Reserve Analysis Report

Sample Timeshare Association

Sample, New Jersey

Version 2

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Sample Condominium Association

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Preface

This preface is intended to provide an introduction to the enclosed reserve analysis as well as detailed information regarding the reserve analysis report format, reserve fund goals/objectives and calculation methods. The following sections are included in this preface:

♦ ♦ ♦ ♦ INTRODUCTION TO RESERVE BUDGETING ♦ ♦ ♦ ♦

The Board of Directors of an association has a legal and fiduciary duty to maintain the community in a good state of repair. Individual unit property values are significantly impacted by the level of maintenance and upkeep provided by the association as well as the amount of the regular assessment charged to each owner.

A prudent plan must be implemented to address the issues of long-range maintenance, repair and replacement of the common areas. Additionally, the plan should recognize that the value of each unit is affected by the amount of the regular assessment charged to each unit.

There is a fine line between “not enough,” “just right” and “too much.” Each member of an association should contribute to the reserve fund for their proportionate amount of “depreciation” (or “use”) of the reserve components. Through time, if each owner contributes his “fair share” into the reserve fund for the depreciation of the reserve components, then the possibility of large increases in regular assessments or special assessments will be minimized.

An accurate reserve analysis and a “healthy” reserve fund are essential to protect and maintain the association's common areas and the property values of the individual unit owners. A comprehensive reserve analysis is one of the most significant elements of any association's long-range plan and provides the critical link between sound business judgment and good fiscal planning. The reserve analysis provides a “financial blueprint” for the future of an association.

♦ ♦ ♦ ♦ UNDERSTANDING THE RESERVE ANALYSIS ♦ ♦ ♦ ♦

In order for the reserve analysis to be useful, it must be understandable by a variety of individuals. Board members (from seasoned, experienced Board members to new Board members), property managers, accountants, attorneys and even homeowners may ultimately review the reserve analysis. The reserve analysis must be detailed enough to provide a comprehensive analysis, yet simple enough to enable less experienced individuals to understand the results.

There are four key bits of information that a comprehensive reserve analysis should provide: Budget, Percent Funded, Projections and Inventory. This information is described as follows:

Budget
Amount recommended to be transferred into the reserve account for the fiscal year for which the reserve analysis was prepared. In some cases, the reserve analysis may present two or more funding plans based on different goals/objectives. The Board should have a clear understanding of the differences among these funding goals/objectives prior to implementing one of them in the annual budget.

Percent Funded
Measure of the reserve fund “health” (expressed as a percentage) as of the beginning of the fiscal year for which the

reserve analysis was prepared. This figure is the ratio of the actual reserve fund on hand to the fully funded balance. A reserve fund that is "100% funded" means the association has accumulated the proportionately correct amount of money, to date, for the reserve components it maintains.

Projections
Indicate the "level of service" the association will provide the membership as well as a "road map" for the fiscal future of the association. The projections define the timetables for repairs and replacements, such as when the buildings will be painted or when the asphalt will be seal coated. The projections also show the financial plan for the association – when an underfunded association will "catch up" or how a properly funded association will remain fiscally "healthy."

Inventory
Complete listing of the reserve components. Key bits of information are available for each reserve component, including placed-in-service date, useful life, remaining life, replacement year, quantity, current cost of replacement, future cost of replacement and analyst's comments.

♦ ♦ ♦ ♦ RESERVE FUNDING GOALS / OBJECTIVES ♦ ♦ ♦ ♦

There are four reserve funding goals/objectives which may be used to develop a reserve funding plan that corresponds with the risk tolerance of the association: Full Funding, Baseline Funding, Threshold Funding and Statutory Funding. These goals/objectives are described as follows:

Full Funding
Describes the goal/objective to have reserves on hand equivalent to the value of the deterioration of each reserve component. The objective of this funding goal is to achieve and/or maintain a 100% percent funded reserve fund. The component calculation method or cash flow calculation method is typically used to develop a full funding plan.

Baseline Funding
Describes the goal/objective to have sufficient reserves on hand to never completely run out of money. The objective of this funding goal is to simply pay for all reserve expenses as they come due without regard to the association's percent funded. The cash flow calculation method is typically used to develop a baseline funding plan.

Threshold Funding
Describes the goal/objective other than the 100% level (full funding) or just staying cash-positive (baseline funding). This threshold goal/objective may be a specific percent funded target or a cash balance target. Threshold funding is often a value chosen between full funding and baseline funding. The cash flow calculation method is typically used to develop a threshold funding plan.

Statutory Funding
Describes the pursuit of an objective as described or required by local laws or codes. The component calculation method or cash flow calculation method is typically used to develop a statutory funding plan.

♦ ♦ ♦ ♦ RESERVE FUNDING CALCULATION METHODS ♦ ♦ ♦ ♦

There are two funding methods which can be used to develop a reserve funding plan based on a reserve funding goal/objective: Component Calculation Method and Cash Flow Calculation Method. These calculation methods are described as follows:

Component Calculation Method
This calculation method develops a funding plan for each individual reserve component. The sum of the funding plan for each component equals the total funding plan for the association. This method is often referred to as the "straight line"

method and is widely believed to be the most conservative reserve funding method. This method structures a funding plan that enables the association to pay all reserve expenditures as they come due, enables the association to achieve the ideal level of reserves in time, and then enables the association to maintain the ideal level of reserves through time. The following is a detailed description of the component calculation method:

Step 1: Calculation of fully funded balance for each component

The fully funded balance is calculated for each component based on its age, useful life and current cost. The actual formula is as follows:

$$\text{Fully Funded Balance} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Cost}$$

Step 2: Distribution of current reserve funds

The association's current reserve funds are assigned to (or distributed amongst) the reserve components based on each component's remaining life and fully funded balance as follows:

Pass 1: Components are organized in remaining life order, from least to greatest, and the current reserve funds are assigned to each component up to its fully funded balance, until reserves are exhausted.

Pass 2: If all components are assigned their fully funded balance and additional funds exist, they are assigned in a "second pass." Again, the components are organized in remaining life order, from least to greatest, and the remaining current reserve funds are assigned to each component up to its current cost, until reserves are exhausted.

Pass 3: If all components are assigned their current cost and additional funds exist, they are assigned in a "third pass." Components with a remaining life of zero years are assigned double their current cost.

Distributing, or assigning, the current reserve funds in this manner is the most efficient use of the funds on hand – it defers the make-up period of any underfunded reserves over the lives of the components with the largest remaining lives.

Step 3: Developing a funding plan

After step 2, all components have a "starting" balance. A calculation is made to determine what funding would be required to get from the starting balance to the future cost over the number of years remaining until replacement. The funding plan incorporates the annual contribution increase parameter to develop a "stair stepped" contribution.

For example, if an association needs to accumulate $100,000 in ten years, $10,000 could be contributed each year. Alternatively, the association could contribute $8,723 in the first year and increase the contribution by 3% each year thereafter until the tenth year.

In most cases, this rate should match the inflation parameter. Matching the annual contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

Using an annual contribution increase parameter that is greater than the inflation parameter will reduce the burden to the current membership at the expense of the future membership. Using an annual contribution increase parameter that is less than the inflation parameter will increase the burden to the current membership to the benefit of the future membership. The following chart shows a comparison:

	0% Increase	3% Increase	10% Increase
Year 1	$10,000.00	$8,723.05	$6,274.54
Year 2	$10,000.00	$8,984.74	$6,901.99
Year 3	$10,000.00	$9,254.28	$7,592.19
Year 4	$10,000.00	$9,531.91	$8,351.41
Year 5	$10,000.00	$9,817.87	$9,186.55
Year 6	$10,000.00	$10,112.41	$10,105.21
Year 7	$10,000.00	$10,415.78	$11,115.73
Year 8	$10,000.00	$10,728.25	$12,227.30
Year 9	$10,000.00	$11,050.10	$13,450.03
Year 10	$10,000.00	$11,381.60	$14,795.04
TOTAL	$100,000.00	$100,000.00	$100,000.00

This parameter is used to develop a funding plan only; it does not mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a total reserve contribution increase or decrease from year to year than this parameter.

One of the major benefits of using this calculation method is that for any single component (or group of components), the accumulated balance and reserve funding can be precisely calculated. For example, using this calculation method, the reserve analysis can indicate the exact amount of current reserve funds "in the bank" for the roofs and the amount of money being funded towards the roofs each month. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

The component calculation method is typically used for well-funded associations (greater that 65% funded) with a goal/ objective of full funding.

Cash Flow Calculation Method

This calculation method develops a funding plan based on current reserve funds and projected expenditures during a specific timeframe (typically 30 years). This funding method structures a funding plan that enables the association to pay for all reserve expenditures as they come due, but is not necessarily concerned with the ideal level of reserves through time.

This calculation method tests reserve contributions against reserve expenditures through time to determine the minimum contribution necessary (baseline funding) or some other defined goal/objective (full funding, threshold funding or statutory funding).

Unlike the component calculation method, this calculation method cannot precisely calculate the reserve funding for any single component (or group of components). In order to work-around this issue to provide this bookkeeping information, a formula has been applied to component method results to calculate a reasonable breakdown. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

The cash flow calculation method is typically used for under-funded associations (less than 65% funded) with a goal/ objective of full funding, threshold funding, baseline funding or statutory funding.

Preface

♦ ♦ ♦ ♦ READING THE RESERVE ANALYSIS ♦ ♦ ♦ ♦

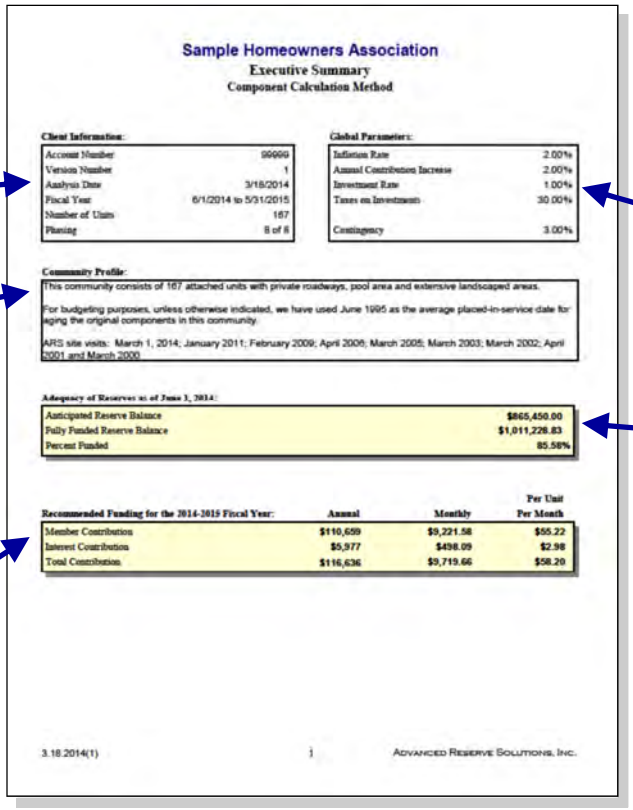
In some cases, the reserve analysis may be a lengthy document of one hundred pages or more. A complete and thorough review of the reserve analysis is always a good idea. However, if time is limited, it is suggested that a thorough review of the summary pages be made. If a "red flag" is raised in this review, the reader should then check the detail information, of the component in question, for all relevant information. In this section, a description of most of the summary or report sections is provided along with comments regarding what to look for and how to use each section.

Executive Summary

Provides general information about the client, global parameters used in the calculation of the reserve analysis as well as the core results of the reserve analysis.

Client Information
Provides various client information including fiscal year for which the reserve analysis was prepared, number of units, phasing, etc.

Global Parameters
Displays the calculation parameters that were used to calculate the reserve analysis including inflation, annual contribution increase, investment rate, tax rate and contingency.



Sample Homeowners Association
Executive Summary
Component Calculation Method

Client Information:

Account Number	99999
Version Number	1
Analysis Date	3/18/2014
Fiscal Year	6/1/2014 to 5/31/2015
Number of Units	167
Phasing	8 of 8

Global Parameters:

Inflation Rate	2.00%
Annual Contribution Increase	2.00%
Investment Rate	1.00%
Taxes on Investments	30.00%
Contingency	3.00%

Community Profile:

This community consists of 167 attached units with private roadways, pool area and extensive landscaped areas.

For budgeting purposes, unless otherwise indicated, we have used June 1995 as the average placed-in-service date for aging the original components in this community.

ARS site visits: March 1, 2014; January 2011; February 2009; April 2006; March 2005; March 2003; March 2002; April 2001 and March 2000

Adequacy of Reserves as of June 1, 2014:

Anticipated Reserve Balance	$865,450.00
Fully Funded Reserve Balance	$1,011,228.83
Percent Funded	85.58%

Recommended Funding for the 2014-2015 Fiscal Year:	Annual	Monthly	Per Unit Per Month
Member Contribution	$110,659	$9,221.58	$55.22
Interest Contribution	$5,977	$498.09	$2.98
Total Contribution	$116,636	$9,719.66	$58.20

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Community Profile
Provides brief description of the community, as well as other "global" type comments.

Budget
Provides recommended funding for the fiscal year for which the reserve analysis was prepared. Indicates the reserve funding from the membership, anticipated interest contribution and the total contribution

Adequacy of Reserves
Displays the results of calculations with regard to the "health" of the reserve fund as of the beginning of the fiscal year for which the reserve analysis was prepared. Provides the anticipated reserve balance, fully funded reserve balance and the percent funded.

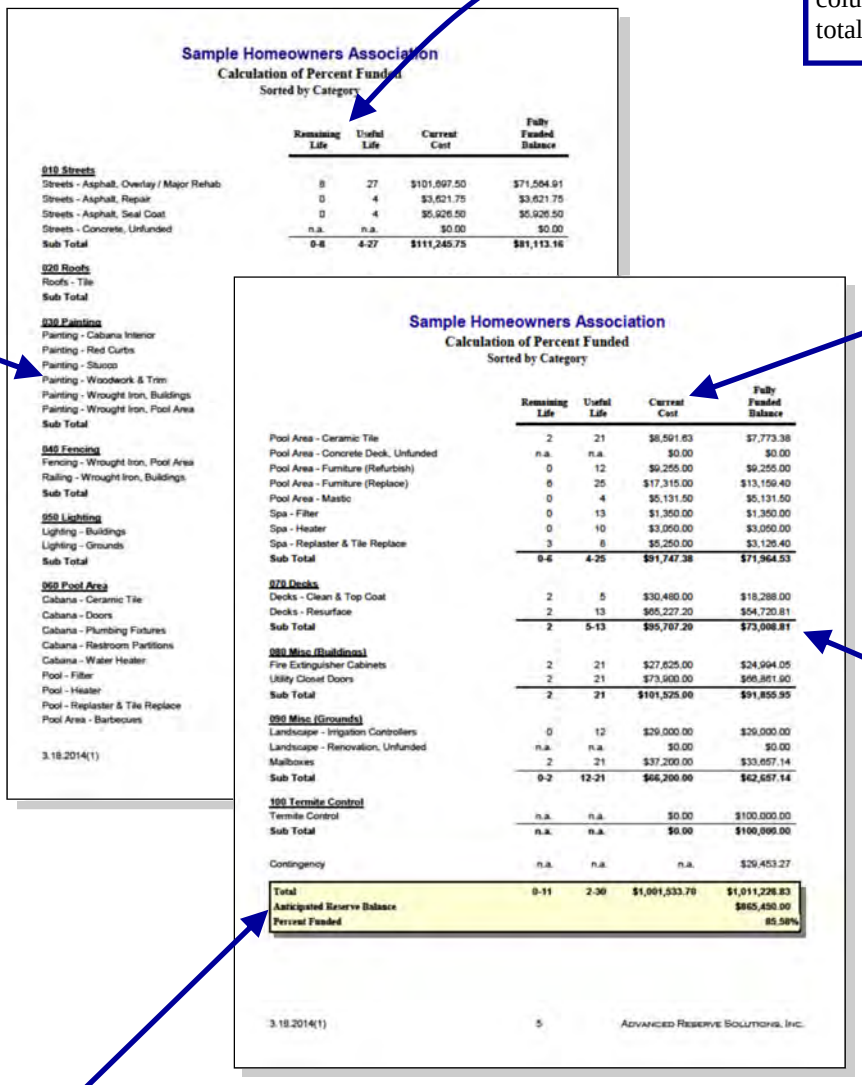
Preface

Calculation of Percent Funded

Summary displays all reserve components, shown here in "category" order. Provides the remaining life, useful life, current cost and the fully funded balance at the beginning of the fiscal year for which the reserve analysis was prepared.

Lifespans
Remaining life and useful life are displayed. And, these columns are conveniently sub totaled to show range.

Reserve Components
All components are displayed (shown here in "category" order).



Sample Homeowners Association
Calculation of Percent Funded
Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	8	27	$101,697.50	$71,584.91
Streets - Asphalt, Repair	0	4	$3,621.75	$3,621.75
Streets - Asphalt, Seal Coat	0	4	$5,926.50	$5,926.50
Streets - Concrete, Unfunded	n.a.	n.a.	$0.00	$0.00
Sub Total	0-8	4-27	$111,245.75	$81,113.16
020 Roofs				
Roofs - Tile				
Sub Total				
030 Painting				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork & Trim				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
Sub Total				
040 Fencing				
Fencing - Wrought Iron, Pool Area				
Railing - Wrought Iron, Buildings				
Sub Total				
050 Lighting				
Lighting - Buildings				
Lighting - Grounds				
Sub Total				
060 Pool Area				
Cabana - Ceramic Tile				
Cabana - Doors				
Cabana - Plumbing Fixtures				
Cabana - Restroom Partitions				
Cabana - Water Heater				
Pool - Filter				
Pool - Heater				
Pool - Replaster & Tile Replace				
Pool Area - Barbecues				

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Sample Homeowners Association
Calculation of Percent Funded
Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Pool Area - Ceramic Tile	2	21	$8,591.63	$7,773.38
Pool Area - Concrete Deck, Unfunded	n.a.	n.a.	$0.00	$0.00
Pool Area - Furniture (Refurbish)	0	12	$9,255.00	$9,255.00
Pool Area - Furniture (Replace)	6	25	$17,315.00	$13,159.40
Pool Area - Mastic	0	4	$5,131.50	$5,131.50
Spa - Filter	0	13	$1,350.00	$1,350.00
Spa - Heater	0	10	$3,050.00	$3,050.00
Spa - Replaster & Tile Replace	3	8	$5,250.00	$3,126.40
Sub Total	0-6	4-25	$91,747.38	$71,964.53
070 Decks				
Decks - Clean & Top Coat	2	5	$30,480.00	$18,288.00
Decks - Resurface	2	13	$65,227.20	$54,720.81
Sub Total	2	5-13	$95,707.20	$73,008.81
080 Misc (Buildings)				
Fire Extinguisher Cabinets	2	21	$27,825.00	$24,994.05
Utility Closet Doors	2	21	$73,900.00	$66,861.90
Sub Total	2	21	$101,525.00	$91,855.95
090 Misc (Grounds)				
Landscape - Irrigation Controllers	0	12	$29,000.00	$29,000.00
Landscape - Renovation, Unfunded	n.a.	n.a.	$0.00	$0.00
Mailboxes	2	21	$37,200.00	$33,657.14
Sub Total	0-2	12-21	$66,200.00	$62,657.14
100 Termite Control				
Termite Control	n.a.	n.a.	$0.00	$100,000.00
Sub Total	n.a.	n.a.	$0.00	$100,000.00
Contingency	n.a.	n.a.	n.a.	$29,453.27
Total	0-11	2-30	$1,001,533.70	$1,011,228.83
Anticipated Reserve Balance				$865,450.00
Percent Funded				85.58%

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Current Cost
Displays the current cost to replace or otherwise maintain each component. This column is conveniently sub totaled.

Fully Funded Balance
Displays the fully funded balance for each component. This column is conveniently sub totaled.

The total current cost to replace or otherwise maintain all components, total fully funded balance, anticipated reserve balance and percent funded are provided at the bottom of this summary. Also shown is the range of reserve component remaining lives and useful lives.

