



# RESERVE STUDY

For

**Prairie Ridge Condominium Association**  
**1929 Sierra Drive**  
**Hastings, MN**

**Date of Inspection: February 18, 2022**



This Reserve Study was:

- Submitted by Building Reserves on: February 25, 2022
- Inspected and Prepared by: Brittany Eggert, Reserve Specialist
- Professionally Reviewed by: Andrew Herland, Reserve Specialist



The RS (Reserve Specialist) designation is awarded by the Community Associations Institute (CAI) to qualified Reserve Specialists who, through years of specialized experience, can help ensure that community associations and facilities prepare their reserve budget as accurately as possible.



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# RESERVE STUDY UPDATE

It is necessary to update this reserve study in two or three years to ensure an equitable funding plan is in place, since a Reserve Study is a snapshot in time. Many variables can alter the study after it is completed which may result in significant underfunding or overfunding of the reserve account. Examples of variables that can change the recommended funding are:

- Timing of proposed projects
- Maintenance practices of reserve components
- Changes in interest rates on invested reserves
- Changes in inflationary cost of labor, equipment and materials

**To Request a Reserve Study Update proposal,  
email: [PROPOSALS@BUILDINGRESERVES.COM](mailto:PROPOSALS@BUILDINGRESERVES.COM)  
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or click here:

**REQUEST RESERVE STUDY UPDATE PROPOSAL**

**Client Reference Number: 13601-2021**

	Full New Study	Update with Site Inspection	Update without Site Inspection
Reserve Component Inventory List Creation	●	Component List from Prior Report	Component List from Prior Report
Full Site Inspection with Measurements	●	Measurements from Prior Report	Measurements from Prior Report
In Person Pre-Inspection Meeting	●	●	Not Included
Condition Assessment of all Reserve Components	●	●	Not Included
Photographic Inventory & Captions of all Reserve Components	●	●	Not Included
Report compliant with CAI National Reserve Study Standards	●	●	●
Analysis of all Property Documents	●	●	●
Satellite Image Showing Property Boundaries	●	●	●
Customized Engineering Narrative for all Reserve Components	●	●	●
Customized Funding Plan for Your Property	●	●	●
Number of Independent Budgets / Cash Flows:	●	●	●
30-Year Cash Flow Analysis + 5-Year Cash Flow Division Break-outs	●	●	●
Phone / Email / Video Support with Senior Engineering Team	●	●	●
Building Reserves Exclusive Easy-to-Read PDF Report Layout	●	●	●
2nd Report Version Including / Excluding Assets for Budgeting Comparison	●	●	●
Two Revised Reports at No Additional Cost (upon request, within 6 months)	●	●	●
Excel File - Create unlimited what-if scenarios for free <b>NEW</b>	●	●	●
Prioritization Chart - Low Priority, Deferrable, Highly Recommended <b>NEW</b>	●	●	●
Prioritization Score - View projects sorted in order of high to low priority <b>NEW</b>	●	●	●
Responsibility Matrix <b>NEW</b>	●	●	●
Comparative Reserve Balance Scenarios at Varying Interest Rates <b>NEW</b>	●	●	●



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### Revisions

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Revisions will be made to this Reserve Study in agreement with written instruction from the Board of Directors. No additional charge is incurred for the first (2) sets of revisions, if requested in writing and in list format, within (6) months of the shipment date of this report.

### Updates

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It is necessary to update this reserve study in two or three years to make certain an equitable funding plan is in place since a Reserve Study is a snapshot in time. Many variables can alter the study after it is completed which may result in significant underfunding or overfunding of the reserve account. Examples of variables that can change the recommended funding are:

- Timing of proposed projects
- Maintenance practices of reserve components
- Changes in interest rates on invested reserves
- Changes in inflationary cost of labor, equipment and materials

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or [Click Here](#)

**REQUEST RESERVE STUDY UPDATE PROPOSAL**

Client Reference Number:

**13601-2021**



# FUNDING SUMMARY

## Current Funding

Current Reserve Status as of:	December 31, 2021
Current Reserve Balance:	\$504,724
Current Annual Reserve Contributions:	\$65,895
Current Reserve Contribution per Unit per Month (Ave.):	\$48.17
Current Total Income	\$314,640
Current Percentage of Total Income to Reserve Account:	20.94%

(Unaudited Cash Status Of the Reserve Fund)

## Recommended Funding

Recommended Fund Start as of:	January 1, 2023
<b>Recommended Annual Reserve Contribution:</b>	<b>\$85,400</b>
<i>Per Unit Per Month (Average):</i>	<i>\$62.43</i>
<b>Recommended Special Assessment:</b>	<b>\$0</b>
<i>Per Unit Per Month (Average):</i>	<i>\$0.00</i>
<b>Total Recommended Reserve Contribution:</b>	<b>\$85,400</b>
<i>Per Unit Per Month (Average):</i>	<i>\$62.43</i>

## Recommended Adjustment

<b>Recommended Adjustment in Annual Reserve Contribution:</b>	<b>\$19,505</b>
<i>Per Unit per Month (Average):</i>	<i>\$14.26</i>

## Total Suggested Annual Reserve Contributions For Next 30-Years

Year	\$	% Adjustment	Year	\$	% Adjustment	Year	\$	% Adjustment
2023	\$85,400	29.6%	2033	\$166,300	3.7%	2043	\$239,200	3.7%
2024	\$104,900	22.8%	2034	\$172,500	3.7%	2044	\$248,100	3.7%
2025	\$124,400	18.6%	2035	\$178,900	3.7%	2045	\$257,300	3.7%
2026	\$129,000	3.7%	2036	\$185,500	3.7%	2046	\$266,800	3.7%
2027	\$133,800	3.7%	2037	\$192,400	3.7%	2047	\$276,700	3.7%
2028	\$138,800	3.7%	2038	\$199,500	3.7%	2048	\$286,900	3.7%
2029	\$143,900	3.7%	2039	\$206,900	3.7%	2049	\$297,500	3.7%
2030	\$149,200	3.7%	2040	\$214,600	3.7%	2050	\$308,500	3.7%
2031	\$154,700	3.7%	2041	\$222,500	3.7%	2051	\$319,900	3.7%
2032	\$160,400	3.7%	2042	\$230,700	3.7%	2052	\$331,700	3.7%

## Special Assessment

This recommended funding plan does NOT include any Special Assessment

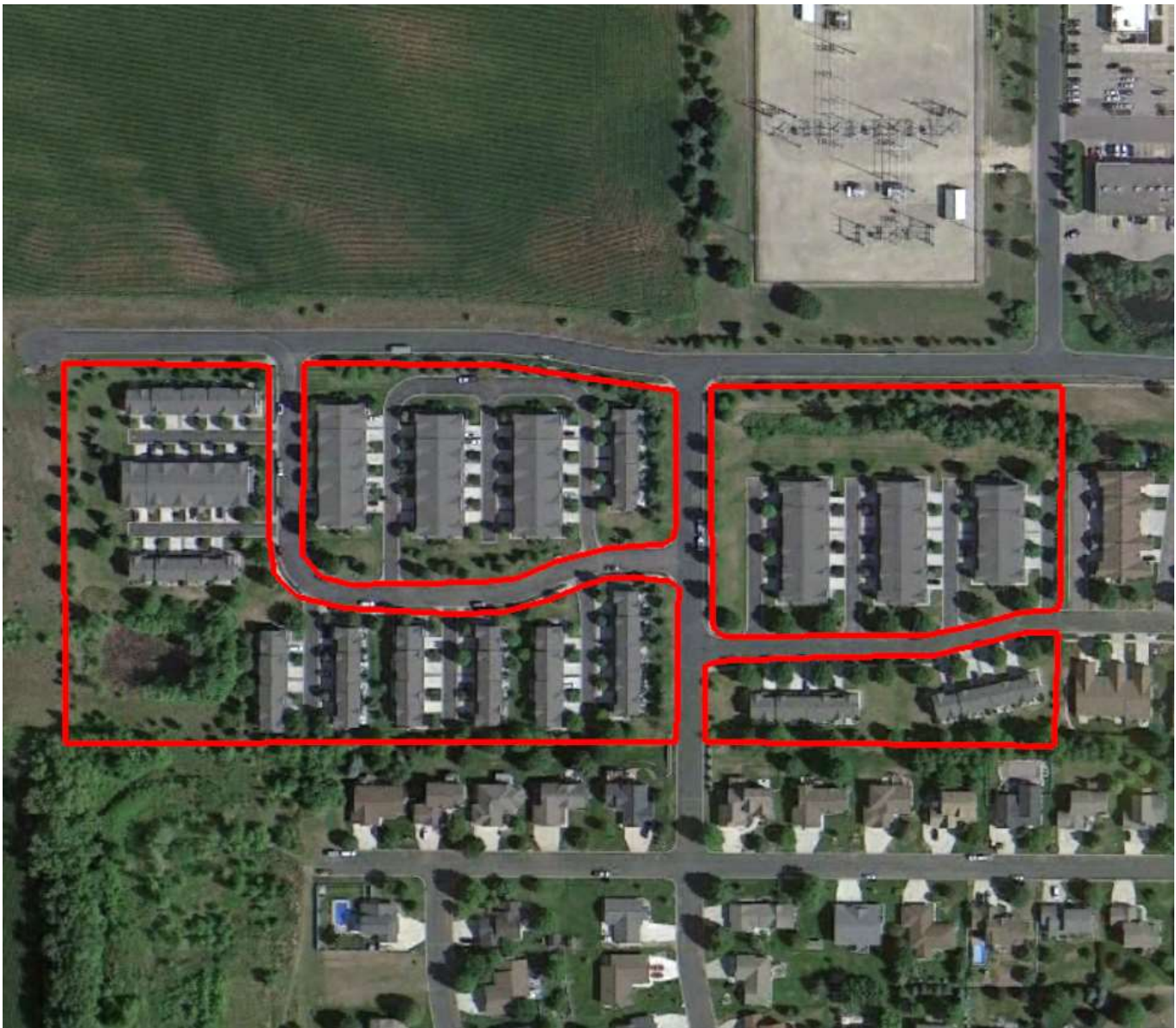
# PROPERTY OVERVIEW

## Client Profile

Client Reference Number:	13601-2021
Type of Study:	Update With-Site-Visit
Date of Non-Invasive Inspection:	February 18, 2022
Date of Study Shipment:	February 25, 2022
Fiscal Year Start and End:	Jan 1 - Dec 31

## Community Description

Type of Development:	Townhomes
Number of Units:	114
Number of Buildings:	18
Year(s) Built:	2006





## **What Is A Reserve Study? Why Have One Done?**

A Reserve Study is a financial plan used to set aside the appropriate amount of money required for capital repairs and replacements for the development's infrastructure and surrounding assets. Reserve studies are one of the most reliable ways of protecting the value of the property's infrastructure and marketability. Reserve Studies help ensure that each homeowner pays their fair share of the property's deterioration, in direct proportion to the amount of time they are owners.

It is best that community associations avoid the use of special assessments or loans to fund major replacements projects. Funding capital repairs and replacements using special assessments and loans is less cost effective than slowly accumulating reserves over time and investing the balance until the funds are needed for major projects.

## **A Reserve Study: A Multi-Functional Tool**

- 1.) Lending institutions often request Reserve Studies during the process of a loan application for the community and/or the individual owners.
- 2.) A Reserve Study contains a detailed inventory of the association's major assets and serves as a management tool for planning, scheduling and coordinating future repairs and replacements.
- 3.) A Reserve Study is an annual disclosure of the financial condition of the association to the current homeowner, and may be used as a "consumer's guide" by potential purchasers.
- 4.) A Reserve Study is a tool that can assist the board in fulfilling its legal and financial obligations of keeping the community in an economically manageable state of repair. If a community is operating on a deficit basis, it cannot guarantee that a special assessment, when needed, will be approved. Therefore, the association cannot guarantee its ability to perform necessary repairs and replacement to major components for which they are responsible.
- 5.) Reserve Studies are an essential tool for your accountant during the preparation of the association's annual audit.

## **Other Advantages Of Reserve Studies Include:**

- Assists in sale of residence
- Reduces cost of community maintenance
- Maintains market value of home
- Preserves community appearance
- Minimizes special assessments
- Equitable use of residence

## ANALYSIS METHODS AND FUNDING STRATEGIES

This reserve study utilizes the **Cash Flow Method** to calculate the minimum recommended annual reserve contribution to determine adequate, but not excessive annual reserve contributions. The Cash Flow Method pools all reserve expenditures into one cash flow.

