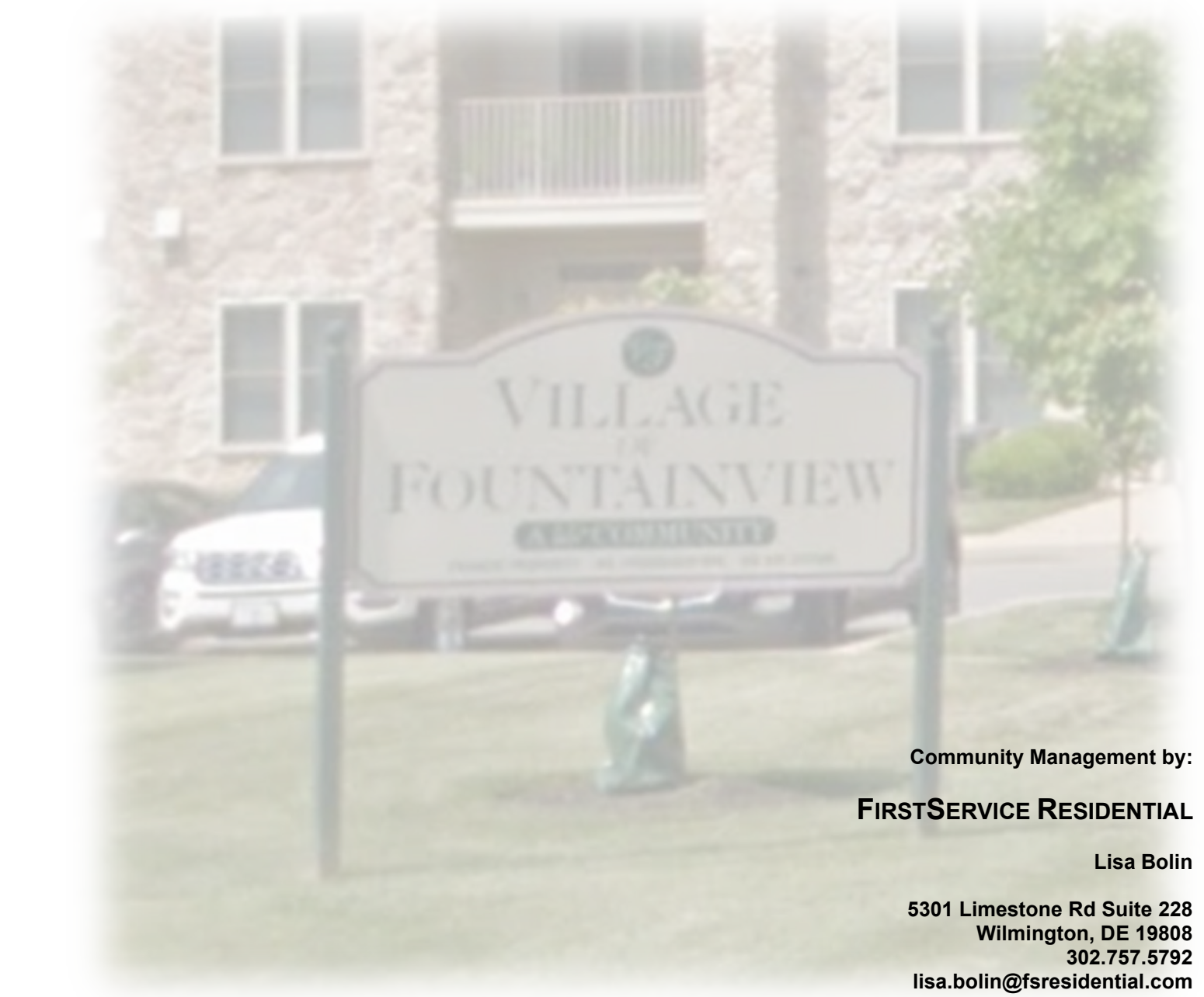
LEVEL 2 REPLACEMENT RESERVE REPORT FY 2026
VILLAGE OF FOUNTAINVIEW



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REPLACEMENT RESERVE REPORT

VILLAGE OF FOUNTAINVIEW

NEWARK, DELAWARE
On-Site Observation Date: December 03, 2025
Report Date: December 16, 2025
Revised January 22, 2026

Description. Village of Fountainview is a Homeowner's Association located in Newark, Delaware. Constructed between 2007 and 2014, the community consists of 5 Townhouse Buildings, 3 Garden-Style Buildings, Pool House, and Maintenance Building. The survey examined the common elements of the property, including:

- All Roadways, Parking Areas, and Driveways
- Sidewalks and Curbs and Gutters
- Fencing, Site Lighting, Retaining Walls, Trash Corrals, and Mailbox Clusters
- Waterlines and Sanitary Lines
- Stormwater Management and Pond
- Exterior Main Pool
- Building exterior systems, and interiors of lobbied buildings

EXECUTIVE SUMMARY
This Reserve Study has been prepared for the Village of Fountainview for the Fiscal Year 2026 covering the period from January 1, 2026 to December 31, 2026. The Replacement Reserves Starting Balance as of January 1, 2026 is reported to be $1,086,887. The reported Current Annual Funding for Reserves is $222,000. The Recommended Annual Reserve Funding level for 2026 is $337,855.

The increase in the Recommended Annual Funding level shown above is due, in part, to the current high rate of inflation in today's construction industry which is pushing replacement costs higher. The primary reason for the increase shown above, however, may be that the reported Current Annual Reserve Funding is less than the Annual Reserve Funding level that was recommended in the previous 2014 Reserve Study. We recommend that the Association increase its Reserve Funding level as soon as possible. Given the high rates of inflation in today's construction industry, the longer that the Association delays in adequately funding its Reserves, the harder it will become to make up for the underfunding.

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

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

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

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

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

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

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

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

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

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

- MillerDodson performed on-site observations commencing on December 03, 2025 to determine the remaining useful life and replacement cost for the commonly owned elements of this facility.

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

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

Preventative Maintenance Plan. During discussions with the Board and/or management on December 03, 2025, it was confirmed that no preventive maintenance schedule is in place and actively used. MillerDodson recommended to the Board and management that a maintenance schedule be developed and used.

Acknowledgment. MillerDodson Associates would like to acknowledge the assistance and input of Kathleen Philips, Board President, Becky Hartman, Board Vice President and Sarah Mattox, First Service Residential who provided very helpful insight into the current operations of the property.

Glenn A. Ferber serves as a Site Specialist and Reserve Specialist team member for Miller-Dodson Associates, primarily serving the Delmarva Region, including the Eastern Shore of Maryland and Delaware. In this role, Glenn is responsible for gathering and integrating the critical data points necessary to produce Capital Reserve Studies. He places a strong emphasis on engaging directly with Association Boards and their representatives to create studies that ensure a community's current and future financial preparedness.
He brings a unique multi-disciplinary background to the reserve study industry. Before joining Miller-Dodson, he enjoyed a successful career as a financial advisor—holding Series 6 & 63 designations—and as the sole proprietor of an independent insurance agency specializing in commercial property and liability coverage. Following his tenure in finance and insurance, Glenn pursued his interest in commercial development, gaining hands-on experience as a project manager, owner's representative, and on-site quality control specialist. Glenn attended the University of Florida, Gainesville, where he studied Business and Education. He is an active member of the Community Associations Institute (CAI) and the Association of Professional Reserve Analysts (APRA). A long-time resident of the Maryland Eastern Shore, Glenn currently resides in Snow Hill, Maryland.

Respectfully Submitted,

millerdodson
CAPITAL RESERVE CONSULTANTS

Glenn A. Ferber
Glenn A. Ferber, RS

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SECTION A - FINANCIAL ANALYSIS

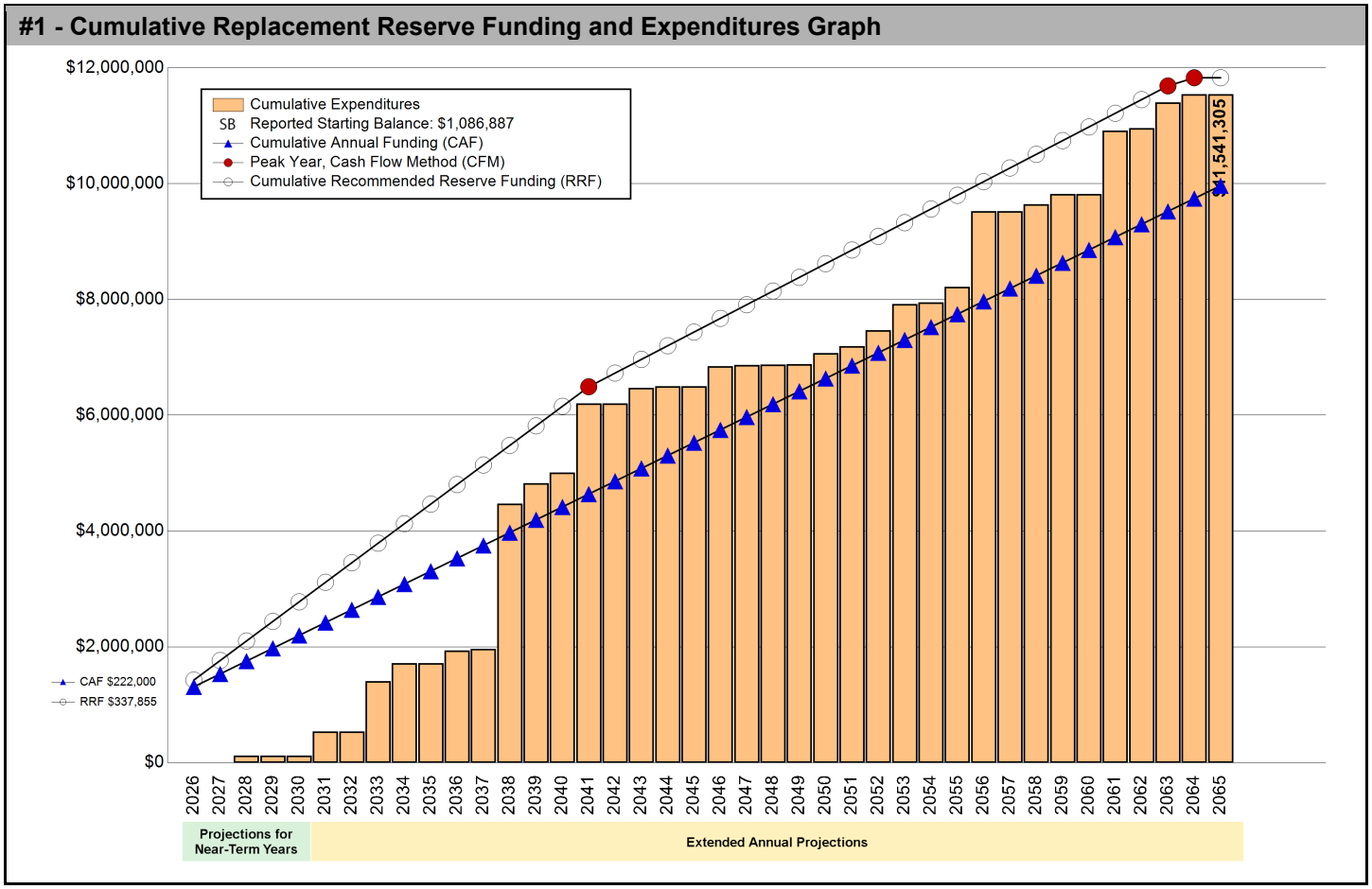
The Village of Fountainview Replacement Reserve Analysis uses the Cash Flow Method (CFM) to calculate Replacement Reserve funding for the periodic replacement of the 95 Projected Replacements identified in the Replacement Reserve Inventory.

