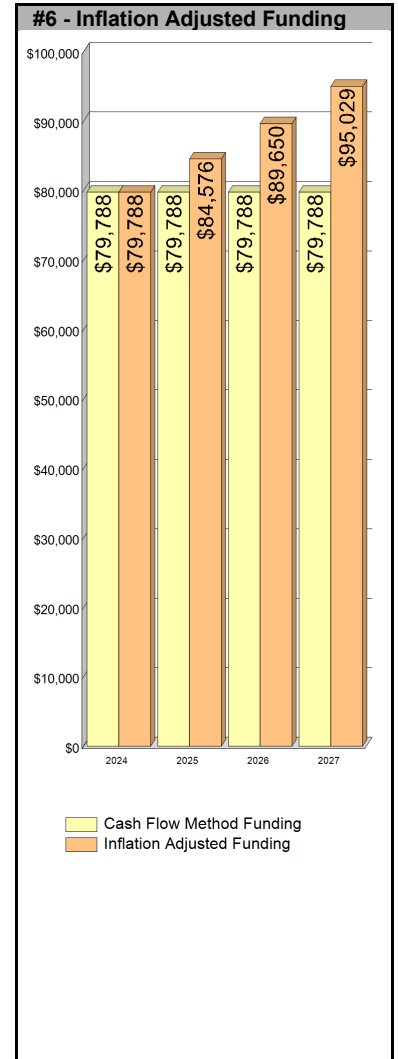
The \$89,650 inflation adjusted funding in 2026 is a 12.35 percent increase over the non-inflation adjusted funding of \$79,788.

### **\$95,029** 2027 - INFLATION ADJUSTED FUNDING

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

- Replacement Reserves on Deposit totaling \$238,495 on January 1, 2027.
- All 2026 Projected Replacements listed on Page C.2 accomplished at a cost to Replacement Reserves less than \$37,980.
- Construction Cost Inflation of 6.00 percent in 2026.

The \$95,029 inflation adjusted funding in 2027 is a 19.10 percent increase over the non-inflation adjusted funding of \$79,788.



### 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 2025, 2026 and 2027 inflation-adjusted funding calculations above, the 6.00 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 Miller+Dodson 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 2024, based on a 1.00 percent interest rate, we estimate the Association may earn \$2,047 on an average balance of \$204,705, \$2,392 on an average balance of \$239,208 in 2025, and \$2,479 on \$247,881 in 2026. The Association may elect to attribute 100 percent of the earned interest to Reserves, resulting in a reduction in the 2024 funding from \$79,788 to \$77,741 (a 2.56 percent reduction), \$84,576 to \$82,183 in 2025 (a 2.82 percent reduction), and \$89,650 to \$87,171 in 2026 (a 2.76 percent reduction).

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## SECTION B - REPLACEMENT RESERVE INVENTORY

- **PROJECTED REPLACEMENTS.** Willow Glen Estates at Beau Rivage - Replacement Reserve Inventory identifies 63 items which 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 \$1,574,321. Cumulative Replacements totaling \$3,258,249 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.

- **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:

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

**Value.** Items with a replacement cost of less than \$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 63 items included in the Willow Glen Estates at Beau Rivage Replacement Reserve Inventory are divided into 5 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 2 Update, as defined by the National Reserve Study Standards, established in 1998 by Community Associations Institute, which states:

*This study has been performed as a Level 2 Update with Site Visit/On-Site Review as defined by the Community Associations Institute's, National Reserve Study Standards. As such, the component inventory is based on the study that was performed by MillerDodson in 2020. This inventory was adjusted to reflect changes provided by the Community Manager and/or the Board of Directors, or adjustments made based on the site visit and visual assessment performed by the Analyst. The analysis, including fund status and funding plan, is developed from the adjusted inventory.*

## REPLACEMENT RESERVE INVENTORY - GENERAL INFORMATION (CONT'D)

- **INVENTORY DATA.** Each of the 63 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 63 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	Entrance monument, carved wood	sf	64	\$225.00	15	13	\$14,400	
2	Entrance monument, repoint masonry (10%	sf	32	\$10.00	10	10	\$320	
3	Vehicular entry gate, swing (20' x 6')	pr	2	\$8,250.00	10	8	\$16,500	
4	Vehicular entry swing actuator	ea	2	\$8,500.00	20	15	\$17,000	
5	Vehicular entry, entry system (DKS)	ea	1	\$6,500.00	15	13	\$6,500	
6	Vehicular entry, ground sensor	ea	1	\$1,100.00	20	18	\$1,100	
7	Acess gate	ea	1	\$4,500.00	45	43	\$4,500	
8	Pedestal mailbox	ea	7	\$2,500.00	25	20	\$17,500	
9	Asphalt pavement, mill and overlay (Ph. 1)	sf	145,295	\$2.45	20	18	\$355,973	
10	Asphalt pavement, seal coat (Ph. 1)	sf	145,294	\$0.25	5	4	\$36,324	
11	Asphalt pavement, mill and overlay (Ph. 2)	sf	42,380	\$2.45	20	16	\$103,831	
12	Asphalt pavement, seal coat (Ph. 2)	sf	42,380	\$0.25	5	1	\$10,595	
13	Concrete curb and gutter, mountable (6%	ft	640	\$42.00	6	none	\$26,880	
14	Concrete curb and gutter, mountable (6%	ft	254	\$42.00	6	2	\$10,668	
15	Wheel stops, concrete	ea	17	\$200.00	20	16	\$3,400	
16	Concrete flatwork (6% allowance) (Ph. 1)	sf	548	\$14.00	6	none	\$7,672	
17	Concrete flatwork (6% allowance) (Ph. 2)	sf	509	\$14.00	6	2	\$7,126	
18	Fence, 4' decorative aluminum	ft	400	\$52.00	45	30	\$20,800	
Replacement Costs - Page Subtotal							\$661,088	

COMMENTS
<ul style="list-style-type: none"> <li>Item #9: Asphalt pavement, mill and overlay (Ph. 1) - Extensive repairs were made to the Phase 1 streets, at the beginning of 2022. The streets were sealed on April 3, 2022. The streets now appear to be in very good condition, which is why the date for phase 1 milling and overlay has been updated to show 18 years Remaining Economic Life (REL).</li> </ul>

SITE ITEMS - (cont.)				NEL- Normal Economic Life (yrs)		REL- Remaining Economic Life (yrs)	
PROJECTED REPLACEMENTS							
ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NEL	REL	REPLACEMENT COST (\$)
19	Stormwater management (10% allowance)	ls	1	\$20,000.00	10	4	\$20,000
20	Stormwater pond dredging (allowance)	cy	2,819	\$95.00	20	16	\$267,805
21	Aeration fountain, 1hp	ea	1	\$7,500.00	10	6	\$7,500
Replacement Costs - Page Subtotal							\$295,305