Preface

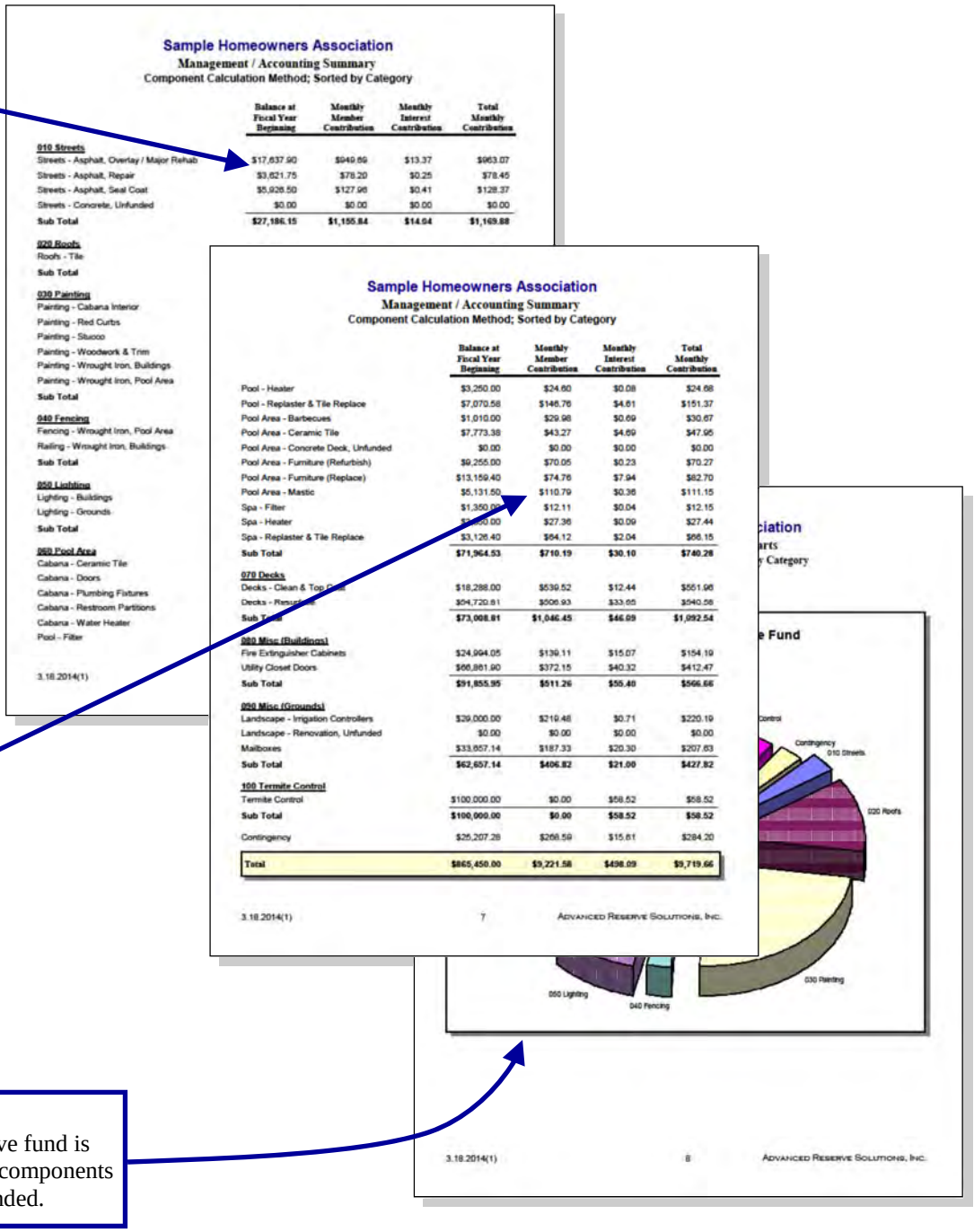
Management / Accounting Summary and Charts

Summary displays all reserve components, shown here in "category" order. Provides the assigned reserve funds at the beginning of the fiscal year for which the reserve analysis was prepared along with the monthly member contribution, interest contribution and total contribution for each component and category. Pie charts show graphically how the total reserve fund is distributed amongst the reserve component categories and how each category is funded on a monthly basis.

Balance at FYB
Shows the amount of reserve funds assigned to each reserve component. And, this column is conveniently sub totaled.

Monthly Funding
Displays the monthly funding for each component from the members and interest. Total monthly funding is also indicated. And, these columns are conveniently sub totaled.

Pie Charts
Show graphically how the reserve fund is distributed amongst the reserve components and how the components are funded.



Sample Homeowners Association
Management / Accounting Summary
Component Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	$17,637.90	$949.69	$13.37	$963.07
Streets - Asphalt, Repair	$3,621.75	$78.20	$0.25	$78.45
Streets - Asphalt, Seal Coat	$5,926.50	$127.96	$0.41	$128.37
Streets - Concrete, Unfunded	$0.00	$0.00	$0.00	$0.00
Sub Total	**$27,186.15**	**$1,155.84**	**$14.04**	**$1,169.88**
020 Roofs				
Roofs - Tile				
Sub Total				
030 Painting				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork & Trim				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
Sub Total				
040 Fencing				
Fencing - Wrought Iron, Pool Area				
Railing - Wrought Iron, Buildings				
Sub Total				
050 Lighting				
Lighting - Buildings				
Lighting - Grounds				
Sub Total				
060 Pool Area				
Cabana - Ceramic Tile				
Cabana - Doors				
Cabana - Plumbing Fixtures				
Cabana - Restroom Partitions				
Cabana - Water Heater				
Pool - Filter				

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Sample Homeowners Association
Management / Accounting Summary
Component Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
Pool - Heater	$3,250.00	$24.60	$0.08	$24.68
Pool - Replaster & Tile Replace	$7,070.58	$146.76	$4.61	$151.37
Pool Area - Barbecues	$1,010.00	$29.98	$0.69	$30.67
Pool Area - Ceramic Tile	$7,773.38	$43.27	$4.69	$47.96
Pool Area - Concrete Deck, Unfunded	$0.00	$0.00	$0.00	$0.00
Pool Area - Furniture (Refurbish)	$9,255.00	$70.05	$0.23	$70.27
Pool Area - Furniture (Replace)	$13,159.40	$74.76	$7.94	$82.70
Pool Area - Mastic	$5,131.50	$110.79	$0.36	$111.15
Spa - Filter	$1,350.00	$12.11	$0.04	$12.15
Spa - Heater	$3,650.00	$27.36	$0.09	$27.44
Spa - Replaster & Tile Replace	$3,126.40	$64.12	$2.04	$66.15
Sub Total	**$71,964.53**	**$710.19**	**$30.10**	**$740.28**
070 Decks				
Decks - Clean & Top Coat	$18,288.00	$539.52	$12.44	$551.96
Decks - Resurface	$54,720.81	$506.93	$33.65	$540.58
Sub Total	**$73,008.81**	**$1,046.45**	**$46.09**	**$1,092.54**
080 Misc (Buildings)				
Fire Extinguisher Cabinets	$24,994.05	$139.11	$15.07	$154.19
Utility Closet Doors	$66,861.90	$372.15	$40.32	$412.47
Sub Total	**$91,855.95**	**$511.26**	**$55.40**	**$566.66**
090 Misc (Grounds)				
Landscape - Irrigation Controllers	$29,000.00	$219.48	$0.71	$220.19
Landscape - Renovation, Unfunded	$0.00	$0.00	$0.00	$0.00
Mailboxes	$33,657.14	$187.33	$20.30	$207.63
Sub Total	**$62,657.14**	**$406.82**	**$21.00**	**$427.82**
100 Termite Control				
Termite Control	$100,000.00	$0.00	$58.52	$58.52
Sub Total	**$100,000.00**	**$0.00**	**$58.52**	**$58.52**
Contingency	$26,207.28	$266.59	$15.61	$284.20
Total	**$865,450.00**	**$3,221.58**	**$498.09**	**$9,719.66**

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Fund

Contingency
010 Streets
020 Roofs
030 Painting
040 Fencing
050 Lighting

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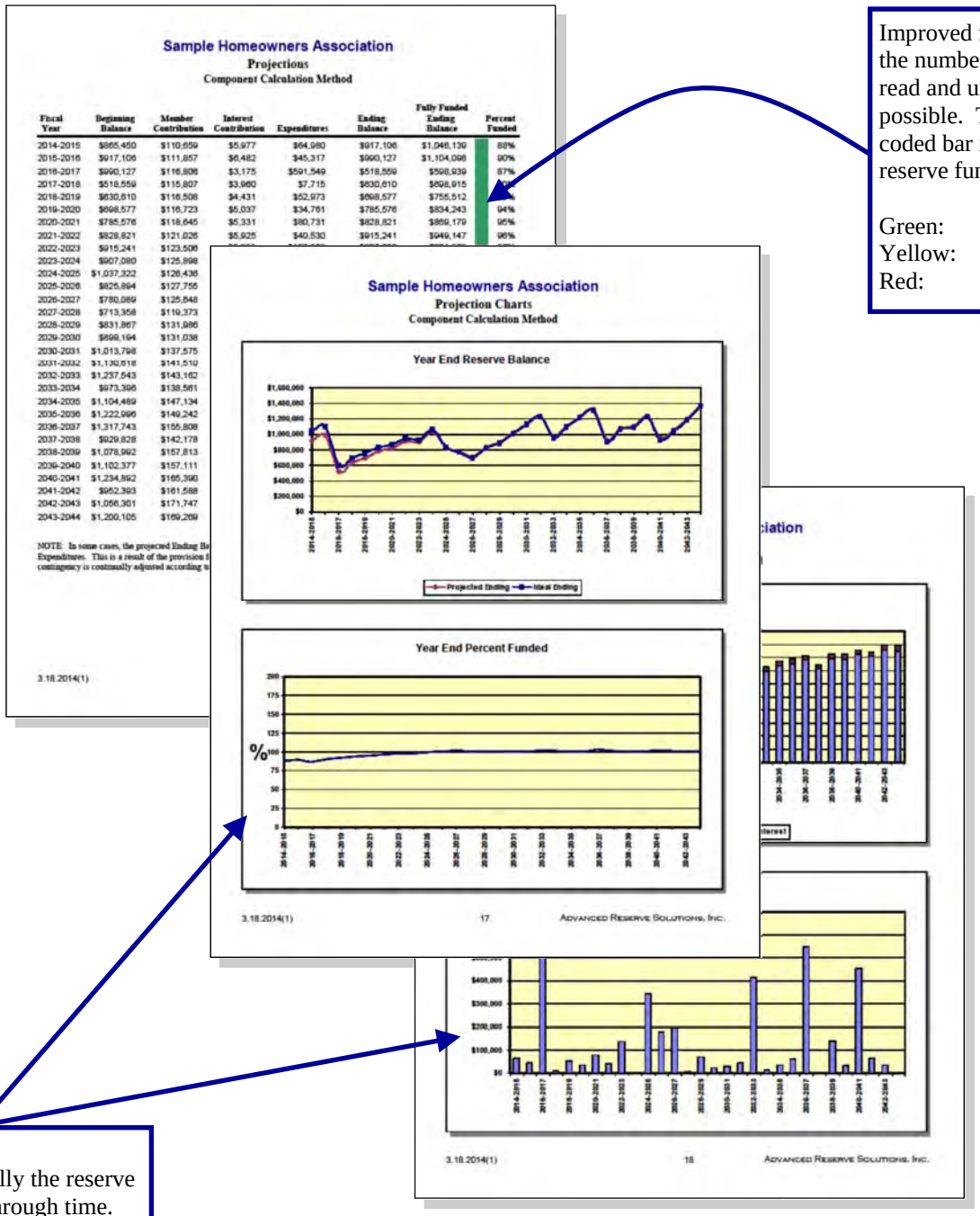
Projections and Charts

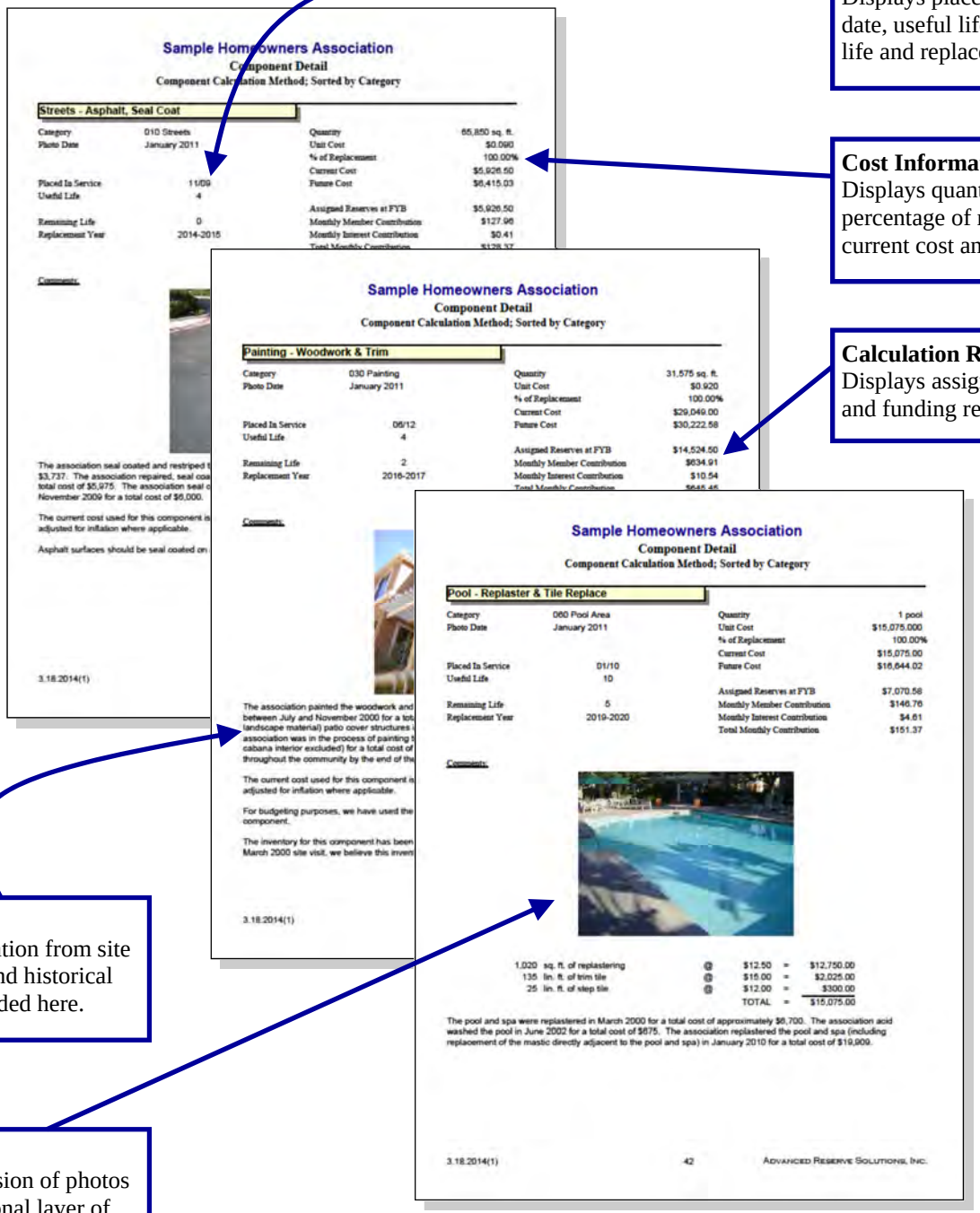
Summary displays projections of beginning reserve balance, member contribution, interest contribution, expenditures and ending reserve balance for each year of the projection period (shown here for 30 years). The two columns on the right-hand side provide the fully funded ending balance and the percent funded for each year. Charts show the same information in an easy-to-understand graphic format.



Preface

Component Detail

Summary provides detailed information about each reserve component. These pages display all information about each reserve component as well as comments from site observations and historical information regarding replacement or other maintenance.



Lifespan Information
Displays placed-in-service date, useful life, remaining life and replacement year.

Cost Information
Displays quantity, unit cost, percentage of replacement, current cost and future cost.

Calculation Results
Displays assigned reserves and funding requirements.

Comments
Useful information from site observations and historical expenses included here.

Photos
Optional inclusion of photos adds an additional layer of detail to the reserve analysis.

Preface

♦ ♦ ♦ ♦ GLOSSARY OF KEY TERMS ♦ ♦ ♦ ♦

Annual Contribution Increase Parameter
The rate used in the calculation of the funding plan. This rate is used on an annual compounding basis. This rate represents, in theory, the rate the association expects to increase contributions each year.

In most cases, this rate should match the inflation parameter. Matching the annual contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

This parameter is used to develop a funding plan only; it does not mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a total reserve contribution increase or decrease from year to year than this parameter. See the description of "reserve funding calculation methods" in this preface for more detail on this parameter.

Anticipated Reserve Balance (or Reserve Funds)
The amount of money, as of a certain point in time, held by the association to be used for the repair or replacement of reserve components. This figure is "anticipated" because it is calculated based on the most current financial information available as of the analysis date, which is almost always prior to the fiscal year beginning date for which the reserve analysis is prepared.

Assigned Funds (and "Fixed" Assigned Funds)
The amount of money, as of the fiscal year beginning date for which the reserve analysis is prepared, that a reserve component has been assigned.

The assigned funds are considered "fixed" when the normal calculation process is bypassed and a specific amount of money is assigned to a reserve component. For example, if the normal calculation process assigns $10,000 to the roofs, but the association would like to show $20,000 assigned to roofs, "fixed" funds of $20,000 can be assigned.

Cash Flow Calculation Method
Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the "reserve funding calculation methods" section of the preface.

Component Calculation Method
Reserve funding calculation method developed based on each individual component. A more detailed description of the actual calculation process is included in the "reserve funding calculation methods" section of the preface.

Contingency Parameter
The rate used as a built-in buffer in the calculation of the funding plan. This rate will assign a percentage of the reserve funds, as of the fiscal year beginning, as contingency funds and will also determine the level of funding toward the contingency each month.

Current Replacement Cost
The amount of money, as of the fiscal year beginning date for which the reserve analysis is prepared, that a reserve component is expected to cost to replace.

Fiscal Year
Indicates the budget year for the association for which the reserve analysis was prepared. The fiscal year beginning (FYB) is the first day of the budget year; the fiscal year end (FYE) is the last day of the budget year.

Fully Funded Reserve Balance (or Ideal Reserves)
The amount of money that should theoretically have accumulated in the reserve fund as of a certain point in time. Fully funded reserves are calculated for each reserve component based on the current replacement cost, age and useful life:

Preface

$$\text{Fully Funded Reserves} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Replacement Cost}$$

The fully funded reserve balance is the sum of the fully funded reserves for each reserve component.

An association that has accumulated the fully funded reserve balance does not have all of the funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve components it maintains, based on each component's current replacement cost, age and useful life.

Future Replacement Cost
The amount of money, as of the fiscal year during which replacement of a reserve component is scheduled, that a reserve component is expected to cost to replace. This cost is calculated using the current replacement cost compounded annually by the inflation parameter.

Global Parameters
The financial parameters used to calculate the reserve analysis. See also "inflation parameter," "annual contribution increase parameter," "investment rate parameter" and "taxes on investments parameter."

Inflation Parameter
The rate used in the calculation of future costs for reserve components. This rate is used on an annual compounding basis. This rate represents the rate the association expects the cost of goods and services relating to their reserve components to increase each year.

Interest Contribution
The amount of money contributed to the reserve fund by the interest earned on the reserve fund and member contributions.

Investment Rate Parameter
The gross rate used in the calculation of interest contribution (interest earned) from the reserve balance and member contributions. This rate (net of the taxes on investments parameter) is used on a monthly compounding basis. This parameter represents the weighted average interest rate the association expects to earn on their reserve fund investments.

Membership Contribution
The amount of money contributed to the reserve fund by the association's membership.

Monthly Contribution (and "Fixed" Monthly Contribution)
The amount of money, for the fiscal year which the reserve analysis is prepared, that a reserve component will be funded.

The monthly contribution is considered "fixed" when the normal calculation process is bypassed and a specific amount of money is funded to a reserve component. For example, if the normal calculation process funds $1,000 to the roofs each month, but the association would like to show $500 funded to roofs each month, a "fixed" contribution of $500 can be assigned.

Number of Units (or other assessment basis)
Indicates the number of units for which the reserve analysis was prepared. In "phased" developments (see phasing), this number represents the number of units, and corresponding common area components, that existed as of a certain point in time.

For some associations, assessments and reserve contributions are based on a unit of measure other than the number of units. Examples include time-interval weeks for timeshare resorts or lot acreage for commercial/industrial developments.

One-Time Replacement
Used for components that will be budgeted for only once.

Percent Funded
A measure, expressed as a percentage, of the association's reserve fund "health" as of a certain point in time. This number is the ratio of the anticipated reserve fund balance to the fully funded reserve balance:

$$\text{Percent Funded} = \frac{\text{Anticipated Reserve Fund Balance}}{\text{Fully Funded Reserve Balance}}$$

An association that is 100% funded does not have all of the reserve funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve components it maintains, based on each component's current replacement cost, age and useful life.

Percentage of Replacement
The percentage of the reserve component that is expected to be replaced.

For most reserve components, this percentage should be 100%. In some cases, this percentage may be more or less than 100%. For example, fencing which is shared with a neighboring community may be set at 50%.

Phasing
Indicates the number of phases for which the reserve analysis was prepared and the total number of phases expected at build-out (i.e. Phase 4 of 7). In phased developments, the first number represents the number of phases, and corresponding common area components, that existed as of a certain point in time. The second number represents the number of phases that are expected to exist at build-out.

Placed-In-Service Date
The date (month and year) that the reserve component was originally put into service or last replaced.

Remaining Life
The length of time, in years, until a reserve component is scheduled to be replaced.

Remaining Life Adjustment
The length of time, in years, that a reserve component is expected to last in excess (or deficiency) of its useful life for the current cycle of replacement.

If the current cycle of replacement for a reserve component is expected to be greater than or less than the "normal" life expectancy, the reserve component's life should be adjusted using a remaining life adjustment.

For example, if wood trim is painted normally on a 4 year cycle, the useful life should be 4 years. However, when it comes time to paint the wood trim and it is determined that it can be deferred for an additional year, the useful life should remain at 4 years and a remaining life adjustment of +1 year should be used.

