REPLACEMENT RESERVE REPORT FY 2014

TIMBERLAKE COMMUNITY ASSOCIATION

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VIRGINIA BEACH, VIRGINIA
Revised November 5, 2013

Scope. Timberlake Community Association is a home owner association located in Virginia Beach, Virginia. Timberlake Community Association was constructed over several years beginning in the 1970's. The community consists of approximately 1,399 single family detached and townhome style units. The survey examined the common elements of the property, including:

- Asphalt drive and parking for club house and pool facilities.
- Concrete sidewalks and curb and gutter.
- Retaining walls, fencing, and railings.
- Swimming pools and community building.
- Playgrounds, tennis courts, and exercise equipment.
- Wooden footbridge and fishing pier.
- Club House, Pool House, and Maintenance Building exteriors and common interior areas.
- Picnic pavilion.

Level of Service. This study has been performed as a Level I, Full Service Reserve Study as defined under the National Reserve Study Standards that have been adopted by the Community Associations Institute. As such, a complete component inventory was established based on information regarding commonly-owned components provided by the community manager and upon quantities derived from field measurement and/or quantity takeoffs from to-scale engineering drawings. The condition of all commonly-owned components was ascertained from a site visit and the visual inspection of each component by the Analyst. The life expectancy and the value of the components are provided based in part on these observations. The fund status and funding plan have been derived from analysis of this data.

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

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

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

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

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

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

- Our visual evaluation and measurements on August 5, 2013. Miller - Dodson Associates has visually inspected the common elements of the property in order to ascertain the remaining useful life and the replacement costs of these components.

Engineering Drawings. No architectural drawings or engineering site plans were available for review in connection with this study. We recommend the Association assemble a library of site and building plans of the entire community. Reproducible drawings should be stored and kept in a secure fireproof location. The Association will find these drawings to be a valuable resource in planning and executing future projects.

Current Funding. This reserve study has been prepared for Fiscal Year 2014 covering the period from January 1, 2014 to December 31, 2014. The Replacement Reserves on deposit as of July 31, 2013 are reported to be $133,163. The planned contribution for the fiscal year is $45,550. This results in a Reserve Fund balance at the start of the fiscal year as follows:

July 2013 balance	$133,163
5 months contribution	$18,980
Planned expenditures for 2013	Benches $3,000 Walks $20,000
FY 2014 opening balance	$129,143

The balance and contribution figures have been supplied by the property management agent and 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.

Acknowledgement. Miller - Dodson Associates would like to acknowledge the assistance and input of Mr. Phil Massa, the property manager. He provided very helpful insight into the current operations at the property.

Analyst's Credentials. Mr. Philip Pointon holds a Bachelors Degree in Architecture from Virginia Polytechnic Institute and State University and a Masters Degree from Old Dominion University in Engineering Management as well as coursework at U.S. Army Management Staff College. Mr. Pointon has been a Registered Professional Architect in the State of Virginia and Hawaii since 1990, and has served in many facilities in an architectural function since 1987. He is currently a Reserve Specialist (RS) for Miller - Dodson Associates, Inc.

Respectfully submitted,
MILLER - DODSON ASSOCIATES, INC.

Philip Pointon, AIA, RS, LEED AP
Reserve Specialist

EXECUTIVE SUMMARY

The Timberlake Community Association Replacement Reserve Inventory identifies 170 Projected Replacements for funding from Replacement Reserves, with an estimated one-time replacement cost of $1,440,477.

The Replacement Reserve Analysis calculates recommended funding of Replacement Reserves by the two generally accepted methods, the Cash Flow Method and the Component Method. The Analysis also evaluates current funding of Replacement Reserves, as reported by the Association. The calculations and evaluation are summarized below:

$79,536 **CASH FLOW METHOD MINIMUM ANNUAL FUNDING OF REPLACEMENT RESERVES IN THE STUDY YEAR, 2014.**

$5.02 Per unit (average), minimum monthly funding of Replacement Reserves

The Cash Flow Method (CFM) calculates Minimum Annual Funding of Replacement Reserves that will fund Projected Replacements identified in the Replacement Reserve Inventory from a common pool of Replacement Reserves and prevent Replacement Reserves from dropping below a Minimum Recommended Balance.

CFM - Minimum Annual Funding remains the same between peaks in cumulative expenditures called Peak Years.

The first Peak Year occurs in 2029 and the CFM - Minimum Annual Funding of Replacement Reserves in 2030 declines to $54,260 ($3.43 per unit, per month), after the completion of $1,329,700 of replacements in 2014 to 2029.

After 2029 the CFM - Minimum Annual Funding remains constant for the remainder of the Study Period.

$209,886 **COMPONENT METHOD RECOMMENDED ANNUAL FUNDING OF REPLACEMENT RESERVES IN THE STUDY YEAR, 2014.**

$13.25 Per unit (average), recommended monthly funding of Replacement Reserves

The Component Method is a very conservative funding model developed by HUD in the early 1980's.

The Component Method treats each projected replacement in the Replacement Reserve Inventory as a separate account. Deposits are made to each individual account, where funds are held for exclusive use by that item.

Based on this funding model, the Association has a Current Funding Objective of $743,958.

The Association reports having $129,143 on deposit, which is 17.4% funded.

$45,550 **CURRENT ANNUAL FUNDING OF REPLACEMENT RESERVES (as reported by the Association).**

$2.88 Per unit (average), reported current monthly funding of Replacement Reserves

The evaluation of Current Funding, as reported by the Association, has calculated that if the Association continues to fund Replacement Reserves at the current level, there will NOT be adequate funds for Projected Replacements in 18 years of the 30-year Study Period, and a maximum shortfall of $-545,143 occurs in 2040.

Pages A2 and A3 explain the Study Year, Study Period, Adjustments (interest & inflation), Beginning Balance, and Projected Replacements. Pages A4 to A9 explain in more detail the calculations associated with the Cash Flow Method, Component Method, and Current Funding.

REPLACEMENT RESERVE STATUS AND FUNDING PLAN

Current funding of Replacement Reserves is inadequate to fund Projected Replacements.

We recommend the Association adopt a Replacement Reserve Funding Plan based on the Cash Flow Method or the Component Method, to ensure that adequate funding is available throughout the 30-Year Study Period for the $1,997,557 of Projected Replacements listed in the Timberlake Community Association Replacement Reserve Inventory

The Funding Plan should be professionally updated every three to five years or after completion of each major replacement project. The Board of Directors has a fiduciary responsibility to review the Funding Plan annually and should consider annual increases in Replacement Reserve funding at least equal to the Producer Price Index.

The starting balance for January 2014 is calculated from data provided by the Manager and uses the July 2013 balance plus known remaining budgeted deposits minus known expenditures for the remainder of the year.

REPLACEMENT RESERVE ANALYSIS - GENERAL INFORMATION

The Timberlake Community Association Replacement Reserve Analysis calculations of recommended funding of Replacement Reserves by the Cash Flow Method and the Component Method, and the evaluation of the Current Funding, are based upon the same General Information; including the Study Year, Study Period, Beginning Balance, and Projected Replacements.

STUDY YEAR

The Association reports that their accounting year begins on January 1, and the Study Year, the first year evaluated by the Replacement Reserve Analysis, begins on January 1, 2014.

STUDY PERIOD

The Replacement Reserve Analysis evaluates the funding of Replacement Reserves over a 30-year Study Period that begins on January 1, 2014.

BEGINNING BALANCE

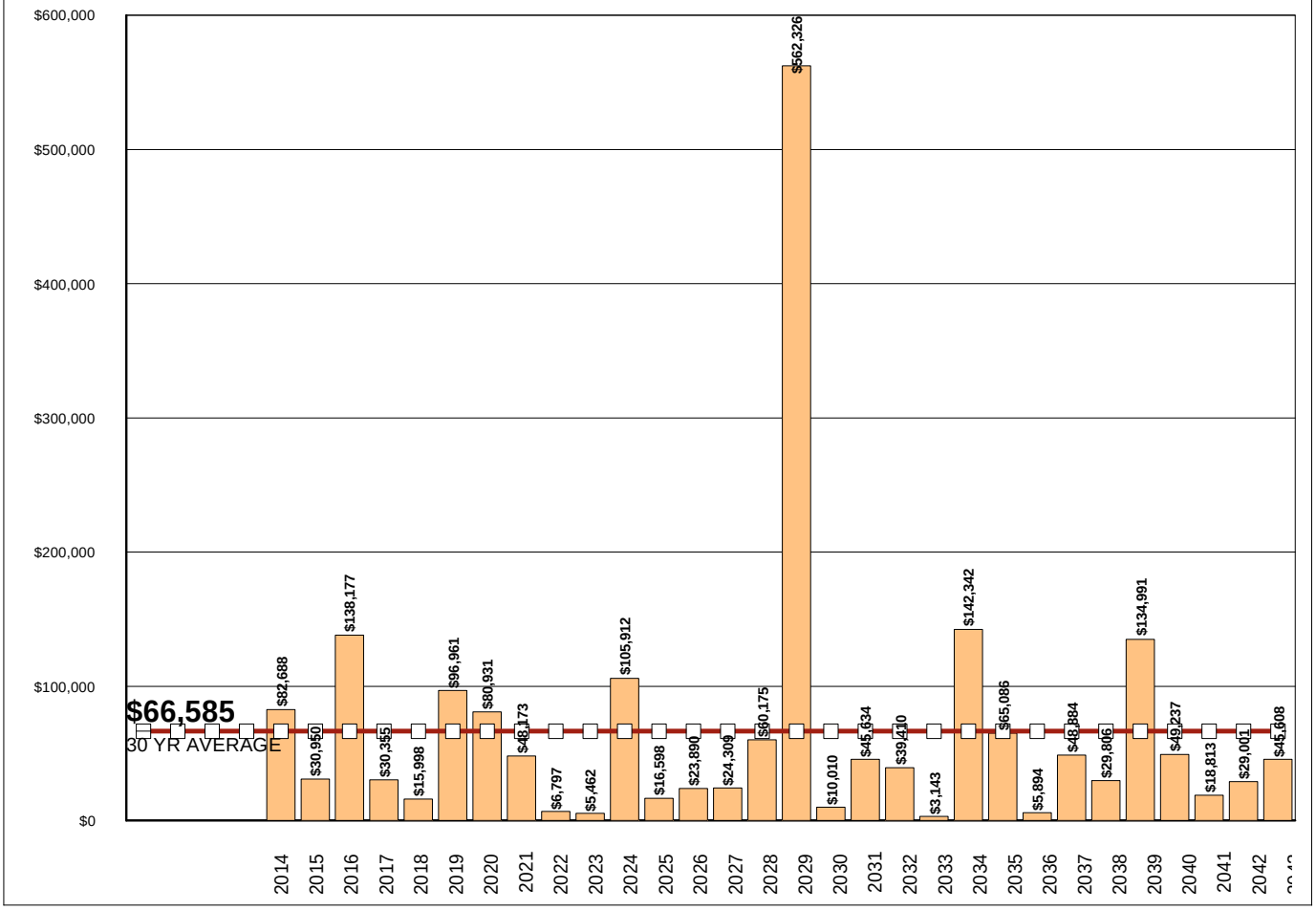
The Association reports Replacement Reserves on Deposit totaling $129,143 at the start of the Study Year.

ADJUSTMENTS AND INFLATION

The short term consequences of 4.50% inflation and no constant annual increase in Reserve funding on the Cash Flow Method, as calculated by a proprietary model developed by Miller + Dodson Associates. are shown on Pages A6 and A7. Other calculations in this Analysis do not account for inflation or a constant annual increase. The calculations in this Analysis do not account for interest earned on Replacement Reserves.

Graph #1. Annual Expenditures for Projected Replacements

This bar graph summarizes annual expenditures for the $1,997,557 of Projected Replacements identified in the Replacement Reserve Inventory over the 30-year Study Period. The red line shows the average annual expenditure of $66,585.



PROJECTED REPLACEMENTS

The Timberlake Community Association Replacement Reserve Inventory (Section B) identifies 170 Projected Replacements with a one-time Replacement Cost of $1,440,477 and replacements totaling $1,997,557 in the 30-year Study Period. Projected Replacements are the replacement of commonly-owned items that:

require periodic replacement and
whose replacement is to be funded from Replacement Reserves.

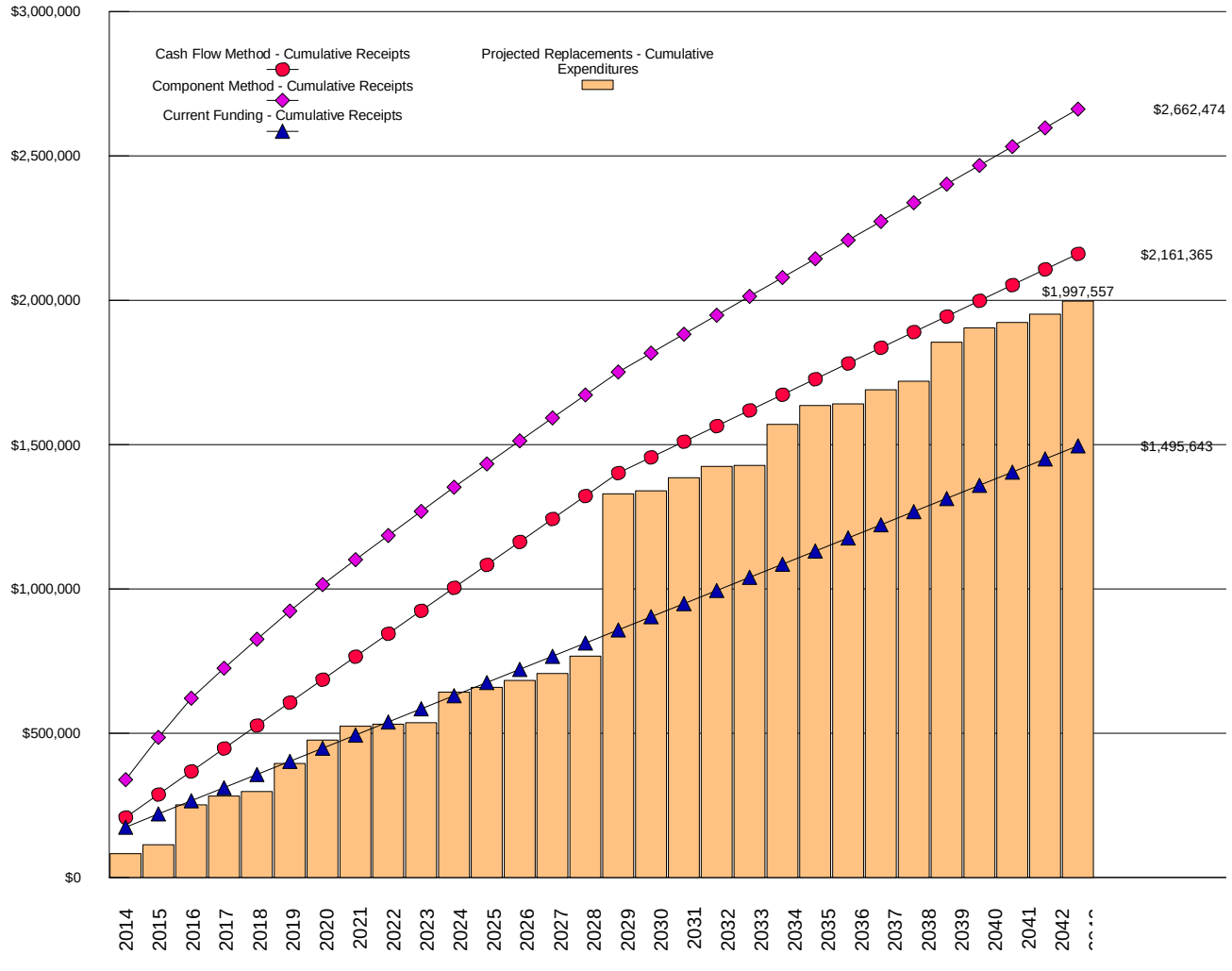
The accuracy of the Timberlake Community Association Replacement Reserve Analysis is dependent upon expenditures from Replacement Reserves being made ONLY for the 170 Projected Replacements specifically listed in the Replacement Reserve Inventory.

To further assist in the identification of items not appropriately funded from Replacement Reserves, the Replacement Reserve Inventory identifies 39 Excluded Items. The rationale behind the exclusion of items from funding by Replacement Reserves is discussed in detail on Page B1.

The Section B - Replacement Reserve Inventory, contains Tables that list each Projected Replacement (and any Excluded Items) broken down into 22 major categories (Pages B3 to B23). Tables are also included that list each Projected Replacement by year for each of the 30 years of the Study Period beginning on Page C1.

Graph #2. Comparison of Cumulative Replacement Reserve Funding and Expenditures

The line graph shows Replacement Reserves - Cumulative Receipts over the 30-year Study Period by the Cash Flow Method (red circles), Component Method (purple diamonds), and the Current Funding Plan as reported by the Association (blue triangles). The bar graph shows the Cumulative Expenditures necessary to fund the Project Replacements listed in the Replacement Reserve Inventory (Section B) and summarized in Graph #1.



CASH FLOW METHOD

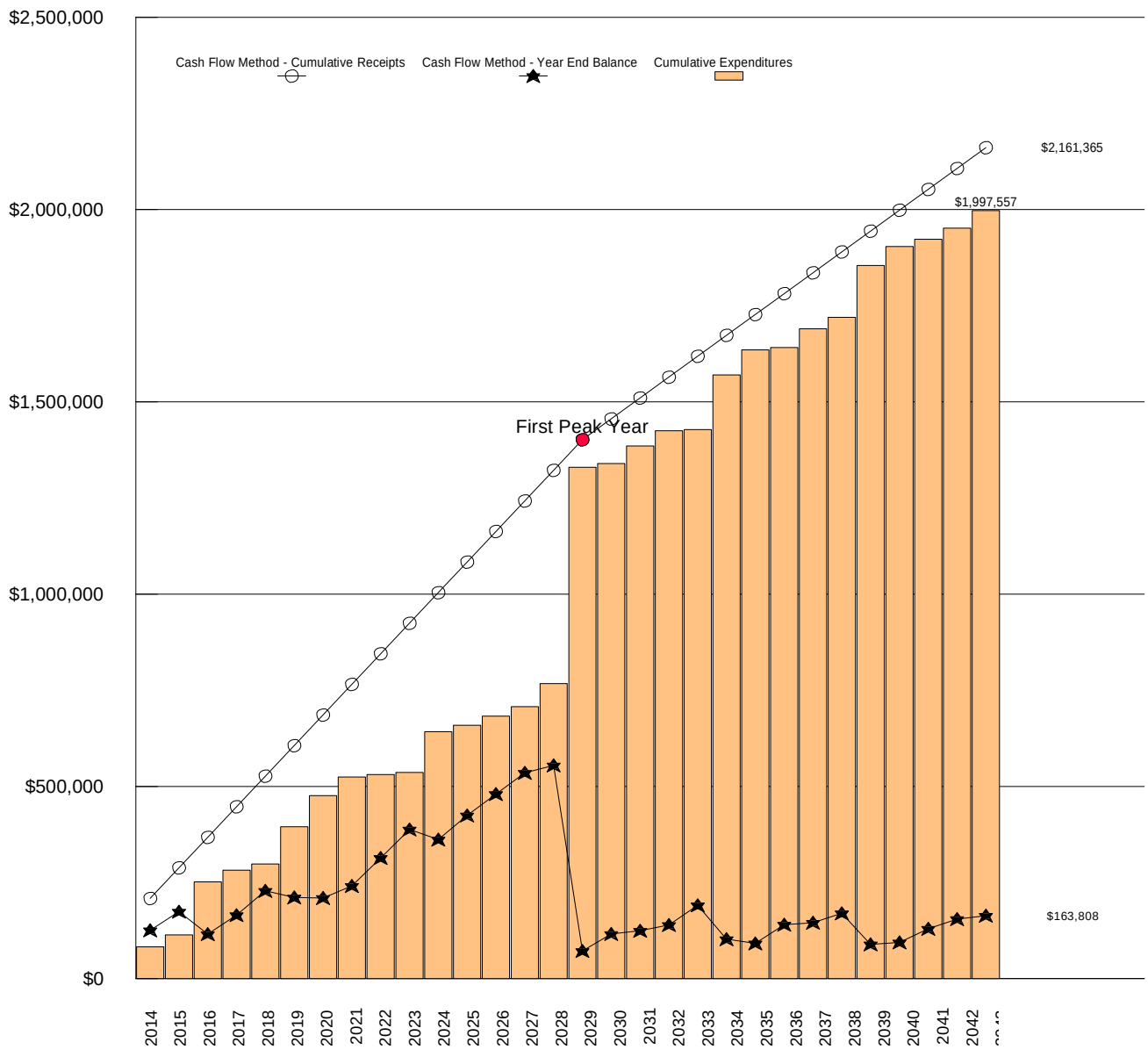
$79,536 **CASH FLOW METHOD MINIMUM ANNUAL FUNDING OF REPLACEMENT RESERVES IN THE STUDY YEAR, 2014.**

$5.02 Per unit (average), minimum monthly funding of Replacement Reserves

General. The Cash Flow Method (also referred to as the Straight Line Method) is founded on the concept that the Replacement Reserve Account is solvent if cumulative receipts always exceed cumulative expenses. The Cash Flow Method calculates a MINIMUM annual deposit to Replacement Reserves that will:

- Fund all Projected Replacements listed in the Replacement Reserve Inventory (see Section B)
- Prevent Replacement Reserves from dropping below the Minimum Recommended Balance (see Page A-5)
- Allow a constant annual funding level between peaks in cumulative expenditures

Graph #3. Cash Flow Method - Cumulative Receipts and Expenditures Graph



CASH FLOW METHOD (cont'd)

- Replacement Reserves - Minimum Recommended Balance. The Minimum Recommended Balance is $72,024, which is 5.0 percent of the one-time replacement cost of the Projected Replacements listed in the Replacement Reserve Inventory. Unless otherwise noted in the Comments on Page A-9, the Minimum Recommended Balance has been established by the Analyst based upon an evaluation of the types of items included in the Replacement Reserve Inventory.
- Peak Years. The Cash Flow Method calculates a constant annual funding of Replacement Reserves between peaks in cumulative expenditures called Peak Years. In Peak Years, Replacement Reserves on Deposit decline to the Replacement Reserves - Minimum Recommended Balance discussed in the paragraph above.

