Reserve Analysis Report

Sample Estates Condominium
Sample, Massachusetts
Version 1
April 9, 2020

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Sample Estates Condominium

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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:

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

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 ♦ ♦ ♦ ♦

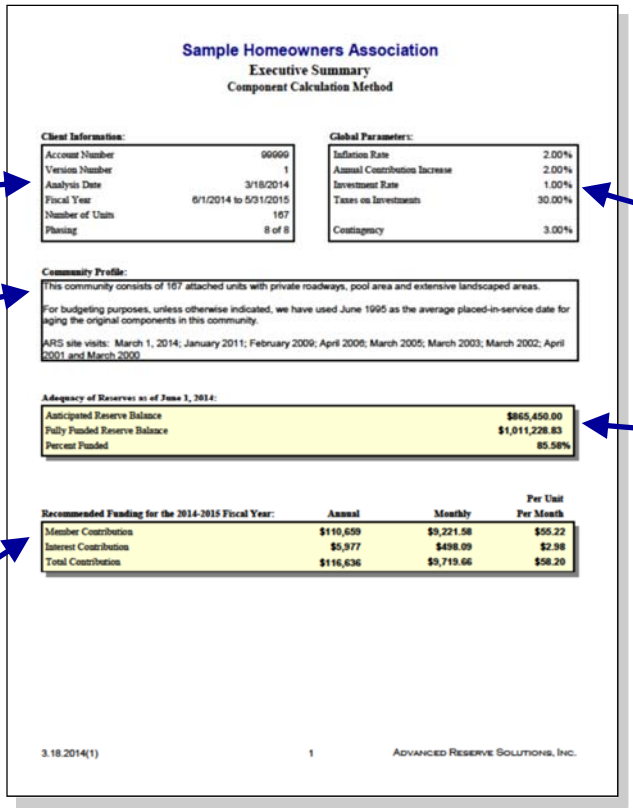
In some cases, the reserve analysis may be a lengthy document of one hundred pages or more. A complete and thorough review of the reserve analysis is always a good idea. However, if time is limited, it is suggested that a thorough review of the summary pages be made. If a "red flag" is raised in this 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.

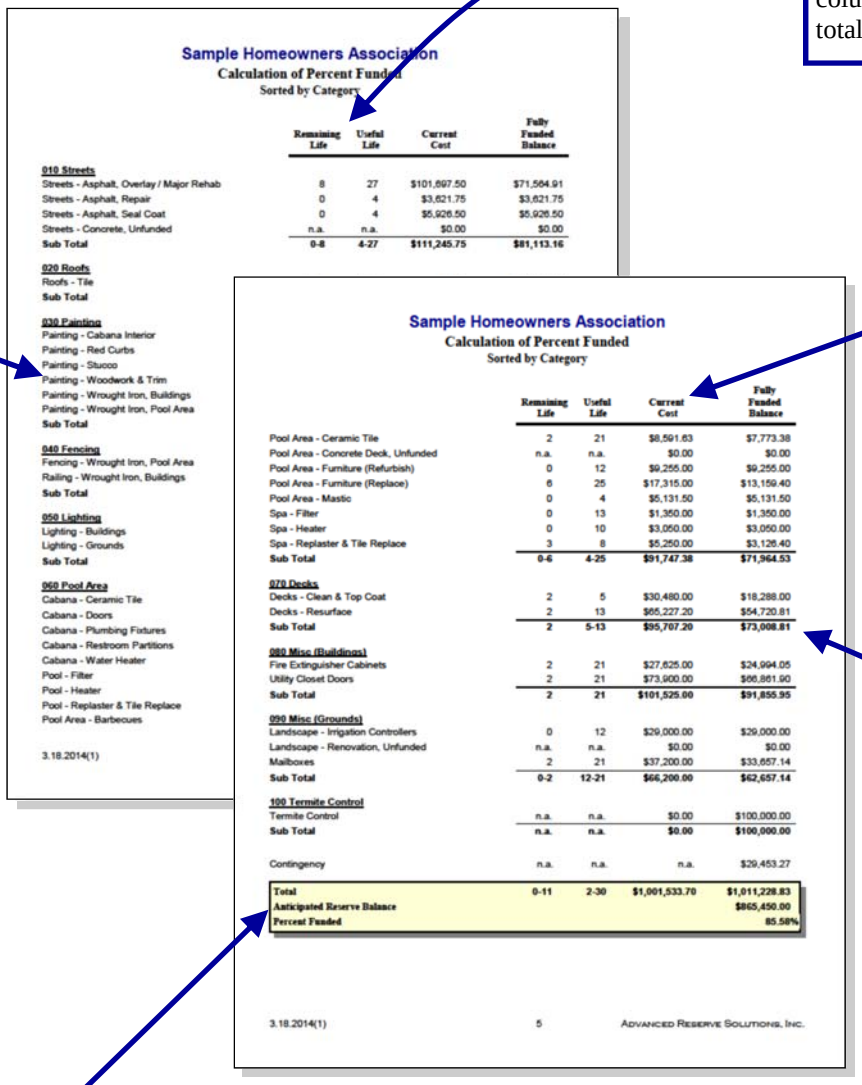
Preface

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	$71,564.91
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	$27,625.00	$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

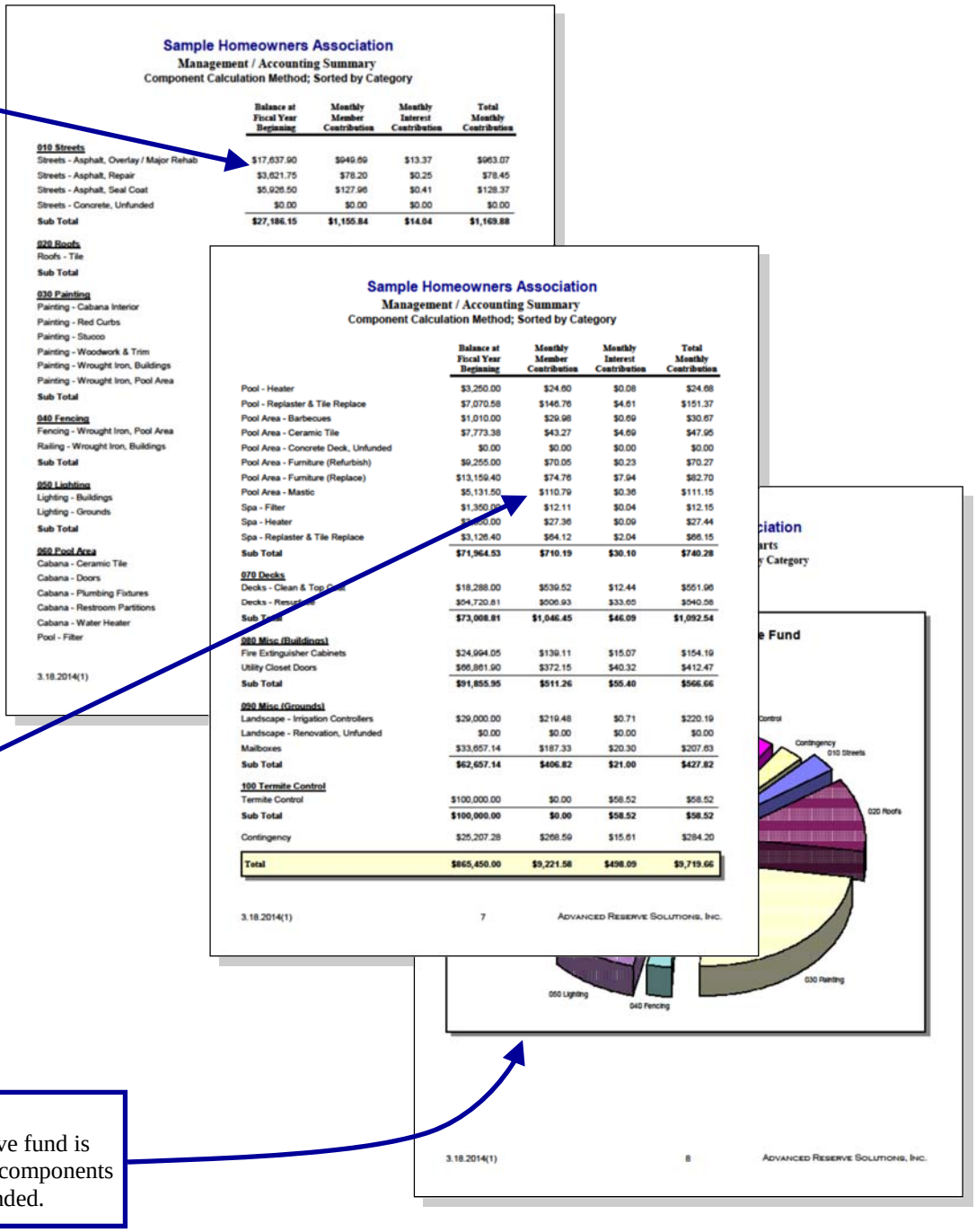
Management / Accounting Summary and Charts

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	$47.95
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	$3,060.00	$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	$25,207.28	$268.59	$15.61	$284.20
Total	$865,450.00	$9,221.58	$498.09	$9,719.66

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Control
Contingency
010 Streets
020 Roofs
030 Painting
040 Fencing
050 Lighting

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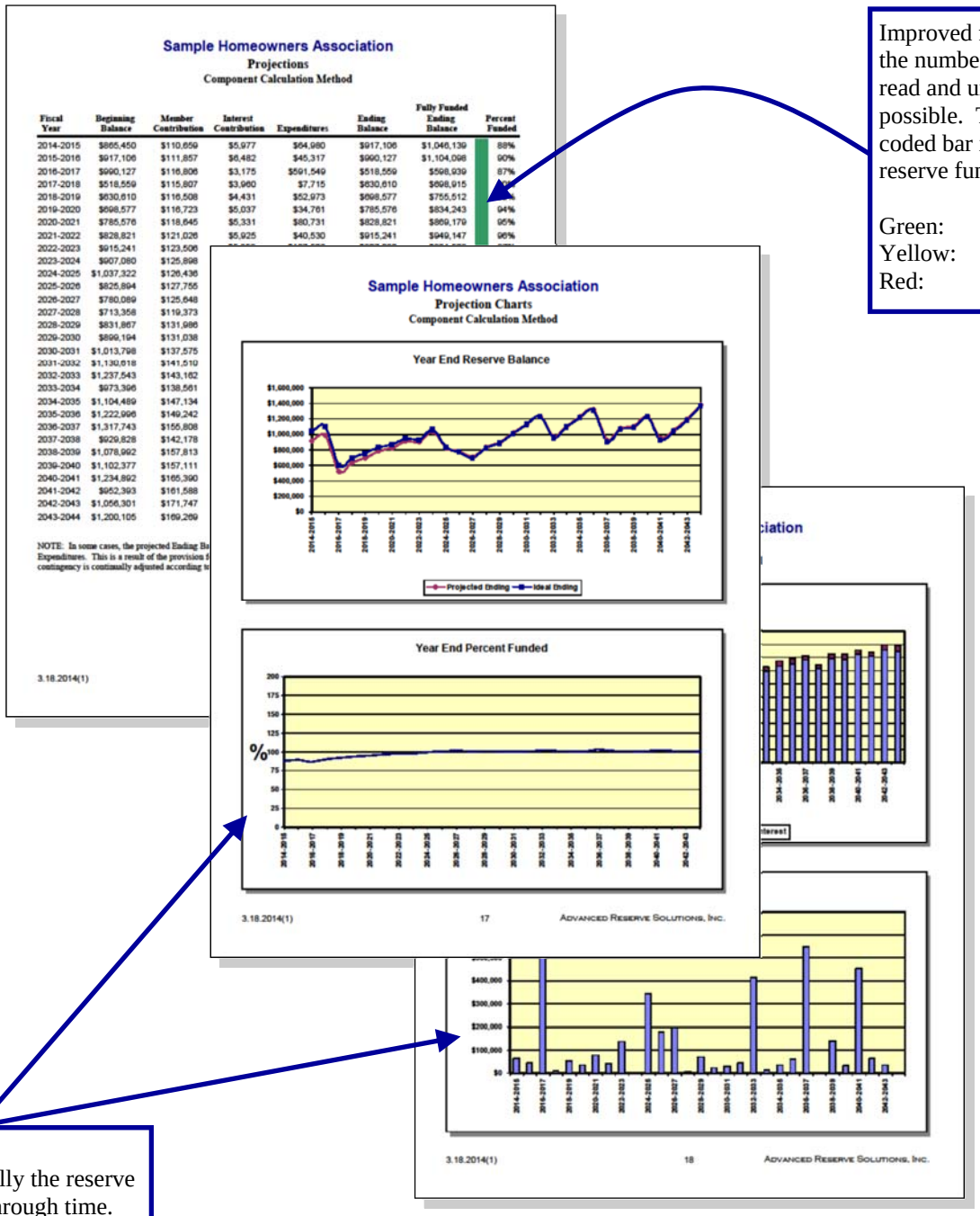
Projections and Charts

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.