### Building Reserves employs the following funding strategies:

- Sufficient reserve funds when required
- Stable reserve contribution rate over future years, whenever possible
- Evenly distributed reserve contributions over future years, whenever possible
- Fiscally responsible

### Building Reserves uses level recommended reserve contributions which are increased

- Building Reserves has established recommended reserve contributions, which are adjusted upwards annually to stay ahead of inflationary costs of labor, equipment, and materials. The reserve recommendations help to ensure that the reserve balance is positive, healthy, and above a minimum threshold in each of the next 30 years. This Reserve Study is a budget-planning tool that identifies the current status of the reserve fund and recommends a stable and equitable Reserve Funding Plan to offset anticipated future reserve expenditures.

## FINANCIAL PARAMETERS

<b>Interest Rate</b>	<b>0.08%</b>
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*Based upon the actual weighted-average interest rate of invested reserve fund(s), or the interest rate supplied by the Board of Directors and/or management. We assume that all interest or dividends are reinvested into the reserve fund(s) and are not subject to federal or state taxes.*

<b>Inflation Rate</b>	<b>3.70%</b>
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*Obtained from averages of national cost indexes as well as Building Reserves' proprietary cost database information.*

<b># of Units</b>	<b>114</b>
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<b>Current Total Income</b>	<b>\$</b>	<b>314,640</b>
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*Obtained from the Annual Budget, provided by the Board of Directors and/or management.*

<b>Current Annual Reserve Contribution</b>	<b>\$</b>	<b>65,895</b>
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*Obtained from the Annual Budget, provided by the Board of Directors and/or management.*

<b>Current Monthly Reserve Contribution</b>	<b>\$</b>	<b>5,491</b>
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*Obtained from the Annual Budget, provided by the Board of Directors and/or management.*

<b>Current Reserve Balance</b>	<b>\$</b>	<b>504,724</b>
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*Unaudited reserve balance, obtained from the Board of Directors and/or management.*

<b>Reserve Balance Date</b>	<b>12/31/2021</b>
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<b>Fiscal Year</b>	<b>Jan 1 - Dec 31</b>
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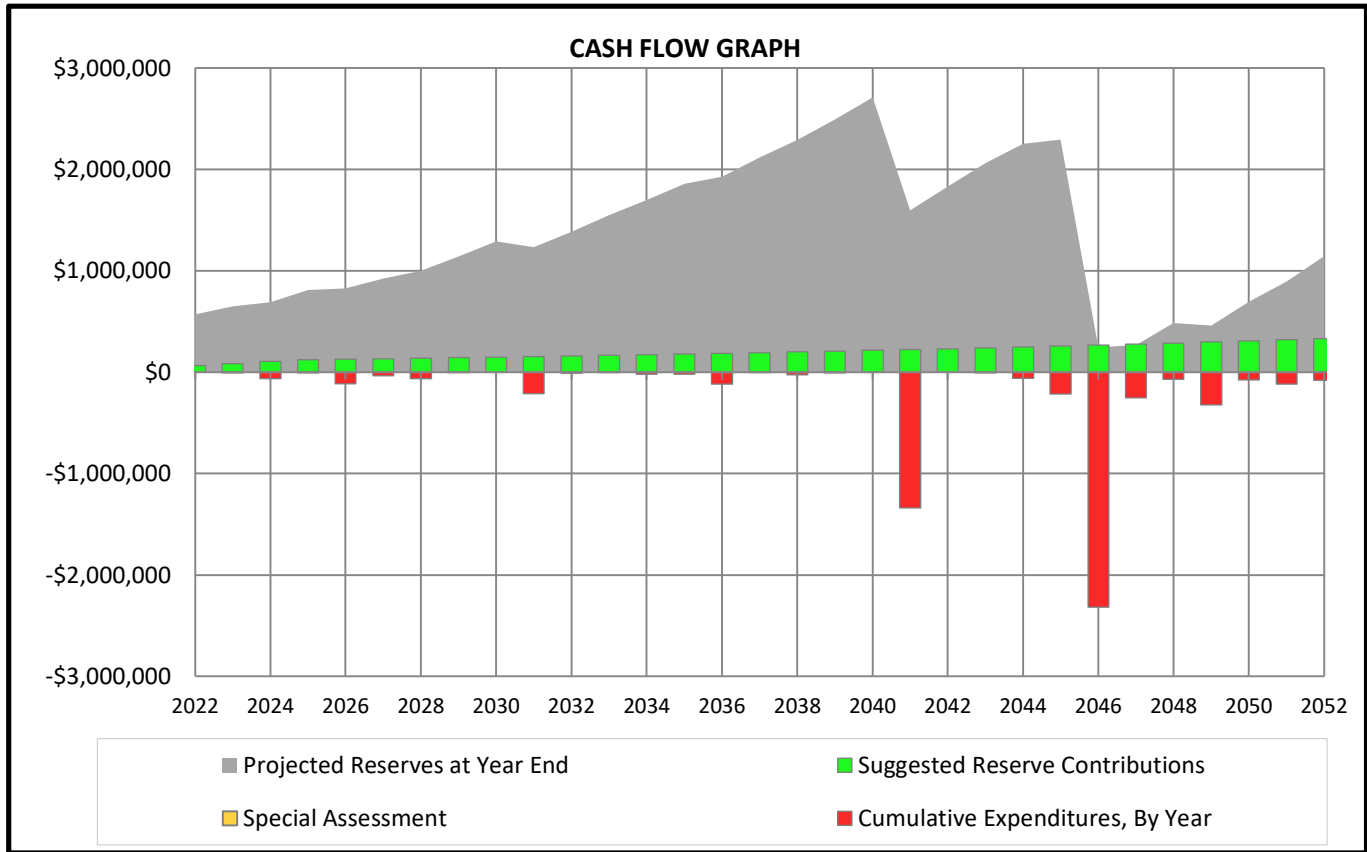
<b>Start Date of Recommended Funding Plan</b>	<b>1/1/2023</b>
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<b>Projected Reserve Balance at Start of Funding Plan</b>	<b>\$</b>	<b>571,049</b>
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*Calculated by taking the "Current Reserve Balance" + (Remaining Monthly Reserve Contributions + Remaining Monthly Special/Additional Assessments + Remaining Monthly Estimated Interest Earned - Remaining Expenditures within the portion of the "Fiscal Year" between the "Reserve Balance Date" and the "Start Date of Recommended Funding Plan")*

# RECOMMENDED RESERVE FUNDING PLAN

## Recommended Reserve Funding Plan, Next 30-Years



## DUES FORECAST

2022 Funding						
Year	Operating	Operating % Adjustment	Reserve	Reserve % Adjustment	Total	Dues % Adjustment
2022	\$248,745		\$65,895		\$314,640	

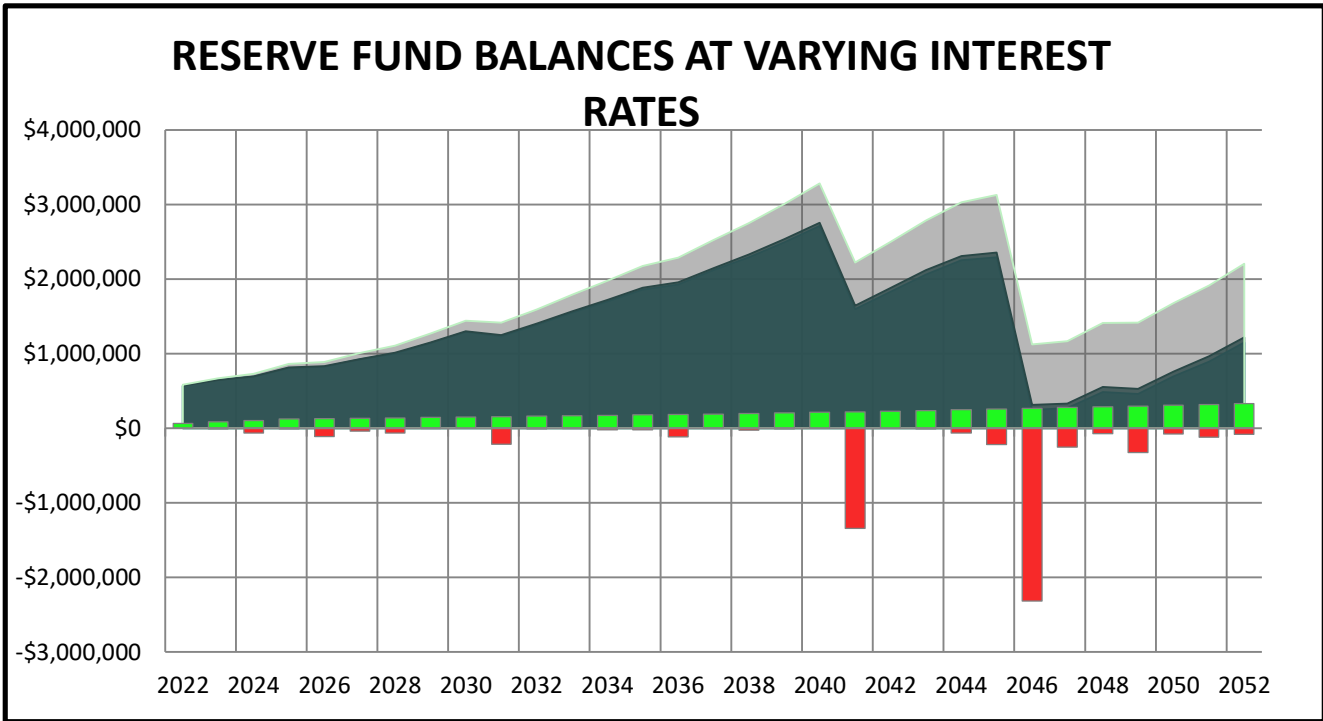
2023 - 2027 Dues Forecast						
Year	Operating	Operating % Adjustment	Reserve	Reserve % Adjustment	Total	Dues % Adjustment
2023	\$257,949	3.7%	\$85,400	29.6%	\$343,349	9.1%
2024	\$267,493	3.7%	\$104,900	22.8%	\$372,393	8.5%
2025	\$277,390	3.7%	\$124,400	18.6%	\$401,790	7.9%
2026	\$287,653	3.7%	\$129,000	3.7%	\$416,653	3.7%
2027	\$298,296	3.7%	\$133,800	3.7%	\$432,096	3.7%

The scope of this Reserve Study is strictly limited to reserve contribution recommendations, and we cannot comment on the need to adjust operating expenses. Our recommendations for reserve contributions are independent of any changes to operating expenses.

Dues projections assume that operating expenses rise at an annual rate of 3.7%. Any changes in the operating budget will affect dues percentage adjustments. Special Assessments, if included in the funding plan, are excluded from dues projections.

**How do Interest Rate Fluctuations Affect Reserve Funds?**

Fluctuating macro-economic factors, such as varying interest rates, can have a significant impact on the status of an association's reserve funds. Increases or decreases in the interest rate of an association's invested reserve funds, combined with the time-value of money, will affect long-term reserve balances. Higher interest rates typically result in lower recommended reserve contributions, and lower interest rates typically result in higher recommended reserve contributions. The interest rate utilized in this Reserve Study is based upon the actual weighted-average interest rate of invested reserve fund(s), or the interest rate supplied by the Board of Directors and/or management. We assume that all interest or dividends are reinvested into the reserve fund(s) and are not subject to federal or state taxes.



