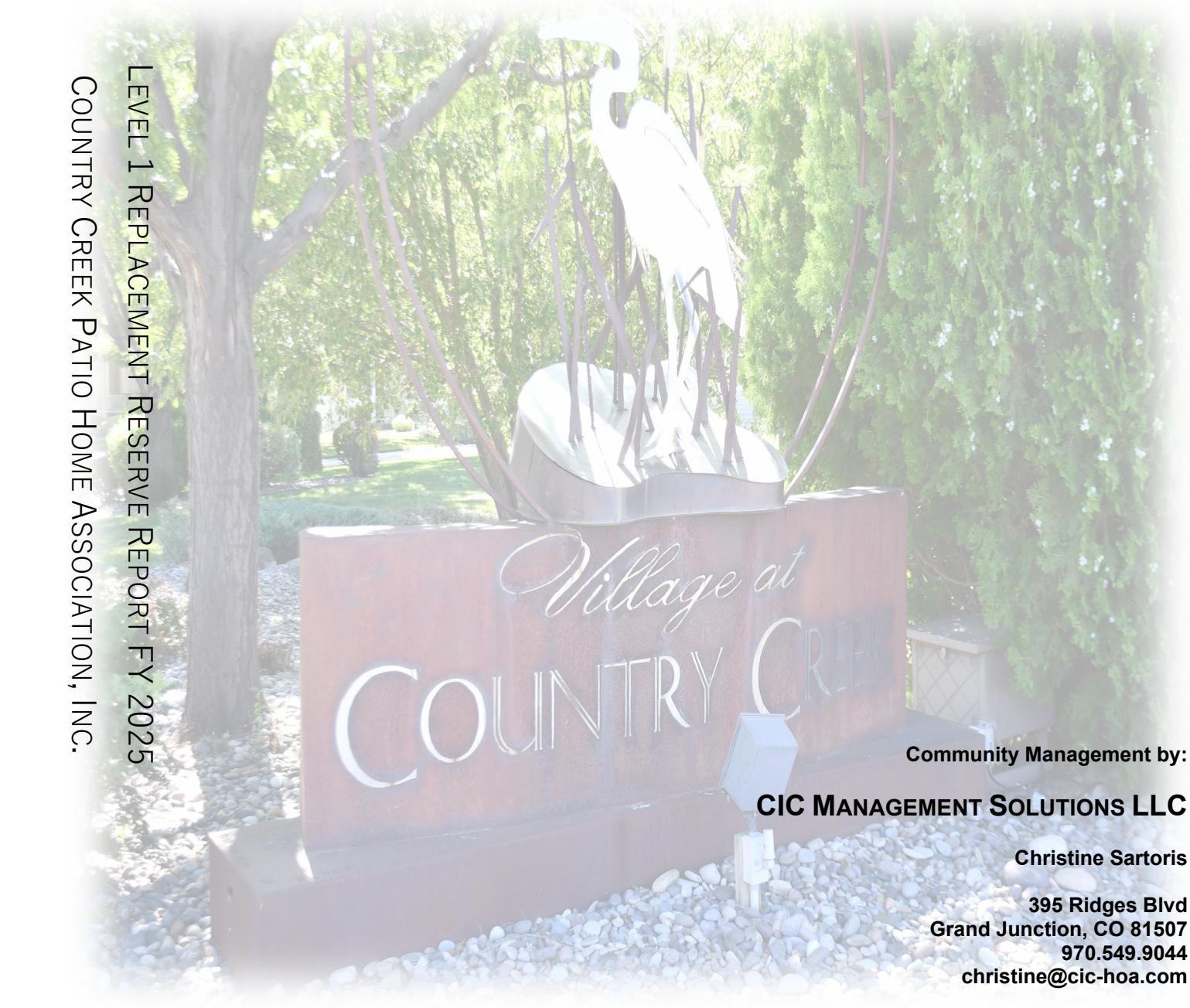
LEVEL 1 REPLACEMENT RESERVE REPORT FY 2025
COUNTRY CREEK PATIO HOME ASSOCIATION, INC.



LEVEL 1 REPLACEMENT RESERVE REPORT FY 2025

COUNTRY CREEK PATIO HOME ASSOCIATION, INC.

millerdodson
Capital Reserve Consultants

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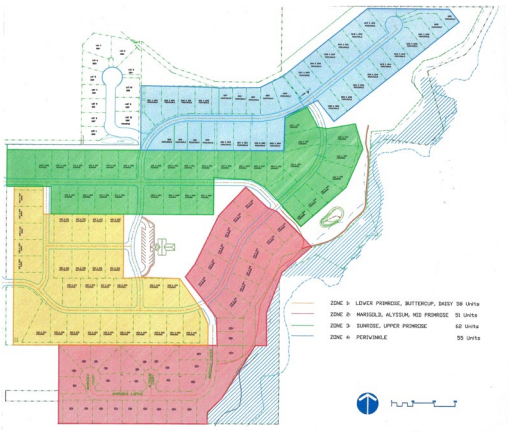
REPLACEMENT RESERVE REPORT

COUNTRY CREEK PATIO HOME ASSOCIATION, INC.

FRUITA, COLORADO
December 02, 2024
Revised March 18, 2025



Description. Country Creek Patio Home Association, Inc. is a Homeowner's Association located in Fruita, Colorado. Constructed between 1998 and 2024, the community consists of 38 Single-Family Homes, 94 Duplex Buildings containing 188 units, a Pump House, a Maintenance Building, and a Community Center. The community contains 226 total dwelling units. The survey examined the common elements of the property, including:

- Entry Monument, Parking Areas, Sidewalks & Paths
- Retaining Walls and Mail Pavilion
- Irrigation Piping, Pumps, and Controllers
- Stormwater Management, Detention Basins, Pond, and Aerator
- Community Center with Building Exterior & Interior
- Building Systems, Furniture, and Fitness Equipment

EXECUTIVE SUMMARY
This Reserve Study has been prepared for the Country Creek Patio Home Association, Inc. for the Fiscal Year 2025 covering the period from April 1, 2025 to March 31, 2026. The Replacement Reserves Starting Balance as of April 1, 2025 is reported to be $443,640. The reported Current Annual Funding for Reserves is $31,000. The Recommended Annual Reserve Funding level for 2025 is $52,774.

The significant increase in the Recommended Annual Reserve Funding shown above is not unusual for community associations for whom this is their first, true, professional Replacement Reserve Study. We recommend that the Association increase its Reserve Funding level as soon as possible. Given the high rates of inflation in today's construction industry, the longer that the Association delays in adequately funding its Reserves, the harder it will become to make up for the underfunding. Furthermore, delaying this increase will place an unfair financial burden on long-term and future owners, and may adversely affect property values.

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

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

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

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

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

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

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

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

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

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

- Miller+Dodson performed a visual evaluation commencing on August 19, 2024 to determine the remaining useful life and replacement cost for the commonly owned elements of this facility.

- This study contains additional recommendations to address inflation for the Cash Flow Method only. For this recommendation, 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 Christine Sartoris, Community Manager who provided very helpful insight into the current operations of the property.

Analyst's Credentials. Mr. Rick McKittrick holds a Bachelors Degree in Engineering from the University of Connecticut and a Masters Degree in Engineering from Boston University. Mr. McKittrick is a Registered Professional Engineer in the State of Ohio. He has managed the maintenance, repair, design, and construction of facilities and community infrastructure in the U.S. and overseas for private companies and government agencies. He is currently a Reserve Analyst for MillerDodson Associates.

Respectfully Submitted,

millerdodson
CAPITAL RESERVE CONSULTANTS

Rick F. McKittrick
Rick F. McKittrick

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SECTION A - FINANCIAL ANALYSIS

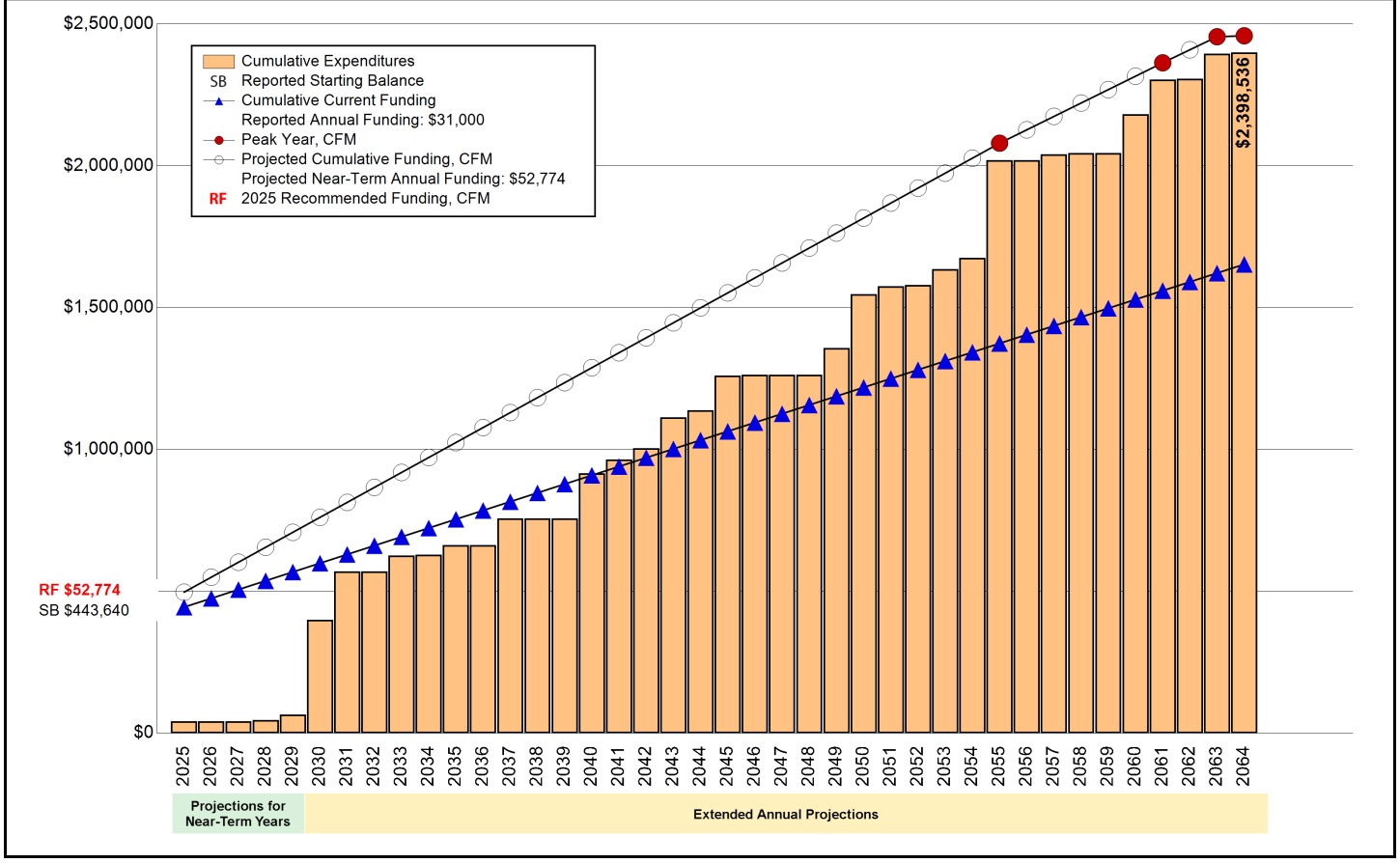
The Country Creek Patio Home Association Replacement Reserve Analysis uses the Cash Flow Method (CFM) to calculate Replacement Reserve funding for the periodic replacement of the 117 Projected Replacements identified in the Replacement Reserve Inventory.

$52,774 **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR THE STUDY YEAR, 2025**
$19.46 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.

Country Creek Patio Home Association reports a Starting Balance of $443,640 and Annual Funding totaling $31,000, which is inadequate to fund projected replacements starting in 2040. See Page A.3 for a more detailed evaluation.