  First Peak Year. The First Peak Year occurs in 2029, after the completion of $1,329,700 of replacements in 2014 to 2029. The Cash Flow Method - Minimum Annual Funding of Replacement Reserves declines from $79,536 in 2029 to $54,260 in 2030.

  Subsequent Peak Years. There are no subsequent Peak Years and after the first Peak Year in 2029, the Cash Flow Method - Minimum Annual Funding remains constant for the remainder of the Study Period.
- Study Period. The Cash Flow Method calculates the recommended contributions to Replacement Reserves over the 30-year Study Period. These calculations are based upon a 40-year projection of expenditures for Projected Replacements to avoid the Replacement Reserve balance dropping to the Minimum Recommended Balance in the final year of the Study Period.
- Failure to Fund. The Cash Flow Method calculates a MINIMUM annual funding of Replacement Reserves. Failure to fund Replacement Reserves at the minimum level calculated by the Cash Flow Method will result in Replacement Reserves not being available for the Projected Replacements listed in the Replacement Reserve Inventory and/or Replacement Reserves dropping below the Minimum Recommended Balance.
- Adjustment to the Cash Flow Method for interest and inflation. The funding recommendations on Pages A4 and A5 do not account for interest earned on Replacement Reserves, the effects of inflation of the cost of Projected Replacements, or a constant annual increase in Annual Funding of Replacement Reserves.
- Comparison of Cash Flow Funding and Average Annual Expenditure. The Average Annual Expenditure for Projected Replacements listed in the Reserve Inventory over the 30-year Study Period is $66,585 (see Graph #1). The Cash Flow Method - Minimum Annual Funding of Replacement Reserves in the Study Year is $79,536. This is 119.5 percent of the Average Annual Expenditure, indicating that the Association is building Replacement Reserves in advance of the first Peak Year in 2029.

Table #1. Cash Flow Method Data - Years 1 through 30

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Beginning balance	$129,143									
Minimum annual funding	$79,536	$79,536	$79,536	$79,536	$79,536	$79,536	$79,536	$79,536	$79,536	$79,536
Expenditures	$82,688	$30,950	$138,177	$30,355	$15,998	$96,961	$80,931	$48,173	$6,797	$5,462
Year end balance	$125,991	$174,578	$115,938	$165,119	$228,658	$211,234	$209,839	$241,203	$313,942	$388,016
inimum recommended balance	$72,024	$72,024	$72,024	$72,024	$72,024	$72,024	$72,024	$72,024	$72,024	$72,024
Cumulative expenditures	$82,688	$113,637	$251,814	$282,169	$298,167	$395,127	$476,058	$524,231	$531,028	$536,490
Cumulative receipts	$208,679	$288,216	$367,752	$447,288	$526,825	$606,361	$685,897	$765,434	$844,970	$924,506

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Minimum annual funding	$79,536	$79,536	$79,536	$79,536	$79,536	$79,536	$54,260	$54,260	$54,260	$54,260
Expenditures	$105,912	$16,598	$23,890	$24,309	$60,175	$562,326	$10,010	$45,634	$39,410	$3,143
Year end balance	$361,640	$424,579	$480,225	$535,453	$554,814	$72,024	$116,274	$124,900	$139,750	$190,868
inimum recommended balance	$72,024	$72,024	$72,024	$72,024	$72,024	$72,024	$72,024	$72,024	$72,024	$72,024
Cumulative expenditures	$642,402	$659,000	$682,890	$707,199	$767,374	$1,329,700	$1,339,710	$1,385,344	$1,424,754	$1,427,897
Cumulative receipts	$1,004,042	$1,083,579	$1,163,115	$1,242,651	$1,322,188	$1,401,724	$1,455,984	$1,510,244	$1,564,504	$1,618,764
						First Peak Year				

Year	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Minimum annual funding	$54,260	$54,260	$54,260	$54,260	$54,260	$54,260	$54,260	$54,260	$54,260	$54,260
Expenditures	$142,342	$65,086	$5,894	$48,884	$29,806	$134,991	$49,237	$18,813	$29,001	$45,608
Year end balance	$102,786	$91,960	$140,326	$145,701	$170,156	$89,425	$94,449	$129,896	$155,156	$163,808
inimum recommended balance	$72,024	$72,024	$72,024	$72,024	$72,024	$72,024	$72,024	$72,024	$72,024	$72,024
Cumulative expenditures	$1,570,239	$1,635,325	$1,641,219	$1,690,103	$1,719,909	$1,854,899	$1,904,136	$1,922,949	$1,951,949	$1,997,557
Cumulative receipts	$1,673,024	$1,727,284	$1,781,544	$1,835,804	$1,890,064	$1,944,325	$1,998,585	$2,052,845	$2,107,105	$2,161,365

CASH FLOW METHOD - INFLATION ADJUSTED FUNDING

The Miller + Dodson Model

General. The Cash Flow Method funding recommendations shown on pages A4 and A5 have been calculated in today's dollars with no adjustment for inflation. Recent swings in construction costs demonstrate the risk facing an Association that does not consider the effects of inflation when funding Replacement Reserves. Below is an outline of the proprietary model developed by Miller + Dodson to forecast short-term impact of inflation on reserve funding.

- Study Year. The Unit Replacement Costs in the Study Year (listed in Section B Inventory) reflect current construction costs.
- Year Two Inflation Adjusted Funding Calculation. The Year Two Starting Balance is calculated assuming Association compliance with the Study Year funding and replacement data listed on Page A7.
  Next, the Projected Replacement Costs are adjusted using the Construction Cost Inflation Rate (see detailed information below).
  The adjusted data is then evaluated using the Cash Flow Method, calculating the Year Two Inflation Adjusted Minimum Annual Funding of Replacement Reserves.
- Year Three Inflation Adjusted Funding Calculation. The same methodology has been used to develop the Inflation Adjusted Cash Flow Method Minimum Annual Funding of Replacement Reserves in Year Three. Simple compounding has been used to calculate the Year Three Projected Replacement Costs.
- Year Four and Beyond. We have not calculated adjusted funding recommendations beyond the third year of the Study nor do we believe it is appropriate to do so. Inflation adjusted funding recommendations are not intended to be a substitute for the periodic evaluation of the common elements by an experienced Reserve Analyst. We recommend the common elements of the community be evaluated by a Reserve Analyst every 3 to 5 years and at the completion of major replacement projects, as recommended by the Community Associations Institute..

Base Construction Cost Inflation Rate. We have utilized a 4.50 percent base rate of inflation in our calculation of second and third year inflation adjusted funding. This rate of inflation is based upon our review of the Producer Price Indexes for Construction Materials, Structure Types & Subcontractors as published by the Bureau of Labor Statistics and our experience with recent pricing trends.

Assumptions. Cash Flow Method, Inflation Adjusted Funding in Year Two and Year Three is calculated based upon three assumptions discussed below and quantified on Page A7. Prior to approving a budget based upon the calculations, the Association should review the accuracy of the assumptions. If discrepancies are noted, contact Miller + Dodson Associates to arrange for a Replacement Reserve Study Update.

- Replacement Reserve Funding. We have assumed the Association will fund Replacement Reserves as recommended in the Study.
- Scheduled Replacements. We have assumed the Association will make Scheduled Replacements as discussed in the Study (beginning on Page C2) and that the cost of these replacements is in substantial compliance with the estimated replacement costs. We have further assumed that no Replacement Reserves will be used to fund replacements other than those specifically listed in the Replacement Reserve Inventory.
- Construction Cost Inflation Rate evaluation. Prior to approving a budget based upon the Year Two and Year Three Adjusted Replacement Reserve Funding calculations, the 4.50 percent base rate of inflation used in our should be compared to rates published by the Bureau of Labor Statistics. If a significant discrepancy (over 1 percent) is noted, contact Miller Dodson Associates prior to using the funding calculations.

Interest. The recommended funding calculations above do not account for interest earned on Replacement Reserves. In 2014, based on a 1.00 percent interest rate, we estimate the Association may earn $1,274 on an average balance of $127,567, $1,514 on an average balance of $151,567 in 2015, and $1,455 on $145,606 in 2016. The Association may elect to use these funds to reduce annual funding.

CASH FLOW METHOD
THREE-YEAR FUNDING RECOMMENDATIONS WITH INFLATION ADJUSTMENT

2014 - STUDY YEAR

$79,536 MINIMUM ANNUAL FUNDING

$5.02 Per unit (average), minimum monthly funding of Replacement Reserves

The $79,536 funding of Replacement Reserves in the Study Year has been calculated using current construction costs (listed in Section B Inventory). The Analyst has adjusted the costs to account for any time lag between the preparation of the Study and the Study Year.

2015 - YEAR TWO

$83,493 INFLATION ADJUSTED MINIMUM ANNUAL FUNDING

$5.27 Per unit (average), minimum monthly funding of Replacement Reserves

The $83,493 inflation adjusted funding of Replacement Reserves in 2015 represents a 4.98 percent increase over the non-inflation adjusted funding recommendation of $79,536 in the Study Year.

The specific assumptions used to calculate the Year Two Inflation Adjusted Funding are listed below. If the assumptions are inaccurate, do not use the data and contact Miller Dodson Associates to arrange for a Replacement Reserve Study Update. The assumptions are:

- Replacement Reserves on Deposit totaling $125,991 on January 1, 2015.
- All 2014 Projected Replacements scheduled in the Replacement Reserve Inventory and listed on Page C2, having been accomplished in 2014 at a cost of $82,688.
- An average annual Construction Cost Inflation Rate of 4.50 percent over the previous 12 month period.

2016 - YEAR THREE

$87,820 INFLATION ADJUSTED MINIMUM ANNUAL FUNDING

$5.54 Per unit (average), minimum monthly funding of Replacement Reserves

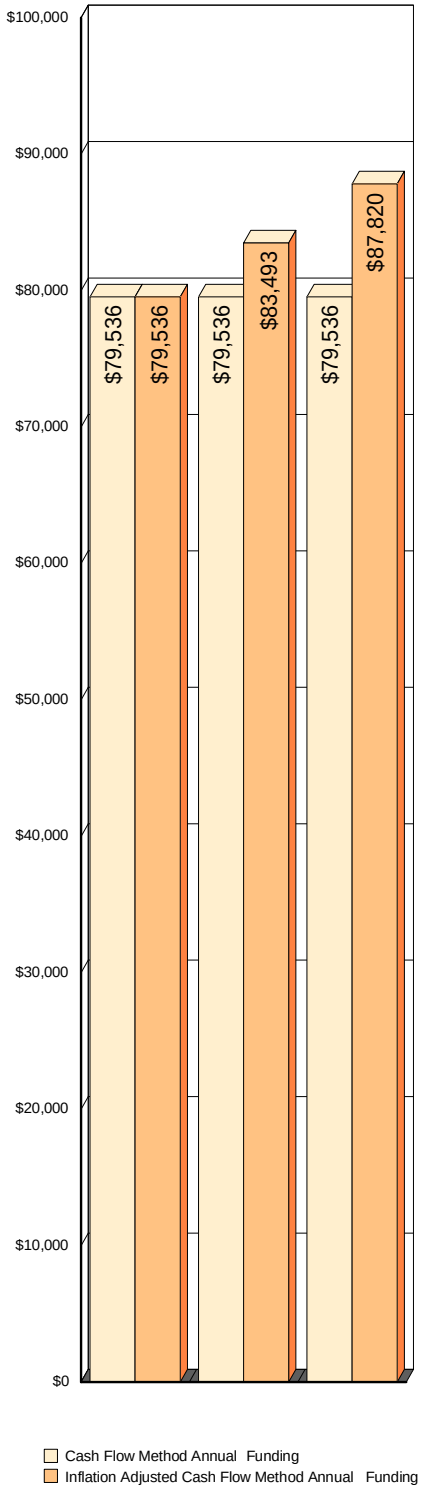
The $87,820 inflation adjusted funding of Replacement Reserves in 2016 represents a 10.41 percent increase over the non-inflation adjusted funding recommendation of $79,536 in the Study Year.

The specific assumptions used to calculate the Year Two Inflation Adjusted Funding are listed below. If the assumptions are inaccurate, do not use the data and contact Miller Dodson Associates to arrange for a Replacement Reserve Study Update. The assumptions are:

- Replacement Reserves on Deposit totaling $174,578 on January 1, 2016.
- All 2015 Projected Replacements scheduled in the Replacement Reserve Inventory and listed on Page C2, having been accomplished in 2015 at a cost of $32,342.
- An average annual Construction Cost Inflation Rate of 4.50 percent over the previous 24 month period.

ANNUAL FUNDING GRAPH

The bar graph below shows the Cash Flow Method Annual Funding calculated in today's dollars (lighter bars) and the Inflation Adjusted Cash Flow Method Annual Funding (dark bars)



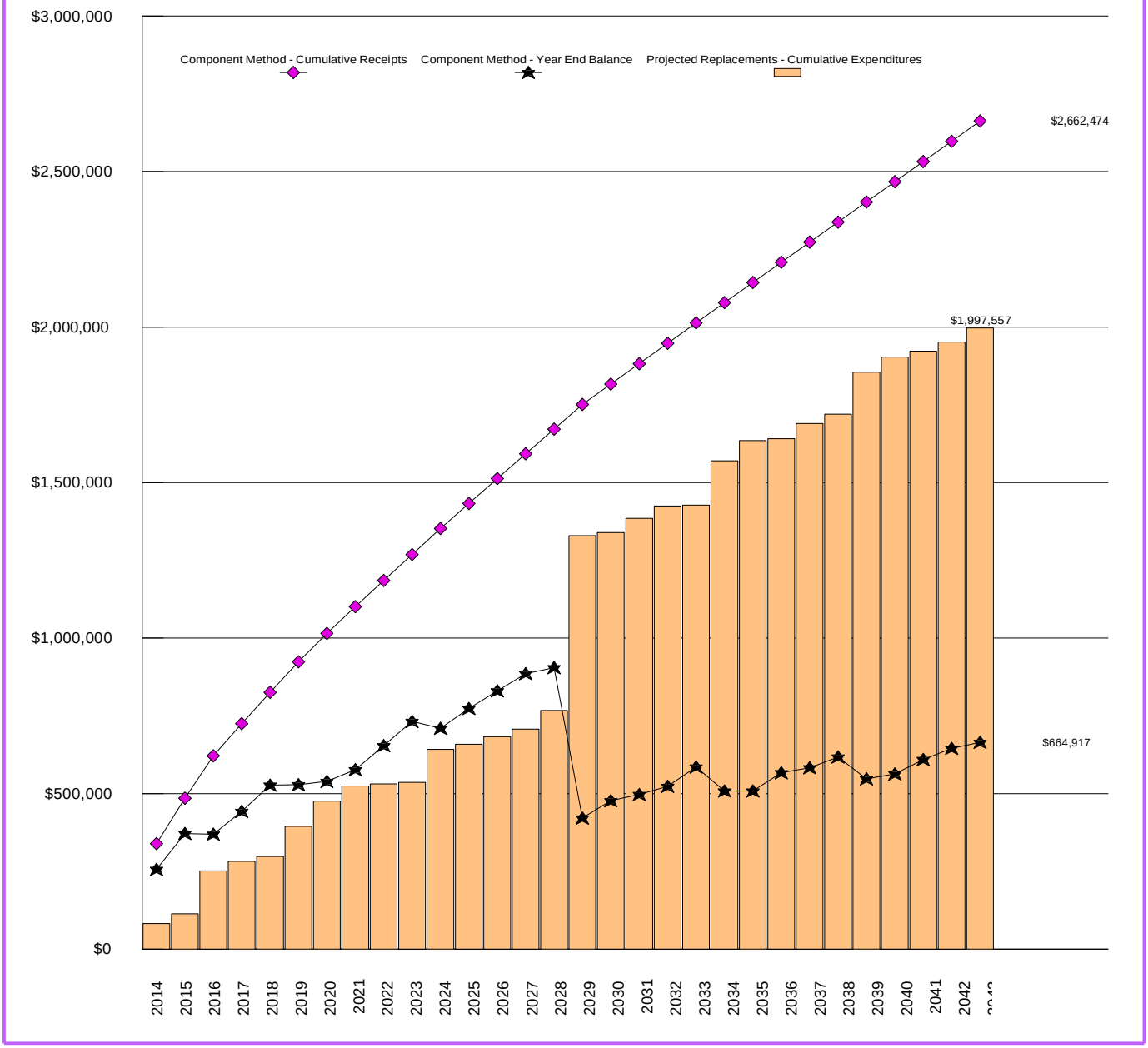
COMPONENT METHOD

$209,886 **COMPONENT METHOD RECOMMENDED ANNUAL FUNDING OF REPLACEMENT RESERVES IN THE STUDY YEAR, 2014.**

$13.25 Per unit (average), recommended monthly funding of Replacement Reserves

General. The Component Method (also referred to as the Full Funded Method) is a very conservative mathematical model developed by HUD in the early 1980s. Each of the 170 Projected Replacements listed in the Replacement Reserve Inventory is treated as a separate account. The Beginning Balance is allocated to each of the individual accounts, as is all subsequent funding of Replacement Reserves. These funds are "locked" in these individual accounts and are not available to fund other Projected Replacements. The calculation of Recommended Annual Funding of Replacement Reserves is a multi-step process outlined in more detail on Page A9.

Graph #4. Component Method - Cumulative Receipts and Expenditures Graph



COMPONENT METHOD (cont'd)

- Current Funding Objective. A Current Funding Objective is calculated for each of the Projected Replacements listed in the Replacement Reserve Inventory. Replacement Cost is divided by the Normal Economic Life to determine the nominal annual contribution. The Remaining Economic Life is then subtracted from the Normal Economic Life to calculate the number of years that the nominal annual contribution should have been made. The two values are then multiplied to determine the Current Funding Objective. This is repeated for each of the 170 Projected Replacements. The total, $743,958, is the Current Funding Objective.

  For an example, consider a very simple Replacement Reserve Inventory with one Projected Replacement, a fence with a $1,000 Replacement Cost, a Normal Economic Life of 10 years, and a Remaining Economic Life of 2 years. A contribution to Replacement Reserves of $100 ($1,000 + 10 years) should have been made in each of the previous 8 years (10 years - 2 years). The result is a Current Funding Objective of $800 (8 years x $100 per year).

- Funding Percentage. The Funding Percentage is calculated by dividing the Beginning Balance ($129,143) by the Current Funding Objective ($743,958). At Timberlake Community Association the Funding Percentage is 17.4

- Allocation of the Beginning Balance. The Beginning Balance is divided among the 170 Projected Replacements in the Replacement Reserve Inventory. The Current Funding Objective for each Projected Replacement is multiplied by the Funding Percentage and these funds are then "locked" into the account of each item.

  If we relate this calculation back to our fence example, it means that the Association has not accumulated $800 in Reserves (the Funding Objective), but rather at 17.4 percent funded, there is $139 in the account for the fence.

- Annual Funding. The Recommended Annual Funding of Replacement Reserves is then calculated for each Projected Replacement. The funds allocated to the account of the Projected Replacement are subtracted from the Replacement Cost. The result is then divided by the number of years until replacement, and the result is the annual funding for each of the Projected Replacements. The sum of these is $209,886, the Component Method Recommended Annual Funding of Replacement Reserves in the Study Year (2014).

  In our fence example, the $139 in the account is subtracted from the $1,000 Total Replacement Cost and divided by the 2 years that remain before replacement, resulting in an annual deposit of $431. Next year, the deposit remains $431, but in the third year, the fence is replaced and the annual funding adjusts to $100.