Improved format makes the numbers as easy to read and understand as possible. The color-coded bar indicates the reserve fund status:

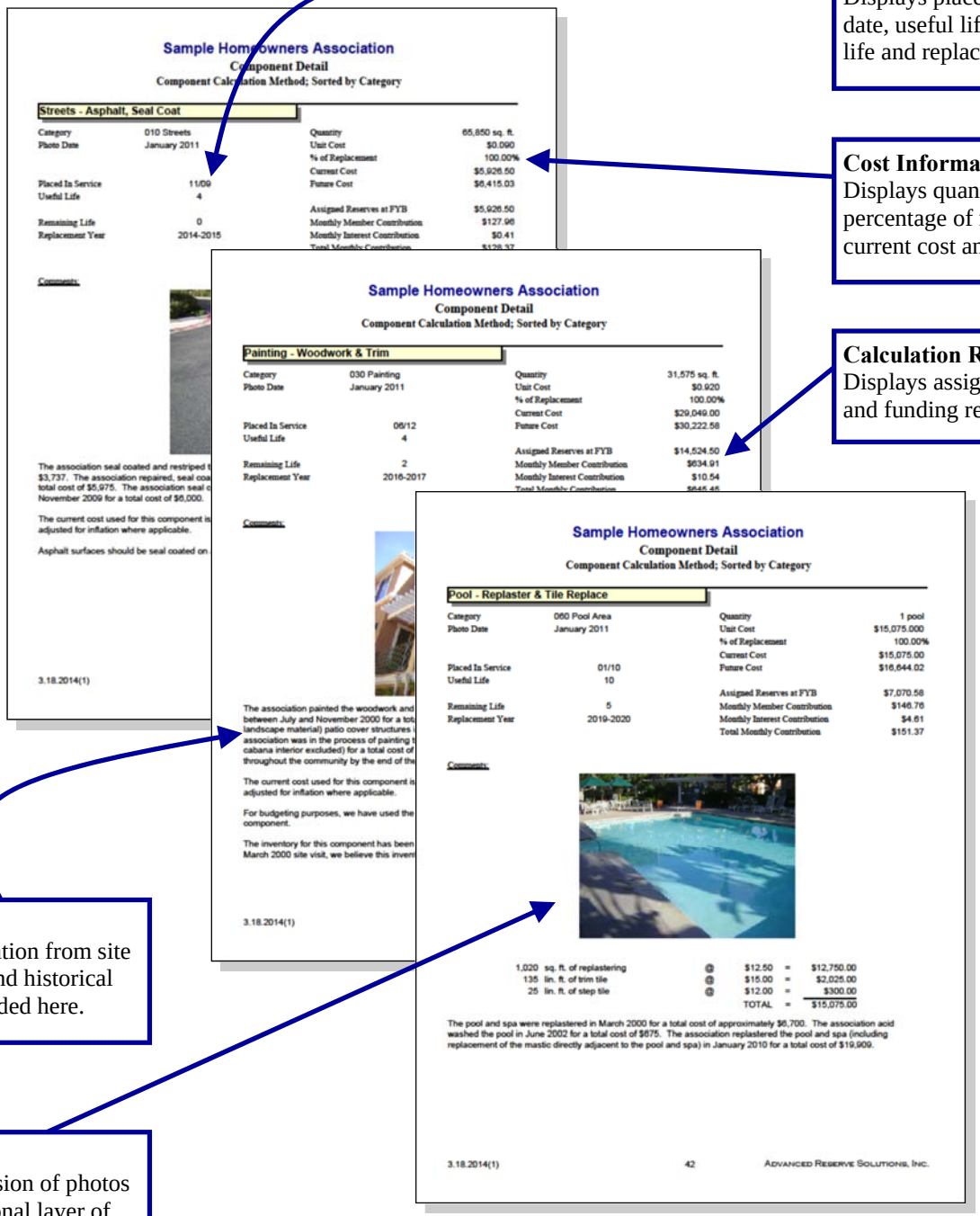
Green:	Good
Yellow:	Fair
Red:	Poor

Charts
Show graphically the reserve funding plan through time.

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:

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

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 Estates Condominium

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	20076
Version Number	1
Analysis Date	04/09/2020
Fiscal Year	1/1/2021 to 12/31/2021
Number of Units	55
Phasing	1 of 1

Global Parameters:

Inflation Rate	2.50%
Annual Contribution Increase	2.50%
Investment Rate	0.75%
Taxes on Investments	30.00%
Contingency	3.00%

Community Profile:

Sample Estates Condominium is a 55+ community located in a rural area of Sample, Massachusetts. The association has 7 duplex buildings and 41 single family homes. In addition to building exteriors, the association is responsible for the roadways, landscaping, clubhouse, park area, and walking trails.

Buildings have concrete foundations, some with rear dropped walls or walkout levels, and are typical wood-framed construction. Roofs are asphalt shingle. Siding is mostly vinyl with some stone and brick areas. Buildings were constructed between 2002 and 2005, per aerial images. For budgeting purposes, unless otherwise indicated, we have used 2004 as the average placed-in-service date for aging the original components included in this analysis.

The anticipated reserve fund balance is based on current reserve fund & contribution information that was provided to ARS, Inc. by the client.

ARS site visit: March 18, 2020

Adequacy of Reserves as of January 1, 2021:

Anticipated Reserve Balance	**$500,000.00**
Fully Funded Reserve Balance	**$1,502,398.80**
Percent Funded	**33.28%**

Recommended Funding for the 2021 Fiscal Year:	Annual	Monthly	Per Unit Per Month
Member Contribution	**$153,500**	**$12,791.67**	**$232.58**
Interest Contribution	**$2,862**	**$238.53**	**$4.34**
Total Contribution	**$156,362**	**$13,030.19**	**$236.91**

Sample Estates Condominium

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 March 18, 2020. Components were developed by actual field inventory, representative sampling, or by making "take-offs" of scaled plans/maps from community's developer.

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 1" full reserve study with a site visit.

6) Exterior doors, including hatchway and garage overhead doors, and windows are responsibility of individual owners.

7) Study does not take into account negative affects of climate change.

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

Sample Estates Condominium

Note Pad

Sample Estates Specific Comments:

Reserve balance anticipated on 1/1/2021 of $500,000 and 2020 contribution of $36,000 provided by client via email 3/19/2020.

Unfunded components due to long life or minor cost:
- Maintenance of gravel walkway through association
- Peripheral fire alarm devices in clubhouse
- Clubhouse security system
- Clubhouse interior doors
- Clubhouse artwork
- Clubhouse piano
- Painting of clubhouse interior and exterior doors is operational expense, per client.
- Deck staining (separate fund is maintained by the association, per budget provided.)

Paver areas were variable among units. Some owners appear to have installed additional paver walkways and patios: 30 Haven, 19 Haven, 49 Haven, 47 Haven. These were not inventoried.

Components for any of these items can be added if desired.

General unfunded components:
The following components are often repaired and/or replaced on an as-needed basis and not funded for a complete replacement at one time. There is no practical method to determine the remaining life of these components. Periodic allowances can be included if association has experienced past replacements of these components.

Concrete: Anticipated to last life of building. Typically, budgeting for concrete repairs as a reserve component is excluded as it is anticipated repairs required will be addressed immediately due to safety concerns. Minor repairs should be addressed using the client's operating and/or reserve contingency funds. Should the client desire, funding for this component can be included. Areas include but are not limited to: foundations, walls (exterior/interior), balconies, parking structure and decks.

Wood & steel structural framing: Anticipated to last life of building. Repairs done on as-needed basis.

Plumbing pipes: Plumbing systems are built to last the legal life of a building/site. Complete replacement of the common area plumbing pipes (including main and lateral service pipes) is expensive and requires removal of walls, ceilings and floors. Repairs to this type of system are typically done on an as-needed basis for safety and/or building preservation. It is rare that a complete plumbing system is replaced. Most repairs and/or replacements are due to unforeseen issues, product defects, construction defects, improper installation, or from improper chemical treatments. Storm water piping system (if any) is also built to last legal life of association. Repairs to this type of system are also done on an as-needed basis.

Electrical services (lines/meters): Electrical service systems are built to last the legal life of a building/site. Complete replacement of the electrical service lines is expensive and requires removal of walls, ceilings and floors. Repairs required will typically be addressed immediately due to safety concerns. It is rare that a complete electrical system is replaced. Most repairs and/or replacements are due to unforeseen issues, product defects, construction defects, or improper installation.

Sample Estates Condominium

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
005 Roads & Sidewalks				
Asphalt - Berm/Curb	13	30	$29,250.00	$16,575.00
Asphalt - Driveways	8	25	$113,737.50	$77,341.50
Asphalt - Maintenance, After Overlay	6	3	$2,000.00	$0.00
Asphalt - Maintenance, Before Overlay	1	2	$3,500.00	$1,750.00
Asphalt - Overlay	3	20	$166,603.50	$141,612.98
Asphalt - Sidewalk	8	25	$31,395.00	$21,348.60
Sub Total	**1-13**	**2-30**	**$346,486.00**	**$258,628.08**
005 Site				
Site - Detention Basin Major Maintenance	8	25	$20,000.00	$13,600.00
Site - Fence, Chain Link	8	25	$11,400.00	$7,752.00
Site - Flagpole	8	25	$900.00	$612.00
Site - Lighting, Post Lights	8	25	$55,000.00	$37,400.00
Site - Lighting, Street Posts	8	25	$8,000.00	$5,440.00
Site - Major Tree Removal	8	25	$20,000.00	$13,600.00
Site - Paver Walkways & Patios	3	3	$4,855.00	$0.00
Site - Paver Walkways & Patios, Initial	0	3	$15,536.00	$15,536.00
Site - Signs, Street	8	25	$1,750.00	$1,190.00
Site - Wall, Retaining, Landscape Block	4	4	$1,500.00	$0.00
Site - Wall, Retaining, Landscape Block, Initial	0	4	$6,000.00	$6,000.00
Site - Wall, Retaining, Stone	0	4	$2,750.00	$2,750.00
Site - Wall, Stone	3	4	$1,080.00	$270.00
Sub Total	**0-8**	**3-25**	**$148,771.00**	**$104,150.00**
010 Roof				
Roof - Clubhouse	13	30	$8,347.50	$4,730.25
Roof - Gutters	10	27	$45,575.00	$28,695.37
Roof - Gutters, Clubhouse	13	30	$840.00	$476.00
Roofs	10	27	$640,350.00	$403,183.33
Sub Total	**10-13**	**27-30**	**$695,112.50**	**$437,084.95**
020 Building Exterior				
Building - Chimneys	13	30	$192,500.00	$109,083.33
Building - Decks & Porches, Major Repairs	4	5	$30,000.00	$6,000.00
Building - Decks & Porches, Unfunded	n.a.	n.a.	$0.00	$0.00
Building - Front Step, Masonry, Railings	14	20	$3,750.00	$1,125.00
Building - Front Step, Pavers	13	30	$17,500.00	$9,916.67
Building - Lighting	10	27	$35,625.00	$22,430.56

Sample Estates Condominium

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Building - Siding, Stone	6	10	$1,750.00	$700.00
Building - Siding, Vinyl	18	35	$876,850.00	$425,898.57
Clubhouse Exterior - Bulkhead	23	40	$1,000.00	$425.00
Clubhouse Exterior - Chimney	13	30	$3,500.00	$1,983.33
Clubhouse Exterior - Deck, Front & Ramp	30	35	$31,500.00	$4,500.00
Clubhouse Exterior - Deck, Rear, Unfunded	n.a.	n.a.	$0.00	$0.00
Clubhouse Exterior - Doors	13	30	$8,500.00	$4,816.67
Clubhouse Exterior - Lighting	10	27	$1,250.00	$787.04
Clubhouse Exterior - Siding, Vinyl	18	35	$15,000.00	$7,285.71
Clubhouse Exterior - Windows	13	30	$7,800.00	$4,420.00
Sub Total	**4-30**	**5-40**	**$1,226,525.00**	**$599,371.88**
030 Building Interior				
Clubhouse Interior - Doors, Unfunded	n.a.	n.a.	$0.00	$0.00
Clubhouse Interior - Flooring, Carpet	3	20	$3,888.75	$3,305.44
Clubhouse Interior - Flooring, Tile	13	30	$6,600.00	$3,740.00
Clubhouse Interior - Furnishings	9	26	$3,000.00	$1,961.54
Clubhouse Interior - Kitchen	13	30	$20,000.00	$11,333.33
Clubhouse Interior - Lighting	10	27	$4,300.00	$2,707.41
Clubhouse Interior - Restroom Renovations	13	30	$15,000.00	$8,500.00
Clubhouse Interior - Window Blinds	7	24	$1,340.00	$949.17
Sub Total	**3-13**	**20-30**	**$54,128.75**	**$32,496.88**
060 Equipment				
Clubhouse Equipment - AC Split System	3	20	$5,000.00	$4,250.00
Clubhouse Equipment - Appliances	8	25	$4,850.00	$3,298.00
Clubhouse Equipment - Fire Alarm Panel	3	20	$2,500.00	$2,125.00
Clubhouse Equipment - Fireplace, Gas	8	25	$3,000.00	$2,040.00
Clubhouse Equipment - Furnace	13	30	$4,500.00	$2,550.00
Clubhouse Equipment - Oil Tank	13	30	$2,500.00	$1,416.67
Clubhouse Equipment - Television	5	10	$1,000.00	$500.00
Clubhouse Equipment - Water Heater	6	10	$1,000.00	$400.00
Equipment - Fire Hydrants	3	5	$2,500.00	$1,000.00
Equipment - Irrigation System	0	2	$2,110.50	$2,110.50
Equipment - Mailboxes	8	25	$6,150.00	$4,182.00
Equipment - Pumps, Sewer	1	2	$6,071.31	$3,035.66
Sub Total	**0-13**	**2-30**	**$41,181.81**	**$26,907.82**

Sample Estates Condominium

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Contingency	n.a.	n.a.	n.a.	$43,759.19
Total	**0-30**	**2-40**	**$2,512,205.06**	**$1,502,398.80**
Anticipated Reserve Balance				**$500,000.00**
Percent Funded				**33.28%**

Sample Estates Condominium

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
005 Roads & Sidewalks				
Asphalt - Berm/Curb	$0.00	$155.52	$0.50	$156.01
Asphalt - Driveways	$77,341.50	$391.88	$33.57	$425.44
Asphalt - Maintenance, After Overlay	$0.00	$21.57	$0.07	$21.64
Asphalt - Maintenance, Before Overlay	$1,750.00	$110.00	$1.08	$111.08
Asphalt - Overlay	$141,612.98	$691.92	$61.38	$753.30
Asphalt - Sidewalk	$21,348.60	$108.17	$9.26	$117.43
Sub Total	**$242,053.08**	**$1,479.06**	**$105.85**	**$1,584.91**
005 Site				
Site - Detention Basin Major Maintenance	$13,600.00	$68.91	$5.90	$74.81
Site - Fence, Chain Link	$7,752.00	$39.28	$3.36	$42.64
Site - Flagpole	$612.00	$3.10	$0.27	$3.37
Site - Lighting, Post Lights	$37,400.00	$189.50	$16.23	$205.73
Site - Lighting, Street Posts	$5,440.00	$27.56	$2.36	$29.93
Site - Major Tree Removal	$13,600.00	$68.91	$5.90	$74.81
Site - Paver Walkways & Patios	$0.00	$101.75	$0.32	$102.07
Site - Paver Walkways & Patios, Initial	$15,536.00	$0.00	$0.00	$0.00
Site - Signs, Street	$1,190.00	$6.03	$0.51	$6.54
Site - Wall, Retaining, Landscape Block	$0.00	$23.81	$0.08	$23.88
Site - Wall, Retaining, Landscape Block, Initial	$6,000.00	$0.00	$0.00	$0.00
Site - Wall, Retaining, Stone	$2,750.00	$43.64	$0.14	$43.79
Site - Wall, Stone	$270.00	$17.30	$0.17	$17.47
Sub Total	**$104,150.00**	**$589.79**	**$35.25**	**$625.04**
010 Roof				
Roof - Clubhouse	$0.00	$44.38	$0.14	$44.53
Roof - Gutters	$28,695.37	$147.52	$12.47	$159.98
Roof - Gutters, Clubhouse	$0.00	$4.47	$0.01	$4.48
Roofs	$48,756.15	$4,033.71	$33.17	$4,066.89
Sub Total	**$77,451.52**	**$4,230.08**	**$45.79**	**$4,275.87**
020 Building Exterior				
Building - Chimneys	$0.00	$1,023.49	$3.25	$1,026.74
Building - Decks & Porches, Major Repairs	$6,000.00	$388.01	$3.74	$391.75
Building - Decks & Porches, Unfunded	$0.00	$0.00	$0.00	$0.00
Building - Front Step, Masonry, Railings	$0.00	$18.69	$0.06	$18.74