$337,855 **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR THE STUDY YEAR, 2026**

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.

Village of Fountainview reports a Starting Balance of $1,086,887 and Annual Funding totaling $222,000, which is inadequate to fund projected replacements starting in 2038. See Page A.3 for a more detailed evaluation.

#1 - Cumulative Replacement Reserve Funding and Expenditures Graph



The increase in the Recommended Annual Funding level shown above is due, in part, to the current high rate of inflation in today's construction industry which is pushing replacement costs higher. The primary reason for the increase shown above, however, may be that the reported Current Annual Reserve Funding is less than the Annual Reserve Funding level that was recommended in the previous 2014 Reserve Study. We recommend that the Association increase its Reserve Funding level as soon as possible. Given the high rates of inflation in today's construction industry, the longer that the Association delays in adequately funding its Reserves, the harder it will become to make up for the underfunding.

REPLACEMENT RESERVE ANALYSIS - GENERAL INFORMATION

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

2026 **STUDY YEAR**

The Association reports that their accounting year begins on January 1, and the Study Year, the first year evaluated by the Replacement Reserve Analysis, begins on January 1, 2026.

40 Years **STUDY PERIOD**

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

$1,086,887 **STARTING BALANCE**

The Association reports Replacement Reserves on Deposit totaling $1,086,887 at the start of the Study Year.

Level Two **LEVEL OF SERVICE**

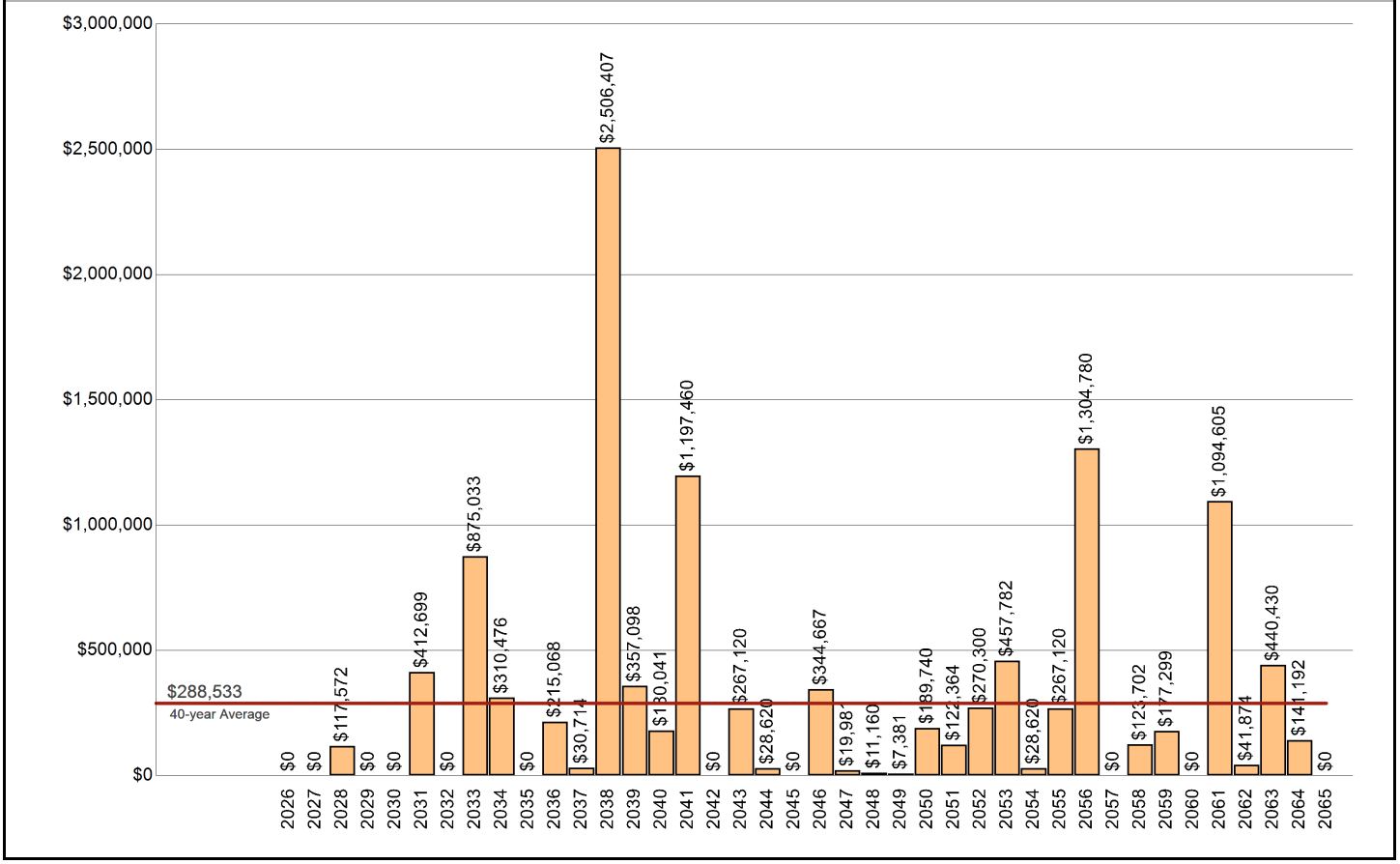
The Replacement Reserve Inventory has been developed in compliance with the National Reserve Study Standards for a Level Two Study, as defined by the Community Associations Institute (CAI).

$11,541,305 **REPLACEMENT RESERVE INVENTORY - PROJECTED REPLACEMENTS**

The Village of Fountainview Replacement Reserve Inventory identifies 95 items that will require periodic replacement, that are to be funded from Replacement Reserves. We estimate the cost of these replacements will be $11,541,305 over the 40-year Study Period. The Projected Replacements are divided into 4 major categories starting on Page B.3. Pages B.1-B.2 provide detailed information on the Replacement Reserve Inventory.

#2 - Annual Expenditures for Projected Replacements Graph

This graph shows annual expenditures for Projected Replacements over the 40-year Study Period. The red line shows the average annual expenditure of $288,533. Section C provides a year by year Calendar of these expenditures.



EVALUATION OF CURRENT FUNDING

The evaluation of Current Funding (Starting Balance of $1,086,887 & annual funding of $222,000), 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 95 Projected Replacements identified in the Replacement Reserve Inventory and that the Association will continue Annual Funding of $222,000 throughout the 40-year Study Period.

Annual Funding of $222,000 is approximately 66 percent of the $337,855 recommended Annual Funding calculated by the Cash Flow Method for 2026, the Study Year.

See the Executive Summary for the Current Funding Statement.

ANNUAL EXPENDITURES AND CURRENT FUNDING

The annual expenditures that comprise the $11,541,305 of Projected Expenditures over the 40-year Study Period and the impact of the Association continuing to fund Replacement Reserves at the current level are detailed in Table 3.

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

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Starting Balance	$1,086,887									
Projected Replacements			($117,572)			($412,699)		($875,033)	($310,476)	
Annual Deposit	$222,000	$222,000	$222,000	$222,000	$222,000	$222,000	$222,000	$222,000	$222,000	$222,000
End of Year Balance	$1,308,887	$1,530,887	$1,635,315	$1,857,315	$2,079,315	$1,888,616	$2,110,616	$1,457,583	$1,369,107	$1,591,107
Cumulative Expenditures			($117,572)	($117,572)	($117,572)	($530,271)	($530,271)	($1,405,304)	($1,715,780)	($1,715,780)
Cumulative Receipts	$1,308,887	$1,530,887	$1,752,887	$1,974,887	$2,196,887	$2,418,887	$2,640,887	$2,862,887	$3,084,887	$3,306,887
Year	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**
Projected Replacements	($215,068)	($30,714)	($2,506,407)	($357,098)	($180,041)	($1,197,460)		($267,120)	($28,620)	
Annual Deposit	$222,000	$222,000	$222,000	$222,000	$222,000	$222,000	$222,000	$222,000	$222,000	$222,000
End of Year Balance	$1,598,039	$1,789,325	($495,082)	($630,179)	($588,220)	($1,563,681)	($1,341,681)	($1,386,801)	($1,193,421)	($971,421)
Cumulative Expenditures	($1,930,848)	($1,961,562)	($4,467,969)	($4,825,067)	($5,005,108)	($6,202,568)	($6,202,568)	($6,469,688)	($6,498,308)	($6,498,308)
Cumulative Receipts	$3,528,887	$3,750,887	$3,972,887	$4,194,887	$4,416,887	$4,638,887	$4,860,887	$5,082,887	$5,304,887	$5,526,887
Year	**2046**	**2047**	**2048**	**2049**	**2050**	**2051**	**2052**	**2053**	**2054**	**2055**
Projected Replacements	($344,667)	($19,981)	($11,160)	($7,381)	($189,740)	($122,364)	($270,300)	($457,782)	($28,620)	($267,120)
Annual Deposit	$222,000	$222,000	$222,000	$222,000	$222,000	$222,000	$222,000	$222,000	$222,000	$222,000
End of Year Balance	($1,094,088)	($892,069)	($681,229)	($466,609)	($434,349)	($334,713)	($383,013)	($618,795)	($425,415)	($470,535)
Cumulative Expenditures	($6,842,975)	($6,862,956)	($6,874,116)	($6,881,497)	($7,071,237)	($7,193,601)	($7,463,901)	($7,921,683)	($7,950,303)	($8,217,423)
Cumulative Receipts	$5,748,887	$5,970,887	$6,192,887	$6,414,887	$6,636,887	$6,858,887	$7,080,887	$7,302,887	$7,524,887	$7,746,887
Year	**2056**	**2057**	**2058**	**2059**	**2060**	**2061**	**2062**	**2063**	**2064**	**2065**
Projected Replacements	($1,304,780)		($123,702)	($177,299)		($1,094,605)	($41,874)	($440,430)	($141,192)	
Annual Deposit	$222,000	$222,000	$222,000	$222,000	$222,000	$222,000	$222,000	$222,000	$222,000	$222,000
End of Year Balance	($1,553,315)	($1,331,315)	($1,233,017)	($1,188,317)	($966,317)	($1,838,922)	($1,658,796)	($1,877,226)	($1,796,418)	($1,574,418)
Cumulative Expenditures	($9,522,203)	($9,522,203)	($9,645,905)	($9,823,204)	($9,823,204)	($10,917,809)	($10,959,683)	($11,400,113)	($11,541,305)	($11,541,305)
Cumulative Receipts	$7,968,887	$8,190,887	$8,412,887	$8,634,887	$8,856,887	$9,078,887	$9,300,887	$9,522,887	$9,744,887	$9,966,887

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.