- Adjustment to the Component Method for interest and inflation. The calculations in the Replacement Reserve Analysis do not account for interest earned on Replacement Reserves, inflation, or a constant annual increase in Annual Funding of Replacement Reserves. The Component Method is a very conservative method and if the Analysis is updated regularly, adequate funding will be maintained without the need for adjustments.

Table #2. Component Method Data - Years 1 through 30

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Beginning balance	$129,143									
Recommended annual funding	$209,886	$146,495	$135,906	$103,697	$100,357	$98,272	$91,481	$86,081	$83,905	$83,655
Expenditures	$82,688	$30,950	$138,177	$30,355	$15,998	$96,961	$80,931	$48,173	$6,797	$5,462
Year end balance	$256,341	$371,886	$369,616	$442,958	$527,317	$528,628	$539,179	$577,087	$654,195	$732,388
Cumulative Expenditures	$82,688	$113,637	$251,814	$282,169	$298,167	$395,127	$476,058	$524,231	$531,028	$536,490
Cumulative Receipts	$339,029	$485,524	$621,430	$725,127	$825,484	$923,756	$1,015,237	$1,101,318	$1,185,223	$1,268,878

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Recommended annual funding	$83,655	$80,387	$80,280	$79,480	$79,425	$79,293	$65,617	$65,617	$65,617	$65,343
Expenditures	$105,912	$16,598	$23,890	$24,309	$60,175	$562,326	$10,010	$45,634	$39,410	$3,143
Year end balance	$710,131	$773,920	$830,310	$885,481	$904,732	$421,698	$477,306	$497,289	$523,496	$585,697
Cumulative Expenditures	$642,402	$659,000	$682,890	$707,199	$767,374	$1,329,700	$1,339,710	$1,385,344	$1,424,754	$1,427,897
Cumulative Receipts	$1,352,534	$1,432,921	$1,513,200	$1,592,680	$1,672,105	$1,751,399	$1,817,016	$1,882,633	$1,948,250	$2,013,593

Year	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Recommended annual funding	$65,343	$64,760	$64,760	$64,760	$64,619	$64,474	$65,044	$65,044	$65,044	$65,032
Expenditures	$142,342	$65,086	$5,894	$48,884	$29,806	$134,991	$49,237	$18,813	$29,001	$45,608
Year end balance	$508,698	$508,372	$567,237	$583,113	$617,927	$547,410	$563,218	$609,449	$645,493	$664,917
Cumulative Expenditures	$1,570,239	$1,635,325	$1,641,219	$1,690,103	$1,719,909	$1,854,899	$1,904,136	$1,922,949	$1,951,949	$1,997,557
Cumulative Receipts	$2,078,936	$2,143,696	$2,208,456	$2,273,216	$2,337,835	$2,402,310	$2,467,354	$2,532,398	$2,597,442	$2,662,474

CURRENT FUNDING

$45,550 **CURRENT ANNUAL FUNDING OF REPLACEMENT RESERVES (as reported by the Association).**

$2.88 Per unit (average), reported current monthly funding of Replacement Reserves

General. Our evaluation of the Current Association Funding assumes that the Association will continue to fund Replacement Reserves at the current level of $45,550 per year in each of the 30 years of the Study Period.

Our evaluation is based upon this Replacement Reserve Funding Level, a $129,143 Beginning Balance, the Projected Annual Replacement Expenditures shown in Graph #1 and listed in the Replacement Reserve Inventory, and any interest, inflation rate, or constant annual increase in annual contribution adjustments discussed below.

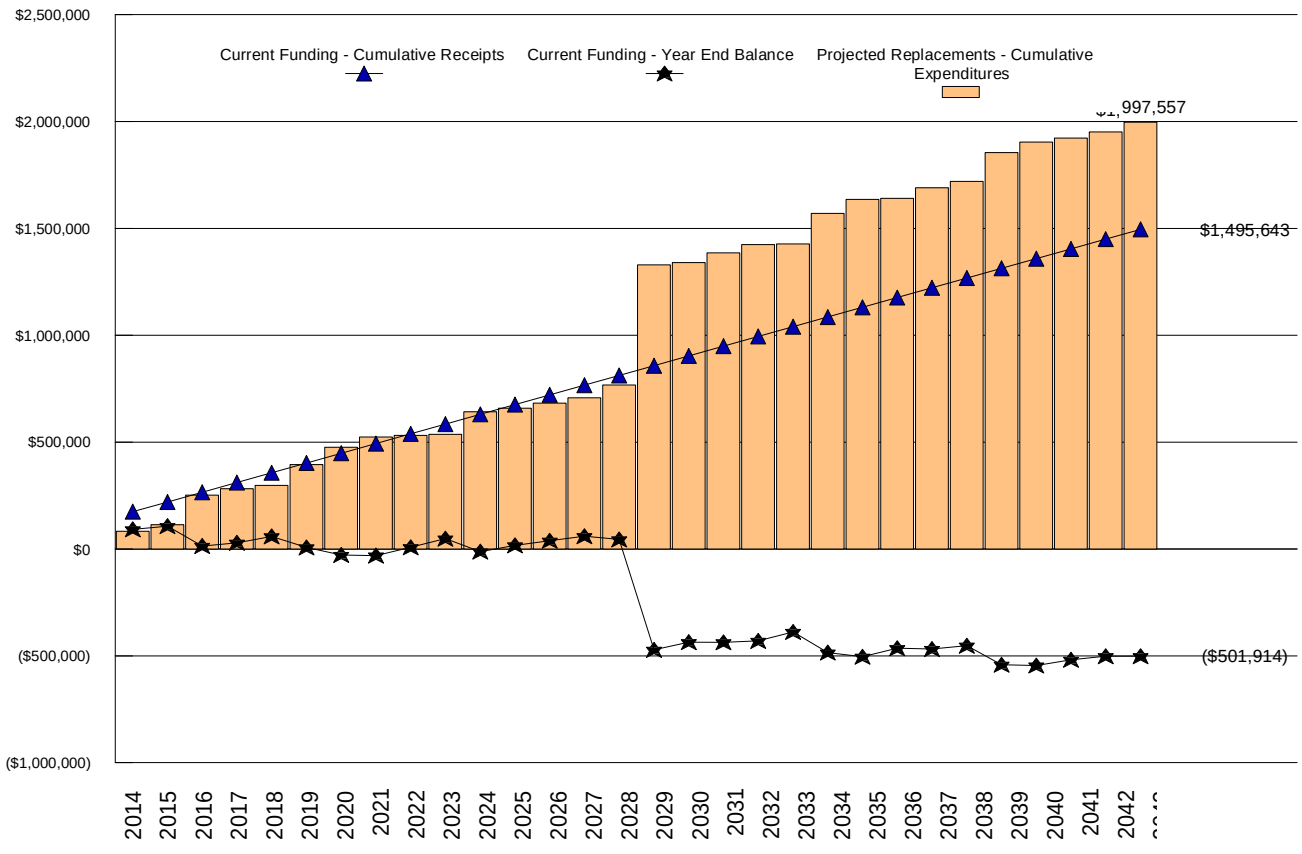
- Evaluation. Our calculations have determined that Current Annual Funding of Replacement Reserves, as reported by the Association, is inadequate to fund Projected Replacement beginning in 2020.

  The Current Annual Funding of Replacement Reserves results in insufficient funds to make Projected Replacements in 18 years of the 30-year Study Period, and a maximum shortfall of $-545,143 occurs in 2040.

- Adjustment to the Current Association Funding for interest and inflation. The Calculations in the Replacement Reserve Analysis do not account for interest earned on Replacement Reserves, the effects of inflation of the cost of Projected Replacements, or a constant annual increase in Annual Funding of Replacement Reserves.

- Comparison of Current Association Funding and Average Annual Expenditure. The average annual expenditure for Projected Replacements listed in the Reserve Inventory over the 30-year Study Period is $66,585 (see Graph #1). Current Association annual funding of Replacement Reserves is $45,550, or approximately 68 percent of the Average Annual Expenditure.

Graph #5. Current Association Funding - Cumulative Receipts and Expenditures Graph



CURRENT FUNDING (cont'd)

Table #3. Current Funding Data - Years 1 through 30

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Beginning balance	$129,143									
Annual deposit	$45,550	$45,550	$45,550	$45,550	$45,550	$45,550	$45,550	$45,550	$45,550	$45,550
Expenditures	$82,688	$30,950	$138,177	$30,355	$15,998	$96,961	$80,931	$48,173	$6,797	$5,462
Year end balance	$92,005	$106,606	$13,979	$29,174	$58,726	$7,316	($28,065)	($30,688)	$8,065	$48,153
Cumulative Expenditures	$82,688	$113,637	$251,814	$282,169	$298,167	$395,127	$476,058	$524,231	$531,028	$536,490
Cumulative Receipts	$174,693	$220,243	$265,793	$311,343	$356,893	$402,443	$447,993	$493,543	$539,093	$584,643

Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Annual deposit	$45,550	$45,550	$45,550	$45,550	$45,550	$45,550	$45,550	$45,550	$45,550	$45,550
Expenditures	$105,912	$16,598	$23,890	$24,309	$60,175	$562,326	$10,010	$45,634	$39,410	$3,143
Year end balance	($12,209)	$16,743	$38,403	$59,644	$45,019	($471,757)	($436,217)	($436,301)	($430,161)	($387,754)
Cumulative expenditures	$642,402	$659,000	$682,890	$707,199	$767,374	$1,329,700	$1,339,710	$1,385,344	$1,424,754	$1,427,897
Cumulative receipts	$630,193	$675,743	$721,293	$766,843	$812,393	$857,943	$903,493	$949,043	$994,593	$1,040,143

Year	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Annual deposit	$45,550	$45,550	$45,550	$45,550	$45,550	$45,550	$45,550	$45,550	$45,550	$45,550
Expenditures	$142,342	$65,086	$5,894	$48,884	$29,806	$134,991	$49,237	$18,813	$29,001	$45,608
Year end balance	($484,546)	($504,082)	($464,426)	($467,760)	($452,016)	($541,456)	($545,143)	($518,406)	($501,856)	($501,914)
Cumulative Expenditures	$1,570,239	$1,635,325	$1,641,219	$1,690,103	$1,719,909	$1,854,899	$1,904,136	$1,922,949	$1,951,949	$1,997,557
Cumulative Receipts	$1,085,693	$1,131,243	$1,176,793	$1,222,343	$1,267,893	$1,313,443	$1,358,993	$1,404,543	$1,450,093	$1,495,643

COMMENTS ON THE REPLACEMENT RESERVE ANALYSIS

- This Replacement Reserve Study has been developed in compliance with the Community Associations Institute, National Reserve Study Standards, for a Level One Study - Full Service.
- Timberlake Community Association has 1320 units. The type of property is a community association.
- Our calculations assume that Replacement Reserves are not subject to tax.

REPLACEMENT RESERVE INVENTORY
GENERAL INFORMATION

Timberlake Community Association - Replacement Reserve Inventory identifies 209 items. Two types of items are identified, Projected Replacements and Excluded Items:

- PROJECTED REPLACEMENTS. 170 of the items are Projected Replacements and the periodic replacements of these items are scheduled for funding from Replacement Reserves. The Projected Replacements have an estimated one-time replacement cost of $1,440,477. Replacements totaling $1,997,557 are scheduled in the Replacement Reserve Inventory over the 30-year Study Period.

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

- EXCLUDED ITEMS. 39 of the items are Excluded Items, and expenditures for these items are NOT scheduled for funding from Replacement Reserves. The accuracy of the calculations made in the Replacement Reserve Analysis is dependent on expenditures NOT being made for Excluded Items. The Excluded Items are listed in the Replacement Reserve Inventory to identify specific items and categories of items that are not to be funded from Replacement Reserves. There are multiple categories of items that are typically excluded from funding by Replacement Reserves, including but not limited to:

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

  Value. Items with a replacement cost of less that $1,000 and/or a normal economic life of less than 3 years are typically excluded from funding from Replacement Reserves. This exclusion is made to accurately reflect how Replacement Reserves are administered. If the Association has selected an alternative levels, it will be noted in the Replacement Reserve Inventory - General Comments on Page B2.

  Long-lived Items. Items that when properly maintained, can be assumed to have a life equal to the property as a whole, are typically excluded from the Replacement Reserve Inventory.

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

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

  The rationale for the exclusion of an item from funding by Replacement Reserves is discussed in more detail in the 'Comments' sections of the Section B - Replacement Reserve Inventory.

- CATEGORIES. The 209 items included in the Timberlake Community Association Replacement Reserve Inventory are divided into 22 major categories. Each category is printed on a separate page, Pages B3 to B23.

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

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

REPLACEMENT RESERVE INVENTORY - GENERAL INFORMATION (cont'd)

- INVENTORY DATA. Each of the 170 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 named each item included in the Inventory. Where the name of the item and the category are not sufficient to specifically identify the item, we have included additional information in the Comments section at the bottom of the page.

  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. Nonstandard abbreviations are noted in the Comments section on the page on which the abbreviation is used.

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

  Unit Replacement Cost. We use three sources to develop the unit cost data shown in the Inventory; actual replacement cost data provided by the client, industry standard estimating manuals, and a cost database that we have developed based upon our detailed interviews with contractors and service providers who are specialists in their respective lines of work. In addition, trends in the Producers Price Index (PPI), labor rates, and transportation costs are monitored and considered. This cost database is reviewed and updated regularly by Miller Dodson and biannually by an independent professional cost estimating firm.

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

  Remaining Economic Life (Yrs). 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.

  Each of the 39 Excluded Items includes the Item Description, Units, and Number of Units. Many of the Excluded Items are listed as a 'Lump Sum' with a quantity of 1. For the Excluded Items, this indicates that all of the items identified by the 'Item Description' are excluded from funding by Replacement Reserves.

- REVIEW OF EXPENDITURES. This Replacement Reserve Study should be reviewed by an accounting professional representing the Association prior to implementation.

- 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 on 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.

SITE COMPONENT (Windsor Oaks Club House Area)

PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
1	Asphalt parking pavement, seal coat	sf	7,980	$0.20	6	none	$1,596
2	Asphalt parking pavement, mill & overlay	sf	7,980	$1.70	18	6	$13,566
3	Marquee Sign, refurbish	ls	1	$690.00	5	1	$690
4	Marquee Sign, replace	ls	1	$4,955.00	30	6	$4,955
5	Curb & Gutter (20%)	lf	74	$34.00	18	6	$2,502
6	Curb & Gutter (20%)	lf	74	$34.00	18	12	$2,502
7	Curb & Gutter (20%)	lf	74	$34.00	18	40	$2,502
8	Concrete walks (6%)	sf	84	$8.70	60	6	$727
9	Concrete walks (6%)	sf	84	$8.70	60	12	$727
10	Concrete walks (6%)	sf	84	$8.70	60	18	$727
11	Concrete walks (6%)	sf	84	$8.70	60	24	$727
12	Concrete walks (6%)	sf	84	$8.70	60	30	$727
13	Concrete walks (6%)	sf	84	$8.70	60	36	$727
14	Concrete walks (6%)	sf	84	$8.70	60	42	$727
15	Concrete walks (6%)	sf	84	$8.70	60	48	$727
16	Concrete walks (6%)	sf	84	$8.70	60	54	$727
17	Concrete walks (6%)	sf	84	$8.70	60	60	$727

SITE COMPONENT (Windsor Oaks Club House Area) - Replacement Costs - Subtotal $35,580

SITE COMPONENT (Windsor Oaks Club House Area)

COMMENTS

- We have assumed that the Association will replace the asphalt pavement by the installation of a 2 inch thick overlay. The pavement will need to be milled prior to the installation of the overlay. Milling and the cost of minor repairs (5 to 10 percent of the total area) to the base materials and bearing soils beneath the pavement are included in the cost shown above.

SITE COMPONENT (Foxwood Recreation Area)

PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
18	Asphalt parking pavement, seal coat	sf	9,963	$0.20	6	1	$1,993
19	Asphalt parking pavement, mill & overlay	sf	9,963	$1.70	18	7	$16,937
20	Asphalt drive pavement, seal coat	sf	2,156	$0.20	6	1	$431
21	Asphalt drive pavement, mill & overlay	sf	2,156	$1.70	18	7	$3,665
22	Concrete Curb only (20%)	lf	57	$31.00	18	7	$1,767
23	Concrete Curb only (20%)	lf	57	$31.00	18	13	$1,767
24	Concrete Curb only (20%)	lf	57	$31.00	18	41	$1,767
25	Timber curb at parking & drive	lf	473	$6.05	18	none	$2,862
26	Split rail fence behind pool	lf	149	$18.70	18	none	$2,786
27	Fishing pier decking	sf	1,548	$22.45	12	2	$34,753
28	Fishing pier framing & piles	sf	1,548	$55.65	36	2	$86,146
29	Asphalt foot path overlay (1/3)	sf	1,422	$3.15	18	3	$4,478
30	Asphalt foot path overlay (1/3)	sf	1,422	$3.15	18	5	$4,478
31	Asphalt foot path overlay (1/3)	sf	1,422	$3.15	18	7	$4,478
32	Picnic Pavillion Roofing	sf	1,188	$12.45	30	none	$14,791
33	Pavillion Concrete slab	sf	928	$8.70	30	30	$8,074
34	Wood picnic tables (partial)	ea	7	$640.00	15	none	$4,480
35	Wood benches (partial)	ea	6	$515.00	15	none	$3,090
36	Wood benches (partial)	ea	6	$515.00	15	5	$3,090
37	Wood foot bridge, decking	sf	420	$7.10	15	8	$2,982
38	Wood foot bridge, railing	lf	140	$27.25	15	8	$3,815
39	Wood footbridge, substructure	sf	420	$44.90	30	23	$18,858
	SITE COMPONENT (Foxwood Recreation Area) - Replacement Costs - Subtotal						$227,488

SITE COMPONENT (Foxwood Recreation Area)

COMMENTS

- The footbridge has had partial railing replacement and other evidence of repairs and partial replacement. The overall age and condition was used for determining the remaining life.
- The picnic pavillion roof and deck are to be replaced in 2013 or 2014.
- The manager reports having a budget to replace approximately 6 benches in 2013 or 2014.

SITE COMPONENT (Community wide concrete walks and paths)

PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
40	Concrete sidewalk (partial)	sf	2,400	$8.50	60	6	$20,400
41	Concrete sidewalk (partial)	sf	1,700	$8.50	60	12	$14,450
42	Concrete sidewalk (partial)	sf	1,000	$8.50	60	18	$8,500
43	Concrete sidewalk (partial)	sf	800	$8.50	60	24	$6,800
44	Concrete sidewalk (partial)	sf	800	$8.50	60	30	$6,800
45	Concrete sidewalk (partial)	sf	800	$8.50	60	36	$6,800
46	Concrete sidewalk (partial)	sf	800	$8.50	60	42	$6,800
47	Concrete sidewalk (partial)	sf	800	$8.50	60	48	$6,800
48	Concrete sidewalk (partial)	sf	800	$8.50	60	54	$6,800
49	Concrete sidewalk (partial)	sf	800	$8.50	60	60	$6,800

SITE COMPONENT (Community wide concrete walks and paths) - Replacement Costs - Subtotal $90,950

SITE COMPONENT (Community wide concrete walks and paths)

COMMENTS

- The Manager reports a budget for concrete walks replacement of approximately $20,000 to commence in 2013. We have include a decreasing allowance for partial replacements to be performed approximately every 5-6 years.

SITE COMPONENT (Miscellaneous)

PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
50	Storm water pond rip rap	ls	1	$5,000.00	10	7	$5,000
51	RV Parking Chain Link Fence	lf	360	$26.55	25	2	$9,558

SITE COMPONENT (Miscellaneous) - Replacement Costs - Subtotal $14,558

SITE COMPONENT (Miscellaneous)

COMMENTS

BUILDING EXTERIOR (Windsor Oaks Blvd Club House)

PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
52	EPDM Single Ply membrane roof	sf	600	$8.15	25	10	$4,890
53	Shingle asphalt/fiberglass roof	sf	1,575	$4.25	25	10	$6,694
54	Gutter & downspout, 6" aluminum	ft	232	$8.50	25	10	$1,972
55	Vinyl siding	sf	3,205	$4.65	25	10	$14,903
56	Sliding Doors (3, various sizes)	ls	1	$2,600.00	25	10	$2,600
57	Exterior doors, single	ea	3	$788.00	25	10	$2,364
58	Exterior doors, pair	pair	2	$1,290.00	25	10	$2,580

BUILDING EXTERIOR (Windsor Oaks Blvd Club House) - Replacement Costs - Subtotal $36,003

BUILDING EXTERIOR (Windsor Oaks Blvd Club House)

COMMENTS

BUILDING EXTERIOR (Foxwood Pool House)

PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
59	EPDM Single Ply membrane roof	sf	200	$8.15	25	15	$1,630
60	Shingle asphalt/fiberglass roof	sf	1,296	$4.25	25	15	$5,508
61	Wood fascia, soffit & trim	ls	1	$3,200.00	25	15	$3,200
62	T-111 siding	sf	5,544	$5.15	25	none	$28,552
63	Sliding Doors (5, various sizes)	ls	1	$3,890.00	25	5	$3,890
64	Exterior doors, single	ea	3	$788.00	25	15	$2,364
65	Exterior doors, pair	pair	1	$1,290.00	25	5	$1,290
66	Brick veneer, repoint	ls	1	$1,000.00	25	5	$1,000

BUILDING EXTERIOR (Foxwood Pool House) - Replacement Costs - Subtotal $47,434

BUILDING EXTERIOR (Foxwood Pool House)

COMMENTS

- T111 siding will be replaced with either vinyl or fiber cement but unit pricing is adequate for either. However, some sheathing and vapor barrier may also be required which would increase the unit price.