Sample Estates Condominium

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
Building - Front Step, Pavers	$0.00	$93.04	$0.30	$93.34
Building - Lighting	$22,430.56	$115.31	$9.74	$125.05
Building - Siding, Stone	$700.00	$12.15	$0.33	$12.49
Building - Siding, Vinyl	$0.00	$3,526.16	$11.19	$3,537.35
Clubhouse Exterior - Bulkhead	$0.00	$3.29	$0.01	$3.30
Clubhouse Exterior - Chimney	$0.00	$18.61	$0.06	$18.67
Clubhouse Exterior - Deck, Front & Ramp	$0.00	$84.64	$0.27	$84.91
Clubhouse Exterior - Deck, Rear, Unfunded	$0.00	$0.00	$0.00	$0.00
Clubhouse Exterior - Doors	$0.00	$45.19	$0.14	$45.34
Clubhouse Exterior - Lighting	$787.04	$4.05	$0.34	$4.39
Clubhouse Exterior - Siding, Vinyl	$0.00	$60.32	$0.19	$60.51
Clubhouse Exterior - Windows	$0.00	$41.47	$0.13	$41.60
Sub Total	**$29,917.59**	**$5,434.44**	**$29.74**	**$5,464.18**
030 Building Interior				
Clubhouse Interior - Doors, Unfunded	$0.00	$0.00	$0.00	$0.00
Clubhouse Interior - Flooring, Carpet	$3,305.44	$16.15	$1.43	$17.58
Clubhouse Interior - Flooring, Tile	$0.00	$35.09	$0.11	$35.21
Clubhouse Interior - Furnishings	$1,961.54	$10.01	$0.85	$10.86
Clubhouse Interior - Kitchen	$0.00	$106.34	$0.33	$106.67
Clubhouse Interior - Lighting	$2,707.41	$13.92	$1.17	$15.09
Clubhouse Interior - Restroom Renovations	$0.00	$79.75	$0.26	$80.01
Clubhouse Interior - Window Blinds	$949.17	$4.77	$0.41	$5.18
Sub Total	**$8,923.55**	**$266.03**	**$4.56**	**$270.60**
060 Equipment				
Clubhouse Equipment - AC Split System	$4,250.00	$20.77	$1.84	$22.60
Clubhouse Equipment - Appliances	$3,298.00	$16.71	$1.43	$18.14
Clubhouse Equipment - Fire Alarm Panel	$2,125.00	$10.38	$0.92	$11.31
Clubhouse Equipment - Fireplace, Gas	$2,040.00	$10.34	$0.89	$11.22
Clubhouse Equipment - Furnace	$0.00	$23.93	$0.08	$24.00
Clubhouse Equipment - Oil Tank	$0.00	$13.29	$0.04	$13.33
Clubhouse Equipment - Television	$500.00	$7.00	$0.23	$7.23
Clubhouse Equipment - Water Heater	$400.00	$6.95	$0.19	$7.14
Equipment - Fire Hydrants	$1,000.00	$32.62	$0.52	$33.15
Equipment - Irrigation System	$2,110.50	$65.71	$0.21	$65.92
Equipment - Mailboxes	$4,182.00	$21.19	$1.81	$23.00

Sample Estates Condominium

Management / Accounting Summary

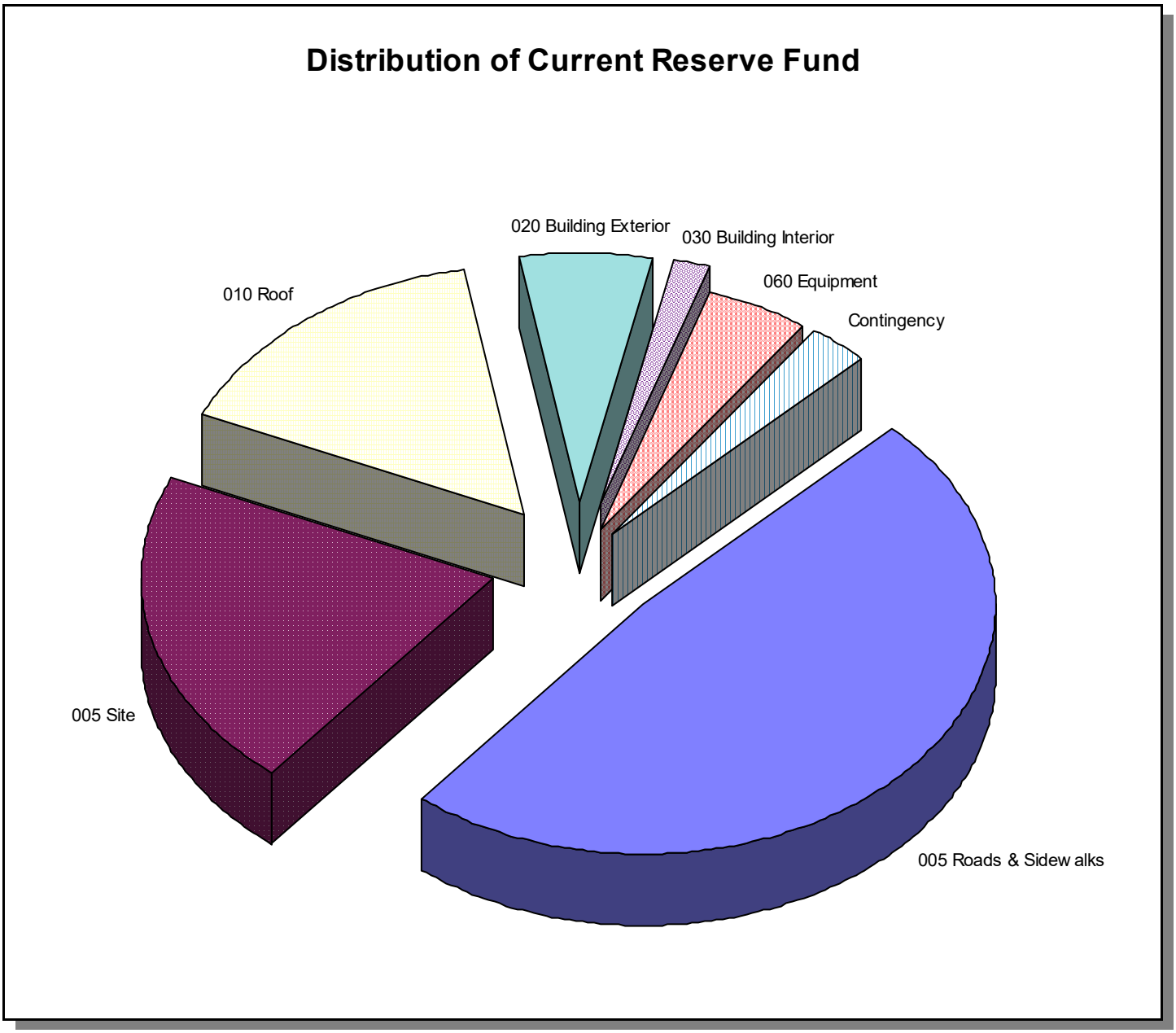
Directed Cash Flow Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
Equipment - Pumps, Sewer	$3,035.66	$190.82	$1.88	$192.69
Sub Total	**$22,941.16**	**$419.70**	**$10.04**	**$429.74**
Contingency	$14,563.11	$372.57	$7.27	$379.84
Total	**$500,000.00**	**$12,791.67**	**$238.53**	**$13,030.19**

Sample Estates Condominium

Management / Accounting Charts

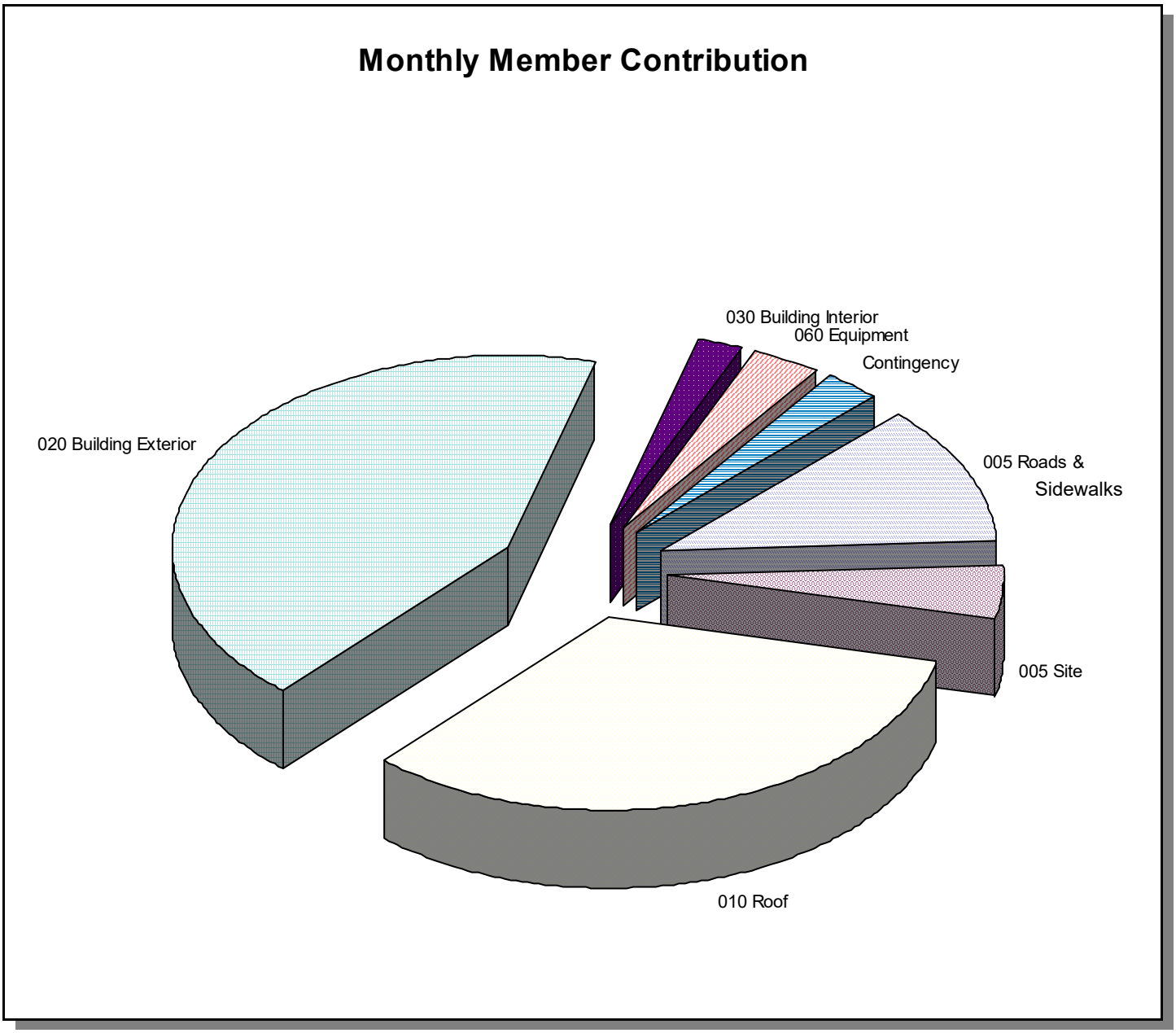
Directed Cash Flow Calculation Method; Sorted by Category



Sample Estates Condominium

Management / Accounting Charts

Directed Cash Flow Calculation Method; Sorted by Category



Sample Estates Condominium

Annual Expenditure Detail

Sorted by Description

2021 Fiscal Year	
Equipment - Irrigation System	$2,110.50
Site - Paver Walkways & Patios, Initial	$15,536.00
Site - Wall, Retaining, Landscape Block, Initial	$6,000.00
Site - Wall, Retaining, Stone	$2,750.00
Sub Total	**$26,396.50**
2022 Fiscal Year	
Asphalt - Maintenance, Before Overlay	$3,587.50
Equipment - Pumps, Sewer	$6,223.09
Sub Total	**$9,810.59**
2023 Fiscal Year	
Equipment - Irrigation System	$2,217.34
Sub Total	**$2,217.34**
2024 Fiscal Year	
Asphalt - Overlay	$179,413.75
Clubhouse Equipment - AC Split System	$5,384.45
Clubhouse Equipment - Fire Alarm Panel	$2,692.23
Clubhouse Interior - Flooring, Carpet	$4,187.76
Equipment - Fire Hydrants	$2,692.23
Equipment - Pumps, Sewer	$6,538.14
Site - Paver Walkways & Patios	$5,228.30
Site - Wall, Stone	$1,163.04
Sub Total	**$207,299.89**
2025 Fiscal Year	
Building - Decks & Porches, Major Repairs	$33,114.39
Equipment - Irrigation System	$2,329.60
Site - Wall, Retaining, Landscape Block	$1,655.72
Site - Wall, Retaining, Stone	$3,035.49
Sub Total	**$40,135.19**
2026 Fiscal Year	
Clubhouse Equipment - Television	$1,131.41
Equipment - Pumps, Sewer	$6,869.13
Sub Total	**$8,000.54**
2027 Fiscal Year	
Asphalt - Maintenance, After Overlay	$2,319.39

Sample Estates Condominium

Annual Expenditure Detail

Sorted by Description

Building - Siding, Stone	$2,029.46
Clubhouse Equipment - Water Heater	$1,159.69
Equipment - Irrigation System	$2,447.53
Site - Paver Walkways & Patios	$5,630.31
Sub Total	**$13,586.39**
2028 Fiscal Year	
Clubhouse Interior - Window Blinds	$1,592.84
Equipment - Pumps, Sewer	$7,216.88
Site - Wall, Stone	$1,283.78
Sub Total	**$10,093.50**
2029 Fiscal Year	
Asphalt - Driveways	$138,578.10
Asphalt - Sidewalk	$38,251.76
Clubhouse Equipment - Appliances	$5,909.25
Clubhouse Equipment - Fireplace, Gas	$3,655.21
Equipment - Fire Hydrants	$3,046.01
Equipment - Irrigation System	$2,571.44
Equipment - Mailboxes	$7,493.18
Site - Detention Basin Major Maintenance	$24,368.06
Site - Fence, Chain Link	$13,889.79
Site - Flagpole	$1,096.56
Site - Lighting, Post Lights	$67,012.16
Site - Lighting, Street Posts	$9,747.22
Site - Major Tree Removal	$24,368.06
Site - Signs, Street	$2,132.21
Site - Wall, Retaining, Landscape Block	$1,827.60
Site - Wall, Retaining, Stone	$3,350.61
Sub Total	**$347,297.22**
2030 Fiscal Year	
Asphalt - Maintenance, After Overlay	$2,497.73
Building - Decks & Porches, Major Repairs	$37,465.89
Clubhouse Interior - Furnishings	$3,746.59
Equipment - Pumps, Sewer	$7,582.23
Site - Paver Walkways & Patios	$6,063.23
Sub Total	**$57,355.67**

