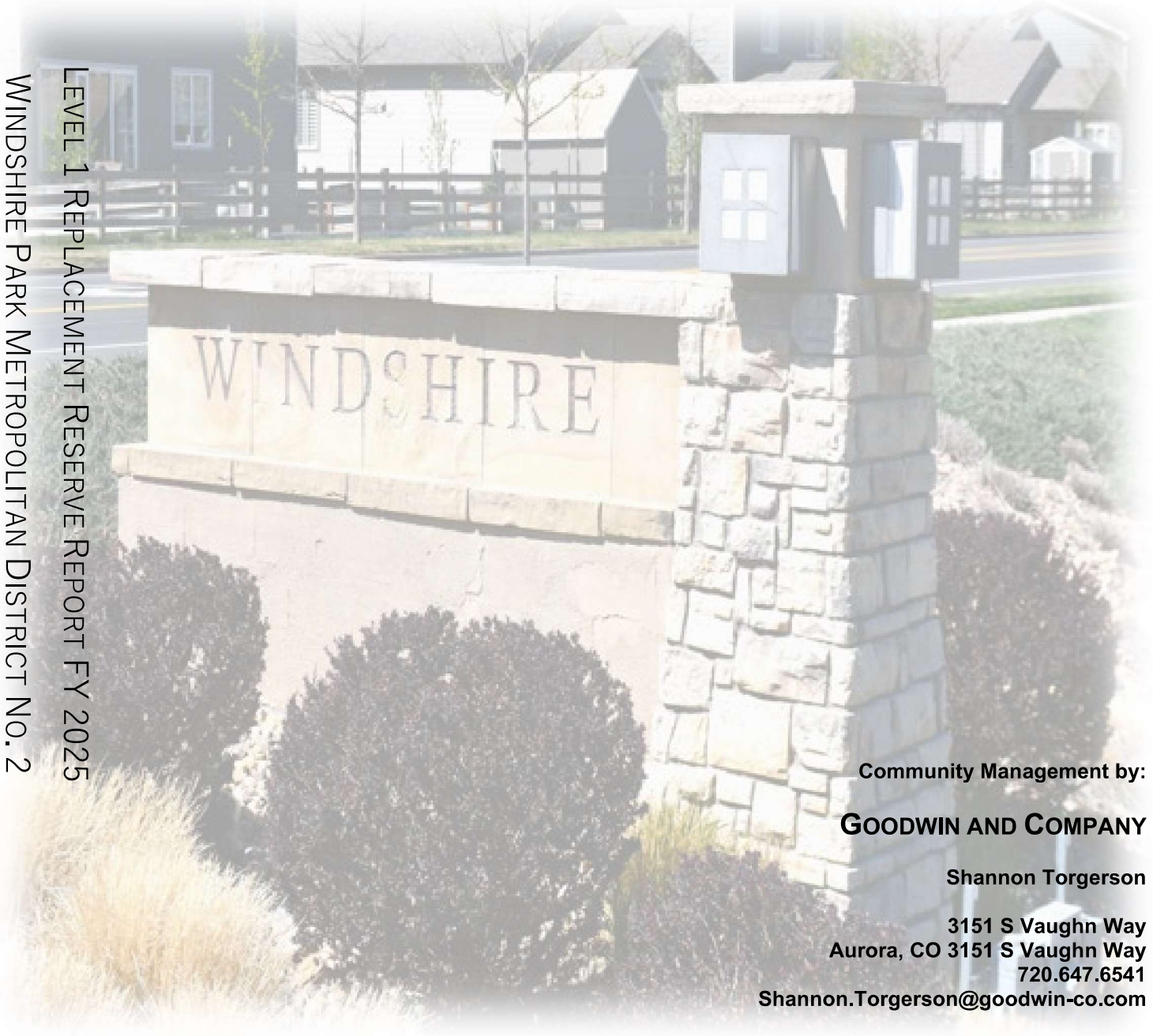
LEVEL 1 REPLACEMENT RESERVE REPORT FY 2025
WINDSHIRE PARK METROPOLITAN DISTRICT NO. 2



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WINDSHIRE PARK METROPOLITAN DISTRICT NO. 2

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REPLACEMENT RESERVE REPORT

WINDSHIRE PARK METROPOLITAN DISTRICT NO. 2

WINDSOR, COLORADO
June 30, 2025

Description. Windshire Park Metropolitan District No. 2 is a Master Association located in Windsor, Colorado. The community consists of 550 Single-Family Homes, a Pool House, and a Pump House. The survey examined the common elements of the property, including:

- Entry Monument and Parking Areas
- Sidewalks and Paths
- Fencing and Mailbox Clusters
- Irrigation Pond and Pump Station
- Exterior Main Pool, Wading Pool, and Tot Lot
- Building Exterior, Restrooms, and Mechanical Systems

EXECUTIVE SUMMARY
This Reserve Study has been prepared for the Windshire Park Metropolitan District No. 2 for the Fiscal Year 2025 covering the period from January 1, 2025 to December 31, 2025. The Replacement Reserves Starting Balance as of January 1, 2025 is reported to be $42,942. The reported Current Annual Funding for Reserves is $5,000. The Recommended Annual Reserve Funding level for 2025 is $126,323.

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

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

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

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

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

Purpose. The purpose of this Replacement Reserve Study is to provide Windshire Park Metropolitan District No. 2 (hereinafter called the Metro District) 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 Metro District.** 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 Metro District.** 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 Metro District has a fiduciary responsibility to protect the appearance, value, and safety of the property and it is therefore essential the Metro District 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 Metro District 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 Metro District.

- Miller+Dodson performed a visual evaluation commencing on April 29, 2025 to determine the remaining useful life and replacement cost for the commonly owned elements of this facility.

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

To-Scale Drawings. Site and building plans were used in the development of this study. We recommend the Metro District assemble and maintain a library of site and building plans of the entire facility. Record drawings should be scanned into an electronic format for safe storage and ease of distribution. Upon request for a nominal fee, Miller+Dodson can provide scanning services.

Acknowledgment. Miller+Dodson Associates would like to acknowledge the assistance and input of Shannon Torgerson, Property Manager and Tim Hoops, Board President who provided very helpful insight into the current operations of the property.

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

Respectfully Submitted,

millerdodson
CAPITAL RESERVE CONSULTANTS

Rick F. McKittrick
Rick F. McKittrick

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SECTION A - FINANCIAL ANALYSIS

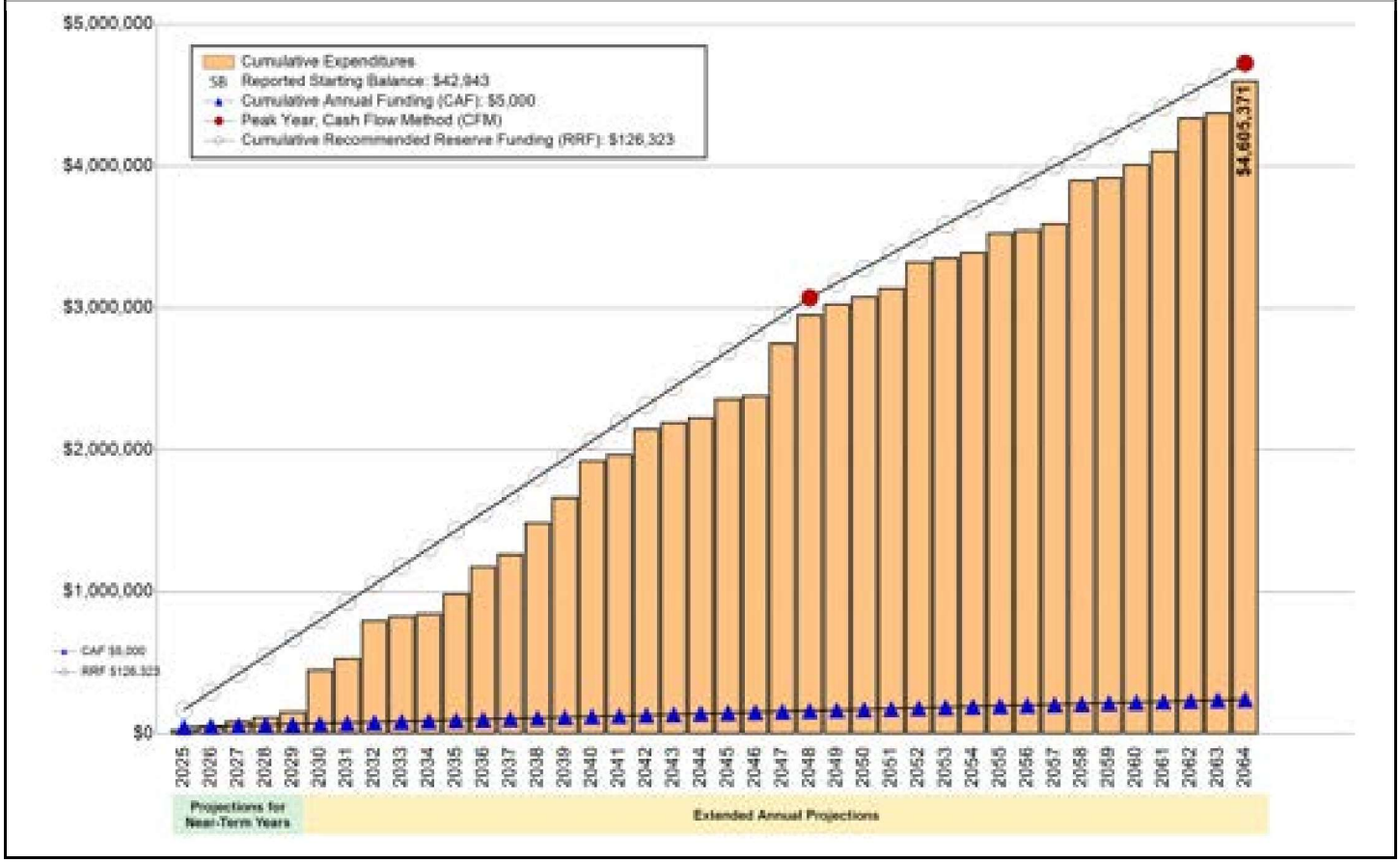
The Windshire Park Metropolitan District No. 2 Replacement Reserve Analysis uses the Cash Flow Method (CFM) to calculate Replacement Reserve funding for the periodic replacement of the 102 Projected Replacements identified in the Replacement Reserve Inventory.

$126,323 **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR THE STUDY YEAR, 2025**
$18.83 Per unit (average), minimum monthly funding of Replacement Reserves

We recommend the Metro District 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.

Windshire Park Metropolitan District No. 2 reports a Starting Balance of $42,942 and Annual Funding totaling $5,000, which is inadequate to fund projected replacements starting in 2027. See Page A.3 for a more detailed evaluation.