BUILDING EXTERIOR (Maintenance Building)

PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
67	EPDM Single Ply membrane roof	sf	240	$8.15	25	none	$1,956
68	Shingle asphalt/fiberglass roof	sf	1,056	$4.25	25	none	$4,488
69	Wood fascia, soffit & trim	ls	1	$1,200.00	25	none	$1,200
70	T-111 siding	sf	1,248	$5.15	25	none	$6,427
71	Overhead Doors, garage style	ea	2	$1,155.00	25	23	$2,310
72	Exterior doors, single	ea	2	$788.00	25	10	$1,576
73	Chain link fence, w/3-strand barb	lf	192	$28.60	25	23	$5,491

BUILDING EXTERIOR (Maintenance Building) - Replacement Costs - Subtotal $23,448

BUILDING EXTERIOR (Maintenance Building)

COMMENTS

- T111 siding will be replaced with either vinyl or fiber cement but unit pricing is adequate for either. However, some sheathing and vapor barrier may also be required which would increase the unit price.

BUILDING INTERIOR (Windsor Oaks Club House)

PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
74	Flooring, interior carpet	sf	906	$4.25	7	none	$3,851
75	Flooring, ceramic	sf	298	$16.45	21	14	$4,902
76	Flooring, vinyl tile	sf	1,470	$3.30	14	7	$4,851
77	Kitchen cabinets	ls	1	$2,300.00	21	7	$2,300
78	Bar and kitchen cabinets	ls	1	$1,900.00	21	7	$1,900
79	Appliances (mocrowave & fridge)	ls	1	$1,000.00	15	7	$1,000
80	Toilet partitions	ea	3	$1,880.00	30	28	$5,640
81	Pedestal lavatory	ea	4	$1,235.00	30	28	$4,940
82	Toilet	ea	3	$665.00	30	28	$1,995
83	Urinal	ea	1	$415.00	30	28	$415
84	Janitor sink	ea	1	$405.00	30	10	$405
85	Hotwater heater	ea	1	$390.00	15	10	$390
86	Fountain	ea	1	$329.00	15	10	$329
87	HVAC system	ls	1	$5,700.00	20	1	$5,700
88	Stacking chairs	ea	75	$79.00	15	10	$5,925
89	Office furniture (allowance)	ls	1	$1,500.00	5	5	$1,500
90	Office equipment (allowance)	ls	1	$1,800.00	3	3	$1,800

BUILDING INTERIOR (Windsor Oaks Club House) - Replacement Costs - Subtotal $47,843

BUILDING INTERIOR (Windsor Oaks Club House)

COMMENTS

- The allowance for manager office furniture and equipment assumes a replacement in kind of existing items as needed to occur at intervals to maintain technology equipments and to replace chairs, desks, files cabinets, shelves, etc as they wear out.

BUILDING INTERIOR (Foxwood Pool House)

PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
91	Flooring, vinyl tile		sf	945	$3.30	14	4	$3,119
92	Toilet partitions		ea	3	$1,880.00	30	4	$5,640
93	Lavatory		ea	3	$1,235.00	30	4	$3,705
94	Toilet		ea	3	$665.00	30	4	$1,995
95	Urinal		ea	1	$415.00	30	4	$415
96	Janitor sink		ea	1	$405.00	30	4	$405
97	Hotwater heater		ea	1	$390.00	15	4	$390
98	Fountain		ea	1	$329.00	15	4	$329
99	HVAC system	ls	1	$5,700.00		20	1	$5,700
		BUILDING INTERIOR (Foxwood Pool House) - Replacement Costs - Subtotal						$21,698

BUILDING INTERIOR (Foxwood Pool House)

COMMENTS

SWIMMING POOL (Windsor Oaks Pool)

PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
100	Swimming pool, structure	sf	4,833	$49.00	40	15	$236,817
101	Swimming pool, fiberglass coating	sf	6,743	$10.05	25	20	$67,767
102	Swimming pool, waterline tile	ft	382	$15.00	25	20	$5,730
103	Swimming pool, coping	ft	382	$50.00	25	20	$19,100
104	Swimming pool, concrete deck (25%)	sf	917	$11.00	15	5	$10,085
105	Swimming pool, concrete deck (25%)	sf	917	$11.00	15	15	$10,085
106	Swimming pool, concrete deck (25%)	sf	917	$11.00	15	25	$10,085
107	Swimming pool, concrete deck (25%)	sf	917	$11.00	15	35	$10,085
108	Swimming pool pump motor	ea	1	$1,100.00	5	5	$1,100
109	Swimming pool pump (10 hp)	ea	1	$7,800.00	15	14	$7,800
110	Swimming pool filter	ea	4	$1,770.00	15	10	$7,080
111	Wading pool, structure	sf	160	$45.00	40	15	$7,200
112	Wading pool, coating	sf	252	$10.00	20	14	$2,520
113	Wading pool coping & tile	lf	52	$28.00	20	14	$1,456
114	Wading pool pump (1.5 hp)	ea	1	$350.00	10	none	$350
115	Wading pool filtration	ea	1	$900.00	20	none	$900
116	Pool furniture, chaise lounge	ea	45	$300.00	12	5	$13,500
117	Pool furniture, table	ea	5	$180.00	12	5	$900
118	Pool furniture, umbrella	ea	5	$325.00	12	5	$1,625
119	Pool furniture, chair/end table	ea	15	$110.00	12	5	$1,650
120	Pool furniture, restrap (10% of repl.)	ls	1	$1,600.00	4	2	$1,600
121	Pool cover	sf	5,000	$2.19	10	3	$10,950
122	Perimeter fence - 6' (metal)	ft	462	$35.00	30	15	$16,170
123	Wading pool fence - 3' (metal)	ft	71	$23.00	30	15	$1,633
	SWIMMING POOL (Windsor Oaks Pool) - Replacement Costs - Subtotal						$446,187

SWIMMING POOL (Windsor Oaks Pool)

COMMENTS

- We have assumed that the project to replace the pool deck will include the replacement of the plumbing and electrical systems installed beneath the pavement.

- The Manager reports that the pool white coat was replaced with fiberglass in 1996 and that the pump and filter of the main pool was replaced in 2012. The wading pool has not been recoated woth fiberglass and the pump and filter are located outdoors which shortens the life of these components.

- 11/05/13. Changed remaining life of coating, waterline tile, coping, and pool pump.
- 11/05/13. Changed normal life of swimming pool coating, waterline tile , and coping.

SWIMMING POOL (Foxwood Pool)

PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS		UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
124	Swimming pool, structure	sf	2,940		$49.00	40	15	$144,060
125	Swimming pool, fiberglass coating	sf	4,780		$10.05	20	15	$48,039
126	Swimming pool, waterline tile	ft	368		$15.00	20	15	$5,520
127	Swimming pool, coping	ft	368		$50.00	20	15	$18,400
128	Swimming pool, concrete deck (25%)	sf	920		$11.00	15	5	$10,120
129	Swimming pool, concrete deck (25%)	sf	920		$11.00	15	15	$10,120
130	Swimming pool, concrete deck (25%)	sf	920		$11.00	15	25	$10,120
131	Swimming pool, concrete deck (25%)	sf	920		$11.00	15	35	$10,120
132	Swimming pool pump motor	ea	1		$1,100.00	5	6	$1,100
133	Swimming pool pump (10 hp)	ea	1		$7,800.00	15	11	$7,800
134	Swimming pool filter	ea	1		$5,700.00	15	10	$5,700
135	Pool furniture, chaise lounge	ea	51		$300.00	12	5	$15,300
136	Pool furniture, table	ea	5		$180.00	12	5	$900
137	Pool furniture, table	ea	2		$180.00	12	none	$360
138	Pool furniture, umbrella	ea	5		$325.00	12	5	$1,625
139	Pool furniture, chair/end table	ea	10		$110.00	12	5	$1,100
140	Pool furniture, restrap (10% of repl.)	ls	1		$1,600.00	4	2	$1,600
141	Pool cover	sf	3,200		$2.19	10	1	$7,008
142	Perimeter fence - 6' (chain link)	ft	414	28,65		25	5	
					SWIMMING POOL (Foxwood Pool) - Replacement Costs - Subtotal			$298,992

SWIMMING POOL (Foxwood Pool)

COMMENTS

- We have assumed that the project to replace the pool deck will include the replacement of the plumbing and electrical systems installed beneath the pavement.

- The Manager reports that the pool white coat was replaced with fiberglass in 2008 and that the pump and filter of the main pool was replaced in 2003. The wading pool has not been recoated woth fiberglass and the pump and filter are located outdoors which shortens the life of these components.

COURTS
PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
143	Tennis court, color coat	ea	1	$5,000.00	5	none	$5,000
144	Tennis court, resurface/overlay	ea	1	$18,000.00	20	15	$18,000
145	Tennis court, post & footings	ea	2	$2,600.00	20	15	$5,200
146	Tennis court, net	ea	1	$700.00	5	5	$700
147	Tennis court, fence	ft	344	$24.00	20	15	$8,256
148	Court light, poles	ea	14	$1,500.00	30	10	$21,000
149	Court light, double head	ea	4	$1,390.00	15	10	$5,560
150	Court light, quad head	ea	4	$2,100.00	15	10	$8,400
151	Exercise stations	ea	4	$1,990.00	15	13	$7,960

COURTS - Replacement Costs - Subtotal $80,076

COURTS
COMMENTS

TOT LOT #1 (Lumberjack and Windsor Oaks)

PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
152	Tot lot #1- Multiplay structure (small)	ea	1	$7,900.00	15	5	$7,900
153	Tot lot #1 - wood border	ft	128	$9.00	15	1	$1,152
154	Tot lot #1 - wood mulch	cy	12	$45.00	4	1	$561
155	Wood bench	ea	2	$550.00	15	5	$1,100

TOT LOT #1 (Lumberjack and Windsor Oaks) - Replacement Costs - Subtotal $10,713

TOT LOT #1 (Lumberjack and Windsor Oaks)

COMMENTS

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

TOT LOT #2 (Foxwood Drive)

PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION		UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
156	Tot lot #2- Multiplay structure (small)		ea	1	$7,900.00	15	5	$7,900
157	Tot lot #2 - wood border		ft	140	$9.00	15	1	$1,260
158	Tot lot #2 - wood mulch		cy	14	$45.00	4	1	$647
159	Split rail fence	lf	242	$24.00	15	1	$5,808	

TOT LOT #2 (Foxwood Drive) - Replacement Costs - Subtotal $15,615

TOT LOT #2 (Foxwood Drive)

COMMENTS

TOT LOT #3 (Foxwood & Grove)

PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
160	Tot lot #3- Multiplay structure (small)	ea	1	$7,900.00	15	6	$7,900
161	Tot lot #3 - wood border	ft	128	$9.00	15	2	$1,152
162	Tot lot #3 - wood mulch	cy	12	$45.00	4	2	$528

TOT LOT #3 (Foxwood & Grove) - Replacement Costs - Subtotal $9,580

TOT LOT #3 (Foxwood & Grove)

COMMENTS

TOT LOT #4 (Loblolly & Foxwood)

PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
163	Tot lot #4- Multiplay structure (small)	ea	1	$11,700.00	15	6	$11,700
164	Tot lot #4 - wood border	ft	186	$9.00	15	2	$1,674
165	Tot lot #3 - wood mulch	cy	26	$45.00	4	2	$1,166
166	Wood bench	ea	1	$550.00	15	6	$550
167	Split rail fence	lf	254	$24.00	15	6	$6,096

TOT LOT #4 (Loblolly & Foxwood) - Replacement Costs - Subtotal $21,186

TOT LOT #4 (Loblolly & Foxwood)

COMMENTS

TOT LOT #5 (Picnic Facility)

PROJECTED REPLACEMENTS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
168	Tot lot #5- Multiplay structure (small)	ea	1	$7,900.00	15	3	$7,900
169	Tot lot #5 - wood border	ft	308	$9.00	15	3	$2,772
170	Tot lot #5 - wood mulch	cy	55	$45.00	3	3	$2,455

TOT LOT #5 (Picnic Facility) - Replacement Costs - Subtotal $13,127

TOT LOT #5 (Picnic Facility)

COMMENTS

VALUATION EXCLUSIONS

EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
	Site lighting fixtures	ls	1				EXCLUDED
	BBQ grilles	ls	1				EXCLUDED
	Miscellaneous signage	ls	1				EXCLUDED
	Horse shoe pits	ls	1				EXCLUDED
	Fire extinguisher cabinet	ls	1				EXCLUDED
	Emergency lighting, exit light, etc.	ls	1				EXCLUDED
	Signage	ls	1				EXCLUDED
	Interior doors	ls	1				EXCLUDED
	Electric heaters	ls	1				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 $1,000.00 have not been scheduled for funding from Replacement Reserves. Examples of items excluded from funding by Replacement Reserves by this standard are listed above.

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

LONG-LIFE EXCLUSIONS

EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
	Building foundation(s)	ls	1				EXCLUDED
	Concrete floor slabs (interior)	ls	1				EXCLUDED
	Wall, floor, & roof structure	ls	1				EXCLUDED
	Fire protection/security systems	ls	1				EXCLUDED
	Common element electrical services	ls	1				EXCLUDED
	Electrical wiring	ls	1				EXCLUDED
	Water piping at common facilities	ls	1				EXCLUDED
	Waste piping at common facilities	ls	1				EXCLUDED
	Gas services at common facilities	ls	1				EXCLUDED
	Stainless steel pool fixtures	ls	1				EXCLUDED

LONG-LIFE EXCLUSIONS

COMMENTS

- Long Life Exclusions. Components that when properly maintained, can be assumed to have a life equal to the property as a whole, are normally excluded from the Replacement Reserve Inventory. Examples of items excluded from funding by Replacement Reserves by this standard are listed above.

- Exterior masonry is generally assumed to have an unlimited economic life but periodic repointing is required and we have included this for funding in the Replacement Reserve Inventory.

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

UNIT IMPROVEMENTS EXCLUSIONS

EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
	Domestic water pipes serving one unit	ls	1				EXCLUDED
	Sanitary sewers serving one unit	ls	1				EXCLUDED
	Electrical wiring serving one unit	ls	1				EXCLUDED
	Cable TV service serving one unit	ls	1				EXCLUDED
	Telephone service serving one unit	ls	1				EXCLUDED
	Gas service serving one unit	ls	1				EXCLUDED
	Driveway on an individual lot	ls	1				EXCLUDED
	Sidewalk on an individual lot	ls	1				EXCLUDED
	Curb & gutter on an individual lot	ls	1				EXCLUDED
	Fence on an individual lot	ls	1				EXCLUDED
	Unit exterior	ls	1				EXCLUDED

UNIT IMPROVEMENTS EXCLUSIONS

COMMENTS

- Unit improvement Exclusions. We understand that the elements of the project that relate to a single unit are the responsibility of that unit owner. Examples of items excluded from funding by Replacement Reserves by this standard are listed above.

- The list above exemplifies exclusions by the cited standard(s) and is not intended to be comprehensive.
- Driveways are Class E membership components.

UTILITY EXCLUSIONS
EXCLUDED ITEMS

ITEM #	ITEM DESCRIPTION	UNIT	NUMBER OF UNITS	UNIT REPLACEMENT COST ($)	NORMAL ECONOMIC LIFE (YRS)	REMAINING ECONOMIC LIFE (YRS)	REPLACEMENT COST ($)
	Primary electric feeds	ls	1				EXCLUDED
	Electric transformers	ls	1				EXCLUDED
	Cable TV systems and structures	ls	1				EXCLUDED
	Telephone cables and structures	ls	1				EXCLUDED
	Site lighting	ls	1				EXCLUDED
	Gas mains and meters	ls	1				EXCLUDED
	Water mains and meters	ls	1				EXCLUDED
	Sanitary sewers	ls	1				EXCLUDED
	Stormwater management system	ls	1				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.

PROJECTED ANNUAL REPLACEMENTS
GENERAL INFORMATION

CALENDAR OF ANNUAL REPLACEMENTS. The 170 Projected Replacements in the Timberlake Community Associati 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 C2.

REPLACEMENT RESERVE ANALYSIS AND INVENTORY
POLICIES, PROCEDURES, AND ADMINISTRATION

- 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.
- 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 commingle planning for maintenance activities with capital replacement activities in the Reserves (Revenue Ruling 75-370). Funds for maintenance activities and capital replacements activities must be held in separate accounts. If a CID files taxes as an "Exempt Homeowners Association" using Form 1120H (IRC Section 528), the CID does not have to segregate these activities. However, because the CID may elect to change their method of filing from year to year within the Study Period, we advise using the more restrictive approach. We further recommend that the CID consult with their Accountant and consider creating separate and independent accounts and reserves for large maintenance items, such as painting.
- CONFLICT OF INTEREST. Neither Miller - Dodson Associates nor the Reserve Analyst has any prior or existing relationship with this Association which would represent a real or perceived conflict of interest.
- RELIANCE ON DATA PROVIDED BY THE CLIENT. Information provided by an official representative of the Association regarding financial, physical conditions, quality, or historical issues is deemed reliable.
- INTENT. This Replacement Reserve Study is a reflection of the information provided by the Association and the visual evaluations of the Analyst. It has been prepared for the sole use of the Association and is not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records.
- PREVIOUS REPLACEMENTS. Information provided to Miller - Dodson Associates regarding prior replacements is considered to be accurate and reliable. Our visual evaluation is not a project audit or quality inspection.
- UPDATING. In the first two or possibly three years after the completion of a Level One Replacement Reserve Study, we recommend the Association review and revise the Replacement Reserve Analysis and Inventory annually to take into account replacements which have occurred and known changes in replacement costs. This can frequently be handled as a Level Two or Level Three Study (as defined by the Community Associations Institute), unless the Association has completed major replacement projects. A full analysis (Level One) based on a comprehensive visual evaluation of the site should be accomplished every three to five years or after each major replacement project.
- EXPERIENCE WITH FUTURE REPLACEMENTS. The Calendar of Annual Projected Replacements, lists replacements we have projected to occur over the next thirty years, 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.
- REVIEW OF THE REPLACEMENT RESERVE STUDY. For this study to be effective, it should be reviewed by the Timberlake Community Association Board of Directors, those responsible for the management of the items included in the Replacement Reserve Inventory, and the accounting professionals employed by the Association.