Replacement Year
The fiscal year that a reserve component is scheduled to be replaced.

Reserve Components
Line items included in the reserve analysis.

Taxes on Investments Parameter
The rate used to offset the investment rate parameter in the calculation of the interest contribution. This parameter represents the marginal tax rate the association expects to pay on interest earned by the reserve funds and member contributions.

Total Contribution
The sum of the membership contribution and interest contribution.

Useful Life
The length of time, in years, that a reserve component is expected to last each time it is replaced. See also "remaining life adjustment."

♦ ♦ ♦ ♦ LIMITATIONS OF RESERVE ANALYSIS ♦ ♦ ♦ ♦

This reserve analysis is intended as a tool for the association's Board of Directors to be used in evaluating the association's current physical and financial condition with regard to reserve components. The results of this reserve analysis represent the independent opinion of the preparer. There is no implied warranty or guarantee of this work product.

For the purposes of this reserve analysis, it has been assumed that all components have been installed properly, no construction defects exist and all components are operational. Additionally, it has been assumed that all components will be maintained properly in the future.

The representations set forth in this reserve analysis are based on the best information and estimates of the preparer as of the date of this analysis. These estimates are subject to change. This reserve analysis includes estimates of replacement costs and life expectancies as well as assumptions regarding future events. Some estimates are projections of future events based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility or error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the preparation of this reserve analysis. Therefore, the actual replacement costs and remaining lives may vary from this reserve analysis and the variation may be significant. Additionally, inflation and other economic events may impact this reserve analysis, particularly over an extended period of time and those events could have a significant and negative impact on the accuracy of this reserve analysis and, further, the funds available to meet the association's obligation for repair, replacement or other maintenance of major components during their estimated useful life. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods, acts of nature or other unforeseen events cannot be predicted and/or accounted for and are excluded when assessing life expectancy, repair and/or replacement costs of the components.

Sample Condominium Association

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	20005
Version Number	2
Analysis Date	01/15/2018
Fiscal Year	1/1/2018 to 12/31/2018
Number of Interval Weeks	3,224
Phasing	1 of 1

Global Parameters:

Inflation Rate	2.00%
Annual Contribution Increase	2.00%
Investment Rate	1.00%
Taxes on Investments	30.00%
Contingency	3.00%

Community Profile:

The Condominium Association is located along Sample Avenue in Sample New Jersey. Association consists of one five story building with 62 residential units and a parking garage.

Original construction date is 1987. Common areas and entrance lobby were renovated in 2004. All guest room were renovated in 2005.

The anticipated reserve fund balance is based on current reserve fund and contribution information provided by client.

ARS site visit: February 28, 2017

Adequacy of Reserves as of January 1, 2018:

Anticipated Reserve Balance	**$1,014,989.00**
Fully Funded Reserve Balance	**$1,653,256.15**
Percent Funded	**61.39%**

Recommended Funding for the 2018 Fiscal Year:	Annual	Monthly	Per Interval Week Per Month
Member Contribution	**$254,000**	**$21,166.67**	**$6.57**
Interest Contribution	**$5,492**	**$457.67**	**$0.14**
Total Contribution	**$259,492**	**$21,624.34**	**$6.71**

Sample Condominium Association

Preparer's Disclosure Statement

Paul Huijing, P.E. completed this reserve study. Consultant certifies that:

1) Consultant has no other involvement with association which could result in actual or perceived conflicts of interest.

2) Consultant made a site visit to this community on February 28, 2017. Component inventories were from prior reserve study where available.

3) Component conditional assessments were developed by actual field observation and representative sampling.

4) Financial assumptions used in this analysis are listed on the Executive Summary and further explained in the Preface of this report.

5) This is a "Level 2" update reserve study with a site visit.

6) There are no other material issues known to consultant at this time which would cause a distortion of the association's situation.

Sample Condominium Association

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
010 Site				
Asphalt, Overlay	8	20	$49,400.00	$29,640.00
Asphalt, Repairs	0	6	$6,000.00	$6,000.00
Fence - Vinyl	23	25	$6,837.00	$546.96
Monument Sign	3	17	$7,000.00	$5,764.71
Sub Total	**0-23**	**6-25**	**$69,237.00**	**$41,951.67**
020 Parking Structure				
Concrete - Upper Parking, Inspection & Resealing	0	6	$50,000.00	$50,000.00
Concrete - Upper Parking, Minor Repairs	2	2	$10,000.00	$0.00
Concrete - Upper Parking, Sealer Replacement	9	15	$325,000.00	$130,000.00
Concrete - Upper Parking, Structure Replacement	19	50	$450,000.00	$279,000.00
Sub Total	**0-19**	**2-50**	**$835,000.00**	**$459,000.00**
040 Building Exterior				
EIFS Exterior, Major Maintenance	9	10	$100,000.00	$10,000.00
Fire Door, Replacement	22	30	$10,000.00	$2,666.67
Lighting - Balcony	15	20	$3,920.00	$980.00
Lighting - Lower Parking Level	6	20	$9,000.00	$6,300.00
Sliding Glass Door, Replacement	16	20	$95,200.00	$19,040.00
Window, Replacement	16	20	$145,000.00	$29,000.00
Sub Total	**6-22**	**10-30**	**$363,120.00**	**$67,986.67**
040 Building Interior				
Corridors - Carpet	9	10	$55,000.00	$5,500.00
Corridors - Ceiling Tile	6	20	$20,500.00	$14,350.00
Corridors - Lighting	4	8	$28,875.00	$14,437.50
Corridors - Wall Covering	9	10	$42,000.00	$4,200.00
Entrance Lobby - Carpet	7	10	$2,300.00	$690.00
Entrance Lobby - Tile	6	20	$7,400.00	$5,180.00
Entrance Lobby - Wall Covering	0	15	$10,000.00	$10,000.00
Fitness Center - Carpet	6	10	$7,000.00	$2,800.00
Fitness Center - Ceiling Tile	6	20	$2,900.00	$2,030.00
Owner's Lounge - Carpet	0	14	$7,000.00	$7,000.00
Owner's Lounge - Ceiling Tile	6	20	$3,500.00	$2,450.00
Owner's Lounge - Furniture	4	6	$25,000.00	$8,333.33
Owner's Lounge - Wall Covering	4	18	$8,000.00	$6,222.22
Restroom Common Area - Ceiling Tile	6	20	$1,200.00	$840.00
Restroom Common Area - Partitions	0	31	$8,000.00	$8,000.00

Sample Condominium Association

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Restroom Common Area - Tile, Floor & Wall	16	30	$11,000.00	$5,133.33
Restroom Common Area - Wall Covering	6	20	$3,200.00	$2,240.00
Sub Total	**0-16**	**6-31**	**$242,875.00**	**$99,406.39**
060 Units				
Units - Appliances	0	1	$5,000.00	$5,000.00
Units - Bathroom LED Lighting	0	10	$10,300.00	$10,300.00
Units - Carpet Floor 2, 2015	7	10	$58,500.00	$17,550.00
Units - Carpet Floor 3, 2016	8	10	$57,250.00	$11,450.00
Units - Carpet Floor 4, 2014	6	10	$60,000.00	$24,000.00
Units - Carpet Floor 5, 2013	5	10	$61,000.00	$30,500.00
Units - Furniture, 2019	1	12	$50,000.00	$45,833.33
Units - Furniture, 2020	2	12	$50,000.00	$41,666.67
Units - Furniture, 2021	3	12	$50,000.00	$37,500.00
Units - Mattress, 2018	0	5	$4,320.00	$4,320.00
Units - Mattress, 2019	1	5	$4,320.00	$3,456.00
Units - Mattress, 2020	2	5	$4,320.00	$2,592.00
Units - Mattress, 2021	3	5	$4,320.00	$1,728.00
Units - Ptech HVAC, Unfunded	n.a.	n.a.	$0.00	$0.00
Units - Safes, 2018	0	15	$2,250.00	$2,250.00
Units - Safes, 2019	1	15	$1,950.00	$1,820.00
Units - Safes, 2020	2	15	$2,400.00	$2,080.00
Units - Safes, 2021	3	15	$2,700.00	$2,160.00
Units - Televisons, 32 in. 2018	0	10	$15,300.00	$15,300.00
Units - Televisons, 42 in. 2018	0	10	$8,000.00	$8,000.00
Units - Televisons, 42 in. 2019	1	10	$8,000.00	$7,200.00
Units - Televisons, 42 in. 2020	2	10	$8,000.00	$6,400.00
Units - Televisons, 42 in. 2021	3	10	$7,000.00	$4,900.00
Units - Tile, Floor & Wall	16	30	$81,840.00	$38,192.00
Units - Wall Covering, 2018	0	10	$76,020.00	$76,020.00
Units - Wall Covering, 2019	1	10	$86,880.00	$78,192.00
Units - Wall Covering, 2020	2	10	$86,880.00	$69,504.00
Units - Wall Covering, 2021	3	10	$86,880.00	$60,816.00
Sub Total	**0-16**	**1-30**	**$893,430.00**	**$608,730.00**
070 Pool				
Pool - Deck Renovation	13	15	$100,000.00	$13,333.33
Pool - Fence, Aluminum	6	20	$3,700.00	$2,590.00

Sample Condominium Association

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Pool - Fence, Vinyl	11	25	$20,500.00	$11,480.00
Pool - Replacement	16	30	$12,000.00	$5,600.00
Sub Total	**6-16**	**15-30**	**$136,200.00**	**$33,003.33**
080 Equipment				
Door Lock System	7	20	$18,000.00	$11,700.00
Elevator - Handicapped Lift, Pool	8	10	$40,800.00	$8,160.00
Elevator - Modernization	0	30	$147,000.00	$147,000.00
Emergency Generator	25	30	$85,000.00	$14,166.67
Entrance Lobby - HVAC	7	20	$22,800.00	$14,820.00
Fire Alarm Devices	6	10	$25,000.00	$10,000.00
Fire Alarm Panel	6	20	$20,000.00	$14,000.00
Fire Sprinkler Pump	16	30	$29,000.00	$13,533.33
Fitness Center - HVAC	6	20	$10,000.00	$7,000.00
Fitness Equipment	5	15	$26,400.00	$17,600.00
Ice Machine Cuber	1	15	$12,000.00	$11,200.00
Owner's Lounge - HVAC	13	20	$5,700.00	$1,995.00
Pool - Filter	2	16	$9,600.00	$8,400.00
Security System	15	20	$17,000.00	$4,250.00
Water Heater	20	25	$56,000.00	$11,200.00
Sub Total	**0-25**	**10-30**	**$524,300.00**	**$295,025.00**
Contingency	n.a.	n.a.	n.a.	$48,153.09
Total	**0-25**	**1-50**	**$3,064,162.00**	**$1,653,256.15**
Anticipated Reserve Balance				**$1,014,989.00**
Percent Funded				**61.39%**

Sample Condominium Association

Management / Accounting Summary

Directed Cash Flow Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
010 Site				
Asphalt, Overlay	$21,230.45	$286.39	$13.17	$299.56
Asphalt, Repairs	$6,000.00	$74.82	$0.27	$75.10
Fence - Vinyl	$0.00	$24.72	$0.09	$24.80
Monument Sign	$5,764.71	$35.55	$3.42	$38.97
Sub Total	**$32,995.16**	**$421.48**	**$16.95**	**$438.43**
020 Parking Structure				
Concrete - Upper Parking, Inspection & Resealin	$50,000.00	$743.52	$2.72	$746.24
Concrete - Upper Parking, Minor Repairs	$0.00	$364.74	$1.34	$366.08
Concrete - Upper Parking, Sealer Replacement	$0.00	$2,753.52	$10.10	$2,763.62
Concrete - Upper Parking, Structure Replaceme	$0.00	$1,921.68	$7.04	$1,928.73
Sub Total	**$50,000.00**	**$5,783.47**	**$21.20**	**$5,804.66**
040 Building Exterior				
EIFS Exterior, Major Maintenance	$0.00	$847.24	$3.10	$850.34
Fire Door, Replacement	$0.00	$37.56	$0.14	$37.70
Lighting - Balcony	$0.00	$20.69	$0.08	$20.77
Lighting - Lower Parking Level	$6,300.00	$39.48	$3.75	$43.23
Sliding Glass Door, Replacement	$0.00	$473.92	$1.74	$475.66
Window, Replacement	$0.00	$721.84	$2.64	$724.48
Sub Total	**$6,300.00**	**$2,140.73**	**$11.44**	**$2,152.18**
040 Building Interior				
Corridors - Carpet	$0.00	$465.98	$1.71	$467.69
Corridors - Ceiling Tile	$14,350.00	$89.93	$8.53	$98.45
Corridors - Lighting	$14,437.50	$279.98	$9.27	$289.25
Corridors - Wall Covering	$0.00	$355.84	$1.31	$357.15
Entrance Lobby - Carpet	$690.00	$17.95	$0.46	$18.41
Entrance Lobby - Tile	$5,180.00	$32.46	$3.07	$35.53
Entrance Lobby - Wall Covering	$10,000.00	$52.77	$0.20	$52.97
Fitness Center - Carpet	$2,800.00	$54.96	$1.80	$56.76
Fitness Center - Ceiling Tile	$2,030.00	$12.72	$1.21	$13.93
Owner's Lounge - Carpet	$7,000.00	$66.30	$0.24	$66.55
Owner's Lounge - Ceiling Tile	$2,450.00	$15.35	$1.45	$16.81
Owner's Lounge - Furniture	$8,333.33	$315.53	$5.91	$321.44
Owner's Lounge - Wall Covering	$6,222.22	$38.57	$3.70	$42.27

Sample Condominium Association

Management / Accounting Summary

Directed Cash Flow Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
Restroom Common Area - Ceiling Tile	$840.00	$5.26	$0.50	$5.76
Restroom Common Area - Partitions	$8,000.00	$32.65	$0.12	$32.77
Restroom Common Area - Tile, Floor & Wall	$0.00	$54.76	$0.20	$54.97
Restroom Common Area - Wall Covering	$2,240.00	$14.04	$1.33	$15.36
Sub Total	**$84,573.06**	**$1,905.08**	**$41.00**	**$1,946.08**
060 Units				
Units - Appliances	$5,000.00	$362.42	$1.33	$363.75
Units - Bathroom LED Lighting	$10,300.00	$79.03	$0.29	$79.33
Units - Carpet Floor 2, 2015	$17,550.00	$456.68	$11.70	$468.37
Units - Carpet Floor 3, 2016	$0.00	$542.25	$1.99	$544.24
Units - Carpet Floor 4, 2014	$24,000.00	$471.08	$15.43	$486.51
Units - Carpet Floor 5, 2013	$30,500.00	$481.67	$19.18	$500.85
Units - Furniture, 2019	$45,833.33	$344.28	$27.43	$371.72
Units - Furniture, 2020	$41,666.67	$342.38	$25.04	$367.42
Units - Furniture, 2021	$37,500.00	$340.47	$22.65	$363.13
Units - Mattress, 2018	$4,320.00	$64.24	$0.23	$64.47
Units - Mattress, 2019	$3,456.00	$65.81	$2.21	$68.03
Units - Mattress, 2020	$2,592.00	$65.42	$1.72	$67.13
Units - Mattress, 2021	$1,728.00	$65.02	$1.23	$66.25
Units - Ptech HVAC, Unfunded	$0.00	$0.00	$0.00	$0.00
Units - Safes, 2018	$2,250.00	$11.87	$0.04	$11.91
Units - Safes, 2019	$1,820.00	$11.10	$1.08	$12.18
Units - Safes, 2020	$2,080.00	$13.59	$1.24	$14.83
Units - Safes, 2021	$2,160.00	$15.21	$1.29	$16.49
Units - Televisons, 32 in. 2018	$15,300.00	$117.40	$0.43	$117.83
Units - Televisons, 42 in. 2018	$8,000.00	$61.39	$0.22	$61.61
Units - Televisons, 42 in. 2019	$7,200.00	$64.63	$4.35	$68.98
Units - Televisons, 42 in. 2020	$6,400.00	$64.26	$3.89	$68.15
Units - Televisons, 42 in. 2021	$4,900.00	$55.91	$3.00	$58.91
Units - Tile, Floor & Wall	$0.00	$407.42	$1.49	$408.91
Units - Wall Covering, 2018	$76,020.00	$583.31	$2.14	$585.45
Units - Wall Covering, 2019	$78,192.00	$701.85	$47.21	$749.06
Units - Wall Covering, 2020	$69,504.00	$697.87	$42.24	$740.11
Units - Wall Covering, 2021	$60,816.00	$693.91	$37.26	$731.17
Sub Total	**$559,088.00**	**$7,180.47**	**$276.33**	**$7,456.79**

Sample Condominium Association

Management / Accounting Summary

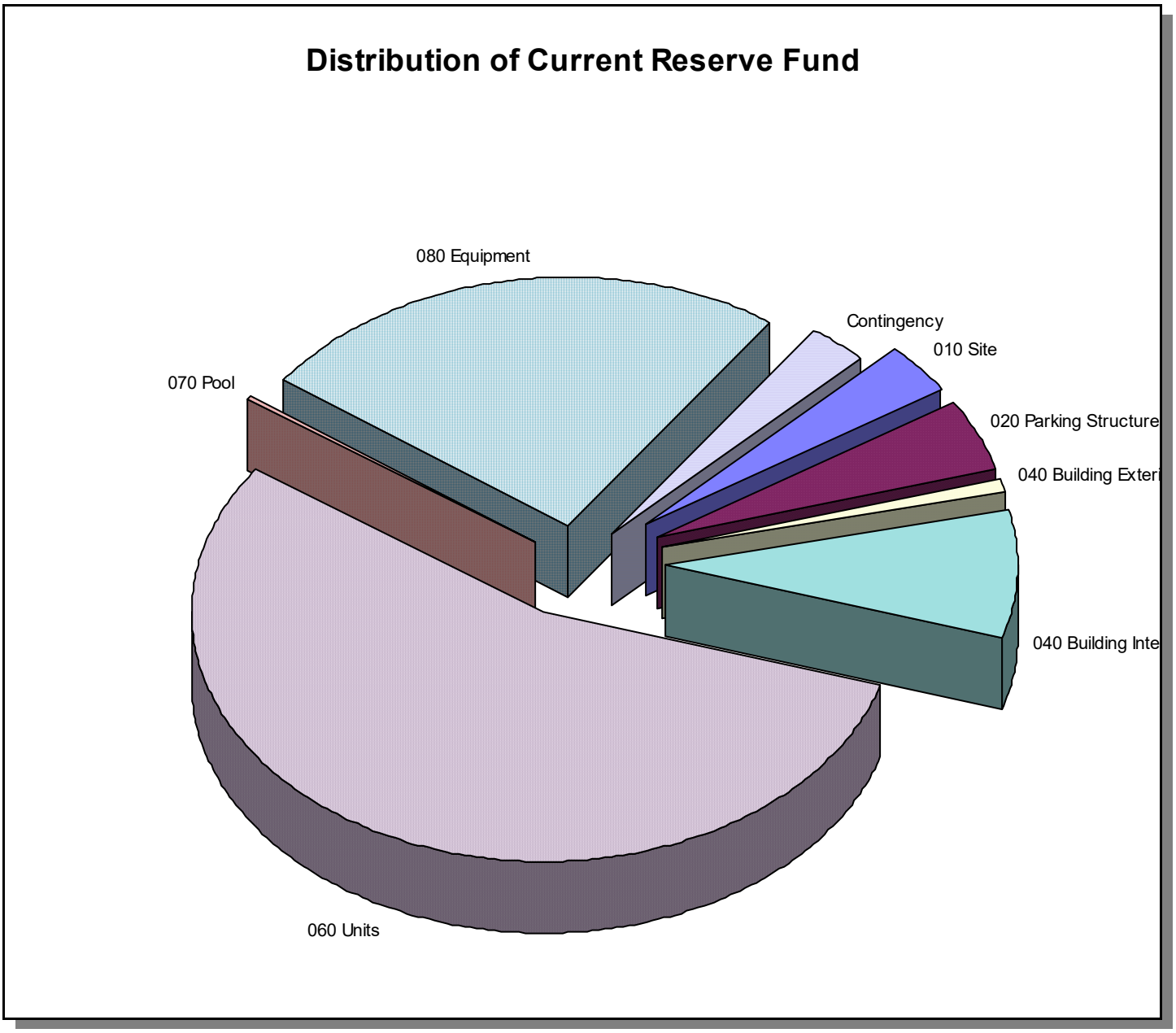
Directed Cash Flow Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
070 Pool				
Pool - Deck Renovation	$0.00	$601.40	$2.20	$603.61
Pool - Fence, Aluminum	$2,590.00	$16.23	$1.54	$17.77
Pool - Fence, Vinyl	$0.00	$143.90	$0.53	$144.42
Pool - Replacement	$0.00	$59.74	$0.21	$59.95
Sub Total	**$2,590.00**	**$821.27**	**$4.49**	**$825.76**
080 Equipment				
Door Lock System	$11,700.00	$78.56	$6.96	$85.52
Elevator - Handicapped Lift, Pool	$8,160.00	$316.68	$5.82	$322.51
Elevator - Modernization	$147,000.00	$425.02	$1.56	$426.58
Emergency Generator	$0.00	$286.16	$1.05	$287.21
Entrance Lobby - HVAC	$14,820.00	$99.51	$8.83	$108.33
Fire Alarm Devices	$10,000.00	$196.28	$6.43	$202.71
Fire Alarm Panel	$14,000.00	$87.73	$8.31	$96.05
Fire Sprinkler Pump	$0.00	$144.37	$0.53	$144.89
Fitness Center - HVAC	$7,000.00	$43.87	$4.16	$48.02
Fitness Equipment	$17,600.00	$147.09	$10.58	$157.67
Ice Machine Cuber	$11,200.00	$68.32	$6.64	$74.96
Owner's Lounge - HVAC	$0.00	$34.28	$0.13	$34.41
Pool - Filter	$8,400.00	$51.52	$4.98	$56.50
Security System	$0.00	$89.71	$0.33	$90.05
Water Heater	$0.00	$228.58	$0.84	$229.42
Sub Total	**$249,880.00**	**$2,297.67**	**$67.16**	**$2,364.83**
Contingency	$29,562.79	$616.50	$19.14	$635.64
Total	**$1,014,989.00**	**$21,166.67**	**$457.67**	**$21,624.34**