#1 - Cumulative Replacement Reserve Funding and Expenditures Graph



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

REPLACEMENT RESERVE ANALYSIS - GENERAL INFORMATION

The Windshire Park Metropolitan District No. 2 Replacement Reserve Analysis calculations of recommended funding of Replacement Reserves by the Cash Flow Method (CFM) and the evaluation of the Current Funding are based upon the same Study Year, Study Period, Beginning Balance, Replacement Reserve Inventory and Level of Service.

2025 **STUDY YEAR**

The Metro District 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, 2025.

40 Years **STUDY PERIOD**

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

$42,942 **STARTING BALANCE**

The Metro District reports Replacement Reserves on Deposit totaling $42,942 at the start of the Study Year.

Level One **LEVEL OF SERVICE**

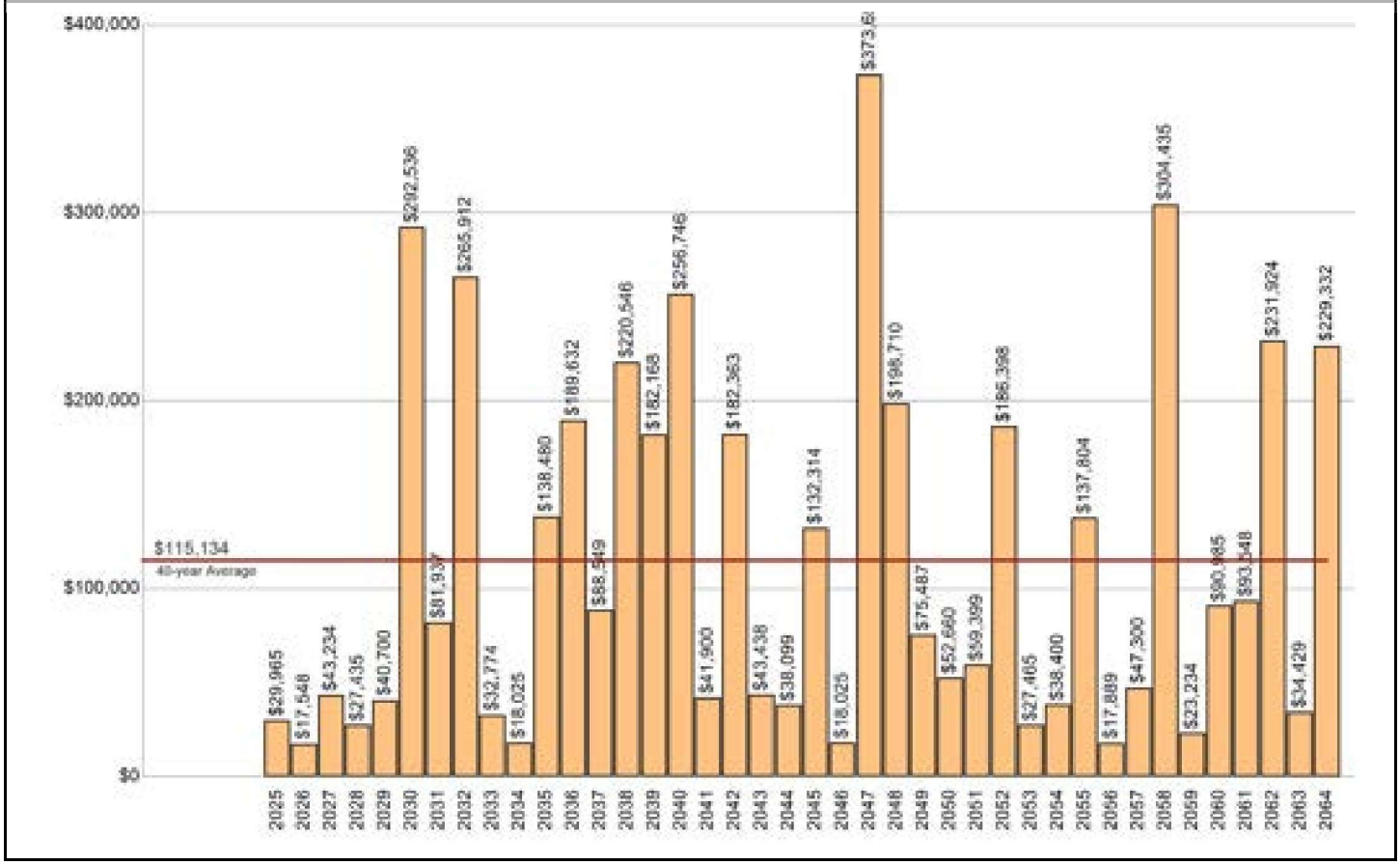
The Replacement Reserve Inventory has been developed in compliance with the National Reserve Study Standards for a Level One Study, as defined by the Community Associations Institute (CAI).

$4,605,371 **REPLACEMENT RESERVE INVENTORY - PROJECTED REPLACEMENTS**

The Windshire Park Metropolitan District No. 2 Replacement Reserve Inventory identifies 102 items that will require periodic replacement, that are to be funded from Replacement Reserves. We estimate the cost of these replacements will be $4,605,371 over the 40-year Study Period. The Projected Replacements are divided into 2 major categories starting on Page B.3. Pages B.1-B.2 provide detailed information on the Replacement Reserve Inventory.

#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 $115,134. Section C provides a year by year Calendar of these expenditures.



UPDATING OF THE FUNDING PLAN

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

UPDATING OF THE REPLACEMENT RESERVE STUDY

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

ANNUAL EXPENDITURES AND CURRENT FUNDING

The annual expenditures that comprise the $4,605,371 of Projected Expenditures over the 40-year Study Period and the impact of the Metro District continuing to fund Replacement Reserves at the current level are detailed in Table 3.

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

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Starting Balance	$42,943									
Projected Replacements	($29,965)	($17,548)	($43,234)	($27,435)	($40,700)	($292,536)	($81,937)	($265,912)	($32,774)	($18,025)
Annual Deposit	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000
End of Year Balance	$17,978	$5,430	($32,804)	($55,239)	($90,938)	($378,474)	($455,411)	($716,323)	($744,097)	($757,122)
Cumulative Expenditures	($29,965)	($47,513)	($90,747)	($118,182)	($158,881)	($451,417)	($533,354)	($799,266)	($832,040)	($850,065)
Cumulative Receipts	$47,943	$52,943	$57,943	$62,943	$67,943	$72,943	$77,943	$82,943	$87,943	$92,943

Year	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Projected Replacements	($138,480)	($189,632)	($88,549)	($220,546)	($182,168)	($256,746)	($41,900)	($182,363)	($43,438)	($38,099)
Annual Deposit	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000
End of Year Balance	($890,601)	($1,075,233)	($1,158,782)	($1,374,328)	($1,551,496)	($1,803,242)	($1,840,141)	($2,017,504)	($2,055,942)	($2,089,041)
Cumulative Expenditures	($988,544)	($1,178,176)	($1,266,725)	($1,487,271)	($1,669,439)	($1,926,185)	($1,968,084)	($2,150,447)	($2,193,885)	($2,231,984)
Cumulative Receipts	$97,943	$102,943	$107,943	$112,943	$117,943	$122,943	$127,943	$132,943	$137,943	$142,943

Year	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Projected Replacements	($132,314)	($18,025)	($373,652)	($198,710)	($75,487)	($52,660)	($59,399)	($186,398)	($27,465)	($38,400)
Annual Deposit	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000
End of Year Balance	($2,216,355)	($2,229,380)	($2,598,032)	($2,791,742)	($2,862,229)	($2,909,889)	($2,964,287)	($3,145,685)	($3,168,150)	($3,201,549)
Cumulative Expenditures	($2,364,298)	($2,382,323)	($2,755,975)	($2,954,685)	($3,030,172)	($3,082,832)	($3,142,230)	($3,328,628)	($3,356,093)	($3,394,492)
Cumulative Receipts	$147,943	$152,943	$157,943	$162,943	$167,943	$172,943	$177,943	$182,943	$187,943	$192,943

Year	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064
Projected Replacements	($137,804)	($17,889)	($47,300)	($304,435)	($23,234)	($90,985)	($93,548)	($231,924)	($34,429)	($229,332)
Annual Deposit	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000
End of Year Balance	($3,334,353)	($3,347,242)	($3,389,542)	($3,688,977)	($3,707,211)	($3,793,196)	($3,881,743)	($4,108,667)	($4,138,096)	($4,362,428)
Cumulative Expenditures	($3,532,296)	($3,550,185)	($3,597,485)	($3,901,920)	($3,925,154)	($4,016,139)	($4,109,686)	($4,341,610)	($4,376,039)	($4,605,371)
Cumulative Receipts	$197,943	$202,943	$207,943	$212,943	$217,943	$222,943	$227,943	$232,943	$237,943	$242,943

EVALUATION OF CURRENT FUNDING

The evaluation of Current Funding (Starting Balance of $42,942 & annual funding of $5,000), 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 102 Projected Replacements identified in the Replacement Reserve Inventory and that the Metro District will continue Annual Funding of $5,000 throughout the 40-year Study Period.

Annual Funding of $5,000 is approximately 4 percent of the $126,323 recommended Annual Funding calculated by the Cash Flow Method for 2025, the Study Year.

See the Executive Summary for the Current Funding Statement.