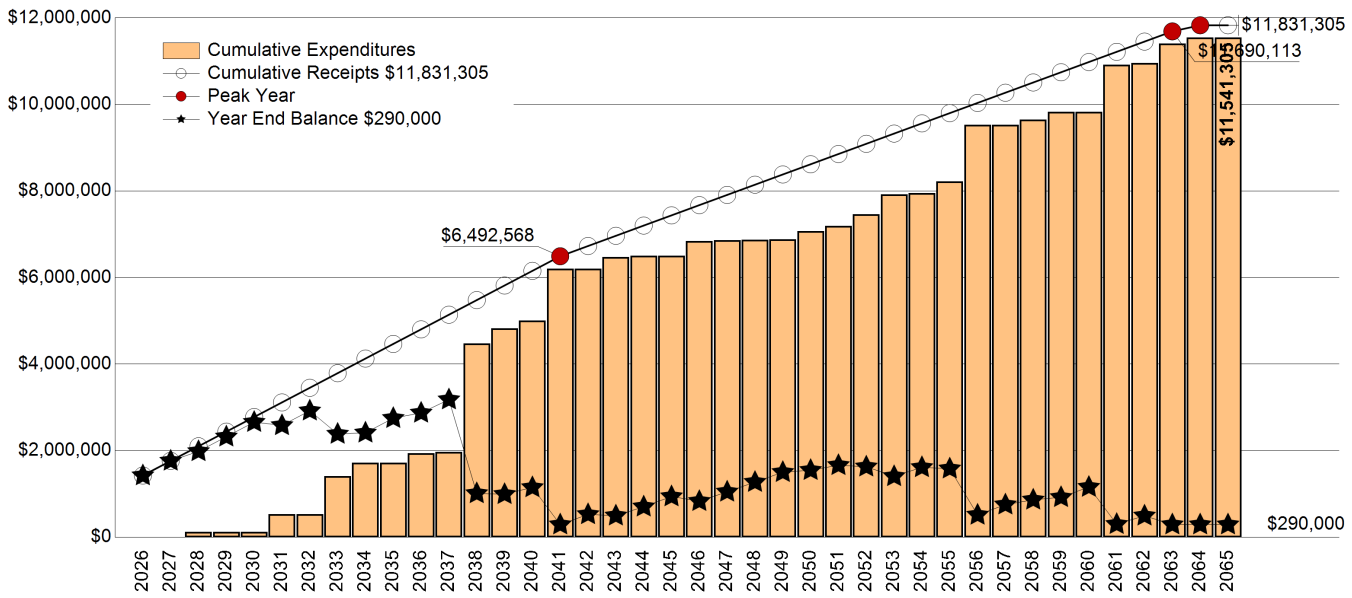
CASH FLOW METHOD FUNDING

$337,855 **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR 2026**

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 2041 with Replacement Reserves on Deposit dropping to the Minimum Balance after the completion of $6,202,568 of replacements from 2026 to 2041. Recommended funding is projected to decline from $337,855 in 2041 to $236,252 in 2042. Peak Years are identified in Chart 4 and Table 5.
- **Threshold (Minimum Balance).** The calculations assume a Minimum Balance of $290,000 will always be held in reserve, which is calculated by rounding the 12-month 40-year average annual expenditure of $288,533 as shown on Graph #2.
- **Cash Flow Method Study Period.** Cash Flow Method calculates funding for $11,541,305 of expenditures over the 40-year Study Period. It does not include funding for any projects beyond 2065 and in 2065, the end of year balance will always be the Minimum Balance.

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



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

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Starting Balance	$1,086,887									
Projected Replacements			($117,572)			($412,699)		($875,033)	($310,476)	
Annual Deposit	$337,855	$337,855	$337,855	$337,855	$337,855	$337,855	$337,855	$337,855	$337,855	$337,855
End of Year Balance	$1,424,742	$1,762,597	$1,982,880	$2,320,735	$2,658,591	$2,583,747	$2,921,602	$2,384,424	$2,411,803	$2,749,658
Cumulative Expenditures			($117,572)	($117,572)	($117,572)	($530,271)	($530,271)	($1,405,304)	($1,715,780)	($1,715,780)
Cumulative Receipts	$1,424,742	$1,762,597	$2,100,452	$2,438,307	$2,776,163	$3,114,018	$3,451,873	$3,789,728	$4,127,583	$4,465,438

Year	2036	2037	2038	2039	2040	1st Peak - 2041	2042	2043	2044	2045
Projected Replacements	($215,068)	($30,714)	($2,506,407)	($357,098)	($180,041)	($1,197,460)		($267,120)	($28,620)	
Annual Deposit	$337,855	$337,855	$337,855	$337,855	$337,855	$337,855	$236,252	$236,252	$236,252	$236,252
End of Year Balance	$2,872,445	$3,179,586	$1,011,034	$991,791	$1,149,605	$290,000	$526,252	$495,384	$703,016	$939,268
Cumulative Expenditures	($1,930,848)	($1,961,562)	($4,467,969)	($4,825,067)	($5,005,108)	($6,202,568)	($6,202,568)	($6,469,688)	($6,498,308)	($6,498,308)
Cumulative Receipts	$4,803,293	$5,141,148	$5,479,003	$5,816,858	$6,154,713	$6,492,568	$6,728,820	$6,965,072	$7,201,324	$7,437,576

Year	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Projected Replacements	($344,667)	($19,981)	($11,160)	($7,381)	($189,740)	($122,364)	($270,300)	($457,782)	($28,620)	($267,120)
Annual Deposit	$236,252	$236,252	$236,252	$236,252	$236,252	$236,252	$236,252	$236,252	$236,252	$236,252
End of Year Balance	$830,853	$1,047,124	$1,272,217	$1,501,088	$1,547,600	$1,661,488	$1,627,440	$1,405,910	$1,613,542	$1,582,674
Cumulative Expenditures	($6,842,975)	($6,862,956)	($6,874,116)	($6,881,497)	($7,071,237)	($7,193,601)	($7,463,901)	($7,921,683)	($7,950,303)	($8,217,423)
Cumulative Receipts	$7,673,828	$7,910,080	$8,146,332	$8,382,585	$8,618,837	$8,855,089	$9,091,341	$9,327,593	$9,563,845	$9,800,097

Year	2056	2057	2058	2059	2060	2061	2062	2nd Peak - 2063	3rd Peak - 2064	2065
Projected Replacements	($1,304,780)		($123,702)	($177,299)		($1,094,605)	($41,874)	($440,430)	($141,192)	
Annual Deposit	$236,252	$236,252	$236,252	$236,252	$236,252	$236,252	$236,252	$236,252	$141,192	
End of Year Balance	$514,146	$750,398	$862,948	$921,901	$1,158,153	$299,800	$494,178	$290,000	$290,000	$290,000
Cumulative Expenditures	($9,522,203)	($9,522,203)	($9,645,905)	($9,823,204)	($9,823,204)	($10,917,809)	($10,959,683)	($11,400,113)	($11,541,305)	($11,541,305)
Cumulative Receipts	$10,036,349	$10,272,601	$10,508,853	$10,745,105	$10,981,357	$11,217,609	$11,453,861	$11,690,113	$11,831,305	$11,831,305

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.

$337,855 **2026 - CASH FLOW METHOD RECOMMENDED FUNDING**

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

$349,680 **2027 - 3.5% INFLATION ADJUSTED FUNDING**

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

- Starting Balance totaling $1,424,742 on January 1, 2027.
- No Expenditures from Replacement Reserves in 2027.

$361,910 **2028 - 3.5% INFLATION ADJUSTED FUNDING**

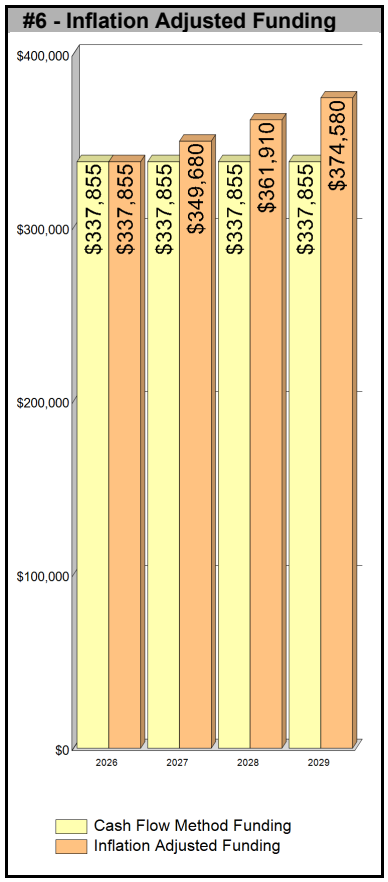
A new analysis calculates the 2028 funding based on three assumptions:

- Starting balance of approximately $1,774,422 = 2028 Starting Balance $1,424,742, plus Inflation Adjusted Funding $349,680 for 2027, minus $0 2027 Inflation Adjusted Cost.
- 2028 Non-inflation replacement costs listed in Section C, $117,572, will be replaced at approximately $125,946, 3.5% compounded inflation increase to 2026 costs.
- The $361,910 inflation-adjusted funding in 2028 is a 3.5% increase over the non-inflation-adjusted funding of $349,680 for 2027.

$374,580 **2029 - 3.5% INFLATION ADJUSTED FUNDING**

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

- Starting balance of approximately $2,010,395 = 2029 Starting Balance $1,774,422, plus Inflation Adjusted Funding $361,910 for 2028, minus $125,946 2028 Inflation Adjusted Cost.
- No Expenditures from Replacement Reserves in 2029.



Year Four and Beyond

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

Inflation Adjustment

Prior to approving a budget based upon the 2027, 2028 and 2029 inflation-adjusted funding calculations above, the 3.50 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 2026, based on a 2.00 percent interest rate, we estimate the Association may earn $25,116 on an average balance of $1,255,815, $31,992 on an average balance of $1,599,582 in 2027, and $37,850 on $1,892,481 in 2028. The Association may elect to attribute 100 percent of the earned interest to Reserves, resulting in a reduction in the 2026 funding from $337,855 to $312,739 (a 7.43 percent reduction), $349,680 to $317,688 in 2027 (a 9.14 percent reduction), and $361,919 to $324,069 in 2028 (a 10.45 percent reduction).

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SECTION B - REPLACEMENT RESERVE INVENTORY

- **PROJECTED REPLACEMENTS.** Village of Fountainview - Replacement Reserve Inventory identifies 95 items that are Projected Replacements and the periodic replacements of these items are scheduled for funding from Replacement Reserves. The Projected Replacements have an estimated one-time replacement cost of $7,532,614. Cumulative Replacements totaling $11,541,305 are scheduled in the Replacement Reserve Inventory over the 40-year Study Period. Cumulative Replacements include those components that are replaced more than once during the period of the study.

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

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

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

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

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

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

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

- **CATEGORIES.** The 95 items included in the Village of Fountainview Replacement Reserve Inventory are divided into 4 major categories. Each category is printed on a separate page, beginning on page B.3.

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

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

REPLACEMENT RESERVE INVENTORY - GENERAL INFORMATION (CONT'D)

- **INVENTORY DATA.** Each of the 95 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 95 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.