■ Suggested Reserve Contributions     
 ■ Special Assessment     
 ■ Cumulative Expenditures, By Year

Projected Reserves at Year End, 0.25%  
 • 30-Year Cumulative Interest: \$105,202

Projected Reserves at Year End, 0.08%  
 • 30-Year Cumulative Interest: \$32,847  
 • This interest rate is used as the basis for the recommended cash flow within this report  
 • This interest rate is based on how reserve funds are currently being invested, or the interest rate provided by the Board of Directors and/or Management

Projected Reserves at Year End, 2.00%  
 • 30-Year Cumulative Interest: \$1,091,013

**Property components are classified as one of the five following categories:**

- 1.) Reserve Components
- 2.) Operating Budget Components
- 3.) Long-Lived Components
- 4.) Unit Owner Responsibilities
- 5.) Components Maintained by Others

**Reserve Components**

**Reserve Components are classified as items that are:**

- 1.) The Association's responsibility
- 2.) Have a limited useful life
- 3.) Have a remaining expected useful life
- 4.) Have a replacement cost above a minimum threshold
- 5.) Components which are funded from the Association's capital reserve funds

**Non-Reserve Components**

**Operating Budget Components are classified as:**

- 1.) Relatively minor expenses which have little effect on Suggested Reserve contributions
- 2.) Components which are funded through the operating budget
- 3.) Components which have a current cost of replacement under **\$3,500**

**Long-Lived Components are classified as:**

- 1.) Components with estimated remaining useful life beyond 30-Years
- 2.) Components without predictable remaining useful life

**Unit Owner Responsibilities are classified as:**

- 1.) Components maintained and replaced by the individual unit owners

**Components Maintained by Others are classified as:**

- 1.) Components maintained and replaced by the local government, the utility service provider or others



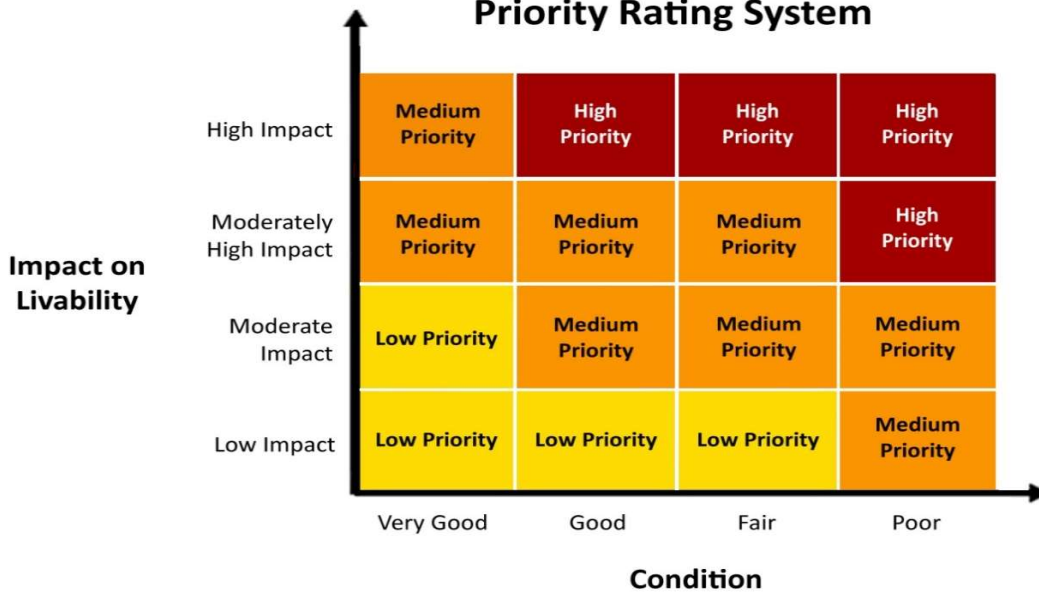
# RESPONSIBILITY MATRIX

<u>Component Name</u>	Association-Responsibility			Owner	Other
	Reserve	Operating	Long-Lived		
Address Signage, HDPE			X		
Asphalt Private Drives, Crack Repair, Patch and Seal Coat, Phased	X				
Asphalt Private Drives, Full-Depth Replacement, Phased	X				
Asphalt Private Drives, Mill and Overlay, Phased	X				
Catch Basins, Capital Repairs, Phased	X				
Catch Basins, Landscape Areas			X		
Chimney Flue Covers, As-Needed		X			
Columns, Aluminum, Unit Entries			X		
Concrete Curbs and Gutters, Partial Replacement	X				
Concrete Patios				X	
Concrete Porches / Patios at Unit Entrances				X	
Concrete Sidewalks and Driveways, Partial Replacement	X				
Concrete Sidewalks Parallel to Public Streets					X
Doors				X	
Doors, Metal, Utility Closets, Paint Finishes		X			
Doors, Metal, Utility Closets, Replacement	X				
Electric Baseboard Heaters, Utility Closets		X			
Electrical Systems, Common, Complete Replacement			X		
Electrical Systems, Common, Repairs		X			
Electrical Systems, Serving Individual Unit(s)				X	
Fences, Vinyl	X				
FHA Recertification	X				
Fire Detection, Emergency Devices, Serving Individual Unit(s)				X	
Fire Hydrants					X
Fire Suppression Systems, Common Elements, Capital Repairs		X			
Fire Suppression Systems, Common Elements, Replacement			X		
Fire Suppression Systems, Elements Serving Individual Unit(s)				X	
Foundations			X		
Garage Doors and Operators				X	
Gutters and Downspouts, Aluminum	X				
Heating, Ventilation, and Air Conditioning, Serving Individual Unit(s)				X	
Irrigation System, Annual Repairs and Interim Controller Replacements		X			
Irrigation System, Phased Replacement	X				
Landscaping		X			
Light Fixtures, Exterior	X				
Light Poles and Fixtures					X
Low Temperature Monitors at Utility Closets					X
Mailbox Stations	X				
Maintenance Items Normally Funded through the Operating Budget		X			
Pipes and Plumbing Systems, Serving Individual Unit(s)				X	
Pipes, Subsurface Utilities, Common, Inspections and Repairs		X			
Pipes, Subsurface Utilities, Laterals, Sanitary Sewer			X		
Pipes, Subsurface Utilities, Laterals, Water Supply			X		
Pipes, Subsurface Utilities, Mains and Laterals, Gas					X
Pipes, Subsurface Utilities, Mains, Sanitary Sewer					X
Pipes, Subsurface Utilities, Mains, Water Supply					X
Pipes, Subsurface Utilities, Storm Water, Under Private Property			X		
Pipes, Subsurface Utilities, Storm Water, Under Public Property					X
Reserve Study Update	X				
Retaining Walls, Masonry, at Tierney Drive					X
Retaining Walls, Masonry, Capital Repairs		X			
Retaining Walls, Masonry, Phased Replacement	X				
Roof Inspections, Preventative Maintenance, and Repairs		X			
Roofs, Asphalt Shingles	X				
Satellite Dishes				X	
Shutters, Vinyl	X				

# RESPONSIBILITY MATRIX

<u>Component Name</u>	Association-Responsibility			Owner	Other
	Reserve	Operating	Long-Lived		
Signage, at Private Streets		X			
Signage, Monument	X				
Soffits and Fascia, Aluminum	X				
Split-Rail Fence, Vinyl, at Tierney Drive					X
Stormwater Detention Basin, Maintenance		X			
Streets, Public (S Frontage Rd, Tierney Dr, Sierra Dr)					X
Structural Building Frames			X		
Touch-Up Painting		X			
Trim, Wood, Under Doors and Patio Doors, Paint Finishes and Partial Replacements		X			
Unit Interiors				X	
Utility Boxes and Meters					X
Valves, Common		X			
Walls, Masonry, Capital Repairs	X				
Walls, Vinyl Siding	X				
Windows				X	

**Priority Rating System**



Reserve Inventory		Priority Rating, Condition & Impact on Livability Assessment		
Line Item	Reserve Component Listed by Property Class	Priority	Current Condition	Impact on Livability
<b>EXTERNAL BUILDING COMPONENTS</b>				
1	Doors, Metal, Utility Closets, Replacement	Low Priority	Fair	Low Impact
2	Gutters and Downspouts, Aluminum	Medium Priority	Very Good	Moderately High Impact
3	Light Fixtures, Exterior	Medium Priority	Fair	Moderate Impact
4	Roofs, Asphalt Shingles	Medium Priority	Very Good	High Impact
5	Shutters, Vinyl	Low Priority	Fair	Low Impact
6	Soffits and Fascia, Aluminum	Medium Priority	Good	Moderately High Impact
7	Walls, Masonry, Capital Repairs	Medium Priority	Fair	Moderately High Impact
8	Walls, Vinyl Siding	High Priority	Good	High Impact
<b>SITE COMPONENTS</b>				
9	Asphalt Private Drives, Crack Repair, Patch and Seal Coat, Phased	Medium Priority	Fair	Moderate Impact
10	Asphalt Private Drives, Mill and Overlay, Phased	Medium Priority	Fair	Moderately High Impact
11	Asphalt Private Drives, Full-Depth Replacement, Phased	Medium Priority	Fair	Moderately High Impact
12	Catch Basins, Capital Repairs, Phased	Medium Priority	Fair	Moderate Impact
13	Concrete Curbs and Gutters, Partial Replacement	Medium Priority	Fair	Moderate Impact
14	Concrete Sidewalks and Driveways, Partial Replacement	Medium Priority	Good	Moderately High Impact
15	Fences, Vinyl	Medium Priority	Fair	Moderate Impact
16	Irrigation System, Phased Replacement	Medium Priority	Fair	Moderate Impact
17	Mailbox Stations	Medium Priority	Fair	Moderate Impact
18	Retaining Walls, Masonry, Phased Replacement	Medium Priority	Fair	Moderately High Impact
19	Signage, Monument	Medium Priority	Fair	Moderate Impact
<b>OTHER COMPONENTS</b>				
20	FHA Recertification			
21	Reserve Study Update			

# PRIORITY SCORE

**CONDITION** - The state of a building system, equipment, or material with regard to its working order, deficiency level or appearance.

1 to 10 Rating: 1 = Poor Condition; 10 = Very Good Condition

Weighted most heavily in the priority score rating

**IMPACT ON LIVABILITY** - The degree to which a building system, equipment, or material is required in order to maintain owner safety and well-being.

1 to 10 Rating: 1 = Low Impact on Livability; 10 = High Impact on Livability

Weighted to a moderate degree in the priority score rating

**DESIRABILITY** - The degree to which a building system, equipment, or material is favorable, attractive, or the degree to which intrinsic community value is added.

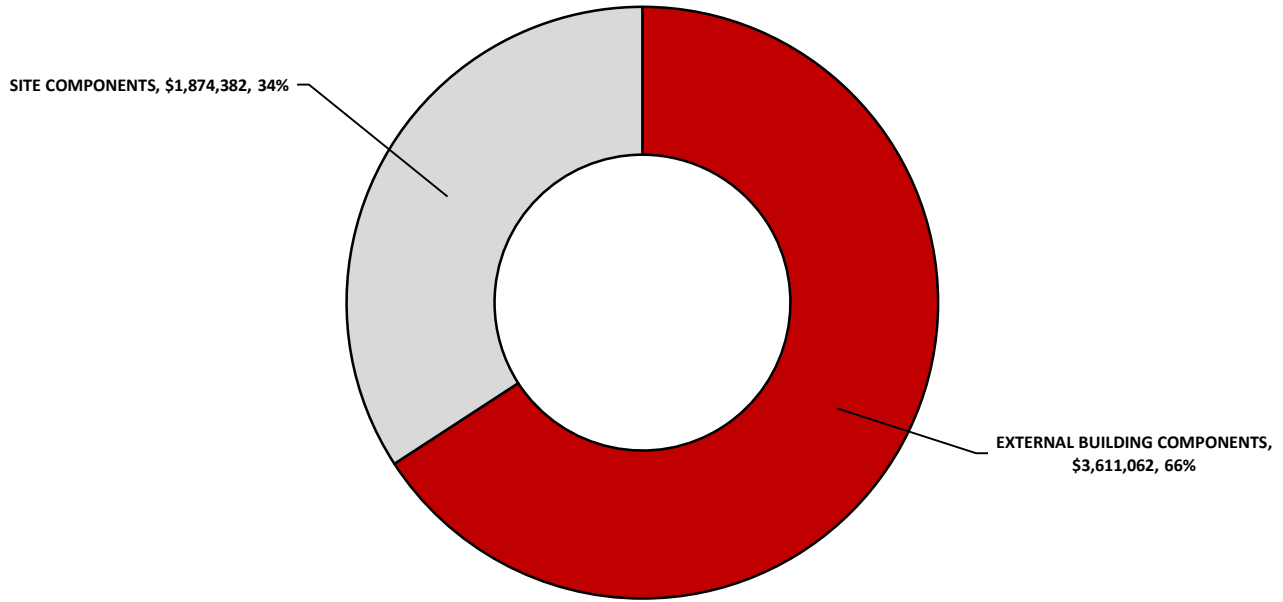
1 to 10 Rating: 1 = Low Desirability; 10 = High Desirability