#1 - Cumulative Replacement Reserve Funding and Expenditures Graph



The significant increase in the Recommended Annual Reserve Funding shown above is not unusual for community associations for whom this is their first, true, professional Replacement Reserve Study. We recommend that the Association increase its Reserve Funding level as soon as possible. Given the high rates of inflation in today's construction industry, the longer that the Association delays in adequately funding its Reserves, the harder it will become to make up for the underfunding. Furthermore, delaying this increase will place an unfair financial burden on long-term and future owners, and may adversely affect property values.

REPLACEMENT RESERVE ANALYSIS - GENERAL INFORMATION

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

2025 **STUDY YEAR**

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

40 Years **STUDY PERIOD**

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

$443,640 **STARTING BALANCE**

The Association reports Replacement Reserves on Deposit totaling $443,640 at the start of the Study Year.

Level One **LEVEL OF SERVICE**

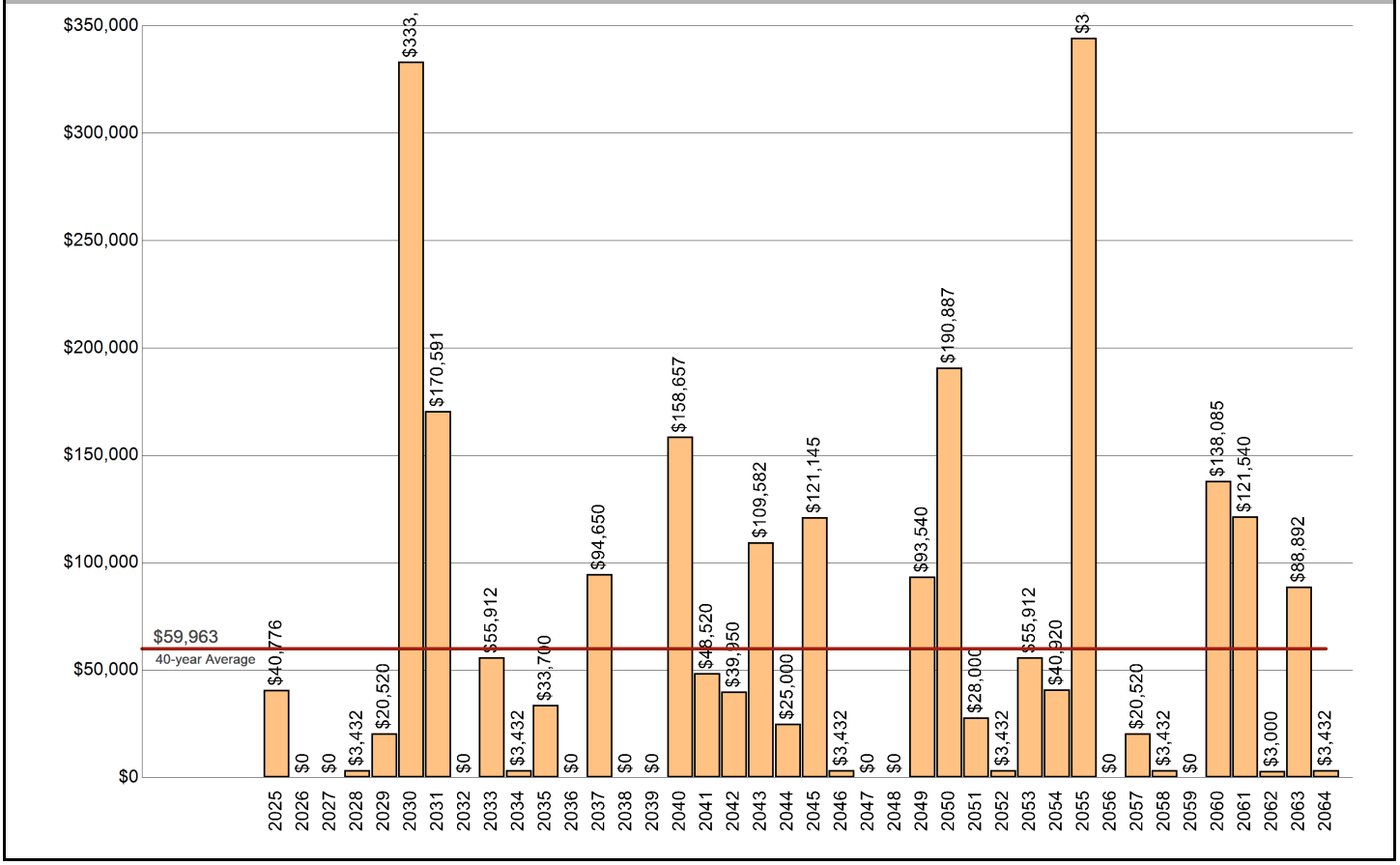
The Replacement Reserve Inventory has been developed in compliance with the National Reserve Study Standards for a Level One Study, as defined by the Community Associations Institute (CAI).

$2,398,536 **REPLACEMENT RESERVE INVENTORY - PROJECTED REPLACEMENTS**

The Country Creek Patio Home Association Replacement Reserve Inventory identifies 117 items that will require periodic replacement, that are to be funded from Replacement Reserves. We estimate the cost of these replacements will be $2,398,536 over the 40-year Study Period. The Projected Replacements are divided into 3 major categories starting on Page B.3. Pages B.1-B.2 provide detailed information on the Replacement Reserve Inventory.

#2 - Annual Expenditures for Projected Replacements Graph

This graph shows annual expenditures for Projected Replacements over the 40-year Study Period. The red line shows the average annual expenditure of $59,963. Section C provides a year by year Calendar of these expenditures.



UPDATING OF THE FUNDING PLAN

The Association has a responsibility to review the Funding Plan annually. The review should include a comparison and evaluation of actual reserve funding with recommended levels shown on Page A.4 and A.5. The Projected Replacements listed on Page C.2 should be compared with any replacements accomplished and funded from Replacement Reserves. Discrepancies should be evaluated and if necessary, the Reserve Study should be updated or a new study commissioned. We recommend annual increases in replacement reserve funding to account for the impact of inflation. Inflation Adjusted Funding is discussed on Page A.5.

UPDATING OF THE REPLACEMENT RESERVE STUDY

At a minimum, the Replacement Reserve Study should be professionally updated every three to five years or after completion of a major replacement project. Updating should also be considered if during the annual review of the Funding Plan, discrepancies are noted between projected and actual reserve funding or replacement costs. Updating may also be necessary if there is a meaningful discrepancy between the actual inflation rate and the inflation rate used for the Inflation Adjusted Funding of Replacement Reserves on Page A.5.

ANNUAL EXPENDITURES AND CURRENT FUNDING

The annual expenditures that comprise the $2,398,536 of Projected Expenditures over the 40-year Study Period and the impact of the Association continuing to fund Replacement Reserves at the current level are detailed in Table 3.

#3 - Table of Annual Expenditures and Current Funding Data - Years 0 through 39

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Starting Balance	$443,640									
Projected Replacements	($40,776)			($3,432)	($20,520)	($333,265)	($170,591)		($55,912)	($3,432)
Annual Deposit	$31,000	$31,000	$31,000	$31,000	$31,000	$31,000	$31,000	$31,000	$31,000	$31,000
End of Year Balance	$433,864	$464,864	$495,864	$523,432	$533,912	$231,648	$92,056	$123,056	$98,144	$125,712
Cumulative Expenditures	($40,776)	($40,776)	($40,776)	($44,208)	($64,728)	($397,993)	($568,584)	($568,584)	($624,496)	($627,928)
Cumulative Receipts	$474,640	$505,640	$536,640	$567,640	$598,640	$629,640	$660,640	$691,640	$722,640	$753,640
Year	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
Projected Replacements	($33,700)		($94,650)			($158,657)	($48,520)	($39,950)	($109,582)	($25,000)
Annual Deposit	$31,000	$31,000	$31,000	$31,000	$31,000	$31,000	$31,000	$31,000	$31,000	$31,000
End of Year Balance	$123,012	$154,012	$90,362	$121,362	$152,362	$24,706	$7,186	($1,764)	($80,346)	($74,346)
Cumulative Expenditures	($661,628)	($661,628)	($756,278)	($756,278)	($756,278)	($914,934)	($963,454)	($1,003,404)	($1,112,986)	($1,137,986)
Cumulative Receipts	$784,640	$815,640	$846,640	$877,640	$908,640	$939,640	$970,640	$1,001,640	$1,032,640	$1,063,640
Year	**2045**	**2046**	**2047**	**2048**	**2049**	**2050**	**2051**	**2052**	**2053**	**2054**
Projected Replacements	($121,145)	($3,432)			($93,540)	($190,887)	($28,000)	($3,432)	($55,912)	($40,920)
Annual Deposit	$31,000	$31,000	$31,000	$31,000	$31,000	$31,000	$31,000	$31,000	$31,000	$31,000
End of Year Balance	($164,491)	($136,923)	($105,923)	($74,923)	($137,463)	($297,350)	($294,350)	($266,782)	($291,694)	($301,614)
Cumulative Expenditures	($1,259,131)	($1,262,563)	($1,262,563)	($1,262,563)	($1,356,103)	($1,546,990)	($1,574,990)	($1,578,422)	($1,634,334)	($1,675,254)
Cumulative Receipts	$1,094,640	$1,125,640	$1,156,640	$1,187,640	$1,218,640	$1,249,640	$1,280,640	$1,311,640	$1,342,640	$1,373,640
Year	**2055**	**2056**	**2057**	**2058**	**2059**	**2060**	**2061**	**2062**	**2063**	**2064**
Projected Replacements	($344,382)		($20,520)	($3,432)		($138,085)	($121,540)	($3,000)	($88,892)	($3,432)
Annual Deposit	$31,000	$31,000	$31,000	$31,000	$31,000	$31,000	$31,000	$31,000	$31,000	$31,000
End of Year Balance	($614,996)	($583,996)	($573,516)	($545,948)	($514,948)	($622,032)	($712,572)	($684,572)	($742,464)	($714,896)
Cumulative Expenditures	($2,019,636)	($2,019,636)	($2,040,156)	($2,043,588)	($2,043,588)	($2,181,672)	($2,303,212)	($2,306,212)	($2,395,104)	($2,398,536)
Cumulative Receipts	$1,404,640	$1,435,640	$1,466,640	$1,497,640	$1,528,640	$1,559,640	$1,590,640	$1,621,640	$1,652,640	$1,683,640

EVALUATION OF CURRENT FUNDING

The evaluation of Current Funding (Starting Balance of $443,640 & annual funding of $31,000), is done in today's dollars with no adjustments for inflation or interest earned on Replacement Reserves. The evaluation assumes Replacement Reserves will only be used for the 117 Projected Replacements identified in the Replacement Reserve Inventory and that the Association will continue Annual Funding of $31,000 throughout the 40-year Study Period.

Annual Funding of $31,000 is approximately 59 percent of the $52,774 recommended Annual Funding calculated by the Cash Flow Method for 2025, the Study Year.

See the Executive Summary for the Current Funding Statement.