COMMON ELEMENTS - SITE ITEMS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
1	Entrance monument, composite sign	ls	1	$5,000.00	25	2	$5,000
2	Asphalt pavement, mill and overlay	sf	159,470	$2.60	20	7	$414,622
3	Asphalt pavement, seal coat	sf	159,470	$0.27	5	5	$43,057
4	Pedestal mailbox	ea	12	$3,500.00	35	15	$42,000
5	Concrete trash corral pad	sf	1,200	$16.96	30	10	$20,352
6	Dumpsters	ea	8	$1,400.00	20	5	$11,200
7	Concrete curb, w/ sidewalk (6% allowance)	sf	3,330	$31.80	6	2	$105,894
8	Concrete flatwork (6% allowance)	sf	450	$14.84	6	2	$6,678
9	Elevation wall, CMU (repoint)	lf	140	$52.72	40	23	$7,381
10	Fence, 6' aluminum with 3 rails and pickets	lf	270	$71.02	45	33	$19,175
11	Fence, 6' vinyl board	lf	270	$47.70	25	20	$12,879
12	Site lights, (exterior)	ea	138	$642.00	20	15	$88,596
13	Site lights, (interior)	ea	264	$442.00	20	15	$116,688
14	Site light, 10' steel pole	ea	11	$4,205.00	25	20	$46,255
15	Domestic water laterals (10% allowance)	ft	100	$132.50	10	10	$13,250
16	Sanitary sewer laterals (10% allowance)	ft	100	$265.00	10	10	$26,500
17	Irrigation, controller	ea	2	$1,908.00	10	5	$3,816
18	Irrigation, pipe, valve, head (allowance)	ls	1	$14,500.00	5	5	$14,500
19	SW management (wet retention pond allowance)	ls	1	$10,000.00	10	10	$10,000
					Replacement Costs - Page Subtotal		$1,007,843

COMMENTS

- Your private water & sewer lateral line is the portion of your plumbing system on your private property that connects your private pipes to the city pipes. Most residential homes and buildings have water & sewer laterals unless they use a private septic system.
- In order to follow the general format of the previous study by a third-party reserve study provider, the analyst has separated the Common Area elements, including the Site items and the Recreation items, from the detailed line items of the condominium buildings, townhomes and villas. This format is intended to breakdown those common area expenses from the 3 building types that represent the residential areas of the community.
- Item #8: Concrete flatwork (6% allowance) - *Includes concrete driveways and patios
- Item #9: Elevation wall, CMU (repoint) - BLDG. 3000 (stair access)
- Item #12: Site lights, (exterior) - *Includes exterior lighting for 1000,2000,3000 buildings, (decorative, stairwell, flood, entry)
- Item #13: Site lights, (interior) - *Includes all interior lighting for 1000,2000,3000 buildings.(corridor, closet and emergency exit signs.)

COMMON ELEMENTS - SITE ITEMS - (cont.)

PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
20	Stormwater pond dredging (allowance)	ls	1	$10,000.00	20	10	$10,000
					Replacement Costs - Page Subtotal		$10,000

COMMENTS

- Your private water & sewer lateral line is the portion of your plumbing system on your private property that connects your private pipes to the city pipes. Most residential homes and buildings have water & sewer laterals unless they use a private septic system.
- In order to follow the general format of the previous study by a third-party reserve study provider, the analyst has separated the Common Area elements, including the Site items and the Recreation items, from the detailed line items of the condominium buildings, townhomes and villas. This format is intended to breakdown those common area expenses from the 3 building types that represent the residential areas of the community.

COMMON ELEMENTS - RECREATION ITEMS

PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
21	Swimming pool, structure, concrete	sf	1,434	$127.20	60	30	$182,405
22	Swimming pool, whitecoat	sf	1,534	$18.02	10	5	$27,643
23	Swimming pool, waterline tile (6x6)	ft	160	$23.32	10	10	$3,731
24	Swimming pool deck, concrete	sf	2,600	$16.96	30	20	$44,096
25	Swimming pool, skimmers	ea	4	$689.00	20	15	$2,756
26	Swimming pool, coping, precast concrete	ft	160	$79.50	20	15	$12,720
27	Swimming pool, cover, solar	sf	1,434	$1.33	5	5	$1,907
28	Swimming pool, pump (3 hp)	ea	1	$4,770.00	15	5	$4,770
29	Swimming pool, filter, sand, 30" diameter	ea	2	$2,862.00	15	10	$5,724
30	Swimming pool furniture (allowance)	ls	1	$2,500.00	10	10	$2,500
31	Swimming pool house/pump room	ls	1	$14,900.00	25	15	$14,900

Replacement Costs - Page Subtotal $303,152

COMMENTS

- In order to follow the general format of the previous study by a third-party reserve study provider, the analyst has separated the Common Area elements, including the Site items and the Recreation items, from the detailed line items of the condominium buildings, townhomes and villas. This format is intended to breakdown those common area expenses from the 3 building types that represent the residential areas of the community.

EXTERIOR ITEMS - 1000 BUILDING CONDOMINIUMS

PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
32	Roofing, asphalt shingles	sf	27,700	$5.30	30	7	$146,810
33	Gutter and downspouts, 5" aluminum (10 ft above)	ft	410	$12.72	30	15	$5,215
34	Gutter and downspouts, 5" aluminum (40 ft above)	ft	1,093	$23.32	30	15	$25,489
35	Siding and trim, vinyl, premium	sf	20,754	$11.66	40	12	$241,992
36	Siding and trim, cementitious	sf	17,688	$21.20	50	12	$374,986
37	Door, commercial, steel, flush (3' X 6'8")	ea	13	$3,180.00	25	8	$41,340
38	Stair landings, structure PTL	sf	225	$26.50	45	13	$5,963
39	Stair landings, decking PTL	sf	225	$14.84	15	10	$3,339
40	Entrance stair, structure (steel/concrete)	ea	10	$11,307.00	45	13	$113,070
41	Entrance stair, concrete structural repair	ls	1	$1,500.00	10	5	$1,500
42	Entrance stair, iron railing	ft	40	$72.08	25	20	$2,883

Replacement Costs - Page Subtotal $962,586

COMMENTS

- Item #34: Gutter and downspouts, 5" aluminum (40 ft above) - Requires scaffold or lift
- Item #40: Entrance stair, structure (steel/concrete) - 4 story
- Item #41: Entrance stair, concrete structural repair - Vertical partial depth (entry stairs)

EXTERIOR ITEMS - 2000 BUILDING CONDOMINIUMS

PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
43	Roofing, asphalt shingles	sf	27,700	$5.30	30	7	$146,810
44	Gutter and downspouts, 5" aluminum (10 ft above)	ft	410	$12.72	30	15	$5,215
45	Gutter and downspouts, 5" aluminum (40 ft above)	ft	1,093	$23.32	30	15	$25,489
46	Siding and trim, vinyl, premium	sf	20,754	$11.66	40	12	$241,992
47	Siding and trim, cementitious	sf	17,688	$21.20	50	12	$374,986
48	Door, commercial, steel, flush (3' X 6'8")	ea	13	$3,180.00	25	8	$41,340
49	Stair landings, structure PTL	sf	225	$26.50	45	13	$5,963
50	Stair landings, decking PTL	sf	225	$14.84	15	10	$3,339
51	Entrance stair, structure (steel/concrete)	ea	10	$11,307.00	45	13	$113,070
52	Entrance stair, concrete structural repair	ls	1	$1,500.00	10	5	$1,500
53	Entrance stair, iron railing	ft	40	$72.08	25	20	$2,883

Replacement Costs - Page Subtotal $962,586

COMMENTS

- Item #51: Entrance stair, structure (steel/concrete) - 4 story
- Item #52: Entrance stair, concrete structural repair - Vertical partial depth (entry stairs)

EXTERIOR ITEMS - 3000 BUILDING CONDOMINIUMS

PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
54	Roofing, asphalt shingles	sf	27,700	$5.30	30	7	$146,810
55	Gutter and downspouts, 5" aluminum (10 ft above)	ft	410	$12.72	30	15	$5,215
56	Gutter and downspouts, 5" aluminum (40 ft above)	ft	1,093	$23.32	30	15	$25,489
57	Siding and trim, vinyl, premium	sf	20,754	$11.66	40	12	$241,992
58	Siding and trim, cementitious	sf	17,688	$21.20	50	12	$374,986
59	Door, commercial, steel, flush (3' X 6'8")	ea	13	$3,180.00	25	8	$41,340
60	Stair landings, structure PTL	sf	225	$26.50	45	13	$5,963
61	Stair landings, decking PTL	sf	225	$14.84	15	10	$3,339
62	Entrance stair, structure (steel/concrete)	sf	10	$11,307.00	45	13	$113,070
63	Entrance stair, concrete structural repair	ls	1	$1,500.00	10	5	$1,500
64	Entrance stair, iron railing	ft	40	$72.08	25	20	$2,883

Replacement Costs - Page Subtotal $962,586

COMMENTS

- Item #56: Gutter and downspouts, 5" aluminum (40 ft above) - Requires scaffold or lift
- Item #62: Entrance stair, structure (steel/concrete) - 4 story
- Item #63: Entrance stair, concrete structural repair - Vertical partial depth (entry stairs)

EXTERIOR ITEMS - TOWNHOMES
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
65	Roofing, asphalt shingles	sf	35,800	$5.30	30	24	$189,740
66	Siding and trim, vinyl, premium	sf	13,293	$11.66	40	12	$154,996
67	Siding and trim, cementitious (refurbishment)	sf	7,311	$21.20	50	12	$154,993

Replacement Costs - Page Subtotal $499,730

COMMENTS

EXTERIOR ITEMS - VILLAS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
68	Roofing, asphalt shingles	sf	12,730	$5.30	30	14	$67,469
69	Siding and trim, vinyl, premium	sf	12,110	$11.66	40	12	$141,203
70	Siding and trim, cementitious (refurbishment)	sf	7,311	$21.20	50	12	$154,993

Replacement Costs - Page Subtotal $363,665

COMMENTS

INTERIOR ITEMS - 1000 BUILDING
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
71	Interior door and frame, wood, paint grade	ea	14	$1,060.00	25	10	$14,840
72	Corridor flooring, vinyl tile	sf	3,770	$5.30	14	7	$19,981
73	Corridor flooring, wood laminate, replace	sf	9,360	$19.08	20	15	$178,589
74	Emergency lighting w/exit sign	ea	20	$186.00	14	8	$3,720

Replacement Costs - Page Subtotal $217,130

COMMENTS

INTERIOR ITEMS - 2000 BUILDING

PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
75	Interior door and frame, metal, flush	ea	20	$1,696.00	25	15	$33,920
76	Corridor flooring, wood laminate, replace	sf	13,130	$19.08	20	15	$250,520
77	Emergency lighting w/exit sign	ea	20	$186.00	14	8	$3,720
						Replacement Costs - Page Subtotal	$288,160

COMMENTS

INTERIOR ITEMS - 3000 BUILDING

PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
78	Interior door and frame, wood, paint grade	ea	20	$1,060.00	25	10	$21,200
79	Corridor flooring, wood laminate, replace	sf	13,330	$19.08	20	15	$254,336
80	Emergency lighting w/exit sign	ea	20	$186.00	14	8	$3,720

Replacement Costs - Page Subtotal $279,256

COMMENTS

BUILDING SYSTEMS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
81	Elevator, hydraulic, cab interior & doors, 4 FL	ea	6	$44,520.00	12	5	$267,120
82	Elevator, hydraulic, controls & power unit, 4 FL	ea	6	$163,240.00	40	30	$979,440
83	HVAC split system, (3 ton), full system replace	ea	3	$12,720.00	15	12	$38,160
84	Air handling unit (AHU), 3,000 cfm	ea	3	$3,710.00	20	12	$11,130
85	Electric baseboard heater (4')	ea	60	$477.00	10	8	$28,620
86	Attic vents	ea	12	$2,842.00	25	8	$34,104
87	Building piping, (25% allowance) (CPVC - Pex)	units	31	$5,088.00	40	26	$157,728
88	Domestic water risers (CPVC, Pex)	ft	120	$68.90	60	46	$8,268
89	Electric, panel & breakers, 200 amp 120/240 volt	ea	6	$9,010.00	50	40	$54,060
90	Fire alarm, main panel, FACP, mid-rise	ea	1	$23,850.00	25	11	$23,850
91	Fire alarm, exit pull	ea	48	$143.00	25	11	$6,864
92	Fire pump building	ea	1	$14,900.00	25	15	$14,900
93	Sprinkler system, jockey pump (3hp)	ea	3	$5,830.00	20	10	$17,490
94	Sprinkler system, (allowance) wet	ls	1	$17,093.00	30	5	$17,093
95	Sprinkler system, (allowance) dry	ls	1	$17,093.00	30	5	$17,093