PROJECTED REPLACEMENTS - YEARS 1 TO 6

Item	2014	$
1	Asphalt parking pavement, s	$1,596
25	Timber curb at parking & dri	$2,862
26	Split rail fence behind pool	$2,786
32	Picnic Pavillion Roofing	$14,791
34	Wood picnic tables (partial)	$4,480
35	Wood benches (partial)	$3,090
62	T-111 siding	$28,552
67	EPDM Single Ply membrane	$1,956
68	Shingle asphalt/fiberglass ro	$4,488
69	Wood fascia, soffit & trim	$1,200
70	T-111 siding	$6,427
74	Flooring, interior carpet	$3,851
114	Wading pool pump (1.5 hp)	$350
115	Wading pool filtration	$900
137	Pool furniture, table	$360
143	Tennis court, color coat	$5,000
	Total Scheduled Replacements	$82,688

Item	2015	$
3	Marquee Sign, refurbish	$690
18	Asphalt parking pavement, s	$1,993
20	Asphalt drive pavement, sea	$431
87	HVAC system	$5,700
99	HVAC system	$5,700
141	Pool cover	$7,008
153	Tot lot #1 - wood border	$1,152
154	Tot lot #1 - wood mulch	$561
157	Tot lot #2 - wood border	$1,260
158	Tot lot #2 - wood mulch	$647
159	Split rail fence	$5,808
	Total Scheduled Replacements	$30,950

Item	2016	$
27	Fishing pier decking	$34,753
28	Fishing pier framing & piles	$86,146
51	RV Parking Chain Link Fenc	$9,558
120	Pool furniture, restrap (10%	$1,600
140	Pool furniture, restrap (10%	$1,600
161	Tot lot #3 - wood border	$1,152
162	Tot lot #3 - wood mulch	$528
164	Tot lot #4 - wood border	$1,674
165	Tot lot #3 - wood mulch	$1,166
	Total Scheduled Replacements	$138,177

Item	2017	$
29	Asphalt foot path overlay (1/	$4,478
90	Office equipment (allowance	$1,800
121	Pool cover	$10,950
168	Tot lot #5- Multiplay structur	$7,900
169	Tot lot #5 - wood border	$2,772
170	Tot lot #5 - wood mulch	$2,455
	Total Scheduled Replacements	$30,355

Item	2018	$
91	Flooring, vinyl tile	$3,119
92	Toilet partitions	$5,640
93	Lavatory	$3,705
94	Toilet	$1,995
95	Urinal	$415
96	Janitor sink	$405
97	Hotwater heater	$390
98	Fountain	$329
	Total Scheduled Replacements	$15,998

Item	2019	$
30	Asphalt foot path overlay (1/	$4,478
36	Wood benches (partial)	$3,090
63	Sliding Doors (5, various siz	$3,890
65	Exterior doors, pair	$1,290
66	Brick veneer, repoint	$1,000
89	Office furniture (allowance)	$1,500
104	Swimming pool, concrete de	$10,085
108	Swimming pool pump motor	$1,100
116	Pool furniture, chaise lounge	$13,500
117	Pool furniture, table	$900
118	Pool furniture, umbrella	$1,625
119	Pool furniture, chair/end tabl	$1,650
128	Swimming pool, concrete de	$10,120
135	Pool furniture, chaise lounge	$15,300
136	Pool furniture, table	$900
138	Pool furniture, umbrella	$1,625
139	Pool furniture, chair/end tabl	$1,100
143	Tennis court, color coat	$5,000
146	Tennis court, net	$700
152	Tot lot #1- Multiplay structur	$7,900
154	Tot lot #1 - wood mulch	$561
155	Wood bench	$1,100
156	Tot lot #2- Multiplay structur	$7,900
158	Tot lot #2 - wood mulch	$647
	Total Scheduled Replacements	$96,961

PROJECTED REPLACEMENTS - YEARS 7 TO 12

Item	2020	$
1	Asphalt parking pavement, s	$1,596
2	Asphalt parking pavement,	$13,566
3	Marquee Sign, refurbish	$690
4	Marquee Sign, replace	$4,955
5	Curb & Gutter (20%)	$2,502
8	Concrete walks (6%)	$727
40	Concrete sidewalk (partial)	$20,400
90	Office equipment (allowance	$1,800
120	Pool furniture, restrap (10%	$1,600
132	Swimming pool pump motor	$1,100
140	Pool furniture, restrap (10%	$1,600
160	Tot lot #3- Multiplay structur	$7,900
162	Tot lot #3 - wood mulch	$528
163	Tot lot #4- Multiplay structur	$11,700
165	Tot lot #3 - wood mulch	$1,166
166	Wood bench	$550
167	Split rail fence	$6,096
170	Tot lot #5 - wood mulch	$2,455
	Total Scheduled Replacements	$80,931

Item	2021	$
18	Asphalt parking pavement, s	$1,993
19	Asphalt parking pavement,	$16,937
20	Asphalt drive pavement, sea	$431
21	Asphalt drive pavement, mill	$3,665
22	Concrete Curb only (20%)	$1,767
31	Asphalt foot path overlay (1/	$4,478
50	Storm water pond rip rap	$5,000
74	Flooring, interior carpet	$3,851
76	Flooring, vinyl tile	$4,851
77	Kitchen cabinets	$2,300
78	Bar and kitchen cabinets	$1,900
79	Appliances (mocrowave & fr	$1,000
	Total Scheduled Replacements	$48,173

Item	2022	$
37	Wood foot bridge, decking	$2,982
38	Wood foot bridge, railing	$3,815
	Total Scheduled Replacements	$6,797

Item	2023	$
90	Office equipment (allowance	$1,800
154	Tot lot #1 - wood mulch	$561
158	Tot lot #2 - wood mulch	$647
170	Tot lot #5 - wood mulch	$2,455
	Total Scheduled Replacements	$5,462

Item	2024	$
52	EPDM Single Ply membrane	$4,890
53	Shingle asphalt/fiberglass ro	$6,694
54	Gutter & downspout, 6" alum	$1,972
55	Vinyl siding	$14,903
56	Sliding Doors (3, various siz	$2,600
57	Exterior doors, single	$2,364
58	Exterior doors, pair	$2,580
72	Exterior doors, single	$1,576
84	Janitor sink	$405
85	Hotwater heater	$390
86	Fountain	$329
88	Stacking chairs	$5,925
89	Office furniture (allowance)	$1,500
108	Swimming pool pump motor	$1,100
110	Swimming pool filter	$7,080
114	Wading pool pump (1.5 hp)	$350
120	Pool furniture, restrap (10%	$1,600
134	Swimming pool filter	$5,700
140	Pool furniture, restrap (10%	$1,600
143	Tennis court, color coat	$5,000
146	Tennis court, net	$700
148	Court light, poles	$21,000
149	Court light, double head	$5,560
150	Court light, quad head	$8,400
162	Tot lot #3 - wood mulch	$528
165	Tot lot #3 - wood mulch	$1,166
	Total Scheduled Replacements	$105,912

Item	2025	$
3	Marquee Sign, refurbish	$690
132	Swimming pool pump motor	$1,100
133	Swimming pool pump (10 hp	$7,800
141	Pool cover	$7,008
	Total Scheduled Replacements	$16,598

PROJECTED REPLACEMENTS - YEARS 13 TO 18

Item	2026	$
1	Asphalt parking pavement, s	$1,596
6	Curb & Gutter (20%)	$2,502
9	Concrete walks (6%)	$727
41	Concrete sidewalk (partial)	$14,450
90	Office equipment (allowance	$1,800
137	Pool furniture, table	$360
170	Tot lot #5 - wood mulch	$2,455
	Total Scheduled Replacements	$23,890

Item	2027	$
18	Asphalt parking pavement, s	$1,993
20	Asphalt drive pavement, sea	$431
23	Concrete Curb only (20%)	$1,767
121	Pool cover	$10,950
151	Exercise stations	$7,960
154	Tot lot #1 - wood mulch	$561
158	Tot lot #2 - wood mulch	$647
	Total Scheduled Replacements	$24,309

Item	2028	$
27	Fishing pier decking	$34,753
74	Flooring, interior carpet	$3,851
75	Flooring, ceramic	$4,902
109	Swimming pool pump (10 hp	$7,800
112	Wading pool, coating	$2,520
113	Wading pool coping & tile	$1,456
120	Pool furniture, restrap (10%	$1,600
140	Pool furniture, restrap (10%	$1,600
162	Tot lot #3 - wood mulch	$528
165	Tot lot #3 - wood mulch	$1,166
	Total Scheduled Replacements	$60,175

Item	2029	$
34	Wood picnic tables (partial)	$4,480
35	Wood benches (partial)	$3,090
59	EPDM Single Ply membrane	$1,630
60	Shingle asphalt/fiberglass ro	$5,508
61	Wood fascia, soffit & trim	$3,200
64	Exterior doors, single	$2,364
89	Office furniture (allowance)	$1,500
90	Office equipment (allowance	$1,800
100	Swimming pool, structure	$236,817
105	Swimming pool, concrete de	$10,085
108	Swimming pool pump motor	$1,100
111	Wading pool, structure	$7,200
122	Perimeter fence - 6' (metal)	$16,170
123	Wading pool fence - 3' (met	$1,633
124	Swimming pool, structure	$144,060
125	Swimming pool, fiberglass c	$48,039
126	Swimming pool, waterline til	$5,520
127	Swimming pool, coping	$18,400
129	Swimming pool, concrete de	$10,120
143	Tennis court, color coat	$5,000
144	Tennis court, resurface/over	$18,000
145	Tennis court, post & footings	$5,200
146	Tennis court, net	$700
147	Tennis court, fence	$8,256
170	Tot lot #5 - wood mulch	$2,455
	Total Scheduled Replacements	$562,326

Item	2030	$
3	Marquee Sign, refurbish	$690
132	Swimming pool pump motor	$1,100
153	Tot lot #1 - wood border	$1,152
157	Tot lot #2 - wood border	$1,260
159	Split rail fence	$5,808
	Total Scheduled Replacements	$10,010

Item	2031	$
50	Storm water pond rip rap	$5,000
116	Pool furniture, chaise lounge	$13,500
117	Pool furniture, table	$900
118	Pool furniture, umbrella	$1,625
119	Pool furniture, chair/end tabl	$1,650
135	Pool furniture, chaise lounge	$15,300
136	Pool furniture, table	$900
138	Pool furniture, umbrella	$1,625
139	Pool furniture, chair/end tabl	$1,100
154	Tot lot #1 - wood mulch	$561
158	Tot lot #2 - wood mulch	$647
161	Tot lot #3 - wood border	$1,152
164	Tot lot #4 - wood border	$1,674
	Total Scheduled Replacements	$45,634

PROJECTED REPLACEMENTS - YEARS 19 TO 24

Item	2032	$
1	Asphalt parking pavement, s	$1,596
10	Concrete walks (6%)	$727
25	Timber curb at parking & dri	$2,862
26	Split rail fence behind pool	$2,786
42	Concrete sidewalk (partial)	$8,500
90	Office equipment (allowance	$1,800
91	Flooring, vinyl tile	$3,119
120	Pool furniture, restrap (10%	$1,600
140	Pool furniture, restrap (10%	$1,600
162	Tot lot #3 - wood mulch	$528
165	Tot lot #3 - wood mulch	$1,166
168	Tot lot #5- Multiplay structur	$7,900
169	Tot lot #5 - wood border	$2,772
170	Tot lot #5 - wood mulch	$2,455
	Total Scheduled Replacements	$39,410

Item	2033	$
18	Asphalt parking pavement, s	$1,993
20	Asphalt drive pavement, sea	$431
97	Hotwater heater	$390
98	Fountain	$329
	Total Scheduled Replacements	$3,143

Item	2034	$
36	Wood benches (partial)	$3,090
89	Office furniture (allowance)	$1,500
101	Swimming pool, fiberglass c	$67,767
102	Swimming pool, waterline til	$5,730
103	Swimming pool, coping	$19,100
104	Swimming pool, concrete de	$10,085
108	Swimming pool pump motor	$1,100
114	Wading pool pump (1.5 hp)	$350
115	Wading pool filtration	$900
128	Swimming pool, concrete de	$10,120
143	Tennis court, color coat	$5,000
146	Tennis court, net	$700
152	Tot lot #1- Multiplay structur	$7,900
155	Wood bench	$1,100
156	Tot lot #2- Multiplay structur	$7,900
	Total Scheduled Replacements	$142,342

Item	2035	$
3	Marquee Sign, refurbish	$690
29	Asphalt foot path overlay (1/	$4,478
74	Flooring, interior carpet	$3,851
76	Flooring, vinyl tile	$4,851
87	HVAC system	$5,700
90	Office equipment (allowance	$1,800
99	HVAC system	$5,700
132	Swimming pool pump motor	$1,100
141	Pool cover	$7,008
154	Tot lot #1 - wood mulch	$561
158	Tot lot #2 - wood mulch	$647
160	Tot lot #3- Multiplay structur	$7,900
163	Tot lot #4- Multiplay structur	$11,700
166	Wood bench	$550
167	Split rail fence	$6,096
170	Tot lot #5 - wood mulch	$2,455
	Total Scheduled Replacements	$65,086

Item	2036	$
79	Appliances (mocrowave & fr	$1,000
120	Pool furniture, restrap (10%	$1,600
140	Pool furniture, restrap (10%	$1,600
162	Tot lot #3 - wood mulch	$528
165	Tot lot #3 - wood mulch	$1,166
	Total Scheduled Replacements	$5,894

Item	2037	$
30	Asphalt foot path overlay (1/	$4,478
37	Wood foot bridge, decking	$2,982
38	Wood foot bridge, railing	$3,815
39	Wood footbridge, substructu	$18,858
71	Overhead Doors, garage sty	$2,310
73	Chain link fence, w/3-strand	$5,491
121	Pool cover	$10,950
	Total Scheduled Replacements	$48,884

PROJECTED REPLACEMENTS - YEARS 25 TO 30

Item	2038	$
1	Asphalt parking pavement, s	$1,596
2	Asphalt parking pavement,	$13,566
5	Curb & Gutter (20%)	$2,502
11	Concrete walks (6%)	$727
43	Concrete sidewalk (partial)	$6,800
90	Office equipment (allowance	$1,800
137	Pool furniture, table	$360
170	Tot lot #5 - wood mulch	$2,455
	Total Scheduled Replacements	$29,806

Item	2039	$
18	Asphalt parking pavement, s	$1,993
19	Asphalt parking pavement,	$16,937
20	Asphalt drive pavement, sea	$431
21	Asphalt drive pavement, mill	$3,665
22	Concrete Curb only (20%)	$1,767
31	Asphalt foot path overlay (1/	$4,478
62	T-111 siding	$28,552
67	EPDM Single Ply membrane	$1,956
68	Shingle asphalt/fiberglass ro	$4,488
69	Wood fascia, soffit & trim	$1,200
70	T-111 siding	$6,427
85	Hotwater heater	$390
86	Fountain	$329
88	Stacking chairs	$5,925
89	Office furniture (allowance)	$1,500
106	Swimming pool, concrete de	$10,085
108	Swimming pool pump motor	$1,100
110	Swimming pool filter	$7,080
130	Swimming pool, concrete de	$10,120
134	Swimming pool filter	$5,700
143	Tennis court, color coat	$5,000
146	Tennis court, net	$700
149	Court light, double head	$5,560
150	Court light, quad head	$8,400
154	Tot lot #1 - wood mulch	$561
158	Tot lot #2 - wood mulch	$647
	Total Scheduled Replacements	$134,991

Item	2040	$
3	Marquee Sign, refurbish	$690
27	Fishing pier decking	$34,753
120	Pool furniture, restrap (10%	$1,600
132	Swimming pool pump motor	$1,100
133	Swimming pool pump (10 hp	$7,800
140	Pool furniture, restrap (10%	$1,600
162	Tot lot #3 - wood mulch	$528
165	Tot lot #3 - wood mulch	$1,166
	Total Scheduled Replacements	$49,237

Item	2041	$
50	Storm water pond rip rap	$5,000
51	RV Parking Chain Link Fenc	$9,558
90	Office equipment (allowance	$1,800
170	Tot lot #5 - wood mulch	$2,455
	Total Scheduled Replacements	$18,813

Item	2042	$
74	Flooring, interior carpet	$3,851
77	Kitchen cabinets	$2,300
78	Bar and kitchen cabinets	$1,900
80	Toilet partitions	$5,640
81	Pedestal lavatory	$4,940
82	Toilet	$1,995
83	Urinal	$415
151	Exercise stations	$7,960
	Total Scheduled Replacements	$29,001

Item	2043	$
109	Swimming pool pump (10 hp	$7,800
116	Pool furniture, chaise lounge	$13,500
117	Pool furniture, table	$900
118	Pool furniture, umbrella	$1,625
119	Pool furniture, chair/end tabl	$1,650
135	Pool furniture, chaise lounge	$15,300
136	Pool furniture, table	$900
138	Pool furniture, umbrella	$1,625
139	Pool furniture, chair/end tabl	$1,100
154	Tot lot #1 - wood mulch	$561
158	Tot lot #2 - wood mulch	$647
	Total Scheduled Replacements	$45,608

Timberlake Community Association **Revised November 5, 2013**
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CASH FLOW METHOD ACCOUNTING SUMMARY

This Timberlake Community Association - Cash Flow Method Accounting Summary is an attachment to the Timberlake Community Association - Replacement Reserve Study dated Revised November 5, 2013 and is for use by accounting and reserve professionals experienced in Association funding and accounting principles.
This Summary consists of four reports, the 2014, 2015, and 2016 Cash Flow Method Category Funding Reports (3) and a Three-Year Replacement Funding Report.

- CASH FLOW METHOD CATEGORY FUNDING REPORT, 2014, 2015, and 2016. Each of the 170 Projected Replacements listed in the Timberlake Community Association Replacement Reserve Inventory has been assigned to one of 17 categories. The following information is summarized by category in each report:
  - Normal Economic Life and Remaining Economic Life of the Projected Replacements.
  - Cost of all Scheduled Replacements in each category.
  - Replacement Reserves on Deposit allocated to the category at the beginning and end of the report period.
  - Cost of Projected Replacements in the report period.
  - Recommended Replacement Reserve Funding allocated to the category during the report period as calculated by the Cash Flow Method.

- THREE-YEAR REPLACEMENT FUNDING REPORT. This report details the allocation of the $129,143 Beginning Balance (at the start of the Study Year) and the $238,609 of additional Replacement Reserve Funding in 2014 through 2016 (as calculated in the Replacement Reserve Analysis) to each of the 170 Projected Replacements listed in the Replacement Reserve Inventory. These allocations have been made using Chronological Allocation, a method developed by Miller Dodson Associates, Inc., and discussed below. The calculated data includes:
  - Identification and estimated cost of each Projected Replacement schedule in years 2014 through 2016.
  - Allocation of the $129,143 Beginning Balance to the Projected Replacements by Chronological Allocation.
  - Allocation of the $238,609 of additional Replacement Reserve Funding recommended in the Replacement Reserve Analysis in years 2014 through 2016, by Chronological Allocation.

- CHRONOLOGICAL ALLOCATION. Chronological Allocation assigns Replacement Reserves to Projected Replacements on a "first come, first serve" basis in keeping with the basic philosophy of the Cash Flow Method. The Chronological Allocation methodology is outlined below.
  - The first step is the allocation of the $129,143 Beginning Balance to the Projected Replacements in the Study Year. Remaining unallocated funds are next allocated to the Projected Replacements in subsequent years in chronological order until the total of Projected Replacements in the next year is greater than the unallocated funds. Projected Replacements in this year are partially funded with each replacement receiving percentage funding. The percentage of funding is calculated by dividing the unallocated funds by the total of Projected Replacements in the partially funded year.

    At Timberlake Community Association the Beginning Balance funds all Scheduled Replacements in the Study Year through 2015 and provides partial funding (11%) of replacements scheduled in 2016.
  - The next step is the allocation of the $79,536 of 2014 Cash Flow Method Reserve Funding calculated in the Replacement Reserve Analysis. These funds are first allocated to fund the partially funded Projected Replacements and then to subsequent years in chronological order as outlined above.

    At Timberlake Community Association the Beginning Balance and the 2014 Replacement Reserve Funding, funds replacements through 2015 and partial funds (68.8%) replacements in 2016.
  - Allocations of the 2015 and 2016 Reserve Funding are done using the same methodology.
  - The Three-Year Replacement Funding Report details component by component allocations made by Chronological Allocation.

2014 - CASH FLOW METHOD CATEGORY FUNDING REPORT

Each of the 170 Projected Replacements included in the Timberlake Community Association Replacement Reserve Inventory has been assigned to one of the 17 categories listed in TABLE CF-1 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- A Beginning Balance of $129,143 as of the first day of the Study Year, January 1, 2014.
- Total reserve funding (including the Beginning Balance) of $208,679 in the Study Year.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2014 being accomplished in 2014 at a cost of $82,688.

If any of these critical factors are inaccurate, do not use the data and please contact Miller Dodson Associates to arrange for an update of the Replacement Reserve Study.

2014 - CASH FLOW METHOD CATEGORY FUNDING - TABLE CF-1

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2014 BEGINNING BALANCE	2014 RESERVE FUNDING	2014 PROJECTED REPLACEMENTS	2014 END OF YEAR BALANCE
SITE COMPONENT (Windsor Oaks Club Hou	5 to 60 years	0 to 60 years	$35,580	$2,286		($1,596)	$690
SITE COMPONENT (Foxwood Recreation Are	6 to 36 years	0 to 41 years	$227,488	$43,999	$69,591	($28,009)	$85,581
SITE COMPONENT (Community wide concre	60 years	6 to 60 years	$90,950				
SITE COMPONENT (Miscellaneous)	10 to 25 years	2 to 7 years	$14,558	$1,073	$5,502		$6,574
BUILDING EXTERIOR (Windsor Oaks Blvd C	20 to 25 years	0 to 10 years	$36,003				
BUILDING EXTERIOR (Foxwood Pool House	15 to 30 years	0 to 15 years	$47,434	$28,552		($28,552)	
BUILDING EXTERIOR (Maintenance Building	15 to 40 years	0 to 23 years	$23,448	$14,071		($14,071)	
BUILDING INTERIOR (Windsor Oaks Club Ho	3 to 30 years	0 to 28 years	$47,843	$9,551		($3,851)	$5,700
BUILDING INTERIOR (Foxwood Pool House)	7 to 30 years	0 to 4 years	$21,698	$5,700			$5,700
SWIMMING POOL (Windsor Oaks Pool)	4 to 40 years	0 to 35 years	$446,187	$1,430	$921	($1,250)	$1,101
SWIMMING POOL (Foxwood Pool)	4 to 40 years	0 to 35 years	$298,992	$7,548	$921	($360)	$8,109
COURTS	5 to 30 years	0 to 15 years	$80,076	$5,000		($5,000)	
TOT LOT #1 (Lumberjack and Windsor Oaks)	4 to 15 years	1 to 5 years	$10,713	$1,713			$1,713
TOT LOT #2 (Foxwood Drive)	4 to 15 years	1 to 5 years	$15,615	$7,715			$7,715
TOT LOT #3 (Foxwood & Grove)	4 to 15 years	2 to 6 years	$9,580	$189	$967		$1,156
TOT LOT #4 (Loblolly & Foxwood)	4 to 15 years	2 to 6 years	$21,186	$319	$1,635		$1,953
TOT LOT #5 (Picnic Facility)	3 to 15 years	3 years	$13,127				

2015 - CASH FLOW METHOD CATEGORY FUNDING REPORT

Each of the 170 Projected Replacements included in the Timberlake Community Association Replacement Reserve Inventory has been assigned to one of the 17 categories listed in TABLE CF-2 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $125,991 on January 1, 2015.
- Total reserve funding (including the Beginning Balance) of $288,216 in 2014 through 2015.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2015 being accomplished in 2015 at a cost of $30,950.