Sample Estates Condominium

Annual Expenditure Detail

Sorted by Description

2031 Fiscal Year	
Building - Lighting	$45,603.01
Clubhouse Exterior - Lighting	$1,600.11
Clubhouse Interior - Lighting	$5,504.36
Equipment - Irrigation System	$2,701.62
Roof - Gutters	$58,339.85
Roofs	$819,702.14
Sub Total	**$933,451.09**
2032 Fiscal Year	
Equipment - Pumps, Sewer	$7,966.08
Site - Wall, Stone	$1,417.05
Sub Total	**$9,383.14**
2033 Fiscal Year	
Asphalt - Maintenance, After Overlay	$2,689.78
Equipment - Irrigation System	$2,838.39
Site - Paver Walkways & Patios	$6,529.44
Site - Wall, Retaining, Landscape Block	$2,017.33
Site - Wall, Retaining, Stone	$3,698.44
Sub Total	**$17,773.38**
2034 Fiscal Year	
Asphalt - Berm/Curb	$40,321.45
Building - Chimneys	$265,363.38
Building - Front Step, Pavers	$24,123.94
Clubhouse Equipment - Furnace	$6,203.30
Clubhouse Equipment - Oil Tank	$3,446.28
Clubhouse Exterior - Chimney	$4,824.79
Clubhouse Exterior - Doors	$11,717.34
Clubhouse Exterior - Windows	$10,752.39
Clubhouse Interior - Flooring, Tile	$9,098.17
Clubhouse Interior - Kitchen	$27,570.22
Clubhouse Interior - Restroom Renovations	$20,677.67
Equipment - Fire Hydrants	$3,446.28
Equipment - Pumps, Sewer	$8,369.37
Roof - Clubhouse	$11,507.12
Roof - Gutters, Clubhouse	$1,157.95
Sub Total	**$448,579.64**

Sample Estates Condominium

Annual Expenditure Detail

Sorted by Description

2035 Fiscal Year	
Building - Decks & Porches, Major Repairs	$42,389.21
Building - Front Step, Masonry, Railings	$5,298.65
Equipment - Irrigation System	$2,982.08
Sub Total	**$50,669.95**
2036 Fiscal Year	
Asphalt - Maintenance, After Overlay	$2,896.60
Clubhouse Equipment - Television	$1,448.30
Equipment - Pumps, Sewer	$8,793.07
Site - Paver Walkways & Patios	$7,031.49
Site - Wall, Stone	$1,564.16
Sub Total	**$21,733.61**
2037 Fiscal Year	
Building - Siding, Stone	$2,597.88
Clubhouse Equipment - Water Heater	$1,484.51
Equipment - Irrigation System	$3,133.05
Site - Wall, Retaining, Landscape Block	$2,226.76
Site - Wall, Retaining, Stone	$4,082.39
Sub Total	**$13,524.59**
2038 Fiscal Year	
Equipment - Pumps, Sewer	$9,238.22
Sub Total	**$9,238.22**
2039 Fiscal Year	
Asphalt - Maintenance, After Overlay	$3,119.32
Building - Siding, Vinyl	$1,367,586.75
Clubhouse Exterior - Siding, Vinyl	$23,394.88
Clubhouse Interior - Flooring, Carpet	$6,065.12
Equipment - Fire Hydrants	$3,899.15
Equipment - Irrigation System	$3,291.66
Site - Paver Walkways & Patios	$7,572.14
Sub Total	**$1,414,929.02**
2040 Fiscal Year	
Building - Decks & Porches, Major Repairs	$47,959.51
Equipment - Pumps, Sewer	$9,705.90
Site - Wall, Stone	$1,726.54

Sample Estates Condominium

Annual Expenditure Detail

Sorted by Description

Sub Total	**$59,391.95**
2041 Fiscal Year	
Equipment - Irrigation System	$3,458.30
Site - Wall, Retaining, Landscape Block	$2,457.92
Site - Wall, Retaining, Stone	$4,506.20
Sub Total	**$10,422.42**
2042 Fiscal Year	
Asphalt - Maintenance, After Overlay	$3,359.16
Equipment - Pumps, Sewer	$10,197.26
Site - Paver Walkways & Patios	$8,154.37
Sub Total	**$21,710.80**
2043 Fiscal Year	
Equipment - Irrigation System	$3,633.38
Sub Total	**$3,633.38**
2044 Fiscal Year	
Asphalt - Overlay	$293,990.32
Clubhouse Equipment - AC Split System	$8,823.05
Clubhouse Equipment - Fire Alarm Panel	$4,411.53
Clubhouse Exterior - Bulkhead	$1,764.61
Equipment - Fire Hydrants	$4,411.53
Equipment - Pumps, Sewer	$10,713.50
Site - Wall, Stone	$1,905.78
Sub Total	**$326,020.31**
2045 Fiscal Year	
Asphalt - Maintenance, After Overlay	$3,617.45
Building - Decks & Porches, Major Repairs	$54,261.78
Equipment - Irrigation System	$3,817.32
Site - Paver Walkways & Patios	$8,781.36
Site - Wall, Retaining, Landscape Block	$2,713.09
Site - Wall, Retaining, Stone	$4,974.00
Sub Total	**$78,165.00**
2046 Fiscal Year	
Clubhouse Equipment - Television	$1,853.94
Equipment - Pumps, Sewer	$11,255.87

Sample Estates Condominium

Annual Expenditure Detail

Sorted by Description

Sub Total	**$13,109.81**
2047 Fiscal Year	
Building - Siding, Stone	$3,325.51
Clubhouse Equipment - Water Heater	$1,900.29
Equipment - Irrigation System	$4,010.57
Sub Total	**$9,236.37**
2048 Fiscal Year	
Asphalt - Maintenance, After Overlay	$3,895.60
Clubhouse Interior - Window Blinds	$2,610.05
Equipment - Pumps, Sewer	$11,825.70
Site - Paver Walkways & Patios	$9,456.57
Site - Wall, Stone	$2,103.62
Sub Total	**$29,891.54**
2049 Fiscal Year	
Clubhouse Equipment - Appliances	$9,683.00
Equipment - Fire Hydrants	$4,991.24
Equipment - Irrigation System	$4,213.60
Equipment - Mailboxes	$12,278.44
Site - Detention Basin Major Maintenance	$39,929.90
Site - Flagpole	$1,796.85
Site - Lighting, Post Lights	$109,807.23
Site - Lighting, Street Posts	$15,971.96
Site - Wall, Retaining, Landscape Block	$2,994.74
Site - Wall, Retaining, Stone	$5,490.36
Sub Total	**$207,157.32**
2050 Fiscal Year	
Building - Decks & Porches, Major Repairs	$61,392.22
Clubhouse Interior - Furnishings	$6,139.22
Equipment - Pumps, Sewer	$12,424.37
Sub Total	**$79,955.82**

Sample Estates Condominium

Projections

Directed Cash Flow Calculation Method

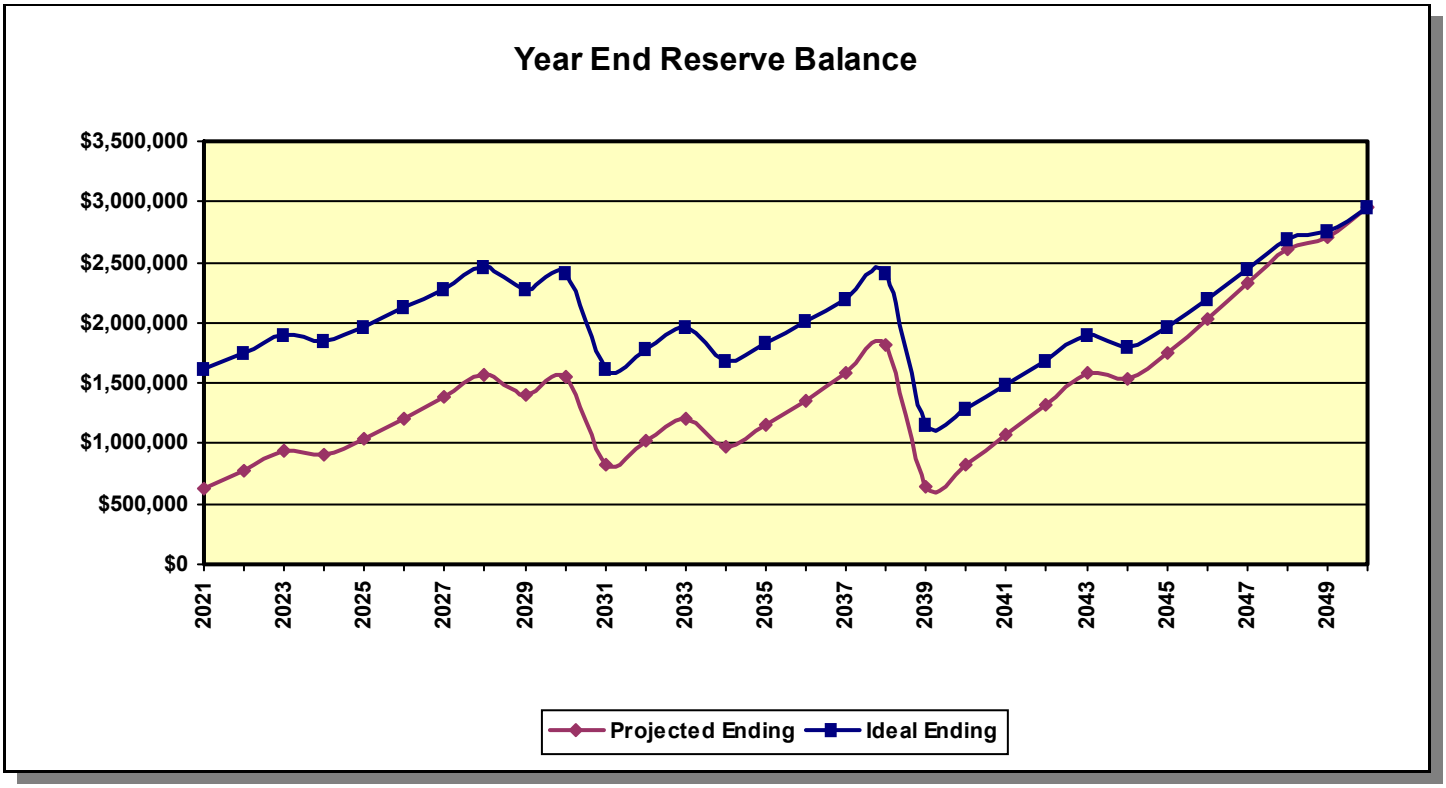
Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2021	$500,000	$153,500	$2,862	$26,397	$629,966	$1,617,528	39%
2022	$629,966	$157,338	$3,643	$9,811	$781,136	$1,753,788	45%
2023	$781,136	$161,271	$4,488	$2,217	$944,677	$1,904,126	50%
2024	$944,677	$165,303	$4,279	$207,300	$906,959	$1,845,259	49%
2025	$906,959	$169,435	$4,970	$40,135	$1,041,229	$1,964,214	53%
2026	$1,041,229	$173,671	$5,856	$8,001	$1,212,755	$2,122,949	57%
2027	$1,212,755	$178,013	$6,740	$13,586	$1,383,922	$2,282,707	61%
2028	$1,383,922	$182,463	$7,670	$10,093	$1,563,961	$2,453,186	64%
2029	$1,563,961	$187,025	$6,854	$347,297	$1,410,542	$2,276,247	62%
2030	$1,410,542	$191,700	$7,583	$57,356	$1,552,471	$2,404,245	65%
2031	$1,552,471	$196,493	$3,731	$933,451	$819,244	$1,617,265	51%
2032	$819,244	$201,405	$4,747	$9,383	$1,016,013	$1,789,655	57%
2033	$1,016,013	$206,440	$5,751	$17,773	$1,210,431	$1,961,044	62%
2034	$1,210,431	$211,601	$4,519	$448,580	$977,972	$1,685,618	58%
2035	$977,972	$216,891	$5,403	$50,670	$1,149,596	$1,827,128	63%
2036	$1,149,596	$222,314	$6,471	$21,734	$1,356,648	$2,006,547	68%
2037	$1,356,648	$227,872	$7,618	$13,525	$1,578,612	$2,203,035	72%
2038	$1,578,612	$233,568	$8,822	$9,238	$1,811,764	$2,412,976	75%
2039	$1,811,764	$239,408	$2,665	$1,414,929	$638,908	$1,148,222	56%
2040	$638,908	$245,393	$3,641	$59,392	$828,550	$1,287,177	64%
2041	$828,550	$251,528	$4,912	$10,422	$1,074,567	$1,485,628	72%
2042	$1,074,567	$257,816	$6,162	$21,711	$1,316,834	$1,681,555	78%
2043	$1,316,834	$264,261	$7,548	$3,633	$1,585,010	$1,906,009	83%
2044	$1,585,010	$270,868	$7,278	$326,020	$1,537,136	$1,800,369	85%
2045	$1,537,136	$277,639	$8,347	$78,165	$1,744,957	$1,958,535	89%
2046	$1,744,957	$284,580	$9,800	$13,110	$2,026,228	$2,194,229	92%
2047	$2,026,228	$291,695	$11,318	$9,236	$2,320,004	$2,444,919	95%
2048	$2,320,004	$298,987	$12,773	$29,892	$2,601,872	$2,685,209	97%
2049	$2,601,872	$306,462	$13,341	$207,157	$2,714,518	$2,749,626	99%
2050	$2,714,518	$314,124	$14,622	$79,956	$2,963,307	$2,955,346	100%

