LEVEL 1 REPLACEMENT RESERVE REPORT FY 2023
THE PLANTATIONS COMMUNITY ASSOCIATION, INC.

LEVEL 1 REPLACEMENT RESERVE REPORT FY 2023
THE PLANTATIONS COMMUNITY ASSOCIATION, INC.

millerdodson
Capital Reserve Consultants

Community Management by:

THE PLANTATIONS COMMUNITY ASSOCIATION, INC.

HOA Contact: **David Keim**

P.O. Box 222
Damascus, MD 20872
301.330.8560 [redacted]
info@plantations1.org

— modified 07 Jan 2024 to move the Newb. & T.L Ct T-H driving lanes from the T-H Reserve Fund to the General Reserve Fund.
— DJ Keim

Consultant:

millerdodson
Capital Reserve Consultants

2661 Riva Road, Suite 1042
Annapolis, MD 21401
410.268.0479
800.850.2835

MillerDodson.com

INTENTIONALLY LEFT BLANK

REPLACEMENT RESERVE REPORT

THE PLANTATIONS COMMUNITY ASSOCIATION, INC.

GAITHERSBURG, MARYLAND
January 23, 2023
Revised May 10, 2023

Description. The Plantations is a Homeowner's Association located in Gaithersburg, Maryland. Constructed between 1979 and 1986, the community consists of 346 Single-Family Homes, and 14 Townhouse buildings containing 60 units. The survey examined the common elements of the property, including:

- Entry Monument, Signage, and Townhouse Roads and Parking
- Sidewalks and Paths
- Fencing, Site Lighting, and Mailbox Clusters
- Tot Lot, Tennis Courts with Pickleball, Basketball Court, Sport Fields, Picnic Areas, and Community Park

EXECUTIVE SUMMARY

This Reserve Study has been prepared for the The Plantations Community Association, Inc. for the Fiscal Year 2023 covering the period from January 1, 2023 to December 31, 2023.

The increase in the Recommended Annual Funding level shown is primarily due to the current high rate of inflation in today's construction industry which is pushing replacement costs higher. Additionally, the high initial Recommended Annual Reserve Funding level is the result of a number of replacements being scheduled in the early years of the report.

The Next Step. The next step in the Reserve Study process is for the Board to carefully review the Component inventory to make sure that all included components are the responsibility of the Association, and that the priorities and the timing of the replacements is in keeping with the goals and objectives of the Board.

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 as scheduled.

The Replacement Reserves Starting Balance for **The Plantations Community Association, Inc.** as of January 1, 2023 is reported to be $29,851. The reported Current Annual Funding for Reserves is $6,000. The Recommended Annual Reserve Funding level for 2023 is $24,944.

General Reserve Fund Items

The Replacement Reserves Starting Balance for **The Plantations Community Association, Inc., Townhome Items** as of January 1, 2023 is reported to be $25,944. The reported Current Annual Funding for Reserves is $4,800. The Recommended Annual Reserve Funding level for 2023 is $9,457.

27,024

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 web site, we have developed videos addressing frequently asked topics. In addition, there are posted links covering a variety of subjects under the resources page of our web site at mdareserves.com.

Purpose. The purpose of this Replacement Reserve Study is to provide The Plantations Community 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. The inventory and funding analysis is provided separately for each of the two reserve funds.

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

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

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

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

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

- Miller+Dodson performed a visual evaluation on January 13, 2023 to determine a remaining useful life and replacement cost for the commonly owned elements of this facility.

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

To-Scale Drawings. Site and building plans were 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 David Keim, Treasurer, who provided very helpful insight into the current operations of the property.

Analyst's Credentials. Mr. Christopher J. Lepadatu holds a Bachelor's Degree in Civil Engineering from Penn State University and a Master's Degree in Environmental Engineering from Tsinghua University, Beijing. He has more than 15 years of experience in construction and consulting with 3 years of experience assessing property conditions and performance in New York City. With his experience in new multi-family construction and pre-war buildings, his focus is on strategic investment to adapt existing building systems for resilience in a dynamic regulatory environment.

Respectfully Submitted,

millerdodson
CAPITAL RESERVE CONSULTANTS

Chris Lepadatu
Christopher Lepadatu

INTENTIONALLY LEFT BLANK

SECTION A - FINANCIAL ANALYSIS – General Reserve Components

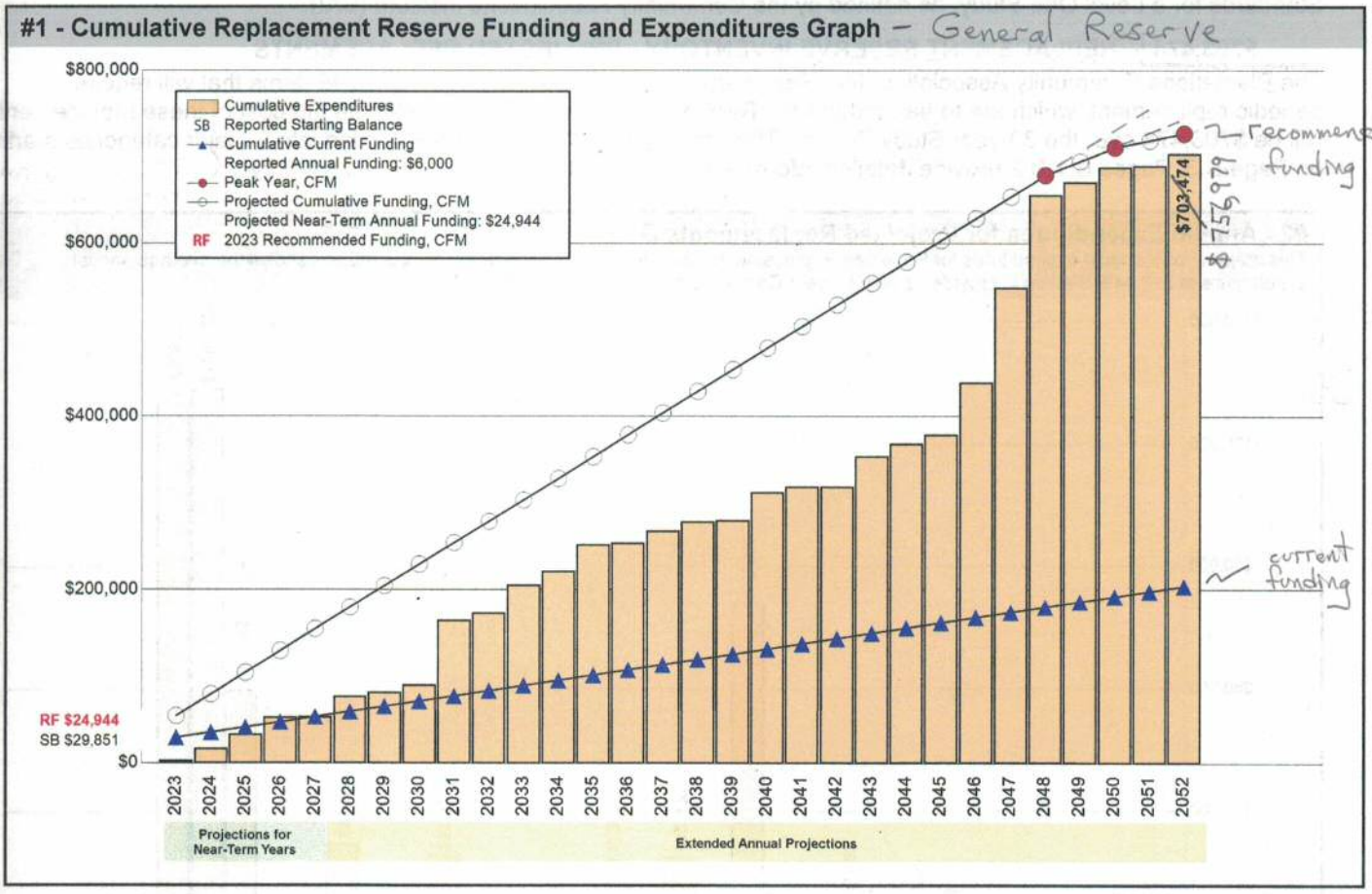
The Plantations Community Association, Inc. Replacement Reserve Analysis uses the Cash Flow Method (CFM) to calculate Replacement Reserve funding for the periodic replacement of the 46 Projected Replacements identified in the Replacement Reserve Inventory.

$ 25,233.
~~$24,944~~ **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR THE STUDY YEAR, 2023**
~~$5.12~~ $5.18 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.

The Plantations Community Association, Inc. reports a Starting Balance of $29,851 and Annual Funding totaling $6,000, which is inadequate to fund projected replacements starting in 2026. See Page A.3 for a more detailed evaluation.

#1 - Cumulative Replacement Reserve Funding and Expenditures Graph – General Reserve



The increase in the Recommended Annual Funding level shown is primarily due to the current high rate of inflation in today's construction industry which is pushing replacement costs higher. Additionally, the high initial Recommended Annual Reserve Funding level is the result of a number of replacements being scheduled in the early years of the report.

The Next Step. The next step in the Reserve Study process is for the Board to carefully review the Component inventory to make sure that all included components are the responsibility of the Association, and that the priorities and the timing of the replacements is in keeping with the goals and objectives of the Board. If, after that review, the Reserve Study still recommends a substantial increase to the Annual Reserve Funding, MillerDodson can work with the Board to develop a Strategic Funding Plan to ramp up the Funding levels incrementally.

REPLACEMENT RESERVE ANALYSIS - GENERAL INFORMATION

The Plantations Community Association, Inc. 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.

2023 | STUDY YEAR

The Association reports that their accounting year begins on January 1, and the Study Year, the first year evaluated by the Replacement Reserve Analysis, begins on January 1, 2023.

30 Years | STUDY PERIOD

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

$29,851 | STARTING BALANCE

The Association reports Replacement Reserves on Deposit totaling $29,851 at the start of the Study Year.

Level One | LEVEL OF SERVICE

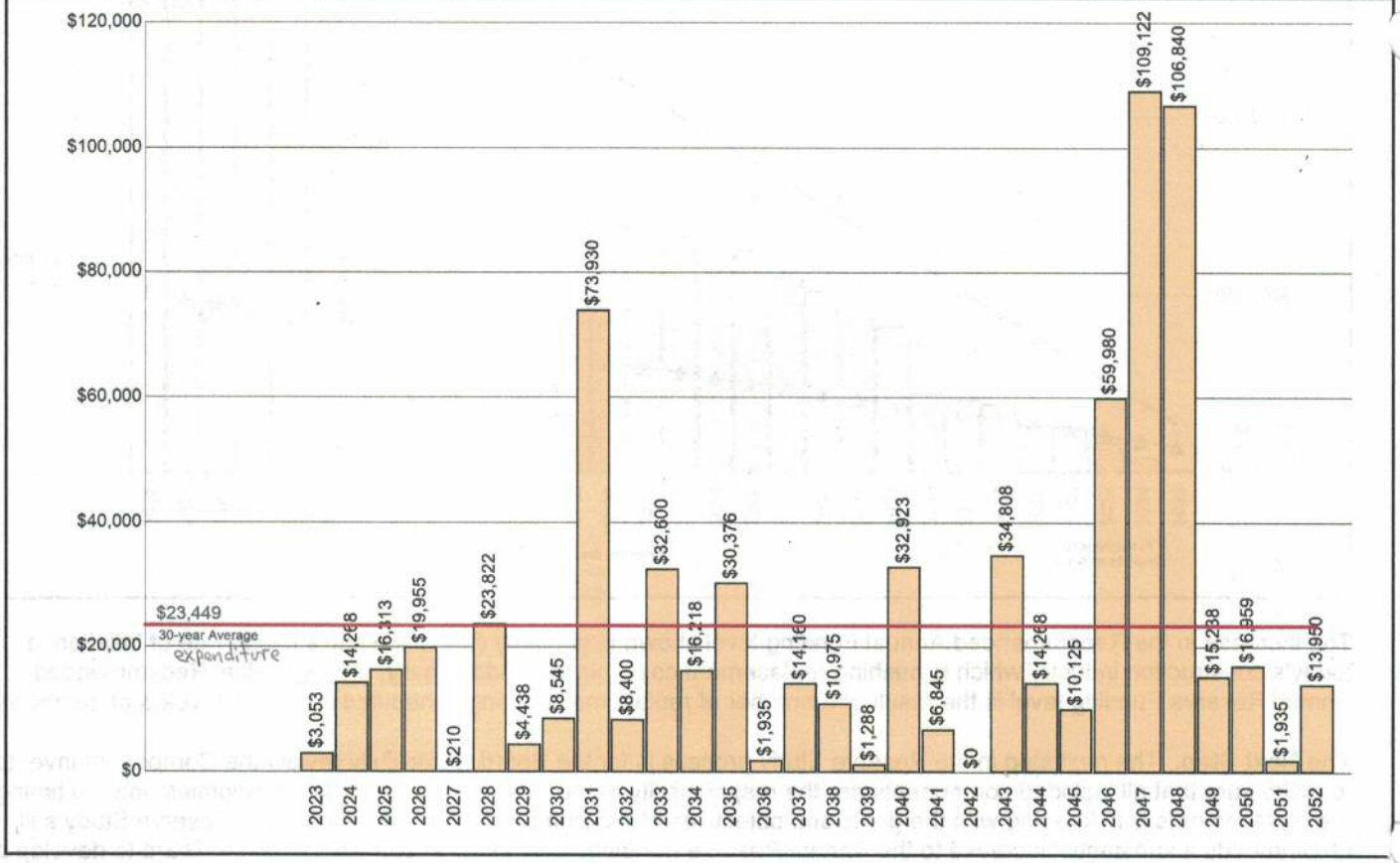
The Replacement Reserve Inventory has been developed in compliance with the National Reserve Study Standards for a Level One Study, as defined by the Community Associations Institute (CAI).