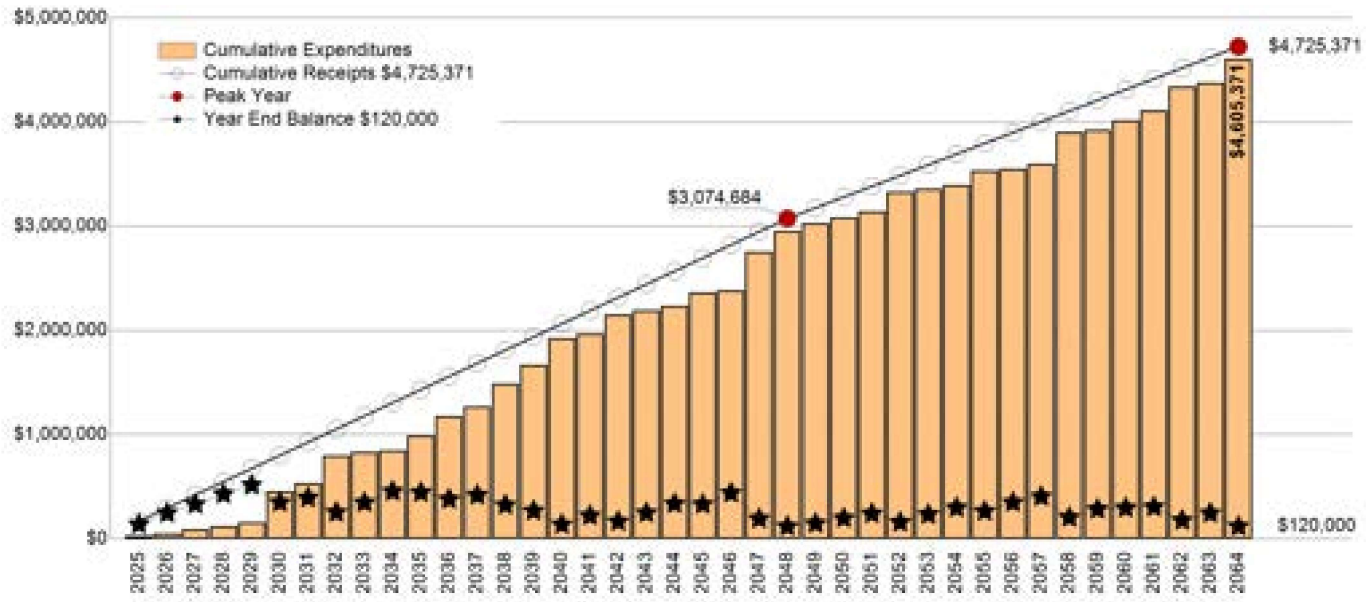
CASH FLOW METHOD FUNDING

$126,323 **RECOMMENDED REPLACEMENT RESERVE FUNDING FOR 2025**
$18.83 Per unit (average), minimum monthly funding of Replacement Reserves

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

- **Peak Years.** The First Peak Year occurs in 2048 with Replacement Reserves on Deposit dropping to the Minimum Balance after the completion of $2,954,685 of replacements from 2025 to 2048. Recommended funding is anticipated to decline in 2049. Peak Years are identified in Chart 4 and Table 5.
- **Threshold (Minimum Balance).** The calculations assume a Minimum Balance of $120,000 will always be held in reserve, which is calculated by rounding the 12-month 40-year average annual expenditure of $115,134 as shown on Graph #2.
- **Cash Flow Method Study Period.** Cash Flow Method calculates funding for $4,605,371 of expenditures over the 40-year Study Period. It does not include funding for any projects beyond 2064 and in 2064, the end of year balance will always be the Minimum Balance.

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



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

Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Starting Balance	$42,943									
Projected Replacements	($29,965)	($17,548)	($43,234)	($27,435)	($40,700)	($292,536)	($81,937)	($265,912)	($32,774)	($18,025)
Annual Deposit	$126,323	$126,323	$126,323	$126,323	$126,323	$126,323	$126,323	$126,323	$126,323	$126,323
End of Year Balance	$139,300	$248,075	$331,164	$430,052	$515,675	$349,461	$393,847	$254,257	$347,806	$456,104
Cumulative Expenditures	($29,965)	($47,513)	($90,747)	($118,182)	($158,881)	($451,417)	($533,354)	($799,266)	($832,040)	($850,065)
Cumulative Receipts	$169,265	$295,588	$421,911	$548,233	$674,556	$800,878	$927,201	$1,053,523	$1,179,846	$1,306,169
Year	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**
Projected Replacements	($138,480)	($189,632)	($88,549)	($220,546)	($182,168)	($256,746)	($41,900)	($182,363)	($43,438)	($38,099)
Annual Deposit	$126,323	$126,323	$126,323	$126,323	$126,323	$126,323	$126,323	$126,323	$126,323	$126,323
End of Year Balance	$443,947	$380,638	$418,411	$324,188	$268,343	$137,919	$222,342	$166,302	$249,186	$337,410
Cumulative Expenditures	($988,544)	($1,178,176)	($1,266,725)	($1,487,271)	($1,669,439)	($1,926,185)	($1,968,084)	($2,150,447)	($2,193,885)	($2,231,984)
Cumulative Receipts	$1,432,491	$1,558,814	$1,685,136	$1,811,459	$1,937,781	$2,064,104	$2,190,427	$2,316,749	$2,443,072	$2,569,394
Year	**2045**	**2046**	**2047**	**1st Peak - 2048**	**2049**	**2050**	**2051**	**2052**	**2053**	**2054**
Projected Replacements	($132,314)	($18,025)	($373,652)	($198,710)	($75,487)	($52,660)	($59,399)	($186,398)	($27,465)	($38,400)
Annual Deposit	$126,323	$126,323	$126,323	$126,323	$103,168	$103,168	$103,168	$103,168	$103,168	$103,168
End of Year Balance	$331,419	$439,717	$192,387	$120,000	$147,681	$198,189	$241,958	$158,728	$234,431	$299,200
Cumulative Expenditures	($2,364,298)	($2,382,323)	($2,755,975)	($2,954,685)	($3,030,172)	($3,082,832)	($3,142,230)	($3,328,628)	($3,356,093)	($3,394,492)
Cumulative Receipts	$2,695,717	$2,822,039	$2,948,362	$3,074,684	$3,177,852	$3,281,020	$3,384,188	$3,487,356	$3,590,524	$3,693,692
Year	**2055**	**2056**	**2057**	**2058**	**2059**	**2060**	**2061**	**2062**	**2063**	**2nd Peak - 2064**
Projected Replacements	($137,804)	($17,889)	($47,300)	($304,435)	($23,234)	($90,985)	($93,548)	($231,924)	($34,429)	($229,332)
Annual Deposit	$103,168	$103,168	$103,168	$103,168	$103,168	$103,168	$103,168	$103,168	$103,168	$103,168
End of Year Balance	$264,564	$349,842	$405,710	$204,444	$284,378	$296,561	$306,181	$177,425	$246,164	$120,000
Cumulative Expenditures	($3,532,296)	($3,550,185)	($3,597,485)	($3,901,920)	($3,925,154)	($4,016,139)	($4,109,686)	($4,341,610)	($4,376,039)	($4,605,371)
Cumulative Receipts	$3,796,860	$3,900,028	$4,003,196	$4,106,364	$4,209,531	$4,312,699	$4,415,867	$4,519,035	$4,622,203	$4,725,371

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.

$126,323 **2025 - CASH FLOW METHOD RECOMMENDED FUNDING**

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

$133,902 **2026 - 6.0% INFLATION ADJUSTED FUNDING**

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

- Starting Balance totaling $139,300 on January 1, 2026.
- 2026 Non-inflation replacement costs listed in Section C, $17,548, will be replaced at approximately $18,601, 6.00% compounded inflation increase to 2025 costs.
- The $133,902 inflation-adjusted funding in 2026 is a 6.0% increase over the non-inflation-adjusted funding of $126,323.

$141,936 **2027 - 6.0% INFLATION ADJUSTED FUNDING**

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

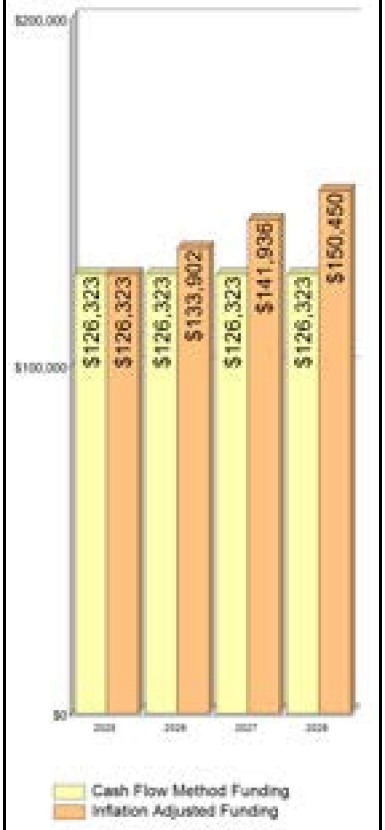
- Starting balance of approximately $254,601 = 2027 Starting Balance $139,300, plus Inflation Adjusted Funding $133,902 for 2026, minus $18,601 2026 Inflation Adjusted Cost.
- 2027 Non-inflation replacement costs listed in Section C, $43,234, will be replaced at approximately $48,577, 6.0% compounded inflation increase to 2025 costs.
- The $141,936 inflation-adjusted funding in 2027 is a 6.0% increase over the non-inflation-adjusted funding of $133,902 for 2026.

$150,450 **2028 - 6.0% INFLATION ADJUSTED FUNDING**

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

- Starting balance of approximately $347,960 = 2028 Starting Balance $254,601, plus Inflation Adjusted Funding $141,936 for 2027, minus $48,577 2027 Inflation Adjusted Cost.
- 2028 Non-inflation replacement costs listed in Section C, $27,435, will be replaced at approximately $32,676, 6.0% compounded inflation increase to 2025 costs.
- The $150,450 inflation-adjusted funding in 2028 is a 6.0% increase over the non-inflation-adjusted funding of $141,936 for 2027.

#6 - Inflation Adjusted Funding



Year Four and Beyond

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

Inflation Adjustment

Prior to approving a budget based upon the 2026, 2027 and 2028 inflation-adjusted funding calculations above, the 6.00 percent base rate of inflation used in our calculations should be compared to rates published by the Bureau of Labor Statistics. If there is a significant discrepancy (over 1 percentage point), contact Miller+Dodson Associates prior to using the Inflation Adjusted Funding.

Interest on Reserves

The recommended funding calculations do not account for interest earned on Replacement Reserves. In 2025, based on a 1.00 percent interest rate, we estimate the Metro District may earn $911 on an average balance of $91,122, $1,970 on an average balance of $196,951 in 2026, and $3,014 on $301,359 in 2027. The Metro District may elect to attribute 100 percent of the earned interest to Reserves, resulting in a reduction in the 2025 funding from $126,323 to $125,411 (a 0.72 percent reduction), $133,902 to $131,932 in 2026 (a 1.47 percent reduction), and $141,936 to $138,922 in 2027 (a 2.12 percent reduction).

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SECTION B - REPLACEMENT RESERVE INVENTORY

- **PROJECTED REPLACEMENTS.** Windshire Park Metropolitan District No. 2 - Replacement Reserve Inventory identifies 102 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 $2,782,137. Cumulative Replacements totaling $4,605,371 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 Metro District policy on the administration of Replacement Reserves. If the Metro District 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 Metro District.

  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 Metro District. These types of items are generally not the responsibility of the Metro District and are excluded from the Replacement Reserve Inventory.

- **CATEGORIES.** The 102 items included in the Windshire Park Metropolitan District No. 2 Replacement Reserve Inventory are divided into 2 major categories. Each category is printed on a separate page, beginning on page B.3.