If any of these critical factors are inaccurate, do not use the data and please contact Miller Dodson Associates to arrange for an update of the Replacement Reserve Study.

2015 - CASH FLOW METHOD CATEGORY FUNDING - TABLE CF-2

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2015 BEGINNING BALANCE	2015 RESERVE FUNDING	2015 PROJECTED REPLACEMENTS	2015 END OF YEAR BALANCE
SITE COMPONENT (Windsor Oaks Club Hou	5 to 60 years	0 to 59 years	$35,580	$690		($690)	
SITE COMPONENT (Foxwood Recreation Are	6 to 36 years	0 to 40 years	$227,488	$85,581	$42,219	($2,424)	$125,377
SITE COMPONENT (Community wide concre	60 years	5 to 59 years	$90,950				
SITE COMPONENT (Miscellaneous)	10 to 25 years	1 to 6 years	$14,558	$6,574	$2,984		$9,558
BUILDING EXTERIOR (Windsor Oaks Blvd C	20 to 25 years	9 years	$36,003				
BUILDING EXTERIOR (Foxwood Pool House	15 to 30 years	4 to 24 years	$47,434				
BUILDING EXTERIOR (Maintenance Building	15 to 40 years	9 to 24 years	$23,448				
BUILDING INTERIOR (Windsor Oaks Club Ho	3 to 30 years	0 to 27 years	$47,843	$5,700	$1,800	($5,700)	$1,800
BUILDING INTERIOR (Foxwood Pool House)	7 to 30 years	0 to 3 years	$21,698	$5,700	$6,047	($5,700)	$6,047
SWIMMING POOL (Windsor Oaks Pool)	4 to 40 years	1 to 34 years	$446,187	$1,101	$11,449		$12,550
SWIMMING POOL (Foxwood Pool)	4 to 40 years	0 to 34 years	$298,992	$8,109	$499	($7,008)	$1,600
COURTS	5 to 30 years	4 to 14 years	$80,076				
TOT LOT #1 (Lumberjack and Windsor Oaks)	4 to 15 years	0 to 4 years	$10,713	$1,713		($1,713)	
TOT LOT #2 (Foxwood Drive)	4 to 15 years	0 to 4 years	$15,615	$7,715		($7,715)	
TOT LOT #3 (Foxwood & Grove)	4 to 15 years	1 to 5 years	$9,580	$1,156	$524		$1,680
TOT LOT #4 (Loblolly & Foxwood)	4 to 15 years	1 to 5 years	$21,186	$1,953	$887		$2,840
TOT LOT #5 (Picnic Facility)	3 to 15 years	2 years	$13,127		$13,127		$13,127

2016 - CASH FLOW METHOD CATEGORY FUNDING REPORT

Each of the 170 Projected Replacements included in the Timberlake Community Association Replacement Reserve Inventory has been assigned to one of the 17 categories listed in TABLE CF-3 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $174,578 on January 1, 2016.
- Total Replacement Reserve funding (including the Beginning Balance) of $367,752 in 2014 to 2016.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2016 being accomplished in 2016 at a cost of $138,177.

If any of these critical factors are inaccurate, do not use the data and please contact Miller Dodson Associates to arrange for an update of the Replacement Reserve Study.

2016 - CASH FLOW METHOD CATEGORY FUNDING - TABLE CF-3

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2016 BEGINNING BALANCE	2016 RESERVE FUNDING	2016 PROJECTED REPLACEMENTS	2016 END OF YEAR BALANCE
SITE COMPONENT (Windsor Oaks Club Hou	5 to 60 years	4 to 58 years	$35,580				
SITE COMPONENT (Foxwood Recreation Are	6 to 36 years	0 to 39 years	$227,488	$125,377	$5,431	($120,899)	$9,910
SITE COMPONENT (Community wide concre	60 years	4 to 58 years	$90,950				
SITE COMPONENT (Miscellaneous)	10 to 25 years	0 to 5 years	$14,558	$9,558	($0)	($9,558)	
BUILDING EXTERIOR (Windsor Oaks Blvd C	20 to 25 years	8 years	$36,003				
BUILDING EXTERIOR (Foxwood Pool House	15 to 30 years	3 to 23 years	$47,434		$4,435		$4,435
BUILDING EXTERIOR (Maintenance Building	15 to 40 years	8 to 23 years	$23,448				
BUILDING INTERIOR (Windsor Oaks Club Ho	3 to 30 years	1 to 26 years	$47,843	$1,800	$1,076		$2,876
BUILDING INTERIOR (Foxwood Pool House)	7 to 30 years	2 to 19 years	$21,698	$6,047	$9,951		$15,998
SWIMMING POOL (Windsor Oaks Pool)	4 to 40 years	0 to 33 years	$446,187	$12,550	$20,712	($1,600)	$31,662
SWIMMING POOL (Foxwood Pool)	4 to 40 years	0 to 33 years	$298,992	$1,600	$20,845	($1,600)	$20,845
COURTS	5 to 30 years	3 to 13 years	$80,076		$4,091		$4,091
TOT LOT #1 (Lumberjack and Windsor Oaks)	4 to 15 years	3 to 14 years	$10,713		$6,862		$6,862
TOT LOT #2 (Foxwood Drive)	4 to 15 years	3 to 14 years	$15,615		$6,134		$6,134
TOT LOT #3 (Foxwood & Grove)	4 to 15 years	0 to 4 years	$9,580	$1,680	($0)	($1,680)	
TOT LOT #4 (Loblolly & Foxwood)	4 to 15 years	0 to 4 years	$21,186	$2,840	$0	($2,840)	$0
TOT LOT #5 (Picnic Facility)	3 to 15 years	1 years	$13,127	$13,127			$13,127

CASH FLOW METHOD - THREE-YEAR REPLACEMENT FUNDING REPORT

TABLE CF-4 below details the allocation of the $129,143 Beginning Balance, as reported by the Association and the $238,609 of Replacement Reserve Funding calculated by the Cash Flow Method in 2014 to 2016, to the 170 Projected Replacements listed in the Replacement Reserve Inventory. These allocations have been made by Chronological Allocation, a method developed by Miller Dodson Associates, Inc., and outlined on Page CF-1. The accuracy of the allocations is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $129,143 on January 1, 2014.
- Replacement Reserves on Deposit totaling $125,991 on January 1, 2015.
- Replacement Reserves on Deposit totaling $174,578 on January 1, 2016.
- Total Replacement Reserve funding (including the Beginning Balance) of $367,752 in 2014 to 2016.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2014 to 2016 being accomplished as scheduled in the Replacement Reserve Inventory at a cost of $251,814.

If any of these critical factors are inaccurate, do not use the data and please contact Miller Dodson Associates, Inc., to arrange for an update of the Replacement Reserve Study.

CA SH FLOW METHOD - THREE-YEAR REPLACEMENT FUNDING - TABLE CF-4

Item #	Description of Projected Replacement	Estimated Replacement Costs	Allocation of Beginning Balance	2014 Reserve Funding	2014 Projected Replacements	2014 End of Year Balance	2015 Reserve Funding	2015 Projected Replacements	2015 End of Year Balance	2016 Reserve Funding	2016 Projected Replacements	2016 End of Year Balance
	SITE COMPONENT (Windsor Oaks											
1	Asphalt parking pavement, seal coat	1,596	1,596		(1,596)							
2	Asphalt parking pavement, mill & ove	13,566										
3	Marquee Sign, refurbish	690	690			690		(690)				
4	Marquee Sign, replace	4,955										
5	Curb & Gutter (20%)	2,502										
6	Curb & Gutter (20%)	2,502										
7	Curb & Gutter (20%)	2,502										
8	Concrete walks (6%)	727										
9	Concrete walks (6%)	727										
10	Concrete walks (6%)	727										
11	Concrete walks (6%)	727										
12	Concrete walks (6%)	727										
13	Concrete walks (6%)	727										
14	Concrete walks (6%)	727										
15	Concrete walks (6%)	727										
16	Concrete walks (6%)	727										
17	Concrete walks (6%)	727										
	SITE COMPONENT (Foxwood Recre											
18	Asphalt parking pavement, seal coat	1,993	1,993			1,993		(1,993)				
19	Asphalt parking pavement, mill & ove	16,937										
20	Asphalt drive pavement, seal coat	431	431			431		(431)				
21	Asphalt drive pavement, mill & overla	3,665										
22	Concrete Curb only (20%)	1,767										
23	Concrete Curb only (20%)	1,767										
24	Concrete Curb only (20%)	1,767										
25	Timber curb at parking & drive	2,862	2,862		(2,862)							
26	Split rail fence behind pool	2,786	2,786		(2,786)							
27	Fishing pier decking	34,753	3,900	20,004		23,904	10,849		34,753		(34,753)	
28	Fishing pier framing & piles	86,146	9,667	49,587		59,254	26,892		86,146		(86,146)	
29	Asphalt foot path overlay (1/3)	4,478					4,478		4,478			4,478
30	Asphalt foot path overlay (1/3)	4,478								3,214		3,214
31	Asphalt foot path overlay (1/3)	4,478										
32	Picnic Pavillion Roofing	14,791	14,791		(14,791)							
33	Pavillion Concrete slab	8,074										
34	Wood picnic tables (partial)	4,480	4,480		(4,480)							
35	Wood benches (partial)	3,090	3,090		(3,090)							
36	Wood benches (partial)	3,090								2,218		2,218
37	Wood foot bridge, decking	2,982										
38	Wood foot bridge, railing	3,815										
39	Wood footbridge, substructure	18,858										
	SITE COMPONENT (Community wic											

CASH FLOW METHOD - THREE-YEAR REPLACEMENT FUNDING - TABLE CF-4 cont'd

Item #	Description of Projected Replacement	Estimated Replacement Costs	Allocation of Beginning Balance	2014 Reserve Funding	2014 Projected Replacements	2014 End of Year Balance	2015 Reserve Funding	2015 Projected Replacements	2015 End of Year Balance	2016 Reserve Funding	2016 Projected Replacements	2016 End of Year Balance
40	Concrete sidewalk (partial)	20,400										
41	Concrete sidewalk (partial)	14,450										
42	Concrete sidewalk (partial)	8,500										
43	Concrete sidewalk (partial)	6,800										
44	Concrete sidewalk (partial)	6,800										
45	Concrete sidewalk (partial)	6,800										
46	Concrete sidewalk (partial)	6,800										
47	Concrete sidewalk (partial)	6,800										
48	Concrete sidewalk (partial)	6,800										
49	Concrete sidewalk (partial)	6,800										
	SITE COMPONENT (Miscellaneous)											
50	Storm water pond rip rap	5,000										
51	RV Parking Chain Link Fence	9,558	1,073	5,502		6,574	2,984		9,558		(9,558)	
	BUILDING EXTERIOR (Windsor Oa											
52	EPDM Single Ply membrane roof	4,890										
53	Shingle asphalt/fiberglass roof	6,694										
54	Gutter & downspout, 6" aluminum	1,972										
55	Vinyl siding	14,903										
56	Sliding Doors (3, various sizes)	2,600										
57	Exterior doors, single	2,364										
58	Exterior doors, pair	2,580										
	BUILDING EXTERIOR (Foxwood Pc											
59	EPDM Single Ply membrane roof	1,630										
60	Shingle asphalt/fiberglass roof	5,508										
61	Wood fascia, soffit & trim	3,200										
62	T-111 siding	28,552	28,552		(28,552)							
63	Sliding Doors (5, various sizes)	3,890								2,792		2,792
64	Exterior doors, single	2,364										
65	Exterior doors, pair	1,290								926		926
66	Brick veneer, repoint	1,000								718		718
	BUILDING EXTERIOR (Maintenanc											
67	EPDM Single Ply membrane roof	1,956	1,956		(1,956)							
68	Shingle asphalt/fiberglass roof	4,488	4,488		(4,488)							
69	Wood fascia, soffit & trim	1,200	1,200		(1,200)							
70	T-111 siding	6,427	6,427		(6,427)							
71	Overhead Doors, garage style	2,310										
72	Exterior doors, single	1,576										
73	Chain link fence, w/3-strand barb	5,491										
	BUILDING INTERIOR (Windsor Oal											
74	Flooring, interior carpet	3,851	3,851		(3,851)							
75	Flooring, ceramic	4,902										
76	Flooring, vinyl tile	4,851										
77	Kitchen cabinets	2,300										
78	Bar and kitchen cabinets	1,900										
79	Appliances (mocrowave & fridge)	1,000										
80	Toilet partitions	5,640										
81	Pedestal lavatory	4,940										
82	Toilet	1,995										
83	Urinal	415										
84	Janitor sink	405										
85	Hotwater heater	390										
86	Fountain	329										
87	HVAC system	5,700	5,700			5,700		(5,700)				
88	Stacking chairs	5,925										
89	Office furniture (allowance)	1,500								1,076		1,076
90	Office equipment (allowance)	1,800					1,800		1,800			1,800
	BUILDING INTERIOR (Foxwood Po											
91	Flooring, vinyl tile	3,119					1,179		1,179	1,940		3,119
92	Toilet partitions	5,640					2,132		2,132	3,508		5,640
93	Lavatory	3,705					1,400		1,400	2,305		3,705
94	Toilet	1,995					754		754	1,241		1,995
95	Urinal	415					157		157	258		415
96	Janitor sink	405					153		153	252		405
97	Hotwater heater	390					147		147	243		390

CASH FLOW METHOD - THREE-YEAR REPLACEMENT FUNDING - TABLE CF-4 cont'd

Item #	Description of Projected Replacement	Estimated Replacement Costs	Allocation of Beginning Balance	2014 Reserve Funding	2014 Projected Replacements	2014 End of Year Balance	2015 Reserve Funding	2015 Projected Replacements	2015 End of Year Balance	2016 Reserve Funding	2016 Projected Replacements	2016 End of Year Balance
98	Fountain	329					124		124	205		329
99	HVAC system	5,700	5,700			5,700		(5,700)				
	SWIMMING POOL (Windsor Oaks P											
100	Swimming pool, structure	236,817										
101	Swimming pool, fiberglass coating	67,767										
102	Swimming pool, waterline tile	5,730										
103	Swimming pool, coping	19,100										
104	Swimming pool, concrete deck (25%)	10,085								7,238		7,238
105	Swimming pool, concrete deck (25%)	10,085										
106	Swimming pool, concrete deck (25%)	10,085										
107	Swimming pool, concrete deck (25%)	10,085										
108	Swimming pool pump motor	1,100								789		789
109	Swimming pool pump (10 hp)	7,800										
110	Swimming pool filter	7,080										
111	Wading pool, structure	7,200										
112	Wading pool, coating	2,520										
113	Wading pool coping & tile	1,456										
114	Wading pool pump (1.5 hp)	350	350		(350)							
115	Wading pool filtration	900	900		(900)							
116	Pool furniture, chaise lounge	13,500								9,688		9,688
117	Pool furniture, table	900								646		646
118	Pool furniture, umbrella	1,625								1,166		1,166
119	Pool furniture, chair/end table	1,650								1,184		1,184
120	Pool furniture, restrap (10% of repl.)	1,600	180	921		1,101	499		1,600		(1,600)	
121	Pool cover	10,950					10,950		10,950			10,950
122	Perimeter fence - 6' (metal)	16,170										
123	Wading pool fence - 3' (metal)	1,633										
	SWIMMING POOL (Foxwood Pool)											
124	Swimming pool, structure	144,060										
125	Swimming pool, fiberglass coating	48,039										
126	Swimming pool, waterline tile	5,520										
127	Swimming pool, coping	18,400										
128	Swimming pool, concrete deck (25%)	10,120								7,263		7,263
129	Swimming pool, concrete deck (25%)	10,120										
130	Swimming pool, concrete deck (25%)	10,120										
131	Swimming pool, concrete deck (25%)	10,120										
132	Swimming pool pump motor	1,100										
133	Swimming pool pump (10 hp)	7,800										
134	Swimming pool filter	5,700										
135	Pool furniture, chaise lounge	15,300								10,980		10,980
136	Pool furniture, table	900								646		646
137	Pool furniture, table	360	360		(360)							
138	Pool furniture, umbrella	1,625								1,166		1,166
139	Pool furniture, chair/end table	1,100								789		789
140	Pool furniture, restrap (10% of repl.)	1,600	180	921		1,101	499		1,600		(1,600)	
141	Pool cover	7,008	7,008			7,008		(7,008)				
142												
	COURTS											
143	Tennis court, color coat	5,000	5,000		(5,000)					3,588		3,588
144	Tennis court, resurface/overlay	18,000										
145	Tennis court, post & footings	5,200										
146	Tennis court, net	700								502		502
147	Tennis court, fence	8,256										
148	Court light, poles	21,000										
149	Court light, double head	5,560										
150	Court light, quad head	8,400										
151	Exercise stations	7,960										
	TOT LOT #1 (Lumberjack and Winds											
152	Tot lot #1- Multiplay structure (small)	7,900								5,670		5,670
153	Tot lot #1 - wood border	1,152	1,152			1,152		(1,152)				
154	Tot lot #1 - wood mulch	561	561			561		(561)		403		403
155	Wood bench	1,100								789		789
	TOT LOT #2 (Foxwood Drive)											
156	Tot lot #2- Multiplay structure (small)	7,900								5,670		5,670
157	Tot lot #2 - wood border	1,260	1,260			1,260		(1,260)				
158	Tot lot #2 - wood mulch	647	647			647		(647)		464		464

CASH FLOW METHOD - THREE-YEAR REPLACEMENT FUNDING - TABLE CF-4 cont'd

Item #	Description of Projected Replacement	Estimated Replacement Costs	Allocation of Beginning Balance	2014 Reserve Funding	2014 Projected Replacements	2014 End of Year Balance	2015 Reserve Funding	2015 Projected Replacements	2015 End of Year Balance	2016 Reserve Funding	2016 Projected Replacements	2016 End of Year Balance
159	Split rail fence	5,808	5,808			5,808		(5,808)				
	TOT LOT #3 (Foxwood & Grove)											
160	Tot lot #3- Multiplay structure (small)	7,900										
161	Tot lot #3 - wood border	1,152	129	663		792	360		1,152		(1,152)	
162	Tot lot #3 - wood mulch	528	59	304		363	165		528		(528)	
	TOT LOT #4 (Loblolly & Foxwood)											
163	Tot lot #4- Multiplay structure (small)	11,700										
164	Tot lot #4 - wood border	1,674	188	964		1,151	523		1,674		(1,674)	
165	Tot lot #3 - wood mulch	1,166	131	671		802	364		1,166		(1,166)	
166	Wood bench	550										
167	Split rail fence	6,096										
	TOT LOT #5 (Picnic Facility)											
168	Tot lot #5- Multiplay structure (small)	7,900					7,900		7,900			7,900
169	Tot lot #5 - wood border	2,772					2,772		2,772			2,772
170	Tot lot #5 - wood mulch	2,455					2,455		2,455			2,455

COMPONENT METHOD ACCOUNTING SUMMARY

This Timberlake Community Association - Component Method Accounting Summary is an attachment to the Timberlake Community Association - Replacement Reserve Study dated Revised November 5, 2013 and is for use by accounting and reserve professionals experienced in Association funding and accounting principals.
This Summary consists of four reports, the 2014, 2015, and 2016 Component Method Category Funding Reports (3) and a Three-Year Replacement Funding Report.