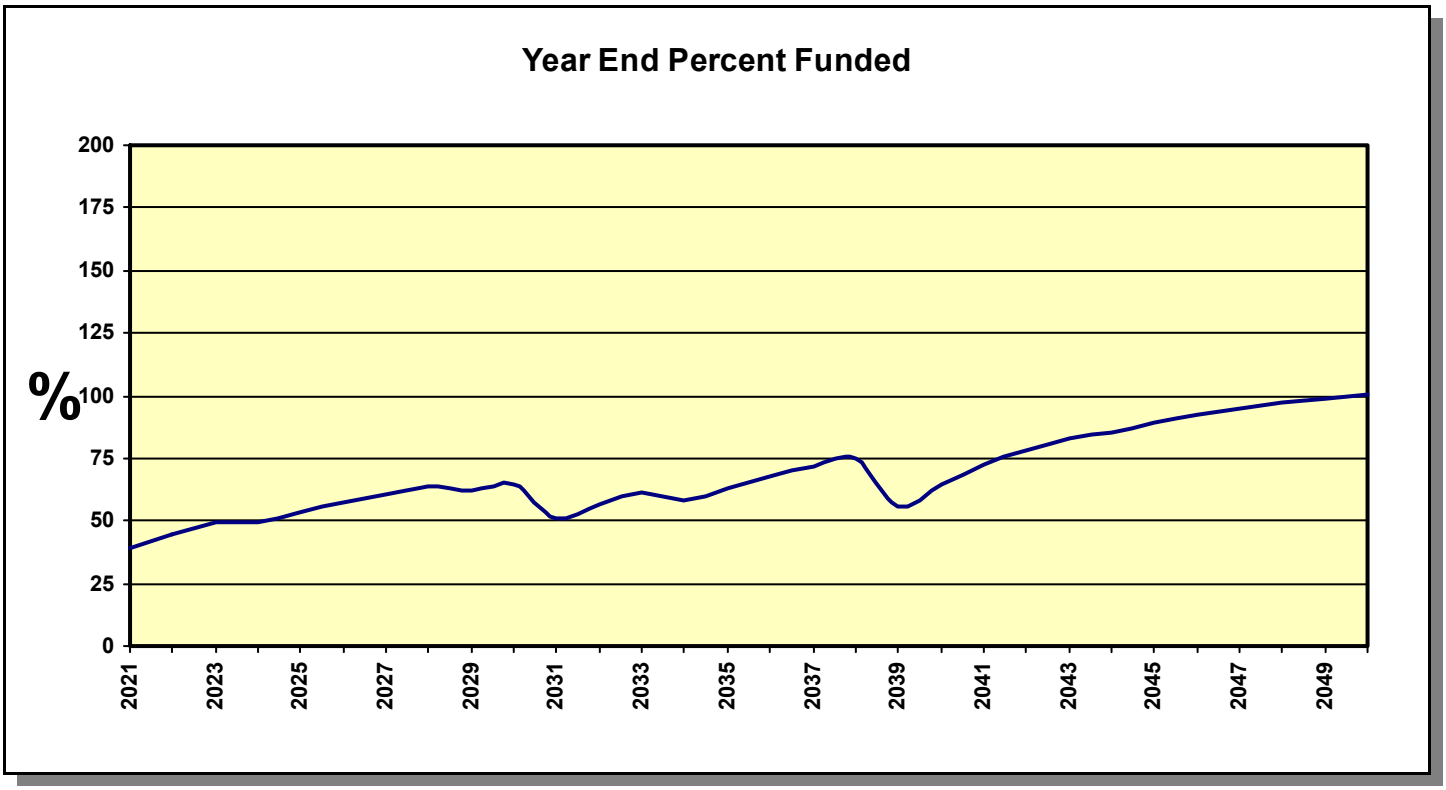
NOTE: In some cases, the projected Ending Balance may exceed the Fully Funded Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need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

Sample Estates Condominium

Projection Charts

Directed Cash Flow Calculation Method

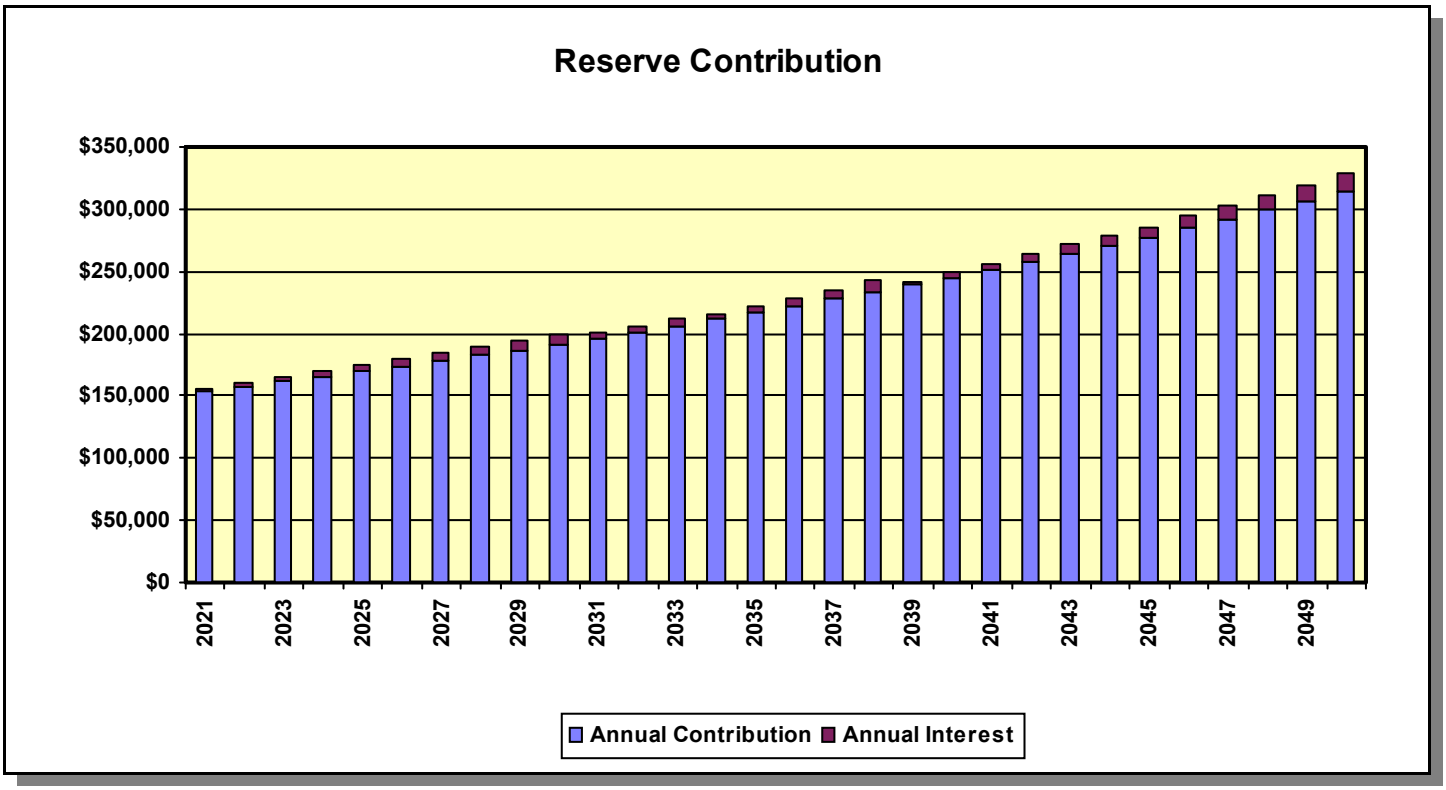


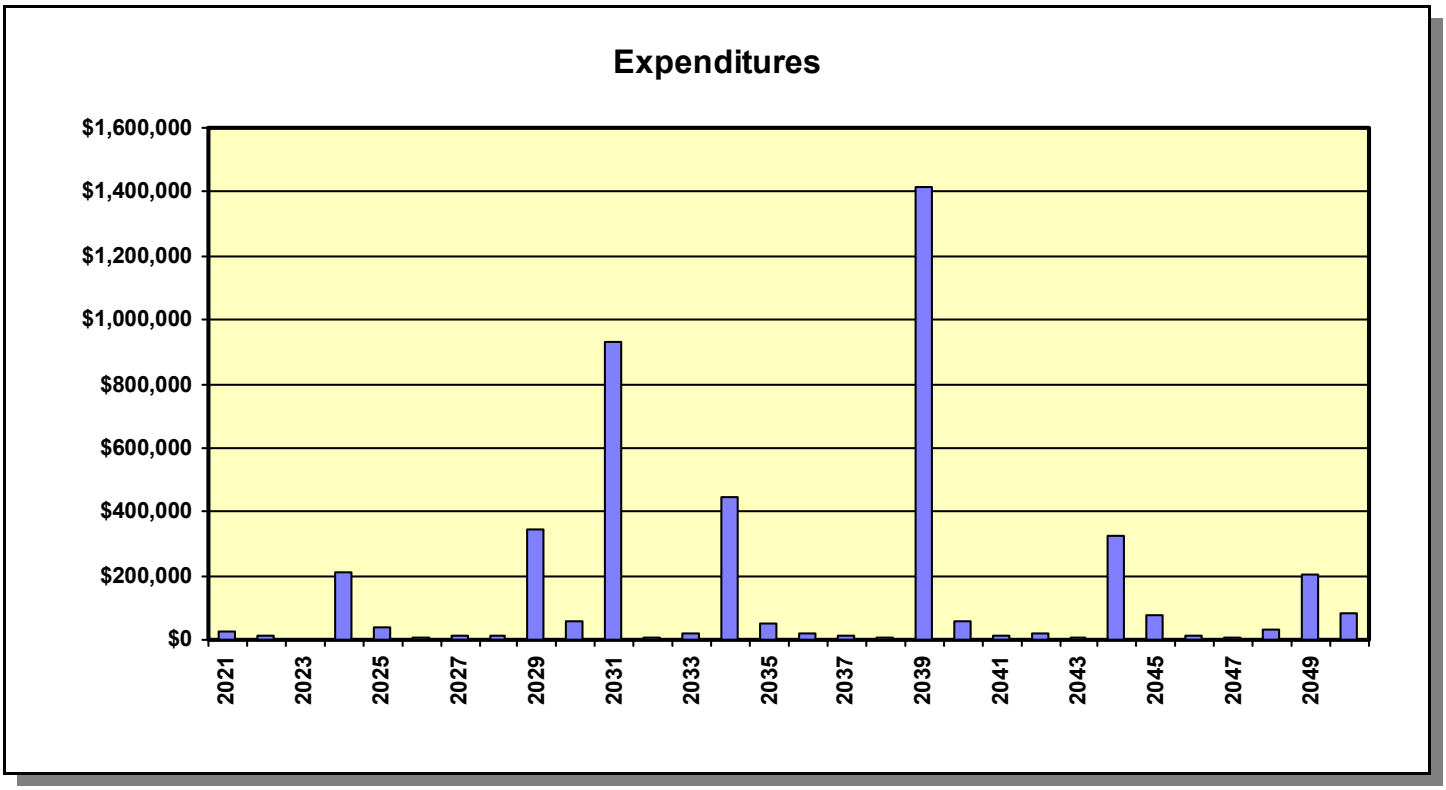


Sample Estates Condominium

Projection Charts

Directed Cash Flow Calculation Method





Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Asphalt - Berm/Curb

Category	005 Roads & Sidewalks	Quantity	3,250 lin. ft.
		Unit Cost	$9.000
		% of Replacement	100.00%
		Current Cost	$29,250.00
Placed In Service	01/04	Future Cost	$40,321.45
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	13	Monthly Member Contribution	$155.52
Replacement Year	2034	Monthly Interest Contribution	$0.50
		Total Monthly Contribution	$156.01

Comments:

Cape Cod style curbs/berms are installed along roadways. Berms are in generally good to fair condition in most areas with some cracking noted.

It is difficult to predict service life of curbs/berms. Plowing and other mechanical damage may shorten life span. Aesthetic considerations may dictate that berms are replaced at time of paving overlay. Additional landscaping repair will be required if curbs/berms are replaced.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Asphalt - Driveways

Category	005 Roads & Sidewalks	Quantity	30,330 sq. ft.
		Unit Cost	$3.750
		% of Replacement	100.00%
		Current Cost	$113,737.50
Placed In Service	01/04	Future Cost	$138,578.10
Useful Life	25		
		Assigned Reserves at FYB	$77,341.50
Remaining Life	8	Monthly Member Contribution	$391.88
Replacement Year	2029	Monthly Interest Contribution	$33.57
		Total Monthly Contribution	$425.44

Comments:

Component is for replacement of asphalt driveways. Most driveways were in good condition. Driveways appear original to construction.

See additional general asphalt comments under "Asphalt - Overlay".

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Asphalt - Maintenance, After Overlay

Category	005 Roads & Sidewalks	Quantity	1 total
		Unit Cost	$2,000.000
		% of Replacement	100.00%
		Current Cost	$2,000.00
Placed In Service	01/24	Future Cost	$2,319.39
Useful Life	3		
		Assigned Reserves at FYB	$0.00
Remaining Life	6	Monthly Member Contribution	$21.57
Replacement Year	2027	Monthly Interest Contribution	$0.07
		Total Monthly Contribution	$21.64

Comments:

Component covers asphalt roadway and parking area periodic maintenance after overlay planned for 2024. Asphalt maintenance includes sealing cracks and performing minor repairs to ensure asphalt achieves its expected useful life and to maintain safety. Minor repairs include repairing cracks, and potholes as needed. Maintenance costs will be decreased in intial years after asphalt overlay or rebuild. As infrastructure ages, allowance should be adjusted in future reserve study updates.

Pavement should be evaluated annually and any safety issues addressed.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Asphalt - Maintenance, Before Overlay

Category	005 Roads & Sidewalks
Placed In Service	01/20
Useful Life	2
Remaining Life	1
Replacement Year	2022

One Time Replacement

Quantity	1 total
Unit Cost	$3,500.000
% of Replacement	100.00%
Current Cost	$3,500.00
Future Cost	$3,587.50
Assigned Reserves at FYB	$1,750.00
Monthly Member Contribution	$110.00
Monthly Interest Contribution	$1.08
Total Monthly Contribution	$111.08

Comments:

Component covers asphalt roadway and parking area maintenance before anticipated overlay. Asphalt maintenance includes sealing cracks and performing minor repairs to ensure asphalt achieves its expected useful life and to maintain safety. Minor repairs include repairing cracks, and potholes as needed.

Pavement should be evaluated annually and any safety issues addressed.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Asphalt - Overlay

Category	005 Roads & Sidewalks	Quantity	1 total
		Unit Cost	$166,603.500
		% of Replacement	100.00%
		Current Cost	$166,603.50
Placed In Service	01/04	Future Cost	$179,413.75
Useful Life	20		
		Assigned Reserves at FYB	$141,612.98
Remaining Life	3	Monthly Member Contribution	$691.92
Replacement Year	2024	Monthly Interest Contribution	$61.38
		Total Monthly Contribution	$753.30

Comments:

Component covers overlay of asphalt roadway and parking areas. Original 2004 asphalt was in fair condition with many cracks evident during site inspection. Cracks have generally been sealed to limit water intrusion. Additional repairs maybe required in addition to overlay.

No large puddling was observed. Therefore, no significant regrading of streets and parking lots will be required. Asphalt berm/curbs are sufficient to allow for a 1-1/2" overlay in most areas. Berm/curbs are listed in a separate component.

Pavement should be evaluated annually. Crack sealing maintenance should be evaluated annually and is listed as separate component. Overlay will be more costly if delayed too long. Overlaying all streets and parking areas in one mobilization will save approximately $3000 per mobilization.

The cost of paving materials is volatile and correlated with the price of oil. Costs may rise significantly in future if oil prices rise.