$703,474 | REPLACEMENT RESERVE INVENTORY - PROJECTED REPLACEMENTS

The Plantations Community Association, Inc. Replacement Reserve Inventory identifies 46 items that will require periodic replacement, which are to be funded from Replacement Reserves. We estimate the cost of these replacements will be $703,474 over the 30-year Study Period. The Projected Replacements are divided into 2 major categories starting on Page B.3. Pages B.1-B.2 provide detailed information on the Replacement Reserve Inventory. (Site Items, and Recreation Items)

#2 - Annual Expenditures for Projected Replacements Graph - General Reserve

This graph shows annual expenditures for Projected Replacements over the 30-year Study Period. The red line shows the average annual expenditure of $23,449. 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 $703,474 of Projected Expenditures over the 30-year Study Period and the impact of the Association continuing to fund Replacement Reserves at the current level are detailed in Table 3.

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

Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Starting Balance	$29,851									
Projected Replacements	($3,053)	($14,268)	($16,313)	($19,955)	($210)	($23,822)	($4,438)	($8,545)	($73,930)	($8,400)
Annual Deposit	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000
End of Year Balance	$32,798	$24,531	$14,218	$263	$6,053	($11,769)	($10,207)	($12,751)	($80,681)	($83,081)
Cumulative Expenditures	($3,053)	($17,321)	($33,633)	($53,588)	($53,798)	($77,620)	($82,058)	($90,602)	($164,532)	($172,932)
Cumulative Receipts	$35,851	$41,851	$47,851	$53,851	$59,851	$65,851	$71,851	$77,851	$83,851	$89,851
Year	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**
Projected Replacements	($32,600)	($16,218)	($30,376)	($1,935)	($14,160)	($10,975)	($1,288)	($32,923)	($6,845)	
Annual Deposit	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000
End of Year Balance	($109,681)	($119,899)	($144,275)	($140,210)	($148,370)	($153,345)	($148,632)	($175,555)	($176,400)	($170,400)
Cumulative Expenditures	($205,532)	($221,750)	($252,126)	($254,061)	($268,221)	($279,196)	($280,483)	($313,406)	($320,251)	($320,251)
Cumulative Receipts	$95,851	$101,851	$107,851	$113,851	$119,851	$125,851	$131,851	$137,851	$143,851	$149,851
Year	**2043**	**2044**	**2045**	**2046**	**2047**	**2048**	**2049**	**2050**	**2051**	**2052**
Projected Replacements	($34,808)	($14,268)	($10,125)	($59,980)	($109,122)	($106,840)	($15,238)	($16,959)	($1,935)	($13,950)
Annual Deposit	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000	$6,000
End of Year Balance	($199,208)	($207,475)	($211,600)	($265,580)	($368,702)	($469,542)	($478,779)	($489,738)	($485,673)	($493,623)
Cumulative Expenditures	($355,059)	($369,326)	($379,451)	($439,431)	($548,553)	($655,393)	($670,630)	($687,589)	($689,524)	($703,474)
Cumulative Receipts	$155,851	$161,851	$167,851	$173,851	$179,851	$185,851	$191,851	$197,851	$203,851	$209,851

EVALUATION OF CURRENT FUNDING

The evaluation of Current Funding (Starting Balance of $29,851 & annual funding of $6,000) 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 46 Projected Replacements identified in the Replacement Reserve Inventory and that the Association will continue Annual Funding of $6,000 throughout the 30-year Study Period.

Annual Funding of $6,000 is approximately 24 percent of the $24,944 recommended Annual Funding calculated by the Cash Flow Method for 2023, the Study Year.

See the Executive Summary for the Current Funding Statement.

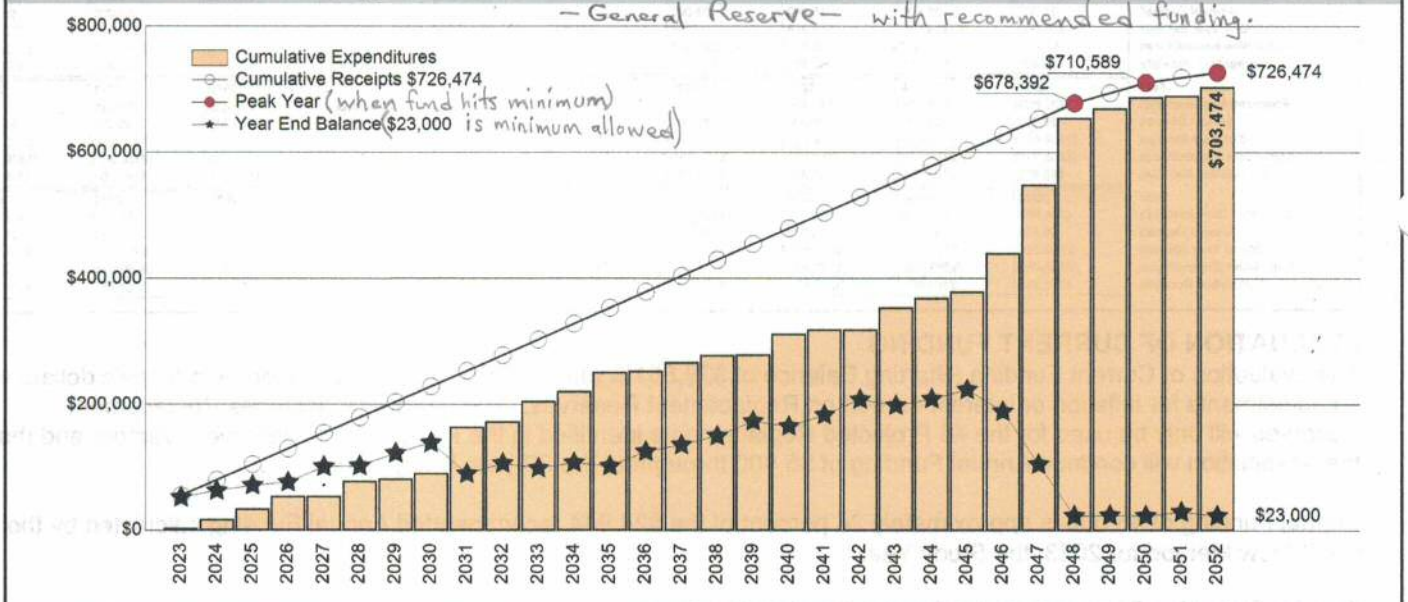
CASH FLOW METHOD FUNDING

$24,944 **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR 2023** ($5.12 x 406 units x 12 months)
$5.12 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 2048 with Replacement Reserves on Deposit dropping to the Minimum Balance after the completion of $655,393 of replacements from 2023 to 2048. Recommended funding is anticipated to decline in 2049. Peak Years are identified in Chart 4 and Table 5.
- **Threshold (Minimum Balance).** The calculations assume a Minimum Balance of $23,000 will always be held in reserve, which is calculated by rounding the 12-month 30-year average annual expenditure of $23,449 as shown on Graph #2.
- **Cash Flow Method Study Period.** Cash Flow Method calculates funding for $703,474 of expenditures over the 30-year Study Period. It does not include funding for any projects beyond 2052, and in 2052, the end of year balance will always be the Minimum Balance.

#4 - Cash Flow Method - Graph of Cumulative Receipts and Expenditures - Years 1 through 30



#5 - Cash Flow Method - Table of Receipts & Expenditures - Years 1 through 30

Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Starting Balance	$29,851									
Projected Replacements	($3,053)	($14,268)	($16,313)	($19,955)	($210)	($23,822)	($4,438)	($8,545)	($73,930)	($8,400)
Annual Deposit	$24,944	$24,944	$24,944	$24,944	$24,944	$24,944	$24,944	$24,944	$24,944	$24,944
End of Year Balance	$51,742	$62,418	$71,050	$76,039	$100,773	$101,894	$122,401	$138,800	$89,814	$106,358
Cumulative Expenditures	($3,053)	($17,321)	($33,633)	($53,588)	($53,798)	($77,620)	($82,058)	($90,602)	($164,532)	($172,932)
Cumulative Receipts	$54,795	$79,739	$104,683	$129,627	$154,571	$179,514	$204,458	$229,402	$254,346	$279,290
Year	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**
Projected Replacements	($32,600)	($16,218)	($30,376)	($1,935)	($14,160)	($10,975)	($1,288)	($32,923)	($6,845)	
Annual Deposit	$24,944	$24,944	$24,944	$24,944	$24,944	$24,944	$24,944	$24,944	$24,944	$24,944
End of Year Balance	$98,702	$107,428	$101,996	$125,005	$135,789	$149,758	$173,414	$165,436	$183,535	$208,479
Cumulative Expenditures	($205,532)	($221,750)	($252,126)	($254,061)	($268,221)	($279,196)	($280,483)	($313,406)	($320,251)	($320,251)
Cumulative Receipts	$304,234	$329,178	$354,122	$379,066	$404,010	$428,953	$453,897	$478,841	$503,785	$528,729
Year	**2043**	**2044**	**2045**	**2046**	**2047**	**1st Peak - 2048**	**2049**	**2nd Peak - 2050**	**2051**	**3rd Peak - 2052**
Projected Replacements	($34,808)	($14,268)	($10,125)	($59,980)	($109,122)	($106,840)	($15,238)	($16,959)	($1,935)	($13,950)
Annual Deposit	$24,944	$24,944	$24,944	$24,944	$24,944	$24,944	$16,098	$16,098	$7,943	$7,943
End of Year Balance	$198,614	$209,291	$224,110	$189,074	$104,896	$23,000	$23,860	$23,000	$29,008	$23,000
Cumulative Expenditures	($355,059)	($369,326)	($379,451)	($439,431)	($548,553)	($655,393)	($670,630)	($687,589)	($689,524)	($703,474)
Cumulative Receipts	$553,673	$578,617	$603,561	$628,505	$653,449	$678,392	$694,490	$710,589	$718,531	$726,474

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.

$24,944 | **2023 - CASH FLOW METHOD RECOMMENDED FUNDING**

The 2023 Study Year calculations have been made using current replacement costs (see Page B.2), modified by the Analyst for any project specific conditions.

$26,441 | **2024 - INFLATION ADJUSTED FUNDING**

A new analysis calculates the 2024 funding based on three assumptions:

- Replacement Reserves on Deposit totaling $51,742 on January 1, 2024.
- All 2023 Projected Replacements listed on Page C.2 accomplished at a cost to Replacement Reserves less than $3,053.
- Construction Cost Inflation of 6.00 percent in 2023.

The $26,441 inflation adjusted funding in 2024 is a ~~5.99~~ 6.0 percent increase over the non-inflation adjusted funding of $24,944.

$28,027 | **2025 - INFLATION ADJUSTED FUNDING** $63,059??

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

- Replacement Reserves on Deposit totaling $41,397 on January 1, 2025.
- All 2024 Projected Replacements listed on Page C.2 accomplished at a cost to Replacement Reserves less than ~~$14,628~~. (14,268 × 1.06 = 15,124)?
- Construction Cost Inflation of 6.00 percent in 2024.

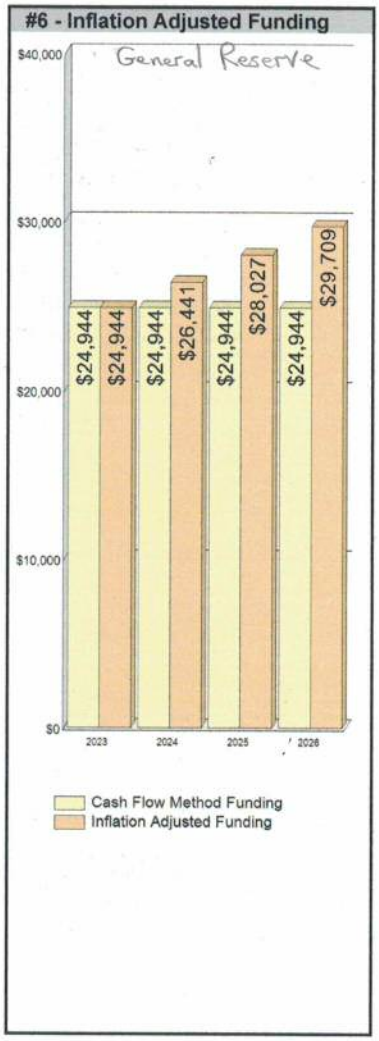
The $28,027 inflation adjusted funding in 2025 is a 12.35 percent increase over the non-inflation adjusted funding of $24,944.

$29,709 | **2026 - INFLATION ADJUSTED FUNDING** $72,756?

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

- Replacement Reserves on Deposit totaling $40,830 on January 1, 2026.
- All 2025 Projected Replacements listed on Page C.2 accomplished at a cost to Replacement Reserves less than $17,292. ? (16,313 × 1.06 × 1.06 = $18,329?)
- Construction Cost Inflation of 6.00 percent in 2025.