- COMPONENT METHOD CATEGORY FUNDING REPORT, 2014, 2015, and 2016. Each of the 170 Projected Replacements listed in the Timberlake Community Association Replacement Reserve Inventory has been assigned to one of 17 categories. The following information is summarized by category in each report:
  - Normal Economic Life and Remaining Economic Life of the Projected Replacements.
  - Cost of all Scheduled Replacements in each category.
  - Replacement Reserves on Deposit allocated to the category at the beginning and end of the report period.
  - Cost of Projected Replacements in the report period.
  - Recommended Replacement Reserve Funding allocated to the category during the report period as calculated by the Component Method.
- THREE-YEAR REPLACEMENT FUNDING REPORT. This report details the allocation of the $129,143 Beginning Balance (at the start of the Study Year) and the $492,287 of additional Replacement Reserve funding in 2014 through 2016 (as calculated in the Replacement Reserve Analysis) to each of the 170 Projected Replacements listed in the Replacement Reserve Inventory. These allocations have been made using the Component Method as outlined in the Replacement Reserve Analysis.
  The calculated data includes:
  - Identification and estimated cost of each Projected Replacement schedule in years 2014 through 2016.
  - Allocation of the $129,143 Beginning Balance to the Projected Replacements by the Component Method.
  - Allocation of the $492,287 of additional Replacement Reserve Funding recommended in the Replacement Reserve Analysis in years 2014 through 2016, by the Component Method.

2014 - COMPONENT METHOD CATEGORY FUNDING REPORT

Each of the 170 Projected Replacements included in the Timberlake Community Association Replacement Reserve Inventory has been assigned to one of the 17 categories listed in TABLE CM-1 below. This calculated data is a summar of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- A Beginning Balance of $129,143 as of the first day of the Study Year, January 1, 2014.
- Total reserve funding (including the Beginning Balance) of $339,029 in the Study Year.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2014 being accomplished in 2014 at a cost of $82,688.

If any of these critical factors are inaccurate, do not use the data and please contact Miller Dodson Associates to arrange for an update of the Replacement Reserve Study.

2014 - COMPONENT METHOD CATEGORY FUNDING - TABLE CM-1

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2014 BEGINNING BALANCE	2014 RESERVE FUNDING	2014 PROJECTED REPLACEMENTS	2014 END OF YEAR BALANCE
SITE COMPONENT (Windsor Oaks Club Hou	5 to 60 years	0 to 60 years	$35,580	$3,382	$4,829	$1,596	$6,615
SITE COMPONENT (Foxwood Recreation Are	6 to 36 years	0 to 41 years	$227,488	$28,604	$65,447	$28,009	$66,042
SITE COMPONENT (Community wide concre	60 years	6 to 60 years	$90,950	$8,462	$4,957		$13,419
SITE COMPONENT (Miscellaneous)	10 to 25 years	2 to 7 years	$14,558	$1,634	$3,303		$4,936
BUILDING EXTERIOR (Windsor Oaks Blvd C	20 to 25 years	0 to 10 years	$36,003	$3,500	$2,955		$6,455
BUILDING EXTERIOR (Foxwood Pool House	15 to 30 years	0 to 15 years	$47,434	$6,565	$25,234	$28,552	$3,247
BUILDING EXTERIOR (Maintenance Building	15 to 40 years	0 to 23 years	$23,448	$2,650	$12,081	$14,071	$660
BUILDING INTERIOR (Windsor Oaks Club Ho	3 to 30 years	0 to 28 years	$47,843	$3,123	$8,796	$3,851	$8,068
BUILDING INTERIOR (Foxwood Pool House)	7 to 30 years	0 to 4 years	$21,698	$3,081	$5,166		$8,247
SWIMMING POOL (Windsor Oaks Pool)	4 to 40 years	0 to 35 years	$446,187	$33,941	$30,033	$1,250	$62,723
SWIMMING POOL (Foxwood Pool)	4 to 40 years	0 to 35 years	$298,992	$21,839	$23,205	$360	$44,684
COURTS	5 to 30 years	0 to 15 years	$80,076	$5,007	$9,618	$5,000	$9,625
TOT LOT #1 (Lumberjack and Windsor Oaks)	4 to 15 years	1 to 5 years	$10,713	$1,159	$2,089		$3,249
TOT LOT #2 (Foxwood Drive)	4 to 15 years	1 to 5 years	$15,615	$1,942	$4,477		$6,419
TOT LOT #3 (Foxwood & Grove)	4 to 15 years	2 to 6 years	$9,580	$914	$1,523		$2,437
TOT LOT #4 (Loblolly & Foxwood)	4 to 15 years	2 to 6 years	$21,186	$1,982	$3,231		$5,212
TOT LOT #5 (Picnic Facility)	3 to 15 years	3 years	$13,127	$1,359	$2,942		$4,301

2015 - COMPONENT METHOD CATEGORY FUNDING REPORT

Each of the 170 Projected Replacements included in the Timberlake Community Association Replacement Reserve Inventory has been assigned to one of the 17 categories listed in TABLE CM-2 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $256,341 on January 1, 2015.
- Total reserve funding (including the Beginning Balance) of $485,524 in 2014 through 2015.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2015 being accomplished in 2015 at a cost of $30,950.

If any of these critical factors are inaccurate, do not use the data and please contact Miller Dodson Associates to arrange for an update of the Replacement Reserve Study.

2015 - COMPONENT METHOD CATEGORY FUNDING - TABLE CM-2

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2015 BEGINNING BALANCE	2015 RESERVE FUNDING	2015 PROJECTED REPLACEMENTS	2015 END OF YEAR BALANCE
SITE COMPONENT (Windsor Oaks Club Hou	5 to 60 years	0 to 59 years	$35,580	$6,615	$3,776	$690	$9,701
SITE COMPONENT (Foxwood Recreation Are	6 to 36 years	0 to 40 years	$227,488	$66,042	$43,612	$2,424	$107,231
SITE COMPONENT (Community wide concre	60 years	5 to 59 years	$90,950	$13,419	$4,957		$18,376
SITE COMPONENT (Miscellaneous)	10 to 25 years	1 to 6 years	$14,558	$4,936	$3,303		$8,239
BUILDING EXTERIOR (Windsor Oaks Blvd C	20 to 25 years	9 years	$36,003	$6,455	$2,955		$9,410
BUILDING EXTERIOR (Foxwood Pool House	15 to 30 years	4 to 24 years	$47,434	$3,247	$2,780		$6,028
BUILDING EXTERIOR (Maintenance Building	15 to 40 years	9 to 24 years	$23,448	$660	$1,015		$1,674
BUILDING INTERIOR (Windsor Oaks Club Ho	3 to 30 years	0 to 27 years	$47,843	$8,068	$6,164	$5,700	$8,533
BUILDING INTERIOR (Foxwood Pool House)	7 to 30 years	0 to 3 years	$21,698	$8,247	$5,166	$5,700	$7,713
SWIMMING POOL (Windsor Oaks Pool)	4 to 40 years	1 to 34 years	$446,187	$62,723	$29,080		$91,803
SWIMMING POOL (Foxwood Pool)	4 to 40 years	0 to 34 years	$298,992	$44,684	$22,938	$7,008	$60,614
COURTS	5 to 30 years	4 to 14 years	$80,076	$9,625	$6,486		$16,111
TOT LOT #1 (Lumberjack and Windsor Oaks)	4 to 15 years	0 to 4 years	$10,713	$3,249	$2,089	$1,713	$3,625
TOT LOT #2 (Foxwood Drive)	4 to 15 years	0 to 4 years	$15,615	$6,419	$4,477	$7,715	$3,182
TOT LOT #3 (Foxwood & Grove)	4 to 15 years	1 to 5 years	$9,580	$2,437	$1,523		$3,961
TOT LOT #4 (Loblolly & Foxwood)	4 to 15 years	1 to 5 years	$21,186	$5,212	$3,231		$8,443
TOT LOT #5 (Picnic Facility)	3 to 15 years	2 years	$13,127	$4,301	$2,942		$7,243

2016 - COMPONENT METHOD CATEGORY FUNDING REPORT

Each of the 170 Projected Replacements included in the Timberlake Community Association Replacement Reserve Inventory has been assigned to one of the 17 categories listed in TABLE CM-3 below. This calculated data is a summary of data provided in the Three-Year Replacement Funding Report and Replacement Reserve Inventory. The accuracy of this data is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $371,886 on January 1, 2016.
- Total Replacement Reserve funding (including the Beginning Balance) of $621,430 in 2014 to 2016.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2016 being accomplished in 2016 at a cost of $138,177.

If any of these critical factors are inaccurate, do not use the data and please contact Miller Dodson Associates to arrange for an update of the Replacement Reserve Study.

2016 - COMPONENT METHOD CATEGORY FUNDING - TABLE CM-3

CATEGORY	NORMAL ECONOMIC LIFE	REMAINING ECONOMIC LIFE	ESTIMATED REPLACEMENT COST	2016 BEGINNING BALANCE	2016 RESERVE FUNDING	2016 PROJECTED REPLACEMENTS	2016 END OF YEAR BALANCE
SITE COMPONENT (Windsor Oaks Club Hou	5 to 60 years	4 to 58 years	$35,580	$9,701	$3,605		$13,306
SITE COMPONENT (Foxwood Recreation Are	6 to 36 years	0 to 39 years	$227,488	$107,231	$42,945	$120,899	$29,277
SITE COMPONENT (Community wide concre	60 years	4 to 58 years	$90,950	$18,376	$4,957		$23,333
SITE COMPONENT (Miscellaneous)	10 to 25 years	0 to 5 years	$14,558	$8,239	$3,303	$9,558	$1,983
BUILDING EXTERIOR (Windsor Oaks Blvd C	20 to 25 years	8 years	$36,003	$9,410	$2,955		$12,364
BUILDING EXTERIOR (Foxwood Pool House	15 to 30 years	3 to 23 years	$47,434	$6,028	$2,780		$8,808
BUILDING EXTERIOR (Maintenance Building	15 to 40 years	8 to 23 years	$23,448	$1,674	$1,015		$2,689
BUILDING INTERIOR (Windsor Oaks Club Ho	3 to 30 years	1 to 26 years	$47,843	$8,533	$4,045		$12,577
BUILDING INTERIOR (Foxwood Pool House)	7 to 30 years	2 to 19 years	$21,698	$7,713	$3,046		$10,760
SWIMMING POOL (Windsor Oaks Pool)	4 to 40 years	0 to 33 years	$446,187	$91,803	$29,080	$1,600	$119,283
SWIMMING POOL (Foxwood Pool)	4 to 40 years	0 to 33 years	$298,992	$60,614	$20,621	$1,600	$79,636
COURTS	5 to 30 years	3 to 13 years	$80,076	$16,111	$6,486		$22,597
TOT LOT #1 (Lumberjack and Windsor Oaks)	4 to 15 years	3 to 14 years	$10,713	$3,625	$1,561		$5,186
TOT LOT #2 (Foxwood Drive)	4 to 15 years	3 to 14 years	$15,615	$3,182	$1,812		$4,994
TOT LOT #3 (Foxwood & Grove)	4 to 15 years	0 to 4 years	$9,580	$3,961	$1,523	$1,680	$3,804
TOT LOT #4 (Loblolly & Foxwood)	4 to 15 years	0 to 4 years	$21,186	$8,443	$3,231	$2,840	$8,833
TOT LOT #5 (Picnic Facility)	3 to 15 years	1 years	$13,127	$7,243	$2,942		$10,185

COMPONENT METHOD - THREE-YEAR REPLACEMENT FUNDING REPORT

TABLE CM-4 below details the allocation of the $129,143 Beginning Balance, as reported by the Association and the $492,287 of Replacement Reserve Funding calculated by the Cash Flow Method in 2014 to 2016, to the 170 Projected Replacements listed in the Replacement Reserve Inventory. These allocations have been made by Chronological Allocation, a method developed by Miller Dodson Associates, Inc., and outlined on Page CF-1. The accuracy of the allocations is dependent upon many factors including the following critical financial data:

- Replacement Reserves on Deposit totaling $129,143 on January 1, 2014.
- Replacement Reserves on Deposit totaling $256,341 on January 1, 2015.
- Replacement Reserves on Deposit totaling $371,886 on January 1, 2016.
- Total Replacement Reserve funding (including the Beginning Balance) of $621,430 in 2014 to 2016.
- No expenditures from Replacement Reserves other than those specifically listed in the Replacement Reserve Inventory.
- All Projected Replacements scheduled in the Replacement Reserve Inventory in 2014 to 2016 being accomplished as scheduled in the Replacement Reserve Inventory at a cost of $251,814.

If any of these critical factors are inaccurate, do not use the data and please contact Miller Dodson Associates, Inc., to arrange for an update of the Replacement Reserve Study.

COMPONENT METHOD - THREE-YEAR REPLACEMENT FUNDING - TABLE CM-4

Item #	Description of Projected Replacement	Estimated Replacement	Allocation of Beginning Balance	2014 Reserve Funding	2014 Projected Replacements	2014 End of Year Balance	2015 Reserve Funding	2015 Projected Replacements	2015 End of Year Balance	2016 Reserve Funding	2016 Projected Replacements	2016 End of Year Costs Balance
	SITE COMPONENT (Windsor Oaks											
1	Asphalt parking pavement, seal coat	1,596	277	1,319	(1,596)		266		266	266		532
2	Asphalt parking pavement, mill & ove	13,566	1,439	1,732		3,172	1,732		4,904	1,732		6,636
3	Marquee Sign, refurbish	690	72	309		381	309	(690)		138		138
4	Marquee Sign, replace	4,955	659	614		1,273	614		1,887	614		2,500
5	Curb & Gutter (20%)	2,502	265	320		585	320		905	320		1,224
6	Curb & Gutter (20%)	2,502	121	183		304	183		487	183		670
7	Curb & Gutter (20%)	2,502		61		61	61		122	61		183
8	Concrete walks (6%)	727	111	88		199	88		287	88		375
9	Concrete walks (6%)	727	99	48		147	48		195	48		244
10	Concrete walks (6%)	727	86	34		120	34		154	34		187
11	Concrete walks (6%)	727	74	26		100	26		126	26		152
12	Concrete walks (6%)	727	61	21		82	21		104	21		125
13	Concrete walks (6%)	727	48	18		67	18		85	18		103
14	Concrete walks (6%)	727	36	16		52	16		68	16		84
15	Concrete walks (6%)	727	23	14		37	14		52	14		66
16	Concrete walks (6%)	727	11	13		24	13		37	13		50
17	Concrete walks (6%)	727		12		12	12		24	12		36
	SITE COMPONENT (Foxwood Recre											
18	Asphalt parking pavement, seal coat	1,993	231	881		1,112	881	(1,993)		332		332
19	Asphalt parking pavement, mill & ove	16,937	1,633	1,913		3,546	1,913		5,459	1,913		7,372
20	Asphalt drive pavement, seal coat	431	50	191		241	191	(431)		72		72
21	Asphalt drive pavement, mill & overla	3,665	353	414		767	414		1,181	414		1,595
22	Concrete Curb only (20%)	1,767	170	200		370	200		570	200		769
23	Concrete Curb only (20%)	1,767	68	121		190	121		311	121		432
24	Concrete Curb only (20%)	1,767		42		42	42		84	42		126
25	Timber curb at parking & drive	2,862	497	2,365	(2,862)		159		159	159		318
26	Split rail fence behind pool	2,786	484	2,303	(2,786)		155		155	155		310
27	Fishing pier decking	34,753	4,525	10,076		14,601	10,076		24,677	10,076	(34,753)	
28	Fishing pier framing & piles	86,146	13,708	24,146		37,854	24,146		62,000	24,146	(86,146)	
29	Asphalt foot path overlay (1/3)	4,478	605	968		1,573	968		2,541	968		3,510
30	Asphalt foot path overlay (1/3)	4,478	518	660		1,178	660		1,838	660		2,498
31	Asphalt foot path overlay (1/3)	4,478	432	506		938	506		1,443	506		1,949
32	Picnic Pavillion Roofing	14,791	2,567	12,223	(14,791)		493		493	493		986
33	Pavillion Concrete slab	8,074		260		260	260		521	260		781
34	Wood picnic tables (partial)	4,480	778	3,702	(4,480)		299		299	299		597
35	Wood benches (partial)	3,090	536	2,554	(3,090)		206		206	206		412
36	Wood benches (partial)	3,090	322	461		783	461		1,245	461		1,706
37	Wood foot bridge, decking	2,982	207	308		515	308		824	308		1,132
38	Wood foot bridge, railing	3,815	265	394		659	394		1,054	394		1,448
39	Wood footbridge, substructure	18,858	655	758		1,413	758		2,172	758		2,930
	SITE COMPONENT (Community wid											

COMPONENT METHOD - THREE-YEAR REPLACEMENT FUNDING - TABLE CM-4 cont'd

Item #	Description of Projected Replacement	Estimated Replacement Costs	Allocation of Beginning Balance	2014 Reserve Funding	2014 Projected Replacements	2014 End of Year Balance	2015 Reserve Funding	2015 Projected Replacements	2015 End of Year Balance	2016 Reserve Funding	2016 Projected Replacements	2016 End of Year Balance
40	Concrete sidewalk (partial)	20,400	3,128	2,467		5,595	2,467		8,063	2,467		10,530
41	Concrete sidewalk (partial)	14,450	1,965	960		2,925	960		3,886	960		4,846
42	Concrete sidewalk (partial)	8,500	1,008	394		1,403	394		1,797	394		2,191
43	Concrete sidewalk (partial)	6,800	689	244		933	244		1,177	244		1,422
44	Concrete sidewalk (partial)	6,800	571	201		771	201		972	201		1,173
45	Concrete sidewalk (partial)	6,800	452	172		624	172		796	172		967
46	Concrete sidewalk (partial)	6,800	334	150		485	150		635	150		786
47	Concrete sidewalk (partial)	6,800	216	134		351	134		485	134		619
48	Concrete sidewalk (partial)	6,800	98	122		220	122		342	122		464
49	Concrete sidewalk (partial)	6,800		111		111	111		223	111		334
	SITE COMPONENT (Miscellaneous)											
50	Storm water pond rip rap	5,000	174	603		777	603		1,380	603		1,983
51	RV Parking Chain Link Fence	9,558	1,460	2,699		4,159	2,699		6,859	2,699	(9,558)	
	BUILDING EXTERIOR (Windsor Oa											
52	EPDM Single Ply membrane roof	4,890	475	401		877	401		1,278	401		1,679
53	Shingle asphalt/fiberglass roof	6,694	651	549		1,200	549		1,749	549		2,299
54	Gutter & downspout, 6" aluminum	1,972	192	162		354	162		515	162		677
55	Vinyl siding	14,903	1,449	1,223		2,672	1,223		3,895	1,223		5,118
56	Sliding Doors (3, various sizes)	2,600	253	213		466	213		680	213		893
57	Exterior doors, single	2,364	230	194		424	194		618	194		812
58	Exterior doors, pair	2,580	251	212		463	212		674	212		886
	BUILDING EXTERIOR (Foxwood Pc											
59	EPDM Single Ply membrane roof	1,630	102	96		197	96		293	96		388
60	Shingle asphalt/fiberglass roof	5,508	344	323		667	323		990	323		1,312
61	Wood fascia, soffit & trim	3,200	200	188		387	188		575	188		762
62	T-111 siding	28,552	4,956	23,595	(28,552)		1,142		1,142	1,142		2,284
63	Sliding Doors (5, various sizes)	3,890	513	563		1,076	563		1,639	563		2,202
64	Exterior doors, single	2,364	148	139		286	139		425	139		563
65	Exterior doors, pair	1,290	170	187		357	187		543	187		730
66	Brick veneer, repoint	1,000	132	145		277	145		421	145		566
	BUILDING EXTERIOR (Maintenanc											
67	EPDM Single Ply membrane roof	1,956	340	1,616	(1,956)		78		78	78		156
68	Shingle asphalt/fiberglass roof	4,488	779	3,709	(4,488)		180		180	180		359
69	Wood fascia, soffit & trim	1,200	208	992	(1,200)		48		48	48		96
70	T-111 siding	6,427	1,116	5,312	(6,427)		257		257	257		514
71	Overhead Doors, garage style	2,310	16	96		112	96		207	96		303
72	Exterior doors, single	1,576	153	129		283	129		412	129		541
73	Chain link fence, w/3-strand barb	5,491	38	227		265	227		493	227		720
	BUILDING INTERIOR (Windsor Oal											
74	Flooring, interior carpet	3,851	668	3,182	(3,851)		550		550	550		1,100
75	Flooring, ceramic	4,902	243	311		554	311		864	311		1,175
76	Flooring, vinyl tile	4,851	361	561		922	561		1,483	561		2,045
77	Kitchen cabinets	2,300	247	257		504	257		760	257		1,017
78	Bar and kitchen cabinets	1,900	204	212		416	212		628	212		840
79	Appliances (mocrowave & fridge)	1,000	81	115		196	115		311	115		426
80	Toilet partitions	5,640	33	193		226	193		419	193		613
81	Pedestal lavatory	4,940	29	169		198	169		367	169		537
82	Toilet	1,995	12	68		80	68		148	68		217
83	Urinal	415	2	14		17	14		31	14		45
84	Janitor sink	405	45	33		77	33		110	33		143
85	Hotwater heater	390	18	34		52	34		86	34		119
86	Fountain	329	15	29		44	29		72	29		101
87	HVAC system	5,700	891	2,405		3,295	2,405	(5,700)		285		285
88	Stacking chairs	5,925	274	514		788	514		1,302	514		1,815
89	Office furniture (allowance)	1,500		250		250	250		500	250		750
90	Office equipment (allowance)	1,800		450		450	450		900	450		1,350
	BUILDING INTERIOR (Foxwood Po											
91	Flooring, vinyl tile	3,119	348	554		902	554		1,456	554		2,010
92	Toilet partitions	5,640	816	965		1,781	965		2,746	965		3,710
93	Lavatory	3,705	536	634		1,170	634		1,804	634		2,437
94	Toilet	1,995	289	341		630	341		971	341		1,312
95	Urinal	415	60	71		131	71		202	71		273
96	Janitor sink	405	59	69		128	69		197	69		266
97	Hotwater heater	390	45	69		114	69		183	69		252