Weighted least heavily in the priority score rating

Reserve Inventory		Life Analysis	Condition, Impact on Livability, and Desirability Ratings			Priority
Line Item	Reserve Component Listed by Property Class	Remaining Useful Life	Condition Rating	Impact on Livability Rating	Desirability Rating	Priority Score
7	Walls, Masonry, Capital Repairs	2	5	8	7	89
8	Walls, Vinyl Siding	24	6	9	8	88
18	Retaining Walls, Masonry, Phased Replacement	4	4	6	7	86
9	Asphalt Private Drives, Crack Repair, Patch and Seal Coat, Phased	1	4	5	6	80
10	Asphalt Private Drives, Mill and Overlay, Phased	2	5	6	7	79
11	Asphalt Private Drives, Full-Depth Replacement, Phased	23	5	6	7	79
6	Soffits and Fascia, Aluminum	24	6	7	7	77
4	Roofs, Asphalt Shingles	19	9	10	10	74
15	Fences, Vinyl	9	5	5	7	74
16	Irrigation System, Phased Replacement	12	5	5	7	74
14	Concrete Sidewalks and Driveways, Partial Replacement	5	6	6	7	72
12	Catch Basins, Capital Repairs, Phased	4	5	5	4	71
3	Light Fixtures, Exterior	4	5	4	7	69
19	Signage, Monument	10	5	4	7	69
17	Mailbox Stations	9	5	3	5	62
5	Shutters, Vinyl	9	5	2	7	59
13	Concrete Curbs and Gutters, Partial Replacement	2	5	3	2	59
2	Gutters and Downspouts, Aluminum	19	9	7	7	56
1	Doors, Metal, Utility Closets, Replacement	9	5	2	2	54

# QUANTITY AND COST PROJECTIONS FOR NEXT 30-YEARS

Graph Illustrates Total Future Cost of Replacement By Property Class

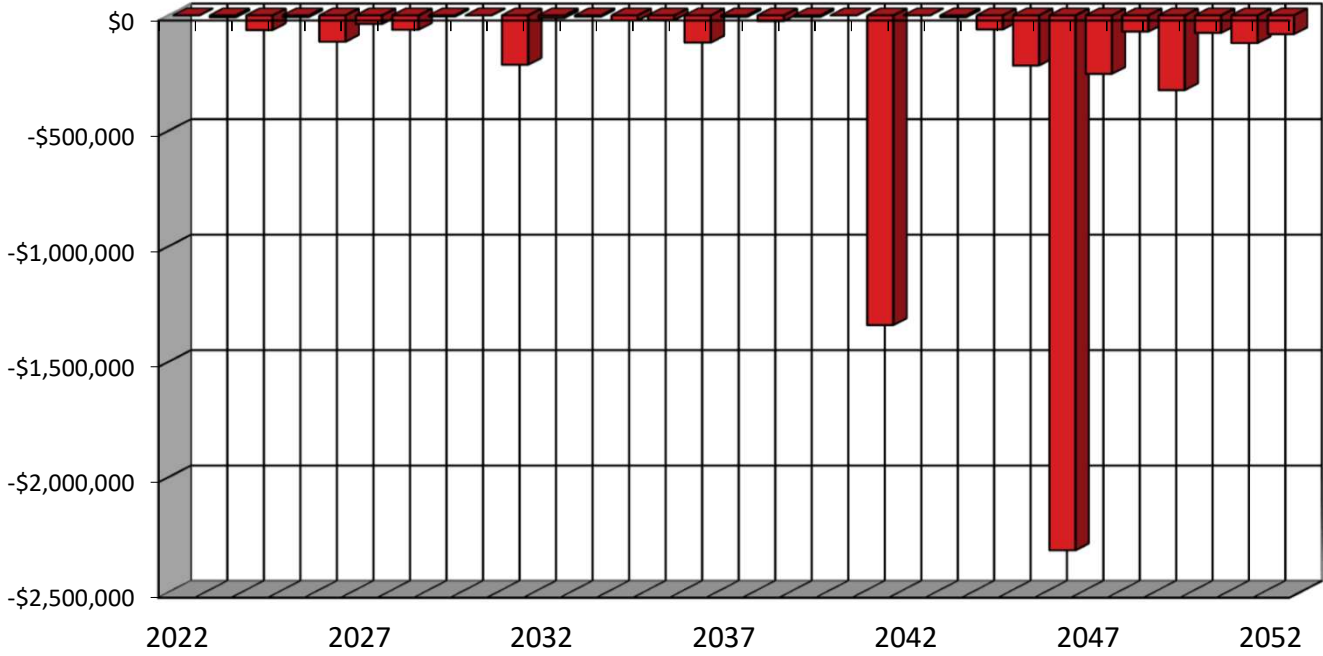


Reserve Inventory		Replacement Quantities			Replacement Costs		
Line Item	Reserve Component Listed by Property Class	Units	Per Phase	Total for 30-Years	Unit Cost	Current Cost Per Phase	Total Future Cost
<b>EXTERNAL BUILDING COMPONENTS</b>							
1	Doors, Metal, Utility Closets, Replacement	Each	18	18	\$850.00	\$15,300	\$21,218
2	Gutters and Downspouts, Aluminum	Linear Feet	7,875	7,875	\$11.00	\$86,625	\$172,759
3	Light Fixtures, Exterior	Each	274	548	\$110.00	\$30,140	\$106,938
4	Roofs, Asphalt Shingles	Squares	1,240	1,240	\$430.00	\$533,200	\$1,063,375
5	Shutters, Vinyl	Pairs	412	824	\$120.00	\$49,440	\$186,804
6	Soffits and Fascia, Aluminum	Square Feet	21,960	21,960	\$10.40	\$228,384	\$546,205
7	Walls, Masonry, Capital Repairs	Square Feet	9,050	27,150	\$1.00	\$9,050	\$45,890
8	Walls, Vinyl Siding	Square Feet	95,900	95,900	\$6.40	\$613,760	\$1,467,874
<b>SITE COMPONENTS</b>							
9	Asphalt Private Drives, Crack Repair, Patch and Seal Coat, Phased	Square Yards	2,323	11,617	\$1.75	\$4,066	\$36,386
10	Asphalt Private Drives, Mill and Overlay, Phased	Square Yards	2,323	6,970	\$18.50	\$42,982	\$149,377
11	Asphalt Private Drives, Full-Depth Replacement, Phased	Square Yards	2,323	6,970	\$36.00	\$83,640	\$623,402
12	Catch Basins, Capital Repairs, Phased	Each	7	21	\$1,150.00	\$8,050	\$42,661
13	Concrete Curbs and Gutters, Partial Replacement	Linear Feet	170	1,700	\$40.00	\$6,800	\$128,118
14	Concrete Sidewalks and Driveways, Partial Replacement	Square Feet	1,947	19,468	\$14.00	\$27,255	\$635,562
15	Fences, Vinyl	Linear Feet	570	570	\$62.00	\$35,340	\$49,009
16	Irrigation System, Phased Replacement	Heads	117	350	\$120.00	\$14,000	\$69,971
17	Mailbox Stations	Each	10	10	\$2,900.00	\$29,000	\$40,217
18	Retaining Walls, Masonry, Phased Replacement	Square Feet	226	1,130	\$46.00	\$10,396	\$89,324
19	Signage, Monument	Each	1	1	\$7,200.00	\$7,200	\$10,354
<b>OTHER COMPONENTS</b>							
20	FHA Recertification	Allowance	1	15	\$3,500.00	\$3,500	\$95,068
21	Reserve Study Update	Each	1	1	\$2,700.00	\$2,700	\$3,011



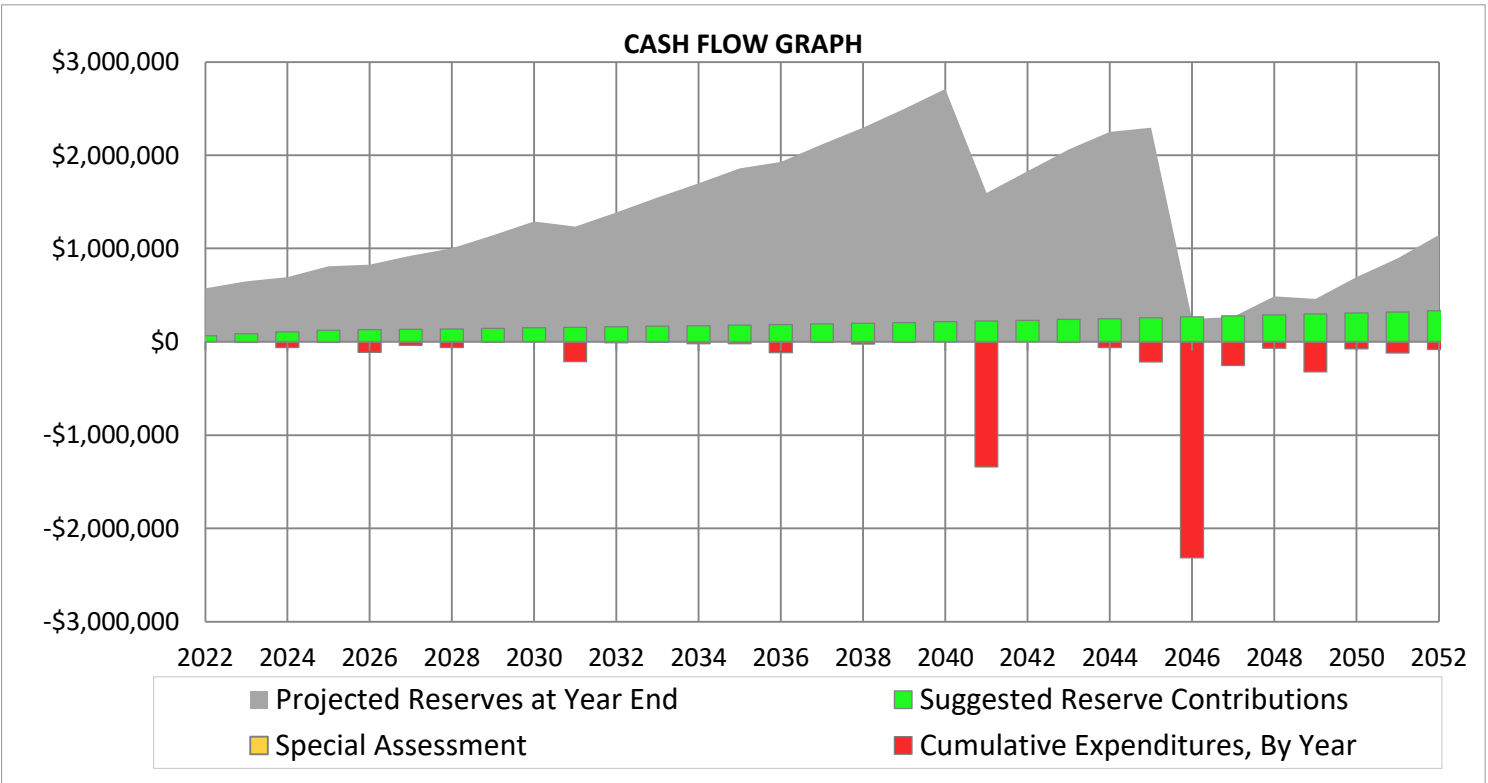
# LIFE ANALYSIS AND CONDITION ASSESSMENT