COMMENTS



RECREATION ITEMS - SWIMMING POOL					NEL- Normal Economic Life (yrs)		REPLACEMENT COST (\$)
PROJECTED REPLACEMENTS					REL- Remaining Economic Life (yrs)		
ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NEL	REL	REPLACEMENT COST (\$)
22	Swimming pool, structure	sf	1,710	\$120.00	60	45	\$205,200
23	Swimming pool, whitecoat	sf	1,710	\$16.90	10	10	\$28,899
24	Swimming pool, waterline tile (6x6)	ft	180	\$12.00	10	6	\$2,160
25	Swimming pool coping, brick or paver	ft	180	\$45.00	20	7	\$8,100
26	Pool deck, concrete	sf	4,640	\$16.00	30	15	\$74,240
27	Pool deck, caulking (urethane)	ft	200	\$7.25	5	none	\$1,450
28	Fence, 4' decorative aluminum	ft	325	\$52.00	45	30	\$16,900
29	Pool pump (5 hp)	ea	1	\$4,500.00	15	none	\$4,500
30	Pool filter, sand (19")	ea	2	\$3,200.00	15	none	\$6,400
31	Pool furniture, lounge, vinyl strap	ea	21	\$350.00	10	4	\$7,350
32	Pool furniture, chair, vinyl strap	ea	26	\$175.00	10	4	\$4,550
33	Pool furniture, round table (36")	ea	7	\$225.00	10	4	\$1,575
34	Pool furniture, umbrella (7')	ea	6	\$400.00	10	4	\$2,400
Replacement Costs - Page Subtotal							\$363,724

COMMENTS
<ul style="list-style-type: none"> <li>Item #23: Swimming pool, whitecoat - This item has been given a full Remaining Economic Life (REL), because the whitecoat will be new as of January 1, 2024. The cost for this work is based upon the amount of the quote that was obtained from Aquatech Pool Management and rounded to the nearest nickel.</li> </ul>

EXTERIOR ITEMS - CLUB HOUSE BUILDING (CH)						NEL- Normal Economic Life (yrs)		REPLACEMENT COST (\$)
PROJECTED REPLACEMENTS						REL- Remaining Economic Life (yrs)		
ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NEL	REL	REPLACEMENT COST (\$)	
35	CH Roofing, asphalt shingles	sf	5,000	\$5.00	30	30	\$25,000	
36	CH Masonry (10% repointing allowance)	sf	300	\$12.00	10	6	\$3,600	
37	CH Siding and trim, cementitious	sf	750	\$20.00	50	35	\$15,000	
38	CH Column, PermaCast (10" round)	ft	96	\$85.00	45	30	\$8,160	
39	CH Window, stationary	sf	452	\$68.00	40	35	\$30,736	
40	CH Door, wood and glass (3' X 6'8")	ea	3	\$1,650.00	25	10	\$4,950	
41	CH Ceiling fan without light	ea	4	\$730.00	21	18	\$2,920	
42	CH Concrete ramp	sf	580	\$20.00	40	25	\$11,600	
43	CH Brick steps, repoint (6% allowance)	ls	1	\$1,000.00	10	5	\$1,000	
44	CH Wood walkway, PTL structure	sf	420	\$40.00	20	5	\$16,800	
45	CH Wood walkway, PTL decking	sf	420	\$14.00	15	2	\$5,880	
46	CH Wood steps, PTL closed riser	ft	45	\$75.00	20	5	\$3,375	
47	CH Wood PTL railing	ft	405	\$30.00	15	2	\$12,150	
48	CH Deck, structure PTL	sf	726	\$25.00	45	36	\$18,150	
49	CH Deck, composite decking	sf	726	\$18.00	30	26	\$13,068	
50	CH Deck/Balcony, PTL railing	ft	85	\$35.00	15	11	\$2,975	
Replacement Costs - Page Subtotal							\$175,364	

COMMENTS
<ul style="list-style-type: none"> <li>Item #35: CH Roofing, asphalt shingles - New 30 year life roofs were installed on the clubhouse and the pump house have in 2023.</li> </ul>

EXTERIOR ITEMS - POOL BUILDING (PB)					NEL- Normal Economic Life (yrs)		REPLACEMENT COST (\$)
PROJECTED REPLACEMENTS					REL- Remaining Economic Life (yrs)		
ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NEL	REL	REPLACEMENT COST (\$)
51	PB Roofing, asphalt shingles	sf	300	\$5.00	30	30	\$1,500
52	PB Masonry (10% repointing allowance)	sf	100	\$12.00	10	6	\$1,200
53	PB Siding and trim, cementitious	sf	100	\$20.00	50	35	\$2,000
54	PB Door, steel, flush (3' X 6'8")	ea	4	\$1,600.00	25	10	\$6,400
Replacement Costs - Page Subtotal							\$11,100

COMMENTS
<ul style="list-style-type: none"> <li>Item #51: PB Roofing, asphalt shingles - New 30 year life roofs were installed on the clubhouse and the pump house have in 2023.</li> </ul>

INTERIOR ITEMS - CLUB HOUSE BUILDING (CH)					NEL- Normal Economic Life (yrs)		REPLACEMENT COST (\$)
PROJECTED REPLACEMENTS					REL- Remaining Economic Life (yrs)		
ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NEL	REL	REPLACEMENT COST (\$)
55	CH Lobby, refurbish	ls	1	\$10,000.00	10	5	\$10,000
56	CH Restroom>Showers, renovate	ls	2	\$5,000.00	12	6	\$10,000
57	CH Kitchen, refurbish	ls	1	\$3,000.00	15	6	\$3,000
58	CH Rocking chairs	ea	8	\$300.00	15	6	\$2,400
59	CH Tables	ea	4	\$250.00	15	6	\$1,000
60	CH Flooring, luxury vinyl	sf	1,355	\$8.00	15	12	\$10,840
Replacement Costs - Page Subtotal							\$37,240

COMMENTS
<ul style="list-style-type: none"> <li>Item #60: CH Flooring, luxury vinyl - The luxury vinyl flooring in the clubhouse was replaced in 2022.</li> </ul>

BUILDING SYSTEMS - CLUB HOUSE BUILDING (CH)						NEL- Normal Economic Life (yrs)		REPLACEMENT COST (\$)
PROJECTED REPLACEMENTS						REL- Remaining Economic Life (yrs)		
ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NEL	REL	REPLACEMENT COST (\$)	
61	CH AC split system (5 ton)	ea	1	\$18,500.00	15	14	\$18,500	
62	CH AC split system (2 ton)	ea	1	\$10,500.00	15	14	\$10,500	
63	CH Water heater, electric (30 gal.)	ea	1	\$1,500.00	15	1	\$1,500	
Replacement Costs - Page Subtotal							\$30,500	