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

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

REPLACEMENT RESERVE INVENTORY - GENERAL INFORMATION (CONT'D)

- **INVENTORY DATA.** Each of the 102 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 102 Projected Replacements specifically listed in the Replacement Reserve Inventory. The inclusion/exclusion of items from the Replacement Reserve Inventory is discussed on Page B.1.

SITE ITEMS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
Monument Signage - Entry and Pool							
1	Entrance monument, repoint masonry (5%	sf	28	$20.00	5	5	$560
2	Entrance monument, stucco recoat sign	sf	644	$16.50	15	none	$10,626
3	Light, decorative, monument mounted (33%	ea	7	$350.00	10	3	$2,450
4	Flood light, ground mounted	ea	11	$210.00	20	13	$2,310
Asphalt Parking Area and Concrete Sidewalks							
5	Asphalt pavement, mill and overlay	sf	9,000	$2.45	30	6	$22,050
6	Asphalt pavement, seal coat	sf	9,000	$0.25	6	none	$2,250
7	Asphalt pavement, crack sealing (5% allowance)	ft	450	$4.00	3	none	$1,800
8	Concrete, curb and gutter (6% allowance)	ft	30	$42.00	6	6	$1,260
9	Concrete sidewalks (3% allowance)	sf	1,992	$14.00	6	6	$27,888
Site Lighting - Pool Parking and Pool Area							
10	Site light, standard single head, LED	ea	6	$700.00	20	4	$4,200
11	Site light, 15' pole	ea	6	$2,800.00	40	24	$16,800

Replacement Costs - Page Subtotal $92,194

COMMENTS

- Item #1: Entrance monument, repoint masonry (5% allowance) - 556 sf of stone - allowance for tuckpoint of 5% every 5 years.
- Item #3: Light, decorative, monument mounted (33% allowance) - (21) total monument lights with 1/3 replaced every 10 years for a useful life of 30 years.
- Item #8: Concrete, curb and gutter (6% allowance) - (500) lf of curg & gutter. Modeled as 6% replaced every 6 years. Coordinate C&G replacement with asphalt mill & overlay.
- Item #9: Concrete sidewalks (3% allowance) - (66,388) sf of concrete sidewalks that are common to the Metro District. Model has 3% of this concrete replaced every 6 years. The majority of the sidewalk surfaces appear to be in good condition so REL set at 6 years.

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 ($)	NEL	REL	REPLACEMENT COST ($)
Fencing - Power Washing and Staining							
12	Fence Staining, Cycle 1, Phase 2	ft	5,196	$2.75	99	none	$14,289
13	Fence Staining, Cycle 1, Phase 3	ft	5,072	$2.75	99	1	$13,948
14	Fence Staining, Cycle 1, Phase 4	ft	4,594	$2.75	99	2	$12,634
15	Fence Staining, Cycle 1, Phase 5	ft	5,900	$2.75	99	3	$16,225
16	Fence Staining, Cycle 1, Phase 6	ft	9,418	$2.75	99	4	$25,900
17	Fence Staining, Cycle 2, Phase 2	ft	5,196	$2.75	99	6	$14,289
18	Fence Staining, Cycle 2, Phase 3	ft	5,072	$2.75	99	7	$13,948
19	Fence Staining, Cycle 2, Phase 4	ft	4,594	$2.75	99	8	$12,634
20	Fence Staining, Cycle 2, Phase 5	ft	5,900	$2.75	99	9	$16,225
21	Fence Staining, Cycle 2, Phase 6	ft	9,418	$2.75	99	10	$25,900
22	Fence Staining, Cycle 3, Phase 1	ft	7,473	$2.75	7	12	$20,551
23	Fence Staining, Cycle 3, Phase 6	ft	9,418	$2.75	99	16	$25,900
24	Fence Staining, Cycle 4, Phase 2	ft	5,196	$2.75	7	17	$14,289
25	Fence Staining, Cycle 4, Phase 3	ft	5,072	$2.75	7	19	$13,948
26	Fence Staining, Cycle 4, Phase 4	ft	4,594	$2.75	7	20	$12,634
27	Fence Staining, Cycle 4, Phase 5	ft	5,900	$2.75	7	21	$16,225
28	Fence Staining, Cycle 4, Phase 6	ft	9,418	$2.75	7	29	$25,900

Replacement Costs - Page Subtotal $295,435

COMMENTS

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 ($)	NEL	REL	REPLACEMENT COST ($)
Fencing							
29	Fence, picket, 5' tall (Phase 1)	ft	5,322	$36.00	28	5	$191,592
30	Fence, wood split, 3 rails (Phase 1)	ft	2,162	$32.00	28	5	$69,184
31	Fence, picket, 5' tall (Phase 2)	ft	2,715	$36.00	28	11	$97,740
32	Fence, wood split, 3 rails (Phase 2)	ft	2,481	$32.00	28	11	$79,392
33	Fence, picket, 5' tall (Phase 3)	ft	2,703	$36.00	28	13	$97,308
34	Fence, wood split, 3 rails (Phase 3)	ft	2,369	$32.00	28	13	$75,808
35	Fence, picket, 5' tall (Phase 4)	ft	3,915	$36.00	28	14	$140,940
36	Fence, wood split, 3 rails (Phase 4)	ft	679	$32.00	28	14	$21,728
37	Fence, picket, 5' tall (Phase 5)	ft	1,615	$36.00	30	15	$58,140
38	Fence, wood split, 3 rails (Phase 5)	ft	4,285	$32.00	30	15	$137,120
39	Fence, picket, 5' tall (Phase 6)	ft	3,544	$36.00	30	22	$127,584
40	Fence, wood split, 3 rails (Phase 6)	ft	5,874	$32.00	30	22	$187,968
41	Fence, 6' decorative steel (Pool Area)	ft	560	$90.00	60	39	$50,400

Replacement Costs - Page Subtotal $1,334,904

COMMENTS

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 ($)	NEL	REL	REPLACEMENT COST ($)
Pond - Irrigation							
	Retention (wet) ponds (allowance)						EXCLUDED
42	Retention pond - bathymetric study	ls	1	$1,000.00	5	none	$1,000
Pump House							
43	Roofing, asphalt shingles	sf	550	$6.00	30	13	$3,300
44	Masonry (10% repointing allowance)	sf	75	$14.00	10	10	$1,050
45	Door, steel, double (6' X 6'8")	ea	1	$2,100.00	40	23	$2,100
				Replacement Costs - Page Subtotal			$7,450

COMMENTS

- Retention (wet) ponds (allowance) - [06/30/2025] excluded - recommended amount unknown, awaiting pond study. The pond volume is 62,000 cy. Recommend that the Metro District undertake a bathymetric pond mapping study to refine the information and model any dredging timing, depth, quantities, etc... The reserve study update can reflect the model developed from the pond study.
- Item #42: Retention pond - bathymetric study - A bathymetric study is needed for the irrigation retention pond to model the characteristics of the pond - depth, amount of existing sediment, timeline for future dredging, etc...
- Item #44: Masonry (10% repointing allowance) - 750 total sf of stone exterior on pumphouse.

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 ($)	NEL	REL	REPLACEMENT COST ($)
Irrigation System							
46	Irrigation pumps (75 hp) (33% allowance)	ea	1	$50,000.00	10	7	$50,000
47	Irrigation pumps, rebuild (75 hp) (33% allowance)	ea	1	$10,000.00	5	2	$10,000
48	Irrigation pumps, motor replace (75 hp) (33%	ea	1	$12,500.00	3	2	$12,500
49	Irrigation pump controller (allowance)	ea	1	$60,000.00	40	23	$60,000
50	Irrigation System, main filters (allowance)	ea	2	$9,500.00	30	13	$19,000
51	Pumphouse piping and valves (allowance)	ls	1	$10,000.00	10	7	$10,000
52	Irrigation, controller (20% allowance)	ea	2	$1,800.00	3	1	$3,600
53	Irrigation, isolation valve (10% allowance)	ea	10	$4,300.00	5	10	$43,000
54	Irrigation, main supply line, 8" dia (2% allowance)	ft	32	$110.00	10	10	$3,520
55	Irrigation, main supply line, 6" dia (2% allowance)	ft	60	$100.00	10	10	$6,000
56	Irrigation, distribution line, 4" dia (1% allowance)	ft	165	$80.00	10	10	$13,200
57	Irrigation, distribution line, 2" dia (1% allowance)	ft	283	$50.00	10	10	$14,150
Mailboxes							
58	Pedestal mailbox (1/7th allowance)	ea	6	$2,500.00	35	10	$15,000
				Replacement Costs - Page Subtotal			$259,970

COMMENTS

- Item #46: Irrigation pumps (75 hp) (33% allowance) - (3) pumps total with 30 year useful life.
- Item #47: Irrigation pumps, rebuild (75 hp) (33% allowance) - (3) pump rebuilds with a 15 year useful life.
- Item #48: Irrigation pumps, motor replace (75 hp) (33% allowance) - (3) pump motor replacements with 10 year useful life.
- Item #49: Irrigation pump controller (allowance) - The amount listed is an allowance. Metro District should consider getting a better estimated value through their irrigation maintenance contractor.
- Item #50: Irrigation System, main filters (allowance) - The amount listed is an allowance. Metro District should consider getting a better estimated value through their irrigation maintenance contractor. Contractor should recommend the NEL and the REL for the filter canisters.
- Item #52: Irrigation, controller (20% allowance) - Analyst did not confirm the total number of irrigation controllers and no information was provided by the irrigation maintenance contractor. Initial estimate is a total of 10 irrigation controllers. The total can be adjusted if better information is provided at a later date.
- Item #53: Irrigation, isolation valve (10% allowance) - Need more information.
- Item #54: Irrigation, main supply line, 8" dia (2% allowance) - Need more information.
- Item #55: Irrigation, main supply line, 6" dia (2% allowance) - Need more information.
- Item #56: Irrigation, distribution line, 4" dia (1% allowance) - Need more information.
- Item #57: Irrigation, distribution line, 2" dia (1% allowance) - Need more information.
- Item #58: Pedestal mailbox (1/7th allowance) - (42) total mailbox pedestals - 2 @ 8 mailboxes, 1 @ 12 mailboxes, and 39 @ 16 mailboxes. Model assumes 6 mailbox pedestals will be replaced every 5 years (7 phases) for a total useful life of 35 years each.