The $29,709 inflation adjusted funding in 2026 is a 19.10 percent increase over the non-inflation adjusted funding of $24,944.



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 2024, 2025 and 2026 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 2023, based on a 1.00 percent interest rate, we estimate the Association may earn $408 on an average balance of $40,796, $466 on an average balance of $46,569 in 2024, and $411 on $41,113 in 2025. The Association may elect to attribute 100 percent of the earned interest to Reserves, resulting in a reduction in the 2023 funding from $24,944 to $24,536 (a 1.63 percent reduction), $26,441 to $25,975 in 2024 (a 1.76 percent reduction), and $28,027 to $27,616 in 2025 (a 1.46 percent reduction).

INTENTIONALLY LEFT BLANK

SECTION B - REPLACEMENT RESERVE INVENTORY

- **PROJECTED REPLACEMENTS.** The Plantations Community Association, Inc. - Replacement Reserve Inventory identifies 46 items which are Projected Replacements, and the periodic replacements of these items are scheduled for funding from Replacement Reserves. The Projected Replacements have an estimated one-time replacement cost of $391,233. Cumulative Replacements totaling $703,474 are scheduled in the Replacement Reserve Inventory over the 30-year Study Period. Cumulative Replacements include those components that are replaced more than once during the period of the study.

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

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

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

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

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

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

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

- **CATEGORIES.** The 46 items included in the Plantations Community Association, Inc. Replacement Reserve Inventory are divided into 2 major categories. Each category is printed on a separate page, beginning on page B.3.

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

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

REPLACEMENT RESERVE INVENTORY - GENERAL INFORMATION (CONT'D)

- **INVENTORY DATA.** Each of the 46 Projected Replacements listed in the Replacement Reserve Inventory includes the following data:

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

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

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

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

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

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

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

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

- **PARTIAL FUNDING.** Items may have been included in the Replacement Reserve Inventory at less than 100 percent of their full quantity and/or replacement cost. This is done on items that will never be replaced in their entirety, but which may require periodic replacements over an extended period of time. The assumptions that provide the basis for any partial funding are noted in the Comments section.
- **REMAINING ECONOMIC LIFE GREATER THAN 30 YEARS.** The calculations do not include funding for initial replacements beyond 30 years. These replacements are included in this Study for tracking and evaluation. They should be included for funding in future Studies when they enter the 30-year window.
- **ACCURACY OF THE ANALYSIS.** The accuracy of the Replacement Reserve Analysis is dependent upon expenditures from Replacement Reserves being made ONLY for the 46 Projected Replacements specifically listed in the Replacement Reserve Inventory. The inclusion/exclusion of items from the Replacement Reserve Inventory is discussed on Page B.1.

SITE ITEMS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
1	Concrete flatwork (6% allowance)	sy	25	$126.00	6	6	$3,150
2	Asphalt path, Tennis Court, overlay	sy	210	$54.00	15	10	$11,340
3	Asphalt path, Tennis Court, seal coat	sy	210	$11.25	5	2	$2,363
4	Asphalt path, Bush Hill, overlay	sy	64	$54.00	15	12	$3,456
5	Asphalt path, Bush Hill, seal coat	sy	64	$11.25	5	3	$720
6	Asphalt path, Newbury, overlay	sy	108	$54.00	15	7	$5,832
7	Asphalt path, Newbury, seal coat	sy	108	$11.25	5	3	$1,215
47	Asphalt Pavement, Tob & Newb driving lanes, mill & overlay.	sy	966.7	22.05	20	1	$ 21,315
48	Asphalt Pavement, Tob & Newb driving lanes, seal coat.	sy	966.7	2.25	5	5	$ 2,175

51,566
Replacement Costs - Page Subtotal ~~$28,076~~

COMMENTS

- We have assumed that the Association will replace the asphalt pavement with the installation of a 2-inch-thick overlay. The pavement will need to be milled prior to the installation of the overlay. Milling and the cost of minor repairs (5 to 10 percent of the total area) to the base materials and bearing soils beneath the pavement are included in the cost shown above.
- Seal coating or rejuvenation has been shown to extend service life of asphalt if performed at an early stage, once asphalt has fully cured and then cyclically thereafter. This is the best practice to extend the life of the asphalt pavement. The Unit Cost includes crack sealing, and line/curb painting. The Asphalt paving industries recommendation/best practice is to sealcoat approximately one (1) year after the mill and overlay is performed. One (1) year allows the excess oils in the paving mixture to "weather off". Sealing the following year locks in the remaining essential oils that keep the pavement pliable. Cyclical reapplication of the sealcoat, approximately every five (5) years, will keep those oils in expanding its useful life.
- Concrete has a normal economic life expectancy of 60 years. We model 6% of the total requiring replacement every six years. Items showing zero remaining life expectancy are to take care of immediate needs due to tripping hazards.
- For concrete components and other roadway shoulder work, we have assumed that the Association will conduct concrete component replacement projects in conjunction with asphalt pavement, other concrete, or rights-of-way replacement projects.
- Item #1: Concrete flatwork (6% allowance) - Allowance to replace 6% of the concrete flatwork surface area every 6 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 ($)	NEL	REL	REPLACEMENT COST ($)
8	Entrance monument, repoint masonry	sf	98	$10.00	10	1	$980
9	Entrance monument, carved wood sign	sf	8	$220.00	15	3	$1,760
10	Flood light, ground mounted	ea	1	$210.00	10	4	$210
11	Monument electrical box/service disconnect	ea	1	$1,250.00	40	12	$1,250
12	Mailbox, cluster (16-unit CBU) (Bush Hill 1&2, Amb2)	units	3	$3,262.00	35	34	$9,786
13	Mailbox, cluster (16-unit CBU) (Ambergate 1)	units	1	$3,262.00	35	24	$3,262
14	Mailbox, cluster (8-unit CBU) (Tobacco Leaf)	units	1	$3,053.00	35	35	$3,053
15	Mailbox, cluster (8-unit CBU) (Newbury)	units	1	$3,053.00	35	none	$3,053
16	Stormwater management (allowance)	ls	1	$5,000.00	10	10	$5,000
17	Fence, wood split, 2 rails	ft	72	$26.00	15	5	$1,872

Replacement Costs - Page Subtotal $30,226

COMMENTS

- Comprehensive drawings detailing the components of the systems listed above were not available for our review. We have included the estimated cost of the systems based upon our experience with other similar communities. We have assumed that 10 percent of the system(s) will require replacement. In the future, this assumption and the estimated costs should be adjusted based upon the community's actual experience as is feasible.
- Item #12: Mailbox, cluster (16-unit CBU) (Bush Hill 1&2, Ambergate 2) - Items #19-22 April 2023 pricing; includes $711 trim kit, $39 bolt kit, and $250 installation fee. (prices provided by management 5/7/23) #12-15

SITE ITEMS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
18	Flood light, tot lot, pole mounted	ea	2	$350.00	10	5	$700
19	Flood light, pavilion, building mounted	ea	1	$350.00	10	7	$350
20	Pavilion fluorescent lighting	ea	2	$150.00	10	5	$300
21	Pavilion electrical box/service disconnect	ea	1	$1,250.00	40	22	$1,250
22	Miscellaneous signage	ls	1	$1,500.00	35	20	$1,500

Replacement Costs - Page Subtotal $4,100

COMMENTS

RECREATION ITEMS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
23	Tot lot, ADA MP structure (large)	ea	1	$40,000.00	15	8	$40,000
24	Tot lot, 5" post swing, 4 seat	ea	1	$5,600.00	15	9	$5,600
25	Tot lot, 5" single post swing, 2 seat	ea	1	$2,800.00	15	9	$2,800
26	Tot lot, spring ride (small)	ea	2	$1,100.00	15	5	$2,200
27	Tot lot, horizontal ladder (10')	ea	1	$2,000.00	15	12	$2,000
28	Tot lot, spinner	ea	1	$2,800.00	15	12	$2,800
29	Tot lot surfacing, engineered wood fiber (3")	sf	4,650 (43 cu yds)	$3.00	3	2	$13,950
30	Tot lot, border PTL	ft	315	$13.00	15	8	$4,095
31	Tot lot, border recycled plastic	ft	40	$17.00	30	22	$680
32	Bench, coated metal with metal supports (7')	ea	2	$1,370.00	15	12	$2,740
33	Picnic table (coated metal table & bench, metal	ea	4	$1,200.00	15	5	$4,800

Replacement Costs - Page Subtotal $81,665

COMMENTS

- Tot lots and tot lot equipment should be evaluated annually by a playground safety specialist for compliance with the Consumer Product Safety Commission, Handbook for Public Playground Safety. Defects should be corrected immediately to protect the users of the facilities from potential injury and the Association from potential liability for those injuries.

Item 29: PCA pays $48/cubic yard; price shown is $324/cu. yd.

RECREATION ITEMS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
34	Tennis court, asphalt overlay	sf	12,800	$5.80	28	24	$74,240
35	Tennis court, color coat (3 coats)	sf	12,800	$1.20	7	3	$15,360
36	Tennis court, post and footings	pr	2	$1,800.00	28	24	$3,600
37	Tennis court, net	ea	2	$450.00	7	3	$900
38	Fence, 8' galvanized chain link	ft	450	$31.00	30	8	$13,950
39	12' Double gate, 8' galvanized chain link	ea	1	$2,500.00	30	27	$2,500
40	Pedestrian gate, 8' galvanized chain link	ea	1	$750.00	30	27	$750
41	Basketball court asphalt pavement, mill and overlay	sf	5,150	$2.45	20	12	$12,618
42	Basketball court asphalt pavement, seal coat	sf	5,150	$0.25	5	1	$1,288
43	Basketball pole and backboard	ea	2	$2,743.00	20	20	$5,486
44	Pavilion, steel with asphalt shingle	sf	1,750	$54.00	55	25	$94,500
45	Pavilion roofing, asphalt shingles	sf	1,750	$5.70	25	15	$9,975
46	Soccer Goals with Football Uprights	ea	2	$6,000.00	20	1	$12,000

Replacement Costs - Page Subtotal $247,166

COMMENTS

- Item #34: Tennis court, asphalt overlay - The tennis court was resurfaced with new nets and posts in 2018/2019.
- Item #41: Basketball court asphalt pavement, mill and overlay - Items 49, 50 Court lines are painted when the asphalt is replaced and when it is sealed. (provided by management 5/7/2023)

41, 42

VALUATION EXCLUSIONS

Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Bollard/access control devices						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 ($)	NEL	REL	REPLACEMENT COST ($)
	Miscellaneous culverts						EXCLUDED
	Concrete floor slabs						EXCLUDED
	Common element electrical services						EXCLUDED
	Electrical wiring						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 ($)	NEL	REL	REPLACEMENT COST ($)
	Any feature serving one unit						EXCLUDED
	Sanitary sewers and Domestic water lines serving one unit						EXCLUDED
	Electrical wiring serving one unit						EXCLUDED
	Cable TV service serving one unit						EXCLUDED
	Telephone service serving one unit						EXCLUDED
	Gas service serving one unit						EXCLUDED
	Driveway on an individual lot						EXCLUDED
	Apron on an individual lot						EXCLUDED
	Sidewalk on an individual lot						EXCLUDED
	Stairs on an individual lot						EXCLUDED
	Fence on an individual lot						EXCLUDED
	Unit exterior						EXCLUDED
	Unit windows						EXCLUDED
	Unit doors						EXCLUDED
	Unit skylights						EXCLUDED
	Unit deck, patio, and/or balcony						EXCLUDED
	Unit mailbox						EXCLUDED
	Unit interior						EXCLUDED
	Unit HVAC system						EXCLUDED

UNIT IMPROVEMENTS EXCLUSIONS

Comments

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

UTILITY EXCLUSIONS
Excluded Items

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

UTILITY EXCLUSIONS
Comments

- Utility Exclusions. Many improvements owned by utility companies are on property owned by the Association. We have assumed that repair, maintenance, and replacements of these components will be done at the expense of the appropriate utility company. Examples of items excluded from funding Replacement Reserves by this standard are listed above.
- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.

MAINTENANCE AND REPAIR EXCLUSIONS

Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Cleaning of asphalt pavement						EXCLUDED
	Crack sealing of asphalt pavement						EXCLUDED
	Striping of parking spaces						EXCLUDED
	Numbering of parking spaces						EXCLUDED
	Landscaping and site grading						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 a 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 ($)	REL	REL	REPLACEMENT COST ($)
	Government, roadways and parking						EXCLUDED
	Government, sidewalks and curbs						EXCLUDED
	Government, lighting						EXCLUDED
	Government, stormwater management						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.

INTENTIONALLY LEFT BLANK

SECTION C - CALENDAR OF PROJECTED ANNUAL REPLACEMENTS

GENERAL STATEMENT. The 46 Projected Replacements in the Plantations Community Association, Inc. Replacement Reserve Inventory whose replacement is scheduled to be funded from Replacement Reserves are broken down on a year-by-year basis, beginning on Page C.2.