COMMENTS
<ul style="list-style-type: none"> <li>Item #61: CH AC split system (5 ton) - Both HVAC systems were replaced in late 2022.</li> </ul>

VALUATION EXCLUSIONS							
Excluded Items							
ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	REPLACEMENT COST (\$)	UNIT REL	REL	REPLACEMENT COST (\$)
	Site lighting fixtures						EXCLUDED
	Miscellaneous signage						EXCLUDED
	Bench						EXCLUDED
	Picnic table						EXCLUDED
	BBQ						EXCLUDED
	Tot lot border						EXCLUDED
	Tennis court posts and nets						EXCLUDED
	Fire extinguisher cabinet						EXCLUDED
	Sprinkler head						EXCLUDED
	Emergency lighting, exit light, etc.						EXCLUDED
	Signage						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	REPLACEMENT COST (\$)	UNIT REL	REL	REPLACEMENT COST (\$)
	Masonry features						EXCLUDED
	Miscellaneous culverts						EXCLUDED
	Bridge structure and foundations						EXCLUDED
	Concrete retaining walls						EXCLUDED
	Segmental retaining walls						EXCLUDED
	Exterior brick veneer						EXCLUDED
	Exterior stone veneer						EXCLUDED
	Building foundation(s)						EXCLUDED
	Concrete floor slabs (interior)						EXCLUDED
	Wall, floor, and roof structure						EXCLUDED
	Fire protection/security systems						EXCLUDED
	Common element electrical services						EXCLUDED
	Electrical wiring						EXCLUDED
	Water piping at common facilities						EXCLUDED
	Waste piping at common facilities						EXCLUDED
	Gas services at common facilities						EXCLUDED
	Trash chute						EXCLUDED
	Stainless steel pool fixtures						EXCLUDED

LONG-LIFE EXCLUSIONS
Comments
<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.</li> </ul>

UNIT IMPROVEMENTS EXCLUSIONS								
Excluded Items								
ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	REPLACEMENT COST (\$)	UNIT 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
	Gas service serving one unit							EXCLUDED
	Driveway on an individual lot							EXCLUDED
	Apron on an individual lot							EXCLUDED
	Sidewalk on an individual lot							EXCLUDED
	Stairs on an individual lot							EXCLUDED
	Curb and gutter on an individual lot							EXCLUDED
	Retaining wall on an individual lot							EXCLUDED
	Fence on an individual lot							EXCLUDED
	Dock on an individual lot							EXCLUDED
	Unit exterior							EXCLUDED
	Unit windows							EXCLUDED
	Unit doors							EXCLUDED
	Unit skylights							EXCLUDED
	Unit deck, patio, and/or balcony							EXCLUDED
	Unit mailbox							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	REPLACEMENT COST (\$)	UNIT REL	REL	REPLACEMENT COST (\$)
	Primary electric feeds						EXCLUDED
	Electric transformers						EXCLUDED
	Cable TV systems and structures						EXCLUDED
	Telephone cables and structures						EXCLUDED
	Site lighting						EXCLUDED
	Gas mains and meters						EXCLUDED
	Water mains and meters						EXCLUDED
	Sanitary sewers						EXCLUDED
	Stormwater management system						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
	Numbering 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, sidewalks and curbs						EXCLUDED
	Government, lighting						EXCLUDED
	Government, stormwater management						EXCLUDED
	Government, ponds						EXCLUDED
	Government, mailboxes						EXCLUDED

GOVERNMENT EXCLUSIONS
Comments
<ul style="list-style-type: none"> <li>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.</li> <li>Excluded rights-of-way, including adjacent properties and adjacent roadways.</li> <li>The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.</li> </ul>

IRRIGATION SYSTEM EXCLUSIONS							
Excluded Items							
ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST (\$)	NEL	REL	REPLACEMENT COST (\$)
	Subsurface irrigation pipe						EXCLUDED
	Subsurface irrigation valve						EXCLUDED
	Subsurface irrigation control wiring						EXCLUDED
	Irrigation control system						EXCLUDED
	Irrigation system electrical service						EXCLUDED
	Irrigation system enclosures						EXCLUDED

**IRRIGATION SYSTEM EXCLUSIONS**  
 Comments

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

## SECTION C - CALENDAR OF PROJECTED ANNUAL REPLACEMENTS

**GENERAL STATEMENT.** The 63 Projected Replacements in the Willow Glen Estates at Beau Rivage 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 on our time and manpower resources. Therefore, Miller Dodson 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 replacements activities must be held in separate accounts. If a CID files taxes as an "Exempt Homeowners Association" using Form 1120H (IRC Section 528), the CID does not have to segregate these activities. However, because the CID may elect to change their method of filing from year to year within the Study Period, we advise using the more restrictive approach. We further recommend that the CID consult with their Accountant and consider creating separate and independent accounts and reserves for large maintenance items, such as painting.
- **CONFLICT OF INTEREST.** Neither Miller - Dodson Associates nor the Reserve Analyst has any prior or existing relationship with this Association which would represent a real or perceived conflict of interest.
- **RELIANCE ON DATA PROVIDED BY THE CLIENT.** Information provided by an official representative of the Association regarding financial, physical conditions, quality, or historical issues is deemed reliable.
- **INTENT.** This Replacement Reserve Study is a reflection of the information provided by the Association and the visual evaluations of the Analyst. It has been prepared for the sole use of the Association and is not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records.
- **PREVIOUS REPLACEMENTS.** Information provided to Miller - Dodson Associates regarding prior replacements is considered to be accurate and reliable. Our visual evaluation is not a project audit or quality inspection.
- **EXPERIENCE WITH FUTURE REPLACEMENTS.** The Calendar of Annual Projected Replacements, lists replacements we have projected to occur over the Study Period, 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**

2024 - Study Year			2025 - YEAR 1		
Item		\$	Item		\$
13	Concrete curb and gutter, mountable (6% allowance)	\$26,880	12	Asphalt pavement, seal coat (Ph. 2)	\$10,595
16	Concrete flatwork (6% allowance) (Ph. 1)	\$7,672	63	CH Water heater, electric (30 gal.)	\$1,500
27	Pool deck, caulking (urethane)	\$1,450			
29	Pool pump (5 hp)	\$4,500			
30	Pool filter, sand (19")	\$6,400			
Total Scheduled Replacements		\$46,902	Total Scheduled Replacements		\$12,095

2026 - YEAR 2			2027 - YEAR 3		
Item		\$	Item		\$
14	Concrete curb and gutter, mountable (6% allowance)	\$10,668			
17	Concrete flatwork (6% allowance) (Ph. 2)	\$7,126			
45	CH Wood walkway, PTL decking	\$5,880			
47	CH Wood PTL railing	\$12,150			
Total Scheduled Replacements		\$35,824	No Scheduled Replacements		