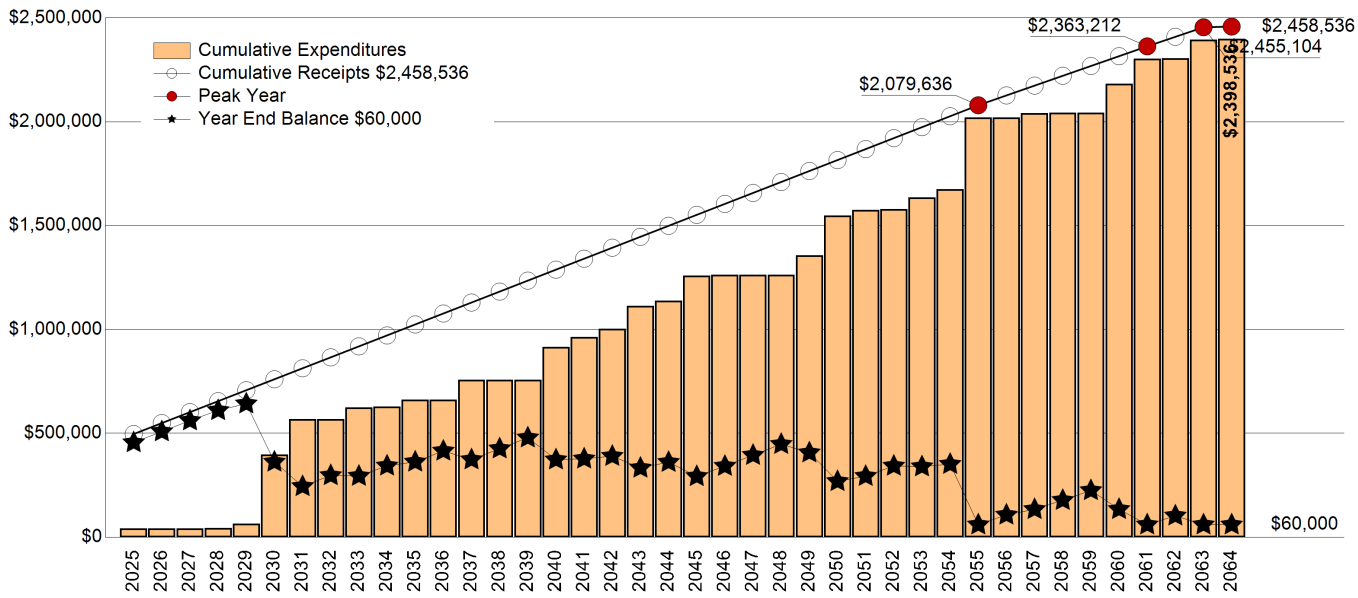
CASH FLOW METHOD FUNDING

$52,774 **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR 2025**
$19.46 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 2055 with Replacement Reserves on Deposit dropping to the Minimum Balance after the completion of $2,019,636 of replacements from 2025 to 2055. Recommended funding is anticipated to decline in 2056. Peak Years are identified in Chart 4 and Table 5.
- **Threshold (Minimum Balance).** The calculations assume a Minimum Balance of $60,000 will always be held in reserve, which is calculated by rounding the 12-month 40-year average annual expenditure of $59,963 as shown on Graph #2.
- **Cash Flow Method Study Period.** Cash Flow Method calculates funding for $2,398,536 of expenditures over the 40-year Study Period. It does not include funding for any projects beyond 2064 and in 2064, the end of year balance will always be the Minimum Balance.

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



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

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Starting Balance	$443,640									
Projected Replacements	($40,776)			($3,432)	($20,520)	($333,265)	($170,591)		($55,912)	($3,432)
Annual Deposit	$52,774	$52,774	$52,774	$52,774	$52,774	$52,774	$52,774	$52,774	$52,774	$52,774
End of Year Balance	$455,638	$508,412	$561,186	$610,528	$642,782	$362,292	$244,475	$297,249	$294,111	$343,453
Cumulative Expenditures	($40,776)	($40,776)	($40,776)	($44,208)	($64,728)	($397,993)	($568,584)	($568,584)	($624,496)	($627,928)
Cumulative Receipts	$496,414	$549,188	$601,962	$654,736	$707,510	$760,284	$813,058	$865,832	$918,607	$971,381

Year	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Projected Replacements	($33,700)		($94,650)			($158,657)	($48,520)	($39,950)	($109,582)	($25,000)
Annual Deposit	$52,774	$52,774	$52,774	$52,774	$52,774	$52,774	$52,774	$52,774	$52,774	$52,774
End of Year Balance	$362,527	$415,301	$373,425	$426,199	$478,973	$373,091	$377,345	$390,169	$333,361	$361,135
Cumulative Expenditures	($661,628)	($661,628)	($756,278)	($756,278)	($756,278)	($914,934)	($963,454)	($1,003,404)	($1,112,986)	($1,137,986)
Cumulative Receipts	$1,024,155	$1,076,929	$1,129,703	$1,182,477	$1,235,251	$1,288,025	$1,340,799	$1,393,573	$1,446,347	$1,499,121

Year	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Projected Replacements	($121,145)	($3,432)			($93,540)	($190,887)	($28,000)	($3,432)	($55,912)	($40,920)
Annual Deposit	$52,774	$52,774	$52,774	$52,774	$52,774	$52,774	$52,774	$52,774	$52,774	$52,774
End of Year Balance	$292,764	$342,106	$394,880	$447,654	$406,888	$268,775	$293,549	$342,892	$339,754	$351,608
Cumulative Expenditures	($1,259,131)	($1,262,563)	($1,262,563)	($1,262,563)	($1,356,103)	($1,546,990)	($1,574,990)	($1,578,422)	($1,634,334)	($1,675,254)
Cumulative Receipts	$1,551,895	$1,604,669	$1,657,443	$1,710,217	$1,762,992	$1,815,766	$1,868,540	$1,921,314	$1,974,088	$2,026,862

Year	1st Peak - 2055	2056	2057	2058	2059	2060	2nd Peak - 2061	2062	3rd Peak - 2063	4th Peak - 2064
Projected Replacements	($344,382)		($20,520)	($3,432)		($138,085)	($121,540)	($3,000)	($88,892)	($3,432)
Annual Deposit	$52,774	$47,263	$47,263	$47,263	$47,263	$47,263	$47,263	$45,946	$45,946	$3,432
End of Year Balance	$60,000	$107,263	$134,005	$177,836	$225,099	$134,277	$60,000	$102,946	$60,000	$60,000
Cumulative Expenditures	($2,019,636)	($2,019,636)	($2,040,156)	($2,043,588)	($2,043,588)	($2,181,672)	($2,303,212)	($2,306,212)	($2,395,104)	($2,398,536)
Cumulative Receipts	$2,079,636	$2,126,899	$2,174,161	$2,221,424	$2,268,687	$2,315,950	$2,363,212	$2,409,158	$2,455,104	$2,458,536

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.

$52,774 **2025 - CASH FLOW METHOD RECOMMENDED FUNDING**

The 2025 Study Year calculations have been made using current replacement costs

$55,941 **2026 - 6% INFLATION ADJUSTED FUNDING**

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

- Starting Balance totaling $455,638 on April 1, 2026.
- No Expenditures from Replacement Reserves in 2025.

$59,297 **2027 - 6% INFLATION ADJUSTED FUNDING**

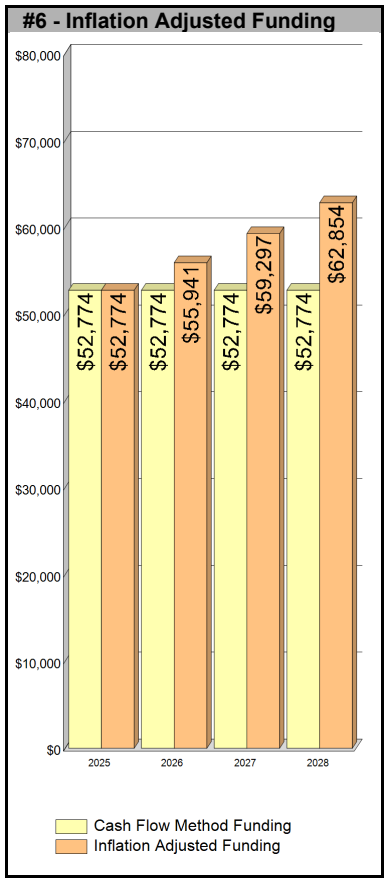
A new analysis calculates the 2027 funding based on three assumptions:

- Starting balance of approximately $511,579 = 2026 Starting Balance $455,638, plus Inflation Adjusted Funding $55,941 for 2026, minus $0 2025 Inflation Adjusted Cost.
- No Expenditures from Replacement Reserves in 2026.

$62,854 **2028 - 6% INFLATION ADJUSTED FUNDING**

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

- Starting balance of approximately $570,875 = 2027 Starting Balance $511,579, plus Inflation Adjusted Funding $59,297 for 2027, minus $0 2025 Inflation Adjusted Cost.
- 2028 Non inflation replacement costs listed in Section C, $3,432, will be replaced at approximately $4,050, 6.00% inflation increase to 2025 costs.
- The $62,854 inflation-adjusted funding in 2028 is a 6% increase over the non-inflation-adjusted funding of $59,297 for 2027.



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 2026, 2027 and 2028 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 2025, based on a 1.00 percent interest rate, we estimate the Association may earn $4,496 on an average balance of $449,639, $4,836 on an average balance of $483,608 in 2026, and $5,412 on $541,227 in 2027. The Association may elect to attribute 100 percent of the earned interest to Reserves, resulting in a reduction in the 2025 funding from $52,774 to $48,278 (a 8.52 percent reduction), $55,941 to $51,104 in 2026 (a 8.64 percent reduction), and $59,297 to $53,885 in 2027 (a 9.12 percent reduction).

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SECTION B - REPLACEMENT RESERVE INVENTORY

- **PROJECTED REPLACEMENTS.** Country Creek Patio Home Association - Replacement Reserve Inventory identifies 117 items that are Projected Replacements and the periodic replacements of these items are scheduled for funding from Replacement Reserves. The Projected Replacements have an estimated one-time replacement cost of $1,090,351. Cumulative Replacements totaling $2,398,536 are scheduled in the Replacement Reserve Inventory over the 40-year Study Period. Cumulative Replacements include those components that are replaced more than once during the period of the study.

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

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

- **EXCLUDED ITEMS.** Some of the items contained in the Replacement Reserve Inventory are 'Excluded Items'. Multiple categories of items are typically excluded from funding by Replacement Reserves, including but not limited to:

  Value. Items with a replacement cost of less than $1000 and/or a normal economic life of less than 3 years are typically excluded from funding from Replacement Reserves. This exclusion should reflect the Association policy on the administration of Replacement Reserves. If the Association has selected an alternative level, it will be noted in the Replacement Reserve Inventory - General Comments on Page B.2.

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

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

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

- **CATEGORIES.** The 117 items included in the Country Creek Patio Home Association Replacement Reserve Inventory are divided into 3 major categories. Each category is printed on a separate page, beginning on page B.3.

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

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

REPLACEMENT RESERVE INVENTORY - GENERAL INFORMATION (CONT'D)

- **INVENTORY DATA.** Each of the 117 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 117 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 ($)	NEL	REL	REPLACEMENT COST ($)
	Asphalt Parking Area for Community Center						
1	Asphalt pavement, mill and overlay	sf	22,176	$2.45	24	6	$54,331
2	Asphalt pavement, seal coat	sf	22,176	$0.25	6	none	$5,544
3	Asphalt pavement, crack sealing (1.5% allowance)	ft	333	$4.00	3	none	$1,332
4	Concrete, curb and gutter, (6% allowance)	ft	32	$42.00	6	6	$1,344
	Roadways to RV Storage and North Pumphouse						
5	Concrete roadway (6% allowance)	sf	300	$14.00	6	6	$4,200
6	Gravel roadway, replenish 3/8" per sf	sf	16,000	$1.75	10	6	$28,000
	Concrete Sidewalks						
7	Concrete sidewalk with curb (3% allowance)	ft	384	$110.00	6	6	$42,240
8	Concrete sidewalk (new) (6% allowance)	sf	247	$14.00	6	12	$3,458
	Concrete sidewalk (units) (3% allowance)						EXCLUDED
9	Concrete sidewalk (comm ctr) (6% allowance)	sf	458	$14.00	6	12	$6,412
	Concrete Sidewalk converted from Gravel						
10	Concrete sidewalk (full replacement)	sf	2,250	$14.00	100	6	$31,500
11	Concrete sidewalk (6% allowance)	sf	135	$14.00	6	18	$1,890
	Gravel Trail along Northeast Border of Property						
12	Gravel path, replenish 3/8" per sf (25% allowance)	sf	4,560	$4.50	4	4	$20,520

Replacement Costs - Page Subtotal $200,771

COMMENTS

- Item #4: Concrete, curb and gutter, (6% allowance) - 532 linear feet
- Item #5: Concrete roadway (6% allowance) - 5,000 square feet of roadway
- Item #7: Concrete sidewalk with curb (3% allowance) - 76,875 sf of sidewalks along roadways (6 foot wide), equates to 12,812 linear feet.
- Item #8: Concrete sidewalk (new) (6% allowance) - 4,120 sf of new concrete sidewalk along the northwest border of property.
- Concrete sidewalk (units) (3% allowance) - [03/13/2025] excluded per request, this is the homeowner's responsibility. 6,750 sf of concrete sidewalks from streetside sidewalks up to the homeowner units.
- Item #9: Concrete sidewalk (comm ctr) (6% allowance) - 7,632 sf of concrete sidewalks withing the community center area.
- Item #10: Concrete sidewalk (full replacement) - 2,250 sf of existing gravel path in northern part of property converted to a concrete sidewalk. (one-time replacement)
- Item #11: Concrete sidewalk (6% allowance) - 2,250 sf of new sidewalk.
- Item #12: Gravel path, replenish 3/8" per sf (25% allowance) - 18,240 sf of gravel trail along property line. 25% of trail replenished every 4 years - full trail refurbished every 16 years.