Graph Illustrates Reserve Expenses Per Year, Displaying Years 1-30



Reserve Inventory		Life Analysis and Condition Assessment				
Line Item	Reserve Component Listed by Property Class	Useful life	Remaining Useful Life	Estimated 1st Replacement Year	Estimated Current Age	Current Condition
<b>EXTERNAL BUILDING COMPONENTS</b>						
1	Doors, Metal, Utility Closets, Replacement	20 to 25	9	2031	16	Fair
2	Gutters and Downspouts, Aluminum	20 to 25	19	2041	1	Very Good
3	Light Fixtures, Exterior	20 to 25	4	2026	16	Fair
4	Roofs, Asphalt Shingles	15 to 20	19	2041	1	Very Good
5	Shutters, Vinyl	20 to 25	9	2031	16	Fair
6	Soffits and Fascia, Aluminum	40 to 45	24	2046	16	Good
7	Walls, Masonry, Capital Repairs	8 to 12	2	2024	to 16	Fair
8	Walls, Vinyl Siding	35 to 40	24	2046	16	Good
<b>SITE COMPONENTS</b>						
9	Asphalt Private Drives, Crack Repair, Patch and Seal Coat, Phased	3 to 5	1	2023	4	Fair
10	Asphalt Private Drives, Mill and Overlay, Phased	15 to 20	2	2024	16	Fair
11	Asphalt Private Drives, Full-Depth Replacement, Phased	15 to 20	23	2045	16	Fair
12	Catch Basins, Capital Repairs, Phased	20 to 25	4	2026	16	Fair
13	Concrete Curbs and Gutters, Partial Replacement	to 65	2	2024	to 16	Fair
14	Concrete Sidewalks and Driveways, Partial Replacement	to 65	5	2027	5 to 16	Good
15	Fences, Vinyl	20 to 25	9	2031	16	Fair
16	Irrigation System, Phased Replacement	30 to 35	12	2034	16	Fair
17	Mailbox Stations	20 to 25	9	2031	16	Fair
18	Retaining Walls, Masonry, Phased Replacement	20 to 40	4	2026	16	Fair
19	Signage, Monument	20 to 30	10	2032	16	Fair
<b>OTHER COMPONENTS</b>						
20	FHA Recertification	to 2	1	2023		
21	Reserve Study Update	to 3	3	2025		

# 30-YEAR CASH FLOW ANALYSIS DISPLAYING YEARS: 1-30



NOTE: 2022 includes funding data from 12/31/2021 - End of Fiscal Year

	Start Year	1	2	3	4	5	6	7	8	9	10
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
+ Reserves at Beginning of Year	\$504,724	571,049	649,091	691,261	809,347	825,247	922,864	1,000,526	1,140,768	1,290,940	1,233,304
+ Suggested Reserve Contribution	\$65,895	85,400	104,900	124,400	129,000	133,800	138,800	143,900	149,200	154,700	160,400
Annual Reserve Adjustment (%)		29.6%	22.8%	18.6%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
+ Special Assessment	\$0	0	0	0	0	0	0	0	0	0	0
+ Estimated Interest Earned	\$430	488	536	600	654	699	769	856	972	1,009	1,047
+ Cumulative Expenditure, By Year	\$0	-7,846	-63,266	-6,914	-113,754	-36,882	-61,907	-4,514	0	-213,345	-10,354
= Projected Reserves at Year End	\$571,049	649,091	691,261	809,347	825,247	922,864	1,000,526	1,140,768	1,290,940	1,233,304	1,384,397

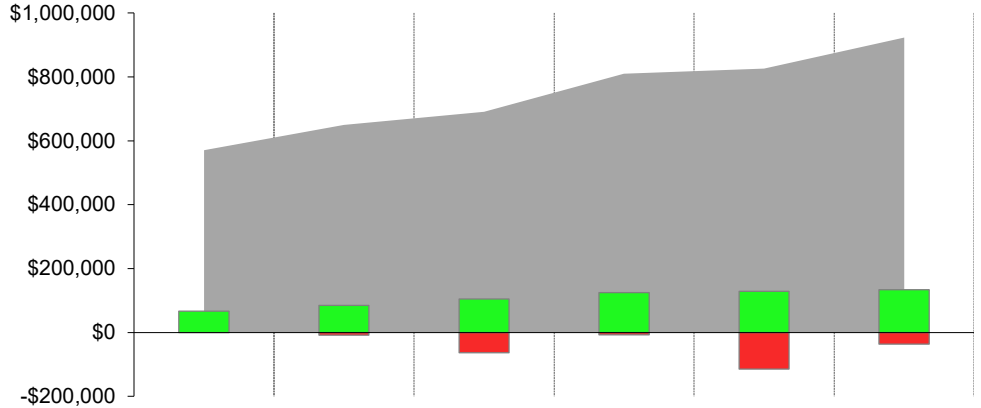
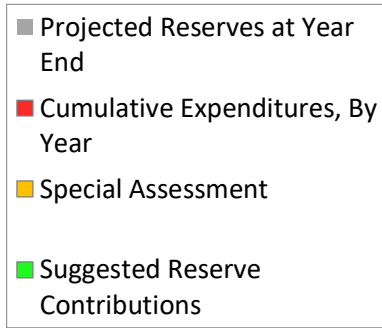
	11	12	13	14	15	16	17	18	19	20
	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
+ Reserves at Beginning of Year	1,384,397	1,546,649	1,698,796	1,858,993	1,928,651	2,116,632	2,292,858	2,495,181	2,711,863	1,596,213
+ Suggested Reserve Contribution	166,300	172,500	178,900	185,500	192,400	199,500	206,900	214,600	222,500	230,700
Annual Reserve Adjustment (%)	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
+ Special Assessment	0	0	0	0	0	0	0	0	0	0
+ Estimated Interest Earned	1,172	1,298	1,423	1,514	1,617	1,763	1,914	2,082	1,723	1,369
+ Cumulative Expenditure, By Year	-5,220	-21,651	-20,126	-117,356	-6,036	-25,037	-6,491	0	-1,339,873	0
= Projected Reserves at Year End	1,546,649	1,698,796	1,858,993	1,928,651	2,116,632	2,292,858	2,495,181	2,711,863	1,596,213	1,828,282

	21	22	23	24	25	26	27	28	29	30
	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
+ Reserves at Beginning of Year	1,828,282	2,061,531	2,250,740	2,293,205	244,926	268,886	485,991	460,640	694,222	895,388
+ Suggested Reserve Contribution	239,200	248,100	257,300	266,800	276,700	286,900	297,500	308,500	319,900	331,700
Annual Reserve Adjustment (%)	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
+ Special Assessment	0	0	0	0	0	0	0	0	0	0
+ Estimated Interest Earned	1,555	1,724	1,817	1,015	205	302	379	462	636	817
+ Cumulative Expenditure, By Year	-7,506	-60,615	-216,652	-2,316,094	-252,945	-70,097	-323,230	-75,380	-119,370	-81,061
= Projected Reserves at Year End	2,061,531	2,250,740	2,293,205	244,926	268,886	485,991	460,640	694,222	895,388	1,146,844

# DIVISION 1: YEARS 1-5 OF CASH FLOW ANALYSIS

Local Inflationary Costs for Labor, Equipment and Materials: **3.70%**

Interest Earned on Invested Reserves: **0.08%**

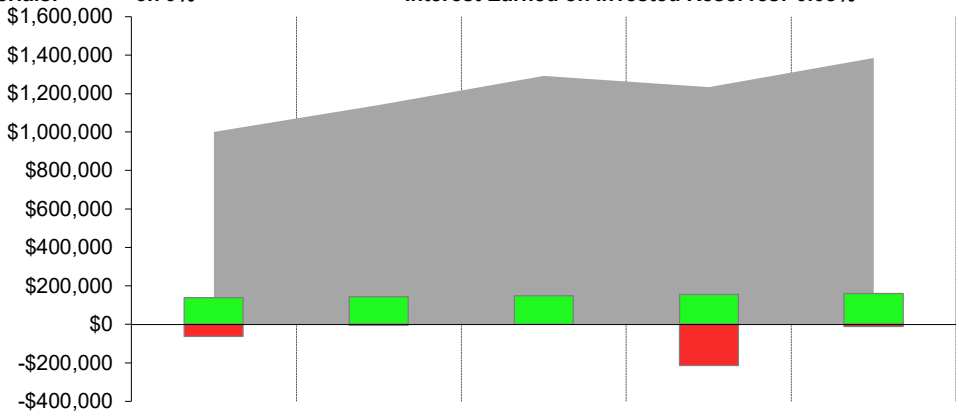
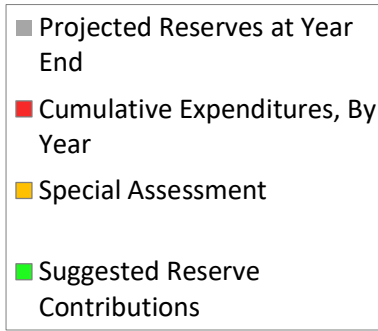


		2022	2023	2024	2025	2026	2027
+	<b>Reserves at Beginning of Year</b>	504,724	571,049	649,091	691,261	809,347	825,247
+	<b>Suggested Reserve Contribution</b>	65,895	85,400	104,900	124,400	129,000	133,800
Annual Reserve Adjustment (%)			29.6%	22.8%	18.6%	3.7%	3.7%
+	<b>Special Assessment</b>						
+	<b>Estimated Interest Earned on Invested Reserves</b>	430	488	536	600	654	699
+	<b>Cumulative Expenses, By Year</b>		-7,846	-63,266	-6,914	-113,754	-36,882
=	<b>Projected Reserves at Year End</b>	571,049	649,091	691,261	809,347	825,247	922,864
Line Item	Reserve Component Listed by Property Class	Year Start	1	2	3	4	5
		2022	2023	2024	2025	2026	2027
	EXTERNAL BUILDING COMPONENTS						
1	Doors, Metal, Utility Closets, Replacement						
2	Gutters and Downspouts, Aluminum						
3	Light Fixtures, Exterior					34,854	
4	Roofs, Asphalt Shingles						
5	Shutters, Vinyl						
6	Soffits and Fascia, Aluminum						
7	Walls, Masonry, Capital Repairs			9,732			
8	Walls, Vinyl Siding						
	SITE COMPONENTS						
9	Asphalt Private Drives, Crack Repair, Patch and Seal Coat, Phased		4,216				
10	Asphalt Private Drives, Mill and Overlay, Phased			46,221		49,705	
11	Asphalt Private Drives, Full-Depth Replacement, Phased						
12	Catch Basins, Capital Repairs, Phased					9,309	
13	Concrete Curbs and Gutters, Partial Replacement			7,313		7,864	
14	Concrete Sidewalks and Driveways, Partial Replacement						32,685
15	Fences, Vinyl						
16	Irrigation System, Phased Replacement						
17	Mailbox Stations						
18	Retaining Walls, Masonry, Phased Replacement					12,022	
19	Signage, Monument						
	OTHER COMPONENTS						
20	FHA Recertification		3,630		3,903		4,197
21	Reserve Study Update				3,011		

# DIVISION 2: YEARS 6-10 OF CASH FLOW ANALYSIS

Local Inflationary Costs for Labor, Equipment and Materials: **3.70%**

Interest Earned on Invested Reserves: **0.08%**

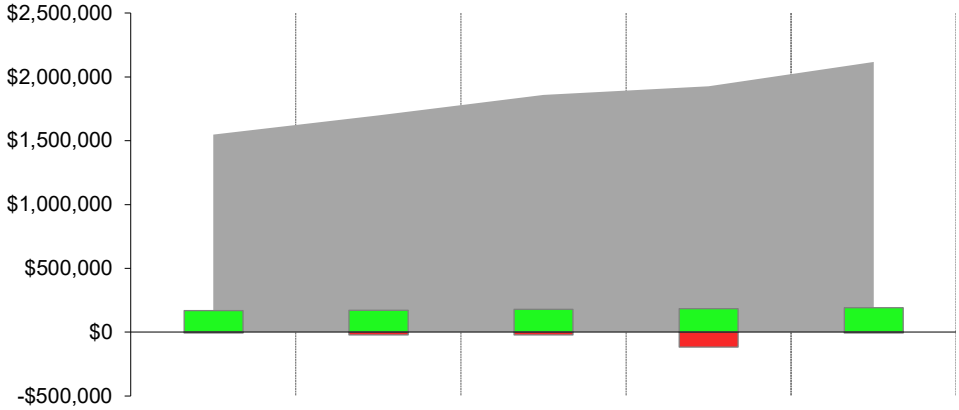
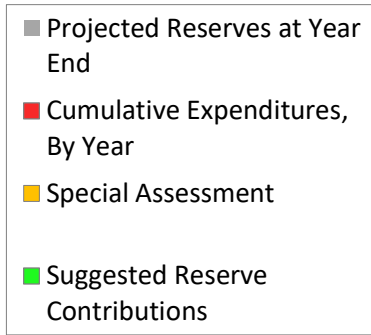