2028 - YEAR 4			2029 - YEAR 5		
Item		\$	Item		\$
10	Asphalt pavement, seal coat (Ph. 1)	\$36,324	27	Pool deck, caulking (urethane)	\$1,450
19	Stormwater management (10% allowance)	\$20,000	43	CH Brick steps, repoint (6% allowance)	\$1,000
31	Pool furniture, lounge, vinyl strap	\$7,350	44	CH Wood walkway, PTL structure	\$16,800
32	Pool furniture, chair, vinyl strap	\$4,550	46	CH Wood steps, PTL closed riser	\$3,375
33	Pool furniture, round table (36")	\$1,575	55	CH Lobby, refurbish	\$10,000
34	Pool furniture, umbrella (7')	\$2,400			
Total Scheduled Replacements		\$72,199	Total Scheduled Replacements		\$32,625

**PROJECTED REPLACEMENTS**

2030 - YEAR 6			2031 - YEAR 7		
Item		\$	Item		\$
12	Asphalt pavement, seal coat (Ph. 2)	\$10,595	25	Swimming pool coping, brick or paver	\$8,100
13	Concrete curb and gutter, mountable (6% allowance)	\$26,880			
16	Concrete flatwork (6% allowance) (Ph. 1)	\$7,672			
21	Aeration fountain, 1hp	\$7,500			
24	Swimming pool, waterline tile (6x6)	\$2,160			
36	CH Masonry (10% repointing allowance)	\$3,600			
52	PB Masonry (10% repointing allowance)	\$1,200			
56	CH Restroom/Showers, renovate	\$10,000			
57	CH Kitchen, refurbish	\$3,000			
58	CH Rocking chairs	\$2,400			
59	CH Tables	\$1,000			
Total Scheduled Replacements		\$76,007	Total Scheduled Replacements		\$8,100

2032 - YEAR 8			2033 - YEAR 9		
Item		\$	Item		\$
3	Vehicular entry gate, swing (20' x 6')	\$16,500	10	Asphalt pavement, seal coat (Ph. 1)	\$36,324
14	Concrete curb and gutter, mountable (6% allowance)	\$10,668			
17	Concrete flatwork (6% allowance) (Ph. 2)	\$7,126			
Total Scheduled Replacements		\$34,294	Total Scheduled Replacements		\$36,324

2034 - YEAR 10			2035 - YEAR 11		
Item		\$	Item		\$
2	Entrance monument, repoint masonry (10% allowance)	\$320	12	Asphalt pavement, seal coat (Ph. 2)	\$10,595
23	Swimming pool, whitecoat	\$28,899	50	CH Deck/Balcony, PTL railing	\$2,975
27	Pool deck, caulking (urethane)	\$1,450			
40	CH Door, wood and glass (3' X 6'8")	\$4,950			
54	PB Door, steel, flush (3' X 6'8")	\$6,400			
Total Scheduled Replacements		\$42,019	Total Scheduled Replacements		\$13,570

**PROJECTED REPLACEMENTS**

2036 - YEAR 12			2037 - YEAR 13		
Item		\$	Item		\$
13	Concrete curb and gutter, mountable (6% allowance)	\$26,880	1	Entrance monument, carved wood	\$14,400
16	Concrete flatwork (6% allowance) (Ph. 1)	\$7,672	5	Vehicular entry, entry system (DKS)	\$6,500
60	CH Flooring, luxury vinyl	\$10,840			
Total Scheduled Replacements		\$45,392	Total Scheduled Replacements		\$20,900

2038 - YEAR 14			2039 - YEAR 15		
Item		\$	Item		\$
10	Asphalt pavement, seal coat (Ph. 1)	\$36,324	4	Vehicular entry swing actuator	\$17,000
14	Concrete curb and gutter, mountable (6% allowance)	\$10,668	26	Pool deck, concrete	\$74,240
17	Concrete flatwork (6% allowance) (Ph. 2)	\$7,126	27	Pool deck, caulking (urethane)	\$1,450
19	Stormwater management (10% allowance)	\$20,000	29	Pool pump (5 hp)	\$4,500
31	Pool furniture, lounge, vinyl strap	\$7,350	30	Pool filter, sand (19")	\$6,400
32	Pool furniture, chair, vinyl strap	\$4,550	43	CH Brick steps, repoint (6% allowance)	\$1,000
33	Pool furniture, round table (36")	\$1,575	55	CH Lobby, refurbish	\$10,000
34	Pool furniture, umbrella (7')	\$2,400			
61	CH AC split system (5 ton)	\$18,500			
62	CH AC split system (2 ton)	\$10,500			
Total Scheduled Replacements		\$118,993	Total Scheduled Replacements		\$114,590

2040 - YEAR 16			2041 - YEAR 17		
Item		\$	Item		\$
11	Asphalt pavement, mill and overlay (Ph. 2)	\$103,831	45	CH Wood walkway, PTL decking	\$5,880
12	Asphalt pavement, seal coat (Ph. 2)	\$10,595	47	CH Wood PTL railing	\$12,150
15	Wheel stops, concrete	\$3,400			
20	Stormwater pond dredging (allowance)	\$267,805			
21	Aeration fountain, 1hp	\$7,500			
24	Swimming pool, waterline tile (6x6)	\$2,160			
36	CH Masonry (10% repointing allowance)	\$3,600			
52	PB Masonry (10% repointing allowance)	\$1,200			
63	CH Water heater, electric (30 gal.)	\$1,500			
Total Scheduled Replacements		\$401,591	Total Scheduled Replacements		\$18,030



**PROJECTED REPLACEMENTS**

2042 - YEAR 18			2043 - YEAR 19		
Item		\$	Item		\$
3	Vehicular entry gate, swing (20' x 6')	\$16,500	10	Asphalt pavement, seal coat (Ph. 1)	\$36,324
6	Vehicular entry, ground sensor	\$1,100			
9	Asphalt pavement, mill and overlay (Ph. 1)	\$355,973			
13	Concrete curb and gutter, mountable (6% allowance)	\$26,880			
16	Concrete flatwork (6% allowance) (Ph. 1)	\$7,672			
41	CH Ceiling fan without light	\$2,920			
56	CH Restroom/showers, renovate	\$10,000			
Total Scheduled Replacements		\$421,045	Total Scheduled Replacements		\$36,324

2044 - YEAR 20			2045 - YEAR 21		
Item		\$	Item		\$
2	Entrance monument, repoint masonry (10% allowance)	\$320	12	Asphalt pavement, seal coat (Ph. 2)	\$10,595
8	Pedestal mailbox	\$17,500	57	CH Kitchen, refurbish	\$3,000
14	Concrete curb and gutter, mountable (6% allowance)	\$10,668	58	CH Rocking chairs	\$2,400
17	Concrete flatwork (6% allowance) (Ph. 2)	\$7,126	59	CH Tables	\$1,000
23	Swimming pool, whitecoat	\$28,899			
27	Pool deck, caulking (urethane)	\$1,450			
Total Scheduled Replacements		\$65,963	Total Scheduled Replacements		\$16,995