REPLACEMENT RESERVE ANALYSIS AND INVENTORY POLICIES, PROCEDURES, AND ADMINISTRATION

- **REVIEW OF THE REPLACEMENT RESERVE STUDY.** For this study to be effective, it should be reviewed by the Board of Directors, those responsible for the management of the items included in the Replacement Reserve Inventory, and the accounting professionals employed by the Association.
- **REVISIONS.** Revisions will be made to the Replacement Reserve Analysis and Replacement Reserve Inventory in accordance with the written instructions of the Board of Directors. No additional charge is incurred for the first revision if requested in writing within three months of the date of the Replacement Reserve Study. It is our policy to provide revisions in electronic (Adobe PDF) format only. We acknowledge that there are instances in which multiple revisions are necessary. However, unnecessary multiple revisions drain on our time and manpower resources. Therefore, Miller Dodson will exercise its sole discretion as to whether additional charges are incurred.
- **TAX CODE.** The United States Tax Code grants favorable tax status to a common interest development (CID) meeting certain guidelines for their Replacement Reserve. If a CID files their taxes as a 'Corporation' on Form 1120 (IRC Section 277), these guidelines typically require maintenance activities, partial replacements, minor replacements, capital improvements, and one-time only replacements to be excluded from Reserves. A CID cannot co-mingle planning for maintenance activities with capital replacement activities in the Reserves (Revenue Ruling 75-370). Funds for maintenance activities and capital replacements activities must be held in separate accounts. If a CID files taxes as an "Exempt Homeowners Association" using Form 1120H (IRC Section 528), the CID does not have to segregate these activities. However, because the CID may elect to change their method of filing from year to year within the Study Period, we advise using the more restrictive approach. We further recommend that the CID consult with their Accountant and consider creating separate and independent accounts and reserves for large maintenance items, such as painting.
- **CONFLICT OF INTEREST.** Neither Miller - Dodson Associates nor the Reserve Analyst has any prior or existing relationship with this Association which would represent a real or perceived conflict of interest.
- **RELIANCE ON DATA PROVIDED BY THE CLIENT.** Information provided by an official representative of the Association regarding financial, physical conditions, quality, or historical issues is deemed reliable.
- **INTENT.** This Replacement Reserve Study is a reflection of the information provided by the Association and the visual evaluations of the Analyst. It has been prepared for the sole use of the Association and is not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records.
- **PREVIOUS REPLACEMENTS.** Information provided to Miller - Dodson Associates regarding prior replacements is considered to be accurate and reliable. Our visual evaluation is not a project audit or quality inspection.
- **EXPERIENCE WITH FUTURE REPLACEMENTS.** The Calendar of Annual Projected Replacements, lists replacements we have projected to occur over the Study Period, begins on Page C2. Our 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 – General Reserve

Item	2023 - Study Year	$
15	Mailbox, cluster (8-unit CBU) (Newbury)	$3,053
	Total Scheduled Replacements	$3,053

Item	2024 - YEAR 1	$
8	Entrance monument, repoint masonry	$980
42	Basketball court asphalt pavement, seal coat	$1,288
46	Soccer Goals with Football Uprights	$12,000
47	Asphalt Pavement, Newb & Tobacco driving lanes, mill & overlay	21,315
	Total Scheduled Replacements	$ 35,583 ~~$14,268~~

Item	2025 - YEAR 2	$
3	Asphalt path, Tennis Court, seal coat	$2,363
29	Tot lot surfacing, engineered wood fiber (3")	$13,950
	Total Scheduled Replacements	$16,313

Item	2026 - YEAR 3	$
5	Asphalt path, Bush Hill, seal coat	$720
7	Asphalt path, Newbury, seal coat	$1,215
9	Entrance monument, carved wood sign	$1,760
35	Tennis court, color coat (3 coats)	$15,360
37	Tennis court, net	$900
	Total Scheduled Replacements	$19,955

Item	2027 - YEAR 4	$
10	Flood light, ground mounted	$210
	Total Scheduled Replacements	$210

Item	2028 - YEAR 5	$
17	Fence, wood split, 2 rails	$1,872
18	Flood light, tot lot, pole mounted	$700
20	Pavilion fluorescent lighting	$300
26	Tot lot, spring ride (small)	$2,200
29	Tot lot surfacing, engineered wood fiber (3")	$13,950
33	Picnic table (coated metal table & bench, metal	$4,800
48	Asphalt Pavement, Tob & Newb driving lanes, seal coat.	2,175
	Total Scheduled Replacements	$ 25,997 ~~$23,822~~

Item	2029 - YEAR 6	$
1	Concrete flatwork (6% allowance)	$3,150
42	Basketball court asphalt pavement, seal coat	$1,288
	Total Scheduled Replacements	$4,438

Item	2030 - YEAR 7	$
3	Asphalt path, Tennis Court, seal coat	$2,363
6	Asphalt path, Newbury, overlay	$5,832
19	Flood light, pavilion, building mounted	$350
	Total Scheduled Replacements	$8,545

Item	2031 - YEAR 8	$
5	Asphalt path, Bush Hill, seal coat	$720
7	Asphalt path, Newbury, seal coat	$1,215
23	Tot lot, ADA MP structure (large)	$40,000
29	Tot lot surfacing, engineered wood fiber (3")	$13,950
30	Tot lot, border PTL	$4,095
38	Fence, 8' galvanized chain link	$13,950
	Total Scheduled Replacements	$73,930

Item	2032 - YEAR 9	$
24	Tot lot, 5" post swing, 4 seat	$5,600
25	Tot lot, 5" single post swing, 2 seat	$2,800
	Total Scheduled Replacements	$8,400

PROJECTED REPLACEMENTS

Item	2033 - YEAR 10	$
2	Asphalt path, Tennis Court, overlay	$11,340
16	Stormwater management (allowance)	$5,000
35	Tennis court, color coat (3 coats)	$15,360
37	Tennis court, net	$900
48	Asphalt Pavement, Tob. & Newb. driving lanes, seal coat.	2,175
	Total Scheduled Replacements	$34,775 ~~$32,600~~

Item	2034 - YEAR 11	$
8	Entrance monument, repoint masonry	$980
29	Tot lot surfacing, engineered wood fiber (3")	$13,950
42	Basketball court asphalt pavement, seal coat	$1,288
	Total Scheduled Replacements	$16,218

Item	2035 - YEAR 12	$
1	Concrete flatwork (6% allowance)	$3,150
3	Asphalt path, Tennis Court, seal coat	$2,363
4	Asphalt path, Bush Hill, overlay	$3,456
11	Monument electrical box/service disconnect	$1,250
27	Tot lot, horizontal ladder (10')	$2,000
28	Tot lot, spinner	$2,800
32	Bench, coated metal with metal supports (7')	$2,740
41	Basketball court asphalt pavement, mill and overlay	$12,618
	Total Scheduled Replacements	$30,376

Item	2036 - YEAR 13	$
5	Asphalt path, Bush Hill, seal coat	$720
7	Asphalt path, Newbury, seal coat	$1,215
	Total Scheduled Replacements	$1,935

Item	2037 - YEAR 14	$
10	Flood light, ground mounted	$210
29	Tot lot surfacing, engineered wood fiber (3")	$13,950
	Total Scheduled Replacements	$14,160

Item	2038 - YEAR 15	$
18	Flood light, tot lot, pole mounted	$700
20	Pavilion fluorescent lighting	$300
45	Pavilion roofing, asphalt shingles	$9,975
48	Asphalt Pavement, Tob. & Newb. driving lanes, seal coat.	2,175
	Total Scheduled Replacements	$13,150 ~~$10,975~~

Item	2039 - YEAR 16	$
42	Basketball court asphalt pavement, seal coat	$1,288
	Total Scheduled Replacements	$1,288

Item	2040 - YEAR 17	$
3	Asphalt path, Tennis Court, seal coat	$2,363
19	Flood light, pavilion, building mounted	$350
29	Tot lot surfacing, engineered wood fiber (3")	$13,950
35	Tennis court, color coat (3 coats)	$15,360
37	Tennis court, net	$900
	Total Scheduled Replacements	$32,923

Item	2041 - YEAR 18	$
1	Concrete flatwork (6% allowance)	$3,150
5	Asphalt path, Bush Hill, seal coat	$720
7	Asphalt path, Newbury, seal coat	$1,215
9	Entrance monument, carved wood sign	$1,760
	Total Scheduled Replacements	$6,845

Item	2042 - YEAR 19	$
	No Scheduled Replacements	

(should not seal asphalt the year prior to replacement)

PROJECTED REPLACEMENTS

Item	2043 - YEAR 20	$
16	Stormwater management (allowance)	$5,000
17	Fence, wood split, 2 rails	$1,872
22	Miscellaneous signage	$1,500
26	Tot lot, spring ride (small)	$2,200
29	Tot lot surfacing, engineered wood fiber (3")	$13,950
33	Picnic table (coated metal table & bench, metal	$4,800
43	Basketball pole and backboard	$5,486
48	Asphalt Pavement, T.o.b. & Newb. driving lanes, seal coat.	2,175
		$ 36,893
	Total Scheduled Replacements	$34,608

Item	2044 - YEAR 21	$
8	Entrance monument, repoint masonry	$980
42	Basketball court asphalt pavement, seal coat	$1,288
46	Soccer Goals with Football Uprights	$12,000
47	Asphalt Pavement, T.o.b. & Newb. driving lanes, mill & overlay.	21,315
	Total Scheduled Replacements	$14,268

Item	2045 - YEAR 22	$
3	Asphalt path, Tennis Court, seal coat	$2,363
6	Asphalt path, Newbury, overlay	$5,832
21	Pavilion electrical box/service disconnect	$1,250
31	Tot lot, border recycled plastic	$680
	Total Scheduled Replacements	$10,125

Item	2046 - YEAR 23	$
5	Asphalt path, Bush Hill, seal coat	$720
7	Asphalt path, Newbury, seal coat	$1,215
23	Tot lot, ADA MP structure (large)	$40,000
29	Tot lot surfacing, engineered wood fiber (3")	$13,950
30	Tot lot, border PTL	$4,095
	Total Scheduled Replacements	$59,980

Item	2047 - YEAR 24	$
1	Concrete flatwork (6% allowance)	$3,150
10	Flood light, ground mounted	$210
13	Mailbox, cluster (16-unit CBU) (Ambergate 1)	$3,262
24	Tot lot, 5" post swing, 4 seat	$5,600
25	Tot lot, 5" single post swing, 2 seat	$2,800
34	Tennis court, asphalt overlay	$74,240
35	Tennis court, color coat (3 coats)	$15,360
36	Tennis court, post and footings	$3,600
37	Tennis court, net	$900
	Total Scheduled Replacements	$109,122

Item	2048 - YEAR 25	$
2	Asphalt path, Tennis Court, overlay	$11,340
18	Flood light, tot lot, pole mounted	$700
20	Pavilion fluorescent lighting	$300
44	Pavilion, steel with asphalt shingle	$94,500
48	Asphalt Pavement, T.o.b. & Newb. driving lanes, seal coat.	2,175
		$ 109,015
	Total Scheduled Replacements	$106,840

Item	2049 - YEAR 26	$
29	Tot lot surfacing, engineered wood fiber (3")	$13,950
42	Basketball court asphalt pavement, seal coat	$1,288
	Total Scheduled Replacements	$15,238

Item	2050 - YEAR 27	$
3	Asphalt path, Tennis Court, seal coat	$2,363
4	Asphalt path, Bush Hill, overlay	$3,456
19	Flood light, pavilion, building mounted	$350
27	Tot lot, horizontal ladder (10')	$2,000
28	Tot lot, spinner	$2,800
32	Bench, coated metal with metal supports (7')	$2,740
39	12' Double gate, 8' galvanized chain link	$2,500
40	Pedestrian gate, 8' galvanized chain link	$750
	Total Scheduled Replacements	$16,959

Item	2051 - YEAR 28	$
5	Asphalt path, Bush Hill, seal coat	$720
7	Asphalt path, Newbury, seal coat	$1,215
	Total Scheduled Replacements	$1,935

Item	2052 - YEAR 29	$
29	Tot lot surfacing, engineered wood fiber (3")	$13,950
	Total Scheduled Replacements	$13,950

SECTION D - CONDITION ASSESSMENT

General Comments. Miller+Dodson Associates conducted a Reserve Study at The Plantations in January 2023. The Plantations is in generally good condition for a homeowner's association constructed between 1979 and 1986. A review of the Replacement Reserve Inventory will show that we are anticipating most of the components achieving their normal economic lives.

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

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

General Condition Statements.

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

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

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

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

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

SITE ITEMS

Concrete Work. The concrete work includes the community sidewalks and other flatwork such as the mailbox cluster pads. The concrete work observed at the property is in good condition overall.

The standards we use for recommending replacement are as follows:

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

Asphalt Paths. The Association is responsible for the asphalt paths throughout the community. The Association maintains asphalt paths located by the Tennis Court, Bush Hill Road, and Newbury Road. The asphalt path located by Bush Hill Road was observed to be in good condition overall while the paths at the Tennis Court and Newbury Road were observed to be in good to fair condition having large cracks across the width of the path at multiple locations.

Asphalt paths are typically constructed on native soil. As a result, defects can begin to develop in a few years, leading to costly repairs, early replacement, and tripping hazards. Additionally, paths typically do not have proper edge confinement and support resulting in longitudinal cracking along the edges of the path. Compacted soil or gravel along the edges of the path can mitigate this problem. Lastly, tree root damage is a common issue with asphalt paths, and some communities have had success with a process called root trimming.

As a rule of thumb, asphalt should be overlaid when approximately 5% of the surface area is cracked or otherwise deteriorated.