SITE ITEMS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
Entry Monument							
13	Entrance monument, refurbish metal sign	sf	15	$225.00	25	10	$3,375
Pond							
14	Retention ponds, refurbish	cy	303	$95.00	30	5	$28,785
15	Perimeter retaining wall, concrete (10% allowance)	lf	49	$270.00	10	5	$13,230
16	Aeration compressor, aerators, and diffuser	ea	1	$9,122.00	10	5	$9,122
Stormwater Management, Dry							
17	Dry pond, restoration, clearing, and reset	ls	2	$10,000.00	10	5	$20,000
18	Stormwater management, yard inlet and cover	ea	2	$27,500.00	40	30	$55,000
19	Stormwater management, curb inlet and cover (33%	ea	2	$27,500.00	15	15	$55,000
20	Stormwater management, concrete manhole and	ea	1	$6,500.00	80	60	$6,500
21	Stormwater piping, 24" dia, below roadways	lf	120	$110.00	80	60	$13,200
22	Stormwater piping, 24" dia, roadway to retention	lf	615	$60.00	80	60	$36,900
23	Stormwater piping, 12" pvc, north retention under	lf	550	$80.00	80	80	$44,000
Irrigation System, Piping, Isolation Valves, and Controllers							
24	Irrigation, controller (20% allowance)	ea	1	$2,100.00	3	3	$2,100
25	Irrigation, Isolation valve (20% allowance)	ea	5	$3,000.00	10	5	$15,000
26	Irrigation main supply line, 6" dia. (1% allowance)	ft	51	$105.00	10	10	$5,355
27	Irrigation distribution line, 6" dia. (1% allowance)	ft	47	$100.00	10	10	$4,700
28	Irrigation distribution line, 4" dia. (1% allowance)	ft	38	$80.00	10	10	$3,040
29	Irrigation distribution line, 3" dia. (1% allowance)	ft	53	$60.00	10	10	$3,180
30	Irrigation distribution line, 1" to 2" dia. (1%	ft	80	$40.00	10	10	$3,200
					Replacement Costs - Page Subtotal		$321,687

COMMENTS

- Item #15: Perimeter retaining wall, concrete (10% allowance) - 488 linear feet of concrete perimeter retaining wall around retention pond.
- Item #17: Dry pond, restoration, clearing, and reset (allowance) - North dry retention area (new) and East dry retention pond.
- Item #18: Stormwater management, yard inlet and cover - Water overflow inlet, concrete, one for north retention area and one for east retention area.
- Item #19: Stormwater management, curb inlet and cover (33% allowance) - Total of 6 concrete curb inlets (with covers) located at the side of roadways. Two for the new road at north retention area. Two on Primrose and two on Marigold.
- Item #24: Irrigation, controller (20% allowance) - Total of 5 irrigation controllers replaced incrementally on a 15 year cycle.
- Item #25: Irrigation, Isolation valve (20% allowance) - There are a total of 26 isolation valves of various size replaced incrementally on a 50 year cycle.
- Item #26: Irrigation main supply line, 6" dia. (1% allowance) - There is a total of 5,050 linear feet of 6" dia. main irrigation supply piping replaced incrementally on a 100 year cycle.
- Item #27: Irrigation distribution line, 6" dia. (1% allowance) - There is a total of 4,680 linear feet of 6" dia. pvc distribution irrigation piping replaced incrementally on a 100 year cycle.
- Item #28: Irrigation distribution line, 4" dia. (1% allowance) - There is a total of 3,800 linear feet of 4" dia. pvc distribution irrigation piping replaced incrementally on a 100 year cycle.
- Item #29: Irrigation distribution line, 3" dia. (1% allowance) - There is a total of 5,320 linear feet of 3" dia. pvc distribution irrigation piping replaced incrementally on a 100 year cycle.
- Item #30: Irrigation distribution line, 1" to 2" dia. (1% allowance) - There is a total of 8,000 linear feet of 1" to 2" dia. pvc distribution irrigation piping replaced incrementally on a 100 year cycle.

SITE ITEMS - (cont.)
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
Retaining Walls							
31	Retaining wall, segmental block (reset) (3%	sf	354	$15.00	5	5	$5,310
32	Retaining wall, concrete (repair) (5% allowance)	sf	60	$50.00	20	20	$3,000
33	Retaining wall, stucco (repoint) (10% allowance)	sf	120	$12.00	10	10	$1,440
RV Storage Area							
34	Gravel roadway, replenish 3/8" per sf	sf	3,520	$2.10	10	8	$7,392
35	Fence, 8' galvanized chain link	ft	780	$31.00	40	38	$24,180
36	Gate, 8' galvanized chain link (RV entry)	ft	40	$45.00	40	38	$1,800
37	Fence, 4' galvanized chain link along gravel road	ft	1,150	$19.00	40	38	$21,850
38	Gravel roadway, replenish 3/8" per sf	sf	16,000	$1.75	10	8	$28,000
Mailbox Enclosure & Mailbox Clusters							
39	Roofing, asphalt shingles	sf	200	$6.25	25	5	$1,250
40	Mailbox, aluminum, recessed	ea	220	$95.00	35	15	$20,900
41	Mailbox, cluster, 16-bay	ea	1	$1,950.00	35	15	$1,950
42	Mailbox, cluster, 12-bay	ea	1	$1,750.00	35	15	$1,750

Replacement Costs - Page Subtotal $118,822

COMMENTS

- Item #31: Retaining wall, segmental block (reset) (3% allowance) - There is a total of 11,840 square feet of SRW retaining wall replaced incrementally on an as-needed basis.
- Item #32: Retaining wall, concrete (repair) (5% allowance) - There is a total of 1,200 square feet of stucco covered concrete retaining wall repaired incrementally and stucco floated on an as-needed basis.
- Item #37: Fence, 4' galvanized chain link along gravel road - 4' chain line fence parallels a gravel roadway leading to the north pumphouse.

EXTERIOR ITEMS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
Pumphouse, South (smaller)							
43	Roofing, asphalt shingles	sf	180	$6.25	25	5	$1,125
44	Siding and trim, cementitious	sf	440	$20.00	50	30	$8,800
45	Door, single (3' X 6'8")	ea	1	$1,600.00	50	30	$1,600
46	Irrigation, pump, 7 hp	ea	1	$5,800.00	25	5	$5,800
47	Irrigation, pump, 15 hp (full replacement)	ea	1	$2,900.00	25	5	$2,900
48	Irrigation, pump, 15 hp (motor replacement)	ea	1	$3,900.00	12	5	$3,900
49	Irrigation, VFD, 15 hp	ea	1	$3,600.00	25	5	$3,600
50	Irrigation, filter assembly	ls	1	$14,500.00	25	5	$14,500
51	Irrigation, piping assembly	ls	1	$2,800.00	25	5	$2,800
Pumphouse, North (larger)							
52	Roofing, SSMR	sf	1,060	$25.00	60	54	$26,500
53	Siding and trim, cementitious	sf	1,100	$20.00	50	44	$22,000
54	Door, single (3' X 6'8")	ea	1	$1,600.00	50	44	$1,600
55	Garage door, double	ea	1	$3,500.00	50	44	$3,500
56	Garage door opener	ea	1	$1,200.00	25	19	$1,200
57	Irrigation, pump, 20 hp (full replacement)	ea	1	$3,000.00	25	12	$3,000
58	Irrigation, pump, 20 hp (motor replacement)	ea	1	$4,500.00	12	12	$4,500
59	Irrigation, VFD, 20 hp	ea	1	$4,200.00	25	19	$4,200
60	Irrigation, filter assembly	ls	1	$16,500.00	25	19	$16,500
61	Irrigation, piping assembly	ls	1	$3,100.00	25	19	$3,100

Replacement Costs - Page Subtotal $131,125

COMMENTS

- Item #52: Roofing, SSMR - 12/12 pitch - steep roof.

RECREATION ITEMS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
Community Center Area - Site							
62	Flagpole	ea	1	$4,200.00	50	30	$4,200
63	Site light, decorative single head, steel pole	ea	2	$3,600.00	25	none	$7,200
64	Bench, park area	ea	4	$1,850.00	30	20	$7,400
65	Horseshoe courts	ea	2	$1,250.00	20	10	$2,500
66	Grill, barbecue, propane	ea	2	$800.00	10	10	$1,600
Community Center - Exterior							
67	Roofing, asphalt shingles	sf	4,830	$5.75	25	5	$27,773
68	Gutter and downspouts	ft	384	$12.00	50	30	$4,608
69	Stucco, recoating	sf	2,700	$4.00	20	5	$10,800
70	Stucco, repair (5% allowance)	sf	135	$15.00	10	5	$2,025
71	Siding and trim, cementitious	sf	500	$20.00	50	25	$10,000
72	Window, operable	sf	350	$68.00	40	5	$23,800
73	Door, residential, single	ea	3	$1,600.00	40	20	$4,800
74	Door, residential, double	ea	3	$2,200.00	40	20	$6,600
75	Exterior lighting, building mounted	ea	10	$225.00	25	5	$2,250

Replacement Costs - Page Subtotal $115,556

COMMENTS

RECREATION ITEMS - (cont.)

PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
Community Center - Interior							
76	Flooring, carpet tile	sf	1,750	$6.25	10	5	$10,938
77	Flooring, vinyl tile	sf	1,275	$5.50	20	5	$7,013
78	Paint, interior, walls and ceiling	ft	9,000	$2.00	20	5	$18,000
79	Interior door and frame, single	ea	7	$1,000.00	40	25	$7,000
80	Interior door and frame, double	ea	2	$1,300.00	40	25	$2,600
81	Interior lighting, general	ea	44	$150.00	40	25	$6,600
82	Interior lighting, bathroom vanity	ea	3	$175.00	40	25	$525
83	Interior lighting, ceiling cans	ea	8	$125.00	40	25	$1,000
84	Emergency lighting with exit sign	ea	5	$175.00	20	5	$875
85	Fireplace, gas log	ea	1	$8,500.00	40	25	$8,500
Millwork							
86	Millwork, kitchen, with counter-top	ft	20	$525.00	20	5	$10,500
87	Millwork, multi-purpose room, with counter-top	ft	8	$325.00	20	5	$2,600
88	Millwork, pool room, with counter-top	ft	18	$350.00	20	5	$6,300
89	Millwork, restrooms, with counter-top	ft	16	$375.00	20	5	$6,000
Restrooms							
90	Restroom, Women's, renovation	ls	1	$2,500.00	20	5	$2,500
91	Restroom, Men's, renovation	ls	1	$3,000.00	20	5	$3,000
92	Restroom, Fitness Area, renovation	ls	1	$3,500.00	20	5	$3,500

Replacement Costs - Page Subtotal $97,450

COMMENTS

- Item #86: Millwork, kitchen, with counter-top - With upper and lower cabinets.
- Item #88: Millwork, pool room, with counter-top - Includes faucet & sink.
- Item #89: Millwork, restrooms, with counter-top - 8' counter in Women's Restroom, 4' millwork in Men's Restroom, and 4' millwork in fitness restroom - each with faucet and sink.
- Item #90: Restroom, Women's, renovation - Restroom renovations include fixtures (water closets & urinals), mirrors, towel and toilet paper dispensers, and shower (for Fitness Restroom).

RECREATION ITEMS - (cont.)

PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
Kitchen Appliances							
93	Kitchen, range	ea	1	$1,600.00	20	18	$1,600
94	Kitchen, microwave/hood	ea	1	$870.00	20	18	$870
95	Kitchen, refrigerator	ea	1	$2,200.00	20	18	$2,200
96	Kitchen, dishwasher	ea	1	$1,000.00	20	18	$1,000
97	Kitchen, sink with faucet	ft	1	$750.00	20	5	$750
98	Party Room, commercial coffee maker	ea	1	$2,200.00	15	5	$2,200
Furniture							
99	Furniture, couch	ea	1	$2,500.00	12	5	$2,500
100	Furniture, love seat	ea	1	$1,750.00	12	5	$1,750
101	Furniture, chair, upholstered	ea	3	$750.00	12	5	$2,250
102	Furniture, coffee table	ea	1	$850.00	24	5	$850
103	Furniture, end table	ea	4	$450.00	24	5	$1,800
104	Furniture, storage cabinet	ea	1	$900.00	24	5	$900
105	Furnishings, TV, LED flatscreen	ea	3	$1,200.00	12	5	$3,600
106	Furnishings, entertainment center	ea	1	$1,200.00	12	5	$1,200
107	Furniture, table, wood	ea	1	$820.00	24	5	$820
108	Furniture, chair, wood and fabric	ea	4	$275.00	24	5	$1,100
109	Party Room, portable tables	ea	15	$250.00	12	5	$3,750
110	Party Room, stacking chairs	ea	100	$165.00	12	5	$16,500
111	Pool table	ea	1	$4,500.00	36	17	$4,500
				Replacement Costs - Page Subtotal			$50,140

COMMENTS

- Item #106: Furnishings, entertainment center - Entertainment equipment in Party Room.
- Item #110: Party Room, stacking chairs - [03/12/2025] Per request, changed URC.

RECREATION ITEMS - (cont.)

PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
Fitness Equipment							
112	Treadmill	ea	1	$7,400.00	15	5	$7,400
113	Stepper	ea	1	$6,500.00	15	5	$6,500
114	Bike	ea	1	$6,000.00	15	5	$6,000
115	Rower	ea	1	$2,200.00	15	5	$2,200
116	Smith Machine	ea	1	$6,000.00	30	5	$6,000
117	Rooftop unit, RTU, packaged - heat and cool	ea	2	$13,350.00	20	none	$26,700
Community Center - HVAC Equipment							
				Replacement Costs - Page Subtotal			$54,800

COMMENTS

VALUATION EXCLUSIONS
Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Property identification signage						EXCLUDED
	Miscellaneous signage						EXCLUDED
	Fire extinguisher cabinet						EXCLUDED
	Sprinkler head						EXCLUDED
	Signage						EXCLUDED

VALUATION EXCLUSIONS
Comments

- Valuation Exclusions. For ease of administration of the Replacement Reserves and to reflect accurately how Replacement Reserves are administered, items with a dollar value less than $1000 have not been scheduled for funding from Replacement Reserve. Examples of items excluded by Replacement Reserves by this standard are listed above.

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

LONG-LIFE EXCLUSIONS
Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Masonry features						EXCLUDED
	Concrete retaining walls						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
	Gas services at common facilities						EXCLUDED

LONG-LIFE EXCLUSIONS
Comments

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

UNIT IMPROVEMENTS EXCLUSIONS

Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Domestic water pipes serving one unit						EXCLUDED
	Sanitary sewers serving one unit						EXCLUDED
	Electrical wiring serving one unit						EXCLUDED
	Cable TV service serving one unit						EXCLUDED
	Telephone service serving one unit						EXCLUDED
	Gas service serving one unit						EXCLUDED
	Driveway on an individual lot						EXCLUDED
	Unit exterior						EXCLUDED
	Unit windows						EXCLUDED
	Unit doors						EXCLUDED
	Unit deck, patio, and/or balcony						EXCLUDED
	Unit interior						EXCLUDED
	Unit HVAC system						EXCLUDED

UNIT IMPROVEMENTS EXCLUSIONS

Comments

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

UTILITY EXCLUSIONS
Excluded Items

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

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
	Landscaping and site grading						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 EXCLUSIONS

Comments

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

IRRIGATION SYSTEM EXCLUSIONS

Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Subsurface irrigation control wiring						EXCLUDED
	Irrigation system electrical service						EXCLUDED
	Irrigation system enclosures						EXCLUDED
	Irrigation culvert filtration basin						EXCLUDED

IRRIGATION SYSTEM EXCLUSIONS

Comments

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

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SECTION C - CALENDAR OF PROJECTED ANNUAL REPLACEMENTS

GENERAL STATEMENT. The 117 Projected Replacements in the Country Creek Patio Home Association Replacement Reserve Inventory whose replacement is scheduled to be funded from Replacement Reserves are broken down on a year-by-year basis, beginning on Page C.2.

REPLACEMENT RESERVE ANALYSIS AND INVENTORY POLICIES, PROCEDURES, AND ADMINISTRATION

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

PROJECTED REPLACEMENTS

Item	2025 - Study Year	$
2	Asphalt pavement, seal coat	$5,544
3	Asphalt pavement, crack sealing (1.5% allowance)	$1,332
63	Site light, decorative single head, steel pole	$7,200
117	Rooftop unit, RTU, packaged - heat and cool	$26,700
	Total Scheduled Replacements	$40,776

Item	2026 - YEAR 1	$
	No Scheduled Replacements	

PROJECTED REPLACEMENTS

Item	2027 - YEAR 2	$
No Scheduled Replacements		

Item	2028 - YEAR 3	$
3	Asphalt pavement, crack sealing (1.5% allowance)	$1,332
24	Irrigation, controller (20% allowance)	$2,100
Total Scheduled Replacements		$3,432

PROJECTED REPLACEMENTS

Item	2029 - YEAR 4	$
12	Gravel path, replenish 3/8" per sf (25% allowance)	$20,520
	Total Scheduled Replacements	$20,520

Item	2030 - YEAR 5	$
14	Retention ponds, refurbish	$28,785
15	Perimeter retaining wall, concrete (10% allowance)	$13,230
16	Aeration compressor, aerators, and diffuser	$9,122
17	Dry pond, restoration, clearing, and reset (allowance)	$20,000
25	Irrigation, Isolation valve (20% allowance)	$15,000
31	Retaining wall, segmental block (reset) (3% allowance)	$5,310
39	Roofing, asphalt shingles	$1,250
43	Roofing, asphalt shingles	$1,125
46	Irrigation, pump, 7 hp	$5,800
47	Irrigation, pump, 15 hp (full replacement)	$2,900
48	Irrigation, pump, 15 hp (motor replacement)	$3,900
49	Irrigation, VFD, 15 hp	$3,600
50	Irrigation, filter assembly	$14,500
51	Irrigation, piping assembly	$2,800
67	Roofing, asphalt shingles	$27,773
69	Stucco, recoating	$10,800
70	Stucco, repair (5% allowance)	$2,025
72	Window, operable	$23,800
75	Exterior lighting, building mounted	$2,250
76	Flooring, carpet tile	$10,938
77	Flooring, vinyl tile	$7,013
78	Paint, interior, walls and ceiling	$18,000
84	Emergency lighting with exit sign	$875
86	Millwork, kitchen, with counter-top	$10,500
87	Millwork, multi-purpose room, with counter-top	$2,600
88	Millwork, pool room, with counter-top	$6,300
89	Millwork, restrooms, with counter-top	$6,000
90	Restroom, Women's, renovation	$2,500
91	Restroom, Men's, renovation	$3,000
92	Restroom, Fitness Area, renovation	$3,500
97	Kitchen, sink with faucet	$750
98	Party Room, commercial coffee maker	$2,200
99	Furniture, couch	$2,500
100	Furniture, love seat	$1,750
101	Furniture, chair, upholstered	$2,250
102	Furniture, coffee table	$850
103	Furniture, end table	$1,800
104	Furniture, storage cabinet	$900
105	Furnishings, TV, LED flatscreen	$3,600
106	Furnishings, entertainment center	$1,200
107	Furniture, table, wood	$820
108	Furniture, chair, wood and fabric	$1,100
109	Party Room, portable tables	$3,750
110	Party Room, stacking chairs	$16,500
112	Treadmill	$7,400
113	Stepper	$6,500
114	Bike	$6,000
115	Rower	$2,200
116	Smith Machine	$6,000
	Total Scheduled Replacements	$333,265

PROJECTED REPLACEMENTS

Item	2031 - YEAR 6	$
1	Asphalt pavement, mill and overlay	$54,331
2	Asphalt pavement, seal coat	$5,544
3	Asphalt pavement, crack sealing (1.5% allowance)	$1,332
4	Concrete, curb and gutter, (6% allowance)	$1,344
5	Concrete roadway (6% allowance)	$4,200
6	Gravel roadway, replenish 3/8" per sf	$28,000
7	Concrete sidewalk with curb (3% allowance)	$42,240
10	Concrete sidewalk (full replacement)	$31,500
24	Irrigation, controller (20% allowance)	$2,100
	Total Scheduled Replacements	$170,591

Item	2032 - YEAR 7	$
	No Scheduled Replacements	

PROJECTED REPLACEMENTS

Item	2033 - YEAR 8	$
12	Gravel path, replenish 3/8" per sf (25% allowance)	$20,520
34	Gravel roadway, replenish 3/8" per sf	$7,392
38	Gravel roadway, replenish 3/8" per sf	$28,000
	Total Scheduled Replacements	$55,912

Item	2034 - YEAR 9	$
3	Asphalt pavement, crack sealing (1.5% allowance)	$1,332
24	Irrigation, controller (20% allowance)	$2,100
	Total Scheduled Replacements	$3,432

PROJECTED REPLACEMENTS

Item	2035 - YEAR 10	$
13	Entrance monument, refurbish metal sign	$3,375
26	Irrigation main supply line, 6" dia. (1% allowance)	$5,355
27	Irrigation distribution line, 6" dia. (1% allowance)	$4,700
28	Irrigation distribution line, 4" dia. (1% allowance)	$3,040
29	Irrigation distribution line, 3" dia. (1% allowance)	$3,180
30	Irrigation distribution line, 1" to 2" dia. (1% allowance)	$3,200
31	Retaining wall, segmental block (reset) (3% allowance)	$5,310
33	Retaining wall, stucco (repoint) (10% allowance)	$1,440
65	Horseshoe courts	$2,500
66	Grill, barbecue, propane	$1,600
	Total Scheduled Replacements	$33,700

Item	2036 - YEAR 11	$
	No Scheduled Replacements	

PROJECTED REPLACEMENTS

Item	2037 - YEAR 12	$
2	Asphalt pavement, seal coat	$5,544
3	Asphalt pavement, crack sealing (1.5% allowance)	$1,332
4	Concrete, curb and gutter, (6% allowance)	$1,344
5	Concrete roadway (6% allowance)	$4,200
7	Concrete sidewalk with curb (3% allowance)	$42,240
8	Concrete sidewalk (new) (6% allowance)	$3,458
9	Concrete sidewalk (comm ctr) (6% allowance)	$6,412
12	Gravel path, replenish 3/8" per sf (25% allowance)	$20,520
24	Irrigation, controller (20% allowance)	$2,100
57	Irrigation, pump, 20 hp (full replacement)	$3,000
58	Irrigation, pump, 20 hp (motor replacement)	$4,500
	Total Scheduled Replacements	$94,650

Item	2038 - YEAR 13	$
	No Scheduled Replacements	

PROJECTED REPLACEMENTS

Item	2039 - YEAR 14	$

No Scheduled Replacements

Item	2040 - YEAR 15	$
3	Asphalt pavement, crack sealing (1.5% allowance)	$1,332
15	Perimeter retaining wall, concrete (10% allowance)	$13,230
16	Aeration compressor, aerators, and diffuser	$9,122
17	Dry pond, restoration, clearing, and reset (allowance)	$20,000
19	Stormwater management, curb inlet and cover (33%	$55,000
24	Irrigation, controller (20% allowance)	$2,100
25	Irrigation, Isolation valve (20% allowance)	$15,000
31	Retaining wall, segmental block (reset) (3% allowance)	$5,310
40	Mailbox, aluminum, recessed	$20,900
41	Mailbox, cluster, 16-bay	$1,950
42	Mailbox, cluster, 12-bay	$1,750
70	Stucco, repair (5% allowance)	$2,025
76	Flooring, carpet tile	$10,938