2046 - YEAR 22			2047 - YEAR 23		
Item		\$	Item		\$
No Scheduled Replacements			No Scheduled Replacements		

**PROJECTED REPLACEMENTS**

2048 - YEAR 24			2049 - YEAR 25		
Item		\$	Item		\$
10	Asphalt pavement, seal coat (Ph. 1)	\$36,324	27	Pool deck, caulking (urethane)	\$1,450
13	Concrete curb and gutter, mountable (6% allowance)	\$26,880	42	CH Concrete ramp	\$11,600
16	Concrete flatwork (6% allowance) (Ph. 1)	\$7,672	43	CH Brick steps, repoint (6% allowance)	\$1,000
19	Stormwater management (10% allowance)	\$20,000	44	CH Wood walkway, PTL structure	\$16,800
31	Pool furniture, lounge, vinyl strap	\$7,350	46	CH Wood steps, PTL closed riser	\$3,375
32	Pool furniture, chair, vinyl strap	\$4,550	55	CH Lobby, refurbish	\$10,000
33	Pool furniture, round table (36")	\$1,575			
34	Pool furniture, umbrella (7')	\$2,400			
Total Scheduled Replacements		\$106,751	Total Scheduled Replacements		\$44,225

2050 - YEAR 26			2051 - YEAR 27		
Item		\$	Item		\$
12	Asphalt pavement, seal coat (Ph. 2)	\$10,595	25	Swimming pool coping, brick or paver	\$8,100
14	Concrete curb and gutter, mountable (6% allowance)	\$10,668	60	CH Flooring, luxury vinyl	\$10,840
17	Concrete flatwork (6% allowance) (Ph. 2)	\$7,126			
21	Aeration fountain, 1hp	\$7,500			
24	Swimming pool, waterline tile (6x6)	\$2,160			
36	CH Masonry (10% repointing allowance)	\$3,600			
49	CH Deck, composite decking	\$13,068			
50	CH Deck/Balcony, PTL railing	\$2,975			
52	PB Masonry (10% repointing allowance)	\$1,200			
Total Scheduled Replacements		\$58,892	Total Scheduled Replacements		\$18,940

2052 - YEAR 28			2053 - YEAR 29		
Item		\$	Item		\$
1	Entrance monument, carved wood	\$14,400	10	Asphalt pavement, seal coat (Ph. 1)	\$36,324
3	Vehicular entry gate, swing (20' x 6')	\$16,500	61	CH AC split system (5 ton)	\$18,500
5	Vehicular entry, entry system (DKS)	\$6,500	62	CH AC split system (2 ton)	\$10,500
Total Scheduled Replacements		\$37,400	Total Scheduled Replacements		\$65,324

**PROJECTED REPLACEMENTS**

Item	2054 - YEAR 30	\$	Item	2055 - YEAR 31	\$
2	Entrance monument, repoint masonry (10% allowance)	\$320	12	Asphalt pavement, seal coat (Ph. 2)	\$10,595
13	Concrete curb and gutter, mountable (6% allowance)	\$26,880	63	CH Water heater, electric (30 gal.)	\$1,500
16	Concrete flatwork (6% allowance) (Ph. 1)	\$7,672			
18	Fence, 4' decorative aluminum	\$20,800			
23	Swimming pool, whitecoat	\$28,899			
27	Pool deck, caulking (urethane)	\$1,450			
28	Fence, 4' decorative aluminum	\$16,900			
29	Pool pump (5 hp)	\$4,500			
30	Pool filter, sand (19")	\$6,400			
35	CH Roofing, asphalt shingles	\$25,000			
38	CH Column, PermaCast (10" round)	\$8,160			
51	PB Roofing, asphalt shingles	\$1,500			
56	CH Restroom/showers, renovate	\$10,000			
Total Scheduled Replacements		\$158,481	Total Scheduled Replacements		\$12,095

Item	2056 - YEAR 32	\$	Item	2057 - YEAR 33	\$
14	Concrete curb and gutter, mountable (6% allowance)	\$10,668			
17	Concrete flatwork (6% allowance) (Ph. 2)	\$7,126			
45	CH Wood walkway, PTL decking	\$5,880			
47	CH Wood PTL railing	\$12,150			
Total Scheduled Replacements		\$35,824	No Scheduled Replacements		

Item	2058 - YEAR 34	\$	Item	2059 - YEAR 35	\$	
10	Asphalt pavement, seal coat (Ph. 1)	\$36,324	4	Vehicular entry swing actuator	\$17,000	
19	Stormwater management (10% allowance)	\$20,000	27	Pool deck, caulking (urethane)	\$1,450	
31	Pool furniture, lounge, vinyl strap	\$7,350	37	CH Siding and trim, cementitious	\$15,000	
32	Pool furniture, chair, vinyl strap	\$4,550	39	CH Window, stationary	\$30,736	
33	Pool furniture, round table (36")	\$1,575	40	CH Door, wood and glass (3' X 6'8")	\$4,950	
34	Pool furniture, umbrella (7')	\$2,400	43	CH Brick steps, repoint (6% allowance)	\$1,000	
			53	PB Siding and trim, cementitious	\$2,000	
			54	PB Door, steel, flush (3' X 6'8")	\$6,400	
			55	CH Lobby, refurbish	\$10,000	
Total Scheduled Replacements		\$72,199	Total Scheduled Replacements			\$88,536

**PROJECTED REPLACEMENTS**

Item	2060 - YEAR 36	\$	Item	2061 - YEAR 37	\$
11	Asphalt pavement, mill and overlay (Ph. 2)	\$103,831			
12	Asphalt pavement, seal coat (Ph. 2)	\$10,595			
13	Concrete curb and gutter, mountable (6% allowance)	\$26,880			
15	Wheel stops, concrete	\$3,400			
16	Concrete flatwork (6% allowance) (Ph. 1)	\$7,672			
20	Stormwater pond dredging (allowance)	\$267,805			
21	Aeration fountain, 1hp	\$7,500			
24	Swimming pool, waterline tile (6x6)	\$2,160			
36	CH Masonry (10% repointing allowance)	\$3,600			
48	CH Deck, structure PTL	\$18,150			
52	PB Masonry (10% repointing allowance)	\$1,200			
57	CH Kitchen, refurbish	\$3,000			
58	CH Rocking chairs	\$2,400			
59	CH Tables	\$1,000			
Total Scheduled Replacements		\$459,193	No Scheduled Replacements		