Replacement Costs - Page Subtotal $1,675,920

COMMENTS

- Complete elevator replacements including all elements are rare. The more likely scenario is replacement of parts on an as-needed basis, with on-going maintenance to extend the life of the major components of the elevators. The study shows the extreme full replacement scenario and the lesser replacement of parts as they fail due to age and wear and tear. Those partial replacement items are not specifically listed to allow for the funds to be available for which components need replacing.
- Item #82: Elevator, hydraulic, controls & power unit, 4 FL - *Full replacement of all elevator components

VALUATION EXCLUSIONS
Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Miscellaneous signage						EXCLUDED
	Signage						EXCLUDED

VALUATION EXCLUSIONS
Comments

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

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

LONG-LIFE EXCLUSIONS
Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Building foundation(s)						EXCLUDED

LONG-LIFE EXCLUSIONS
Comments

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

UNIT IMPROVEMENTS EXCLUSIONS

Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Domestic water pipes serving one unit						EXCLUDED
	Sanitary sewers serving one unit						EXCLUDED
	Electrical wiring serving one unit						EXCLUDED
	Cable TV service serving one unit						EXCLUDED
	Telephone service serving one unit						EXCLUDED
	Gas service serving one unit						EXCLUDED
	Fence on an individual lot						EXCLUDED
	Unit interior						EXCLUDED
	Unit HVAC system						EXCLUDED

UNIT IMPROVEMENTS EXCLUSIONS

Comments

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

UTILITY EXCLUSIONS
Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Cable TV systems and structures						EXCLUDED
	Telephone cables and structures						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 ($)	NEL	REL	REPLACEMENT COST ($)
	Janitorial service						EXCLUDED
	Repair services						EXCLUDED

MAINTENANCE AND REPAIR EXCLUSIONS

Comments

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

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

GOVERNMENT EXCLUSIONS

Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Government, roadways and parking						EXCLUDED
	Government, lighting						EXCLUDED
	Government, stormwater 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.

SECTION C - CALENDAR OF PROJECTED ANNUAL REPLACEMENTS

GENERAL STATEMENT. The 95 Projected Replacements in the Village of Fountainview Replacement Reserve Inventory whose replacement is scheduled to be funded from Replacement Reserves are broken down on a year-by-year basis, beginning on Page C.2.

REPLACEMENT RESERVE ANALYSIS AND INVENTORY POLICIES, PROCEDURES, AND ADMINISTRATION

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

PROJECTED REPLACEMENTS

Item	2026 - Study Year	$
No Scheduled Replacements		

Item	2027 - YEAR 1	$
No Scheduled Replacements		

Item	2028 - YEAR 2	$
1	Entrance monument, composite sign	$5,000
7	Concrete curb, w/ sidewalk (6% allowance)	$105,894
8	Concrete flatwork (6% allowance)	$6,678
Total Scheduled Replacements		$117,572

Item	2029 - YEAR 3	$
No Scheduled Replacements		

PROJECTED REPLACEMENTS

Item	2030 - YEAR 4	$

No Scheduled Replacements

Item	2031 - YEAR 5	$
3	Asphalt pavement, seal coat	$43,057
6	Dumpsters	$11,200
17	Irrigation, controller	$3,816
18	Irrigation, pipe, valve, head (allowance)	$14,500
22	Swimming pool, whitecoat	$27,643
27	Swimming pool, cover, solar	$1,907
28	Swimming pool, pump (3 hp)	$4,770
41	Entrance stair, concrete structural repair	$1,500
52	Entrance stair, concrete structural repair	$1,500
63	Entrance stair, concrete structural repair	$1,500
81	Elevator, hydraulic, cab interior & doors, 4 FL	$267,120
94	Sprinkler system, (allowance) wet	$17,093
95	Sprinkler system, (allowance) dry	$17,093

Total Scheduled Replacements $412,699

Item	2032 - YEAR 6	$

No Scheduled Replacements

Item	2033 - YEAR 7	$
2	Asphalt pavement, mill and overlay	$414,622
32	Roofing, asphalt shingles	$146,810
43	Roofing, asphalt shingles	$146,810
54	Roofing, asphalt shingles	$146,810
72	Corridor flooring, vinyl tile	$19,981

Total Scheduled Replacements $875,033

PROJECTED REPLACEMENTS

Item	2034 - YEAR 8	$
7	Concrete curb, w/ sidewalk (6% allowance)	$105,894
8	Concrete flatwork (6% allowance)	$6,678
37	Door, commercial, steel, flush (3' X 6'8")	$41,340
48	Door, commercial, steel, flush (3' X 6'8")	$41,340
59	Door, commercial, steel, flush (3' X 6'8")	$41,340
74	Emergency lighting w/exit sign	$3,720
77	Emergency lighting w/exit sign	$3,720
80	Emergency lighting w/exit sign	$3,720
85	Electric baseboard heater (4')	$28,620
86	Attic vents	$34,104
Total Scheduled Replacements		$310,476

Item	2035 - YEAR 9	$
No Scheduled Replacements		

Item	2036 - YEAR 10	$
3	Asphalt pavement, seal coat	$43,057
5	Concrete trash corral pad	$20,352
15	Domestic water laterals (10% allowance)	$13,250
16	Sanitary sewer laterals (10% allowance)	$26,500
18	Irrigation, pipe, valve, head (allowance)	$14,500
19	SW management (wet retention pond allowance)	$10,000
20	Stormwater pond dredging (allowance)	$10,000
23	Swimming pool, waterline tile (6x6)	$3,731
27	Swimming pool, cover, solar	$1,907
29	Swimming pool, filter, sand, 30" diameter	$5,724
30	Swimming pool furniture (allowance)	$2,500
39	Stair landings, decking PTL	$3,339
50	Stair landings, decking PTL	$3,339
61	Stair landings, decking PTL	$3,339
71	Interior door and frame, wood, paint grade	$14,840
78	Interior door and frame, wood, paint grade	$21,200
93	Sprinkler system, jockey pump (3hp)	$17,490
Total Scheduled Replacements		$215,068

Item	2037 - YEAR 11	$
90	Fire alarm, main panel, FACP, mid-rise	$23,850
91	Fire alarm, exit pull	$6,864
Total Scheduled Replacements		$30,714

PROJECTED REPLACEMENTS

Item	2038 - YEAR 12	$
35	Siding and trim, vinyl, premium	$241,992
36	Siding and trim, cementitious	$374,986
46	Siding and trim, vinyl, premium	$241,992
47	Siding and trim, cementitious	$374,986
57	Siding and trim, vinyl, premium	$241,992
58	Siding and trim, cementitious	$374,986
66	Siding and trim, vinyl, premium	$154,996
67	Siding and trim, cementitious (refurbishment)	$154,993
69	Siding and trim, vinyl, premium	$141,203
70	Siding and trim, cementitious (refurbishment)	$154,993
83	HVAC split system, (3 ton), full system replace	$38,160
84	Air handling unit (AHU), 3,000 cfm	$11,130
	Total Scheduled Replacements	$2,506,407

Item	2039 - YEAR 13	$
38	Stair landings, structure PTL	$5,963
40	Entrance stair, structure (steel/concrete)	$113,070
49	Stair landings, structure PTL	$5,963
51	Entrance stair, structure (steel/concrete)	$113,070
60	Stair landings, structure PTL	$5,963
62	Entrance stair, structure (steel/concrete)	$113,070
	Total Scheduled Replacements	$357,098

Item	2040 - YEAR 14	$
7	Concrete curb, w/ sidewalk (6% allowance)	$105,894
8	Concrete flatwork (6% allowance)	$6,678
68	Roofing, asphalt shingles	$67,469
	Total Scheduled Replacements	$180,041

Item	2041 - YEAR 15	$
3	Asphalt pavement, seal coat	$43,057
4	Pedestal mailbox	$42,000
12	Site lights, (exterior)	$88,596
13	Site lights, (interior)	$116,688
17	Irrigation, controller	$3,816
18	Irrigation, pipe, valve, head (allowance)	$14,500
22	Swimming pool, whitecoat	$27,643
25	Swimming pool, skimmers	$2,756
26	Swimming pool, coping, precast concrete	$12,720
27	Swimming pool, cover, solar	$1,907
31	Swimming pool house/pump room	$14,900
33	Gutter and downspouts, 5" aluminum (10 ft above)	$5,215
34	Gutter and downspouts, 5" aluminum (40 ft above)	$25,489
41	Entrance stair, concrete structural repair	$1,500
44	Gutter and downspouts, 5" aluminum (10 ft above)	$5,215
45	Gutter and downspouts, 5" aluminum (40 ft above)	$25,489
52	Entrance stair, concrete structural repair	$1,500
55	Gutter and downspouts, 5" aluminum (10 ft above)	$5,215
56	Gutter and downspouts, 5" aluminum (40 ft above)	$25,489
63	Entrance stair, concrete structural repair	$1,500
73	Corridor flooring, wood laminate, replace	$178,589
75	Interior door and frame, metal, flush	$33,920
76	Corridor flooring, wood laminate, replace	$250,520
79	Corridor flooring, wood laminate, replace	$254,336
92	Fire pump building	$14,900
	Total Scheduled Replacements	$1,197,460

PROJECTED REPLACEMENTS

Item	2042 - YEAR 16	$
No Scheduled Replacements		

Item	2043 - YEAR 17	$
81	Elevator, hydraulic, cab interior & doors, 4 FL	$267,120
Total Scheduled Replacements		$267,120

Item	2044 - YEAR 18	$
85	Electric baseboard heater (4')	$28,620
Total Scheduled Replacements		$28,620

Item	2045 - YEAR 19	$
No Scheduled Replacements		

PROJECTED REPLACEMENTS

Item	2046 - YEAR 20	$
3	Asphalt pavement, seal coat	$43,057
7	Concrete curb, w/ sidewalk (6% allowance)	$105,894
8	Concrete flatwork (6% allowance)	$6,678
11	Fence, 6' vinyl board	$12,879
14	Site light, 10' steel pole	$46,255
15	Domestic water laterals (10% allowance)	$13,250
16	Sanitary sewer laterals (10% allowance)	$26,500
18	Irrigation, pipe, valve, head (allowance)	$14,500
19	SW management (wet retention pond allowance)	$10,000
23	Swimming pool, waterline tile (6x6)	$3,731
24	Swimming pool deck, concrete	$44,096
27	Swimming pool, cover, solar	$1,907
28	Swimming pool, pump (3 hp)	$4,770
30	Swimming pool furniture (allowance)	$2,500
42	Entrance stair, iron railing	$2,883
53	Entrance stair, iron railing	$2,883
64	Entrance stair, iron railing	$2,883
	Total Scheduled Replacements	$344,667

Item	2047 - YEAR 21	$
72	Corridor flooring, vinyl tile	$19,981
	Total Scheduled Replacements	$19,981