Sample Condominium Association

Management / Accounting Charts

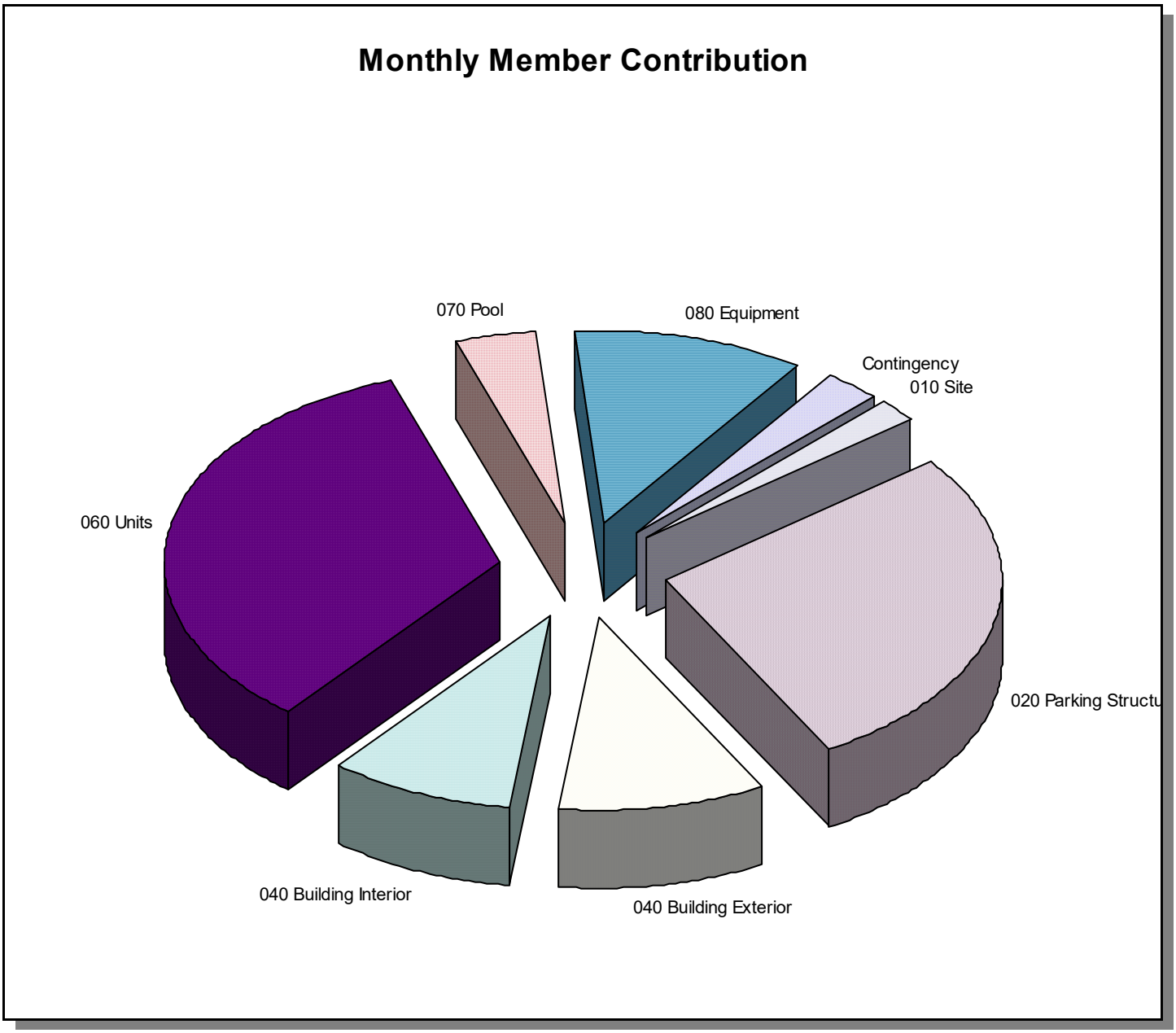
Directed Cash Flow Calculation Method; Sorted by Category



Sample Condominium Association

Management / Accounting Charts

Directed Cash Flow Calculation Method; Sorted by Category



Sample Condominium Association

Annual Expenditure Detail

Sorted by Description

2018 Fiscal Year	
Asphalt, Repairs	$6,000.00
Concrete - Upper Parking, Inspection & Resealing	$50,000.00
Elevator - Modernization	$147,000.00
Entrance Lobby - Wall Covering	$10,000.00
Owner's Lounge - Carpet	$7,000.00
Restroom Common Area - Partitions	$8,000.00
Units - Appliances	$5,000.00
Units - Bathroom LED Lighting	$10,300.00
Units - Mattress, 2018	$4,320.00
Units - Safes, 2018	$2,250.00
Units - Televisons, 32 in. 2018	$15,300.00
Units - Televisons, 42 in. 2018	$8,000.00
Units - Wall Covering, 2018	$76,020.00
Sub Total	**$349,190.00**
2019 Fiscal Year	
Ice Machine Cuber	$12,240.00
Units - Appliances	$5,100.00
Units - Furniture, 2019	$51,000.00
Units - Mattress, 2019	$4,406.40
Units - Safes, 2019	$1,989.00
Units - Televisons, 42 in. 2019	$8,160.00
Units - Wall Covering, 2019	$88,617.60
Sub Total	**$171,513.00**
2020 Fiscal Year	
Concrete - Upper Parking, Minor Repairs	$10,404.00
Pool - Filter	$9,987.84
Units - Appliances	$5,202.00
Units - Furniture, 2020	$52,020.00
Units - Mattress, 2020	$4,494.53
Units - Safes, 2020	$2,496.96
Units - Televisons, 42 in. 2020	$8,323.20
Units - Wall Covering, 2020	$90,389.95
Sub Total	**$183,318.48**
2021 Fiscal Year	
Monument Sign	$7,428.46
Units - Appliances	$5,306.04

Sample Condominium Association

Annual Expenditure Detail

Sorted by Description

Units - Furniture, 2021	$53,060.40
Units - Mattress, 2021	$4,584.42
Units - Safes, 2021	$2,865.26
Units - Televisons, 42 in. 2021	$7,428.46
Units - Wall Covering, 2021	$92,197.75
Sub Total	**$172,870.78**
2022 Fiscal Year	
Concrete - Upper Parking, Minor Repairs	$10,824.32
Corridors - Lighting	$31,255.23
Owner's Lounge - Furniture	$27,060.80
Owner's Lounge - Wall Covering	$8,659.46
Units - Appliances	$5,412.16
Sub Total	**$83,211.97**
2023 Fiscal Year	
Concrete - Upper Parking, Inspection & Resealing	$55,204.04
Fitness Equipment	$29,147.73
Units - Appliances	$5,520.40
Units - Carpet Floor 5, 2013	$67,348.93
Units - Mattress, 2018	$4,769.63
Sub Total	**$161,990.74**
2024 Fiscal Year	
Asphalt, Repairs	$6,756.97
Concrete - Upper Parking, Minor Repairs	$11,261.62
Corridors - Ceiling Tile	$23,086.33
Entrance Lobby - Tile	$8,333.60
Fire Alarm Devices	$28,154.06
Fire Alarm Panel	$22,523.25
Fitness Center - Carpet	$7,883.14
Fitness Center - Ceiling Tile	$3,265.87
Fitness Center - HVAC	$11,261.62
Lighting - Lower Parking Level	$10,135.46
Owner's Lounge - Ceiling Tile	$3,941.57
Pool - Fence, Aluminum	$4,166.80
Restroom Common Area - Ceiling Tile	$1,351.39
Restroom Common Area - Wall Covering	$3,603.72
Units - Appliances	$5,630.81
Units - Carpet Floor 4, 2014	$67,569.75

Units - Mattress, 2019	$4,865.02
Sub Total	**$223,791.00**
2025 Fiscal Year	
Door Lock System	$20,676.34
Entrance Lobby - Carpet	$2,641.98
Entrance Lobby - HVAC	$26,190.03
Units - Appliances	$5,743.43
Units - Carpet Floor 2, 2015	$67,198.11
Units - Mattress, 2020	$4,962.32
Sub Total	**$127,412.21**
2026 Fiscal Year	
Asphalt, Overlay	$57,879.97
Concrete - Upper Parking, Minor Repairs	$11,716.59
Elevator - Handicapped Lift, Pool	$47,803.70
Owner's Lounge - Carpet	$8,201.62
Units - Appliances	$5,858.30
Units - Carpet Floor 3, 2016	$67,077.50
Units - Mattress, 2021	$5,061.57
Sub Total	**$203,599.25**
2027 Fiscal Year	
Concrete - Upper Parking, Sealer Replacement	$388,405.08
Corridors - Carpet	$65,730.09
Corridors - Wall Covering	$50,193.89
EIFS Exterior, Major Maintenance	$119,509.26
Units - Appliances	$5,975.46
Sub Total	**$629,813.78**
2028 Fiscal Year	
Concrete - Upper Parking, Inspection & Resealing	$60,949.72
Concrete - Upper Parking, Minor Repairs	$12,189.94
Units - Appliances	$6,094.97
Units - Bathroom LED Lighting	$12,555.64
Units - Mattress, 2018	$5,266.06
Units - Televisons, 32 in. 2018	$18,650.61
Units - Televisons, 42 in. 2018	$9,751.96
Units - Wall Covering, 2018	$92,667.96

Sample Condominium Association

Annual Expenditure Detail

Sorted by Description

Sub Total	**$218,126.86**
2029 Fiscal Year	
Pool - Fence, Vinyl	$25,489.17
Units - Appliances	$6,216.87
Units - Mattress, 2019	$5,371.38
Units - Televisons, 42 in. 2019	$9,946.99
Units - Wall Covering, 2019	$108,024.36
Sub Total	**$155,048.78**
2030 Fiscal Year	
Asphalt, Repairs	$7,609.45
Concrete - Upper Parking, Minor Repairs	$12,682.42
Units - Appliances	$6,341.21
Units - Mattress, 2020	$5,478.80
Units - Televisons, 42 in. 2020	$10,145.93
Units - Wall Covering, 2020	$110,184.85
Sub Total	**$152,442.66**
2031 Fiscal Year	
Owner's Lounge - HVAC	$7,373.56
Pool - Deck Renovation	$129,360.66
Units - Appliances	$6,468.03
Units - Furniture, 2019	$64,680.33
Units - Mattress, 2021	$5,588.38
Units - Televisons, 42 in. 2021	$9,055.25
Units - Wall Covering, 2021	$112,388.54
Sub Total	**$334,914.76**
2032 Fiscal Year	
Concrete - Upper Parking, Minor Repairs	$13,194.79
Owner's Lounge - Furniture	$32,986.97
Owner's Lounge - Wall Covering	$10,555.83
Units - Appliances	$6,597.39
Units - Furniture, 2020	$65,973.94
Sub Total	**$129,308.92**
2033 Fiscal Year	
Concrete - Upper Parking, Inspection & Resealing	$67,293.42
Entrance Lobby - Wall Covering	$13,458.68

Sample Condominium Association

Annual Expenditure Detail

Sorted by Description

Lighting - Balcony	$5,275.80
Security System	$22,879.76
Units - Appliances	$6,729.34
Units - Carpet Floor 5, 2013	$82,097.97
Units - Furniture, 2021	$67,293.42
Units - Mattress, 2018	$5,814.15
Units - Safes, 2018	$3,028.20
Sub Total	**$273,870.75**

2034 Fiscal Year

Concrete - Upper Parking, Minor Repairs	$13,727.86
Fire Alarm Devices	$34,319.64
Fire Sprinkler Pump	$39,810.79
Fitness Center - Carpet	$9,609.50
Ice Machine Cuber	$16,473.43
Owner's Lounge - Carpet	$9,609.50
Pool - Replacement	$16,473.43
Restroom Common Area - Tile, Floor & Wall	$15,100.64
Sliding Glass Door, Replacement	$130,689.20
Units - Appliances	$6,863.93
Units - Carpet Floor 4, 2014	$82,367.14
Units - Mattress, 2019	$5,930.43
Units - Safes, 2019	$2,676.93
Units - Tile, Floor & Wall	$112,348.78
Window, Replacement	$199,053.93
Sub Total	**$695,055.13**

2035 Fiscal Year

Entrance Lobby - Carpet	$3,220.56
Pool - Filter	$13,442.32
Units - Appliances	$7,001.21
Units - Carpet Floor 2, 2015	$81,914.12
Units - Mattress, 2020	$6,049.04
Units - Safes, 2020	$3,360.58
Sub Total	**$114,987.83**

2036 Fiscal Year

Asphalt, Repairs	$8,569.48
Concrete - Upper Parking, Minor Repairs	$14,282.46
Elevator - Handicapped Lift, Pool	$58,272.45

Sample Condominium Association

Annual Expenditure Detail

Sorted by Description

Monument Sign	$9,997.72
Units - Appliances	$7,141.23
Units - Carpet Floor 3, 2016	$81,767.10
Units - Mattress, 2021	$6,170.02
Units - Safes, 2021	$3,856.26
Sub Total	**$190,056.73**
2037 Fiscal Year	
Concrete - Upper Parking, Structure Replacement	$655,565.03
Corridors - Carpet	$80,124.61
Corridors - Wall Covering	$61,186.07
EIFS Exterior, Major Maintenance	$145,681.12
Units - Appliances	$7,284.06
Sub Total	**$949,840.88**
2038 Fiscal Year	
Concrete - Upper Parking, Inspection & Resealing	$74,297.37
Concrete - Upper Parking, Minor Repairs	$14,859.47
Fitness Equipment	$39,229.01
Restroom Common Area - Partitions	$11,887.58
Units - Appliances	$7,429.74
Units - Bathroom LED Lighting	$15,305.26
Units - Mattress, 2018	$6,419.29
Units - Televisons, 32 in. 2018	$22,735.00
Units - Televisons, 42 in. 2018	$11,887.58
Units - Wall Covering, 2018	$112,961.72
Water Heater	$83,213.05
Sub Total	**$400,225.07**
2039 Fiscal Year	
Units - Appliances	$7,578.33
Units - Mattress, 2019	$6,547.68
Units - Televisons, 42 in. 2019	$12,125.33
Units - Wall Covering, 2019	$131,681.09
Sub Total	**$157,932.43**
2040 Fiscal Year	
Concrete - Upper Parking, Minor Repairs	$15,459.80
Fire Door, Replacement	$15,459.80
Units - Appliances	$7,729.90

Sample Condominium Association

Annual Expenditure Detail

Sorted by Description

Units - Mattress, 2020	$6,678.63
Units - Televisons, 42 in. 2020	$12,367.84
Units - Wall Covering, 2020	$134,314.71
Sub Total	**$192,010.68**
2041 Fiscal Year	
Fence - Vinyl	$10,781.26
Units - Appliances	$7,884.50
Units - Mattress, 2021	$6,812.20
Units - Televisons, 42 in. 2021	$11,038.29
Units - Wall Covering, 2021	$137,001.01
Sub Total	**$173,517.26**
2042 Fiscal Year	
Asphalt, Repairs	$9,650.62
Concrete - Upper Parking, Minor Repairs	$16,084.37
Concrete - Upper Parking, Sealer Replacement	$522,742.11
Corridors - Lighting	$46,443.63
Owner's Lounge - Carpet	$11,259.06
Owner's Lounge - Furniture	$40,210.93
Owner's Lounge - Wall Covering	$12,867.50
Units - Appliances	$8,042.19
Sub Total	**$667,300.40**
2043 Fiscal Year	
Concrete - Upper Parking, Inspection & Resealing	$82,030.30
Emergency Generator	$139,451.51
Units - Appliances	$8,203.03
Units - Carpet Floor 5, 2013	$100,076.97
Units - Furniture, 2019	$82,030.30
Units - Mattress, 2018	$7,087.42
Sub Total	**$418,879.52**
2044 Fiscal Year	
Concrete - Upper Parking, Minor Repairs	$16,734.18
Corridors - Ceiling Tile	$34,305.07
Entrance Lobby - Tile	$12,383.29
Fire Alarm Devices	$41,835.45
Fire Alarm Panel	$33,468.36
Fitness Center - Carpet	$11,713.93

Sample Condominium Association

Annual Expenditure Detail

Sorted by Description

Fitness Center - Ceiling Tile	$4,852.91
Fitness Center - HVAC	$16,734.18
Lighting - Lower Parking Level	$15,060.76
Owner's Lounge - Ceiling Tile	$5,856.96
Pool - Fence, Aluminum	$6,191.65
Restroom Common Area - Ceiling Tile	$2,008.10
Restroom Common Area - Wall Covering	$5,354.94
Units - Appliances	$8,367.09
Units - Carpet Floor 4, 2014	$100,405.09
Units - Furniture, 2020	$83,670.91
Units - Mattress, 2019	$7,229.17
Sub Total	**$406,172.04**
2045 Fiscal Year	
Door Lock System	$30,723.96
Entrance Lobby - Carpet	$3,925.84
Entrance Lobby - HVAC	$38,917.01
Units - Appliances	$8,534.43
Units - Carpet Floor 2, 2015	$99,852.86
Units - Furniture, 2021	$85,344.32
Units - Mattress, 2020	$7,373.75
Sub Total	**$274,672.17**
2046 Fiscal Year	
Asphalt, Overlay	$86,006.60
Concrete - Upper Parking, Minor Repairs	$17,410.24
Elevator - Handicapped Lift, Pool	$71,033.79
Pool - Deck Renovation	$174,102.42
Units - Appliances	$8,705.12
Units - Carpet Floor 3, 2016	$99,673.64
Units - Mattress, 2021	$7,521.22
Sub Total	**$464,453.03**
2047 Fiscal Year	
Corridors - Carpet	$97,671.46
Corridors - Wall Covering	$74,585.48
EIFS Exterior, Major Maintenance	$177,584.47
Units - Appliances	$8,879.22
Sub Total	**$358,720.63**