Item	2062 - YEAR 38	\$	Item	2063 - YEAR 39	\$	
3	Vehicular entry gate, swing (20' x 6')	\$16,500	10	Asphalt pavement, seal coat (Ph. 1)	\$36,324	
6	Vehicular entry, ground sensor	\$1,100	41	CH Ceiling fan without light	\$2,920	
9	Asphalt pavement, mill and overlay (Ph. 1)	\$355,973				
14	Concrete curb and gutter, mountable (6% allowance)	\$10,668				
17	Concrete flatwork (6% allowance) (Ph. 2)	\$7,126				
Total Scheduled Replacements		\$391,367	Total Scheduled Replacements			\$39,244

Item	2064 (beyond study period)	\$	Item	2065 (beyond study period)	\$	
2	Entrance monument, repoint masonry (10% allowance)	\$320	12	Asphalt pavement, seal coat (Ph. 2)	\$10,595	
23	Swimming pool, whitecoat	\$28,899	50	CH Deck/Balcony, PTL railing	\$2,975	
27	Pool deck, caulking (urethane)	\$1,450				
Total Scheduled Replacements		\$30,669	Total Scheduled Replacements			\$13,570

## SECTION D - CONDITION ASSESSMENT

**General Comments.** Miller+Dodson Associates conducted a Reserve Study at Willow Glen Estates at Beau Rivage in September 2023. Willow Glen Estates at Beau Rivage is in generally good condition for a community constructed in 2007. A review of the Replacement Reserve Inventory will show that we are anticipating most of the components achieving their normal economic lives.

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

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

### General Condition Statements.

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

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

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

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

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

*(Continued on next page)*

## SITE ITEMS

**Entry Monument and Signage.** The Association maintains two monuments, which are made of masonry and which have a carved wood sign mounted to the masonry. They appear to be in good condition. To keep the monument fresh and appealing, we recommend the replacement of the carved wood signs every 10 to 15 years.



We recommend re-pointing and replacement of defective areas of the masonry as needed. The Association may want to consider applying a coating of Siloxane or other appropriate breathable sealants to mitigate water penetration and further degradation of the masonry work. The monument masonry is painted, which helps to seal the masonry.

Other small miscellaneous signs are not considered in this study and should be replaced using other funds.

**Vehicle Access System.** Perimeter access control is established via electronic access control and vehicle access gates. The entry gate was set in an open position at the time of the site visit, but it was reported systems are in good condition and operating normally.



- Readers. Maintain all connections and security interfaces.
- Gates. Maintain hinges and fence sections. Keep the swing or slide area clear of debris and obstructions.
- Actuators. Inspect actuators periodically to ensure proper function.
- Electrical. Maintain boxes, connections, and conduits to keep out water and moisture.

**Mailboxes.** Pedestal mailboxes are located throughout the community, All of the mailboxes appear to be in good condition.



Mailboxes should be maintained to the extent that rust does not develop on the structure or pedestal, and all mail slot doors remain intact with operable hinges and locks. Our replacement estimate assumes that these units will be replaced with fiberglass or composite units in the future.

**Asphalt Pavement.** The Association is responsible for the roadways and parking areas within the community. Alleyways are not the responsibility of the Association. The City, County, or other municipality maintains other roadways. In general, the Association's asphalt pavements appear to be in good condition.

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

Street Name	sf
Willow Glen Drive (Phase 1)	107,880
Otter Tail Trail (Phase 1)	30,740
Pool Parking (Phase 1)	6,675
<b>Total Phase 1 Pavement</b>	<b>145,295</b>
Island End Court (Phase 2)	28,460
Sea Grove Court (Phase 2)	13,920
<b>Total Phase 2 Pavement</b>	<b>42,380</b>



**The Defects noted include the following:**

- **Open Cracks.** There is one large crack in the pool area parking lot, that will allow water to penetrate the asphalt base and the bearing soils beneath. This crack should be repaired. Over time, water will erode the base and accelerate the deterioration of the asphalt pavement. If cracks extend to the base and bearing materials, remove the damaged areas and replace defective materials. As a part of normal maintenance, clean and fill all other cracks.

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



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.



To maintain the condition of the pavement throughout the community and ensure the longest life of the asphalt, we recommend the Association adopts a systematic and comprehensive maintenance program that includes:

- **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 Reserves will not fund it.
- **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 by Reserves. Areas of extensive cracking or deterioration that cannot be made watertight should be cut out and patched.
- **Seal Coating.** The asphalt should be seal coated every five to seven years. For this maintenance activity to be effective in extending the life of the asphalt, cleaning, and crack repair should be performed first.

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

For seal coating, several different products are available. The older, more traditional seal coating product is paint. They coat the surface of the asphalt, and they are minimally effective. However, the newer coating materials, such as those from Total Asphalt Management, Asphalt Restoration Technologies, Inc., and others, are penetrating. They are engineered, so to speak, to 're-moisturize' 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 form of cracking and potholes. Re-moisturizing the pavement can return its flexibility and extend pavement life.

**Concrete Work.** The concrete work includes the community sidewalks, curbs, and gutter as well as other flatwork. We have modeled for curb replacement to be done incrementally, where needed, approximately every 6 years. The overall condition of the concrete work appears to be in good, with no trip hazards noted.



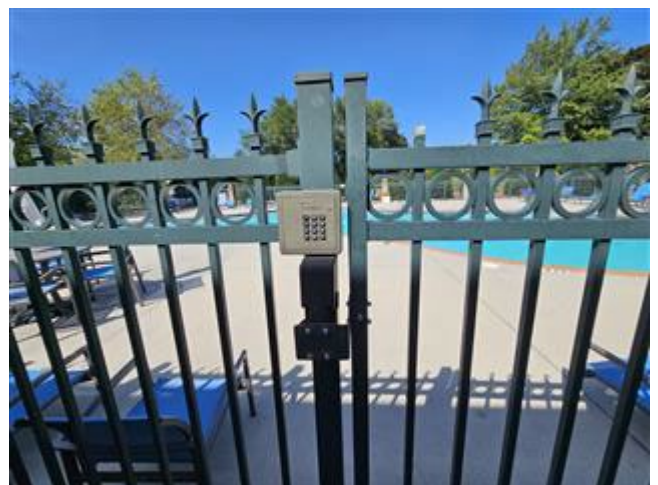
The standards we use for recommending replacement are as follows:

- Trip hazard, ¼ inch height difference.
- Severe cracking.
- Severe spalling and scale.
- Uneven riser heights on steps.
- Steps with risers over 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.



**Fencing.** The Association maintains decorative aluminum fencing at the gateway to the community and at the swimming pool area, all of which appear to be in 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.

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.

**Stormwater Pond.** The community is served by a stormwater pond, which appears to be in good condition. It is not possible to accurately estimate dredging volume in a body of water without the data provided by a detailed Bathymetric Study. MillerDodson Associates recommends that the Association arrange through their Pond and Lake specialist to have Bathymetric Studies conducted. At that time, the Reserve Study can be revised to reflect the data provided by the Bathymetric Study.