Item	2048 - YEAR 22	$
74	Emergency lighting w/exit sign	$3,720
77	Emergency lighting w/exit sign	$3,720
80	Emergency lighting w/exit sign	$3,720
	Total Scheduled Replacements	$11,160

Item	2049 - YEAR 23	$
9	Elevation wall, CMU (repoint)	$7,381
	Total Scheduled Replacements	$7,381

PROJECTED REPLACEMENTS

Item	2050 - YEAR 24	$
65	Roofing, asphalt shingles	$189,740
	Total Scheduled Replacements	$189,740

Item	2051 - YEAR 25	$
3	Asphalt pavement, seal coat	$43,057
6	Dumpsters	$11,200
17	Irrigation, controller	$3,816
18	Irrigation, pipe, valve, head (allowance)	$14,500
22	Swimming pool, whitecoat	$27,643
27	Swimming pool, cover, solar	$1,907
29	Swimming pool, filter, sand, 30" diameter	$5,724
39	Stair landings, decking PTL	$3,339
41	Entrance stair, concrete structural repair	$1,500
50	Stair landings, decking PTL	$3,339
52	Entrance stair, concrete structural repair	$1,500
61	Stair landings, decking PTL	$3,339
63	Entrance stair, concrete structural repair	$1,500
	Total Scheduled Replacements	$122,364

Item	2052 - YEAR 26	$
7	Concrete curb, w/ sidewalk (6% allowance)	$105,894
8	Concrete flatwork (6% allowance)	$6,678
87	Building piping, (25% allowance) (CPVC - Pex)	$157,728
	Total Scheduled Replacements	$270,300

Item	2053 - YEAR 27	$
1	Entrance monument, composite sign	$5,000
2	Asphalt pavement, mill and overlay	$414,622
83	HVAC split system, (3 ton), full system replace	$38,160
	Total Scheduled Replacements	$457,782

PROJECTED REPLACEMENTS

Item	2054 - YEAR 28	$
85	Electric baseboard heater (4')	$28,620
	Total Scheduled Replacements	$28,620

Item	2055 - YEAR 29	$
81	Elevator, hydraulic, cab interior & doors, 4 FL	$267,120
	Total Scheduled Replacements	$267,120

Item	2056 - YEAR 30	$
3	Asphalt pavement, seal coat	$43,057
15	Domestic water laterals (10% allowance)	$13,250
16	Sanitary sewer laterals (10% allowance)	$26,500
18	Irrigation, pipe, valve, head (allowance)	$14,500
19	SW management (wet retention pond allowance)	$10,000
20	Stormwater pond dredging (allowance)	$10,000
21	Swimming pool, structure, concrete	$182,405
23	Swimming pool, waterline tile (6x6)	$3,731
27	Swimming pool, cover, solar	$1,907
30	Swimming pool furniture (allowance)	$2,500
82	Elevator, hydraulic, controls & power unit, 4 FL	$979,440
93	Sprinkler system, jockey pump (3hp)	$17,490
	Total Scheduled Replacements	$1,304,780

Item	2057 - YEAR 31	$
	No Scheduled Replacements	

PROJECTED REPLACEMENTS

Item	2058 - YEAR 32	$
7	Concrete curb, w/ sidewalk (6% allowance)	$105,894
8	Concrete flatwork (6% allowance)	$6,678
84	Air handling unit (AHU), 3,000 cfm	$11,130
	Total Scheduled Replacements	$123,702

Item	2059 - YEAR 33	$
10	Fence, 6' aluminum with 3 rails and pickets	$19,175
37	Door, commercial, steel, flush (3' X 6'8")	$41,340
48	Door, commercial, steel, flush (3' X 6'8")	$41,340
59	Door, commercial, steel, flush (3' X 6'8")	$41,340
86	Attic vents	$34,104
	Total Scheduled Replacements	$177,299

Item	2060 - YEAR 34	$
	No Scheduled Replacements	

Item	2061 - YEAR 35	$
3	Asphalt pavement, seal coat	$43,057
12	Site lights, (exterior)	$88,596
13	Site lights, (interior)	$116,688
17	Irrigation, controller	$3,816
18	Irrigation, pipe, valve, head (allowance)	$14,500
22	Swimming pool, whitecoat	$27,643
25	Swimming pool, skimmers	$2,756
26	Swimming pool, coping, precast concrete	$12,720
27	Swimming pool, cover, solar	$1,907
28	Swimming pool, pump (3 hp)	$4,770
41	Entrance stair, concrete structural repair	$1,500
52	Entrance stair, concrete structural repair	$1,500
63	Entrance stair, concrete structural repair	$1,500
71	Interior door and frame, wood, paint grade	$14,840
72	Corridor flooring, vinyl tile	$19,981
73	Corridor flooring, wood laminate, replace	$178,589
76	Corridor flooring, wood laminate, replace	$250,520
78	Interior door and frame, wood, paint grade	$21,200
79	Corridor flooring, wood laminate, replace	$254,336
94	Sprinkler system, (allowance) wet	$17,093
95	Sprinkler system, (allowance) dry	$17,093
	Total Scheduled Replacements	$1,094,605

PROJECTED REPLACEMENTS

Item	2062 - YEAR 36	$
74	Emergency lighting w/exit sign	$3,720
77	Emergency lighting w/exit sign	$3,720
80	Emergency lighting w/exit sign	$3,720
90	Fire alarm, main panel, FACP, mid-rise	$23,850
91	Fire alarm, exit pull	$6,864
Total Scheduled Replacements		$41,874

Item	2063 - YEAR 37	$
32	Roofing, asphalt shingles	$146,810
43	Roofing, asphalt shingles	$146,810
54	Roofing, asphalt shingles	$146,810
Total Scheduled Replacements		$440,430

Item	2064 - YEAR 38	$
7	Concrete curb, w/ sidewalk (6% allowance)	$105,894
8	Concrete flatwork (6% allowance)	$6,678
85	Electric baseboard heater (4')	$28,620
Total Scheduled Replacements		$141,192

Item	2065 - YEAR 39	$
No Scheduled Replacements		

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SECTION D - CONDITION ASSESSMENT

General Comments. MillerDodson Associates conducted a Reserve Study at Village of Fountainview in December 2025. Village of Fountainview appears to be generally in ???? condition for a homeowner's association constructed between 2007 and 2014. A review of the Replacement Reserve Inventory will show that we anticipate most of the components achieving their normal economic lives.

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

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

General Condition Statements.

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

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

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

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

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

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COMMON ELEMENTS

Entry Monument and Signage. The Association maintains an entry sign and posts made of wood and painted lettering. The sign is in fair condition with weathering and some damaged areas. In addition to monuments, the Association is responsible for community signage, including stop, speed, street, and other major signs. This study does not consider other small miscellaneous signs, and those should be replaced using other funds. This study does not consider signs and should be replaced using other funds.

Asphalt Pavement. The Association is responsible for the roadways and parking areas within the community. Alleyways are not the responsibility of the Association. The City, County, or other municipality maintains other roadways. In general, the Association's asphalt pavements appear to be in good condition. A more detailed summary of pavement distress can be found at https://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 that the Association adopt a systematic and comprehensive maintenance program that includes:

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

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

Mailboxes. The Association maintains pedestal mailboxes located throughout the community. The mailboxes include a pedestal and boxes. They are in generally good condition.

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

Concrete Work. The concrete work includes the community sidewalks, leadwalks, stairs, stoops, patios, curbs, and gutter as well as other flatwork. We have modeled for curb replacement when the asphalt pavement is overlaid. The overall condition of the concrete work appears to be in good condition, with some noted areas of minor tripping hazards.

The standards we use for recommending replacement are as follows:

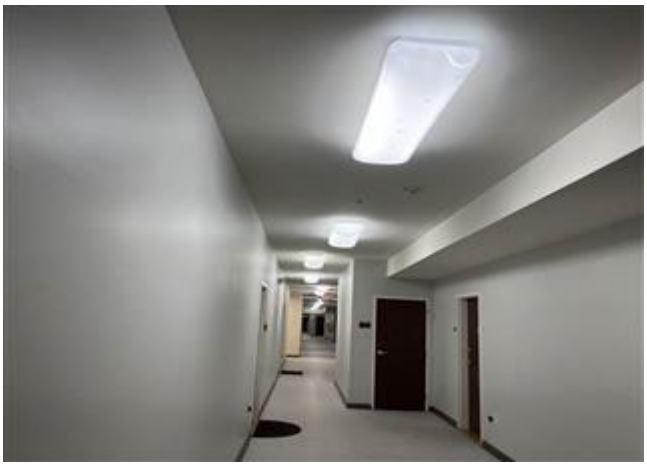
- Trip hazard, ¼ inch height difference.
- Severe cracking.
- Severe spalling and scale.
- Uneven riser heights on steps.
- Steps with risers over 8¼ inches.

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

Site Lighting. The Association is responsible for the operation of the communities indoor and outdoor site lighting and appears to be in good condition. The lights were not on at the time of our site visit, but we understand they remain in operating condition.

This study assumes the replacement of the light fixtures every 15 to 20 years and pole replacement every 40 years. We assume that the underground wiring will also be replaced along with the light pole.

When a whole-scale lighting replacement project is called for, we recommend consulting with a lighting design expert, as many municipalities have design codes, guidelines, and restrictions regarding exterior illumination. Additionally, new technology, such as LED and LIFI, among others, should be considered along with factors such as environmental sustainability, longevity, and cost when they look at lighting replacement.



Stormwater Management. The community features stormwater management. The stormwater system consists of surface drainage, structured drainage, erosion control, and runoff. The overall condition of the stormwater management is good, with ongoing maintenance by a certified vendor. The community should maintain the stormwater system to function as designed, limit erosion, and channel water to the drainage system.

Storm Water Pond. The community is served by a stormwater wet pond. Ponds will accumulate silt and over time and lose the ability to store storm water at design levels, which could result in overflows and minor local flooding. In addition, water quality can be negatively affected by increased siltation and debris accumulation. Accordingly, ponds require periodic dredging.Estimates of cost and the frequency of dredging ponds are a function of many variables, including the volume of the pond, the siltation rate, the nature of the material being removed, the method of removal, and the haul distance to a site that will accept the spoil material. Most of this information is unknown and must be assumed for the purpose of reserve study planning. The siltation rate and cost of periodic dredging are speculative,varying greatly depending on local conditions.As a rule of thumb, dredging should be performed when approximately one-third of the volume of the pond has been filled with silt. In the absence of accurate information about the original depth of the pond and the local siltation rate, we have assumed that it will be necessary to remove one cubic yard of material over a third of the pond area periodically as noted in the inventory. We have assumed that the material being removed is free of heavy metals and hydrocarbons, and that it will be accepted as fill at a local landfill. A more accurate prediction of cost and cycles will require a hydrologic analysis and testing, which is beyond the scope of our study. As a supplement to traditional dredging methods, hydro-raking can prolong the interval between dredging.

Because of the significant cost of this work, it is recommended that the Association undertake studies to refine the assumptions of this study. Based on our understanding, we recommend the following:

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

Consult with local contractors to determine the cost of removing and disposing of the spoil once its nature is known. Firms that specialize in this work can be typically found by internet searching “Lake and Pond, Construction and Maintenance” for your state or area of the country. Some states provide short lists of companies that specialize in this type of work. Please note that the periodic removal of overgrown vegetation from the pond is considered a maintenance activity and has not been reserved for or included in this study.