Sample Condominium Association

Projections

Directed Cash Flow Calculation Method

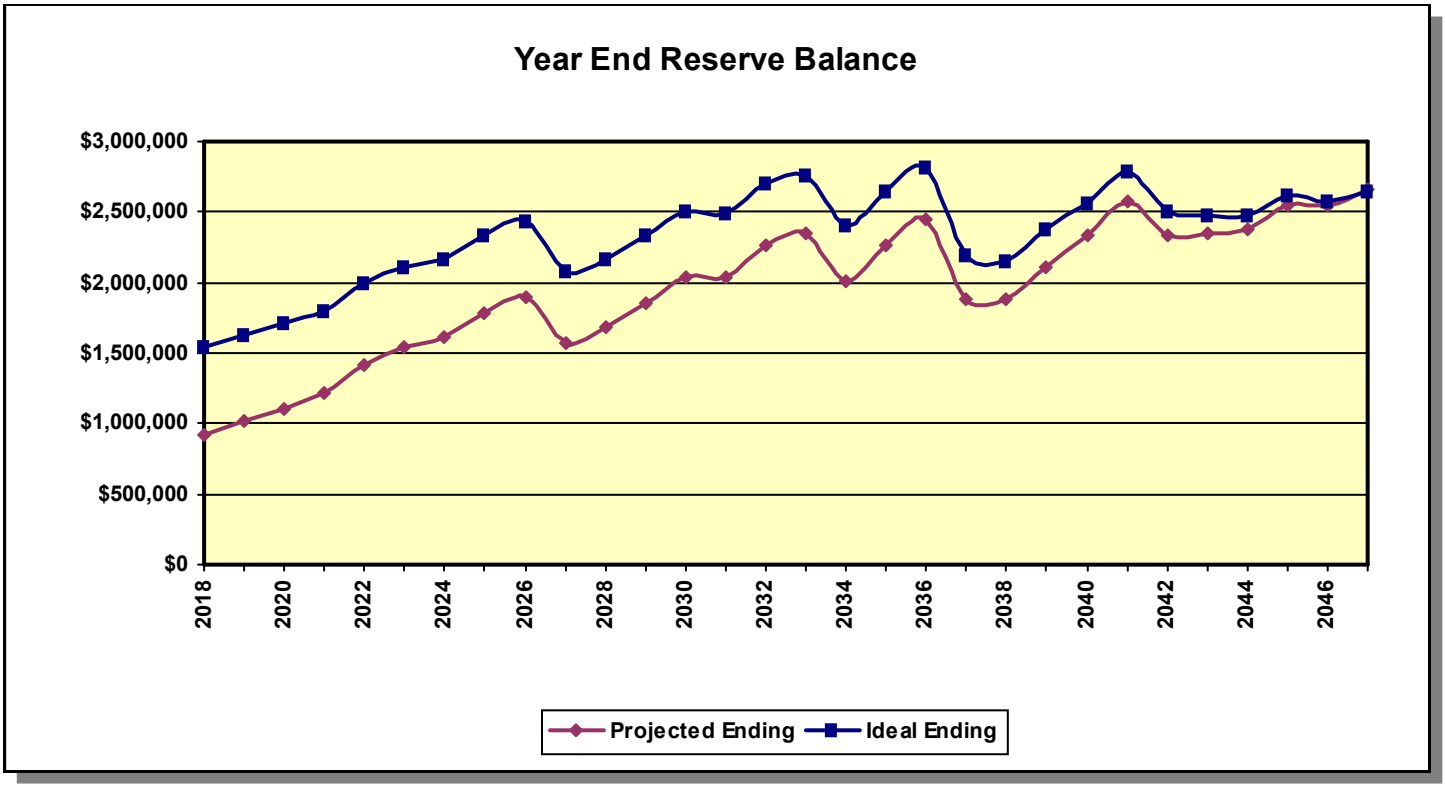
Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2018	$1,014,989	$254,000	$5,492	$349,190	$925,291	$1,547,061	60%
2019	$925,291	$259,080	$6,126	$171,513	$1,018,984	$1,629,961	63%
2020	$1,018,984	$264,262	$6,718	$183,318	$1,106,645	$1,706,803	65%
2021	$1,106,645	$269,547	$7,424	$172,871	$1,210,745	$1,800,956	67%
2022	$1,210,745	$274,938	$8,802	$83,212	$1,411,273	$1,992,067	71%
2023	$1,411,273	$280,437	$9,675	$161,991	$1,539,393	$2,109,085	73%
2024	$1,539,393	$286,045	$10,158	$223,791	$1,611,806	$2,168,464	74%
2025	$1,611,806	$291,766	$11,362	$127,412	$1,787,522	$2,335,332	77%
2026	$1,787,522	$297,601	$12,080	$203,599	$1,893,604	$2,430,642	78%
2027	$1,893,604	$303,554	$9,851	$629,814	$1,577,195	$2,085,328	76%
2028	$1,577,195	$309,625	$10,539	$218,127	$1,679,232	$2,170,981	77%
2029	$1,679,232	$315,817	$11,719	$155,049	$1,851,719	$2,330,079	79%
2030	$1,851,719	$322,133	$12,969	$152,443	$2,034,378	$2,500,668	81%
2031	$2,034,378	$328,576	$12,991	$334,915	$2,041,030	$2,488,647	82%
2032	$2,041,030	$335,148	$14,502	$129,309	$2,261,371	$2,698,191	84%
2033	$2,261,371	$341,851	$15,056	$273,871	$2,344,407	$2,765,962	85%
2034	$2,344,407	$348,688	$12,703	$695,055	$2,010,743	$2,398,623	84%
2035	$2,010,743	$355,661	$14,456	$114,988	$2,265,873	$2,639,507	86%
2036	$2,265,873	$362,775	$15,744	$190,057	$2,454,334	$2,812,616	87%
2037	$2,454,334	$370,030	$11,755	$949,841	$1,886,278	$2,197,358	86%
2038	$1,886,278	$377,431	$11,649	$400,225	$1,875,133	$2,153,749	87%
2039	$1,875,133	$384,979	$13,297	$157,932	$2,115,476	$2,370,478	89%
2040	$2,115,476	$392,679	$14,770	$192,011	$2,330,914	$2,562,531	91%
2041	$2,330,914	$400,532	$16,438	$173,517	$2,574,367	$2,784,782	92%
2042	$2,574,367	$408,543	$14,706	$667,300	$2,330,316	$2,499,775	93%
2043	$2,330,316	$416,714	$14,763	$418,880	$2,342,913	$2,477,266	95%
2044	$2,342,913	$425,048	$14,967	$406,172	$2,376,756	$2,475,009	96%
2045	$2,376,756	$433,549	$16,156	$274,672	$2,551,789	$2,618,359	97%
2046	$2,551,789	$442,220	$16,080	$464,453	$2,545,636	$2,572,841	99%
2047	$2,545,636	$451,065	$16,808	$358,721	$2,654,787	$2,645,296	100%

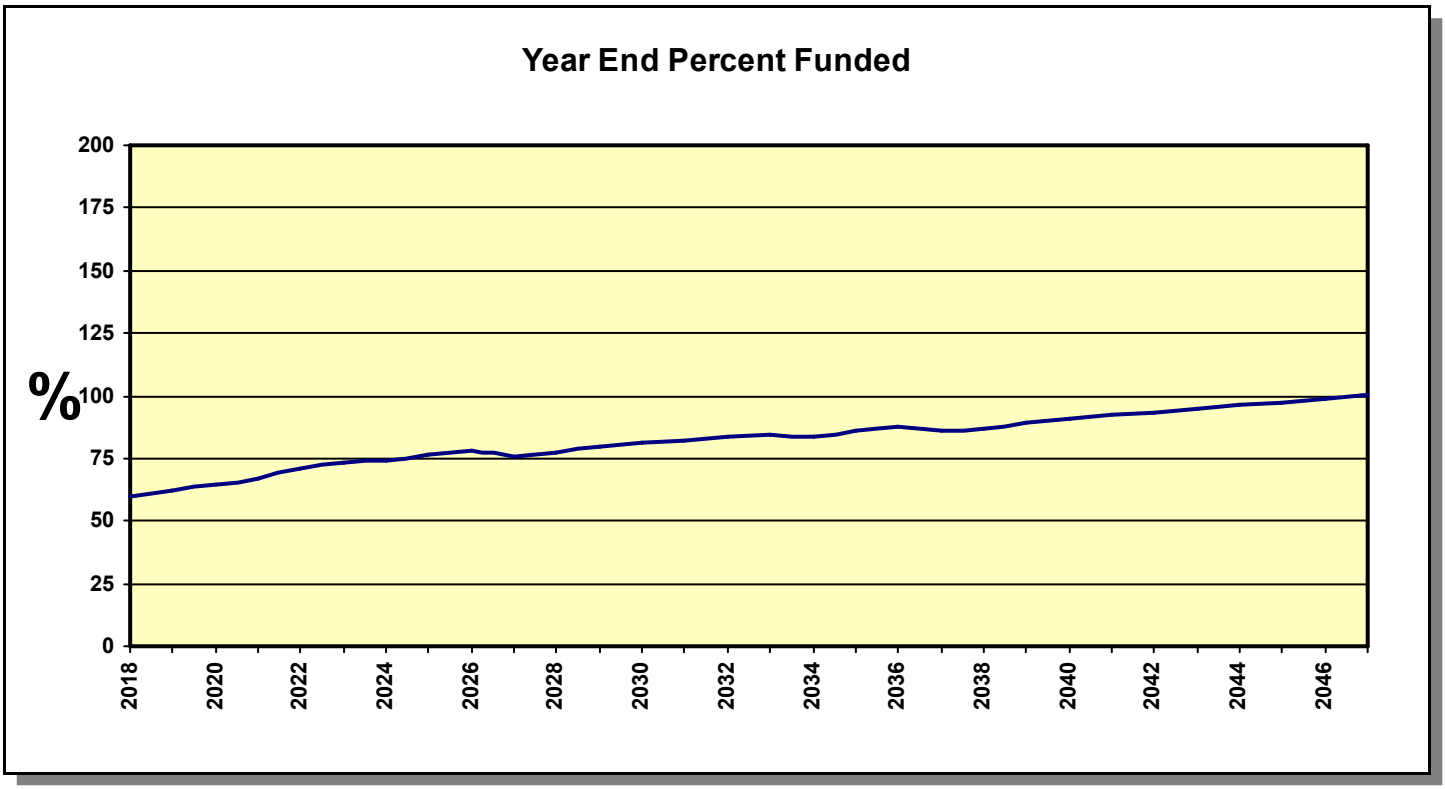
NOTE: In some cases, the projected Ending Balance may exceed the Fully Funded Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need and any excess is redistributed among all components included.

Sample Condominium Association

Projection Charts

Directed Cash Flow Calculation Method

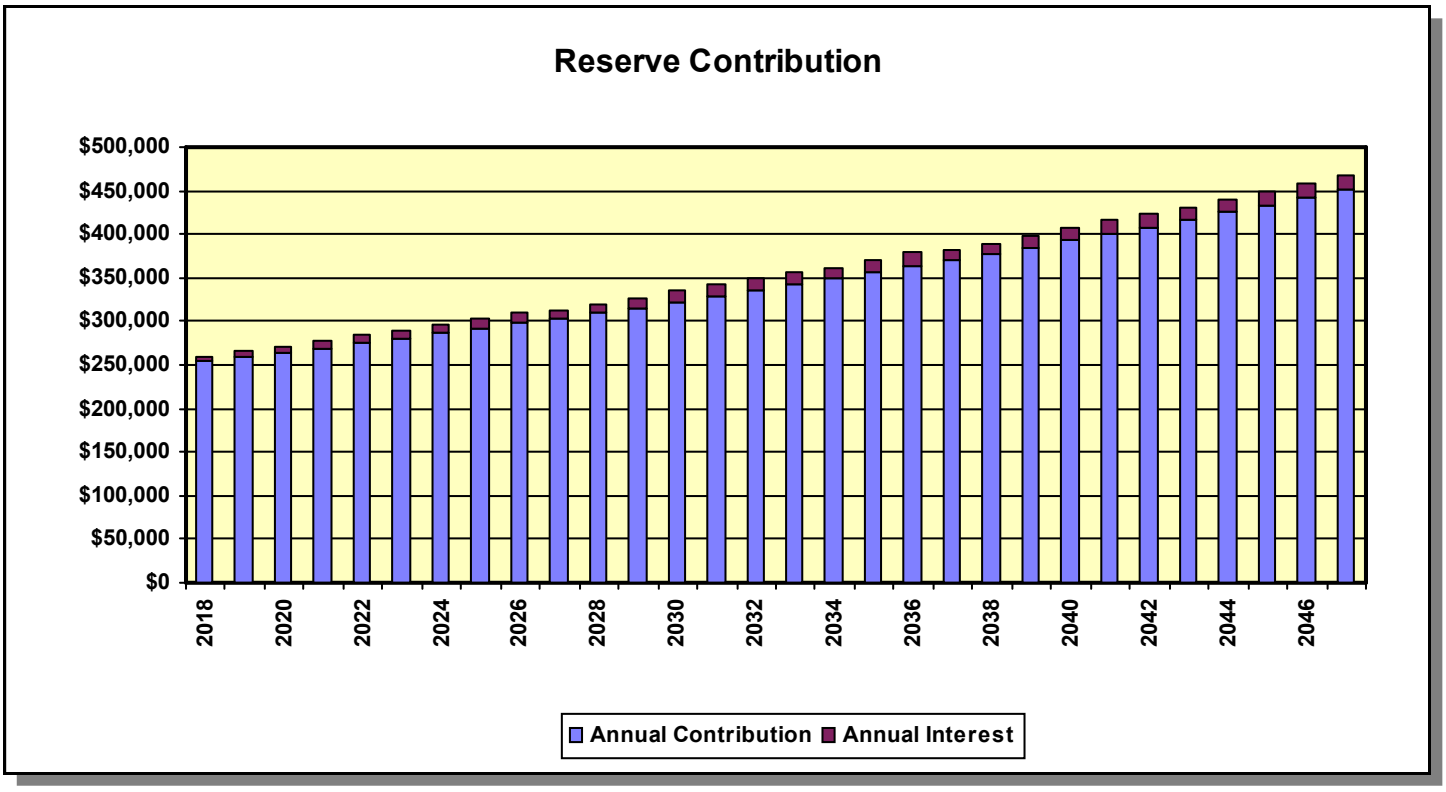


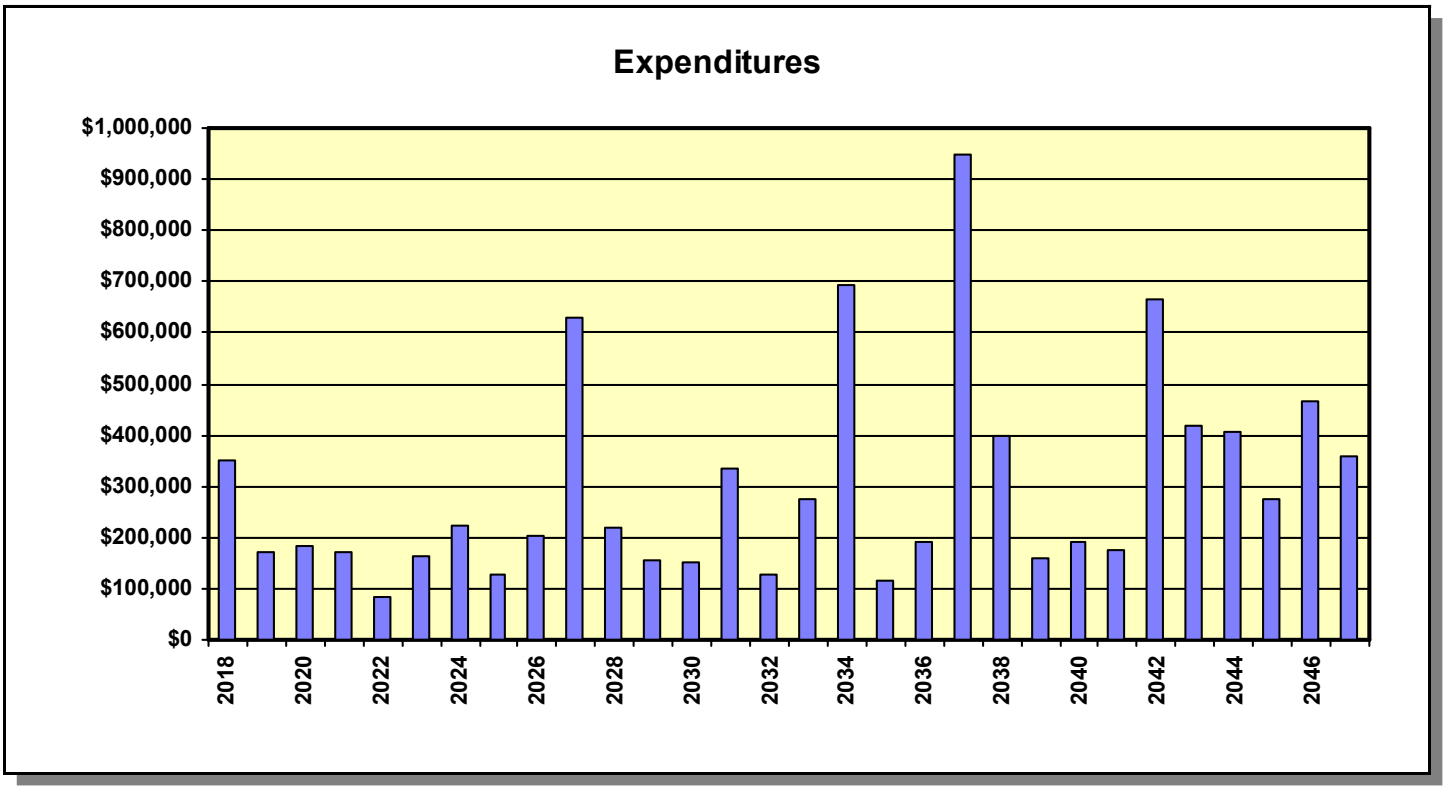


Sample Condominium Association

Projection Charts

Directed Cash Flow Calculation Method





Sample Condominium Association

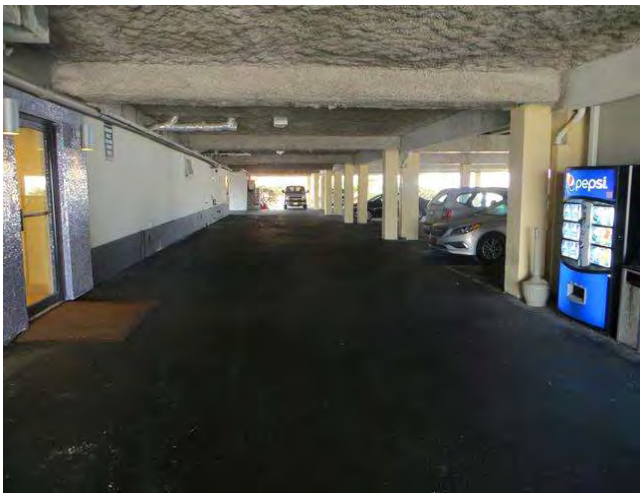
Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Asphalt, Overlay

Category	010 Site	Quantity	24,700 sq. ft.
Photo Date	February 2017	Unit Cost	$2.000
		% of Replacement	100.00%
		Current Cost	$49,400.00
Placed In Service	01/06	Future Cost	$57,879.97
Useful Life	20		
		Assigned Reserves at FYB	$21,230.45
Remaining Life	8	Monthly Member Contribution	$286.39
Replacement Year	2026	Monthly Interest Contribution	$13.17
		Total Monthly Contribution	$299.56

Comments:



Asphalt was in generally good condition during site visit. Component is for overlay of asphalt areas on 20 year interval. Original 1987 paving was overlaid and restriped in 2006 per client. The actual condition of asphalt areas should be evaluated annually and appropriate repairs performed in a timely manner. Repairs to damaged areas will allow asphalt to achieve the expected useful life.

The current cost for this component was originally provided by prior reserve, and has been adjusted to allow for inflation where applicable. Cost of asphalt is volatile and follows price of oil.

Standard comments:
Most asphalt areas can be expected to last approximately 20 years before it will become necessary for an overlay to be applied or other major rehabilitation to be completed. It will be necessary to adjust manhole and valve covers at the time the overlay is applied or other major rehabilitation is completed.

Deflection testing should be conducted by an independent consultant near the end of the estimated useful life to determine the condition of the asphalt and estimated remaining life before the overlay or other major rehabilitation is required. In addition to this service, a consultant may be obtained to prepare the application specifications, and to work with the contractor during actual installation. It is recommended that the client obtain bids for such a consultation near the end of the estimated useful life. As costs vary, a provision for this consulting has not been included in this cost estimate. Should the client request, this cost can be incorporated into this analysis.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Asphalt, Repairs

Category	010 Site	Quantity	1 total
Photo Date	February 2017	Unit Cost	$6,000.000
		% of Replacement	100.00%
		Current Cost	$6,000.00
Placed In Service	01/12	Future Cost	$6,756.97
Useful Life	6		
		Assigned Reserves at FYB	$6,000.00
Remaining Life	0	Monthly Member Contribution	$74.82
Replacement Year	2018	Monthly Interest Contribution	$0.27
		Total Monthly Contribution	$75.10

Comments:

A percentage of asphalt areas will require repair or replacement periodically. Component covers minor maintenance on 6 year interval. The actual condition of asphalt areas should be evaluated annually and appropriate repairs performed in a timely manner. Repairs to damaged areas will allow asphalt to achieve the expected useful life.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Fence - Vinyl

Category	010 Site	Quantity	212 lin. ft.
Photo Date	February 2017	Unit Cost	$32.250
		% of Replacement	100.00%
		Current Cost	$6,837.00
Placed In Service	01/16	Future Cost	$10,781.26
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	23	Monthly Member Contribution	$24.72
Replacement Year	2041	Monthly Interest Contribution	$0.09
		Total Monthly Contribution	$24.80

Comments:

Vinyl fence was installed in 2016 at a cost of $6500 ($30.66 per lin. ft.) to replace wood stockade fence at rear of property per client. Linear footage provided by client.

The current cost has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Monument Sign

Category	010 Site	Quantity	1 total
Photo Date	February 2017	Unit Cost	$7,000.000
		% of Replacement	100.00%
		Current Cost	$7,000.00
Placed In Service	01/04	Future Cost	$7,428.46
Useful Life	15		
Adjustment	+2	Assigned Reserves at FYB	$5,764.71
Remaining Life	3	Monthly Member Contribution	$35.55
Replacement Year	2021	Monthly Interest Contribution	$3.42
		Total Monthly Contribution	$38.97

Comments:

Component covers exterior monument signs. Signs were in acceptable condition during site visit. Useful life extended by 2 years per client.

The current cost for this component was originally provided by prior reserve study, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Concrete - Upper Parking, Inspection & Resealing

Category	020 Parking Structure	Quantity	1 inspection & reseal
Photo Date	February 2017	Unit Cost	$50,000.000
		% of Replacement	100.00%
		Current Cost	$50,000.00
Placed In Service	01/12	Future Cost	$55,204.04
Useful Life	5		
Adjustment	+1	Assigned Reserves at FYB	$50,000.00
Remaining Life	0	Monthly Member Contribution	$743.52
Replacement Year	2018	Monthly Interest Contribution	$2.72
		Total Monthly Contribution	$746.24

Comments:

Component is for inspection and reapplication of sealer on 5 year interval. A separate component covers replacement of sealer after 10 years. Parking deck will be resealed for $50,000 in 2018 per client.