RECREATION ITEMS
PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
Pool							
59	Swimming pool, structure, concrete	sf	2,400	$120.00	60	43	$288,000
60	Swimming pool, whitecoat	sf	2,400	$20.00	10	7	$48,000
61	Swimming pool, coping, precast concrete	ft	200	$75.00	20	7	$15,000
62	Swimming pool, waterline tile (6x6)	ft	200	$22.00	10	7	$4,400
63	Swimming pool, skimmers	ea	10	$650.00	20	7	$6,500
64	Wading pool, structure	sf	520	$120.00	60	43	$62,400
65	Wading pool, whitecoat	sf	500	$17.00	10	7	$8,500
66	Wading pool, coping, precast concrete	ft	92	$70.00	20	7	$6,440
67	Wading pool, waterline tile (6x6)	ft	92	$22.00	10	7	$2,024
68	Wading pool, skimmers	ea	4	$650.00	20	7	$2,600
69	Pool deck, concrete	sf	3,200	$16.00	60	43	$51,200
70	Swimming pool, ladder	ea	3	$1,800.00	20	7	$5,400
71	Swimming pool, lifeguard chair, floating	ea	1	$1,400.00	20	7	$1,400
72	Swimming pool, heater, commercial gas (main pool)	ea	1	$14,000.00	20	17	$14,000
73	Swimming pool, heater, gas (wading pool)	ea	1	$5,000.00	20	17	$5,000
74	Swimming pool, pump (main pool)	ea	1	$4,500.00	15	5	$4,500
75	Swimming pool, pump (wading pool)	ea	1	$1,500.00	15	5	$1,500
76	Swimming pool, filter, sand, 19" diameter	ea	4	$1,800.00	15	5	$7,200

Replacement Costs - Page Subtotal $534,064

COMMENTS

- Item #63: Swimming pool, skimmers - Need to confirm with Chris the total number of skimmers for pool.
- Item #74: Swimming pool, pump (main pool) - Confirm information from Shannon

RECREATION ITEMS - (cont.)

PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
Pool Area Furniture and Accessories							
77	Pool furniture, lounge (20% allowance)	ea	14	$350.00	2	2	$4,900
78	Pool furniture, chair (20% allowance)	ea	12	$175.00	2	2	$2,100
79	Pool furniture, round table and umbrella	ea	12	$450.00	10	6	$5,400
80	Picnic table (metal)	ea	8	$1,850.00	20	12	$14,800
81	Bench, 6' long (metal)	ea	2	$950.00	20	12	$1,900
82	Bike rack, 2 bikes	ea	1	$950.00	30	17	$950
83	Bike rack, 5 bikes	ea	2	$1,350.00	30	17	$2,700
84	Grill, propane, free floating	ea	2	$550.00	10	2	$1,100
Playground							
85	Tot lot, ADA Playstructure, large	ea	1	$40,000.00	30	7	$40,000
86	Tot lot, wear mats (2")	sf	1,300	$28.00	15	7	$36,400
Dog Waste Stations - Site-wide							
87	Dog waste station (33% allowance)	ea	10	$450.00	5	5	$4,500

Replacement Costs - Page Subtotal $114,750

COMMENTS

- Item #77: Pool furniture, lounge (20% allowance) - (70) total lounge chairs - 14 every 2 years for a 10 year useful life.
- Item #78: Pool furniture, chair (20% allowance) - (60) total lounge chairs - 12 every 2 years for a 10 year useful life.
- Item #87: Dog waste station (33% allowance) - (30) total across community. Model for 10 unit replacements every 5 years with a useful life of 15 years.

RECREATION ITEMS - (cont.)

PROJECTED REPLACEMENTS

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

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
Pool Buildings							
88	Roofing, asphalt shingles	sf	2,275	$6.00	30	13	$13,650
89	Gutter and downspouts	ft	260	$12.00	30	13	$3,120
90	Soffit and trim, cedar	sf	210	$20.00	40	23	$4,200
91	Siding, composite	sf	2,000	$14.00	40	23	$28,000
92	Masonry (10% repointing allowance)	sf	40	$16.00	10	8	$640
93	Door, steel, single (3' X 6'8")	ea	3	$1,600.00	40	23	$4,800
94	Door, steel, double (6' X 6'8")	ea	2	$2,100.00	40	23	$4,200
Pool Restrooms							
95	Flooring, ceramic tile (floor and walls)	sf	1,750	$41.00	40	23	$71,750
96	Restroom, renovation (allowance)	ls	2	$1,000.00	20	3	$2,000
97	Sink, countertop and basins	ea	2	$800.00	20	3	$1,600
98	Shower, fixtures	ea	2	$380.00	20	3	$760
99	Toilet and stall	ea	3	$1,200.00	40	23	$3,600
100	Urinal and partition	ea	1	$750.00	40	23	$750
Pool Building Systems							
101	Water heater, gas, 50 gallon	ea	1	$2,600.00	15	3	$2,600
102	Backflow preventer - domestic water line	ea	1	$1,700.00	20	7	$1,700
						Replacement Costs - Page Subtotal	$143,370

COMMENTS

- Item #92: Masonry (10% repointing allowance) - (400) sf of stone masonry bordering the base of the building.
- Item #96: Restroom, renovation (allowance) - Renovation to cover items like trash can, mirror, dispensers, and tile grout cleanup.

VALUATION EXCLUSIONS
Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Property identification signage						EXCLUDED
	Miscellaneous signage						EXCLUDED
	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
	Concrete floor slabs (interior)						EXCLUDED
	Wall, floor, and roof structure						EXCLUDED
	Electrical wiring						EXCLUDED
	Water piping at common facilities						EXCLUDED
	Waste piping at common facilities						EXCLUDED
	Gas services at common facilities						EXCLUDED

LONG-LIFE EXCLUSIONS
Comments

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

UTILITY EXCLUSIONS
Excluded Items

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

UTILITY EXCLUSIONS
Comments

- Utility Exclusions. Many improvements owned by utility companies are on property owned by the Association. We have assumed that repair, maintenance, and replacements of these components will be done at the expense of the appropriate utility company. Examples of items excluded from funding Replacement Reserves by this standard are listed above.

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

MAINTENANCE AND REPAIR EXCLUSIONS

Excluded Items

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NEL	REL	REPLACEMENT COST ($)
	Cleaning of asphalt pavement						EXCLUDED
	Landscaping and site grading						EXCLUDED
	Exterior painting						EXCLUDED
	Janitorial service						EXCLUDED
	Repair services						EXCLUDED
	Partial replacements						EXCLUDED
	Capital improvements						EXCLUDED

MAINTENANCE AND REPAIR EXCLUSIONS

Comments

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

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

GOVERNMENT EXCLUSIONS
Excluded Items

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

GOVERNMENT EXCLUSIONS
Comments

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

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SECTION C - CALENDAR OF PROJECTED ANNUAL REPLACEMENTS

GENERAL STATEMENT. The 102 Projected Replacements in the Windshire Park Metropolitan District No. 2 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 Metro District.
- **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 Metro District 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 Metro District 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 Metro District and the visual evaluations of the Analyst. It has been prepared for the sole use of the Metro District and is not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records.
- **PREVIOUS REPLACEMENTS.** Information provided to MillerDodson Associates regarding prior replacements is considered to be accurate and reliable. Our visual evaluation is not a project audit or quality inspection.
- **EXPERIENCE WITH FUTURE REPLACEMENTS.** The Calendar of Annual Projected Replacements, lists replacements we have projected to occur over the Study Period and begins on Page C2. Actual experience in replacing the items may differ significantly from the cost estimates and time frames shown because of conditions beyond our control. These differences may be caused by maintenance practices, inflation, variations in pricing and market conditions, future technological developments, regulatory actions, acts of God, and luck. Some items may function normally during our visual evaluation and then fail without notice.

PROJECTED REPLACEMENTS

Item	2025 - Study Year	$
2	Entrance monument, stucco recoat sign	$10,626
6	Asphalt pavement, seal coat	$2,250
7	Asphalt pavement, crack sealing (5% allowance)	$1,800
12	Fence Staining, Cycle 1, Phase 2	$14,289
42	Retention pond - bathymetric study	$1,000
	Total Scheduled Replacements	$29,965

Item	2026 - YEAR 1	$
13	Fence Staining, Cycle 1, Phase 3	$13,948
52	Irrigation, controller (20% allowance)	$3,600
	Total Scheduled Replacements	$17,548

Item	2027 - YEAR 2	$
14	Fence Staining, Cycle 1, Phase 4	$12,634
47	Irrigation pumps, rebuild (75 hp) (33% allowance)	$10,000
48	Irrigation pumps, motor replace (75 hp) (33% allowance)	$12,500
77	Pool furniture, lounge (20% allowance)	$4,900
78	Pool furniture, chair (20% allowance)	$2,100
84	Grill, propane, free floating	$1,100
	Total Scheduled Replacements	$43,234

Item	2028 - YEAR 3	$
3	Light, decorative, monument mounted (33% allowance)	$2,450
7	Asphalt pavement, crack sealing (5% allowance)	$1,800
15	Fence Staining, Cycle 1, Phase 5	$16,225
96	Restroom, renovation (allowance)	$2,000
97	Sink, countertop and basins	$1,600
98	Shower, fixtures	$760
101	Water heater, gas, 50 gallon	$2,600
	Total Scheduled Replacements	$27,435

PROJECTED REPLACEMENTS

Item	2029 - YEAR 4	$
10	Site light, standard single head, LED	$4,200
16	Fence Staining, Cycle 1, Phase 6	$25,900
52	Irrigation, controller (20% allowance)	$3,600
77	Pool furniture, lounge (20% allowance)	$4,900
78	Pool furniture, chair (20% allowance)	$2,100
	Total Scheduled Replacements	$40,700

Item	2030 - YEAR 5	$
1	Entrance monument, repoint masonry (5% allowance)	$560
29	Fence, picket, 5' tall (Phase 1)	$191,592
30	Fence, wood split, 3 rails (Phase 1)	$69,184
42	Retention pond - bathymetric study	$1,000
48	Irrigation pumps, motor replace (75 hp) (33% allowance)	$12,500
74	Swimming pool, pump (main pool)	$4,500
75	Swimming pool, pump (wading pool)	$1,500
76	Swimming pool, filter, sand, 19" diameter	$7,200
87	Dog waste station (33% allowance)	$4,500
	Total Scheduled Replacements	$292,536

Item	2031 - YEAR 6	$
5	Asphalt pavement, mill and overlay	$22,050
6	Asphalt pavement, seal coat	$2,250
7	Asphalt pavement, crack sealing (5% allowance)	$1,800
8	Concrete, curb and gutter (6% allowance)	$1,260
9	Concrete sidewalks (3% allowance)	$27,888
17	Fence Staining, Cycle 2, Phase 2	$14,289
77	Pool furniture, lounge (20% allowance)	$4,900
78	Pool furniture, chair (20% allowance)	$2,100
79	Pool furniture, round table and umbrella	$5,400
	Total Scheduled Replacements	$81,937