NOTE from Analyst. It is impossible to estimate dredging volume accurately in a body of water without the data provided by a detailed Bathymetric Study. Miller-Dodson Associates recommends that the Association arranges through their Pond and Lake specialist to have Bathymetric Studies conducted. At that time, the Reserve Study can be revised to reflect the data provided by the Bathymetric Study. The estimates shown in this study reflect only visual inspection and satellite measurements and DO NOT replace exact data provided by a certified pond/lake specialist. With proper maintenance, the timeline for stormwater management may be adjusted accordingly based on the results of your bathymetric study analysis.

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

- Pool Shell. The shell for the swimming pool appears to be in good condition.
- Pool Deck. The pool has a concrete deck, and the overall condition of the deck appears to be in good condition with no apparent tripping hazards.
- Whitecoat. The pool whitecoat is assumed to be in good condition. We have assumed eight to ten years of service life for the pool whitecoat.
- Waterline Tile. The waterline tile is assumed to be in good condition. We have assumed the waterline tile will be replaced or restored when the pool is whitecoated.
- Coping. The pool is edged with masonry brick coping. The coping is assumed to be in good condition.
- Pump and Filter System. The filter system appears to be in good condition and working order.
- Pool Fence. The swimming pool is enclosed by an aluminum fence that appears to be in good condition.

The pool was **winterized at the time of the site visit** and is reported to be in good condition.

(Continued on next page)

EXTERIOR ITEMS

Building Roofing. The Association maintains the roofing for the three (3) condominium buildings, the townhouses and villas. The roofing is in varying ranges of condition. The Association is currently working on establishing a schedule for roofing replacements and/or repairs.

Asphalt shingle roofs can have a useful life of 20 to 50 years, depending on the weight and quality of the shingle. Weathered, curled, and missing shingles indicate they may be nearing the end of their useful life. Access to the roof was not necessary for the visual inspection at the time of the site visit. Annual inspections are recommended, with cleaning, repair, and vegetation mitigation performed as needed. Contractors and personnel should perform access, inspection, and repair work with the appropriate access equipment experienced in the roofing types used for the facility.

Gutters and Downspouts. The Association maintains the buildings' gutters and downspouts. The gutters and downspouts appear to be in good condition. A gutter and downspout system will remove rainwater from the area of the building's roof, siding, and foundation and protect the exterior surfaces from water damage. Gutters should run the full length of all drip edges of the building's roof. Even with full gutters, it is important to inspect the function of the gutters during heavy rain to identify any deficiencies. It may be necessary to periodically adjust the slope of sections, repair connections, replace hangers, and install shrouds to the gutter system. Downspouts should be securely attached to the side of the structure. Any broken straps should be replaced. The area of the outlet should be inspected to promote run-off in the desired direction. Long straight runs should have an elbow at the bottom. Splash blocks or subsurface connections should be installed to fray the water outletting from the downspout. It is recommended that all gutters be cleaned at least twice each year. If there are a large number of trees located close to a building, consider installing a gutter debris shield that will let water into the gutters but will filter out leaves, twigs, and other debris. Only a limited number of roof sections have gutters and downspouts installed. This lack of gutters and downspouts contributes to the deterioration of the siding, decks, windows, exterior doors, and unit stairs. We also believe that the lack of gutters and downspouts contributes to the erosion and foundation problems that some buildings are experiencing. It is recommended that gutters and downspouts be installed on all buildings. It is also recommended that the discharge from the downspouts be extended at least ten feet away from the foundations.

Siding and Trim. The Association maintains the siding and trim for all of the buildings in the community. The vinyl siding appears to be in fair to good condition. The cementatious stone siding appears to be in fair condtion, with reported issues with failing underlayment and mold. Some of these failing cementatious areas have been replaced or repaired recently. *The Board is requesting RFP's from local vendors to remove the stone siding and replace with vinyl siding for a longer life and reduced maintenance costs.

*The Association may consider replacements using low-maintenance synthetic or cementitious materials as an alternative to high-maintenance materials.

Vinyl/Aluminum Siding and Trim can have an extended useful life if not damaged by impact, heat, or other physical reasons. However, the coatings and finishes typically have a useful life and, over time, begin to weather, chalk, and show their age. For these reasons, we have modeled for replacing the siding and trim every 25 years.

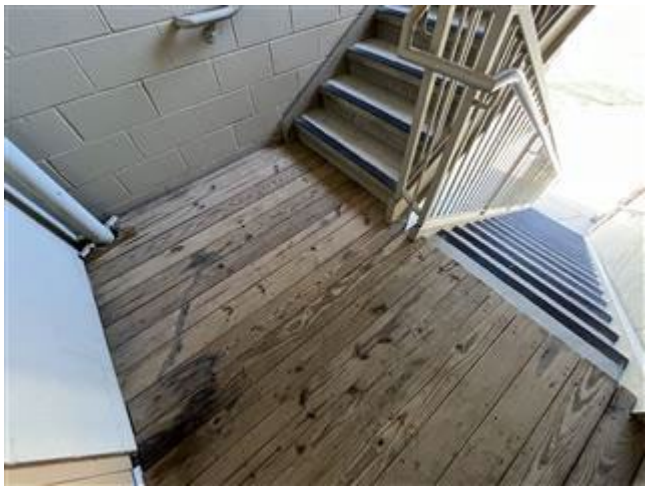
*Cementitious materials typically have an extended useful life and require repainting and recaulking every 10 to 15 years. Following the manufacturer's recommendations for cleaning, painting, and caulking, we expect cementitious products to have a useful life of 40 years or more.

Decks. The Association maintains the wooden (PTL) stair landings and railing of the community. The wooden deck structures appear to be in good condition, and the wooden decking appears in good condition.

We recommend that the Association implement an annual inspection program. We also recommend power washing and the application of a wood sealer with UV protection every two to three years. Installation of carpet or other water-trapping coverings should be prohibited, and potted plants should be placed on raised feet to allow for proper air circulation and drying of wooden components.

When installing new decking, a self-healing flashing membrane is recommended along the top and ends of all wooden horizontal structural members. Synthetic decking and railing systems should also be considered.

Please note that MillerDodson did not conduct a structural evaluation of the exterior stairs, decks, or balconies. Such an evaluation is beyond the Scope of this Reserve Study. MillerDodson strongly recommends that the Association retain the services of a Structural Engineer to conduct thorough and periodic evaluations of the buildings, balconies, and any other structural components of the buildings and amenities of the Association.



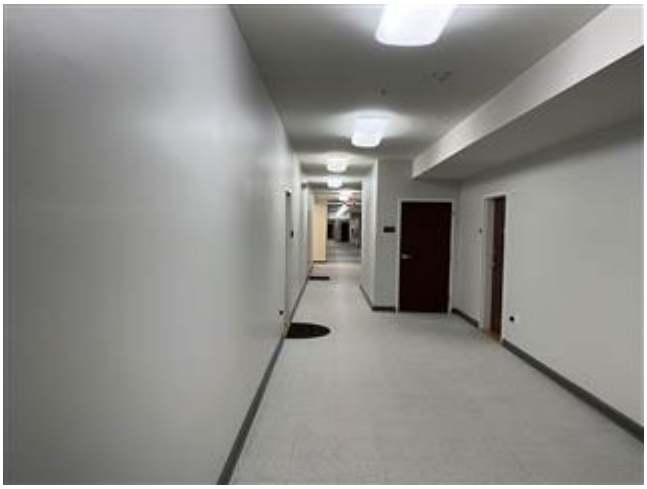
Exterior Concrete and Steel Stairs. The exterior entry stairs of the condominium buildings consist of concrete treads and landings over steel pans. The stairs are in fair condition. There is moderate corrosion on the metal pans risers. A number of concrete treads on the ground floor are cracked or broken. The Board is in the process of getting RFP's for replacing the ground floor entry stairs of the condominium buildings with an alternate structure to revleive that portion of concrete treads and steel pans of further breakdown of materials.

This type of exterior stairs is prone to failure due to corrosion of the steel components and cracking of the concrete treads. The primary reasons for the failure of the metal components are exposed to rain, humidity, salt air, and the use of man-made chemicals to remove ice and snow. The life of the metal components can be extended with attentive maintenance that includes removal of rust while it is still surface rust and regular painting of all metal components.

Concrete treads deteriorate as the result of exposure to the elements, traffic, impact, and chemical exposure. Small cracks develop and allow moisture to penetrate into the concrete where repeated freeze-thaw cycles will cause the cracks to develop further. It is recommended that the Association inspect all stairs at least once each year. All areas with corrosion should be cleaned to remove the corrosion and painted to further protect the steel. It is also recommended that the metal components be placed on a five-year paint cycle.

INTERIOR ITEMS

Corridors. The corridors in the condominium buildings consist of four (4) floors and with two (2) types of flooring, including vinyl tile, LVP (luxury vinyl planks). Listed below are the major corridor components that we have included in the Reserve Analysis:



Light Fixtures. Corridor illumination is provided by wall mounted and ceiling mounted light fixtures. The fixtures use incandescent fluorescent compact fluorescent lamps. The fixtures are in good working condition and provide adequate lighting. Fixtures of this type have a typical service life of 25 years. We recommend that the Association install compact fluorescent lamps in place of the existing incandescent bulbs. Compact fluorescent lamps can provide the same light output while using approximately 25 percent of the energy of an incandescent bulb. They also offer service lives that are ten to 15 times longer.

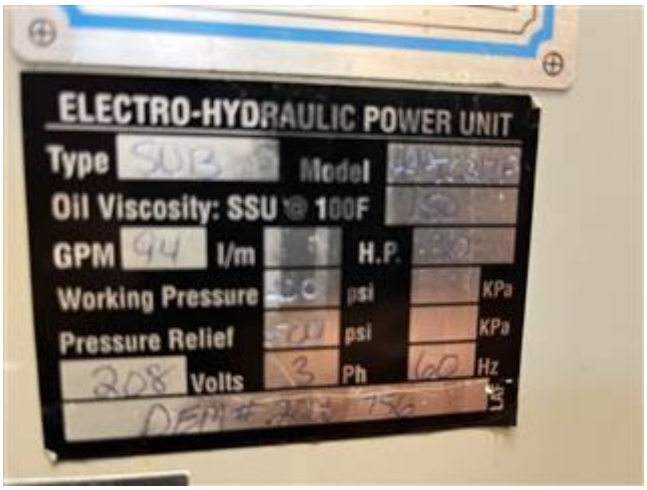
- Exit Lights. The building uses illuminated exit lights with emergency lights at each of the exits. The exit lights use incandescent light sources. The general condition of the building's exit lights is good.
- Emergency Light Fixtures. The building uses battery powered light fixtures for emergency lighting in the event of a power outage. The fixtures are equipped with incandescen light sources. The fixtures are in good condition. Fixtures of this type have a typical service life of 20 years.The use of emergency light fixtures is required on an irregular and infrequent basis. Frequently, fixtures fail to operate when needed due to failed components that have gone unnoticed. Therefore, we recommend that the Association have all emergency light fixtures tested on a regular basis; typically, every three to six months.

BUILDING SYSTEMS

Elevators. The Association maintains two hydraulic passenger elevators for each of the three (3) condominium buildings. for a total of six (6) elevators, that appear to be operating normally. There are no reported cases of entrapment or operational issues by the Association.