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

- **Cleaning.** Long-term exposure to oil or gas breaks down asphalt. Because this asphalt pavement is generally not used for long-term parking, it is unlikely that frequent cleaning will be necessary. When necessary, spill areas should be cleaned or patched if deterioration has penetrated the asphalt. This is a maintenance activity, and we have assumed that it will not be funded by the Reserves.
- **Crack Repair.** All cracks should be repaired with an appropriate compound to prevent water infiltration through the asphalt into the base. This repair should be done annually. Crack repair is normally considered a maintenance activity and is not funded 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.

Entry Monument and Signage. The Association maintains an entry monument located at the intersection of Log House Road and Woodfield Road. The monument is made of brick and was observed to be in fair condition with open masonry joints and loose or broken bricks in some areas.

The monument lettering is carved and painted wood and observed to be in good to fair condition with some areas of chipped and missing paint.

Additionally, the monument features a ground-mounted floodlight and an electrical service/disconnect panel. Both the floodlight and the electrical service/disconnect panel were observed to be in fair to poor condition showing signs of advanced weathering.

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

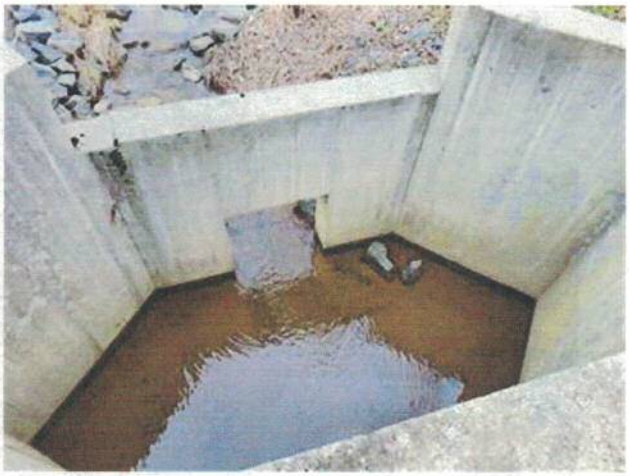
The monument lettering is made of painted wood requiring regular inspection, cleaning, and refinishing. To keep the monument fresh and appealing, we recommend replacement every 10 to 15 years.

In addition to monuments, the Association is responsible for community signage around the recreational paths, tennis court, tot lot, pavilion, and basketball court. Funds are included in the reserves for the future replacement of these signs as it becomes necessary.

Mailboxes. Six cluster mailboxes are located throughout the townhome areas of the community. The association replaces the mailbox clusters as needed and, as a result, the condition of the individual mailbox clusters varies. Of the six mailbox clusters, four are new and in good condition, one is a few years older than the others and showing signs of weathering, and the last one is original to the property and in poor condition.

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

Stormwater Management. The property is served by a stormwater detention pond which is managed by the local municipal authority. The Association is responsible for removing sediment buildup from the outflow of the stormwater detention pond. Additionally, drainage from the property to the catch basins of the stormwater system is managed by the Association and includes short runs of perforated pipe in low-lying areas as well as small sections of rip-rap stone. No issues were reported with drainage on the property.



An allowance for the stormwater management / drainage systems is included in the replacement reserves.

Stormwater Management. The property is served by a stormwater detention pond which is managed by the local municipal authority. The Association is responsible for removing sediment buildup from the outflow of the stormwater detention pond. Additionally, drainage from the property to the catch basins of the stormwater system is managed by the Association and includes short runs of perforated pipe in low-lying areas as well as small sections of rip-rap stone. No issues were reported with drainage on the property.

An allowance for the stormwater management / drainage systems is included in the replacement reserves.

(Continued on next page)

RECREATION ITEMS

Tot Lots. The community maintains one tot lot. The tot lot includes play structures, miscellaneous play equipment, wood and synthetic borders, an engineered wood chip surface, and benches. The facility facilities are in generally good condition with minor wear. The engineered wood chip surface appears to be displaced in some areas.

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

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

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

Tennis Courts. The community maintains two tennis courts in a gated, chain-link enclosure at the recreational area of the property. Note: Shortly before the site visit a large tree fell onto the tennis court damaging a section of the chain-link fence, a net, and, potentially, some of the asphalt court surface - this is not known until the tree is removed. The tree removal and related damage from the tree will be covered using other funds. The observations in this report do not consider the repairs from the tree damage. If the repairs affect one or more of the major components of the tennis courts such as the entire playing surface or the entire fence area, those components should be updated in this report as it will have an impact on the reserve funds.

The courts were observed to be in good condition overall. They were reported to be resurfaced in 2018/2019. The chain-link enclosure was observed to be in fair condition showing signs of advanced weathering with many components having surface rust. A double-gate and single pedestrian gate were added in recent years and were observed to be in good condition.

Listed below are the major components of the tennis court facilities:

- Asphalt Pavement (base layer). We have assumed a service life of 20 to 30 years for the asphalt base layer.
- Color Coat (surface layer). Annual cleaning is recommended to maintain the surface of the court. The base of a tennis court is subject to cracking and low spots known as "birdbaths" that can occur from weather and earth movement. A program to address cracks as they appear will help to prolong the useful life of the color coat. We have assumed a service life of five to ten years for the color coat.
- Fencing. We have assumed that the fencing will be replaced when the asphalt pavement is replaced. Posts and fencing should be inspected, repaired, and painted as needed to prolong their economic life. Periodic inspection of the posts, gates, hinges, and latches is also recommended, and it is important that posts and footings be protected to prevent soil erosion. In addition, care should be taken so that damage from string trimmers is minimized.
- Net Posts. We have assumed that the new posts will be replaced when the asphalt pavement is replaced.

Basketball Court Area. The Association maintains a basketball court on an asphalt lot adjacent to the pavilion at the main recreational area. The basketball court consists of a large asphalt area including a small parking area for three vehicles, painted court lines, and two basketball nets and backstops. The basketball nets and backstops, asphalt court, and parking area were observed to be in good condition overall.

Basketball backstops have an expected economic life of 20 years. This is dependent on the amount of use and weather conditions. In order to extend the economic life of these items, we recommend regularly inspecting, cleaning, and refinishing the backstops as needed.

As a rule of thumb, asphalt should be overlaid when approximately 5% of the surface area is cracked or otherwise deteriorated. The normal service life of asphalt pavement is typically 18 to 20 years.

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

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

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

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

Basketball Court Area. The Association maintains a basketball court on an asphalt lot adjacent to the pavilion at the main recreational area. The basketball court consists of a large asphalt area including a small parking area for three vehicles, painted court lines, and two basketball nets and backstops. The basketball nets and backstops, asphalt court, and parking area were observed to be in good condition overall.

Basketball backstops have an expected economic life of 20 years. This is dependent on the amount of use and weather conditions. In order to extend the economic life of these items, we recommend regularly inspecting, cleaning, and refinishing the backstops as needed.

As a rule of thumb, asphalt should be overlaid when approximately 5% of the surface area is cracked or otherwise deteriorated. The normal service life of asphalt pavement is typically 18 to 20 years.

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

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

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

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

Pavilion. The Association maintains a steel-frame pavilion at the main recreational area on the property. The pavilion features a concrete slab floor, steep supports and trusses, plywood decking, and asphalt shingles. Based upon our visual inspection, no major defects were observed other than what is expected from normal use and exposure to the elements. The pavilion houses four coated metal picnic tables in fair to poor condition with some of the coating flaked off from the picnic table tops. Two fluorescent lights and one floodlight are installed in the pavilion. The lights were not on at the time of the site visit; however, they were reported to be functioning normally and maintained regularly. The pavilion and tot lot area lights are serviced by an electric service / disconnect box located at the base of the tree line adjacent to the pavilion. The electric service / disconnect box was observed to be in good condition overall.

The expected economic life of a steel frame pavilion is 55 to 60 years. Regular maintenance activities can extend the expected economic life by regularly inspecting, cleaning, and refinishing the structure as needed.

Pavilion. The Association maintains a steel-frame pavilion at the main recreational area on the property. The pavilion features a concrete slab floor, steel supports and trusses, plywood decking, and asphalt shingles. Based upon our visual inspection, the pavilion has no obvious defects other than what is expected from normal use and exposure to the elements. The pavilion houses four coated metal picnic tables in fair to poor condition with some of the coated being flaked off from the picnic table tops. Two fluorescent lights and one floodlight are installed in the pavilion. The lights were not on at the time of the site visit; however, they were reported to be functioning normally and maintained regularly. The pavilion and tot lot area lights are serviced by an electric service / disconnect box located at the base of the tree line adjacent to the pavilion. The electric service / disconnect box was observed to be in good condition overall.

The expected economic life of a steel frame pavilion is 55 to 60 years. Regular maintenance activities can extend the expected economic life by regularly inspecting, cleaning, and refinishing the structure as needed.

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

INTENTIONALLY LEFT BLANK

— Modified 07 Jan 2024 to move the Newb. Rd & T.L.Ct driving lanes from the T-H Reserve Fund to the General Reserve Fund.

SECTION A - FINANCIAL ANALYSIS — Town-House Reserve Components

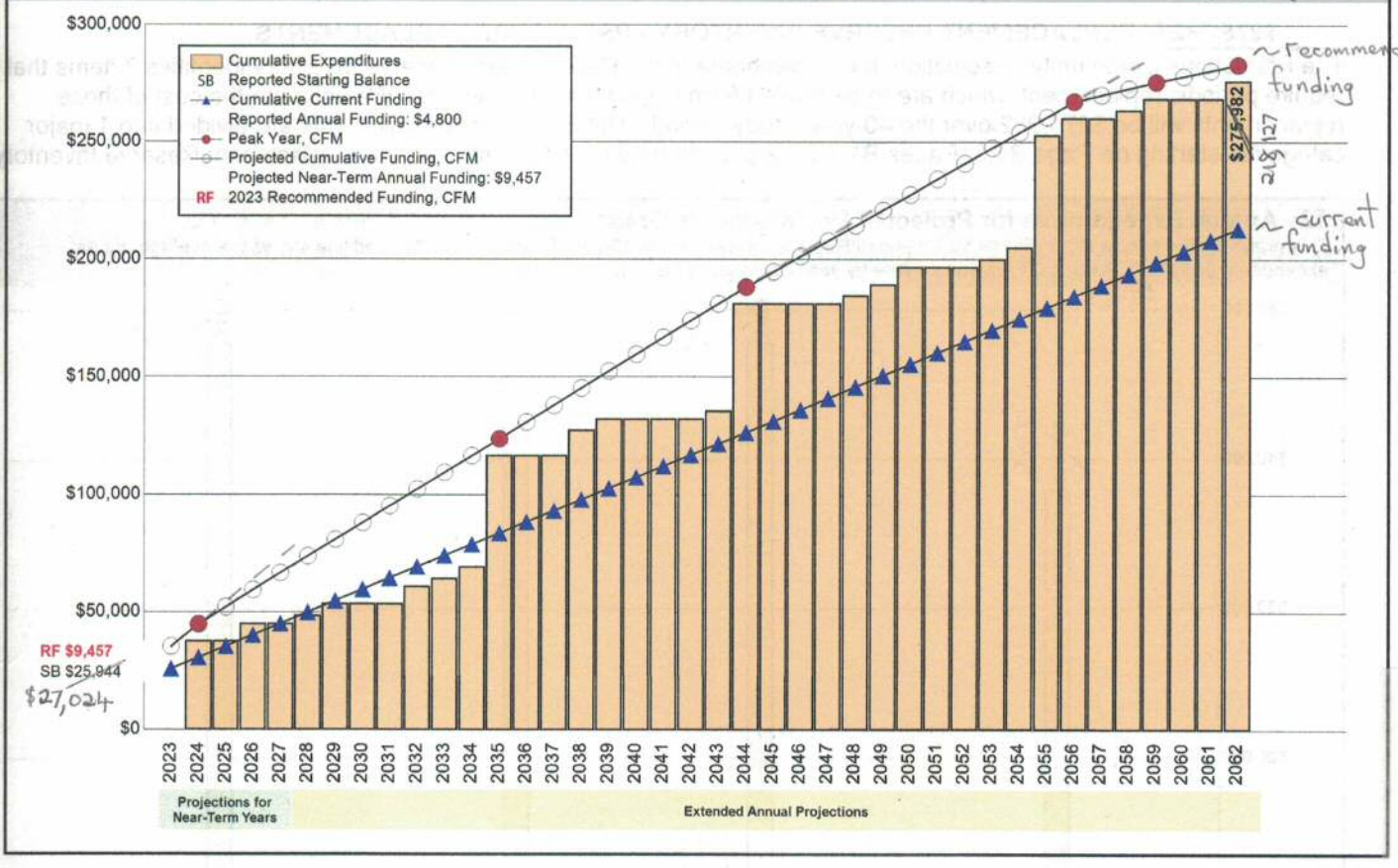
The Plantations Community Association, Inc., Townhome Items Replacement Reserve Analysis uses the Cash Flow Method (CFM) to calculate Replacement Reserve funding for the periodic replacement of the 7 Projected Replacements identified in the Replacement Reserve Inventory.

5,453. ~~$9,457~~ (then ~~7,188~~) **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR THE STUDY YEAR, 2023**
$13.13 Per unit (average), minimum monthly funding of Replacement Reserves
$7.57

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 A1.5.

The Plantations Community Association, Inc., Townhome Items reports a Starting Balance of ~~$25,944~~ $27,024 and Annual Funding totaling $4,800, which is inadequate to fund projected replacements starting in 2024. See Page A1.3 for a more detailed evaluation.