Item	2032 - YEAR 7	$
18	Fence Staining, Cycle 2, Phase 3	$13,948
46	Irrigation pumps (75 hp) (33% allowance)	$50,000
47	Irrigation pumps, rebuild (75 hp) (33% allowance)	$10,000
51	Pumphouse piping and valves (allowance)	$10,000
52	Irrigation, controller (20% allowance)	$3,600
60	Swimming pool, whitecoat	$48,000
61	Swimming pool, coping, precast concrete	$15,000
62	Swimming pool, waterline tile (6x6)	$4,400
63	Swimming pool, skimmers	$6,500
65	Wading pool, whitecoat	$8,500
66	Wading pool, coping, precast concrete	$6,440
67	Wading pool, waterline tile (6x6)	$2,024
68	Wading pool, skimmers	$2,600
70	Swimming pool, ladder	$5,400
71	Swimming pool, lifeguard chair, floating	$1,400
85	Tot lot, ADA Playstructure, large	$40,000
86	Tot lot, wear mats (2")	$36,400
102	Backflow preventer - domestic water line	$1,700
	Total Scheduled Replacements	$265,912

PROJECTED REPLACEMENTS

Item	2033 - YEAR 8	$
19	Fence Staining, Cycle 2, Phase 4	$12,634
48	Irrigation pumps, motor replace (75 hp) (33% allowance)	$12,500
77	Pool furniture, lounge (20% allowance)	$4,900
78	Pool furniture, chair (20% allowance)	$2,100
92	Masonry (10% repointing allowance)	$640
Total Scheduled Replacements		$32,774

Item	2034 - YEAR 9	$
7	Asphalt pavement, crack sealing (5% allowance)	$1,800
20	Fence Staining, Cycle 2, Phase 5	$16,225
Total Scheduled Replacements		$18,025

Item	2035 - YEAR 10	$
1	Entrance monument, repoint masonry (5% allowance)	$560
21	Fence Staining, Cycle 2, Phase 6	$25,900
42	Retention pond - bathymetric study	$1,000
44	Masonry (10% repointing allowance)	$1,050
52	Irrigation, controller (20% allowance)	$3,600
53	Irrigation, isolation valve (10% allowance)	$43,000
54	Irrigation, main supply line, 8" dia (2% allowance)	$3,520
55	Irrigation, main supply line, 6" dia (2% allowance)	$6,000
56	Irrigation, distribution line, 4" dia (1% allowance)	$13,200
57	Irrigation, distribution line, 2" dia (1% allowance)	$14,150
58	Pedestal mailbox (1/7th allowance)	$15,000
77	Pool furniture, lounge (20% allowance)	$4,900
78	Pool furniture, chair (20% allowance)	$2,100
87	Dog waste station (33% allowance)	$4,500
Total Scheduled Replacements		$138,480

Item	2036 - YEAR 11	$
31	Fence, picket, 5' tall (Phase 2)	$97,740
32	Fence, wood split, 3 rails (Phase 2)	$79,392
48	Irrigation pumps, motor replace (75 hp) (33% allowance)	$12,500
Total Scheduled Replacements		$189,632

PROJECTED REPLACEMENTS

Item	2037 - YEAR 12	$
6	Asphalt pavement, seal coat	$2,250
7	Asphalt pavement, crack sealing (5% allowance)	$1,800
8	Concrete, curb and gutter (6% allowance)	$1,260
9	Concrete sidewalks (3% allowance)	$27,888
22	Fence Staining, Cycle 3, Phase 1	$20,551
47	Irrigation pumps, rebuild (75 hp) (33% allowance)	$10,000
77	Pool furniture, lounge (20% allowance)	$4,900
78	Pool furniture, chair (20% allowance)	$2,100
80	Picnic table (metal)	$14,800
81	Bench, 6' long (metal)	$1,900
84	Grill, propane, free floating	$1,100
	Total Scheduled Replacements	$88,549

Item	2038 - YEAR 13	$
3	Light, decorative, monument mounted (33% allowance)	$2,450
4	Flood light, ground mounted	$2,310
33	Fence, picket, 5' tall (Phase 3)	$97,308
34	Fence, wood split, 3 rails (Phase 3)	$75,808
43	Roofing, asphalt shingles	$3,300
50	Irrigation System, main filters (allowance)	$19,000
52	Irrigation, controller (20% allowance)	$3,600
88	Roofing, asphalt shingles	$13,650
89	Gutter and downspouts	$3,120
	Total Scheduled Replacements	$220,546

Item	2039 - YEAR 14	$
35	Fence, picket, 5' tall (Phase 4)	$140,940
36	Fence, wood split, 3 rails (Phase 4)	$21,728
48	Irrigation pumps, motor replace (75 hp) (33% allowance)	$12,500
77	Pool furniture, lounge (20% allowance)	$4,900
78	Pool furniture, chair (20% allowance)	$2,100
	Total Scheduled Replacements	$182,168

Item	2040 - YEAR 15	$
1	Entrance monument, repoint masonry (5% allowance)	$560
2	Entrance monument, stucco recoat sign	$10,626
7	Asphalt pavement, crack sealing (5% allowance)	$1,800
37	Fence, picket, 5' tall (Phase 5)	$58,140
38	Fence, wood split, 3 rails (Phase 5)	$137,120
42	Retention pond - bathymetric study	$1,000
53	Irrigation, isolation valve (10% allowance)	$43,000
87	Dog waste station (33% allowance)	$4,500
	Total Scheduled Replacements	$256,746

PROJECTED REPLACEMENTS

Item	2041 - YEAR 16	$
23	Fence Staining, Cycle 3, Phase 6	$25,900
52	Irrigation, controller (20% allowance)	$3,600
77	Pool furniture, lounge (20% allowance)	$4,900
78	Pool furniture, chair (20% allowance)	$2,100
79	Pool furniture, round table and umbrella	$5,400
Total Scheduled Replacements		$41,900

Item	2042 - YEAR 17	$
24	Fence Staining, Cycle 4, Phase 2	$14,289
46	Irrigation pumps (75 hp) (33% allowance)	$50,000
47	Irrigation pumps, rebuild (75 hp) (33% allowance)	$10,000
48	Irrigation pumps, motor replace (75 hp) (33% allowance)	$12,500
51	Pumphouse piping and valves (allowance)	$10,000
60	Swimming pool, whitecoat	$48,000
62	Swimming pool, waterline tile (6x6)	$4,400
65	Wading pool, whitecoat	$8,500
67	Wading pool, waterline tile (6x6)	$2,024
72	Swimming pool, heater, commercial gas (main pool)	$14,000
73	Swimming pool, heater, gas (wading pool)	$5,000
82	Bike rack, 2 bikes	$950
83	Bike rack, 5 bikes	$2,700
Total Scheduled Replacements		$182,363

Item	2043 - YEAR 18	$
6	Asphalt pavement, seal coat	$2,250
7	Asphalt pavement, crack sealing (5% allowance)	$1,800
8	Concrete, curb and gutter (6% allowance)	$1,260
9	Concrete sidewalks (3% allowance)	$27,888
77	Pool furniture, lounge (20% allowance)	$4,900
78	Pool furniture, chair (20% allowance)	$2,100
92	Masonry (10% repointing allowance)	$640
101	Water heater, gas, 50 gallon	$2,600
Total Scheduled Replacements		$43,438

Item	2044 - YEAR 19	$
22	Fence Staining, Cycle 3, Phase 1	$20,551
25	Fence Staining, Cycle 4, Phase 3	$13,948
52	Irrigation, controller (20% allowance)	$3,600
Total Scheduled Replacements		$38,099

PROJECTED REPLACEMENTS

Item	2045 - YEAR 20	$
1	Entrance monument, repoint masonry (5% allowance)	$560
26	Fence Staining, Cycle 4, Phase 4	$12,634
42	Retention pond - bathymetric study	$1,000
44	Masonry (10% repointing allowance)	$1,050
48	Irrigation pumps, motor replace (75 hp) (33% allowance)	$12,500
53	Irrigation, isolation valve (10% allowance)	$43,000
54	Irrigation, main supply line, 8" dia (2% allowance)	$3,520
55	Irrigation, main supply line, 6" dia (2% allowance)	$6,000
56	Irrigation, distribution line, 4" dia (1% allowance)	$13,200
57	Irrigation, distribution line, 2" dia (1% allowance)	$14,150
74	Swimming pool, pump (main pool)	$4,500
75	Swimming pool, pump (wading pool)	$1,500
76	Swimming pool, filter, sand, 19" diameter	$7,200
77	Pool furniture, lounge (20% allowance)	$4,900
78	Pool furniture, chair (20% allowance)	$2,100
87	Dog waste station (33% allowance)	$4,500
	Total Scheduled Replacements	$132,314

Item	2046 - YEAR 21	$
7	Asphalt pavement, crack sealing (5% allowance)	$1,800
27	Fence Staining, Cycle 4, Phase 5	$16,225
	Total Scheduled Replacements	$18,025

Item	2047 - YEAR 22	$
39	Fence, picket, 5' tall (Phase 6)	$127,584
40	Fence, wood split, 3 rails (Phase 6)	$187,968
47	Irrigation pumps, rebuild (75 hp) (33% allowance)	$10,000
52	Irrigation, controller (20% allowance)	$3,600
77	Pool furniture, lounge (20% allowance)	$4,900
78	Pool furniture, chair (20% allowance)	$2,100
84	Grill, propane, free floating	$1,100
86	Tot lot, wear mats (2")	$36,400
	Total Scheduled Replacements	$373,652

Item	2048 - YEAR 23	$
3	Light, decorative, monument mounted (33% allowance)	$2,450
45	Door, steel, double (6' X 6'8")	$2,100
48	Irrigation pumps, motor replace (75 hp) (33% allowance)	$12,500
49	Irrigation pump controller (allowance)	$60,000
90	Soffit and trim, cedar	$4,200
91	Siding, composite	$28,000
93	Door, steel, single (3' X 6'8")	$4,800
94	Door, steel, double (6' X 6'8")	$4,200
95	Flooring, ceramic tile (floor and walls)	$71,750
96	Restroom, renovation (allowance)	$2,000
97	Sink, countertop and basins	$1,600
98	Shower, fixtures	$760
99	Toilet and stall	$3,600
100	Urinal and partition	$750
	Total Scheduled Replacements	$198,710

PROJECTED REPLACEMENTS

Item	2049 - YEAR 24	$
6	Asphalt pavement, seal coat	$2,250
7	Asphalt pavement, crack sealing (5% allowance)	$1,800
8	Concrete, curb and gutter (6% allowance)	$1,260
9	Concrete sidewalks (3% allowance)	$27,888
10	Site light, standard single head, LED	$4,200
11	Site light, 15' pole	$16,800
24	Fence Staining, Cycle 4, Phase 2	$14,289
77	Pool furniture, lounge (20% allowance)	$4,900
78	Pool furniture, chair (20% allowance)	$2,100
	Total Scheduled Replacements	$75,487