		2028	2029	2030	2031	2032
+	<b>Reserves at Beginning of Year</b>	922,864	1,000,526	1,140,768	1,290,940	1,233,304
+	<b>Suggested Reserve Contribution</b>	138,800	143,900	149,200	154,700	160,400
<b>Annual Reserve Adjustment (%)</b>		3.7%	3.7%	3.7%	3.7%	3.7%
+	<b>Special Assessment</b>					
+	<b>Estimated Interest Earned on Invested Reserves</b>	769	856	972	1,009	1,047
+	<b>Cumulative Expenditure, By Year</b>	-61,907	-4,514		-213,345	-10,354
=	<b>Projected Reserves at Year End</b>	1,000,526	1,140,768	1,290,940	1,233,304	1,384,397
Line Item	Reserve Component Listed by Property Class	6	7	8	9	10
		2028	2029	2030	2031	2032
	EXTERNAL BUILDING COMPONENTS					
1	Doors, Metal, Utility Closets, Replacement				21,218	
2	Gutters and Downspouts, Aluminum					
3	Light Fixtures, Exterior					
4	Roofs, Asphalt Shingles					
5	Shutters, Vinyl				68,563	
6	Soffits and Fascia, Aluminum					
7	Walls, Masonry, Capital Repairs					
8	Walls, Vinyl Siding					
	SITE COMPONENTS					
9	Asphalt Private Drives, Crack Repair, Patch and Seal Coat, Phased				5,638	
10	Asphalt Private Drives, Mill and Overlay, Phased	53,451				
11	Asphalt Private Drives, Full-Depth Replacement, Phased					
12	Catch Basins, Capital Repairs, Phased					
13	Concrete Curbs and Gutters, Partial Replacement	8,456			9,430	
14	Concrete Sidewalks and Driveways, Partial Replacement					
15	Fences, Vinyl				49,009	
16	Irrigation System, Phased Replacement					
17	Mailbox Stations				40,217	
18	Retaining Walls, Masonry, Phased Replacement				14,417	
19	Signage, Monument					10,354
	OTHER COMPONENTS					
20	FHA Recertification		4,514		4,854	
21	Reserve Study Update					

# DIVISION 3: YEARS 11-15 OF CASH FLOW ANALYSIS

Local Inflationary Costs for Labor, Equipment and Materials: **3.70%**

Interest Earned on Invested Reserves: **0.08%**



		2033	2034	2035	2036	2037
+	<b>Reserves at Beginning of Year</b>	1,384,397	1,546,649	1,698,796	1,858,993	1,928,651
+	<b>Suggested Reserve Contribution</b>	166,300	172,500	178,900	185,500	192,400
		Annual Reserve Adjustment (%) 3.7%				
+	<b>Special Assessment</b>					
+	<b>Estimated Interest Earned on Invested Reserves</b>	1,172	1,298	1,423	1,514	1,617
+	<b>Cumulative Expenditure, By Year</b>	-5,220	-21,651	-20,126	-117,356	-6,036
=	<b>Projected Reserves at Year End</b>	1,546,649	1,698,796	1,858,993	1,928,651	2,116,632
Line Item	Reserve Component Listed by Property Class	11	12	13	14	15
		2033	2034	2035	2036	2037
	EXTERNAL BUILDING COMPONENTS					
1	Doors, Metal, Utility Closets, Replacement					
2	Gutters and Downspouts, Aluminum					
3	Light Fixtures, Exterior					
4	Roofs, Asphalt Shingles					
5	Shutters, Vinyl					
6	Soffits and Fascia, Aluminum					
7	Walls, Masonry, Capital Repairs			14,514		
8	Walls, Vinyl Siding					
	SITE COMPONENTS					
9	Asphalt Private Drives, Crack Repair, Patch and Seal Coat, Phased				6,762	
10	Asphalt Private Drives, Mill and Overlay, Phased					
11	Asphalt Private Drives, Full-Depth Replacement, Phased					
12	Catch Basins, Capital Repairs, Phased				13,387	
13	Concrete Curbs and Gutters, Partial Replacement				11,309	
14	Concrete Sidewalks and Driveways, Partial Replacement				45,326	
15	Fences, Vinyl					
16	Irrigation System, Phased Replacement		21,651		23,283	
17	Mailbox Stations					
18	Retaining Walls, Masonry, Phased Replacement				17,289	
19	Signage, Monument					
	OTHER COMPONENTS					
20	FHA Recertification	5,220		5,613		6,036
21	Reserve Study Update					

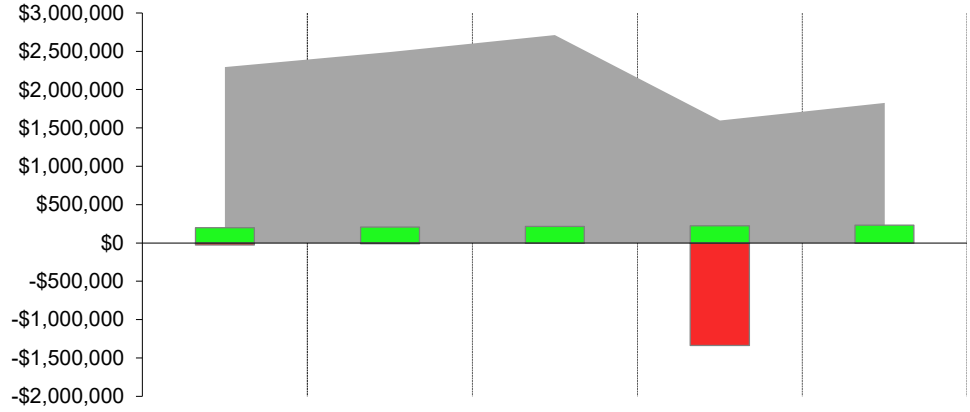


# DIVISION 4: YEARS 16-20 OF CASH FLOW ANALYSIS

Local Inflationary Costs for Labor, Equipment and Materials: **3.70%**

Interest Earned on Invested Reserves: **0.08%**

- Projected Reserves at Year End
- Cumulative Expenditures, By Year
- Special Assessment
- Suggested Reserve Contributions

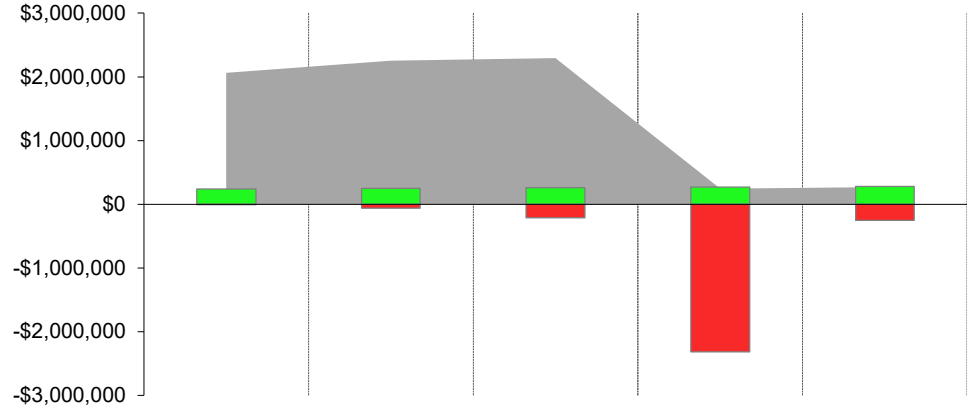
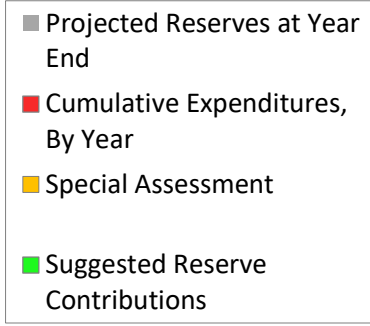


		2038	2039	2040	2041	2042
+	<b>Reserves at Beginning of Year</b>	2,116,632	2,292,858	2,495,181	2,711,863	1,596,213
+	<b>Suggested Reserve Contribution</b>	199,500	206,900	214,600	222,500	230,700
<b>Annual Reserve Adjustment (%)</b>		3.7%	3.7%	3.7%	3.7%	3.7%
+	<b>Special Assessment</b>					
+	<b>Estimated Interest Earned on Invested Reserves</b>	1,763	1,914	2,082	1,723	1,369
+	<b>Cumulative Expenditure, By Year</b>	-25,037	-6,491		-1,339,873	
=	<b>Projected Reserves at Year End</b>	2,292,858	2,495,181	2,711,863	1,596,213	1,828,282
Line Item	Reserve Component Listed by Property Class	16	17	18	19	20
		2038	2039	2040	2041	2042
	<b>EXTERNAL BUILDING COMPONENTS</b>					
1	Doors, Metal, Utility Closets, Replacement					
2	Gutters and Downspouts, Aluminum				172,759	
3	Light Fixtures, Exterior					
4	Roofs, Asphalt Shingles				1,063,375	
5	Shutters, Vinyl					
6	Soffits and Fascia, Aluminum					
7	Walls, Masonry, Capital Repairs					
8	Walls, Vinyl Siding					
	<b>SITE COMPONENTS</b>					
9	Asphalt Private Drives, Crack Repair, Patch and Seal Coat, Phased				8,109	
10	Asphalt Private Drives, Mill and Overlay, Phased					
11	Asphalt Private Drives, Full-Depth Replacement, Phased					
12	Catch Basins, Capital Repairs, Phased					
13	Concrete Curbs and Gutters, Partial Replacement				13,561	
14	Concrete Sidewalks and Driveways, Partial Replacement				54,356	
15	Fences, Vinyl					
16	Irrigation System, Phased Replacement	25,037				
17	Mailbox Stations					
18	Retaining Walls, Masonry, Phased Replacement				20,733	
19	Signage, Monument					
	<b>OTHER COMPONENTS</b>					
20	FHA Recertification		6,491		6,980	
21	Reserve Study Update					

# DIVISION 5: YEARS 21-25 OF CASH FLOW ANALYSIS

Local Inflationary Costs for Labor, Equipment and Materials: **3.70%**

Interest Earned on Invested Reserves: **0.08%**

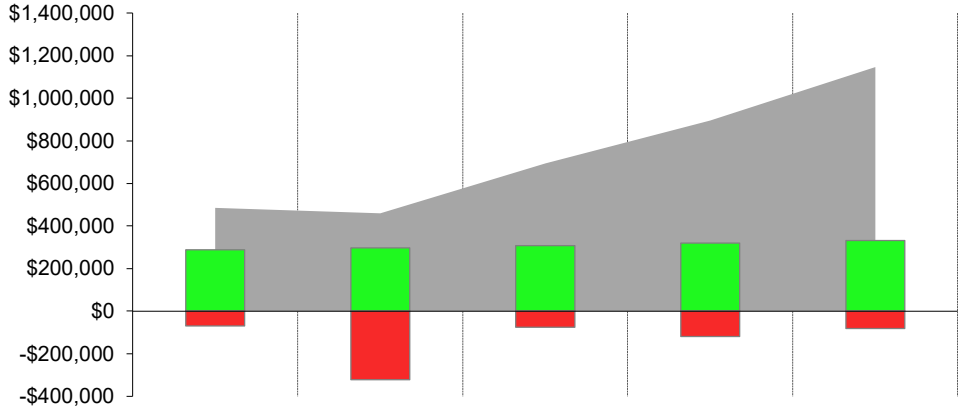
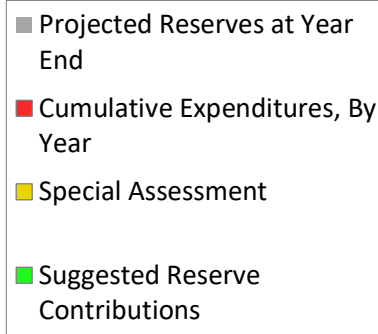