#1 - Cumulative Replacement Reserve Funding and Expenditures Graph — Town-House Reserve



The increase in the Recommended Annual Funding level shown* is primarily due to the current high rate of inflation in today's construction industry which is pushing replacement costs higher. Additionally, the high initial Recommended Annual Reserve Funding level is the result of a number of replacements being scheduled in the early years of the report.

The Next Step. The next step in the Reserve Study process is for the Board to carefully review the Component inventory to make sure that all included components are the responsibility of the Association, and that the priorities and the timing of the replacements is in keeping with the goals and objectives of the Board. If, after that review, the Reserve Study still recommends a substantial increase to the Annual Reserve Funding, MillerDodson can work with the Board to develop a Strategic Funding Plan to ramp up the Funding levels incrementally.

* Note that the RF level is $9,457 for 2023 & 2024, then $7,188 for 2025 → 2035. } In V.3, a constant $5,453 funding level is used.

Town-House Reserve
Section A – Analysis

REPLACEMENT RESERVE ANALYSIS - GENERAL INFORMATION

The Plantations Community Association, Inc., Townhome Items 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.

2023 | **STUDY YEAR**

The Association reports that their accounting year begins on January 1, and the Study Year, the first year evaluated by the Replacement Reserve Analysis, begins on January 1, 2023.

40 Years | **STUDY PERIOD**

The Replacement Reserve Analysis evaluates the funding of Replacement Reserves over a ~~30~~ 40-year Study Period

27,024 ~~$25,944~~ | **STARTING BALANCE** $27,024

The Association reports Replacement Reserves on Deposit totaling ~~$25,944~~ at the start of the Study Year.

Level One | **LEVEL OF SERVICE**

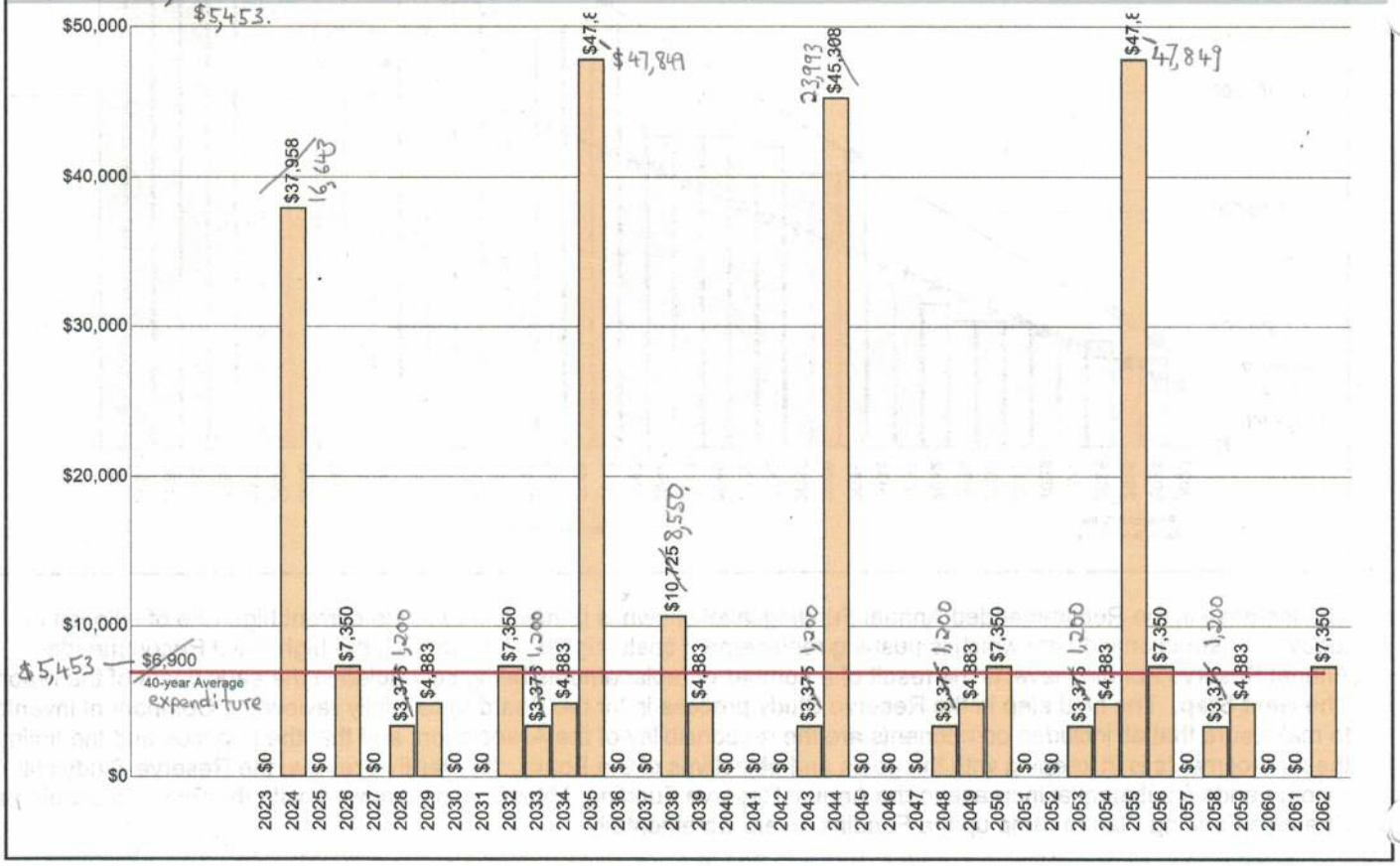
The Replacement Reserve Inventory has been developed in compliance with the National Reserve Study Standards for a Level One Study, as defined by the Community Associations Institute (CAI).

~~$275,982~~ | **REPLACEMENT RESERVE INVENTORY - PROJECTED REPLACEMENTS**

The Plantations Community Association, Inc., Townhome Items Replacement Reserve Inventory identifies 7 items that will require periodic replacement, which are to be funded from Replacement Reserves. We estimate the cost of these replacements will be $275,982 over the 40-year Study Period. The Projected Replacements are divided into 1 major categories starting on Page B1.3. Pages B1.1-B1.2 provide detailed information on the Replacement Reserve Inventory.

#2 - Annual Expenditures for Projected Replacements Graph — Town-House Reserve

This graph shows annual expenditures for Projected Replacements over the 40-year Study Period. The red line shows the average annual expenditure of ~~$6,900~~ $5,453. Section C1 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 A1.4 and A1.5. The Projected Replacements listed on Page C1.2 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 A1.5.

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 A1.5.

ANNUAL EXPENDITURES AND CURRENT FUNDING

The annual expenditures that comprise the $275,982 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 1 through 30

Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Starting Balance	$25,944									
Projected Replacements		($37,958)		($7,350)		($3,375)	($4,883)			($7,350)
Annual Deposit	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800
End of Year Balance	$30,744	($2,414)	$2,387	($184)	$4,637	$6,062	$5,979	$10,779	$15,579	$13,029
Cumulative Expenditures		($37,958)	($37,958)	($45,308)	($45,308)	($48,683)	($53,565)	($53,565)	($53,565)	($60,915)
Cumulative Receipts	$30,744	$35,544	$40,344	$45,144	$49,944	$54,744	$59,544	$64,344	$69,144	$73,944

Year	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Projected Replacements	($3,375)	($4,883)	($47,849)			($10,725)	($4,883)			
Annual Deposit	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800
End of Year Balance	$14,454	$14,372	($28,677)	($23,877)	($19,077)	($25,002)	($25,085)	($20,285)	($15,485)	($10,685)
Cumulative Expenditures	($64,290)	($69,173)	($117,021)	($117,021)	($117,021)	($127,746)	($132,629)	($132,629)	($132,629)	($132,629)
Cumulative Receipts	$78,744	$83,544	$88,344	$93,144	$97,944	$102,744	$107,544	$112,344	$117,144	$121,944

Year	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Projected Replacements	($3,375)	($45,308)				($3,376)	($4,883)	($7,350)		
Annual Deposit	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800
End of Year Balance	($9,260)	($49,767)	($44,967)	($40,167)	($35,367)	($33,942)	($34,025)	($36,575)	($31,775)	($26,975)
Cumulative Expenditures	($136,004)	($181,311)	($181,311)	($181,311)	($181,311)	($184,686)	($189,569)	($196,919)	($196,919)	($196,919)
Cumulative Receipts	$126,744	$131,544	$136,344	$141,144	$145,944	$150,744	$155,544	$160,344	$165,144	$169,944

Year	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062
Projected Replacements	($3,375)	($4,883)	($47,849)	($7,350)		($3,375)	($4,883)			($7,350)
Annual Deposit	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800	$4,800
End of Year Balance	($25,550)	($25,632)	($68,681)	($71,231)	($66,431)	($65,006)	($65,088)	($60,288)	($55,488)	($58,038)
Cumulative Expenditures	($200,294)	($205,176)	($253,025)	($260,375)	($260,375)	($263,750)	($268,632)	($268,632)	($268,632)	($275,982)
Cumulative Receipts	$174,744	$179,544	$184,344	$189,144	$193,944	$198,744	$203,544	$208,344	$213,144	$217,944

EVALUATION OF CURRENT FUNDING

The evaluation of Current Funding (Starting Balance of $25,944 & annual funding of $4,800) 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 7 Projected Replacements identified in the Replacement Reserve Inventory and that the Association will continue Annual Funding of $4,800 throughout the 40-year Study Period.

Annual Funding of $4,800 is approximately 51 percent of the $9,457 recommended Annual Funding calculated by the Cash Flow Method for 2023, the Study Year.

See the Executive Summary for the Current Funding Statement.

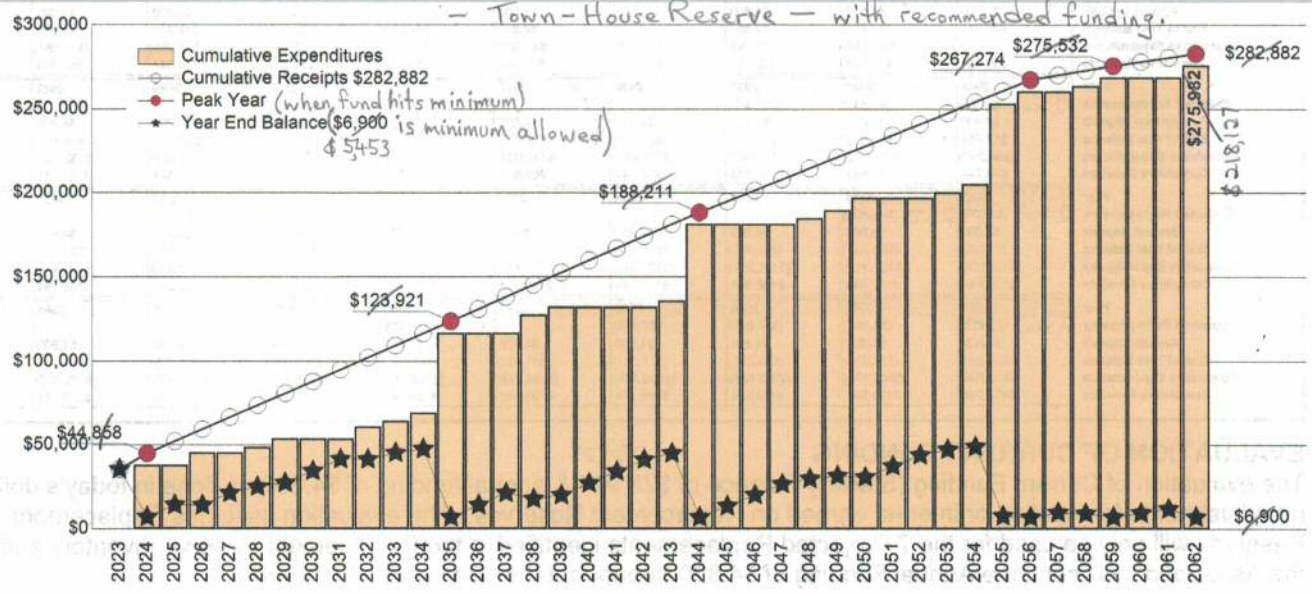
CASH FLOW METHOD FUNDING

$9,457 **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR 2023**
$13.13 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 2024 with Replacement Reserves on Deposit dropping to the Minimum Balance after the completion of $37,958 of replacements from 2023 to 2024. Recommended funding is projected to decline from $9,457 in 2024 to $7,188 in 2025. Peak Years are identified in Chart 4 and Table 5.
- **Threshold (Minimum Balance).** The calculations assume a Minimum Balance of $6,900 will always be held in reserve, which is calculated by rounding the 12-month 40-year average annual expenditure of $6,900 as shown on Graph #2.
- **Cash Flow Method Study Period.** Cash Flow Method calculates funding for $275,982 of expenditures over the 40-year Study Period. It does not include funding for any projects beyond 2062, and in 2062, the end of year balance will always be the Minimum Balance.