45,110	sq. ft 1.5" overlay, Haven	@	$2.30	=	$103,753.00
4,920	sq. ft 1.5" overlay, Harding	@	$2.30	=	$11,316.00
4,445	sq. ft 1.5" overlay, Belcher	@	$2.30	=	$10,223.50

3,820	sq. ft 1.5" overlay, parking areas	@	$2.30	=	$8,786.00
20	manhole cover adjustment	@	$475.00	=	$9,500.00
14	catch basin adjustment	@	$475.00	=	$6,650.00
5	valve cover adjustment	@	$275.00	=	$1,375.00
1	additional repair allowance	@	$15,000.00	=	$15,000.00
			TOTAL	=	$166,603.50

Most asphalt areas can be expected to last approximately 20 to 25 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 Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Asphalt - Sidewalk

Category	005 Roads & Sidewalks	Quantity	4,830 sq. ft.
		Unit Cost	$6.500
		% of Replacement	100.00%
		Current Cost	$31,395.00
Placed In Service	01/04	Future Cost	$38,251.76
Useful Life	25		
		Assigned Reserves at FYB	$21,348.60
Remaining Life	8	Monthly Member Contribution	$108.17
Replacement Year	2029	Monthly Interest Contribution	$9.26
		Total Monthly Contribution	$117.43

Comments:

Component covers asphalt sidewalks. Sidewalks were in generally good to fair condition during site inspection. Some cracks were noted. Sidewalks should be inspected periodically for safety.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Site - Detention Basin Major Maintenance

Category	005 Site	Quantity	1 allowance
		Unit Cost	$20,000.000
		% of Replacement	100.00%
		Current Cost	$20,000.00
Placed In Service	01/04	Future Cost	$24,368.06
Useful Life	20		
Adjustment	+5	Assigned Reserves at FYB	$13,600.00
Remaining Life	8	Monthly Member Contribution	$68.91
Replacement Year	2029	Monthly Interest Contribution	$5.90
		Total Monthly Contribution	$74.81

Comments:

Component covers major repairs and removal of sediment from association detention basin. Basin appeared to be in generally good condition during site inspection. Brush and small tree cutting needed.

The remaining life of this component has been extended due to its condition at our most recent site visit.

As infrastructure ages, allowance should be adjusted in future reserve study updates. Basins should be inspected periodically.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Site - Fence, Chain Link

Category	005 Site	Quantity	570 lin. ft.
		Unit Cost	$20.000
		% of Replacement	100.00%
		Current Cost	$11,400.00
Placed In Service	01/04	Future Cost	$13,889.79
Useful Life	25		
		Assigned Reserves at FYB	$7,752.00
Remaining Life	8	Monthly Member Contribution	$39.28
Replacement Year	2029	Monthly Interest Contribution	$3.36
		Total Monthly Contribution	$42.64

Comments:

Component covers black chain link fencing around detention basin. Fencing is installed on steep slope and was in good to fair condition at site visit.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Site - Flagpole

Category	005 Site	Quantity	1 flag pole
		Unit Cost	$900.000
		% of Replacement	100.00%
		Current Cost	$900.00
Placed In Service	01/04	Future Cost	$1,096.56
Useful Life	20		
Adjustment	+5	Assigned Reserves at FYB	$612.00
Remaining Life	8	Monthly Member Contribution	$3.10
Replacement Year	2029	Monthly Interest Contribution	$0.27
		Total Monthly Contribution	$3.37

Comments:

Component covers commercial grade 25' fiberglass flag pole located in front island. Pole was in good condition at site visit.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Site - Lighting, Post Lights

Category	005 Site	Quantity	55 post lights
		Unit Cost	$1,000.000
		% of Replacement	100.00%
		Current Cost	$55,000.00
Placed In Service	01/04	Future Cost	$67,012.16
Useful Life	20		
Adjustment	+5	Assigned Reserves at FYB	$37,400.00
Remaining Life	8	Monthly Member Contribution	$189.50
Replacement Year	2029	Monthly Interest Contribution	$16.23
		Total Monthly Contribution	$205.73

Comments:

Component covers unit post lights. Lighting was in generally good condition at site visit and no issues were reported. Conversion of lighting to LED bulbs should be considered if not already implemented.

The remaining life of this component has been extended due to its condition at our most recent site visit.

Cost assumes that post light wiring and concrete bases can be reused. Fixture quality and size will affect cost significantly.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Site - Lighting, Street Posts

Category	005 Site	Quantity	1 total
		Unit Cost	$8,000.000
		% of Replacement	100.00%
		Current Cost	$8,000.00
Placed In Service	01/04	Future Cost	$9,747.22
Useful Life	20		
Adjustment	+5	Assigned Reserves at FYB	$5,440.00
Remaining Life	8	Monthly Member Contribution	$27.56
Replacement Year	2029	Monthly Interest Contribution	$2.36
		Total Monthly Contribution	$29.93

Comments:

Component covers site post lights. Lighting was in generally good condition at site visit and no issues were reported. Conversion of lighting to LED bulbs should be considered if not already implemented.

The remaining life of this component has been extended due to its condition at our most recent site visit.

Cost assumes that post light wiring and concrete bases can be reused. Fixture quality and size will affect cost significantly.

4	large post lights	@	$1,750.00	=	$7,000.00
2	stone wall entry lights	@	$500.00	=	$1,000.00
			TOTAL	=	$8,000.00

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Site - Major Tree Removal

Category	005 Site	Quantity	1 allowance
		Unit Cost	$20,000.000
		% of Replacement	100.00%
		Current Cost	$20,000.00
Placed In Service	01/04	Future Cost	$24,368.06
Useful Life	25		
		Assigned Reserves at FYB	$13,600.00
Remaining Life	8	Monthly Member Contribution	$68.91
Replacement Year	2029	Monthly Interest Contribution	$5.90
		Total Monthly Contribution	$74.81

Comments:

Component covers major overgrown and dead tree removal from common areas. Allowance should be adjusted, based on association experience, in future reserve study updates.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Site - Paver Walkways & Patios

Category	005 Site	Quantity	9,710 sq. ft.
		Unit Cost	$20.000
		% of Replacement	2.50%
		Current Cost	$4,855.00
Placed In Service	01/21	Future Cost	$5,228.30
Useful Life	3		
		Assigned Reserves at FYB	$0.00
Remaining Life	3	Monthly Member Contribution	$101.75
Replacement Year	2024	Monthly Interest Contribution	$0.32
		Total Monthly Contribution	$102.07

Comments:

Component covers repairs & replacement of concrete paver walkways & patios around units, clubhouse, and flagpole. Walkways were in generally fair condition at site visit. Surfaces of pavers have eroded, likely due to de-icing chemical use. Some walkways are in need of re-setting due to settling to maintain safety. A separate, larger budget component is listed for initial repairs. This is a followup component.

Periodic re-setting & replacement program is recommended. Component allowance set to repair or replace a percentage of total area every 3 years starting in 2024. As infrastructure ages, allowance should be adjusted in future reserve study updates.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Site - Paver Walkways & Patios, Initial

		One Time Replacement	
Category	005 Site	Quantity	9,710 sq. ft.
		Unit Cost	$20.000
		% of Replacement	8.00%
		Current Cost	$15,536.00
Placed In Service	01/18	Future Cost	$0.00
Useful Life	3		
		Assigned Reserves at FYB	$15,536.00
Remaining Life	0	Monthly Member Contribution	$0.00
Replacement Year	2021	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

Component covers initial repairs & replacement of concrete paver walkways & patios around units. Walkways were in generally fair condition at site visit. Surfaces of pavers have eroded, likely due to de-icing chemical use. Some walkways are in need of re-setting due to settling to maintain safety.

After initial repairs covered by this component, a separate periodic re-setting & replacement component is included.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Site - Signs, Street

Category	005 Site	Quantity	7 signs
		Unit Cost	$250.000
		% of Replacement	100.00%
		Current Cost	$1,750.00
Placed In Service	01/04	Future Cost	$2,132.21
Useful Life	25		
		Assigned Reserves at FYB	$1,190.00
Remaining Life	8	Monthly Member Contribution	$6.03
Replacement Year	2029	Monthly Interest Contribution	$0.51
		Total Monthly Contribution	$6.54

Comments:

Component covers replacement of street signs. Signs were in fair condition at site visit.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Site - Wall, Retaining, Landscape Block

Category	005 Site	Quantity	1,000 sq. ft.
		Unit Cost	$30.000
		% of Replacement	5.00%
		Current Cost	$1,500.00
Placed In Service	01/21	Future Cost	$1,655.72
Useful Life	4		
		Assigned Reserves at FYB	$0.00
Remaining Life	4	Monthly Member Contribution	$23.81
Replacement Year	2025	Monthly Interest Contribution	$0.08
		Total Monthly Contribution	$23.88

Comments:

Component covers periodic repairs and replacements of modular concrete landscape block retaining walls starting in 2025. Some walls are freestanding. Others are adjacent to paver walkways. Walls were in good to poor condition at site visit. A larger component for immediate repairs is listed separately.

As infrastructure ages, allowance should be adjusted in future reserve study updates. Walls should be inspected at least annually.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Site - Wall, Retaining, Landscape Block, Initial

		One Time Replacement	
Category	005 Site	Quantity	1,000 sq. ft.
		Unit Cost	$30.000
		% of Replacement	20.00%
		Current Cost	$6,000.00
Placed In Service	01/17	Future Cost	$0.00
Useful Life	4		
		Assigned Reserves at FYB	$6,000.00
Remaining Life	0	Monthly Member Contribution	$0.00
Replacement Year	2021	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

Component covers modular concrete landscape block retaining walls. Some retaining walls are within the landscape. Others are adjacent to paver walkways. Walls were in good to poor condition at site visit. Due to variable condition, this initial component is set up to accelerate repair of some walls.

A second periodic component for wall repairs after this initial repair is listed separately.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Site - Wall, Retaining, Stone

Category	005 Site	Quantity	2,500 sq. ft.
		Unit Cost	$55.000
		% of Replacement	2.00%
		Current Cost	$2,750.00
Placed In Service	01/17	Future Cost	$3,035.49
Useful Life	4		
		Assigned Reserves at FYB	$2,750.00
Remaining Life	0	Monthly Member Contribution	$43.64
Replacement Year	2021	Monthly Interest Contribution	$0.14
		Total Monthly Contribution	$43.79

Comments:

Component covers periodic repair of stone retaining wall along west side of association. Component is set up to repair percentage of retaining wall area every 3 years. Stones are reused so cost is essentially labor and minor materials. Cost per square foot determined from similar associations.

Wall was in good to fair condition during site inspection. Some loose stones are in need of repair. As infrastructure ages, allowance should be adjusted in future reserve study updates. Wall should be inspected periodically.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Site - Wall, Stone

Category	005 Site	Quantity	540 sq. ft.
		Unit Cost	$40.000
		% of Replacement	5.00%
		Current Cost	$1,080.00
Placed In Service	01/20	Future Cost	$1,163.04
Useful Life	4		
		Assigned Reserves at FYB	$270.00
Remaining Life	3	Monthly Member Contribution	$17.30
Replacement Year	2024	Monthly Interest Contribution	$0.17
		Total Monthly Contribution	$17.47

Comments:

Component covers repairs of stone wall at entry from Olive Street. Wall was in good condition during site inspection. Component set up for periodic repairs. As infrastructure ages, allowance should be adjusted in future reserve study updates. Wall should be inspected periodically.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Roof - Clubhouse

Category	010 Roof	Quantity	1,855 sq. ft.
		Unit Cost	$4.500
		% of Replacement	100.00%
		Current Cost	$8,347.50
Placed In Service	01/04	Future Cost	$11,507.12
Useful Life	25		
Adjustment	+5	Assigned Reserves at FYB	$0.00
Remaining Life	13	Monthly Member Contribution	$44.38
Replacement Year	2034	Monthly Interest Contribution	$0.14
		Total Monthly Contribution	$44.53

Comments:

Component covers replacement of asphalt architectural shingle roof. Roof appeared to be in good condition and aging normally during site visit. The remaining life of this component has been extended due to its condition at our most recent site visit.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Roof - Gutters

Category	010 Roof	Quantity	1 total
		Unit Cost	$45,575.000
		% of Replacement	100.00%
		Current Cost	$45,575.00
Placed In Service	01/04	Future Cost	$58,339.85
Useful Life	25		
Adjustment	+2	Assigned Reserves at FYB	$28,695.37
Remaining Life	10	Monthly Member Contribution	$147.52
Replacement Year	2031	Monthly Interest Contribution	$12.47
		Total Monthly Contribution	$159.98

Comments:

Component covers replacement of 5" standard residential gutters. Gutters appeared to be in good condition and aging normally during site visit. No issues were reported by management. The remaining life of this component has been extended due to its condition at our most recent site visit and to coincide with roof replacement.

4,860	ln. ft. 5" gutters	@	$5.00	=	$24,300.00
4,255	ln. ft. 2"x3" downspouts	@	$5.00	=	$21,275.00
			TOTAL	=	$45,575.00

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Roof - Gutters, Clubhouse

Category	010 Roof	Quantity	1 total
		Unit Cost	$840.000
		% of Replacement	100.00%
		Current Cost	$840.00
Placed In Service	01/04	Future Cost	$1,157.95
Useful Life	25		
Adjustment	+5	Assigned Reserves at FYB	$0.00
Remaining Life	13	Monthly Member Contribution	$4.47
Replacement Year	2034	Monthly Interest Contribution	$0.01
		Total Monthly Contribution	$4.48

Comments:

Component covers replacement of 5" standard residential gutters. Gutters appeared to be in good condition and aging normally during site visit. No issues were reported by management. The remaining life of this component has been extended due to its condition at our most recent site visit and to coincide with roof replacement.

72	ln. ft. 5" gutters	@	$5.00	=	$360.00
60	ln. ft. 2"x3" downspouts	@	$5.00	=	$300.00
			TOTAL	=	$660.00

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Roofs

Category	010 Roof	Quantity	142,300 sq. ft.
		Unit Cost	$4.500
		% of Replacement	100.00%
		Current Cost	$640,350.00
Placed In Service	01/04	Future Cost	$819,702.14
Useful Life	25		
Adjustment	+2	Assigned Reserves at FYB	$48,756.15
Remaining Life	10	Monthly Member Contribution	$4,033.71
Replacement Year	2031	Monthly Interest Contribution	$33.17
		Total Monthly Contribution	$4,066.89

Comments:

Component covers replacement of asphalt architectural shingle roof. Most roofs appeared to be in good condition and aging normally during site visit. Some roofs exhibited minor lichen and moss growth in some areas. The remaining life of this component has been extended due to its condition at our most recent site visit.

Client has had some roof failures. Problems are attributed to poor installation by some original roofing subcontractors.

Roofs should be monitored/visually inspected twice a year (before and after winter). Any noted issues/damage should be addressed immediately to avoid further damage to the roofing system and/or damage to the interior of the buildings. If the roofing system becomes damaged and/or leaking issues occur, the remaining life of the roof should be adjusted accordingly. Pipe flashings will likely need replacement before the roofs are replaced.