		2043	2044	2045	2046	2047
+	<b>Reserves at Beginning of Year</b>	1,828,282	2,061,531	2,250,740	2,293,205	244,926
+	<b>Suggested Reserve Contribution</b>	239,200	248,100	257,300	266,800	276,700
<b>Annual Reserve Adjustment (%)</b>		3.7%	3.7%	3.7%	3.7%	3.7%
+	<b>Special Assessment</b>					
+	<b>Estimated Interest Earned on Invested Reserves</b>	1,555	1,724	1,817	1,015	205
+	<b>Cumulative Expenditure, By Year</b>	-7,506	-60,615	-216,652	-2,316,094	-252,945
=	<b>Projected Reserves at Year End</b>	2,061,531	2,250,740	2,293,205	244,926	268,886
Line Item	Reserve Component Listed by Property Class	2043	2044	2045	2046	2047
	<b>EXTERNAL BUILDING COMPONENTS</b>					
1	Doors, Metal, Utility Closets, Replacement					
2	Gutters and Downspouts, Aluminum					
3	Light Fixtures, Exterior				72,083	
4	Roofs, Asphalt Shingles					
5	Shutters, Vinyl				118,241	
6	Soffits and Fascia, Aluminum				546,205	
7	Walls, Masonry, Capital Repairs				21,644	
8	Walls, Vinyl Siding				1,467,874	
	<b>SITE COMPONENTS</b>					
9	Asphalt Private Drives, Crack Repair, Patch and Seal Coat, Phased					
10	Asphalt Private Drives, Mill and Overlay, Phased					
11	Asphalt Private Drives, Full-Depth Replacement, Phased			192,897		207,435
12	Catch Basins, Capital Repairs, Phased					19,965
13	Concrete Curbs and Gutters, Partial Replacement			15,683		16,865
14	Concrete Sidewalks and Driveways, Partial Replacement		60,615		65,184	
15	Fences, Vinyl					
16	Irrigation System, Phased Replacement					
17	Mailbox Stations					
18	Retaining Walls, Masonry, Phased Replacement				24,863	
19	Signage, Monument					
	<b>OTHER COMPONENTS</b>					
20	FHA Recertification	7,506		8,072		8,680
21	Reserve Study Update					

# DIVISION 6: YEARS 26-30 OF CASH FLOW ANALYSIS

Local Inflationary Costs for Labor, Equipment and Materials: **3.70%**

Interest Earned on Invested Reserves: **0.08%**



		2048	2049	2050	2051	2052
+	<b>Reserves at Beginning of Year</b>	268,886	485,991	460,640	694,222	895,388
+	<b>Suggested Reserve Contribution</b>	286,900	297,500	308,500	319,900	331,700
		3.7%	3.7%	3.7%	3.7%	3.7%
+	<b>Special Assessment</b>					
+	<b>Estimated Interest Earned on Invested Reserves</b>	302	379	462	636	817
+	<b>Cumulative Expenditure, By Year</b>	-70,097	-323,230	-75,380	-119,370	-81,061
=	<b>Projected Reserves at Year End</b>	485,991	460,640	694,222	895,388	1,146,844
Line Item	Reserve Component Listed by Property Class	2048	2049	2050	2051	2052
	EXTERNAL BUILDING COMPONENTS					
1	Doors, Metal, Utility Closets, Replacement					
2	Gutters and Downspouts, Aluminum					
3	Light Fixtures, Exterior					
4	Roofs, Asphalt Shingles					
5	Shutters, Vinyl					
6	Soffits and Fascia, Aluminum					
7	Walls, Masonry, Capital Repairs					
8	Walls, Vinyl Siding					
	SITE COMPONENTS					
9	Asphalt Private Drives, Crack Repair, Patch and Seal Coat, Phased				11,661	
10	Asphalt Private Drives, Mill and Overlay, Phased					
11	Asphalt Private Drives, Full-Depth Replacement, Phased		223,070			
12	Catch Basins, Capital Repairs, Phased					
13	Concrete Curbs and Gutters, Partial Replacement		18,136		19,503	
14	Concrete Sidewalks and Driveways, Partial Replacement	70,097	72,690	75,380	78,169	81,061
15	Fences, Vinyl					
16	Irrigation System, Phased Replacement					
17	Mailbox Stations					
18	Retaining Walls, Masonry, Phased Replacement					
19	Signage, Monument					
	OTHER COMPONENTS					
20	FHA Recertification		9,335		10,038	
21	Reserve Study Update					

# Doors, Metal, Utility Closets, Replacement

## EXTERNAL BUILDING COMPONENT

**PERCENTAGE OF TOTAL FUTURE COSTS: 0.38%**

**Line Item: 1**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	18	Each	Current Unit Cost:	\$850.00	
Replacement Per Phase:	18	Each	Current Cost Per Phase:	\$15,300	
Replaced in Next 30-Years:	18	Each	Total Cost Next 30-Years:	\$21,218	
ESTIMATED AGE AND REPLACEMENT YEARS			CONDITION AND USEFUL LIFE		
Estimated Current Age in Years:	16		Overall Current Condition:	Fair	
Remaining Years Until Replacement:	9		Useful Life in Hastings, MN	20 to 25	Years
Estimated First Year of Replacement:	2031		Full or Partial Replacement:	Full	100.0%
PRIORITY RATING			PRIORITY SCORE		
Priority Rating	Low Priority		Priority Score	54	



Overview of metal utility door



Overview of metal utility door



Lockset at door



Door hinge

Schedule of Replacements Costs					
2022	\$0				
2023	\$0	2033	\$0	2043	\$0
2024	\$0	2034	\$0	2044	\$0
2025	\$0	2035	\$0	2045	\$0
2026	\$0	2036	\$0	2046	\$0
2027	\$0	2037	\$0	2047	\$0
2028	\$0	2038	\$0	2048	\$0
2029	\$0	2039	\$0	2049	\$0
2030	\$0	2040	\$0	2050	\$0
2031	\$21,218	2041	\$0	2051	\$0
2032	\$0	2042	\$0	2052	\$0

**Engineering Narrative**

Metal utility doors are located at each building and date to original construction. With a typical useful life between 20 and 25 years, we recommend budgeting for door replacement by 2031. Interim door painting should be funded through the operating budget as needed.



# Gutters and Downspouts, Aluminum

## EXTERNAL BUILDING COMPONENT

**PERCENTAGE OF TOTAL FUTURE COSTS: 3.09%**

**Line Item: 2**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	7,875	Linear Feet	Current Unit Cost:	\$11.00	
Replacement Per Phase:	7,875	Linear Feet	Current Cost Per Phase:	\$86,625	
Replaced in Next 30-Years:	7,875	Linear Feet	Total Cost Next 30-Years:	\$172,759	
ESTIMATED AGE AND REPLACEMENT YEARS			CONDITION AND USEFUL LIFE		
Estimated Current Age in Years:	1		Overall Current Condition:	Very Good	
Remaining Years Until Replacement:	19		Useful Life in Hastings, MN	20 to 25	Years
Estimated First Year of Replacement:	2041		Full or Partial Replacement:	Full	100.0%
PRIORITY RATING			PRIORITY SCORE		
Priority Rating	Medium Priority		Priority Score	56	



Gutter to downspout connection at eave



Gutter at eave with diverter



Downspout extension at grade



Connected downspout sections

Schedule of Replacements Costs					
2022	\$0				
2023	\$0	2033	\$0	2043	\$0
2024	\$0	2034	\$0	2044	\$0
2025	\$0	2035	\$0	2045	\$0
2026	\$0	2036	\$0	2046	\$0
2027	\$0	2037	\$0	2047	\$0
2028	\$0	2038	\$0	2048	\$0
2029	\$0	2039	\$0	2049	\$0
2030	\$0	2040	\$0	2050	\$0
2031	\$0	2041	\$172,759	2051	\$0
2032	\$0	2042	\$0	2052	\$0

**Engineering Narrative**

Gutters and downspouts were replaced in 2021 through a hail storm claim. We recommend budgeting for replacement concurrently with roof replacement, due to their interrelated nature. Gutter cleaning and debris removal is considered routine maintenance to be funded through the operating budget.

# Light Fixtures, Exterior

## EXTERNAL BUILDING COMPONENT

**PERCENTAGE OF TOTAL FUTURE COSTS: 1.92%**

**Line Item: 3**

ESTIMATED UNIT QUANTITY		ESTIMATED REPLACEMENT COSTS	
Present:	274	Each	Current Unit Cost: \$110.00
Replacement Per Phase:	274	Each	Current Cost Per Phase: \$30,140
Replaced in Next 30-Years:	548	Each	Total Cost Next 30-Years: \$106,938
ESTIMATED AGE AND REPLACEMENT YEARS		CONDITION AND USEFUL LIFE	
Estimated Current Age in Years:	16	Overall Current Condition:	Fair
Remaining Years Until Replacement:	4	Useful Life in Hastings, MN	20 to 25 Years
Estimated First Year of Replacement:	2026	Full or Partial Replacement:	Full 200.0%
PRIORITY RATING		PRIORITY SCORE	
Priority Rating	Medium Priority	Priority Score	69



Sconce near entry door



Sconce near garage door



Typical sconce at front façade



Rear patio sconce

Schedule of Replacements Costs					
2022	\$0				
2023	\$0	2033	\$0	2043	\$0
2024	\$0	2034	\$0	2044	\$0
2025	\$0	2035	\$0	2045	\$0
2026	\$34,854	2036	\$0	2046	\$72,083
2027	\$0	2037	\$0	2047	\$0
2028	\$0	2038	\$0	2048	\$0
2029	\$0	2039	\$0	2049	\$0
2030	\$0	2040	\$0	2050	\$0
2031	\$0	2041	\$0	2051	\$0
2032	\$0	2042	\$0	2052	\$0

**Engineering Narrative**

Total quantity includes 228 sconces at front / side building facades and 46 sconces at rear building facades. Fixtures are original and appear in fair overall condition. We recommend budgeting for replacement by 2026. A subsequent replacement event is included in 2046 to coincide with vinyl siding replacement.



# Roofs, Asphalt Shingles

## EXTERNAL BUILDING COMPONENT

**PERCENTAGE OF TOTAL FUTURE COSTS: 19.04%**

**Line Item: 4**

### ESTIMATED UNIT QUANTITY

Present:	1,240	Squares
Replacement Per Phase:	1,240	Squares
Replaced in Next 30-Years:	1,240	Squares

### ESTIMATED REPLACEMENT COSTS

Current Unit Cost:	\$430.00
Current Cost Per Phase:	\$533,200
Total Cost Next 30-Years:	\$1,063,375

### ESTIMATED AGE AND REPLACEMENT YEARS

Estimated Current Age in Years:	1
Remaining Years Until Replacement:	19
Estimated First Year of Replacement:	2041

### CONDITION AND USEFUL LIFE

Overall Current Condition:	Very Good	
Useful Life in Hastings, MN	15 to 20	Years
Full or Partial Replacement:	Full	100.0%

### PRIORITY RATING

Priority Rating	Medium Priority
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### PRIORITY SCORE

Priority Score	74
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Overview of asphalt shingle roof



Architectural, dimensional shingles



Shingles at lower roof level



Ice damming at eave

Schedule of Replacements Costs					
2022	\$0				
2023	\$0	2033	\$0	2043	\$0
2024	\$0	2034	\$0	2044	\$0
2025	\$0	2035	\$0	2045	\$0
2026	\$0	2036	\$0	2046	\$0
2027	\$0	2037	\$0	2047	\$0
2028	\$0	2038	\$0	2048	\$0
2029	\$0	2039	\$0	2049	\$0
2030	\$0	2040	\$0	2050	\$0
2031	\$0	2041	\$1,063,375	2051	\$0
2032	\$0	2042	\$0	2052	\$0

**Engineering Narrative**

Asphalt shingle roofs were replaced in 2021 through a hail storm claim. Roofs are reported and observed in very good condition, with no active leaks or water infiltration issues reported by management. Isolated ice dams were observed, and we recommend the Association address insulation / venting issues as needed through the operating budget. We recommend budgeting for roof replacement at 20 years of age, concurrently with gutters and downspouts.