COMPONENT METHOD - THREE-YEAR REPLACEMENT FUNDING - TABLE CM-4 cont'd

Item #	Description of Projected Replacement	Estimated Replacement Costs	Allocation of Beginning Balance	2014 Reserve Funding	2014 Projected Replacements	2014 End of Year Balance	2015 Reserve Funding	2015 Projected Replacements	2015 End of Year Balance	2016 Reserve Funding	2016 Projected Replacements	2016 End of Year Balance
98	Fountain	329	38	58		96	58		154	58		213
99	HVAC system	5,700	891	2,405		3,295	2,405	(5,700)		285		285
	SWIMMING POOL (Windsor Oaks P											
100	Swimming pool, structure	236,817	24,665	13,259		37,925	13,259		51,184	13,259		64,444
101	Swimming pool, fiberglass coating	67,767	1,882	3,137		5,020	3,137		8,157	3,137		11,294
102	Swimming pool, waterline tile	5,730	159	265		424	265		690	265		955
103	Swimming pool, coping	19,100	530	884		1,415	884		2,299	884		3,183
104	Swimming pool, concrete deck(25%)	10,085	1,050	1,506		2,556	1,506		4,062	1,506		5,568
105	Swimming pool, concrete deck(25%)	10,085		630		630	630		1,261	630		1,891
106	Swimming pool, concrete deck(25%)	10,085		388		388	388		776	388		1,164
107	Swimming pool, concrete deck(25%)	10,085		280		280	280		560	280		840
108	Swimming pool pump motor	1,100		183		183	183		367	183		550
109	Swimming pool pump (10 hp)	7,800		520		520	520		1,040	520		1,560
110	Swimming pool filter	7,080	328	614		942	614		1,555	614		2,169
111	Wading pool, structure	7,200	750	403		1,153	403		1,556	403		1,959
112	Wading pool, coating	2,520	109	161		270	161		431	161		591
113	Wading pool coping & tile	1,456	63	93		156	93		249	93		342
114	Wading pool pump (1.5 hp)	350	61	289	(350)		35		35	35		70
115	Wading pool filtration	900	156	744	(900)		45		45	45		90
116	Pool furniture, chaise lounge	13,500	1,172	2,055		3,226	2,055		5,281	2,055		7,336
117	Pool furniture, table	900	78	137		215	137		352	137		489
118	Pool furniture, umbrella	1,625	141	247		388	247		636	247		883
119	Pool furniture, chair/end table	1,650	143	251		394	251		645	251		897
120	Pool furniture, restrap (10% of repl.)	1,600	69	510		580	510		1,090	510	(1,600)	
121	Pool cover	10,950	1,140	2,452		3,593	2,452		6,045	2,452		8,498
122	Perimeter fence - 6' (metal)	16,170	1,310	929		2,239	929		3,167	929		4,096
123	Wading pool fence - 3' (metal)	1,633	132	94		226	94		320	94		414
	SWIMMING POOL (Foxwood Pool)											
124	Swimming pool, structure	144,060	15,004	8,066		23,070	8,066		31,136	8,066		39,202
125	Swimming pool, fiberglass coating	48,039	1,668	2,898		4,566	2,898		7,464	2,898		10,362
126	Swimming pool, waterline tile	5,520	192	333		525	333		858	333		1,191
127	Swimming pool, coping	18,400	639	1,110		1,749	1,110		2,859	1,110		3,969
128	Swimming pool, concrete deck(25%)	10,120	1,054	1,511		2,565	1,511		4,076	1,511		5,587
129	Swimming pool, concrete deck(25%)	10,120		633		633	633		1,265	633		1,898
130	Swimming pool, concrete deck(25%)	10,120		389		389	389		778	389		1,168
131	Swimming pool, concrete deck(25%)	10,120		281		281	281		562	281		843
132	Swimming pool pump motor	1,100		157		157	157		314	157		471
133	Swimming pool pump (10 hp)	7,800	271	627		898	627		1,526	627		2,153
134	Swimming pool filter	5,700	264	494		758	494		1,252	494		1,746
135	Pool furniture, chaise lounge	15,300	1,328	2,329		3,657	2,329		5,985	2,329		8,314
136	Pool furniture, table	900	78	137		215	137		352	137		489
137	Pool furniture, table	360	62	298	(360)		30		30	30		60
138	Pool furniture, umbrella	1,625	141	247		388	247		636	247		883
139	Pool furniture, chair/end table	1,100	95	167		263	167		430	167		598
140	Pool furniture, restrap (10% of repl.)	1,600	69	510		580	510		1,090	510	(1,600)	
141	Pool cover	7,008	973	3,017		3,991	3,017	(7,008)		701		701
142												
	COURTS											
143	Tennis court, color coat	5,000	868	4,132	(5,000)		1,000		1,000	1,000		2,000
144	Tennis court, resurface/overlay	18,000	625	1,086		1,711	1,086		2,797	1,086		3,883
145	Tennis court, post & footings	5,200	181	314		494	314		808	314		1,122
146	Tennis court, net	700		117		117	117		233	117		350
147	Tennis court, fence	8,256	287	498		785	498		1,283	498		1,781
148	Court light, poles	21,000	2,309	1,699		4,008	1,699		5,707	1,699		7,406
149	Court light, double head	5,560	257	482		739	482		1,221	482		1,704
150	Court light, quad head	8,400	389	728		1,117	728		1,845	728		2,574
151	Exercise stations	7,960	92	562		654	562		1,216	562		1,778
	TOT LOT #1 (Lumberjack and Winds											
152	Tot lot #1- Multiplay structure (small)	7,900	823	1,180		2,002	1,180		3,182	1,180		4,361
153	Tot lot #1 - wood border	1,152	173	489		663	489	(1,152)		77		77
154	Tot lot #1 - wood mulch	561	49	256		305	256	(561)		140		140
155	Wood bench	1,100	115	164		279	164		443	164		607
	TOT LOT #2 (Foxwood Drive)											
156	Tot lot #2- Multiplay structure (small)	7,900	823	1,180		2,002	1,180		3,182	1,180		4,361
157	Tot lot #2 - wood border	1,260	190	535		725	535	(1,260)		84		84
158	Tot lot #2 - wood mulch	647	56	295		351	295	(647)		162		162

COMPONENT METHOD - THREE-YEAR REPLACEMENT FUNDING - TABLE CM-4 cont'd

Item #	Description of Projected Replacement	Estimated Replacement Costs	Allocation of Beginning Balance	2014 Reserve Funding	2014 Projected Replacements	2014 End of Year Balance	2015 Reserve Funding	2015 Projected Replacements	2015 End of Year Balance	2016 Reserve Funding	2016 Projected Replacements	2016 End of Year Balance
159	Split rail fence	5,808	874	2,467		3,341	2,467	(5,808)		387		387
	TOT LOT #3 (Foxwood & Grove)											
160	Tot lot #3- Multiplay structure (small)	7,900	731	1,024		1,755	1,024		2,780	1,024		3,804
161	Tot lot #3 - wood border	1,152	160	331		491	331		821	331	(1,152)	
162	Tot lot #3 - wood mulch	528	23	168		191	168		360	168	(528)	
	TOT LOT #4 (Loblolly & Foxwood)											
163	Tot lot #4- Multiplay structure (small)	11,700	1,083	1,517		2,600	1,517		4,117	1,517		5,633
164	Tot lot #4 - wood border	1,674	232	481		713	481		1,193	481	(1,674)	
165	Tot lot #3 - wood mulch	1,166	51	372		422	372		794	372	(1,166)	
166	Wood bench	550	51	71		122	71		194	71		265
167	Split rail fence	6,096	564	790		1,355	790		2,145	790		2,935
	TOT LOT #5 (Picnic Facility)											
168	Tot lot #5- Multiplay structure (small)	7,900	1,006	1,724		2,729	1,724		4,453	1,724		6,176
169	Tot lot #5 - wood border	2,772	353	605		958	605		1,562	605		2,167
170	Tot lot #5 - wood mulch	2,455		614		614	614		1,227	614		1,841

1. COMMON INTEREST DEVELOPMENTS - AN OVERVIEW

Over the past 40 years, the responsibility for community facilities and infrastructure around many of our homes has shifted from the local government to Community Associations. Thirty years ago, a typical new town house abutted a public street on the front and a public alley on the rear. Open space was provided by a nearby public park and recreational facilities were purchased ala carte from privately owned country clubs, swim clubs, tennis clubs, and gymnasiums. Today, 60% of all new residential construction, i.e. townhouses, single family homes, condominiums, and cooperatives, is in Common Interest Developments (CID). In a CID, a home owner 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, street lights, recreational facilities, and other community facilities and infrastructure.

The growth of Community Associations has been explosive. In 1965 there were only 500 Community Associations in the United States. According to the U.S. Census, there were 130,000 Community Associations in 1990. Community Associations Institute (CAI), a national trade association, estimates there were more than 200,000 Community Associations in the year 2000, and that the number of Community Associations will continue to multiply.

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 problems. Although Community Associations have succeeded in solving many short term problems, many Associations have failed to properly plan for the tremendous expenses of replacing community facilities and infrastructure components. When inadequate replacement reserve funding results in less than timely replacements of failing components, home owners are exposed to the burden of special assessments, major increases in Association fees, and 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 replacement, a general view of the condition of these components, and an effective financial plan to fund projected periodic replacements. The Replacement Reserve Study consists of the following:

- Replacement Reserve Study Introduction. The introduction provides a description of the property, reviews the intent of the Replacement Reserve Study, and lists documents and site evaluations upon which the Replacement Reserve Study is based.

- Section A Replacement Reserve Analysis. Many components owned by the Association have a limited life and require periodic replacement. Therefore it is essential the Association have a financial plan that provides funding for the timely replacement of these components in order to protect the safety, appearance, and value of the community. In conformance with American Institute of Certified Public Accountant guidelines, Section A Replacement Reserve Analysis evaluates the current funding of Replacement Reserves as reported by the Association and recommends annual funding of Replacement Reserves by two generally accepted accounting methods; the Cash Flow Method and the Component Method. Section A Replacement Reserve Analysis includes graphic and tabular presentations of these methods and current Association funding.

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

  Replacement Reserve Inventory includes estimates of the normal economic life and the remaining economic life for those components whose replacement is 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. Several of the items listed in the Replacement Reserve Inventory are discussed in more detail. The Condition Assessment includes a narrative and photographs that document conditions at the property observed during our visual evaluation.

- Section E Attachments. 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. Due to the difference in accounting methodologies, these methods lead to different calculated values for the Minimum Annual Contribution to the Reserves. The results of both methods are presented in this report. The Association should obtain the advice of its accounting professional as to which method is more appropriate for the Association. The two methods are:

- Component Method. This method is a time tested mathematical model developed by HUD in the early 1980s. It treats each item in the replacement schedule as an individual line item budget. Generally, the Minimum Annual Contribution to Reserves is higher when calculated by the Component Method. The mathematical model for this method works as follows:

  First, the total Current Objective is calculated, which is the reserve amount that would have accumulated had all of the items on the schedule been funded from initial construction at their current replacement costs. Next, the Reserves Currently on Deposit (as reported by the Association) are distributed to the components in the schedule in proportion to the Current Objective. The Minimum Annual Deposit for each component is equal to the Estimated Replacement Cost, minus the Reserves on Hand, divided by the years of life remaining.

- Cash Flow Method. The Cash Flow Method is sometimes referred to as the "Pooling Method." It calculates the minimum constant annual contribution to reserves (Minimum Annual Deposit) required to meet projected expenditures without allowing total reserves on hand to fall below the specified minimum level in any year. This method usually results in a calculated requirement for annual contribution somewhat less than that arrived at by the Component Method of analysis.

  First, the Minimum Recommended Reserve Level to be Held on Account is determined based on the age, condition, and replacement cost of the individual components. The mathematical model then allocates the estimated replacement costs to the future years in which they are projected to occur. Based on these expenditures, it then calculates the minimum constant yearly contribution (Minimum Annual Deposit) to the reserves necessary to keep the reserve balance at the end of each year above the Minimum Recommended Reserve Level to be Held on Account. The Cash Flow Analysis assumes that the Association will have authority to use all of the reserves on hand for replacements as the need occurs. This method usually results in a Minimum Annual Deposit which is less than that arrived at by the Component Method.

- Adjusted Cash Flow Analysis. This program has the ability to modify the Cash Flow Method to take into account forecasted inflation and interest rates, thereby producing an Adjusted Cash Flow Analysis. Attempting to forecast future inflation and interest rates and the impact of changing technology is highly tenuous. Therefore, in most cases it is preferable to make a new schedule periodically rather than attempt to project far into the future. We will provide more information on this type of analysis upon request.

4. REPLACEMENT RESERVE STUDY DATA

- Identification of Reserve Components. The Reserve Analyst has only two methods of identifying Reserve Components; 1) information provided by the Association and 2) observations made at the site. It is important that the Reserve Analyst be provided with all available information detailing the components owned by the Association. It is our policy to request such information prior to bidding on a project and to meet with the individuals responsible for maintaining the community after acceptance of our proposal. After completion of the Study, the Study should be reviewed by the Board of Directors, individuals responsible for maintaining the community, and the Association's accounting professionals. We are dependent upon the Association for correct information, documentation, and drawings.

- Unit Costs. Unit costs are developed using nationally published standards and estimating guides and are adjusted by state or region. In some instances, recent data received in the course of our work is used to modify these figures.

  Contractor proposals or actual cost experience may be available as part of the Association records. This is useful information which should be incorporated into your report. Please bring any such available data to our attention, preferably before the report is commenced.

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

5. DEFINITIONS

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

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

Cash Flow Analysis. See Cash Flow Method, above.

Component Analysis. See Component Method, above.

Contingency. An allowance for unexpected requirements. Roughly the same as the Minimum Recommended Reserve Level to be Held on Account used in the Cash Flow Method of analysis.

Critical Year. In the Cash Flow Method, a year in which the reserves on hand are projected to fall to the established minimum level. See Minimum Recommended Reserve Level to be Held on Account.

Current Objective. This is the reserve amount that would have accumulated had the item been funded from initial construction at its current replacement cost. It is equal to the estimated replacement cost divided by the estimated economic life, times the number of years expended (the difference between the Estimated Economic Life and the Estimated Life Left). The Total Current Objective can be thought of as the amount of reserves the Association should now have on hand based on the sum of all of the Current Objectives.

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

Estimated Initial Replacement. For a Cyclic Replacement Item (see above), the number of years until the replacement cycle is expected to begin.

Estimated Replacement Cycle. For a Cyclic Replacement Item, the number of years over which the remainder of the component's replacement occurs.

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

Minimum Deposit in the Study Year. Shown on the Summary Sheet A1. The calculated requirement for contribution to reserves in the study year as calculated by the Component Method (see above).

Minimum Recommended Reserve Level to be Held on Account. Shown on the Summary Sheet A1, this number is used in the Cash Flow Method only. This is the prescribed level below which the reserves will not be allowed to fall in any year. This amount is determined based on the age, condition, and replacement cost of the individual components. This number is normally given as a percentage of the total Estimated Replacement Cost of all reserve components.

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.)

Normal Replacement Schedules. The list of Normal Replacement Items by category or location. These items appear on pages designated.

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. This study covers a 40-year period.

One Time Deposit Required to Fully Fund Reserves. Shown on the Summary Sheet A1 in the Component Method summary, this is the difference between the Total Current Objective and the Reserves Currently on Deposit.

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.

Reserves on Hand. Shown in the Cyclic Replacement and Normal Replacement Schedules, this is the amount of reserves allocated to each component item in the Cyclic or Normal Replacement schedules. This figure is based on the ratio of Reserves Currently on Deposit divided by the total Current Objective.

Replacement Reserve Study. An analysis of all of the components of the common property of the Association for which a need for 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, Estimated Economic Life, and Estimated Life Left. The objective of the study is to calculate a recommended annual contribution to the Association's Replacement Reserve Fund.

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

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

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

EA: each FT: feet LS: lump sum PR: pair SF: square feet SY: square yard

6. LIST OF RECOMMENDED REPAIRS - PROCEDURES

A List of Recommended Repairs is offered as a supplemental report to the Replacement Reserve Study (at an additional fee) to assist the Association in understanding the financial implications of all items owned by the Association, not just the items included for funding by Replacement Reserves listed in the Replacement Reserve Inventory. The following information relates to the List of Recommended Repairs:

- Repair costs. Cost range estimates given in the repair list assume that all work by a given trade will be done together as a single project. If repairs are done piece-meal, the costs would be significantly higher. The costs of any repairs to be funded out of the Reserve Fund should be subtracted from the Reserves Currently on Deposit figure. The Board or Property Manager should coordinate this decision with the Reserve Analyst as part of the revision process.

- Completion of repairs. The Replacement Reserve Analysis assumes that all repairs cited in the Repair List will be completed within a twelve-month period of time. Estimated Life Left in the Replacement Reserve Study has been factored under this assumption. Any deletions or delays of the projects included in the List of Recommended Repairs may result in major inaccuracies in the Replacement Reserve Analysis.

- Safety issues. If safety issues have been cited, they should be given the highest priority and should be done immediately upon receipt of this report. The Board must recognize that from a liability standpoint, they have been made aware of the existence of these unsafe conditions, if any, once the report is delivered for their review.

- Unit costs. Nationally published standards and standard estimating manuals have been used in the development of this report. Contractor proposals or actual cost experience may be available as part of the Association records. We will adjust our figures to conform to your experience if the material or information is disclosed to us and/or made available for our use.

millerdodson ASSOCIATES | Capital Reserve Consultants

Capital Replacement Reserve Study
Video Answers to Frequently Asked Questions

What is a Reserve Study?
Who are we?

http://bcove.me/nc0o69t7

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

http://bcove.me/stt373hj

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

http://bcove.me/81ch7kjt

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

http://bcove.me/ixis1yxm

What is in a Reserve Study and what is out?
Improvement vs Component, is there a difference?

http://bcove.me/81ch7kjt

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

http://bcove.me/fazwdk3h

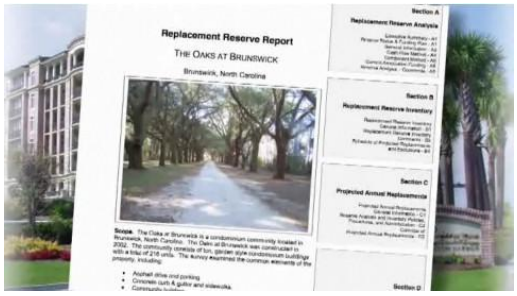
What is my role as a Board Member?
Will a Reserve Study meet my community's needs?

http://bcove.me/n6nwnktv

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

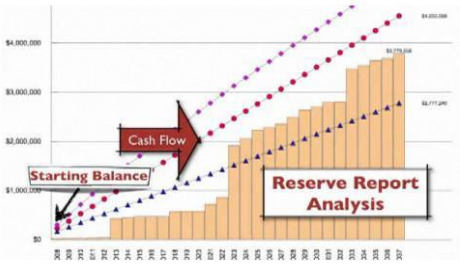
http://bcove.me/2vfih1tz

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



http://bcove.me/wb2fugb1

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

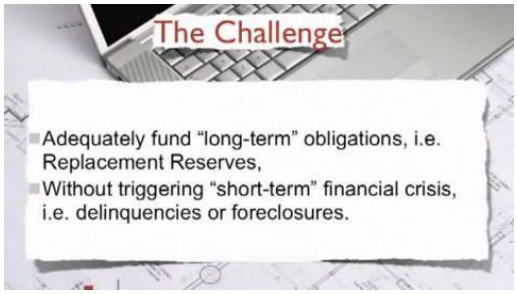


http://bcove.me/7buer3n8

How are interest and inflation addressed?
What should we look at when considering inflation?

http://bcove.me/s2tmtj9b

A community needs more help, where do we go?
What is a Strategic Funding Plan?



http://bcove.me/iqul31vq