The estimated costs for replacing the major components of the facility's elevators have been developed utilizing a combination of sources, such as guidelines provided by reputable elevator manufacturers and service providers. These costs are included to reflect the obsolescence that occurs with elevator systems. Even though the systems may be functioning well, parts for most mechanical control systems will become increasingly hard to find as the components age, and the reliability of these components becomes problematic. As such, parts availability, downtime, and service costs become major considerations that may force a replacement decision. When these elevator systems are replaced, they will normally have to be brought into compliance with current code requirements. This work typically entails upgrading door operating mechanisms, replacing elevator call systems, and installing emergency phones, but can involve enlargement of the cab and other very costly work.

Where prudent amounts have been included in this study in anticipation of these concerns, we recommend developing a replacement plan with estimated costs based on the specific equipment installed and current local code requirements. Many reputable elevator companies will provide this service free of charge or at a minimal cost. At the time of a Reserve Study Update, this information can then be incorporated into the study.



Split Systems. The Association maintains the condominium buildings split-system HVAC units. The systems include a furnace, coils, and a remotely located compressor. The systems are reported to be in good working order.

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

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

Seasonal Energy Efficiency Rating (SEER). For more information, visit seer2.com.

Fire Safety Systems. The Association maintains the community buildings wet/dry fire safety system that includes sprinklers and alarms, which are reported to operate normally. Testing and inspection of fire safety systems are not included in this study.

Depending on age, condition, and jurisdictional location, sprinkler pipe systems have various configurations and requirements. Specific county and municipal codes can make a significant difference in what your facility's specific requirements may be.

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

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

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

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

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

(Continued on next page)

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

DISCLOSURES

1. General: Conflict of Interest

The reserve study provider, Capital Reserve Consultants, has no other involvement with the Association that could result in actual or perceived conflicts of interest. The provider is an independent consultant retained solely for the preparation of this reserve study.

2. Financial Analysis: Description of Assumptions

The funding plan uses the Threshold Cash Flow Method. The calculations assume a Minimum Balance of $290,000 will always be held in reserve, which is calculated by rounding the 12-month 40-year average annual expenditure of $288,533 as shown on Graph #2 (rounded from the 40-year average annual expenditure of $288,533). Assumptions include: no adjustment for interest earned on reserves (estimated at 2.00% but not credited to reduce funding); inflation adjusted using the Producer Price Index (PPI) for construction at 3.50% for initial years; no taxes on reserve funds; and projected replacements totaling $24,267,984 over the 40 -year study period (2026 – 2065). Current funding is based on unaudited balances provided by the association ($1,086,887 starting balance and $222,000 annual funding). These assumptions are subject to change based on actual economic conditions.

3. Physical Analysis: Description of On-Site Observations

This reserve study was performed as a Level II Update with Site Visit/On-Site Review. The on-site observations were a non-invasive assessment only and is not a project audit, quality inspection, or engineering analysis. The on-site observation was conducted on December 03, 2025 and included a visual assessment of accessible common areas. Component quantities were based on the prior reserve study, adjusted for changes noted during the site visit, field measurements where necessary, and information provided by the association's management. No representative sampling was used for inaccessible areas, and no intrusive or destructive testing was performed.

4. Recommended Subject Matter Experts

For issues outside the scope of this reserve study, such as detailed structural integrity evaluations, preventive maintenance plan development, or specialized inspections (e.g., for elevators, HVAC systems, or roofing), the association is recommended to consult qualified professionals, including structural engineers, licensed contractors, or certified inspectors. Specifically, per CAI standards and condominium safety guidelines, periodic structural inspections by a licensed structural engineer are advised every 5 years to assess building safety.

5. Personnel Credentials

This reserve study was prepared under the oversight who holds credentials as a Reserve Specialist (RS) designated by CAI. The provider complies with state licensing requirements where applicable and adheres to CAI's professional standards for reserve study preparation.

6. Update Reports: Reliance on Prior Reserve Studies

As a Level II Update, this study relies on the validity and accuracy of the prior reserve study. Component inventory, quantities, and historical data from the prior study were deemed reliable and were adjusted based on the current site visit and association-provided updates. Any inaccuracies in prior data could affect projections; the association confirms the prior study's reliability.

7. Completeness: Material Issues

No known material issues (e.g., pending litigation, environmental hazards, or undisclosed structural defects) were disclosed by the association that could distort the financial or physical situation. If such issues exist or arise, the study should be updated immediately.

8. Reliance on Client Data

Information provided by the official representative of the association regarding financial balances, maintenance records, physical conditions, component details, including quantities, and other issues is deemed reliable. This data was assembled for the association's use and not for performing an audit, quality/forensic analysis, or background checks of historical records.

9. Reserve Balance

The actual or projected reserve balance ($1,086,887 at the start of fiscal year 2026) presented in this study is based upon unaudited information provided by the association and was not independently verified or audited.

10. Component Quantities

For Level II Updates with Site Visit, the association is considered to have deemed the component quantities from the prior reserve study as accurate and reliable. Adjustments were made based on the site visit, but no full independent quantity survey was performed.

11. Reserve Projects

Information provided about ongoing or planned reserve projects is considered reliable. The site visit and visual assessment should not be considered a project audit, quality inspection, or engineering analysis.

12. Periodic Building Inspections: Structural Integrity

Structural integrity evaluations are not included in this reserve study. Per CAI Condominium Safety Policy, the association is recommended to commission independent structural engineer inspections (estimated cost: $5,000–$20,000) to identify any corrective maintenance needs. If a report is available, it should be incorporated to adjust component lives and costs.

13. Maintenance

A. Preventive maintenance is a critical aspect affecting the community's life cycle costs and structural safety. It is encouraged that every association have a preventive maintenance plan prepared in conjunction with the reserve study. A formal Preventive Maintenance Manual was not provided at the time of this study, but one is recommended for enhanced longevity. Discussions with the board and management confirmed that a preventive maintenance schedule is in place and actively used for items like asphalt cleaning, crack repair, and seal coating, which has extended component lives as reflected in remaining economic life (REL) estimates. The preventive maintenance plan should incorporate all applicable common elements, not just those in the reserve study.

B. Any information provided by the client regarding ongoing maintenance or repair (e.g., recent replacements of trash compactors, gatehouse components, and kitchen renovations) has been included in the notes for those components.

C. The reserve study provider can only be aware of preventive maintenance plans or programs that have been disclosed by the client. Note that an audit or evaluation of any maintenance plans or contracts is outside the scope of this reserve study.

14. Dollar Value Below Which Projects Are Handled Through the Operational Budget

Projects with a replacement cost of less than $1,000 are typically handled through the operational budget and excluded from reserves, per association policy. Exceptions may be made for projects falling below this threshold that materially extend the useful life or remaining useful life of a component.

15. Long-Life but Unfunded Components

Unless specifically noted, the components included in this study have an anticipated remaining useful life within 30 years from the time of the on-site observations. Long-life components (e.g., trash chutes, structural foundations, or plumbing systems lasting over 30 years) are identified in the inventory but not fully funded until their remaining useful life drops to 30 years. Partial funding for such items is recommended to avoid future underfunding.

16. Liability

The reserve study provider shall incur no civil liability for performing the physical or financial portions of this reserve study, as it was conducted in accordance with CAI National Reserve Study Standards.

17. Scope Limitation

Clear recommendations appear within this reserve study where the association has been advised to retain outside expertise (e.g., structural engineers for inspections, as noted in disclosures 3 and 12) to supplement the evaluation.

18. Independence

The reserve study provider for this project has no familial or marital relationship with the client, no ownership interest in the client, and no ongoing business relationship with the client beyond this reserve study.

19. Dates of On-Site (Field) Observations

Field observations for use in preparing this study were performed on December 03, 2025.

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Funding Summary and Scope

This Replacement Reserve Study is a long-term financial plan. It helps the Association set aside money for major repairs and replacements of shared property. By planning, the Association can protect property values and avoid sudden, large "special assessments" for owners.

Basis of the Study

- Visual Assessment: This is a non-invasive assessment only and is not a project audit, quality inspection, or engineering analysis.
- Data Sources: Calculations are based on information from the Board and Community Manager, including bank balances and past repair history.
- Professional Accuracy: We used building plans and on-site measurements to ensure all quantities are accurate.

Updated Compliance Standards

This report follows the 2023 CAI National Reserve Study Standards. These updated rules focus on community safety and long-term structural health.

Critical New Requirements:

- Long-Life Components: Unlike older standards, we now include "long-lived" assets (like plumbing pipes or electrical systems) that last more than 30 years. Even if they don't need replacement soon, we must plan for their eventual cost so future owners aren't hit with a massive bill.
- Structural Inspections: For mid-rise and high-rise buildings, the 2023 standards require that periodic professional structural evaluations be included as a reserve expense.
- 30-Year Minimum Window: The financial plan must now cover a minimum of 30 years.
- Technology & Efficiency: When a component wears out, we no longer assume a "like-kind" replacement. We now account for modern, energy-efficient, or more durable alternatives that may save the Association money over time.
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Financial Methodology

We use the Threshold Cash Flow Method (also called the "Pooling Method") to calculate your funding needs.

- The Threshold: We calculate the lowest amount of money your reserve account should ever hold (the "Minimum Balance") to act as a safety net for emergencies.
- Inflation Adjustments: To ensure your savings keep up with rising prices, we use the Producer Price Index (PPI) for Final Construction to adjust future costs.
- Interest & Growth: Our model assumes your annual reserve contributions will grow at the rate of inflation to maintain purchasing power.

Important Terms to Know

- Normal Useful Life (NUL): The average number of years a new item is expected to last.
- Remaining Useful Life (RUL): The estimated years left before an item needs replacement, based on its current condition and local environment.
- Cyclic Replacement: Items replaced in stages over several years (like sections of a sidewalk) rather than all at once.
- Peak Year: The year when your reserve balance is projected to be at its lowest point due to major scheduled projects.
- 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		

Note: The first revision to this study is complimentary if requested in writing within three months of the study date. Subsequent revisions may involve additional fees.

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

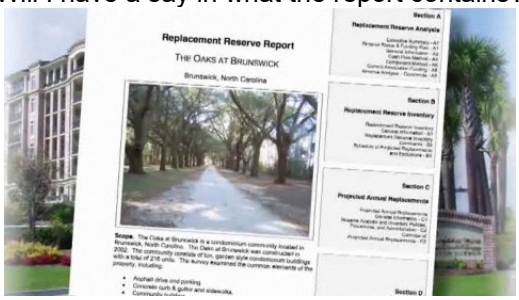
What is my role as a community Board Member?
Will a Reserve Study meet my needs?

https://youtu.be/aARD1B1Oa3o

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

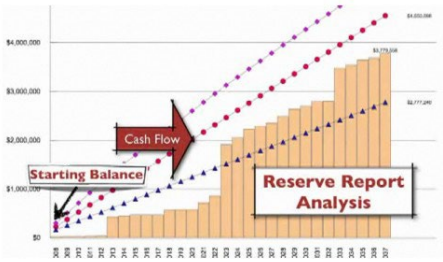
https://youtu.be/diZfM1IyJYU

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?

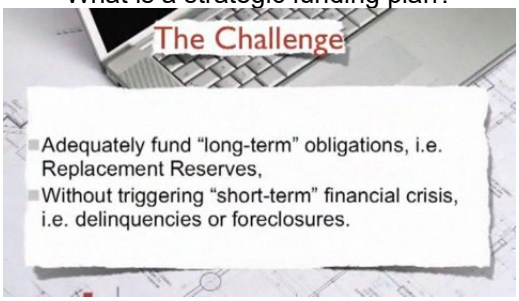


https://youtu.be/SePdwVDvHWI

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?



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