#4 - Cash Flow Method - Graph of Cumulative Receipts and Expenditures - Years 1 through 30 40



#5 - Cash Flow Method - Table of Receipts & Expenditures - Years 1 through 30 40 (using recommended funding)

Year	2023	1st Peak - 2024	2025	2026	2027	2028	2029	2030	2031	2032
Starting Balance	27,024 $25,944									
Projected Replacements		($37,958)		($7,350)		($3,375)	($4,883)			($7,350)
Annual Deposit	$9,457	5,453 $9,457	5,453 $7,188	$7,188	$7,188	$7,188	$7,188	$7,188	$7,188	5,453 $7,188
End of Year Balance	$35,401	$6,900	$14,088	$13,925	$21,113	$24,925	$27,230	$34,418	$41,606	$41,443
Cumulative Expenditures		($37,958)	($37,958)	($45,308)	($45,308)	($48,683)	($53,565)	($53,565)	($53,565)	($60,915)
Cumulative Receipts	$35,401	$44,858	$52,045	$59,233	$66,420	$73,608	$80,795	$87,983	$95,171	$102,358

Year	2033	2034	2nd Peak - 2035	2036	2037	2038	2039	2040	2041	2042
Projected Replacements	($3,375)	($4,883)	($47,849)			($10,725)	($4,883)			
Annual Deposit	5,453 $7,188	$7,188	$7,188	$7,143	$7,143	$7,143	$7,143	$7,143	$7,143	5,453 $7,143
End of Year Balance	$45,256	$47,561	$6,900	$14,043	$21,187	$17,605	$19,866	$27,009	$34,152	$41,296
Cumulative Expenditures	($64,290)	($69,173)	($117,021)	($117,021)	($117,021)	($127,746)	($132,629)	($132,629)	($132,629)	($132,629)
Cumulative Receipts	$109,546	$116,733	$123,921	$131,064	$138,208	$145,351	$152,494	$159,638	$166,781	$173,924

Year	2043	3rd Peak - 2044	2045	2046	2047	2048	2049	2050	2051	2052
Projected Replacements	($3,375)	($45,308)				($3,375)	($4,883)	($7,350)		
Annual Deposit	5,453 $7,143	$7,143	$6,589	$6,589	$6,589	$6,589	$6,589	$6,589	$6,589	5,453 $6,589
End of Year Balance	$45,064	$6,900	$13,489	$20,077	$26,666	$29,879	$31,586	$30,824	$37,413	$44,001
Cumulative Expenditures	($136,004)	($181,311)	($181,311)	($181,311)	($181,311)	($184,686)	($189,569)	($196,919)	($196,919)	($196,919)
Cumulative Receipts	$181,068	$188,211	$194,800	$201,388	$207,977	$214,565	$221,154	$227,743	$234,331	$240,920

Year	2053	2054	2055	4th Peak - 2056	2057	2058	5th Peak - 2059	2060	2061	6th Peak - 2062
Projected Replacements	($3,375)	($4,883)	($47,849)	($7,350)		($3,375)	($4,883)			($7,350)
Annual Deposit	5,453 $6,589	$6,589	$6,589	$6,589	$2,753	$2,753	$2,753	$2,450	$2,450	5,453 $2,450
End of Year Balance	$47,215	$48,921	$7,661	$6,900	$9,652	$9,030	$6,900	$9,350	$11,800	$6,900
Cumulative Expenditures	($200,294)	($205,176)	($253,025)	($260,375)	($260,375)	($263,750)	($268,632)	($268,632)	($268,632)	218,127 ($276,982)
Cumulative Receipts	$247,509	$254,097	$260,686	$267,274	$270,027	$272,779	$275,532	$277,982	$280,432	$282,882

07 Jan 2024: Recommended Annual Funding = 218,127 ÷ 40 = $5,453; higher initial (early years) recommended funding not applied.

v3 07 Jan 2024

INFLATION ADJUSTED FUNDING

(this page not updated with 07 Jan 2024 changes.)

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.

$9,457 **2023 - CASH FLOW METHOD RECOMMENDED FUNDING**

The 2023 Study Year calculations have been made using current replacement costs (see Page B1.2), modified by the Analyst for any project specific conditions.

$10,024 **2024 - INFLATION ADJUSTED FUNDING**

A new analysis calculates the 2024 funding based on three assumptions:

- Replacement Reserves on Deposit totaling $35,401 on January 1, 2024.
- No Expenditures from Replacement Reserves in 2023.
- Construction Cost Inflation of 6.00 percent in 2023.

The $10,024 inflation adjusted funding in 2024 is a 6.00 percent increase over the non-inflation adjusted funding of $9,457.

$8,076 **2025 - INFLATION ADJUSTED FUNDING**

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

- Replacement Reserves on Deposit totaling $6,900 on January 1, 2025.
- All 2024 Projected Replacements listed on Page C1.2 accomplished at a cost to Replacement Reserves less than $37,959.
- Construction Cost Inflation of 6.00 percent in 2024.

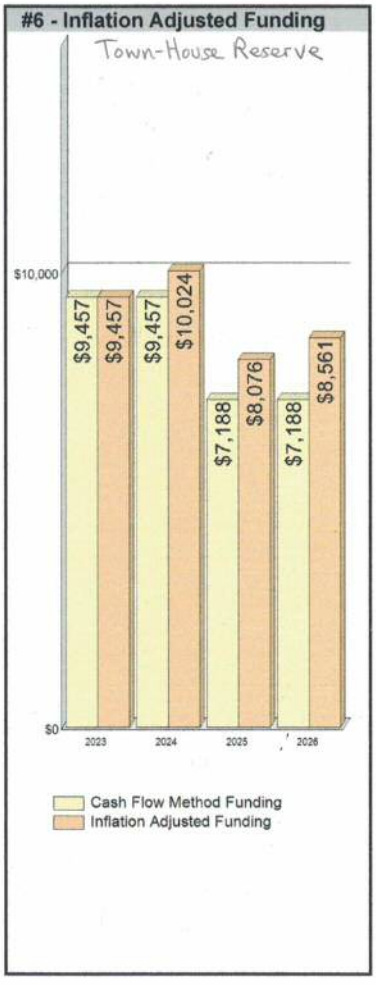
The $8,076 inflation adjusted funding in 2025 is a 12.36 percent increase over the non-inflation adjusted funding of $7,188.

$8,561 **2026 - INFLATION ADJUSTED FUNDING**

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

- Replacement Reserves on Deposit totaling $32,717 on January 1, 2026.
- No Expenditures from Replacement Reserves in 2025.
- Construction Cost Inflation of 6.00 percent in 2025.

The $8,561 inflation adjusted funding in 2026 is a 19.10 percent increase over the non-inflation adjusted funding of $7,188.



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 2024, 2025 and 2026 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 2023, based on a 1.00 percent interest rate, we estimate the Association may earn $307 on an average balance of $30,672, $212 on an average balance of $21,150 in 2024, and $198 on $19,809 in 2025. The Association may elect to attribute 100 percent of the earned interest to Reserves, resulting in a reduction in the 2023 funding from $9,457 to $9,150 (a 3.24 percent reduction), $10,024 to $9,813 in 2024 (a 2.10 percent reduction), and $8,076 to $7,878 in 2025 (a 2.45 percent reduction).

INTENTIONALLY LEFT BLANK

SECTION B - REPLACEMENT RESERVE INVENTORY

- **PROJECTED REPLACEMENTS.** The Plantations Community Association, Inc., Townhome Items - Replacement Reserve Inventory identifies 7 items which are Projected Replacements, and the periodic replacements of these items are scheduled for funding from Replacement Reserves. The Projected Replacements have an estimated one-time replacement cost of $96,531. Cumulative Replacements totaling $275,982 are scheduled in the Replacement Reserve Inventory over the 40-year Study Period. Cumulative Replacements include those components that are replaced more than once during the period of the study.

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

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

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

  Value. Items with a replacement cost of less than $1000 and/or a normal economic life of less than 3 years are typically excluded from funding from Replacement Reserves. This exclusion should reflect the Association policy on the administration of Replacement Reserves. If the Association has selected an alternative level, it will be noted in the Replacement Reserve Inventory - General Comments on Page B1.2.

  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 7 items included in the Plantations Community Association, Inc., Townhome Items Replacement Reserve Inventory are divided into 1 major categories. Each category is printed on a separate page, beginning on page B1.3.

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

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

REPLACEMENT RESERVE INVENTORY - GENERAL INFORMATION (CONT'D)

- **INVENTORY DATA.** Each of the 7 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 7 Projected Replacements specifically listed in the Replacement Reserve Inventory. The inclusion/exclusion of items from the Replacement Reserve Inventory is discussed on Page B1.1.

SITE ITEMS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL		REPLACEMENT COST ($)
1	Asphalt pavement, Ambergate Ct, mill and overlay	sy	1,150	$22.05	20	12		$25,358
2	Asphalt pavement, Ambergate Ct, seal coat	sy	1,150	$2.25	5	1		$2,588
3	Asphalt pavement, Bush Hill Ct, mill and overlay	sy	1,020	$22.05	20	12		$22,491
4	Asphalt pavement, Bush Hill Ct, seal coat	sy	1,020	$2.25	5	1		$2,295
5	Asphalt pavement, Tobacco & Newbury, mill and overlay	sy	~~1,500~~ 533.3	$22.05	20	1	$11,760	~~$33,075~~
6	Asphalt pavement, Tobacco & Newbury, seal coat	sy	~~1,500~~ 533.3	$2.25	5	5	$1,200	~~$3,375~~
7	Concrete curb and gutter, barrier (6% allowance)	lf	175	$42.00	6	3		$7,350

(convert to sq ft)

6,750 sf x 2

— remove driving lane, add to Gen. Res. Fund.

2,400 sf x 2 — T-H Reserve Fund.
4,350 sf x 2 — General Reserve Fund.
6,750

— Modification to remove driving lanes at Newbury & T.L. Ct; only the actual parking spaces are charged to the T-H Reserve Fund.

(07 Jan 2024)

Replacement Costs - Page Subtotal ~~$96,531~~ $73,042

COMMENTS

- We have assumed that the Association will replace the asphalt pavement with the installation of a 2-inch-thick overlay. The pavement will need to be milled prior to the installation of the overlay. Milling and the cost of minor repairs (5 to 10 percent of the total area) to the base materials and bearing soils beneath the pavement are included in the cost shown above.
- Seal coating or rejuvenation has been shown to extend service life of asphalt if performed at an early stage, once asphalt has fully cured and then cyclically thereafter. This is the best practice to extend the life of the asphalt pavement. The Unit Cost includes crack sealing, and line/curb painting. The Asphalt paving industries recommendation/best practice is to sealcoat approximately one (1) year after the mill and overlay is performed. One (1) year allows the excess oils in the paving mixture to "weather off". Sealing the following year locks in the remaining essential oils that keep the pavement pliable. Cyclical reapplication of the sealcoat, approximately every five (5) years, will keep those oils in expanding its useful life.
- Concrete has a normal economic life expectancy of 60 years. We model 6% of the total requiring replacement every six years. Items showing zero remaining life expectancy are to take care of immediate needs due to tripping hazards.
- For concrete components and other roadway shoulder work, we have assumed that the Association will conduct concrete component replacement projects in conjunction with asphalt pavement, other concrete, or rights-of-way replacement projects.
- Item #5: Asphalt pavement, Tobacco & Newbury, mill and overlay - Includes both Tobacco Leaf Court and Newbury Court Townhouse parking and drive areas.

MAINTENANCE AND REPAIR EXCLUSIONS

Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	RUL	REL	REPLACEMENT COST ($)
	Cleaning of asphalt pavement						EXCLUDED
	Crack sealing of asphalt pavement						EXCLUDED
	Painting of curbs						EXCLUDED
	Striping of parking spaces						EXCLUDED
	Numbering of parking spaces						EXCLUDED
	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 a 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 ($)	RUL	REL	REPLACEMENT COST ($)
	Government, roadways and parking						EXCLUDED
	Government, sidewalks and curbs						EXCLUDED

GOVERNMENT EXCLUSIONS
Comments

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

INTENTIONALLY LEFT BLANK

SECTION C - CALENDAR OF PROJECTED ANNUAL REPLACEMENTS

GENERAL STATEMENT. The 7 Projected Replacements in the Plantations Community Association, Inc., Townhome Items 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 C1.2.