When originally installed in 1987, upper parking level concrete surface was not coated. In 2012, concrete was extensively prepared by grinding and stripping surface. Waterproof Sika sealer was then applied.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Concrete - Upper Parking, Minor Repairs

Category	020 Parking Structure	Quantity	1 inspection & repair
Photo Date	February 2017	Unit Cost	$10,000.000
		% of Replacement	100.00%
		Current Cost	$10,000.00
Placed In Service	01/18	Future Cost	$10,404.00
Useful Life	2		
		Assigned Reserves at FYB	$0.00
Remaining Life	2	Monthly Member Contribution	$364.74
Replacement Year	2020	Monthly Interest Contribution	$1.34
		Total Monthly Contribution	$366.08

Comments:

Component is for inspection and repairs on 2 year interval. A separate component covers major replacement after 50 years. Cost for component provided by client.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Concrete - Upper Parking, Sealer Replacement

Category	020 Parking Structure	Quantity	1 total
Photo Date	February 2017	Unit Cost	$325,000.000
		% of Replacement	100.00%
		Current Cost	$325,000.00
Placed In Service	01/12	Future Cost	$388,405.08
Useful Life	15		
		Assigned Reserves at FYB	$0.00
Remaining Life	9	Monthly Member Contribution	$2,753.52
Replacement Year	2027	Monthly Interest Contribution	$10.10
		Total Monthly Contribution	$2,763.62

Comments:

When originally installed in 1987, upper parking level concrete surface was not coated. In 2012, concrete was extensively prepared by grinding and stripping surface. Waterproof Sika sealer was then applied. Component is for replacement of sealer after 15 years. Replacement will not require as much prep work as original installation. A separate component covers inspection and reapplication of sealer on 5 year interval. Replacement interval provided by client.

Contractor that applied sealer:
William Watts, Co.
856-873-7310
William Watts supplied cost to replace sealer as $325,000 in 2017 dollars.

Concrete - Upper Parking, Structure Replacement

Category	020 Parking Structure	Quantity	1 total
Photo Date	February 2017	Unit Cost	$900,000.000
		% of Replacement	50.00%
		Current Cost	$450,000.00
Placed In Service	01/87	Future Cost	$655,565.03
Useful Life	50		
		Assigned Reserves at FYB	$0.00
Remaining Life	19	Monthly Member Contribution	$1,921.68
Replacement Year	2037	Monthly Interest Contribution	$7.04
		Total Monthly Contribution	$1,928.73

Comments:

Component covers replacement of original 1987 upper parking level concrete pre-cast slab system.
Current experrience with pre-cast slabs is good. Client reports no major issues with structure. One area was repaired over the years. Since it is unlikely that entire structure will have to be replaced, replacement percentage set at 50%. Reduction confirmed by client.

It is likely that a percentage of concrete will require repair or replacement before actual scheduled replacement. Any required repairs or replacements should be addressed immediately for safety reasons and to mitigate damage to adjoining concrete sections. Funding for unforeseen damage should come from reserve fund contingency or operating budget.

The current cost used for this component is based on prior reserrve study, and has been adjusted for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

EIFS Exterior, Major Maintenance

Category	040 Building Exterior	Quantity	1 EIFS resurface
Photo Date	February 2017	Unit Cost	$100,000.000
		% of Replacement	100.00%
		Current Cost	$100,000.00
Placed In Service	01/17	Future Cost	$119,509.26
Useful Life	10		
		Assigned Reserves at FYB	$0.00
Remaining Life	9	Monthly Member Contribution	$847.24
Replacement Year	2027	Monthly Interest Contribution	$3.10
		Total Monthly Contribution	$850.34

Comments:

Component covers major maintenance of building exterior including Exterior Finish Insulation System (EIFS) coating on a 10 year cycle.

Major 2017 repair project included:
- Cut out old caulk and recaulk all windows
- EIFS (Dryvit) repairs on 15th street side
- Spandrel glass
- Control joints
- Ptech units caulked
- Power wash and paint

Cost for this component has been provided by the client. Useful life set at 10 years per client input.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Fire Door, Replacement

Category	040 Building Exterior	Quantity	5 doors
Photo Date	February 2017	Unit Cost	$2,000.000
		% of Replacement	100.00%
		Current Cost	$10,000.00
Placed In Service	01/10	Future Cost	$15,459.80
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	22	Monthly Member Contribution	$37.56
Replacement Year	2040	Monthly Interest Contribution	$0.14
		Total Monthly Contribution	$37.70

Comments:

Component covers five exterior fire doors to parking garage. Two doors were replaced in 2016 per client for $1900 per door. 2010 used as average placed-in service date for budgeting purposes.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Lighting - Balcony

Category	040 Building Exterior	Quantity	28 lights
Photo Date	February 2017	Unit Cost	$140.000
		% of Replacement	100.00%
		Current Cost	$3,920.00
Placed In Service	01/13	Future Cost	$5,275.80
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	15	Monthly Member Contribution	$20.69
Replacement Year	2033	Monthly Interest Contribution	$0.08
		Total Monthly Contribution	$20.77

Comments:

Balcony lights were replaced in 2013 per prior reserve study. Upgrade to LED lighting should be considered.

Quantity from prior reserve study.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Lighting - Lower Parking Level

Category	040 Building Exterior	Quantity	18 lights
Photo Date	February 2017	Unit Cost	$500.000
		% of Replacement	100.00%
		Current Cost	$9,000.00
Placed In Service	01/04	Future Cost	$10,135.46
Useful Life	20		
		Assigned Reserves at FYB	$6,300.00
Remaining Life	6	Monthly Member Contribution	$39.48
Replacement Year	2024	Monthly Interest Contribution	$3.75
		Total Monthly Contribution	$43.23

Comments:

Lower parking level lights were replaced with in 2004 per prior reserve study.

Fixture cost for this component confirmed by client for LED replacements being considered.
Quantity from prior reserve study.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Sliding Glass Door, Replacement

Category	040 Building Exterior	Quantity	28 doors
Photo Date	February 2017	Unit Cost	$3,400.000
		% of Replacement	100.00%
		Current Cost	$95,200.00
Placed In Service	01/14	Future Cost	$130,689.20
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	16	Monthly Member Contribution	$473.92
Replacement Year	2034	Monthly Interest Contribution	$1.74
		Total Monthly Contribution	$475.66

Comments:

Component covers sliding glass doors onto balconies. Doors were replaced in 2014-2015 for a cost of $85,000 per client. Quantity from prior reserve study.

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Window, Replacement

Category	040 Building Exterior	Quantity	1 total
Photo Date	February 2017	Unit Cost	$145,000.000
		% of Replacement	100.00%
		Current Cost	$145,000.00
Placed In Service	01/14	Future Cost	$199,053.93
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	16	Monthly Member Contribution	$721.84
Replacement Year	2034	Monthly Interest Contribution	$2.64
		Total Monthly Contribution	$724.48

Comments:

Component cover all building windows replaced in 2014-2015 for a total of $133,000 per client. Useful life set at 20 years per client.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Corridors - Carpet

Category	040 Building Interior	Quantity	1 total
Photo Date	February 2017	Unit Cost	$55,000.000
		% of Replacement	100.00%
		Current Cost	$55,000.00
Placed In Service	01/17	Future Cost	$65,730.09
Useful Life	10		
		Assigned Reserves at FYB	$0.00
Remaining Life	9	Monthly Member Contribution	$465.98
Replacement Year	2027	Monthly Interest Contribution	$1.71
		Total Monthly Contribution	$467.69

Comments:

Client replaced (4) guest room floor corridor carpets in 2017-2018 for $55,000.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Corridors - Ceiling Tile

Category	040 Building Interior	Quantity	1 total
Photo Date	February 2017	Unit Cost	$20,500.000
		% of Replacement	100.00%
		Current Cost	$20,500.00
Placed In Service	01/04	Future Cost	$23,086.33
Useful Life	20		
		Assigned Reserves at FYB	$14,350.00
Remaining Life	6	Monthly Member Contribution	$89.93
Replacement Year	2024	Monthly Interest Contribution	$8.53
		Total Monthly Contribution	$98.45

Comments:

Ceiling tile was in good condition during site visit. No quantity listed in prior reserve study.

The current cost for this component was originally provided by the prior reserve study, and has been adjusted to allow for inflation where applicable.

Corridors - Lighting

Category	040 Building Interior	Quantity	231 fixtures
Photo Date	February 2017	Unit Cost	$125.000
		% of Replacement	100.00%
		Current Cost	$28,875.00
Placed In Service	01/14	Future Cost	$31,255.23
Useful Life	20		
Adjustment	-12	Assigned Reserves at FYB	$14,437.50
Remaining Life	4	Monthly Member Contribution	$279.98
Replacement Year	2022	Monthly Interest Contribution	$9.27
		Total Monthly Contribution	$289.25

Comments:

Component cover replacement of corridor light fixtures only. Replacement with LED fixtures being considered by client. Current fixtures have non-standard lamp base.

Remaining life decreased by 12 years to reflect likelyhood of replacement in near future to reduce operating expenses.

Fixtures in unit rooms, lobby, gym, owner's lounge and business center are typical recessed lights and will be replaced with LED bulbs through operating budget.

There was no component for interior lighting in prior reserve study.

2nd floor corridor lights	57	fixtures
3rd floor corridor lights	54	fixtures
4th floor corridor lights	61	fixtures
5th floor corridor lights	59	fixtures
	231	fixtures

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Corridors - Wall Covering

Category	040 Building Interior	Quantity	1 total
Photo Date	February 2017	Unit Cost	$42,000.000
		% of Replacement	100.00%
		Current Cost	$42,000.00
Placed In Service	01/17	Future Cost	$50,193.89
Useful Life	10		
		Assigned Reserves at FYB	$0.00
Remaining Life	9	Monthly Member Contribution	$355.84
Replacement Year	2027	Monthly Interest Contribution	$1.31
		Total Monthly Contribution	$357.15

Comments:

Client renovated (4) guest room floor corridor wall coverings in 2017-2018 for $42,000. Painting guest room doors and jambs is included.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Entrance Lobby - Carpet

Category	040 Building Interior	Quantity	1 total
Photo Date	February 2017	Unit Cost	$2,300.000
		% of Replacement	100.00%
		Current Cost	$2,300.00
Placed In Service	01/15	Future Cost	$2,641.98
Useful Life	10		
		Assigned Reserves at FYB	$690.00
Remaining Life	7	Monthly Member Contribution	$17.95
Replacement Year	2025	Monthly Interest Contribution	$0.46
		Total Monthly Contribution	$18.41

Comments:

Carpet behind front desk installed in 2015 per client. This component does not include carpet in business center.

The cost for this component was originally provided by client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Entrance Lobby - Tile

Category	040 Building Interior	Quantity	1 total
Photo Date	February 2017	Unit Cost	$7,400.000
		% of Replacement	100.00%
		Current Cost	$7,400.00
Placed In Service	01/04	Future Cost	$8,333.60
Useful Life	20		
		Assigned Reserves at FYB	$5,180.00
Remaining Life	6	Monthly Member Contribution	$32.46
Replacement Year	2024	Monthly Interest Contribution	$3.07
		Total Monthly Contribution	$35.53

Comments:

Tile installed in 2004 per prior reserve study. Replacement cost in 2012 $6200 per prior reserve study. No quantity listed for updated unit pricing.

The cost for this component was originally provided by prior reserve study, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Entrance Lobby - Wall Covering

Category	040 Building Interior	Quantity	1 total
Photo Date	February 2017	Unit Cost	$10,000.000
		% of Replacement	100.00%
		Current Cost	$10,000.00
Placed In Service	01/03	Future Cost	$13,458.68
Useful Life	15		
		Assigned Reserves at FYB	$10,000.00
Remaining Life	0	Monthly Member Contribution	$52.77
Replacement Year	2018	Monthly Interest Contribution	$0.20
		Total Monthly Contribution	$52.97

Comments:

Wall covering in lobby was not included in 2013 lobby renovation.
Wall covering will be replaced at a cost of $10,000 in 2018 per client.

Sample Condominium Association

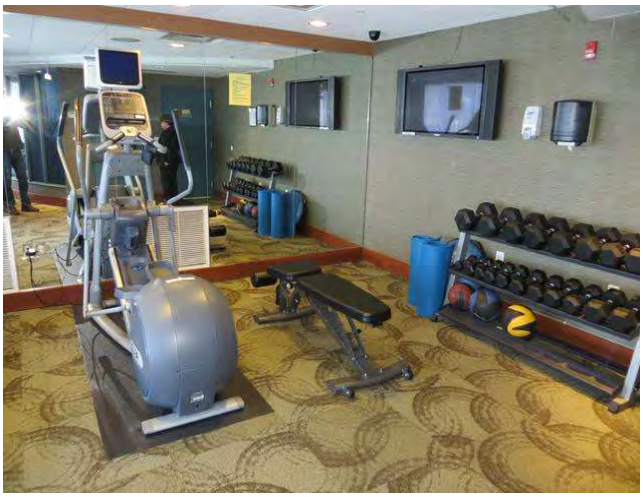
Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Fitness Center - Carpet

Category	040 Building Interior	Quantity	1 total
Photo Date	February 2017	Unit Cost	$7,000.000
		% of Replacement	100.00%
		Current Cost	$7,000.00
Placed In Service	01/14	Future Cost	$7,883.14
Useful Life	10		
		Assigned Reserves at FYB	$2,800.00
Remaining Life	6	Monthly Member Contribution	$54.96
Replacement Year	2024	Monthly Interest Contribution	$1.80
		Total Monthly Contribution	$56.76

Comments:



Carpet was replaced in 2014 at a cost of $6300 per client.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

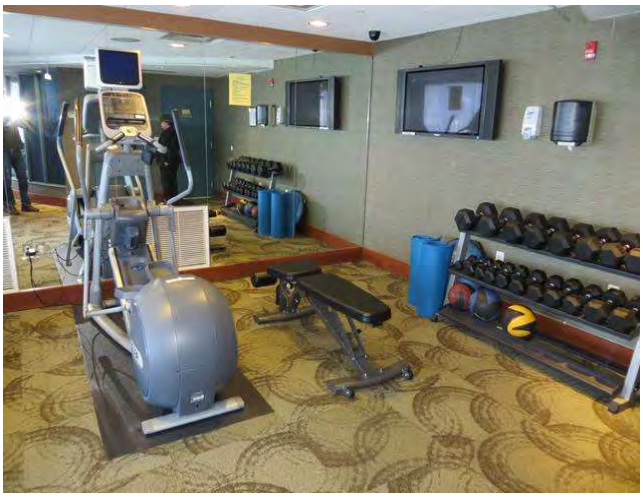
Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Fitness Center - Ceiling Tile

Category	040 Building Interior	Quantity	1 total
Photo Date	February 2017	Unit Cost	$2,900.000
		% of Replacement	100.00%
		Current Cost	$2,900.00
Placed In Service	01/04	Future Cost	$3,265.87
Useful Life	20		
		Assigned Reserves at FYB	$2,030.00
Remaining Life	6	Monthly Member Contribution	$12.72
Replacement Year	2024	Monthly Interest Contribution	$1.21
		Total Monthly Contribution	$13.93

Comments:



The current cost for this component was originally provided by the prior reserve study, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Owner's Lounge - Carpet

Category	040 Building Interior	Quantity	1 total
Photo Date	February 2017	Unit Cost	$7,000.000
		% of Replacement	100.00%
		Current Cost	$7,000.00
Placed In Service	01/04	Future Cost	$8,201.62
Useful Life	8		
Adjustment	+6	Assigned Reserves at FYB	$7,000.00
Remaining Life	0	Monthly Member Contribution	$66.30
Replacement Year	2018	Monthly Interest Contribution	$0.24
		Total Monthly Contribution	$66.55

Comments:

Owner's lounge carpet will be replaced in 2018 per client.

The current cost for this component was originally provided by previous reserve study, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Owner's Lounge - Ceiling Tile

Category	040 Building Interior	Quantity	1 total
Photo Date	February 2017	Unit Cost	$3,500.000
		% of Replacement	100.00%
		Current Cost	$3,500.00
Placed In Service	01/04	Future Cost	$3,941.57
Useful Life	20		
		Assigned Reserves at FYB	$2,450.00
Remaining Life	6	Monthly Member Contribution	$15.35
Replacement Year	2024	Monthly Interest Contribution	$1.45
		Total Monthly Contribution	$16.81

Comments:

Ceiling tile was in good condition during site visit. No quantity listed in prior reserve study.

The current cost for this component was originally provided by the prior reserve study, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Owner's Lounge - Furniture

Category	040 Building Interior	Quantity	1 total
Photo Date	February 2017	Unit Cost	$25,000.000
		% of Replacement	100.00%
		Current Cost	$25,000.00
Placed In Service	01/16	Future Cost	$27,060.80
Useful Life	10		
Adjustment	-4	Assigned Reserves at FYB	$8,333.33
Remaining Life	4	Monthly Member Contribution	$315.53
Replacement Year	2022	Monthly Interest Contribution	$5.91
		Total Monthly Contribution	$321.44

Comments:

Furniture was in good condition during site visit. Owner's lounge furniture will be replaced in 2022 per client. No component for furniture listed in prior reserve study. Cost provided by client.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Owner's Lounge - Wall Covering

Category	040 Building Interior	Quantity	1 total
Photo Date	February 2017	Unit Cost	$8,000.000
		% of Replacement	100.00%
		Current Cost	$8,000.00
Placed In Service	01/04	Future Cost	$8,659.46
Useful Life	10		
Adjustment	+8	Assigned Reserves at FYB	$6,222.22
Remaining Life	4	Monthly Member Contribution	$38.57
Replacement Year	2022	Monthly Interest Contribution	$3.70
		Total Monthly Contribution	$42.27

Comments:

Wall covering scheduled for replacement with furniture in 2022. The current cost for this component provided by client. No quantity listed in prior reserve study.

Sample Condominium Association

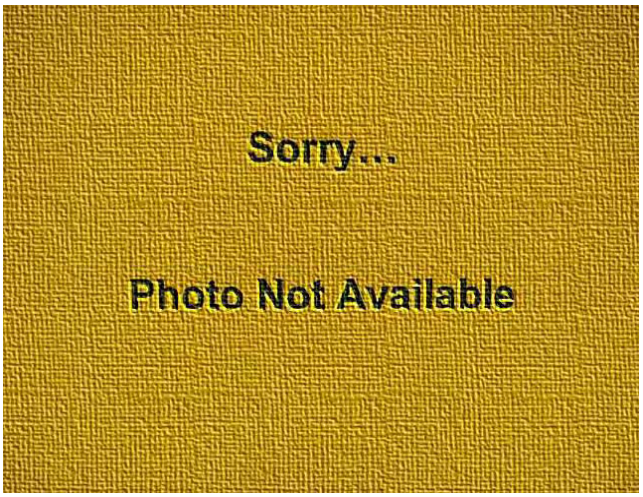
Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Restroom Common Area - Ceiling Tile

Category	040 Building Interior	Quantity	1 total
Photo Date	February 2017	Unit Cost	$1,200.000
		% of Replacement	100.00%
		Current Cost	$1,200.00
Placed In Service	01/04	Future Cost	$1,351.39
Useful Life	20		
		Assigned Reserves at FYB	$840.00
Remaining Life	6	Monthly Member Contribution	$5.26
Replacement Year	2024	Monthly Interest Contribution	$0.50
		Total Monthly Contribution	$5.76

Comments:



No quantity listed in prior reserve study.

The current cost for this component was originally provided by the prior reserve study, and has been adjusted to allow for inflation where applicable.

I do not have photo for restrooms since photos were not requested.

Sample Condominium Association

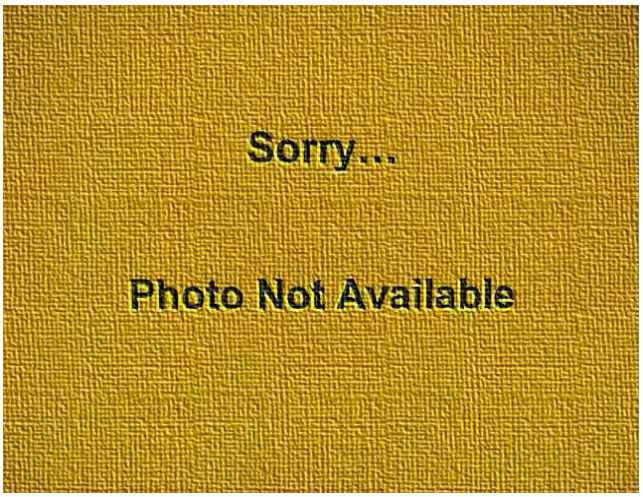
Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Restroom Common Area - Partitions

Category	040 Building Interior	Quantity	1 total
Photo Date	February 2017	Unit Cost	$8,000.000
		% of Replacement	100.00%
		Current Cost	$8,000.00
Placed In Service	01/87	Future Cost	$11,887.58
Useful Life	20		
Adjustment	+11	Assigned Reserves at FYB	$8,000.00
Remaining Life	0	Monthly Member Contribution	$32.65
Replacement Year	2018	Monthly Interest Contribution	$0.12
		Total Monthly Contribution	$32.77

Comments:



Component covers common bathroom partitions in lobby restrooms. Cost provided by client. Useful life set at 20 years per client.