Total Scheduled Replacements $158,657

PROJECTED REPLACEMENTS

Item	2041 - YEAR 16	$
6	Gravel roadway, replenish 3/8" per sf	$28,000
12	Gravel path, replenish 3/8" per sf (25% allowance)	$20,520
	Total Scheduled Replacements	$48,520

Item	2042 - YEAR 17	$
48	Irrigation, pump, 15 hp (motor replacement)	$3,900
99	Furniture, couch	$2,500
100	Furniture, love seat	$1,750
101	Furniture, chair, upholstered	$2,250
105	Furnishings, TV, LED flatscreen	$3,600
106	Furnishings, entertainment center	$1,200
109	Party Room, portable tables	$3,750
110	Party Room, stacking chairs	$16,500
111	Pool table	$4,500
	Total Scheduled Replacements	$39,950

PROJECTED REPLACEMENTS

Item	2043 - YEAR 18	$
2	Asphalt pavement, seal coat	$5,544
3	Asphalt pavement, crack sealing (1.5% allowance)	$1,332
4	Concrete, curb and gutter, (6% allowance)	$1,344
5	Concrete roadway (6% allowance)	$4,200
7	Concrete sidewalk with curb (3% allowance)	$42,240
8	Concrete sidewalk (new) (6% allowance)	$3,458
9	Concrete sidewalk (comm ctr) (6% allowance)	$6,412
11	Concrete sidewalk (6% allowance)	$1,890
24	Irrigation, controller (20% allowance)	$2,100
34	Gravel roadway, replenish 3/8" per sf	$7,392
38	Gravel roadway, replenish 3/8" per sf	$28,000
93	Kitchen, range	$1,600
94	Kitchen, microwave/hood	$870
95	Kitchen, refrigerator	$2,200
96	Kitchen, dishwasher	$1,000
	Total Scheduled Replacements	$109,582

Item	2044 - YEAR 19	$
56	Garage door opener	$1,200
59	Irrigation, VFD, 20 hp	$4,200
60	Irrigation, filter assembly	$16,500
61	Irrigation, piping assembly	$3,100
	Total Scheduled Replacements	$25,000

PROJECTED REPLACEMENTS

Item	2045 - YEAR 20	$
12	Gravel path, replenish 3/8" per sf (25% allowance)	$20,520
26	Irrigation main supply line, 6" dia. (1% allowance)	$5,355
27	Irrigation distribution line, 6" dia. (1% allowance)	$4,700
28	Irrigation distribution line, 4" dia. (1% allowance)	$3,040
29	Irrigation distribution line, 3" dia. (1% allowance)	$3,180
30	Irrigation distribution line, 1" to 2" dia. (1% allowance)	$3,200
31	Retaining wall, segmental block (reset) (3% allowance)	$5,310
32	Retaining wall, concrete (repair) (5% allowance)	$3,000
33	Retaining wall, stucco (repoint) (10% allowance)	$1,440
64	Bench, park area	$7,400
66	Grill, barbecue, propane	$1,600
73	Door, residential, single	$4,800
74	Door, residential, double	$6,600
98	Party Room, commercial coffee maker	$2,200
112	Treadmill	$7,400
113	Stepper	$6,500
114	Bike	$6,000
115	Rower	$2,200
117	Rooftop unit, RTU, packaged - heat and cool	$26,700
	Total Scheduled Replacements	$121,145

Item	2046 - YEAR 21	$
3	Asphalt pavement, crack sealing (1.5% allowance)	$1,332
24	Irrigation, controller (20% allowance)	$2,100
	Total Scheduled Replacements	$3,432

PROJECTED REPLACEMENTS

Item	2047 - YEAR 22	$
No Scheduled Replacements		

Item	2048 - YEAR 23	$
No Scheduled Replacements		

PROJECTED REPLACEMENTS

Item	2049 - YEAR 24	$
2	Asphalt pavement, seal coat	$5,544
3	Asphalt pavement, crack sealing (1.5% allowance)	$1,332
4	Concrete, curb and gutter, (6% allowance)	$1,344
5	Concrete roadway (6% allowance)	$4,200
7	Concrete sidewalk with curb (3% allowance)	$42,240
8	Concrete sidewalk (new) (6% allowance)	$3,458
9	Concrete sidewalk (comm ctr) (6% allowance)	$6,412
11	Concrete sidewalk (6% allowance)	$1,890
12	Gravel path, replenish 3/8" per sf (25% allowance)	$20,520
24	Irrigation, controller (20% allowance)	$2,100
58	Irrigation, pump, 20 hp (motor replacement)	$4,500
	Total Scheduled Replacements	$93,540

Item	2050 - YEAR 25	$
15	Perimeter retaining wall, concrete (10% allowance)	$13,230
16	Aeration compressor, aerators, and diffuser	$9,122
17	Dry pond, restoration, clearing, and reset (allowance)	$20,000
25	Irrigation, Isolation valve (20% allowance)	$15,000
31	Retaining wall, segmental block (reset) (3% allowance)	$5,310
63	Site light, decorative single head, steel pole	$7,200
69	Stucco, recoating	$10,800
70	Stucco, repair (5% allowance)	$2,025
71	Siding and trim, cementitious	$10,000
76	Flooring, carpet tile	$10,938
77	Flooring, vinyl tile	$7,013
78	Paint, interior, walls and ceiling	$18,000
79	Interior door and frame, single	$7,000
80	Interior door and frame, double	$2,600
81	Interior lighting, general	$6,600
82	Interior lighting, bathroom vanity	$525
83	Interior lighting, ceiling cans	$1,000
84	Emergency lighting with exit sign	$875
85	Fireplace, gas log	$8,500
86	Millwork, kitchen, with counter-top	$10,500
87	Millwork, multi-purpose room, with counter-top	$2,600
88	Millwork, pool room, with counter-top	$6,300
89	Millwork, restrooms, with counter-top	$6,000
90	Restroom, Women's, renovation	$2,500
91	Restroom, Men's, renovation	$3,000
92	Restroom, Fitness Area, renovation	$3,500
97	Kitchen, sink with faucet	$750
	Total Scheduled Replacements	$190,887

PROJECTED REPLACEMENTS

Item	2051 - YEAR 26	$
6	Gravel roadway, replenish 3/8" per sf	$28,000
	Total Scheduled Replacements	$28,000

Item	2052 - YEAR 27	$
3	Asphalt pavement, crack sealing (1.5% allowance)	$1,332
24	Irrigation, controller (20% allowance)	$2,100
	Total Scheduled Replacements	$3,432

PROJECTED REPLACEMENTS

Item	2053 - YEAR 28	$
12	Gravel path, replenish 3/8" per sf (25% allowance)	$20,520
34	Gravel roadway, replenish 3/8" per sf	$7,392
38	Gravel roadway, replenish 3/8" per sf	$28,000
	Total Scheduled Replacements	$55,912

Item	2054 - YEAR 29	$
48	Irrigation, pump, 15 hp (motor replacement)	$3,900
99	Furniture, couch	$2,500
100	Furniture, love seat	$1,750
101	Furniture, chair, upholstered	$2,250
102	Furniture, coffee table	$850
103	Furniture, end table	$1,800
104	Furniture, storage cabinet	$900
105	Furnishings, TV, LED flatscreen	$3,600
106	Furnishings, entertainment center	$1,200
107	Furniture, table, wood	$820
108	Furniture, chair, wood and fabric	$1,100
109	Party Room, portable tables	$3,750
110	Party Room, stacking chairs	$16,500
	Total Scheduled Replacements	$40,920

PROJECTED REPLACEMENTS

Item	2055 - YEAR 30	$
1	Asphalt pavement, mill and overlay	$54,331
2	Asphalt pavement, seal coat	$5,544
3	Asphalt pavement, crack sealing (1.5% allowance)	$1,332
4	Concrete, curb and gutter, (6% allowance)	$1,344
5	Concrete roadway (6% allowance)	$4,200
7	Concrete sidewalk with curb (3% allowance)	$42,240
8	Concrete sidewalk (new) (6% allowance)	$3,458
9	Concrete sidewalk (comm ctr) (6% allowance)	$6,412
11	Concrete sidewalk (6% allowance)	$1,890
18	Stormwater management, yard inlet and cover	$55,000
19	Stormwater management, curb inlet and cover (33%	$55,000
24	Irrigation, controller (20% allowance)	$2,100
26	Irrigation main supply line, 6" dia. (1% allowance)	$5,355
27	Irrigation distribution line, 6" dia. (1% allowance)	$4,700
28	Irrigation distribution line, 4" dia. (1% allowance)	$3,040
29	Irrigation distribution line, 3" dia. (1% allowance)	$3,180
30	Irrigation distribution line, 1" to 2" dia. (1% allowance)	$3,200
31	Retaining wall, segmental block (reset) (3% allowance)	$5,310
33	Retaining wall, stucco (repoint) (10% allowance)	$1,440
39	Roofing, asphalt shingles	$1,250
43	Roofing, asphalt shingles	$1,125
44	Siding and trim, cementitious	$8,800
45	Door, single (3' X 6'8")	$1,600
46	Irrigation, pump, 7 hp	$5,800
47	Irrigation, pump, 15 hp (full replacement)	$2,900
49	Irrigation, VFD, 15 hp	$3,600
50	Irrigation, filter assembly	$14,500
51	Irrigation, piping assembly	$2,800
62	Flagpole	$4,200
65	Horseshoe courts	$2,500
66	Grill, barbecue, propane	$1,600
67	Roofing, asphalt shingles	$27,773
68	Gutter and downspouts	$4,608
75	Exterior lighting, building mounted	$2,250
	Total Scheduled Replacements	$344,382

Item	2056 - YEAR 31	$
	No Scheduled Replacements	

PROJECTED REPLACEMENTS

Item	2057 - YEAR 32	$
12	Gravel path, replenish 3/8" per sf (25% allowance)	$20,520
	Total Scheduled Replacements	$20,520

Item	2058 - YEAR 33	$
3	Asphalt pavement, crack sealing (1.5% allowance)	$1,332
24	Irrigation, controller (20% allowance)	$2,100
	Total Scheduled Replacements	$3,432

PROJECTED REPLACEMENTS

Item	2059 - YEAR 34	$

No Scheduled Replacements

Item	2060 - YEAR 35	$
13	Entrance monument, refurbish metal sign	$3,375
14	Retention ponds, refurbish	$28,785
15	Perimeter retaining wall, concrete (10% allowance)	$13,230
16	Aeration compressor, aerators, and diffuser	$9,122
17	Dry pond, restoration, clearing, and reset (allowance)	$20,000
25	Irrigation, Isolation valve (20% allowance)	$15,000
31	Retaining wall, segmental block (reset) (3% allowance)	$5,310
70	Stucco, repair (5% allowance)	$2,025
76	Flooring, carpet tile	$10,938
98	Party Room, commercial coffee maker	$2,200
112	Treadmill	$7,400
113	Stepper	$6,500
114	Bike	$6,000
115	Rower	$2,200
116	Smith Machine	$6,000
	Total Scheduled Replacements	$138,085

PROJECTED REPLACEMENTS

Item	2061 - YEAR 36	$
2	Asphalt pavement, seal coat	$5,544
3	Asphalt pavement, crack sealing (1.5% allowance)	$1,332
4	Concrete, curb and gutter, (6% allowance)	$1,344
5	Concrete roadway (6% allowance)	$4,200
6	Gravel roadway, replenish 3/8" per sf	$28,000
7	Concrete sidewalk with curb (3% allowance)	$42,240
8	Concrete sidewalk (new) (6% allowance)	$3,458
9	Concrete sidewalk (comm ctr) (6% allowance)	$6,412
11	Concrete sidewalk (6% allowance)	$1,890
12	Gravel path, replenish 3/8" per sf (25% allowance)	$20,520
24	Irrigation, controller (20% allowance)	$2,100
58	Irrigation, pump, 20 hp (motor replacement)	$4,500
	Total Scheduled Replacements	$121,540

Item	2062 - YEAR 37	$
57	Irrigation, pump, 20 hp (full replacement)	$3,000
	Total Scheduled Replacements	$3,000

PROJECTED REPLACEMENTS

Item	2063 - YEAR 38	$
34	Gravel roadway, replenish 3/8" per sf	$7,392
35	Fence, 8' galvanized chain link	$24,180
36	Gate, 8' galvanized chain link (RV entry)	$1,800
37	Fence, 4' galvanized chain link along gravel road	$21,850
38	Gravel roadway, replenish 3/8" per sf	$28,000
93	Kitchen, range	$1,600
94	Kitchen, microwave/hood	$870
95	Kitchen, refrigerator	$2,200
96	Kitchen, dishwasher	$1,000
	Total Scheduled Replacements	$88,892

Item	2064 - YEAR 39	$
3	Asphalt pavement, crack sealing (1.5% allowance)	$1,332
24	Irrigation, controller (20% allowance)	$2,100
	Total Scheduled Replacements	$3,432

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SECTION D - CONDITION ASSESSMENT

General Comments. MillerDodson Associates conducted a Reserve Study at Country Creek Patio Home Association, Inc. in August 2024. Country Creek Patio Home Association, Inc. appears to be generally in fair condition for a homeowner's association constructed between 1998 and 2024. A review of the Replacement Reserve Inventory will show that we anticipate most of the components achieving their normal economic lives.