Ponds will accumulate silt over time and lose the ability to store stormwater at design levels, which could result in overflows and minor local flooding. In addition, water quality can be negatively affected by increased siltation and debris accumulation. Accordingly, ponds require periodic dredging.

Estimates of cost and the frequency of dredging ponds are a function of many variables, including the volume of the pond, the siltation rate, the nature of the material being removed, the method of removal, and the haul distance to a site that will accept the spoil material. Most of this information is unknown and must be assumed for reserve study planning. The siltation rate and cost of periodic dredging are speculative, varying greatly depending on local conditions.



As a rule of thumb, dredging should be performed when approximately one-third of the volume of the pond has been filled with silt. In the absence of accurate information about the original depth of the pond and the local siltation rate, we have assumed that it will be necessary to remove one cubic yard of material over a third of the pond area periodically as noted in the inventory. We have assumed that the material being removed is free of heavy metals and hydrocarbons and that it will be accepted as fill at a local landfill. A more accurate prediction of cost and cycles will require a hydrologic analysis and testing, which is beyond the scope of our study.

As a supplement to traditional dredging methods, hydro-raking can prolong the interval between dredging.

Because of the significant cost of this work, it is recommended that the Association undertake studies to refine the assumptions of this study.

Based on our understanding, we recommend the following:

- Periodically remove accumulated debris and vegetation growing in the ponds.
- Survey the ponds to establish the current profile of the bottom. After five years of operation, re-survey the pond to establish new depths to determine the local siltation rate. This will establish the frequency required for periodic dredging.
- Periodically sample and test for contaminants.

- Consult with local contractors to determine the cost of removing and disposing of the spoil once its nature is known.

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

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

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

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

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

Minimum Inspection Checklist for Ponds:

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

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

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

**Sediment Removal.** One of the main purposes of a stormwater management pond is to remove sediment from stormwater. As water flows through the pond, sediment will accumulate and eventually will need to be removed. Stormwater management structures vary in design and shape. Therefore, there is no general rule for the frequency of sediment removal. Upstream conditions such as land use, type of land cover (vegetated vs. paved), and soil types are important factors in determining how rapidly sediment will accumulate in a pond. Sediment removal is usually the single largest cost of maintaining a storm-water management structure. Owners are responsible for maintaining the

facility and should plan ahead, setting aside the necessary funds to pay for sediment removal. The best solution to sediment removal is to designate an on-site area or a site adjacent to the facility where the sediment can be disposed of. This area will need to be located outside of the floodplain. If such a disposal area is not available, the sediment will need to be transported and disposed of off-site. Transportation costs and disposal fees can greatly increase the cost of sediment removal. Once the sediment is removed, the bottom of the basin and any disturbed areas will need to be stabilized and re-vegetated, or the structure will quickly clog and require sediment removal again.

We have provided funds for the minor dredging of the detention pond and clearing of swales, creek area, and drainage lines. Because of the significance of the cost of this work in establishing the correct reserve contribution, it is recommended that the Association undertake studies to refine the information and replace the assumptions we have had to make with estimates based on your Association's current pond conditions.

**RECREATION ITEMS**

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

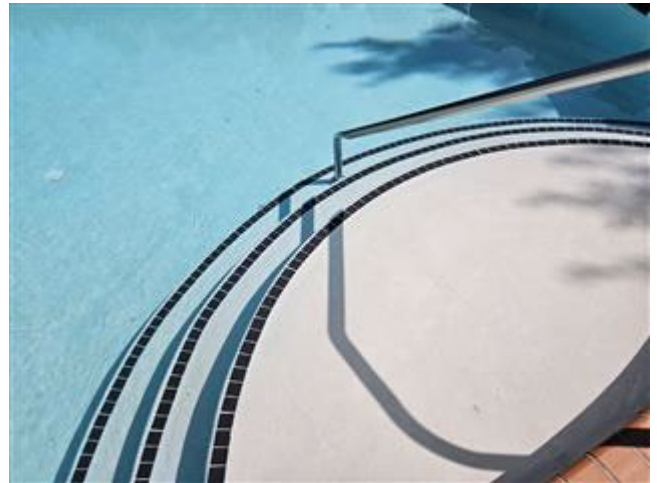


Pool Shell. The shell for the swimming pool appears to be in good condition.

*(Continued on next page)*



Pool Deck. The pool has a concrete deck, and the overall condition of the deck appears to be in good condition with no tripping hazards.



Whitecoat. The pool whitecoat appears to be in fair condition. We have assumed a service life of ten years for the pool whitecoat. The Association plans to redo the whitecoat, so it will be new for 2024.



Waterline Tile. The waterline tile appears to be in good condition. We have assumed the waterline tile will be replaced or restored when the pool is whitecoated.



Coping. The pool is edged with masonry brick coping. The coping appears to be in good condition.



Pump and Filter System. The filter system is reported to be in good operating condition.



Pool Fence. The swimming pool is enclosed by a metal fence that appears to be in good condition.





**Swimming Pool Furniture.** We have included the swimming pool furniture in the reserve analysis as a per-item basis because not all of the furniture will be replaced at the same time. The furniture is in good condition. Furniture of this type in this location has a service life of 10 years.



*(Continued on next page)*

**EXTERIOR ITEMS**

**Building Roofing.** The clubhouse and pump house have asphalt shingle roofs that appear to be in very good condition.



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. The Association had asphalt shingles, which are guaranteed for 30 years installed in 2023.

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.

**Masonry.** The clubhouse and pool house are constructed of brick masonry, which appears to be in good condition.



Brick 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 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.

**Siding and Trim.** The exterior trim on the clubhouse and pump house appears to be in good condition.



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 40 years or more.

**Windows and Doors.** The Association is responsible for the common windows and exterior doors of the facility and the individual owners are responsible for the windows and doors attributed to their unit.

The windows and doors appear to be in generally good condition.



*(Continued on next page)*



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.

**Exterior Wood Stairs and Handicapped Ramp and Deck** The exterior handicapped ramp consists of pressure treated wood. The ramp appears to be in good condition. There is light deterioration of the ramp decking and side rails.



The wood in the handicapped ramp 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. The structure and decking have been separated into two components because they have different expected useful life.

**Pressure Treated Wood/Composite Material Stair.** The rear exterior stair structure is made of pressure treated wood and the treads are constructed of composite material. The general condition of the steps appears to be good, with no defects.



**Decks/Balconies.** The Association maintains a deck at the community club house. The deck structure appears to be in good condition, with the composite decking appearing to be in good condition as well. The wood railing system appears to be in good condition.



We recommend that 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 MillerDodson did not conduct a structural evaluation of the exterior stairs, decks, or balconies. Such an evaluation is beyond the Scope of this Reserve Study. 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.