Sample Condominium Association

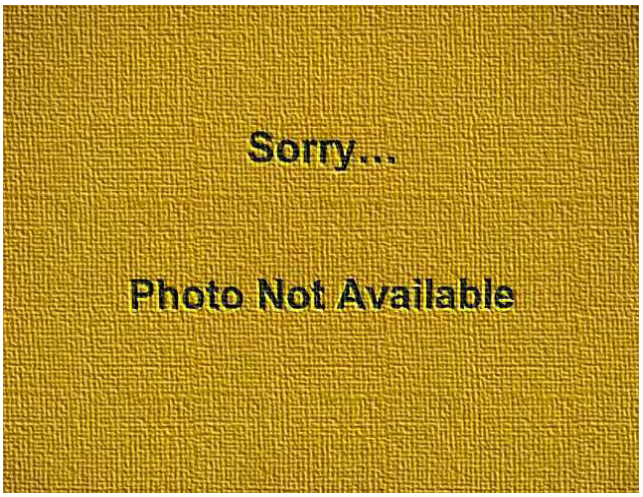
Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Restroom Common Area - Tile, Floor & Wall

Category	040 Building Interior	Quantity	1 total
Photo Date	February 2017	Unit Cost	$11,000.000
		% of Replacement	100.00%
		Current Cost	$11,000.00
Placed In Service	01/04	Future Cost	$15,100.64
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	16	Monthly Member Contribution	$54.76
Replacement Year	2034	Monthly Interest Contribution	$0.20
		Total Monthly Contribution	$54.97

Comments:



No quantity listed in prior reserve study.

The current cost for this component was originally provided by the prior reserve study, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

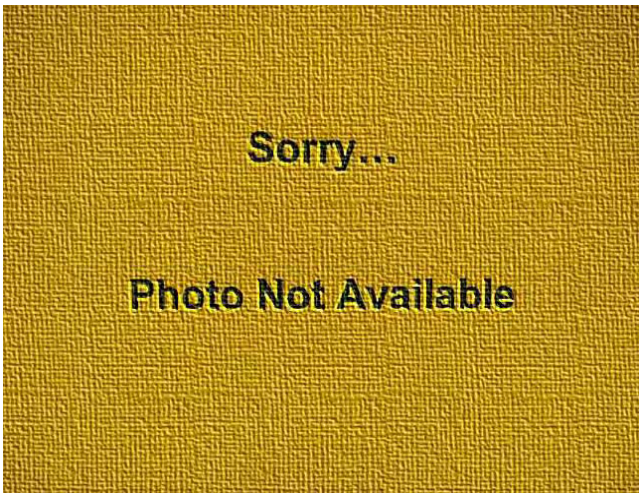
Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Restroom Common Area - Wall Covering

Category	040 Building Interior	Quantity	1 total
Photo Date	February 2017	Unit Cost	$3,200.000
		% of Replacement	100.00%
		Current Cost	$3,200.00
Placed In Service	01/04	Future Cost	$3,603.72
Useful Life	20		
		Assigned Reserves at FYB	$2,240.00
Remaining Life	6	Monthly Member Contribution	$14.04
Replacement Year	2024	Monthly Interest Contribution	$1.33
		Total Monthly Contribution	$15.36

Comments:



No quantity listed in prior reserve study.

The current cost for this component was originally provided by the prior reserve study, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

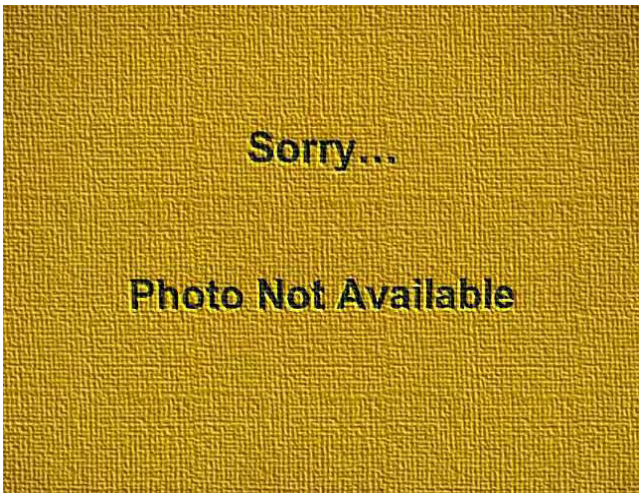
Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Appliances

Category	060 Units	Quantity	1 total
Photo Date	February 2017	Unit Cost	$5,000.000
		% of Replacement	100.00%
		Current Cost	$5,000.00
Placed In Service	01/17	Future Cost	$5,100.00
Useful Life	1		
		Assigned Reserves at FYB	$5,000.00
Remaining Life	0	Monthly Member Contribution	$362.42
Replacement Year	2018	Monthly Interest Contribution	$1.33
		Total Monthly Contribution	$363.75

Comments:



Component covers unit appliances: dishwashers, refrigerators, microwaves.

Appliances are replacing those purchased in 2005. Set useful life to 10 years based on client experience. All appliances will be combined into one component per client.

$5000 allowance for purchase of new appliances every year per client.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Bathroom LED Lighting

Category	060 Units	Quantity	103 LED lights
Photo Date	February 2017	Unit Cost	$100.000
		% of Replacement	100.00%
		Current Cost	$10,300.00
Placed In Service	01/08	Future Cost	$12,555.64
Useful Life	10		
		Assigned Reserves at FYB	$10,300.00
Remaining Life	0	Monthly Member Contribution	$79.03
Replacement Year	2018	Monthly Interest Contribution	$0.29
		Total Monthly Contribution	$79.33

Comments:

Component covers unit bathroom lighting. Per client, 103 lights will be replaced in 2018 at $100 each. Useful life set at 10 years per client.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Carpet Floor 2, 2015

Category	060 Units	Quantity	1 units single floor
Photo Date	February 2017	Unit Cost	$58,500.000
		% of Replacement	100.00%
		Current Cost	$58,500.00
Placed In Service	01/15	Future Cost	$67,198.11
Useful Life	10		
		Assigned Reserves at FYB	$17,550.00
Remaining Life	7	Monthly Member Contribution	$456.68
Replacement Year	2025	Monthly Interest Contribution	$11.70
		Total Monthly Contribution	$468.37

Comments:

Carpets were replaced in units per floor at a cost of $55,000 per client.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Carpet Floor 3, 2016

Category	060 Units	Quantity	1 units single floor
Photo Date	February 2017	Unit Cost	$57,250.000
		% of Replacement	100.00%
		Current Cost	$57,250.00
Placed In Service	01/16	Future Cost	$67,077.50
Useful Life	10		
		Assigned Reserves at FYB	$0.00
Remaining Life	8	Monthly Member Contribution	$542.25
Replacement Year	2026	Monthly Interest Contribution	$1.99
		Total Monthly Contribution	$544.24

Comments:

Carpets were replaced in units per floor at a cost of $55,000 per client.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Carpet Floor 4, 2014

Category	060 Units	Quantity	1 units single floor
Photo Date	February 2017	Unit Cost	$60,000.000
		% of Replacement	100.00%
		Current Cost	$60,000.00
Placed In Service	01/14	Future Cost	$67,569.75
Useful Life	10		
		Assigned Reserves at FYB	$24,000.00
Remaining Life	6	Monthly Member Contribution	$471.08
Replacement Year	2024	Monthly Interest Contribution	$15.43
		Total Monthly Contribution	$486.51

Comments:

Carpets were replaced in units per floor at a cost of $55,000 per client.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Carpet Floor 5, 2013

Category	060 Units	Quantity	1 units single floor
Photo Date	February 2017	Unit Cost	$61,000.000
		% of Replacement	100.00%
		Current Cost	$61,000.00
Placed In Service	01/13	Future Cost	$67,348.93
Useful Life	10		
		Assigned Reserves at FYB	$30,500.00
Remaining Life	5	Monthly Member Contribution	$481.67
Replacement Year	2023	Monthly Interest Contribution	$19.18
		Total Monthly Contribution	$500.85

Comments:

Carpets were replaced in units per floor at a cost of $55,000 per client.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Furniture, 2019

Category	060 Units	Quantity	1 allowance
Photo Date	February 2017	Unit Cost	$50,000.000
		% of Replacement	100.00%
		Current Cost	$50,000.00
Placed In Service	01/07	Future Cost	$51,000.00
Useful Life	12		
		Assigned Reserves at FYB	$45,833.33
Remaining Life	1	Monthly Member Contribution	$344.28
Replacement Year	2019	Monthly Interest Contribution	$27.43
		Total Monthly Contribution	$371.72

Comments:

Component cover furniture replacment allowance over three years.
Prior furniture from 2005 renovation per client.
Useful life of 12 years per client experience

The current cost for this component allownce was originally provided by the client, and has been adjusted to allow for 4% inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Furniture, 2020

Category	060 Units	Quantity	1 allowance
Photo Date	February 2017	Unit Cost	$50,000.000
		% of Replacement	100.00%
		Current Cost	$50,000.00
Placed In Service	01/08	Future Cost	$52,020.00
Useful Life	12		
		Assigned Reserves at FYB	$41,666.67
Remaining Life	2	Monthly Member Contribution	$342.38
Replacement Year	2020	Monthly Interest Contribution	$25.04
		Total Monthly Contribution	$367.42

Comments:

Component cover furniture replacment allowance over three years.
Prior furniture from 2005 renovation per client.
Useful life of 12 years per client experience

The current cost for this component allownce was originally provided by the client, and has been adjusted to allow for 4% inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Furniture, 2021

Category	060 Units	Quantity	1 allowance
Photo Date	February 2017	Unit Cost	$50,000.000
		% of Replacement	100.00%
		Current Cost	$50,000.00
Placed In Service	01/09	Future Cost	$53,060.40
Useful Life	12		
		Assigned Reserves at FYB	$37,500.00
Remaining Life	3	Monthly Member Contribution	$340.47
Replacement Year	2021	Monthly Interest Contribution	$22.65
		Total Monthly Contribution	$363.13

Comments:

Component cover furniture replacment allowance over three years.
Prior furniture from 2005 renovation per client.
Useful life of 12 years per client experience

The current cost for this component allownce was originally provided by the client, and has been adjusted to allow for 4% inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Mattress, 2018

Category	060 Units	Quantity	12 mattresses
Photo Date	February 2017	Unit Cost	$360.000
		% of Replacement	100.00%
		Current Cost	$4,320.00
Placed In Service	01/13	Future Cost	$4,769.63
Useful Life	5		
		Assigned Reserves at FYB	$4,320.00
Remaining Life	0	Monthly Member Contribution	$64.24
Replacement Year	2018	Monthly Interest Contribution	$0.23
		Total Monthly Contribution	$64.47

Comments:

Component covers replacing 12 mattresses per year for 4 years and then repeating cycle starting every 5 years. Average current cost for mattress is $360.

History:
In 2016, (12) mattresses were replaced:
- (6) king size @ $400
- (6) queen size @ $320

Tax not included in pricing.
Same quantities were replaced in 2015.

two bedroom units, 3 mattress each for 5 units	15	mattresses
one bedroom units, 1 mattress each for 36 units	36	mattresses
studio units, 1 mattress each for 21 units	21	mattresses
	72	mattresses

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Mattress, 2019

Category	060 Units	Quantity	12 mattresses
Photo Date	February 2017	Unit Cost	$360.000
		% of Replacement	100.00%
		Current Cost	$4,320.00
Placed In Service	01/14	Future Cost	$4,406.40
Useful Life	5		
		Assigned Reserves at FYB	$3,456.00
Remaining Life	1	Monthly Member Contribution	$65.81
Replacement Year	2019	Monthly Interest Contribution	$2.21
		Total Monthly Contribution	$68.03

Comments:

Component covers replacing 12 mattresses per year for 4 years and then repeating cycle starting every 5 years. Average current cost for mattress is $360.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Mattress, 2020

Category	060 Units	Quantity	12 mattresses
Photo Date	February 2017	Unit Cost	$360.000
		% of Replacement	100.00%
		Current Cost	$4,320.00
Placed In Service	01/15	Future Cost	$4,494.53
Useful Life	5		
		Assigned Reserves at FYB	$2,592.00
Remaining Life	2	Monthly Member Contribution	$65.42
Replacement Year	2020	Monthly Interest Contribution	$1.72
		Total Monthly Contribution	$67.13

Comments:

Component covers replacing 12 mattresses per year for 4 years and then repeating cycle starting every 5 years. Average current cost for mattress is $360.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Mattress, 2021

Category	060 Units	Quantity	12 mattresses
Photo Date	February 2017	Unit Cost	$360.000
		% of Replacement	100.00%
		Current Cost	$4,320.00
Placed In Service	01/16	Future Cost	$4,584.42
Useful Life	5		
		Assigned Reserves at FYB	$1,728.00
Remaining Life	3	Monthly Member Contribution	$65.02
Replacement Year	2021	Monthly Interest Contribution	$1.23
		Total Monthly Contribution	$66.25

Comments:

Component covers replacing 12 mattresses per year for 4 years and then repeating cycle starting every 5 years. Average current cost for mattress is $360.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Ptech HVAC, Unfunded

Category	060 Units	Quantity	62 Ptech units
Photo Date	February 2017	Unit Cost	$0.000
		% of Replacement	100.00%
		Current Cost	$0.00
Placed In Service	01/04	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

Component covers Ptech units for inventory purposes. Unit replacement is funded from operations budget per client.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Safes, 2018

Category	060 Units	Quantity	15 safes
Photo Date	February 2017	Unit Cost	$150.000
		% of Replacement	100.00%
		Current Cost	$2,250.00
Placed In Service	01/03	Future Cost	$3,028.20
Useful Life	15		
		Assigned Reserves at FYB	$2,250.00
Remaining Life	0	Monthly Member Contribution	$11.87
Replacement Year	2018	Monthly Interest Contribution	$0.04
		Total Monthly Contribution	$11.91

Comments:

Component covers replacement of Elsafes in units on 4th floor. Replacement schedule and pricing per client.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Safes, 2019

Category	060 Units	Quantity	13 safes
Photo Date	February 2017	Unit Cost	$150.000
		% of Replacement	100.00%
		Current Cost	$1,950.00
Placed In Service	01/04	Future Cost	$1,989.00
Useful Life	15		
		Assigned Reserves at FYB	$1,820.00
Remaining Life	1	Monthly Member Contribution	$11.10
Replacement Year	2019	Monthly Interest Contribution	$1.08
		Total Monthly Contribution	$12.18

Comments:

Component covers replacement of Elsafes in units on 5th floor. Replacement schedule and pricing per client.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Safes, 2020

Category	060 Units	Quantity	16 safes
Photo Date	February 2017	Unit Cost	$150.000
		% of Replacement	100.00%
		Current Cost	$2,400.00
Placed In Service	01/05	Future Cost	$2,496.96
Useful Life	15		
		Assigned Reserves at FYB	$2,080.00
Remaining Life	2	Monthly Member Contribution	$13.59
Replacement Year	2020	Monthly Interest Contribution	$1.24
		Total Monthly Contribution	$14.83

Comments:

Component covers replacement of Elsafes in units on 2nd floor. Replacement schedule and pricing per client.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Safes, 2021

Category	060 Units	Quantity	18 safes
Photo Date	February 2017	Unit Cost	$150.000
		% of Replacement	100.00%
		Current Cost	$2,700.00
Placed In Service	01/06	Future Cost	$2,865.26
Useful Life	15		
		Assigned Reserves at FYB	$2,160.00
Remaining Life	3	Monthly Member Contribution	$15.21
Replacement Year	2021	Monthly Interest Contribution	$1.29
		Total Monthly Contribution	$16.49

Comments:

Component covers replacement of Elsafes in units on 3rd floor. Replacement schedule and pricing per client.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Televisons, 32 in. 2018

Category	060 Units	Quantity	51 total
Photo Date	February 2017	Unit Cost	$300.000
		% of Replacement	100.00%
		Current Cost	$15,300.00
Placed In Service	01/08	Future Cost	$18,650.61
Useful Life	10		
		Assigned Reserves at FYB	$15,300.00
Remaining Life	0	Monthly Member Contribution	$117.40
Replacement Year	2018	Monthly Interest Contribution	$0.43
		Total Monthly Contribution	$117.83

Comments:

Component covers 32" flat screen televisons to replace current models purchased in 2005.
Schedule for replacement and cost per client.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Televisons, 42 in. 2018

Category	060 Units	Quantity	16 total
Photo Date	February 2017	Unit Cost	$500.000
		% of Replacement	100.00%
		Current Cost	$8,000.00
Placed In Service	01/08	Future Cost	$9,751.96
Useful Life	10		
		Assigned Reserves at FYB	$8,000.00
Remaining Life	0	Monthly Member Contribution	$61.39
Replacement Year	2018	Monthly Interest Contribution	$0.22
		Total Monthly Contribution	$61.61

Comments:

Component covers 42" flat screen televisons to replace current models purchased in 2005.
Schedule for replacement and cost per client.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Televisons, 42 in. 2019

Category	060 Units	Quantity	16 total
Photo Date	February 2017	Unit Cost	$500.000
		% of Replacement	100.00%
		Current Cost	$8,000.00
Placed In Service	01/09	Future Cost	$8,160.00
Useful Life	10		
		Assigned Reserves at FYB	$7,200.00
Remaining Life	1	Monthly Member Contribution	$64.63
Replacement Year	2019	Monthly Interest Contribution	$4.35
		Total Monthly Contribution	$68.98

Comments:

Component covers 42" flat screen televisons to replace current models purchased in 2005.
Schedule for replacement and cost per client.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Televisons, 42 in. 2020

Category	060 Units	Quantity	16 total
Photo Date	February 2017	Unit Cost	$500.000
		% of Replacement	100.00%
		Current Cost	$8,000.00
Placed In Service	01/10	Future Cost	$8,323.20
Useful Life	10		
		Assigned Reserves at FYB	$6,400.00
Remaining Life	2	Monthly Member Contribution	$64.26
Replacement Year	2020	Monthly Interest Contribution	$3.89
		Total Monthly Contribution	$68.15

Comments:

Component covers 42" flat screen televisons to replace current models purchased in 2005.
Schedule for replacement and cost per client.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Televisons, 42 in. 2021

Category	060 Units	Quantity	14 total
Photo Date	February 2017	Unit Cost	$500.000
		% of Replacement	100.00%
		Current Cost	$7,000.00
Placed In Service	01/11	Future Cost	$7,428.46
Useful Life	10		
		Assigned Reserves at FYB	$4,900.00
Remaining Life	3	Monthly Member Contribution	$55.91
Replacement Year	2021	Monthly Interest Contribution	$3.00
		Total Monthly Contribution	$58.91

Comments:

Component covers 42" flat screen televisons to replace current models purchased in 2005.
Schedule for replacement and cost per client.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Tile, Floor & Wall

Category	060 Units	Quantity	7,440 sq. ft.
Photo Date	February 2017	Unit Cost	$11.000
		% of Replacement	100.00%
		Current Cost	$81,840.00
Placed In Service	01/04	Future Cost	$112,348.78
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	16	Monthly Member Contribution	$407.42
Replacement Year	2034	Monthly Interest Contribution	$1.49
		Total Monthly Contribution	$408.91

Comments:

Tile installed in 2004 per prior reserve study. Useful life 30 years per prior reserve study.