In order to ensure a high quality installation, the client may wish to obtain the services of an independent roofing consultant to work with the client and the roofing contractor providing installation. Consultants are available for the preparation of installation specifications and, if desired, to work with the contractor during the installation process. Fees for these services vary based on the size of the project and detail required by the client, and have not been included in the cost used for this component. Should the client desire, a provision for a consultant can be incorporated into this analysis.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Building - Chimneys

Category	020 Building Exterior	Quantity	55 chimneys
		Unit Cost	$3,500.000
		% of Replacement	100.00%
		Current Cost	$192,500.00
Placed In Service	01/04	Future Cost	$265,363.38
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	13	Monthly Member Contribution	$1,023.49
Replacement Year	2034	Monthly Interest Contribution	$3.25
		Total Monthly Contribution	$1,026.74

Comments:

Component covers rebuilding of brick chimneys from roof line up. Chimneys should be inspected annually for safety and to ensure that flues are cleaned when required. Some work on chimney shoulders will also be required.

Component is set up to rebuild chimneys at an average date in the future. Actual implementation of rebuild program can be done over a number of years. The rate of rebuilding and starting year will be dictated by annual inspections and maintenance performed.

Most chimneys were in good condition at site visit. Hiring a mason to inspect chimneys and make minor repairs on some chimney shoulders this year is recommended.

Chimney concrete crowns were not installed with an overhang as recommended by Brick Industry Association. Overhangs help keep brick dry and increase useful life. Ensure that proper overhangs are installed when chimneys are rebuilt.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Building - Decks & Porches, Major Repairs

Category	020 Building Exterior	Quantity	1 allowance
		Unit Cost	$30,000.000
		% of Replacement	100.00%
		Current Cost	$30,000.00
Placed In Service	01/20	Future Cost	$33,114.39
Useful Life	5		
		Assigned Reserves at FYB	$6,000.00
Remaining Life	4	Monthly Member Contribution	$388.01
Replacement Year	2025	Monthly Interest Contribution	$3.74
		Total Monthly Contribution	$391.75

Comments:

Component covers major maintenance and repairs for pressure-treated rear decks, stairs, and front porches. Deck structures appear original to construction. About 10% of decks and 50% of front porches have composite decking. Decks are in good condition and have been well maintained.

Per discussion with client, complete replacement is unfunded. This separate component covers periodic maintenance and major repairs for decks, stairs, and porches. Strategy can be changed in future reserve study updates if desired by client.

Component currently funds major repairs on 5 year interval. As infrastructure ages, allowance should be adjusted in future reserve study updates. This component is in addition to $2000 annual operating budget for minor deck repairs.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Building - Decks & Porches, Unfunded

Category	020 Building Exterior	Quantity	1 total
		Unit Cost	$446,100.000
		% of Replacement	0.00%
		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 complete replacement of pressure-treated rear decks, stairs, and front porches. Deck structures appear original to construction. About 10% of decks and 50% of front porches have composite decking. Decks are in good condition and have been well maintained.

Per discussion with client, complete replacement is unfunded. A separate component covers periodic maintenance and major repairs for decks, stairs, and porches. Strategy can be changed in future reserve study updates if desired by client.

5,315	sq. ft. rear decks & stairs	@	$60.00	=	$318,900.00
2,120	sq. ft. front porches & stairs	@	$60.00	=	$127,200.00
			TOTAL	=	$446,100.00

Sample Estates Condominium

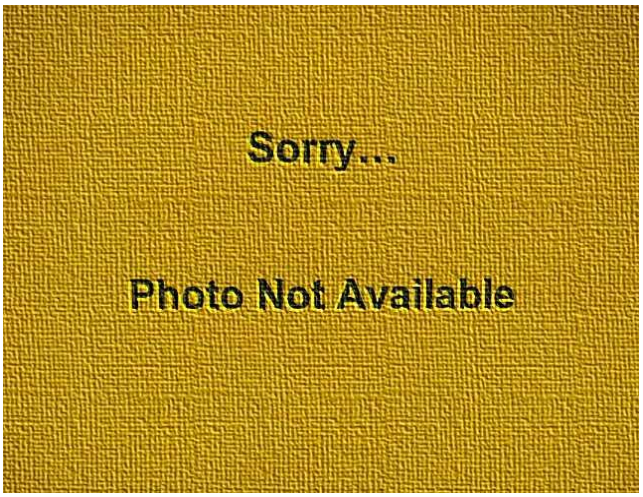
Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Building - Front Step, Masonry, Railings

Category	020 Building Exterior	Quantity	5 step railings
		Unit Cost	$750.000
		% of Replacement	100.00%
		Current Cost	$3,750.00
Placed In Service	01/15	Future Cost	$5,298.65
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	14	Monthly Member Contribution	$18.69
Replacement Year	2035	Monthly Interest Contribution	$0.06
		Total Monthly Contribution	$18.74

Comments:



Component covers masonry front porch wrought iron railing replacements on Avery units (3 Harding, 10 Haven, 11 Haven, 61 Haven, and 52 Haven). Original manufactured stone front steps and landings deteriorated and were replaced in approximately 2015 with granite steps, per client. Granite will have indefinite service life. Iron railings will need to be painted regularly and eventually replaced.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Building - Front Step, Pavers

Category	020 Building Exterior	Quantity	7 steps
		Unit Cost	$2,500.000
		% of Replacement	100.00%
		Current Cost	$17,500.00
Placed In Service	01/04	Future Cost	$24,123.94
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	13	Monthly Member Contribution	$93.04
Replacement Year	2034	Monthly Interest Contribution	$0.30
		Total Monthly Contribution	$93.34

Comments:

Component covers landscape block and paver front porch replacements. Front steps and landings are in fair condition.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Building - Lighting

Category	020 Building Exterior	Quantity	285 lights
		Unit Cost	$125.000
		% of Replacement	100.00%
		Current Cost	$35,625.00
Placed In Service	01/04	Future Cost	$45,603.01
Useful Life	20		
Adjustment	+7	Assigned Reserves at FYB	$22,430.56
Remaining Life	10	Monthly Member Contribution	$115.31
Replacement Year	2031	Monthly Interest Contribution	$9.74
		Total Monthly Contribution	$125.05

Comments:

Component covers exterior wall-mounted lighting on units. Lighting was uniform and in good condition at site visit. The remaining life of this component has been extended due to its condition at our most recent site visit.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Building - Siding, Stone

Category	020 Building Exterior	Quantity	1,000 sq. ft.
		Unit Cost	$35.000
		% of Replacement	5.00%
		Current Cost	$1,750.00
Placed In Service	01/17	Future Cost	$2,029.46
Useful Life	10		
		Assigned Reserves at FYB	$700.00
Remaining Life	6	Monthly Member Contribution	$12.15
Replacement Year	2027	Monthly Interest Contribution	$0.33
		Total Monthly Contribution	$12.49

Comments:

Component covers concrete stone veneer and brick on unit buildings in association. Overall stone siding was in good condition at site visit.

Component covers periodic maintenance of stone and brick areas. It is assumed that this concrete stone can be treated as a permanent siding with repairs required similar to real stone and not complete replacement. Component currently assumes that 5% of siding area will need to be repaired on 10 year interval. As association ages, interval will likely need to be reduced and should be adjusted, based on association experience, in future reserve study updates.

Any minor repairs needed should be funded from operating budget. If minor repairs become more significant, a reserve component with shorter interval can be added for minor repairs.

Application method and water resistive barrier behind stone are unknown. Premature failure may occur if water penetrates behind stone and saturates wall. Manufacturer of stone is not currently available.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Building - Siding, Vinyl

Category	020 Building Exterior	Quantity	134,900 sq. ft.
		Unit Cost	$6.500
		% of Replacement	100.00%
		Current Cost	$876,850.00
Placed In Service	01/04	Future Cost	$1,367,586.75
Useful Life	35		
		Assigned Reserves at FYB	$0.00
Remaining Life	18	Monthly Member Contribution	$3,526.16
Replacement Year	2039	Monthly Interest Contribution	$11.19
		Total Monthly Contribution	$3,537.35

Comments:

Component covers vinyl siding replacement on unit buildings. Siding is original and in good condition. No damaged siding noted. Some north-facing walls are in need of cleaning.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Exterior - Bulkhead

Category	020 Building Exterior	Quantity	1 bulkhead
		Unit Cost	$1,000.000
		% of Replacement	100.00%
		Current Cost	$1,000.00
Placed In Service	01/04	Future Cost	$1,764.61
Useful Life	40		
		Assigned Reserves at FYB	$0.00
Remaining Life	23	Monthly Member Contribution	$3.29
Replacement Year	2044	Monthly Interest Contribution	$0.01
		Total Monthly Contribution	$3.30

Comments:

This component covers exterior steel bulkhead door. Door was in good condition at site visit.

Hinges, closers, etc. will need to be replaced as maintenance items. Keeping doors properly painted is critical to attaining useful life.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Exterior - Chimney

Category	020 Building Exterior	Quantity	1 chimney
		Unit Cost	$3,500.000
		% of Replacement	100.00%
		Current Cost	$3,500.00
Placed In Service	01/04	Future Cost	$4,824.79
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	13	Monthly Member Contribution	$18.61
Replacement Year	2034	Monthly Interest Contribution	$0.06
		Total Monthly Contribution	$18.67

Comments:

Component covers rebuilding brick chimney from roof line to top. Chimney should be inspected annually for safety and to ensure that flues are cleaned when required. Chimney was in good condition at site visit.

Chimney concrete crown is installed with an overhang as recommended by Brick Industry Association. Overhang helps keep brick drier and increases useful life. Ensure that proper overhangs are installed when chimney is rebuilt.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Exterior - Deck, Front & Ramp

Category	020 Building Exterior	Quantity	450 sq. ft.
		Unit Cost	$70.000
		% of Replacement	100.00%
		Current Cost	$31,500.00
Placed In Service	01/16	Future Cost	$66,073.38
Useful Life	35		
		Assigned Reserves at FYB	$0.00
Remaining Life	30	Monthly Member Contribution	$84.64
Replacement Year	2051	Monthly Interest Contribution	$0.27
		Total Monthly Contribution	$84.91

Comments:

Component covers clubhouse composit front deck and handicapped ramp replacement. Decks have been replaced since original construction and are in good condition.

The actual date this component was placed into service is not available. For budgeting purposes, this date has been estimated based on its condition at our most recent site visit.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Exterior - Deck, Rear, Unfunded

Category	020 Building Exterior	Quantity	130 sq. ft.
		Unit Cost	$60.000
		% of Replacement	0.00%
		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 clubhouse stained, pressure-treated rear deck replacement. Deck is original and in good condition. Complete replacement is currently unfunded. Periodic repairs are covered by separate general deck and porch repair component.

Sample Estates Condominium

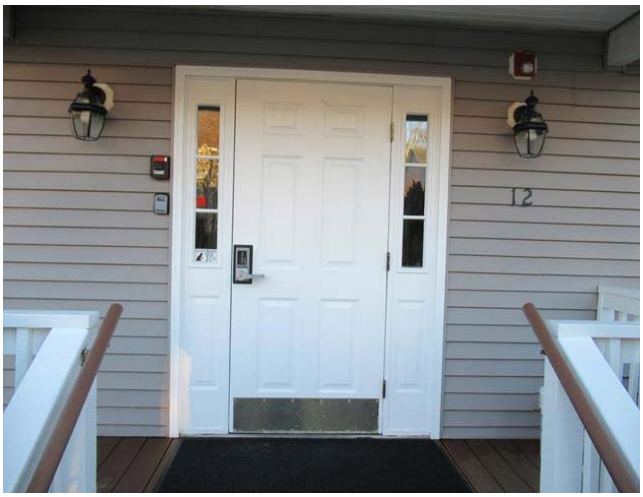
Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Exterior - Doors

Category	020 Building Exterior	Quantity	1 total
		Unit Cost	$8,500.000
		% of Replacement	100.00%
		Current Cost	$8,500.00
Placed In Service	01/04	Future Cost	$11,717.34
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	13	Monthly Member Contribution	$45.19
Replacement Year	2034	Monthly Interest Contribution	$0.14
		Total Monthly Contribution	$45.34

Comments:



This component covers exterior fiberglass pedestrian and vinyl sliding clubhouse doors. Doors were in good condition at site visit.

Hinges, closers, etc. will need to be replaced as maintenance items.

1	front door w/sidelights	@	$2,500.00	=	$2,500.00
1	side 9-light fiberglass exit door	@	$1,500.00	=	$1,500.00
2	vinyl sliding doors, 5'	@	$2,250.00	=	$4,500.00
			TOTAL	=	$8,500.00

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Exterior - Lighting

Category	020 Building Exterior	Quantity	1 total
		Unit Cost	$1,250.000
		% of Replacement	100.00%
		Current Cost	$1,250.00
Placed In Service	01/04	Future Cost	$1,600.11
Useful Life	20		
Adjustment	+7	Assigned Reserves at FYB	$787.04
Remaining Life	10	Monthly Member Contribution	$4.05
Replacement Year	2031	Monthly Interest Contribution	$0.34
		Total Monthly Contribution	$4.39

Comments:

Component covers exterior wall-mounted lighting on clubhouse. Lighting was in good condition at site visit. The remaining life of this component has been extended due to its condition at our most recent site visit.

7	wall lights	@	$150.00	=	$1,050.00
2	spot lights	@	$100.00	=	$200.00
			TOTAL	=	$1,250.00

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Exterior - Siding, Vinyl

Category	020 Building Exterior	Quantity	2,500 sq. ft.
		Unit Cost	$6.000
		% of Replacement	100.00%
		Current Cost	$15,000.00
Placed In Service	01/04	Future Cost	$23,394.88
Useful Life	35		
		Assigned Reserves at FYB	$0.00
Remaining Life	18	Monthly Member Contribution	$60.32
Replacement Year	2039	Monthly Interest Contribution	$0.19
		Total Monthly Contribution	$60.51

Comments:

Component covers clubhouse vinyl siding replacement. Siding is original and in good condition.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Exterior - Windows

Category	020 Building Exterior	Quantity	1 total
		Unit Cost	$7,800.000
		% of Replacement	100.00%
		Current Cost	$7,800.00
Placed In Service	01/04	Future Cost	$10,752.39
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	13	Monthly Member Contribution	$41.47
Replacement Year	2034	Monthly Interest Contribution	$0.13
		Total Monthly Contribution	$41.60

Comments:

This component covers window replacements in clubhouse. Vinyl windows are in fair to good condition.