Item	2050 - YEAR 25	$
1	Entrance monument, repoint masonry (5% allowance)	$560
42	Retention pond - bathymetric study	$1,000
52	Irrigation, controller (20% allowance)	$3,600
53	Irrigation, isolation valve (10% allowance)	$43,000
87	Dog waste station (33% allowance)	$4,500
	Total Scheduled Replacements	$52,660

Item	2051 - YEAR 26	$
22	Fence Staining, Cycle 3, Phase 1	$20,551
25	Fence Staining, Cycle 4, Phase 3	$13,948
48	Irrigation pumps, motor replace (75 hp) (33% allowance)	$12,500
77	Pool furniture, lounge (20% allowance)	$4,900
78	Pool furniture, chair (20% allowance)	$2,100
79	Pool furniture, round table and umbrella	$5,400
	Total Scheduled Replacements	$59,399

Item	2052 - YEAR 27	$
7	Asphalt pavement, crack sealing (5% allowance)	$1,800
26	Fence Staining, Cycle 4, Phase 4	$12,634
46	Irrigation pumps (75 hp) (33% allowance)	$50,000
47	Irrigation pumps, rebuild (75 hp) (33% allowance)	$10,000
51	Pumphouse piping and valves (allowance)	$10,000
60	Swimming pool, whitecoat	$48,000
61	Swimming pool, coping, precast concrete	$15,000
62	Swimming pool, waterline tile (6x6)	$4,400
63	Swimming pool, skimmers	$6,500
65	Wading pool, whitecoat	$8,500
66	Wading pool, coping, precast concrete	$6,440
67	Wading pool, waterline tile (6x6)	$2,024
68	Wading pool, skimmers	$2,600
70	Swimming pool, ladder	$5,400
71	Swimming pool, lifeguard chair, floating	$1,400
102	Backflow preventer - domestic water line	$1,700
	Total Scheduled Replacements	$186,398

PROJECTED REPLACEMENTS

Item	2053 - YEAR 28	$
27	Fence Staining, Cycle 4, Phase 5	$16,225
52	Irrigation, controller (20% allowance)	$3,600
77	Pool furniture, lounge (20% allowance)	$4,900
78	Pool furniture, chair (20% allowance)	$2,100
92	Masonry (10% repointing allowance)	$640
Total Scheduled Replacements		$27,465

Item	2054 - YEAR 29	$
28	Fence Staining, Cycle 4, Phase 6	$25,900
48	Irrigation pumps, motor replace (75 hp) (33% allowance)	$12,500
Total Scheduled Replacements		$38,400

Item	2055 - YEAR 30	$
1	Entrance monument, repoint masonry (5% allowance)	$560
2	Entrance monument, stucco recoat sign	$10,626
6	Asphalt pavement, seal coat	$2,250
7	Asphalt pavement, crack sealing (5% allowance)	$1,800
8	Concrete, curb and gutter (6% allowance)	$1,260
9	Concrete sidewalks (3% allowance)	$27,888
42	Retention pond - bathymetric study	$1,000
44	Masonry (10% repointing allowance)	$1,050
53	Irrigation, isolation valve (10% allowance)	$43,000
54	Irrigation, main supply line, 8" dia (2% allowance)	$3,520
55	Irrigation, main supply line, 6" dia (2% allowance)	$6,000
56	Irrigation, distribution line, 4" dia (1% allowance)	$13,200
57	Irrigation, distribution line, 2" dia (1% allowance)	$14,150
77	Pool furniture, lounge (20% allowance)	$4,900
78	Pool furniture, chair (20% allowance)	$2,100
87	Dog waste station (33% allowance)	$4,500
Total Scheduled Replacements		$137,804

Item	2056 - YEAR 31	$
24	Fence Staining, Cycle 4, Phase 2	$14,289
52	Irrigation, controller (20% allowance)	$3,600
Total Scheduled Replacements		$17,889

PROJECTED REPLACEMENTS

Item	2057 - YEAR 32	$
47	Irrigation pumps, rebuild (75 hp) (33% allowance)	$10,000
48	Irrigation pumps, motor replace (75 hp) (33% allowance)	$12,500
77	Pool furniture, lounge (20% allowance)	$4,900
78	Pool furniture, chair (20% allowance)	$2,100
80	Picnic table (metal)	$14,800
81	Bench, 6' long (metal)	$1,900
84	Grill, propane, free floating	$1,100
Total Scheduled Replacements		$47,300

Item	2058 - YEAR 33	$
3	Light, decorative, monument mounted (33% allowance)	$2,450
4	Flood light, ground mounted	$2,310
7	Asphalt pavement, crack sealing (5% allowance)	$1,800
22	Fence Staining, Cycle 3, Phase 1	$20,551
25	Fence Staining, Cycle 4, Phase 3	$13,948
29	Fence, picket, 5' tall (Phase 1)	$191,592
30	Fence, wood split, 3 rails (Phase 1)	$69,184
101	Water heater, gas, 50 gallon	$2,600
Total Scheduled Replacements		$304,435

Item	2059 - YEAR 34	$
26	Fence Staining, Cycle 4, Phase 4	$12,634
52	Irrigation, controller (20% allowance)	$3,600
77	Pool furniture, lounge (20% allowance)	$4,900
78	Pool furniture, chair (20% allowance)	$2,100
Total Scheduled Replacements		$23,234

Item	2060 - YEAR 35	$
1	Entrance monument, repoint masonry (5% allowance)	$560
27	Fence Staining, Cycle 4, Phase 5	$16,225
42	Retention pond - bathymetric study	$1,000
48	Irrigation pumps, motor replace (75 hp) (33% allowance)	$12,500
53	Irrigation, isolation valve (10% allowance)	$43,000
74	Swimming pool, pump (main pool)	$4,500
75	Swimming pool, pump (wading pool)	$1,500
76	Swimming pool, filter, sand, 19" diameter	$7,200
87	Dog waste station (33% allowance)	$4,500
Total Scheduled Replacements		$90,985

PROJECTED REPLACEMENTS

Item	2061 - YEAR 36	$
5	Asphalt pavement, mill and overlay	$22,050
6	Asphalt pavement, seal coat	$2,250
7	Asphalt pavement, crack sealing (5% allowance)	$1,800
8	Concrete, curb and gutter (6% allowance)	$1,260
9	Concrete sidewalks (3% allowance)	$27,888
28	Fence Staining, Cycle 4, Phase 6	$25,900
77	Pool furniture, lounge (20% allowance)	$4,900
78	Pool furniture, chair (20% allowance)	$2,100
79	Pool furniture, round table and umbrella	$5,400
	Total Scheduled Replacements	$93,548

Item	2062 - YEAR 37	$
46	Irrigation pumps (75 hp) (33% allowance)	$50,000
47	Irrigation pumps, rebuild (75 hp) (33% allowance)	$10,000
51	Pumphouse piping and valves (allowance)	$10,000
52	Irrigation, controller (20% allowance)	$3,600
60	Swimming pool, whitecoat	$48,000
62	Swimming pool, waterline tile (6x6)	$4,400
65	Wading pool, whitecoat	$8,500
67	Wading pool, waterline tile (6x6)	$2,024
72	Swimming pool, heater, commercial gas (main pool)	$14,000
73	Swimming pool, heater, gas (wading pool)	$5,000
85	Tot lot, ADA Playstructure, large	$40,000
86	Tot lot, wear mats (2")	$36,400
	Total Scheduled Replacements	$231,924

Item	2063 - YEAR 38	$
24	Fence Staining, Cycle 4, Phase 2	$14,289
48	Irrigation pumps, motor replace (75 hp) (33% allowance)	$12,500
77	Pool furniture, lounge (20% allowance)	$4,900
78	Pool furniture, chair (20% allowance)	$2,100
92	Masonry (10% repointing allowance)	$640
	Total Scheduled Replacements	$34,429

Item	2064 - YEAR 39	$
7	Asphalt pavement, crack sealing (5% allowance)	$1,800
31	Fence, picket, 5' tall (Phase 2)	$97,740
32	Fence, wood split, 3 rails (Phase 2)	$79,392
41	Fence, 6' decorative steel (Pool Area)	$50,400
	Total Scheduled Replacements	$229,332

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SECTION D - CONDITION ASSESSMENT

General Comments. MillerDodson Associates conducted a Reserve Study at Windshire Park Metropolitan District No. 2 in April 2025. Windshire Park Metropolitan District No. 2 appears to be generally in good condition for a master association. 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 Metro District retain the services of a Structural Engineer to conduct thorough and periodic evaluations of the buildings, balconies, and any other structural components of the buildings and amenities of the Association.

General Condition Statements.

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

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

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

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

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

(Continued on next page)

SITE ITEMS

Entry Monuments. The Metro District maintains five (5) entry monuments and a monument at the pool center. The monuments are concrete structures with stone veneer and stucco coating. The stone appears to be in good condition, but the stucco coating has started to flake off and is in poor condition.

The monument lettering is carved into flat stone sheets and is considered a long-life item; therefore, it is excluded from this study.

We recommend re-pointing and replacement of defective areas of the masonry as needed. The Metro District may want to consider applying a coating of Siloxane or other appropriate breathable sealants to mitigate water penetration and further degradation of the masonry work. The stucco surfaces should be cleaned and new stucco applied.

The decorative monument lights have plexi lenses, and some of these lens covers have fallen out. These lights appear to be in overall good condition and can have a useful life of approximately 30 years. Since these lights will most likely all fail together, the study has 1/3 of the lights replaced every 10 years.

Asphalt Pavement. The Metro District is responsible for the pool house parking area. The City, County, or other municipality maintains other roadways. In general, the District's asphalt pavement appears to be in good condition.

The defects noted include the following:

- **Open Cracks.** There are multiple locations where open cracks allow water to penetrate the asphalt base and the bearing soils beneath. Over time, water will erode the base and accelerate the deterioration of the asphalt pavement. Remove the damaged areas and replace defective materials if cracks extend to the base and bearing materials. As a part of normal maintenance, clean and fill all other cracks.
- **Alligatoring.** There are multiple locations where the asphalt has developed a cracking pattern known as alligatoring. The primary cause of alligatoring is an unstable base. Once these cracks extend through the asphalt, they will allow water to penetrate the base, accelerating the rate of deterioration and eventually leading to potholes. The only solution is to remove the defective asphalt, compact the base, and install new base materials and asphalt.

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 20 to 30 years. The model for the study has crack sealing every three years and seal coating every six years. With this type of upkeep, the asphalt should last approximately 30 years.

To maintain the condition of the pavement throughout the community and ensure the longest life of the asphalt, we recommend that the Metro District 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.