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

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

General Condition Statements.

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

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

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

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

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

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SITE ITEMS

Asphalt Pavement. The Association is responsible for the parking areas within the community. The City, County, or other municipality maintains the roadways. In general, the Association's asphalt pavements appear to be in poor condition.

The Association maintains an inventory of 22,176 sf of asphalt pavement at the Community Center.

The defects noted include the following:

- **Open Cracks.** There are multiple locations where open cracks allow water to penetrate the asphalt base and the bearing soils beneath. Over time, water will erode the base and accelerate the deterioration of the asphalt pavement. Remove the damaged areas and replace defective materials if cracks extend to the base and bearing materials. As a part of normal maintenance, clean and fill all other cracks.
- **Alligatoring.** There are multiple locations where the asphalt has developed a cracking pattern known as alligatoring. The primary cause of alligatoring is an unstable base. Once these cracks extend through the asphalt, they will allow water to penetrate the base, accelerating the rate of deterioration and eventually leading to potholes. The only solution is to remove the defective asphalt, compact the base, and install new base materials and asphalt.
- **Depressions.** There are areas where the asphalt surface is depressed due to deformation in the surface or underlying layers. These depressions may continue to grow with exposure to traffic. Water ponding is evident in several of these areas. Repairing these areas will require the removal of the asphalt and base material and reinstallation by compacting the new base material and resurfacing with asphalt.

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

As a general rule, 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 20 to 30 years. The model for the study has crack sealing every three years and seal coating every six years. With this type of upkeep, the asphalt should last approximately 30 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 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 and Asphalt Restoration Technologies, Inc., 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 as cracking and potholes. Re-moisturizing the pavement can return its flexibility and extend pavement life.

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Concrete Work. The concrete work includes the community sidewalks along with curb and gutters. We have modeled for curb replacement (at community center) when the asphalt pavement is overlaid. The overall condition of the concrete work appears to be in good condition.

The sidewalks that parallel the roadways have an integrated curb and gutter (C&G). When these sidewalks require replacement (by section), the C&G must also be replaced. The reserve study has modeled the C&G replacement cost in conjunction with the associated sidewalk.

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.

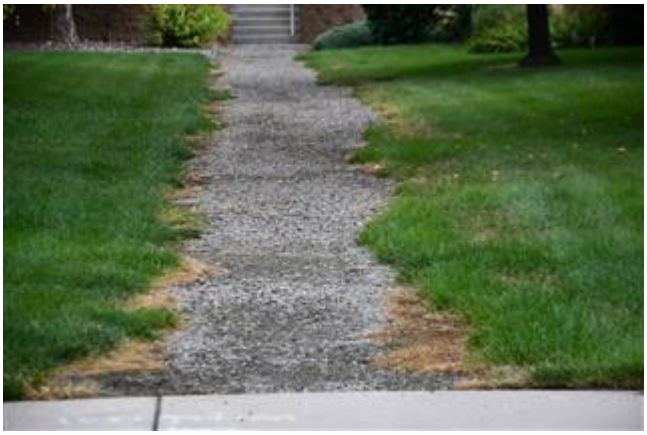
Photos of community center curb and new concrete roadway to the RV storage area - both in good condition.

A photo of the community center area sidewalks appears to be in good condition.

The 1st photo shows the sidewalks throughout the common recreational spaces. The 2nd photo is of the sidewalks paralleling roadways - showing sidewalk with significant alligator cracking.

Gravel Paths. There is a single gravel path left a street north of the community center which is in fair condition, where the Association plans on replacing it with concrete at the time when gravel rework would be due. There is also a substantial gravel path along the entire northeast perimeter of the property. This path is incorporated with the cities connected path system. The path is in generally good condition.

The perimeter gravel path tends to grade away from the property so it sees excessive runoff when there is severe weather. The Association should consider changing the grade to have any runoff flow back onto the property (whenever repair work if scheduled). The modeled repair constitutes a 3/8 thick gravel overlay when the gravel path starts to deteriorate.



Retention Pond. The retention pond is a designed and constructed stormwater retention pool wherein physical, biological, and chemical processes can remove pollutants from stormwater runoff. The Association is utilizing the retention pond at the main entry as an aesthetic pond by maintaining the water level as full.

The reserve study includes a limited pond refurbishment, partial repair of the border concrete retaining wall, and replacement of the aeration compressor, aerators, & diffuser. Having short-term funding will allow for some near-term repairs while the Association formulates along-term repair model. Executing a study like the one described below will provide a better look at the condition of the pond and the long-term health of the pond based upon a repair plan.

Estimates of cost and the frequency of dredging the 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. This information is unknown and must be assumed for Reserve Study planning purposes. The rate of siltation and the cost of periodically dredging the ponds to remove this material are very speculative and will vary greatly with local conditions.

As a rule of thumb, dredging should be accomplished when approximately one-third of the pond's volume 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 one-third of the pond area every 20 years. We have also assumed that the removed material is free of heavy metals and hydrocarbons and will be accepted as fill at a local landfill. The cost to remove, haul, and dispose of the material is normally estimated to be between $20 and $105 per cubic yard. A more accurate prediction will require a hydrologic analysis and testing of the silt for contaminants, which is beyond the scope of our study.

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 more factual information as a basis for the estimates.

We recommend the following:

- Survey the pond 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 specializing in this work can typically be found by 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.

Once a long-term plan for the maintenance and repair of the pond is formulated, then information can be incorporated into a reserve study update.

In addition to incorporating features into the pond design to minimize maintenance, some regular maintenance and inspection practices are needed. The table below outlines some of these practices according to the EPA.

Typical Maintenance Activities for Wet Ponds

Activity	Schedule
• Note erosion of pond banks or bottom	Semi-Annual Inspection
• Inspect for damage to the embankment • Monitor for sediment accumulation in the facility and fore-bay • Examine to ensure that inlet and outlet devices are free of debris and operational	Annual Inspection
• Repair undercut or eroded areas • Mow side slopes • Pesticide/ Nutrient management • Litter/ Debris Removal	Standard Maintenance
• Seed or sod to restore dead or damaged ground cover, as needed	Annual Maintenance
• Monitor sediment accumulations and remove sediment when the pond volume has been reduced by 25%	25 to 50-year Maintenance

Please note that the periodic removal of overgrown vegetation from the pond is considered a maintenance activity and is not included in the Reserve Analysis.

Stormwater Inlets and Underground Piping. The community features stormwater inlets in the form of curb inlets, field inlets, and trench inlets. The inlets are in good condition. There is also underground storm piping that connects the stormwater inlets to designated outfalls.

Inlets should have a useful life of 40 to 50 years. The field inlets are modeled for replacement at the end of useful life. The curb inlets are modeled for incremental replacement of 1/3 every 15 years. The inlets should be maintained to function properly. Inlets often include sand and sediment traps that will need to be cleaned periodically.

The underground stormwater piping is normally a long-life item and modeled to last approximately 80 years. The study replaces all piping after 80 years but the Association may choose to replace damaged piping in section.

Photos of field inlets.

Photos of curb inlets.

Irrigation System and Underground Irrigation Piping. The Association is responsible for the irrigation system including controllers, isolation valves, and underground irrigation piping. The study assumes the remaining components like control valves and sprinkler heads will be replaced utilizing operating account. The irrigation system components appear to be in good to fair condition.

Irrigation system drawings were used in the determination of these underground components. The inspection and evaluation of underground lines and structures are beyond the scope of work for this study. The Association has already started periodic replacement of the isolation valves and the study is modeling these valves for periodic replacement.

There is an extensive amount of irrigation piping. There are main lines from the pump-houses to the distribution lines, and extensive distribution piping out to the numerous irrigation zones. An allowance (allocation) has been planned for periodic replacement of the irrigation piping. Reserve study model also plans incremental replacement of the irrigation controllers and isolation valves.

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Retaining Walls. The Association maintains numerous retaining walls. There is an extensive amount of segmental block retaining walls around the HOA units and a single concrete retaining wall located in the 2024 phase. Retaining walls appear to be in good condition.

Retaining walls, in general, are designed to provide slope stabilization and soil retention using a structural system. Typically, walls that are three feet high or more require some level of design. The movement and displacement of retaining walls is a sign of general settlement or failure. This typically is in the form of leaning and bowing and can involve the entire wall or localized sections of the wall. Typically, these types of movements are gradual and may require the replacement of the wall. The movement of retaining walls located near other buildings or structures may negatively affect the stability of the adjacent structure. These conditions can become extremely costly if not properly identified, monitored, and addressed.

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

Poured Concrete. Poured concrete retaining walls can have an extended useful life of 60 years or more, and if stable, may only require periodic localized repair. The poured concrete wall has an aesthetic stucco coating. This study assumes that concrete repairs will be performed incrementally as needed and the stucco will also be periodically repointed (repaired). Retaining wall replacement can be costly, and early planning on the part of the Association can help to reduce the impact of this work on the community's budget in the future. We, therefore, recommend having a Professional Engineer inspect the walls and develop preliminary replacement alternatives and recommendations based on the site conditions, replacement costs, and recommended replacement wall types. This information can then be incorporated into future updates to the Reserve Study.

RV Storage Area. The Association maintains an RV Storage Area that includes gravel rv parking area, chain link fencing, and manual security gate that were recently constructed and appear to be in good condition. The gravel lot was recently constructed. The gravel will need to be reconstituted and graded around the 10 year timeframe.The gravel lot was recently constructed. The gravel will need to be reconstituted and graded around the 10-year timeframe. Chain link fencing can have a useful life of 40 years or more. Periodic repair or replacement of posts or top rails may be required as regular maintenance. There is also an aluminum framed security gate which is manually operated. The study assumes the gate will last the life of the chain line fencing and be replaced at the same timeframe.

Mailbox Enclosure & Mailbox Clusters. The Association is responsible for a mailbox center which consists of a metal frame that secures the aluminum mailbox clusters and a roof for weather protection. The mailbox center appears to be in fair condition.

The study assumes the mailbox center roof material will be replaced when the community center roofing is replaced. The mailboxes should have an expected life of 30 to 40 years. Mailboxes should be maintained to the extent that the mail slot doors remain intact with operable hinges and locks. Our replacement estimate assumes that these units will be replaced with similar metal units in the future.

There are also two mailbox clusters mounted on pedestals, a 16-bay and a 12-bay unit. The existing units appear to be metal enclosures with metal doors. The study assumes the replacement units will be composite units.

EXTERIOR ITEMS

South Pumphouse. The south pumphouse building consists of asphalt roofing, siding, and a single door. The building appears to be in good condition. The components within the building include a filtration system, pumps, and VFD drive for the larger pump.