3	32"x56" double hung windows	@	$900.00	=	$2,700.00
3	66"x56" double hung windows	@	$1,400.00	=	$4,200.00
1	38"x40" casement window	@	$900.00	=	$900.00
			TOTAL	=	$7,800.00

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Interior - Doors, Unfunded

Category	030 Building Interior	Quantity	1 total
		Unit Cost	$0.000
		% of Replacement	0.00%
		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:

This component covers clubhouse interior doors. Doors were in good condition at site visit. Doors are typically lightly used and are unfunded. Replacements should be on as-needed basis.

Hinges, closers, etc. will need to be replaced as maintenance items.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Interior - Flooring, Carpet

Category	030 Building Interior	Quantity	915 sq. ft.
		Unit Cost	$4.250
		% of Replacement	100.00%
		Current Cost	$3,888.75
Placed In Service	01/04	Future Cost	$4,187.76
Useful Life	15		
Adjustment	+5	Assigned Reserves at FYB	$3,305.44
Remaining Life	3	Monthly Member Contribution	$16.15
Replacement Year	2024	Monthly Interest Contribution	$1.43
		Total Monthly Contribution	$17.58

Comments:

This component covers clubhouse carpet. Carpet was in good condition at site visit. Minor wear at entry area. The remaining life of this component has been extended due to its condition at our most recent site visit.

Quantity includes 10% waste factor. Area in sq. yds. is 102.

A proper cleaning program will enable carpets to achieve their useful life. Useful life increased to reflect ability to replace soiled tiles with extra tiles available.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Interior - Flooring, Tile

Category	030 Building Interior	Quantity	330 sq. ft.
		Unit Cost	$20.000
		% of Replacement	100.00%
		Current Cost	$6,600.00
Placed In Service	01/04	Future Cost	$9,098.17
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	13	Monthly Member Contribution	$35.09
Replacement Year	2034	Monthly Interest Contribution	$0.11
		Total Monthly Contribution	$35.21

Comments:

This component covers tile floor in entry vestibule, kitchen, and restrooms. Tile was in good condition at site visit. Quantity includes 10% waste factor.

Cost can vary widely with tile selection and difficulty of removing old tile.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Interior - Furnishings

Category	030 Building Interior	Quantity	1 total
		Unit Cost	$3,000.000
		% of Replacement	100.00%
		Current Cost	$3,000.00
Placed In Service	01/04	Future Cost	$3,746.59
Useful Life	20		
Adjustment	+6	Assigned Reserves at FYB	$1,961.54
Remaining Life	9	Monthly Member Contribution	$10.01
Replacement Year	2030	Monthly Interest Contribution	$0.85
		Total Monthly Contribution	$10.86

Comments:

Component covers replacement of clubhouse furnishings. Furnishings were in good condition at site visit and remaining life extended to reflect apparent light use.

Costs can increase significantly based on specific material choices.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Interior - Kitchen

Category	030 Building Interior	Quantity	1 total
		Unit Cost	$20,000.000
		% of Replacement	100.00%
		Current Cost	$20,000.00
Placed In Service	01/04	Future Cost	$27,570.22
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	13	Monthly Member Contribution	$106.34
Replacement Year	2034	Monthly Interest Contribution	$0.33
		Total Monthly Contribution	$106.67

Comments:

Component covers replacement of clubhouse kitchen cabinetry, counters, and sink/faucet. Cabinetry is original to construction and is in good condition. Kitchen appears to receive light use.

The remaining life of this component has been extended due to its apparent infrequent use.

Cost for basic kitchen similar to existing. Costs can increase significantly based on material choices.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Interior - Lighting

Category	030 Building Interior	Quantity	1 total
		Unit Cost	$4,300.000
		% of Replacement	100.00%
		Current Cost	$4,300.00
Placed In Service	01/04	Future Cost	$5,504.36
Useful Life	20		
Adjustment	+7	Assigned Reserves at FYB	$2,707.41
Remaining Life	10	Monthly Member Contribution	$13.92
Replacement Year	2031	Monthly Interest Contribution	$1.17
		Total Monthly Contribution	$15.09

Comments:

Component covers interior lighting of clubhouse areas. Lighting was in good condition at site visit. The remaining life of this component has been extended due to its condition at our most recent site visit.

18	recessed lights	@	$125.00	=	$2,250.00
2	ceiling fans	@	$400.00	=	$800.00
4	emergency light	@	$100.00	=	$400.00
2	exit lights	@	$75.00	=	$150.00
2	bath fan/lights	@	$350.00	=	$700.00
			TOTAL	=	$4,300.00

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Interior - Restroom Renovations

Category	030 Building Interior	Quantity	2 renovations
		Unit Cost	$7,500.000
		% of Replacement	100.00%
		Current Cost	$15,000.00
Placed In Service	01/04	Future Cost	$20,677.67
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	13	Monthly Member Contribution	$79.75
Replacement Year	2034	Monthly Interest Contribution	$0.26
		Total Monthly Contribution	$80.01

Comments:

This component covers complete remodel of clubhouse restrooms. Restrooms were in good condition at site visit and likely receive light use.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Interior - Window Blinds

Category	030 Building Interior	Quantity	1 total
		Unit Cost	$1,340.000
		% of Replacement	100.00%
		Current Cost	$1,340.00
Placed In Service	01/04	Future Cost	$1,592.84
Useful Life	20		
Adjustment	+4	Assigned Reserves at FYB	$949.17
Remaining Life	7	Monthly Member Contribution	$4.77
Replacement Year	2028	Monthly Interest Contribution	$0.41
		Total Monthly Contribution	$5.18

Comments:

This component covers window blind replacements in clubhouse. Vinyl blinds are in fair to good condition. The remaining life of this component has been extended due to its condition at our most recent site visit.

7	window blinds	@	$120.00	=	$840.00
2	door blinds	@	$250.00	=	$500.00
			TOTAL	=	$1,340.00

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Equipment - AC Split System

Category	060 Equipment	Quantity	1 split system
		Unit Cost	$5,000.000
		% of Replacement	100.00%
		Current Cost	$5,000.00
Placed In Service	01/04	Future Cost	$5,384.45
Useful Life	20		
		Assigned Reserves at FYB	$4,250.00
Remaining Life	3	Monthly Member Contribution	$20.77
Replacement Year	2024	Monthly Interest Contribution	$1.84
		Total Monthly Contribution	$22.60

Comments:

Component covers clubhouse Bryant air conditioning split system. AC appeared to be original and is in good condition with no issues reported.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Equipment - Appliances

Category	060 Equipment	Quantity	1 total
		Unit Cost	$4,850.000
		% of Replacement	100.00%
		Current Cost	$4,850.00
Placed In Service	01/04	Future Cost	$5,909.25
Useful Life	20		
Adjustment	+5	Assigned Reserves at FYB	$3,298.00
Remaining Life	8	Monthly Member Contribution	$16.71
Replacement Year	2029	Monthly Interest Contribution	$1.43
		Total Monthly Contribution	$18.14

Comments:

Component allowance covers appliances in clubhouse kitchen. Appliances are original to construction and are in good condition. Kitchen appears to receive light use. The remaining life of this component has been extended due to its apparent infrequent use.

1	refrigerator	@	$1,750.00	=	$1,750.00
1	electric range	@	$1,000.00	=	$1,000.00
1	dishwasher	@	$1,000.00	=	$1,000.00
1	microwave hood	@	$600.00	=	$600.00
1	installation	@	$500.00	=	$500.00
			TOTAL	=	$4,850.00

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Equipment - Fire Alarm Panel

Category	060 Equipment	Quantity	1 panel
		Unit Cost	$2,500.000
		% of Replacement	100.00%
		Current Cost	$2,500.00
Placed In Service	01/04	Future Cost	$2,692.23
Useful Life	20		
		Assigned Reserves at FYB	$2,125.00
Remaining Life	3	Monthly Member Contribution	$10.38
Replacement Year	2024	Monthly Interest Contribution	$0.92
		Total Monthly Contribution	$11.31

Comments:

Component covers replacement of fire alarm main panel. Main panel is located in main entry area.

Peripheral devices (detectors, pull stations, sirens, boosters, batteries) are not included in budget and should be replaced on as-needed basis from operating budget. These items can be added if client desires.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Equipment - Fireplace, Gas

Category	060 Equipment	Quantity	1 fireplace
		Unit Cost	$3,000.000
		% of Replacement	100.00%
		Current Cost	$3,000.00
Placed In Service	01/04	Future Cost	$3,655.21
Useful Life	25		
		Assigned Reserves at FYB	$2,040.00
Remaining Life	8	Monthly Member Contribution	$10.34
Replacement Year	2029	Monthly Interest Contribution	$0.89
		Total Monthly Contribution	$11.22

Comments:

Component covers replacement of Lennox gas fireplace in main room of clubhouse. Cost assumes marble surround and mantel are reused.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Equipment - Furnace

Category	060 Equipment	Quantity	1 furnace
		Unit Cost	$4,500.000
		% of Replacement	100.00%
		Current Cost	$4,500.00
Placed In Service	01/04	Future Cost	$6,203.30
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	13	Monthly Member Contribution	$23.93
Replacement Year	2034	Monthly Interest Contribution	$0.08
		Total Monthly Contribution	$24.00

Comments:

Component covers clubhouse Bryant standard efficiency atmospheric combustion oil furnace. Furnace appears original and is in good condition. No issues reported.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Equipment - Oil Tank

Category	060 Equipment	Quantity	1 tank
		Unit Cost	$2,500.000
		% of Replacement	100.00%
		Current Cost	$2,500.00
Placed In Service	01/04	Future Cost	$3,446.28
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	13	Monthly Member Contribution	$13.29
Replacement Year	2034	Monthly Interest Contribution	$0.04
		Total Monthly Contribution	$13.33

Comments:

Component covers clubhouse 275 gallon oil tank. Tank appears original and is in good condition. No issues reported.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Equipment - Television

Category	060 Equipment	Quantity	1 TV
		Unit Cost	$1,000.000
		% of Replacement	100.00%
		Current Cost	$1,000.00
Placed In Service	01/16	Future Cost	$1,131.41
Useful Life	10		
		Assigned Reserves at FYB	$500.00
Remaining Life	5	Monthly Member Contribution	$7.00
Replacement Year	2026	Monthly Interest Contribution	$0.23
		Total Monthly Contribution	$7.23

Comments:

Component covers clubhouse television. TV appeared to be in good condition with no issues reported. The actual date this component was placed into service is not available. For budgeting purposes, this date has been estimated based on its condition at our most recent site visit.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Clubhouse Equipment - Water Heater

Category	060 Equipment	Quantity	1 water heater
		Unit Cost	$1,000.000
		% of Replacement	100.00%
		Current Cost	$1,000.00
Placed In Service	01/17	Future Cost	$1,159.69
Useful Life	10		
		Assigned Reserves at FYB	$400.00
Remaining Life	6	Monthly Member Contribution	$6.95
Replacement Year	2027	Monthly Interest Contribution	$0.19
		Total Monthly Contribution	$7.14

Comments:

Component covers Rheem 40 gallon electric water heater in clubhouse. Heater was installed in February 2017, per note on tank, and was in good condition with no issues reported.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Equipment - Fire Hydrants

Category	060 Equipment	Quantity	1 allowance
		Unit Cost	$2,500.000
		% of Replacement	100.00%
		Current Cost	$2,500.00
Placed In Service	01/19	Future Cost	$2,692.23
Useful Life	5		
		Assigned Reserves at FYB	$1,000.00
Remaining Life	3	Monthly Member Contribution	$32.62
Replacement Year	2024	Monthly Interest Contribution	$0.52
		Total Monthly Contribution	$33.15

Comments:

Association owns fire hydrants. Hydrants were not well maintained and required about $11,000 in repairs in 2019. It is anticipated that proper maintenance will reduce repair costs in future. Component covers periodic allowance for repairs and replacements. As infrastructure ages, allowance should be adjusted in future reserve study updates.

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Equipment - Irrigation System

Category	060 Equipment	Quantity	1 total
		Unit Cost	$30,150.000
		% of Replacement	7.00%
		Current Cost	$2,110.50
Placed In Service	01/19	Future Cost	$2,217.34
Useful Life	2		
		Assigned Reserves at FYB	$2,110.50
Remaining Life	0	Monthly Member Contribution	$65.71
Replacement Year	2021	Monthly Interest Contribution	$0.21
		Total Monthly Contribution	$65.92

Comments:

Component covers periodic allowance for replacement of major parts of irrigation system. System is supplied with city water. Allowance should be revised, based on association experience, in future reserve study updates.

11	controllers	@	$750.00	=	$8,250.00
11	backflow preventers	@	$400.00	=	$4,400.00
175	zone valves	@	$100.00	=	$17,500.00
			TOTAL	=	$30,150.00

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Equipment - Mailboxes

Category	060 Equipment	Quantity	1 total
		Unit Cost	$6,150.000
		% of Replacement	100.00%
		Current Cost	$6,150.00
Placed In Service	01/04	Future Cost	$7,493.18
Useful Life	20		
Adjustment	+5	Assigned Reserves at FYB	$4,182.00
Remaining Life	8	Monthly Member Contribution	$21.19
Replacement Year	2029	Monthly Interest Contribution	$1.81
		Total Monthly Contribution	$23.00

Comments:

Component covers pedestal mailboxes. Pricing assumes concrete base can be reused. Mailboxes were in good condition at site visit. Remaining life extended due to protection of kiosk and current condition.

Mail kiosks are simple structures that are currently unfunded. Repairs should be funded from reserve contingency or operations.

3	16 door cluster mailbox with pedestal	@	$1,500.00	=	$4,500.00
1	12 door cluster mailbox with pedestal	@	$1,250.00	=	$1,250.00
4	installation	@	$100.00	=	$400.00
			TOTAL	=	$6,150.00

Sample Estates Condominium

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Equipment - Pumps, Sewer

Category	060 Equipment	Quantity	23 pumps
		Unit Cost	$2,933.000
		% of Replacement	9.00%
		Current Cost	$6,071.31
Placed In Service	01/20	Future Cost	$6,223.09
Useful Life	2		
		Assigned Reserves at FYB	$3,035.66
Remaining Life	1	Monthly Member Contribution	$190.82
Replacement Year	2022	Monthly Interest Contribution	$1.88
		Total Monthly Contribution	$192.69

Comments:

Component covers periodic allowance for replacement sewer pumps on some units.
Addresses with pumps: 28 to 52 Haven Way, 29 to 53 Haven Way.
Typical life for these pumps is about 15 years depending on usage.

Replacement contractor: FR Mahoney & Associates, Rockland MA 781-982-9300
Replacement cost for Extreme Core 2000/Cutter pump was about $2450 in 2018.

Cost updated for inflation and 15% supervisory fee from property manager added.

Allowance should be revised, based on association experience, in future reserve study updates.

1	pump replacement	@	$2,550.00	=	$2,550.00
1	management fee	@	$383.00	=	$383.00
			TOTAL	=	$2,933.00

Sample Estates Condominium

Detail Report Index

Sample Estates Condominium

Detail Report Index

Number of components included in this reserve analysis is 59.