REPLACEMENT RESERVE ANALYSIS AND INVENTORY POLICIES, PROCEDURES, AND ADMINISTRATION

- **REVIEW OF THE REPLACEMENT RESERVE STUDY.** For this study to be effective, it should be reviewed by the Board of Directors, those responsible for the management of the items included in the Replacement Reserve Inventory, and the accounting professionals employed by the Association.
- **REVISIONS.** Revisions will be made to the Replacement Reserve Analysis and Replacement Reserve Inventory in accordance with the written instructions of the Board of Directors. No additional charge is incurred for the first revision if requested in writing within three months of the date of the Replacement Reserve Study. It is our policy to provide revisions in electronic (Adobe PDF) format only. We acknowledge that there are instances in which multiple revisions are necessary. However, unnecessary multiple revisions drain on our time and manpower resources. Therefore, Miller Dodson will exercise its sole discretion as to whether additional charges are incurred.
- **TAX CODE**. The United States Tax Code grants favorable tax status to a common interest development (CID) meeting certain guidelines for their Replacement Reserve. If a CID files their taxes as a 'Corporation' on Form 1120 (IRC Section 277), these guidelines typically require maintenance activities, partial replacements, minor replacements, capital improvements, and one-time only replacements to be excluded from Reserves. A CID cannot co-mingle planning for maintenance activities with capital replacement activities in the Reserves (Revenue Ruling 75-370). Funds for maintenance activities and capital replacements activities must be held in separate accounts. If a CID files taxes as an "Exempt Homeowners Association" using Form 1120H (IRC Section 528), the CID does not have to segregate these activities. However, because the CID may elect to change their method of filing from year to year within the Study Period, we advise using the more restrictive approach. We further recommend that the CID consult with their Accountant and consider creating separate and independent accounts and reserves for large maintenance items, such as painting.
- **CONFLICT OF INTEREST.** Neither Miller - Dodson Associates nor the Reserve Analyst has any prior or existing relationship with this Association which would represent a real or perceived conflict of interest.
- **RELIANCE ON DATA PROVIDED BY THE CLIENT.** Information provided by an official representative of the Association regarding financial, physical conditions, quality, or historical issues is deemed reliable.
- **INTENT.** This Replacement Reserve Study is a reflection of the information provided by the Association and the visual evaluations of the Analyst. It has been prepared for the sole use of the Association and is not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records.
- **PREVIOUS REPLACEMENTS.** Information provided to Miller - Dodson Associates regarding prior replacements is considered to be accurate and reliable. Our visual evaluation is not a project audit or quality inspection.
- **EXPERIENCE WITH FUTURE REPLACEMENTS.** The Calendar of Annual Projected Replacements, lists replacements we have projected to occur over the Study Period, begins on Page C2. Our 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 – Town House Reserve

Item	2023 - Study Year	$
No Scheduled Replacements		

Item	2024 - YEAR 1	$
2	Asphalt pavement, Ambergate Ct, seal coat	$2,588
4	Asphalt pavement, Bush Hill Ct, seal coat	$2,295
5	Asphalt pavement, Tobacco & Newbury, mill and overlay	~~$33,075~~ 11,760
Total Scheduled Replacements		~~$37,958~~ $16,643

Item	2025 - YEAR 2	$
No Scheduled Replacements		

Item	2026 - YEAR 3	$
7	Concrete curb and gutter, barrier (6% allowance)	$7,350
Total Scheduled Replacements		$7,350

Item	2027 - YEAR 4	$
No Scheduled Replacements		

Item	2028 - YEAR 5	$
6	Asphalt pavement, Tobacco & Newbury, seal coat	~~$3,375~~ 1,200.
Total Scheduled Replacements		~~$3,375~~ $1,200.

Item	2029 - YEAR 6	$
2	Asphalt pavement, Ambergate Ct, seal coat	$2,588
4	Asphalt pavement, Bush Hill Ct, seal coat	$2,295
Total Scheduled Replacements		$4,883

Item	2030 - YEAR 7	$
No Scheduled Replacements		

Item	2031 - YEAR 8	$
No Scheduled Replacements		

Item	2032 - YEAR 9	$
7	Concrete curb and gutter, barrier (6% allowance)	$7,350
Total Scheduled Replacements		$7,350

PROJECTED REPLACEMENTS

Item	2033 - YEAR 10	$
6	Asphalt pavement, Tobacco & Newbury, seal coat	~~$3,375~~ 1,200
		$1,200.
	Total Scheduled Replacements	~~$3,375~~

Item	2034 - YEAR 11	$
2	Asphalt pavement, Ambergate Ct, seal coat	$2,588
4	Asphalt pavement, Bush Hill Ct, seal coat	$2,295
	Total Scheduled Replacements	$4,883

Item	2035 - YEAR 12	$
1	Asphalt pavement, Ambergate Ct, mill and overlay	$25,358
3	Asphalt pavement, Bush Hill Ct, mill and overlay	$22,491
	Total Scheduled Replacements	$47,849

Item	2036 - YEAR 13	$
	No Scheduled Replacements	

Item	2037 - YEAR 14	$
	No Scheduled Replacements	

Item	2038 - YEAR 15	$
6	Asphalt pavement, Tobacco & Newbury, seal coat 1,200	~~$3,375~~
7	Concrete curb and gutter, barrier (6% allowance)	$7,350
		$8,550.
	Total Scheduled Replacements	~~$10,725~~

Item	2039 - YEAR 16	$
2	Asphalt pavement, Ambergate Ct, seal coat	$2,588
4	Asphalt pavement, Bush Hill Ct, seal coat	$2,295
	Total Scheduled Replacements	$4,883

Item	2040 - YEAR 17	$
	No Scheduled Replacements	

Item	2041 - YEAR 18	$
	No Scheduled Replacements	

Item	2042 - YEAR 19	$
	No Scheduled Replacements	

PROJECTED REPLACEMENTS

Item	2043 - YEAR 20	$
6	Asphalt pavement, Tobacco & Newbury, seal coat	~~$3,375~~ 1,200

(NOTE: Sealing should not be done the year prior to mill & overlay -- is a waste of money.

~~$3,375~~ $1,200

Total Scheduled Replacements ~~$3,375~~ $1,200

Item	2044 - YEAR 21	$
2	Asphalt pavement, Ambergate Ct, seal coat	$2,588
4	Asphalt pavement, Bush Hill Ct, seal coat	$2,295
5	Asphalt pavement, Tobacco & Newbury, mill and overlay 11,760	~~$33,075~~
7	Concrete curb and gutter, barrier (6% allowance)	$7,350

~~$45,308~~ $23,993.

Total Scheduled Replacements ~~$45,308~~

Item	2045 - YEAR 22	$

No Scheduled Replacements

Item	2046 - YEAR 23	$

No Scheduled Replacements

Item	2047 - YEAR 24	$

No Scheduled Replacements

Item	2048 - YEAR 25	$
6	Asphalt pavement, Tobacco & Newbury, seal coat	~~$3,375~~ 1,200

~~$3,375~~ $1,200.

Total Scheduled Replacements

Item	2049 - YEAR 26	$
2	Asphalt pavement, Ambergate Ct, seal coat	$2,588
4	Asphalt pavement, Bush Hill Ct, seal coat	$2,295

Total Scheduled Replacements $4,883

Item	2050 - YEAR 27	$
7	Concrete curb and gutter, barrier (6% allowance)	$7,350

Total Scheduled Replacements $7,350

Item	2051 - YEAR 28	$

No Scheduled Replacements

Item	2052 - YEAR 29	$

No Scheduled Replacements

PROJECTED REPLACEMENTS

Item	2053 - YEAR 30	$
6	Asphalt pavement, Tobacco & Newbury, seal coat	~~$3,375~~ 1,200
	Total Scheduled Replacements	~~$3,375~~ $1,200.

Item	2054 - YEAR 31	$
2	Asphalt pavement, Ambergate Ct, seal coat	$2,588
4	Asphalt pavement, Bush Hill Ct, seal coat	$2,295
	Total Scheduled Replacements	$4,883

Item	2055 - YEAR 32	$
1	Asphalt pavement, Ambergate Ct, mill and overlay	$25,358
3	Asphalt pavement, Bush Hill Ct, mill and overlay	$22,491
	Total Scheduled Replacements	$47,849

Item	2056 - YEAR 33	$
7	Concrete curb and gutter, barrier (6% allowance)	$7,350
	Total Scheduled Replacements	$7,350

Item	2057 - YEAR 34	$
	No Scheduled Replacements	

Item	2058 - YEAR 35	$
6	Asphalt pavement, Tobacco & Newbury, seal coat	~~$3,375~~ 1,200
	Total Scheduled Replacements	~~$3,375~~ $1,200.

Item	2059 - YEAR 36	$
2	Asphalt pavement, Ambergate Ct, seal coat	$2,588
4	Asphalt pavement, Bush Hill Ct, seal coat	$2,295
	Total Scheduled Replacements	$4,883

Item	2060 - YEAR 37	$
	No Scheduled Replacements	

Item	2061 - YEAR 38	$
	No Scheduled Replacements	

Item	2062 - YEAR 39	$
7	Concrete curb and gutter, barrier (6% allowance)	$7,350
	Total Scheduled Replacements	$7,350

INTENTIONALLY LEFT BLANK

SECTION D - CONDITION ASSESSMENT

General Comments. Miller+Dodson Associates conducted a Reserve Study at The Plantations, Townhome Items in January 2023. Plantations and Townhome Items is generally in good to fair condition for a homeowner's association constructed between 1979 and 1986. A review of the Replacement Reserve Inventory will show that we are anticipating most of the components achieving their normal economic lives.

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

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

General Condition Statements.

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

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

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

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

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

SITE ITEMS

Asphalt Pavement. The Association is responsible for the parking areas associated with the Townhomes within the community. Other roadways are maintained by the City, County, or other municipality. In general, the asphalt pavement observed at Ambergate Court and Bush Hill Court is in good condition overall with no major defects. The asphalt pavement observed at Newbury Court and Tobacco Leaf Court is in poor condition overall with many defects present throughout the asphalt area.

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. If cracks extend to the base and bearing materials, remove the damaged areas, and replace defective materials. As a part of normal maintenance, clean and fill all other cracks.
- **Alligatoring.** There are multiple locations where the asphalt has developed a pattern of cracking known as alligatoring. The primary cause of alligatoring is an unstable base. Once these cracks extend through the asphalt, they will allow water to penetrate 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.
- **Potholes.** Potholes have formed as a result of full-depth pavement failure, including base materials. The repair will require the removal of the asphalt and base materials, installation and compaction of new base materials, and asphalt resurfacing.
- **Depressions.** There are areas where the asphalt surface is depressed due to deformation in the surface or underlying layers. These depressions may continue to grow with exposure to traffic. Water ponding is evident in several of these areas. Repair of these areas will require the removal of the asphalt and base material and reinstallation, by compacting the new base material and resurfacing with asphalt.

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

As a rule of thumb, asphalt should be overlaid when approximately 5% of the surface area is cracked or otherwise deteriorated. The normal service life of asphalt pavement is typically 18 to 20 years.

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

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

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

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

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

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

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

2. REPLACEMENT RESERVE STUDY

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

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

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

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

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

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

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

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

3. METHODS OF ANALYSIS

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

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

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

4. REPLACEMENT RESERVE STUDY DATA

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

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

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.

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

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

Component Analysis. See Component Method, above.

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

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

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

Estimated Remaining Economic Life (REL). Used in the Normal Replacement Schedules. Number of years until the item is expected to need replacement. Normally, this number would be considered to be the difference between the Estimated

Economic Life and the age of the item. However, this number must be modified to reflect maintenance practice, climate, original construction and quality, or other conditions. For the purpose of this report, this number is determined by the Reserve Analyst based on the present condition of the item relative to the actual age.

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

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

National Reserve Study Standards. A set of Standards developed by the Community Associations Institute in 1995 (and updated in 2017) which establishes the accepted methods of Reserve Calculation and stipulates what data must be included in the Reserve Study for each component listed in the inventory. These Standards can be found at 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 Study. The numbers of years into the future for which expenditures are projected and reserve levels calculated. This number should be large enough to include the projected replacement of every item on the schedule, at least once. The Reserve Study must cover a minimum of 20 years to comply with the National Reserve Study Standards. However, your study covers a 30-year period.

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

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

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

Total Replacement Cost. Shown on the Summary Sheet A1, this is the 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				

INTENTIONALLY LEFT BLANK

What is a Reserve Study?
Who are we?

https://youtu.be/m4BcOE6q3Aw

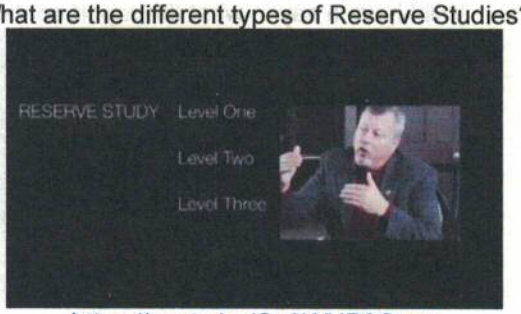
What kind of property uses a Reserve Study?
Who are our clients?

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

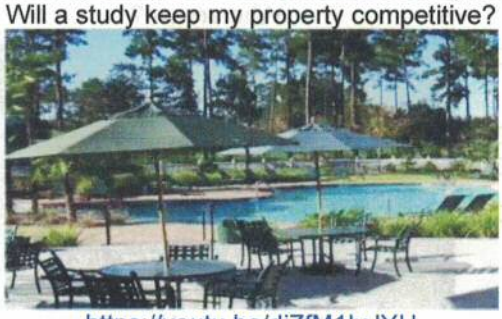
What is my role as a Community Manager?
Will the report help me explain Reserves?

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?

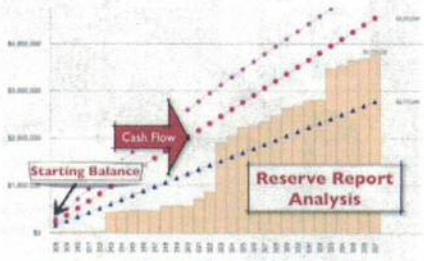


https://youtu.be/diZfM1IyJYU

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?

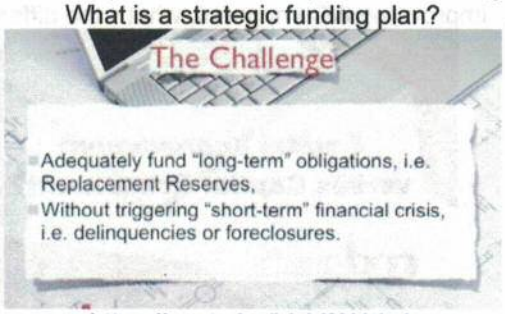


https://youtu.be/SePdwVDvHWI

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