Concrete Work. The concrete work includes the Metro District sidewalks and pool area curb and gutters. We have modeled for curb replacement when the asphalt pavement is overlaid. The overall condition of the concrete work appears to be good.

The standards we use for recommending replacement are as follows:

- Trip hazard, ¼ inch height difference.
- Severe cracking.
- Severe spalling and scale.

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 Metro District is responsible for the operation of the pool area pole lights that appear to be in good condition. The lights were not on at the time of our site visit, but we understand they remain in good 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.

Wood Board Picket Fencing and Split Rail Fencing. The Metro District maintains wood fencing that separates the yards from the District's open space. The fencing systems were installed in phases within the community as the District continued to grow, and subsequently, the fencing is in various conditions. The community has been separated into 6 areas, where each area has a defined construction window. The fencing cleaning, staining, or replacement will be scheduled based on the 6-phased areas based on the original construction dates. Protection from weed trimmer string during lawn maintenance can extend the useful life of some fence types. Protection from this type of damage is typically provided by applying herbicides around post bases or installing protective sheathing.

The study model for both the picket and split rail fencing has the fencing with a useful life of approximately 28 years. To allow the fencing to last 25 to 30 years and maintain a quality finish, the study plans for power washing and staining of the fencing every 6 years. Phase 1 of the community was constructed in the 2004 timeframe, and the fencing within phase 1 is reaching the end of its useful life and was previously painted. The paint never adhered properly to the Phase 1 fencing, so it appears in poor condition. Phase 1 fencing is scheduled for replacement in 5 years. The remaining phases will be stained with a quality fence/deck stain that should perform better than the painting that was done on the phase 1 fencing.

Irrigation Retention Pond. An irrigation retention pond is designed and constructed to hold irrigation water brought in from the city's non-potable water system. Estimates of cost and the frequency of dredging of ponds are a function of many variables, including the volume of the pond, the siltation rate, the nature of the material being removed, the method of removal, and the haul distance to a site that will accept the spoil material. This information is unknown and must be assumed for Reserve Study planning purposes. The rate of siltation and the cost of periodically dredging the ponds to remove this material are very speculative and will vary greatly with local conditions.

Another unknown is whether the retention pond has a liner. Determine the existence of a liner, and the liner's condition should be factored into the cost to maintain the pond.

Because of the significance of the cost of this work in establishing the correct reserve contribution, it is recommended that the Metro District undertake a bathymetric study to refine the information and properties around the pond. During the next update to the reserve study a cost model can be created utilizing the results of the bathymetric studies.

We recommend the following:

- Survey the ponds to establish the current profile of the bottom. After five years of operation, re-survey the pond to establish new depths to determine the local siltation rate. This will establish the frequency required for periodic dredging.
- Periodically sample and test for contaminants.
- Consult with local contractors to determine the cost of removing and disposing of the spoil once its nature is known. Firms specializing in this work can typically be found by searching Lake and Pond, Construction and Maintenance for your state or area of the country. Some states provide shortlists of companies that specialize in this type of work.

Pump House Building. There is a pump house to support the irrigation pond to provide pressurized irrigation water to the Metro District. The exterior of the pump house has a stone veneer finish with an asphalt shingle roof and a double service door. The exterior surfaces appear to be in good condition. Asphalt shingle roofs can have a useful life of 20 to 30 years, depending on the weight and quality of the shingles. Weathered, curled, and missing shingles indicate they may be nearing the end of their useful life. The study model has a 30-year NEL for the asphalt shingle roofing. The stone veneer siding should last the life of the building but will need occasional tuckpointing of the grout joints (similar to the entry monuments). The study has 10% of the stone veneer tuckpointed every 10 years.

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

The inspection and evaluation of underground lines and structures are beyond the scope of work for this study. There is an extensive amount of irrigation piping. There are main lines from the pump-houses to the distribution lines, and extensive distribution piping out to the numerous irrigation zones. An allowance (allocation) has been planned for the periodic replacement of the irrigation piping. The reserve study model also plans incremental replacement of the irrigation controllers and isolation valves. Future reserve study models should review irrigation component repairs and replacements and adjust the model as appropriate.

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

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

There are a total of 42 mailbox pedestals, from 8 mailbox clusters to 16 mailbox clusters. The model assumes that 6 mailbox pedestals will be replaced every 5 years (7 phases) for a total useful life of 35 years each.

RECREATION ITEMS

Swimming Pool. The community operates an outdoor pool and a wading pool of concrete construction. The pool was winterized at the time of the site visit and is reported to be in good condition. The study model for the pool area is based upon information provided by Justin from A&B Pools (the pool maintenance company) - previous replacement timeframes and costs, along with recommendations for the expected useful life of components.

Listed below are the major components of the pool facilities:

- Pool Shell. The shell for the swimming pool is constructed of concrete and appears to be in good condition. The shell (structure) should last 80 years or longer, and the underground piping from the pump house to the pool would be replaced when the pool structure is replaced. The assumption is that the pool deck will also be replaced at this time.
- Pool Deck. The pool has a concrete deck and the overall condition of the deck appears to be in good. The assumption is that the concrete deck will be fully replaced when the pool structure is replaced. Until then, the deck will have incremental replacement of damaged slabs under the site concrete flatwork section of the study.
- Whitecoat. The pool whitecoat appears to be in good condition and was recently applied. We have assumed eight to ten years of service life for the pool whitecoat.
- Waterline Tile. The waterline tile appears to be in good condition. We have assumed the waterline tile will be replaced or restored after approximately 20 years and when the pool is whitecoated.
- Coping. The pool is edged with masonry coping. The coping appears to be in good condition.
- Pump and Filter System. The pumping and filter systems appear to be in good operating condition and are maintained well by the maintenance contractor.
- Pool Fence. The swimming pool is enclosed by a metal fence that appears to be in good condition. The metal fence will be replaced under the Fencing section of the report.
- Pool Furniture. There are numerous pieces of pool furniture that appears to be in good condition. It appears the pool furniture has been replaced in phases, and the study assumes similar replacement phases in the future.

Tot Lots. The community maintains a single tot lot. The tot lot includes a play structure, a concrete border, and a synthetic safety surface. The play structure appears to be older, but in surprisingly good condition for its age. The synthetic safety surface is starting to show wear, and some of the squares are starting to roll up on the edges.

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

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

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

POOL PUMP HOUSE/RESTROOM EXTERIOR

Roofing. The pump house building, along with a single pavilion, has asphalt single roofs that appear to be in good condition.

Asphalt shingle roofs can have a useful life of 20 to 40 years, depending on the weight and quality of the shingles. Weathered, curled, and missing shingles indicate they may be nearing the end of their useful life. If the roofs are class IV they should have an expected useful life of 30 years (if not damaged earlier by hail).

Access to the roof was not provided 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 pump house has gutters and downspouts. The gutters and downspouts appear to be in good condition. The replacement timeframe is scheduled to match the replacement of the siding and trim.

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. It may be necessary to periodically adjust the slope of sections, repair connections, replace hangers, and install shrouds to the gutter system. Downspouts should be securely attached to the

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

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

Siding and Trim. The pump house and pavilion siding and trim appear to be in good condition, but in need of staining/painting.

The wooden exterior materials have a normal expected life of approximately 40 years, with painting cycles for wooden exteriors varying between five and ten years, depending on the wood grade, the materials' quality, and the finish work. In this study, we have modeled for wood painting cycles every 5 years. When the wood siding and trim are finally in need of replacement, the District should consider replacement using low-maintenance synthetic or cementitious materials as an alternative to high-maintenance materials. Cementitious materials typically have an extended useful life and require repainting and recaulking every 10 to 15 years. Following the manufacturer's recommendations for cleaning, painting, and caulking, we expect cementitious products to have a useful life in excess of 50 years or more.

Doors. The Metro District is responsible for the pump house exterior doors, which appear to be generally in good condition. The door units are integral to a facility's overall comfort, efficiency, and energy use. The quality of the installed units and the care taken in their installation and maintenance are major factors in their effectiveness and useful life. These units can have a useful life of 30 to 40 years or more, depending on their use and other factors mentioned above. In general, we recommend coordinating the replacement of these units with other exterior work, such as siding and roof replacements. The weather tightness of the building envelope often requires transitional flashing and caulking that should be performed in coordination. Warranties and advantages in 'economy of scale' can often result in lower overall replacement costs and more reliable results. Lastly, coordinated replacements offer the opportunity to correct initial construction defects and improve the effectiveness of details with improved construction techniques and materials.

PUMP HOUSE INTERIOR

Restrooms. The pump house has restrooms that include showers. The overall condition of the restrooms appears to be good. The study model provides for major restroom renovations every 20 years, with fixtures replaced every 40 years.

Building Systems. Within the pump room, there is a backflow preventer and a domestic hot water heater that supply the water to the restrooms. There is a 15 to 20 year useful life for these components.

This Condition Assessment is based upon our visual survey of the property. The sole purpose of the visual survey was an evaluation of the common and limited common elements of the property to ascertain their remaining useful life and replacement cost. Our evaluation assumed that all components met building code requirements in force at the time of construction. Our visual survey was conducted with care by experienced persons, but no warranty or guarantee is expressed or implied.

End of Condition Assessment

1. COMMON INTEREST DEVELOPMENTS - AN OVERVIEW

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

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

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

2. REPLACEMENT RESERVE STUDY

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

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

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

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

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

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

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

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

3. METHODS OF ANALYSIS

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

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

4. REPLACEMENT RESERVE STUDY DATA

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

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

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

5. DEFINITIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

What is a Reserve Study?
Who are we?

https://youtu.be/m4BcOE6q3Aw

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

https://youtu.be/40SodajTW1g

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

https://youtu.be/pYSMZO13VjQ

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

https://youtu.be/Qx8WHB9Cgnc

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

https://youtu.be/ZfBoAEhtf3E

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

https://youtu.be/1J2h7FIU3qw

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

https://youtu.be/aARD1B1Oa3o

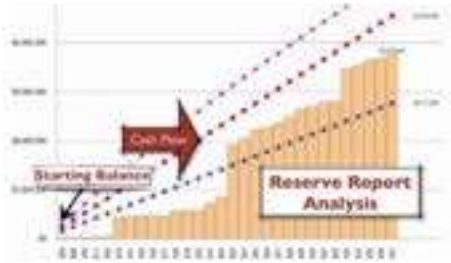
Community dues, how can a Reserve Study help?
Will a study keep my property competitive?

https://youtu.be/diZfM1IyJYU

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

https://youtu.be/qCeVJhFf9ag

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



https://youtu.be/SePdwVDvHWI

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

https://youtu.be/W8CDLwRIv68

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

https://youtu.be/hIxV9X1tIcA