Also, 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.

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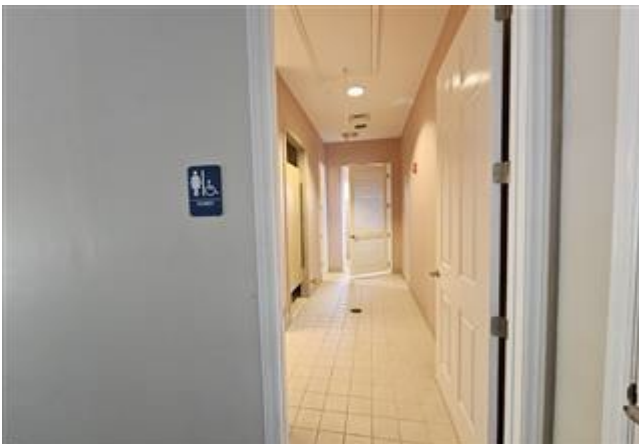
**INTERIOR ITEMS**

**Common Interiors.** The Association maintains multipurpose rooms, kitchen, restrooms, and other common interior spaces that appear to be in generally good condition.



We have assumed that the Association will want to maintain these areas in a commercially acceptable condition. Typically, replacement cycles for common interior spaces vary between 5 to 10 years depending on the aesthetic tastes of the community, usage, and construction. Material selection and the community's preferences are the major factors in setting the reserve components for items such as refurbishing and interior refurbishment. The Association will need to establish these cycles as these facilities age. Maintaining historical records and incorporating these trends and preferences into a future Reserve Study update is the best way to adjust for these cycles.

**Restrooms.** The restrooms for the clubhouse and swimming pool are located in the clubhouse. The overall condition of the restrooms appears to be good. Listed below are the major components of the restrooms:



Ceramic Floor Tile. The ceramic tile in the restrooms appears to be in good condition.



Shower and Restroom Fixtures. All shower and restroom fixtures appear to be in good condition. We have assumed a service life of 12 years for the fixtures and that all fixtures will be replaced at the same time as part of a general renovation of the restroom.

*(Continued on next page)*

**Kitchen.** There is a kitchen in the clubhouse, which is comprised of cabinetry, granite countertops, a range, a double bowl sink, a dishwasher, a refrigerator, with an icemaker, a microwave, a coffee maker, and miscellaneous kitchen utensils. The flooring is ceramic tile. All of the furnishings and equipment in the kitchen appear to be in good condition.



Kitchens have a normal useful life of 15 years. We have assumed that all the items in the kitchen would be replaced at one time when a kitchen renovation is undertaken.

**Luxury Vinyl Flooring.** The multipurpose rooms have luxury vinyl flooring. The flooring was installed in 2022 and appears to be in good condition.





Luxury vinyl flooring offers the advantage of a resilient, durable floor surface that requires little maintenance. This flooring is designed to mimic the appearance of wood flooring. While this type is resistant to scratches and wear, eventually it will become damaged as the result of surface scratches. Depending on the application and the level of traffic that the floor is exposed to luxury vinyl floors can be expected to have a service life of about 15 years.

## BUILDING SYSTEMS

**Split Systems.** The buildings feature split-system HVAC units. The systems include a furnace, coils, and a remotely located compressor. Access to the systems was not available during our site visit. The systems are reported to be in good working order.

These systems provide heating and cooling and are normally controlled by one thermostat per system. Furnace fan boxes or fan coils are normally located within the building and push condition air through ductwork. Compressors are normally located outside at the ground level or on the roof.

Refrigerant piping is a long-life item and is not included in the replacement cost. Many systems become technically obsolete when they are no longer manufactured, or when parts are no longer available. The industry is driven to efficiency by competition from multiple manufacturers and technologies.

Seasonal Energy Efficiency Rating (SEER). For more information see [seer2.com](http://seer2.com).

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 town house 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, estimates 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, home owners 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 home 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 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 which 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 are 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 and the Component 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.

**Component Method.** The Component Method of calculating Reserve Funding needs is based upon an older mathematical model. Instead of calculating total funding based on yearly funding requirements, the Component method treats each component as its own "line item" budget that can only be used for that component. As a result, the Component Method is typically more conservative requiring greater Annual Reserve Funding levels.

### 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. It is important that the Reserve Analyst 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 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.

**Annual Deposit if Reserves Were Fully Funded.** Shown on the Summary Sheet A1 in the Component Method summary, this would be the amount of the Annual Deposit needed if the Reserves Currently on Deposit were equal to the Total Current Objective.

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

**Component Analysis.** See Component 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 and 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 as 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 [CALonline.org](http://CALonline.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 numbers 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 to 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:

<b>ea</b>	each	<b>ls</b>	lump sum	<b>sy</b>	square yard
<b>ft or lf</b>	linear foot	<b>pr</b>	pair	<b>cy</b>	cubic yard
<b>sf</b>	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/40SodajTW1q>

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



<https://youtu.be/pYSMZ013VjQ>

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?



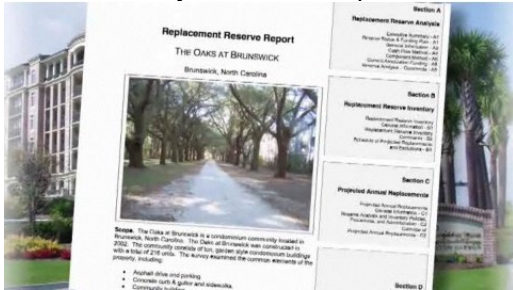
<https://youtu.be/aARD1B1Oa3o>

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



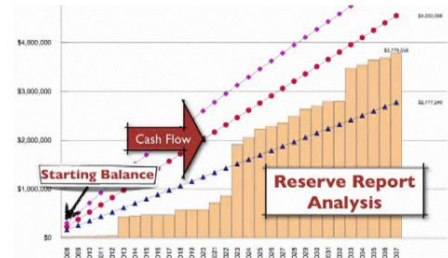
<https://youtu.be/diZfM1IyJYU>

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?



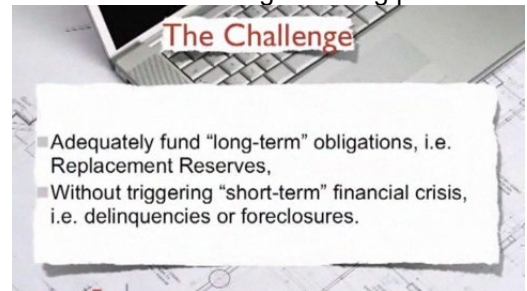
<https://youtu.be/SePdwVDvHWI>

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



<https://youtu.be/W8CDLwRlv68>

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



<https://youtu.be/hIxV9X1tlcA>