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 indicate they may be nearing the end of their useful life.

The siding appears to the a standard composite board. When the siding final fails and is in need of replacement, the study assumes a cementitious siding material will be used. This type of siding material can have a useful life in excess of 50 years or more.

The irrigation pumps, VFD, and filtration assembly should have a useful life of approximately 25 years. The study models the replacement at 25 years with a pump motor replacement for the larger 15-hp pump halfway through the systems life.

North Pumphouse. The north pumphouse building consists of SSMR roofing, siding, door, and garage door. The building appears to be in good condition. The components within the building include a filtration system, single pump, and a single VFD drive.

Standing Seam Metal roofs (SSMR) can have a useful life of 60 years or more. In some cases, recoating or repainting can extend the useful life of a metal roof.

The siding appears to the a standard composite board (up high) and metal (lower). When the board siding final fails and is in need of replacement, the study assumes a cementitious siding material will be used. This type of siding material can have a useful life in excess of 50 years or more. The study assumes the metal siding will last the life of the building.

The irrigation pump, VFD, and filtration assembly should have a useful life of approximately 25 years. The study models the replacement at 25 years with a pump motor replacement for the 20-hp pump halfway through the systems life.

RECREATION ITEMS

COMMUNITY CENTER AREA - SITE COMPONENTS.

Within the community center area there is a flagpole, pole lighting, metal benches, horseshoe courts, and barbecue grills. All of the components appear to be in good condition except for the pole lights which appear to be in poor condition.

The community flagpole has an expected useful life of 50 years while the pole lights have a 20 to 25 year useful life. One of the two pole lights has already failed (at its base) and it appears the pole lights are at the end of their useful life.

The metal benches have been installed recently and have a life expectancy of 25 to 30 years. The horseshoe courts should last approximately 20 years while the barbecue grills should have a life expectancy of 10 years.

COMMUNITY CENTER BUILDING EXTERIOR

Roofing, Asphalt Shingles. The buildings

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 indicate they may be nearing the end of their useful life. A solution to consider for the next roofs is a stone-coated metal roof. The stone-coated metal can even be installed with a shake profile that looks just like a wood shake.

These roofs come with a lifetime warranty against wind and hail damage. A couple of manufacturers of stone-coated metal roofs are Gerard and Allmet Roofing. For purposes of the reserve study, we have modeled a standard asphalt roof. The model could be altered to a stone-coated roof that looks like an asphalt shingle in style or even one with a shake profile instead. The installation of a stone-coated metal roof will also significantly lower the Associations insurance rate by as much as 30 to 35%.

Gutters and Downspouts. The Community Center has aluminum gutters and downspouts. The gutters and downspouts appear to be in good condition.

A gutter and downspout system will remove rainwater from the area of the building's roof, siding, and foundation and protect the exterior surfaces from water damage. Gutters should run the full length of all drip edges of the building's roof. Even with full gutters, it is important to inspect the function of the gutters during heavy rain to identify any deficiencies. It may be necessary to periodically adjust the slope of sections, repair connections, replace hangers, and install shrouds to the gutter system.

Downspouts should be securely attached to the side of the structure. Any broken straps should be replaced. The area of the outlet should be inspected to promote run-off in the desired direction. Long straight runs should have an elbow at the bottom. Splash blocks should be installed to fray the water outletting from the downspout.

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

Siding, Cementitious. The Community Center has both siding and stucco. Both appear to be in good condition. The wood exterior siding and trim appear to be in good condition. Wooden exterior materials useful life of approximately 25 to 30 years. Painting or stain cycles (and other maintenance) can extend the useful life of the wood. When it is time to replace the wood siding the Association should consider replacement using low-maintenance synthetic or cementitious materials as an alternative to high-maintenance materials. Cementitious materials typically have an extended useful life and require repainting and recaulking every 10 to 15 years. Following the manufacturer's recommendations for cleaning, painting, and caulking, we expect cementitious products to have a useful life of 50 years or more.

Stucco Siding. Stucco finishes are installed on the facility's exterior. Most stucco deterioration is the result of water infiltration. This is generally first evident near the roof and around chimneys, windows, doors, and other wall penetrations. Moisture can also gain access through materials that are in contact with the ground by a process called wicking. Moisture will cause the supporting lath for the stucco to rot or corrode, resulting in the stucco pulling away from the substrate. Significant deterioration of wooden and metal structural elements can occur. Similar to Exterior Insulation Finishing Systems (EIFS), a "water-managed system" is the approach for new construction. However, many older installations assume a water barrier system. It is recommended that all stucco surfaces be inspected at least once each year. In this study, we provide an allowance for incremental stucco repairs every ten years with a recoating every 20 years. Further inspection of the stucco and repair of any latent and concealed damage are not accounted for in this study.

Windows and Doors. The Association is responsible for the common windows and exterior doors of the Community Center. The windows appear to be on poor condition while the doors appear to be generally in good condition. Window and door units are integral to a facility's overall comfort, efficiency, and energy use. The quality of the installed units and the care taken in their installation and maintenance are major factors in their effectiveness and useful life. These units can have a useful life of 20 to 35 years or more, depending on their use and other factors mentioned above.

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

COMMUNITY CENTER BUILDING INTERIOR

Community Center interior consists of flooring, lighting, interior doors, kitchen (w/appliances), restrooms, furniture, and fitness equipment. The interior components condition vary, but generally the Association is considering a complete interior renovation to modernize the interior and possibly change the functionality.

Carpet. The carpet in the Community Center appears to be in fair condition. The commercial carpet of this construction in this type of application has a typical service life of 7 to 10 years.

To extend the carpet's life, the Association must continue with a comprehensive maintenance program that includes regular vacuuming, spot and spill removal, interim cleaning of high-traffic areas, and regularly scheduled cleanings. The association should consider installing commercial grade carpet tiles.

It is also recommended that all entrances be fitted with walk-off mats to trap soil.

Vinyl Plank. The part of the Community Center that does not have carpet contains vinyl tiles. The tiles are in fair condition. When they tiles are finally replaced it is recommended the Association utilize either wood or vinyl plank. This material will last longer and has better aesthetic options.

Interior Doors. The interior doors will last a long time but will eventually require replacement. The replacement timeframe is usually an aesthetic decision but the doors should last between 30 and 50 years.

Interior Lighting. There are a variety of different light fixtures in the meeting spaces, office, kitchen, restrooms, and fitness areas of the building interior. These fixtures appear to be in good condition.

It is expected these fixtures will last around 30 to 40 years and do have years of remaining life. Even though the study has these fixtures lasting to the end of life, if these fixtures are not LED lamps, the Association should consider replacing them early with LED or other high-efficiency fixtures.

The savings on energy consumption will pay for new fixtures in approximately 3 years.

Kitchen Renovation. The Communty Center has a kitchen that contains millwork, counter tops, and appliances. There is also millwork in the party room and the pool room. The kitchen appliances are fairly new and appear to be in good condition. The millwork and counter tops appear to be original and in fair condition. There is a possibly the Community Center will receive a full renovation. If that happens the counter tops would be replaced and the millwork (cabinets) could either be replaced or at least refaced with new cabinet doors.

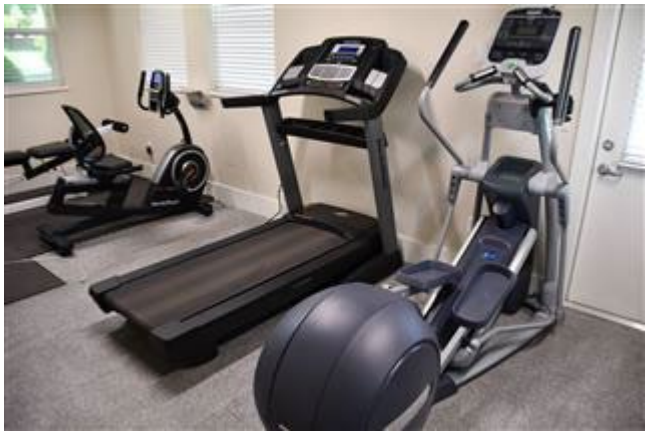
Restrooms. The restrooms for the Community Center consist of a Mens, Womens, and Fitness Area restroom that all appear to be in overall fair condition.

- Floor Tile. Covered above.
- Light Fixtures. Covered above.
- Shower and Restroom Fixtures. All shower and restroom fixtures appear to be in fair condition. We have assumed a service life of 20 years for the fixtures and that all fixtures will be replaced simultaneously as part of general restroom renovation.

Furniture. The Association has plans on complete furniture replacement within the Community Center when the interior is renovated. Once the furniture is fully replaced the soft goods (couches, etc.) should last approximately 12 years while the hard goods (tables, end tables, etc.) should last approximately 24 years.

Fitness Center. The Fitness Center includes exercise equipment that appears to be in fair condition.

There is a treadmill, stair stepper, bike, rowing machine, and smith machine. The equipment with moving parts and electronics have an expected useful life of 15 years, while the smith machine has an expected useful life of 30 years.



COMMUNITY CENTER - HVAC EQUIPMENT

Rooftop Units (RTU). The Community Center features rooftop units or RTUs. The systems provide conditioned airflow from a remote (rooftop) location. The rooftop units include both heating and cooling. In addition, they introduce a percentage of outside air with recirculated air. The systems are reported to be in poor working order. The study assumes immediate replacement.

These systems provide heating and cooling and are normally controlled by one thermostat per system.

Rooftop units are ducted systems that penetrate the roof structure. The systems are designed to blast conditioned air to designated areas within the building.

Selection and installation of a new system may require project management, an engineer, compliance with local codes, a structural review of the roof, and compliance with efficiency regulations.

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

1. COMMON INTEREST DEVELOPMENTS - AN OVERVIEW

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

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

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

2. REPLACEMENT RESERVE STUDY

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

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

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

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

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

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

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

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

3. METHODS OF ANALYSIS

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

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

4. REPLACEMENT RESERVE STUDY DATA

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

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

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

5. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

What is a Reserve Study?
Who are we?

https://youtu.be/m4BcOE6q3Aw

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

https://youtu.be/40SodajTW1g

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

https://youtu.be/pYSMZO13VjQ

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

https://youtu.be/Qx8WHB9Cgnc

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

https://youtu.be/ZfBoAEhtf3E

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

https://youtu.be/1J2h7FIU3qw

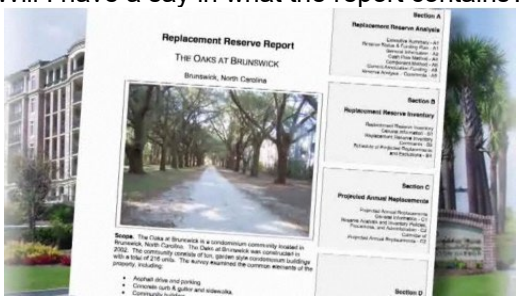
What is my role as a community Board Member?
Will a Reserve Study meet my needs?

https://youtu.be/aARD1B1Oa3o

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

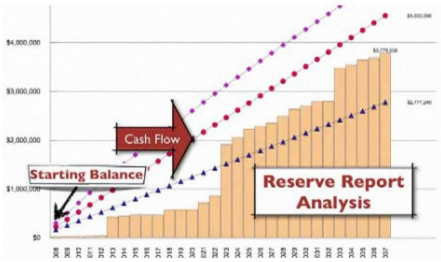
https://youtu.be/diZfM1IyJYU

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



https://youtu.be/qCeVJhFf9ag

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

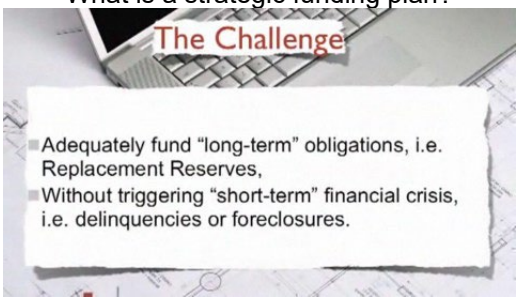


https://youtu.be/SePdwVDvHWI

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

https://youtu.be/W8CDLwRIv68

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



https://youtu.be/hIxV9X1tIcA