The current cost for this component was originally provided by the prior reserve study, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Wall Covering, 2018

Category	060 Units	Quantity	14 total
Photo Date	February 2017	Unit Cost	$5,430.000
		% of Replacement	100.00%
		Current Cost	$76,020.00
Placed In Service	01/08	Future Cost	$92,667.96
Useful Life	10		
		Assigned Reserves at FYB	$76,020.00
Remaining Life	0	Monthly Member Contribution	$583.31
Replacement Year	2018	Monthly Interest Contribution	$2.14
		Total Monthly Contribution	$585.45

Comments:

Current wall coverings in most units were installed in 2005 per client.
Per client in early 2018, 14 rooms will be renovated at a cost of $76,000.
Includes repainting doors and jambs.
The remaining units will be addressed through 2021.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Units - Wall Covering, 2019

Category	060 Units	Quantity	16 total
Photo Date	February 2017	Unit Cost	$5,430.000
		% of Replacement	100.00%
		Current Cost	$86,880.00
Placed In Service	01/09	Future Cost	$88,617.60
Useful Life	10		
		Assigned Reserves at FYB	$78,192.00
Remaining Life	1	Monthly Member Contribution	$701.85
Replacement Year	2019	Monthly Interest Contribution	$47.21
		Total Monthly Contribution	$749.06

Comments:

Current wall coverings in most units were installed in 2005 per client.
In 2018, 14 rooms will be renovated at a cost of $76,000. Includes repainting doors and jambs.
The remaining units will be addressed through 2021.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Wall Covering, 2020

Category	060 Units	Quantity	16 total
Photo Date	February 2017	Unit Cost	$5,430.000
		% of Replacement	100.00%
		Current Cost	$86,880.00
Placed In Service	01/10	Future Cost	$90,389.95
Useful Life	10		
		Assigned Reserves at FYB	$69,504.00
Remaining Life	2	Monthly Member Contribution	$697.87
Replacement Year	2020	Monthly Interest Contribution	$42.24
		Total Monthly Contribution	$740.11

Comments:

Current wall coverings in most units were installed in 2005 per client.
In 2018, 14 rooms will be renovated at a cost of $76,000. Includes repainting doors and jambs.
The remaining units will be addressed through 2021.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Units - Wall Covering, 2021

Category	060 Units	Quantity	16 total
Photo Date	February 2017	Unit Cost	$5,430.000
		% of Replacement	100.00%
		Current Cost	$86,880.00
Placed In Service	01/11	Future Cost	$92,197.75
Useful Life	10		
		Assigned Reserves at FYB	$60,816.00
Remaining Life	3	Monthly Member Contribution	$693.91
Replacement Year	2021	Monthly Interest Contribution	$37.26
		Total Monthly Contribution	$731.17

Comments:

Current wall coverings in most units were installed in 2005 per client.
In 2018, 14 rooms will be renovated at a cost of $76,000. Includes repainting doors and jambs.
The remaining units will be addressed through 2021.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

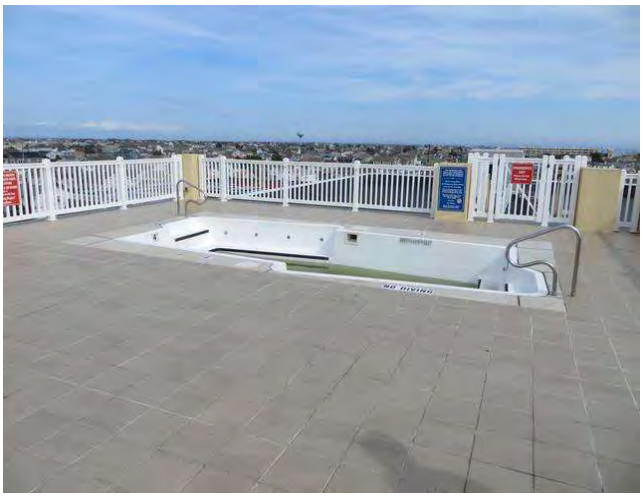
Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Pool - Deck Renovation

Category	070 Pool	Quantity	1 renovation
Photo Date	February 2017	Unit Cost	$100,000.000
		% of Replacement	100.00%
		Current Cost	$100,000.00
Placed In Service	01/16	Future Cost	$129,360.66
Useful Life	15		
		Assigned Reserves at FYB	$0.00
Remaining Life	13	Monthly Member Contribution	$601.40
Replacement Year	2031	Monthly Interest Contribution	$2.20
		Total Monthly Contribution	$603.61

Comments:



Pool deck area was renovated in 2016 for $95,200 per client. Renovation was performed due to leaks in roof membrane under pool deck. Renovation included engineering study, new tile and roof membrane in pool area. Approximate 20% of roof covered by pool deck.

Sample Condominium Association

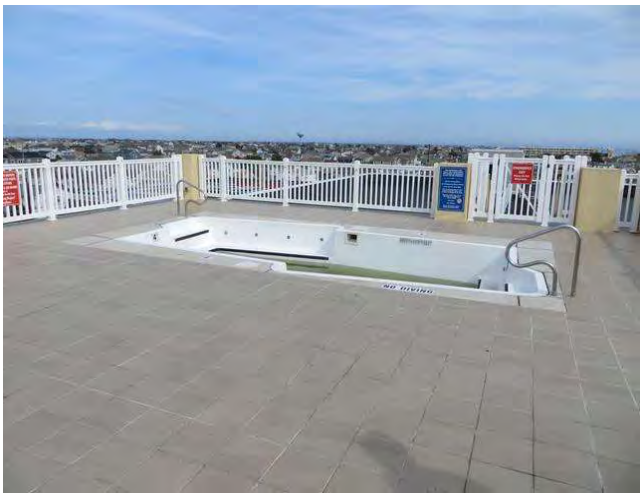
Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Pool - Fence, Aluminum

Category	070 Pool	Quantity	1 fence
Photo Date	February 2017	Unit Cost	$3,700.000
		% of Replacement	100.00%
		Current Cost	$3,700.00
Placed In Service	01/04	Future Cost	$4,166.80
Useful Life	20		
		Assigned Reserves at FYB	$2,590.00
Remaining Life	6	Monthly Member Contribution	$16.23
Replacement Year	2024	Monthly Interest Contribution	$1.54
		Total Monthly Contribution	$17.77

Comments:



Pool access from north stair is protected by aluminum fence. Fence was in good condition during site visit. Component covers complete replacement of fencing. No quantity is listed in prior reserve study.

The current cost for this component was originally provided by prior reserve study, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Pool - Fence, Vinyl

Category	070 Pool	Quantity	1 fence
Photo Date	February 2017	Unit Cost	$20,500.000
		% of Replacement	100.00%
		Current Cost	$20,500.00
Placed In Service	01/04	Future Cost	$25,489.17
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	11	Monthly Member Contribution	$143.90
Replacement Year	2029	Monthly Interest Contribution	$0.53
		Total Monthly Contribution	$144.42

Comments:

Pool access from south stair and pool area are protected by vinyl fence. Fence was in good condition during site visit. Component covers complete replacement of fencing. No quantity is listed in prior reserve study.

The current cost for this component was originally provided by prior reserve study, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

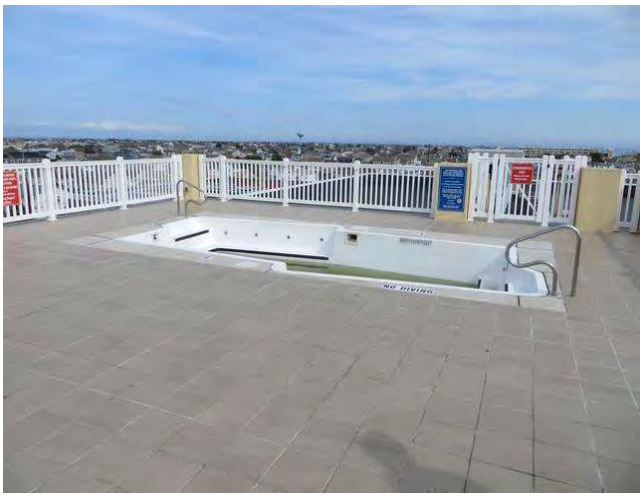
Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Pool - Replacement

Category	070 Pool	Quantity	1 pool replacement
Photo Date	February 2017	Unit Cost	$12,000.000
		% of Replacement	100.00%
		Current Cost	$12,000.00
Placed In Service	01/04	Future Cost	$16,473.43
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	16	Monthly Member Contribution	$59.74
Replacement Year	2034	Monthly Interest Contribution	$0.21
		Total Monthly Contribution	$59.95

Comments:



Component covers replacement of fiberglass tub-type pool. Useful life set at 30 years per client.

The current cost for this component was originally provided by prior reserve study, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Door Lock System

Category	080 Equipment	Quantity	1 total
Photo Date	February 2017	Unit Cost	$18,000.000
		% of Replacement	100.00%
		Current Cost	$18,000.00
Placed In Service	01/05	Future Cost	$20,676.34
Useful Life	20		
		Assigned Reserves at FYB	$11,700.00
Remaining Life	7	Monthly Member Contribution	$78.56
Replacement Year	2025	Monthly Interest Contribution	$6.96
		Total Monthly Contribution	$85.52

Comments:

Component covers replacement of door lock access system. No operational issues reported by client.

The current cost for this component was originally provided by the prior reserve study, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Elevator - Handicapped Lift, Pool

Category	080 Equipment	Quantity	1 lift
Photo Date	February 2017	Unit Cost	$40,800.000
		% of Replacement	100.00%
		Current Cost	$40,800.00
Placed In Service	01/16	Future Cost	$47,803.70
Useful Life	10		
		Assigned Reserves at FYB	$8,160.00
Remaining Life	8	Monthly Member Contribution	$316.68
Replacement Year	2026	Monthly Interest Contribution	$5.82
		Total Monthly Contribution	$322.51

Comments:

Component covers replacement of handicapped elevator system replaced in 2016 at a cost of $39,000 per client.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Elevator - Modernization

Category	080 Equipment	Quantity	1 total
Photo Date	February 2017	Unit Cost	$147,000.000
		% of Replacement	100.00%
		Current Cost	$147,000.00
Placed In Service	01/88	Future Cost	$266,270.15
Useful Life	30		
		Assigned Reserves at FYB	$147,000.00
Remaining Life	0	Monthly Member Contribution	$425.02
Replacement Year	2018	Monthly Interest Contribution	$1.56
		Total Monthly Contribution	$426.58

Comments:

Component covers combined modernization of Otis hydraulic elevator systems for two elevators.

Client has proposal to install the following for a cost of $147,000:
2 New Controllers (one for each car)
New Hall Buttons (floors 2 through 6)
New Car Operating Panel (one in each car)
New Hall Lanterns (floors 2 through 6)
Cost includes some possible “work by others” that may be needed in conjunction with the elevator upgrades.

The current cost for this component was provided by the client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

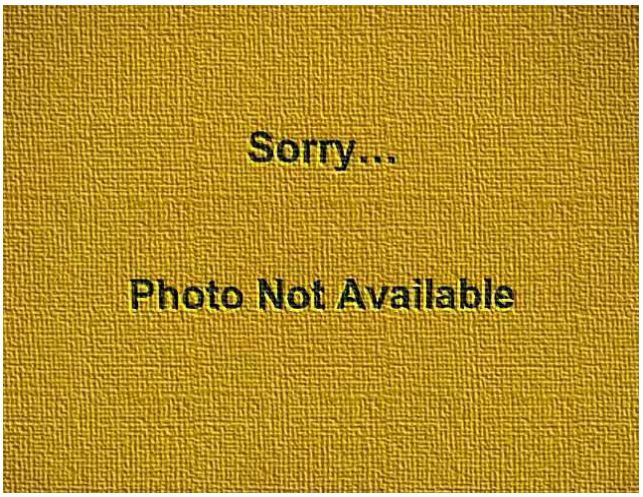
Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Emergency Generator

Category	080 Equipment	Quantity	1 generator
Photo Date	February 2017	Unit Cost	$85,000.000
		% of Replacement	100.00%
		Current Cost	$85,000.00
Placed In Service	01/13	Future Cost	$139,451.51
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	25	Monthly Member Contribution	$286.16
Replacement Year	2043	Monthly Interest Contribution	$1.05
		Total Monthly Contribution	$287.21

Comments:



No operational issues were reported by client.

The current cost for this component was originally provided by prior reserve study, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Entrance Lobby - HVAC

Category	080 Equipment	Quantity	2 split systems
Photo Date	February 2017	Unit Cost	$11,400.000
		% of Replacement	100.00%
		Current Cost	$22,800.00
Placed In Service	01/05	Future Cost	$26,190.03
Useful Life	20		
		Assigned Reserves at FYB	$14,820.00
Remaining Life	7	Monthly Member Contribution	$99.51
Replacement Year	2025	Monthly Interest Contribution	$8.83
		Total Monthly Contribution	$108.33

Comments:

No operational issues with system reported by client.

The current cost for this component was originally provided by the prior reserve study, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Fire Alarm Devices

Category	080 Equipment	Quantity	1 total
Photo Date	February 2017	Unit Cost	$25,000.000
		% of Replacement	100.00%
		Current Cost	$25,000.00
Placed In Service	01/14	Future Cost	$28,154.06
Useful Life	10		
		Assigned Reserves at FYB	$10,000.00
Remaining Life	6	Monthly Member Contribution	$196.28
Replacement Year	2024	Monthly Interest Contribution	$6.43
		Total Monthly Contribution	$202.71

Comments:

Component covers replacement of fire alarm devices only. Replacement of main fire alarm panel or other components are not included. Detectors, pull stations, alarm lights/sirens were replaced in 2014-2015 at a cost of $23,000 per client.

Fire protection systems must be tested and inspected per local regulations. Failure of any system component would require immediate replacement. No operational issues reported by client.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Fire Alarm Panel

Category	080 Equipment	Quantity	1 panel
Photo Date	February 2017	Unit Cost	$20,000.000
		% of Replacement	100.00%
		Current Cost	$20,000.00
Placed In Service	01/04	Future Cost	$22,523.25
Useful Life	20		
		Assigned Reserves at FYB	$14,000.00
Remaining Life	6	Monthly Member Contribution	$87.73
Replacement Year	2024	Monthly Interest Contribution	$8.31
		Total Monthly Contribution	$96.05

Comments:

Component covers replacement of fire alarm main control panel only. Replacement of fire detectors, pull stations, or other components are listed as a separate component.

Fire protection systems must be tested and inspected per local regulations. Failure of any system component requires immediate replacement. No operational issues reported by client.

The current cost for this component was provided by client.

Sample Condominium Association

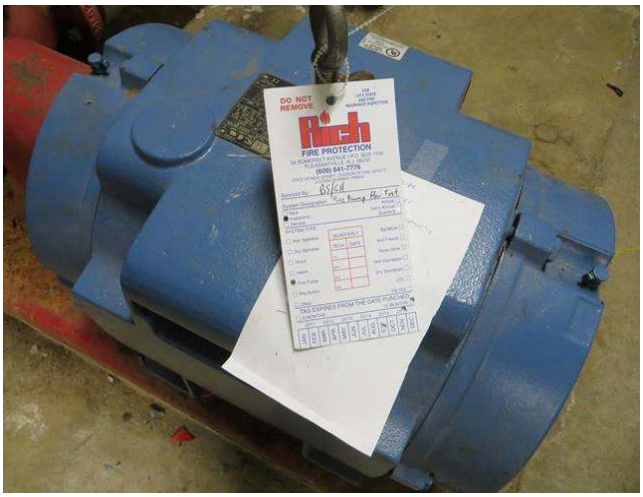
Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Fire Sprinkler Pump

Category	080 Equipment	Quantity	1 pump
Photo Date	February 2017	Unit Cost	$29,000.000
		% of Replacement	100.00%
		Current Cost	$29,000.00
Placed In Service	01/04	Future Cost	$39,810.79
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	16	Monthly Member Contribution	$144.37
Replacement Year	2034	Monthly Interest Contribution	$0.53
		Total Monthly Contribution	$144.89

Comments:



Component covers replacement of 500 gpm fire sprinkler pump only. Replacement of other fire spinkler components are not included.

Fire protection systems must be tested and inspected per local regulations. No current operational issues reported by client.

Failure of any system component requires immediate replacement. Air compressor and 4" dry pipe valve were replaced in 2016 at a cost of $6700. These were original 1987 parts that were almost 30 years old. Funding for these repairs should be provided by reserve contingency or operating budget.

The current cost for this component was originally provided by the prior reserve study, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Fitness Center - HVAC

Category	080 Equipment	Quantity	1 split system
Photo Date	February 2017	Unit Cost	$10,000.000
		% of Replacement	100.00%
		Current Cost	$10,000.00
Placed In Service	01/04	Future Cost	$11,261.62
Useful Life	20		
		Assigned Reserves at FYB	$7,000.00
Remaining Life	6	Monthly Member Contribution	$43.87
Replacement Year	2024	Monthly Interest Contribution	$4.16
		Total Monthly Contribution	$48.02

Comments:

No operational issues with system reported by client.

The current cost for this component was provided by the client.

Sample Condominium Association

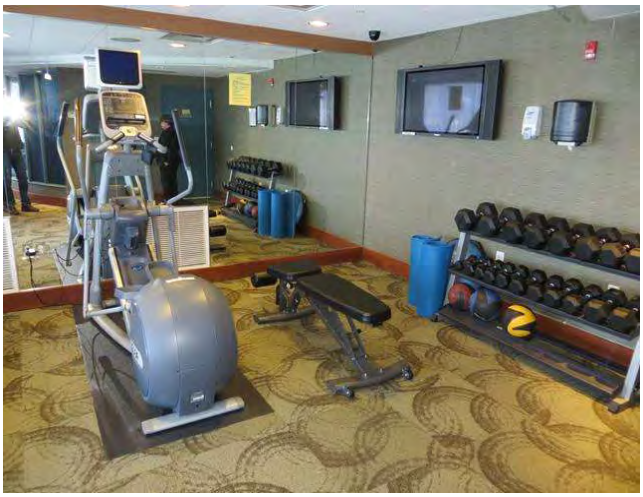
Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Fitness Equipment

Category	080 Equipment	Quantity	1 total
Photo Date	February 2017	Unit Cost	$26,400.000
		% of Replacement	100.00%
		Current Cost	$26,400.00
Placed In Service	01/08	Future Cost	$29,147.73
Useful Life	15		
		Assigned Reserves at FYB	$17,600.00
Remaining Life	5	Monthly Member Contribution	$147.09
Replacement Year	2023	Monthly Interest Contribution	$10.58
		Total Monthly Contribution	$157.67

Comments:



Component covers replacement of exercise equipment in fitness center. No operational issues reported by client.

The current cost for this component was originally provided by the prior reserve study, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Ice Machine Cuber

Category	080 Equipment	Quantity	4 cubers
Photo Date	February 2017	Unit Cost	$3,000.000
		% of Replacement	100.00%
		Current Cost	$12,000.00
Placed In Service	01/04	Future Cost	$12,240.00
Useful Life	15		
		Assigned Reserves at FYB	$11,200.00
Remaining Life	1	Monthly Member Contribution	$68.32
Replacement Year	2019	Monthly Interest Contribution	$6.64
		Total Monthly Contribution	$74.96

Comments:

One ice machine cuber was replaced by client in 2016 for $2900. The other three cubers will be replaced in 2019 per client.

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable. Due to low cost of individual cuber, a single component is deemed adequate.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Owner's Lounge - HVAC

Category	080 Equipment	Quantity	1 split system
Photo Date	February 2017	Unit Cost	$5,700.000
		% of Replacement	100.00%
		Current Cost	$5,700.00
Placed In Service	01/11	Future Cost	$7,373.56
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	13	Monthly Member Contribution	$34.28
Replacement Year	2031	Monthly Interest Contribution	$0.13
		Total Monthly Contribution	$34.41

Comments:

No operational issues with system reported by client.

The current cost for this component was originally provided by the prior reserve study, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

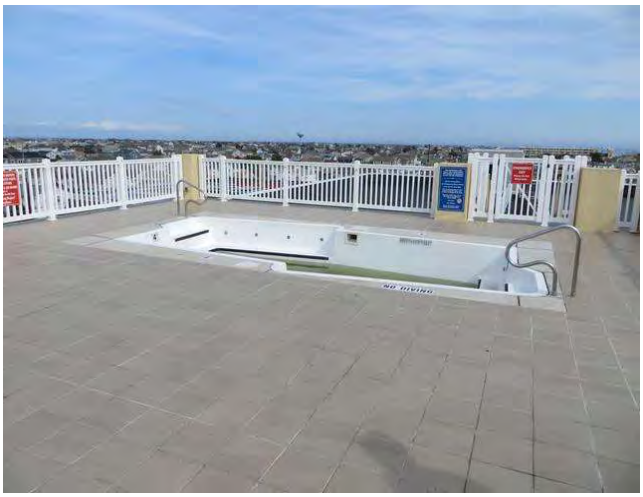
Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Pool - Filter

Category	080 Equipment	Quantity	2 pool filters
Photo Date	February 2017	Unit Cost	$4,800.000
		% of Replacement	100.00%
		Current Cost	$9,600.00
Placed In Service	01/04	Future Cost	$9,987.84
Useful Life	15		
Adjustment	+1	Assigned Reserves at FYB	$8,400.00
Remaining Life	2	Monthly Member Contribution	$51.52
Replacement Year	2020	Monthly Interest Contribution	$4.98
		Total Monthly Contribution	$56.50

Comments:



Component covers pool filters. Plan for filter replacement in 2020 per client.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Security System

Category	080 Equipment	Quantity	1 system
Photo Date	February 2017	Unit Cost	$17,000.000
		% of Replacement	100.00%
		Current Cost	$17,000.00
Placed In Service	01/13	Future Cost	$22,879.76
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	15	Monthly Member Contribution	$89.71
Replacement Year	2033	Monthly Interest Contribution	$0.33
		Total Monthly Contribution	$90.05

Comments:

Component covers replacement of security system replaced in 2013. No operational issues reported by client.

The current cost for this component was originally provided by the prior reserve study, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Water Heater

Category	080 Equipment	Quantity	1 water heater
Photo Date	February 2017	Unit Cost	$56,000.000
		% of Replacement	100.00%
		Current Cost	$56,000.00
Placed In Service	01/13	Future Cost	$83,213.05
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	20	Monthly Member Contribution	$228.58
Replacement Year	2038	Monthly Interest Contribution	$0.84
		Total Monthly Contribution	$229.42

Comments:

Water heater consists of boiler and storage tank. Both are located in mechanical room on south end of roof. Per client, original water heater life was 26 years. Cost to replace water heater was $50,000 in 2013.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Sample Condominium Association

Detail Report Index

Sample Condominium Association

Detail Report Index

Number of components included in this reserve analysis is 78.