# Shutters, Vinyl

## EXTERNAL BUILDING COMPONENT

**PERCENTAGE OF TOTAL FUTURE COSTS: 3.35%**

**Line Item: 5**

ESTIMATED UNIT QUANTITY		ESTIMATED REPLACEMENT COSTS	
Present:	412	Pairs	Current Unit Cost: \$120.00
Replacement Per Phase:	412	Pairs	Current Cost Per Phase: \$49,440
Replaced in Next 30-Years:	824	Pairs	Total Cost Next 30-Years: \$186,804
ESTIMATED AGE AND REPLACEMENT YEARS		CONDITION AND USEFUL LIFE	
Estimated Current Age in Years:	16	Overall Current Condition:	Fair
Remaining Years Until Replacement:	9	Useful Life in Hastings, MN	20 to 25 Years
Estimated First Year of Replacement:	2031	Full or Partial Replacement:	Full 200.0%
PRIORITY RATING		PRIORITY SCORE	
Priority Rating	Low Priority	Priority Score	59



Louvered style shutter



Raised panel style shutter



Vinyl shutter with good coloring



Vinyl shutter with good coloring

Schedule of Replacements Costs			
2022	\$0		
2023	\$0	2033	\$0
2024	\$0	2034	\$0
2025	\$0	2035	\$0
2026	\$0	2036	\$0
2027	\$0	2037	\$0
2028	\$0	2038	\$0
2029	\$0	2039	\$0
2030	\$0	2040	\$0
2031	\$68,563	2041	\$0
2032	\$0	2042	\$0
		2043	\$0
		2044	\$0
		2045	\$0
		2046	\$118,241
		2047	\$0
		2048	\$0
		2049	\$0
		2050	\$0
		2051	\$0
		2052	\$0

**Engineering Narrative**

Quantity includes 158 - 5' raised panel shutter pairs, 138 - 4' raised shutter pairs, 52 - 5' louvered pairs, and 64- 4' louvered pairs of shutters at the property. Management does not report that any shutters were replaced with the 2021 storm claim. We recommend budgeting for replacement by 2031. A subsequent replacement event is included in 2046 to coincide with vinyl siding replacement.

# Soffits and Fascia, Aluminum

## EXTERNAL BUILDING COMPONENT

PERCENTAGE OF TOTAL FUTURE COSTS: **9.78%**

Line Item: **6**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	24,400	Square Feet	Current Unit Cost:	\$10.40	
Replacement Per Phase:	21,960	Square Feet	Current Cost Per Phase:	\$228,384	
Replaced in Next 30-Years:	21,960	Square Feet	Total Cost Next 30-Years:	\$546,205	
ESTIMATED AGE AND REPLACEMENT YEARS			CONDITION AND USEFUL LIFE		
Estimated Current Age in Years:	16		Overall Current Condition:	Good	
Remaining Years Until Replacement:	24		Useful Life in Hastings, MN	40 to 45	Years
Estimated First Year of Replacement:	2046		Full or Partial Replacement:	Partial	90.0%
PRIORITY RATING			PRIORITY SCORE		
Priority Rating	Medium Priority		Priority Score	77	



Soffit at covered entry



Soffit and fascia at roof eave



Fascia trim at eave



Soffit and fascia at roof eave

Schedule of Replacements Costs					
2022	\$0				
2023	\$0	2033	\$0	2043	\$0
2024	\$0	2034	\$0	2044	\$0
2025	\$0	2035	\$0	2045	\$0
2026	\$0	2036	\$0	2046	\$546,205
2027	\$0	2037	\$0	2047	\$0
2028	\$0	2038	\$0	2048	\$0
2029	\$0	2039	\$0	2049	\$0
2030	\$0	2040	\$0	2050	\$0
2031	\$0	2041	\$0	2051	\$0
2032	\$0	2042	\$0	2052	\$0

**Engineering Narrative**

Aluminum soffits and fascia are original and appear in good overall condition. Management does not report that any soffits or fascia were replaced with the 2021 storm claim. We recommend budgeting for replacement by 2046, concurrently with vinyl siding replacement.



# Walls, Masonry, Capital Repairs

## EXTERNAL BUILDING COMPONENT

**PERCENTAGE OF TOTAL FUTURE COSTS: 0.82%**

**Line Item: 7**

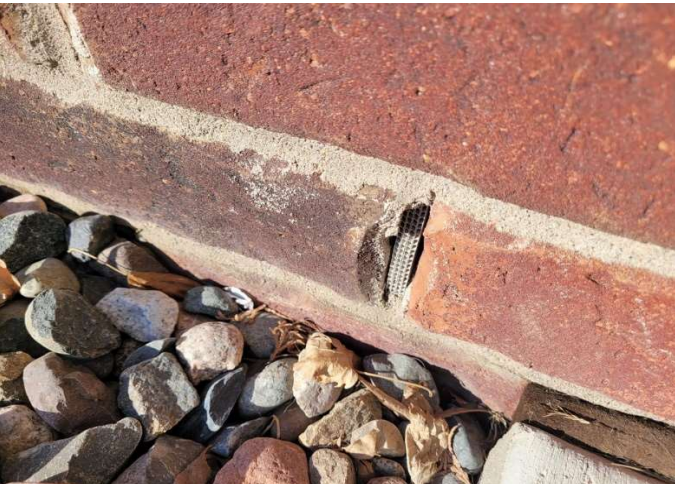
ESTIMATED UNIT QUANTITY		ESTIMATED REPLACEMENT COSTS	
Present:	9,050 Square Feet	Current Unit Cost:	\$1.00
Replacement Per Phase:	9,050 Square Feet	Current Cost Per Phase:	\$9,050
Replaced in Next 30-Years:	27,150 Square Feet	Total Cost Next 30-Years:	\$45,890
ESTIMATED AGE AND REPLACEMENT YEARS		CONDITION AND USEFUL LIFE	
Estimated Current Age in Years:	to 16	Overall Current Condition:	Fair
Remaining Years Until Replacement:	2	Useful Life in Hastings, MN	8 to 12 Years
Estimated First Year of Replacement:	2024	Full or Partial Replacement:	Full 300.0%
PRIORITY RATING		PRIORITY SCORE	
Priority Rating	Medium Priority	Priority Score	89



Brick masonry overview



Cracked mortar joint between sill sections



Weep hole at base of brick veneer



Cracked mortar joint at exterior sill corner

Schedule of Replacements Costs			
2022	\$0		
2023	\$0	2033	\$0
2024	\$9,732	2034	\$0
2025	\$0	2035	\$14,514
2026	\$0	2036	\$0
2027	\$0	2037	\$0
2028	\$0	2038	\$0
2029	\$0	2039	\$0
2030	\$0	2040	\$0
2031	\$0	2041	\$0
2032	\$0	2042	\$0
		2043	\$0
		2044	\$0
		2045	\$0
		2046	\$21,644
		2047	\$0
		2048	\$0
		2049	\$0
		2050	\$0
		2051	\$0
		2052	\$0

**Engineering Narrative**

Brick masonry comprises portions of the buildings' exterior facades. Brick masonry is original and has received limited repairs to date. Cracked mortar joints at exterior sill corners were observed. We recommend budgeting for partial mortar joint repointing, spot brick replacement, and improvements to flashing and weeps by 2024 and every 11 years thereafter. Repairs in 2046 coincide with vinyl siding replacement.



# Walls, Vinyl Siding

## EXTERNAL BUILDING COMPONENT

**PERCENTAGE OF TOTAL FUTURE COSTS: 26.29%**

**Line Item: 8**

### ESTIMATED UNIT QUANTITY

Present:	95,900	Square Feet
Replacement Per Phase:	95,900	Square Feet
Replaced in Next 30-Years:	95,900	Square Feet

### ESTIMATED REPLACEMENT COSTS

Current Unit Cost:	\$6.40
Current Cost Per Phase:	\$613,760
Total Cost Next 30-Years:	\$1,467,874

### ESTIMATED AGE AND REPLACEMENT YEARS

Estimated Current Age in Years:	16
Remaining Years Until Replacement:	24
Estimated First Year of Replacement:	2046

### CONDITION AND USEFUL LIFE

Overall Current Condition:	Good
Useful Life in Hastings, MN	35 to 40 Years
Full or Partial Replacement:	Full 100.0%

### PRIORITY RATING

Priority Rating	High Priority
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### PRIORITY SCORE

Priority Score	88
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Varying colors and profiles of vinyl siding



Vinyl siding above garage door



Lap style siding



Siding with dirt and organic growth (fund power washing and cleaning through operating budget)

Schedule of Replacements Costs					
2022	\$0				
2023	\$0	2033	\$0	2043	\$0
2024	\$0	2034	\$0	2044	\$0
2025	\$0	2035	\$0	2045	\$0
2026	\$0	2036	\$0	2046	\$1,467,874
2027	\$0	2037	\$0	2047	\$0
2028	\$0	2038	\$0	2048	\$0
2029	\$0	2039	\$0	2049	\$0
2030	\$0	2040	\$0	2050	\$0
2031	\$0	2041	\$0	2051	\$0
2032	\$0	2042	\$0	2052	\$0

**Engineering Narrative**

Vinyl siding is the primary building cladding and is original. Siding appears in good overall condition. Management does not report that siding was replaced with the 2021 storm claim. We recommend budgeting for replacement by 2046, concurrently with the replacement of shutters, soffits, fascia, exterior light fixtures, as well as masonry facade repairs.



# Asphalt Private Drives, Crack Repair, Patch and Seal Coat, Phased

## SITE COMPONENT

**PERCENTAGE OF TOTAL FUTURE COSTS: 0.65%**

**Line Item: 9**

### ESTIMATED UNIT QUANTITY

Present:	6,970	Square Yards
Replacement Per Phase:	2,323	Square Yards
Replaced in Next 30-Years:	11,617	Square Yards

### ESTIMATED REPLACEMENT COSTS

Current Unit Cost:	\$1.75
Current Cost Per Phase:	\$4,066
Total Cost Next 30-Years:	\$36,386

### ESTIMATED AGE AND REPLACEMENT YEARS

Estimated Current Age in Years:	4
Remaining Years Until Replacement:	1
Estimated First Year of Replacement:	2023

### CONDITION AND USEFUL LIFE

Overall Current Condition:	Fair
Useful Life in Hastings, MN	3 to 5 Years
Full or Partial Replacement:	Full 166.7%

### PRIORITY RATING

Priority Rating	Medium Priority
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### PRIORITY SCORE

Priority Score	80
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Overview of asphalt private drive



Patched pavement



Section of smooth pavement with few cracks



Severe fatigue cracking

### Schedule of Replacements Costs

2022	\$0	2033	\$0	2043	\$0
2023	\$4,216	2034	\$0	2044	\$0
2024	\$0	2035	\$0	2045	\$0
2025	\$0	2036	\$6,762	2046	\$0
2026	\$0	2037	\$0	2047	\$0
2027	\$0	2038	\$0	2048	\$0
2028	\$0	2039	\$0	2049	\$0
2029	\$0	2040	\$0	2050	\$0
2030	\$0	2041	\$8,109	2051	\$11,661
2031	\$5,638	2042	\$0	2052	\$0
2032	\$0				

### Engineering Narrative

Asphalt pavement at private drives was repaired and seal coated in 2018. Management does not inform us of plans to conduct additional repairs in the immediate future. We include seal coating and repairs by 2024 and every 3 to 5 years thereafter, except during years of repaving (see subsequent pages).



# Asphalt Private Drives, Mill and Overlay, Phased

## SITE COMPONENT

**PERCENTAGE OF TOTAL FUTURE COSTS: 2.68%**

**Line Item: 10**

ESTIMATED UNIT QUANTITY		ESTIMATED REPLACEMENT COSTS	
Present:	6,970 Square Yards	Current Unit Cost:	\$18.50
Replacement Per Phase:	2,323 Square Yards	Current Cost Per Phase:	\$42,982
Replaced in Next 30-Years:	6,970 Square Yards	Total Cost Next 30-Years:	\$149,377
ESTIMATED AGE AND REPLACEMENT YEARS		CONDITION AND USEFUL LIFE	
Estimated Current Age in Years:	16	Overall Current Condition:	Fair
Remaining Years Until Replacement:	2	Useful Life in Hastings, MN	15 to 20 Years
Estimated First Year of Replacement:	2024	Full or Partial Replacement:	Full 100.0%
PRIORITY RATING		PRIORITY SCORE	
Priority Rating	Medium Priority	Priority Score	79



Overview of asphalt private drive



Overview of asphalt private drive



Section of smooth pavement with few cracks



Surface condition at asphalt pavement

Schedule of Replacements Costs					
2022	\$0	2033	\$0	2043	\$0
2023	\$0	2034	\$0	2044	\$0
2024	\$46,221	2035	\$0	2045	\$0
2025	\$0	2036	\$0	2046	\$0
2026	\$49,705	2037	\$0	2047	\$0
2027	\$0	2038	\$0	2048	\$0
2028	\$53,451	2039	\$0	2049	\$0
2029	\$0	2040	\$0	2050	\$0
2030	\$0	2041	\$0	2051	\$0
2031	\$0	2042	\$0	2052	\$0

**Engineering Narrative**

Management indicates that all private drive pavement is original. Asphalt street pavement is typically constructed in a way that allows for milling of the first couple inches of pavement, repairs to the base, and an overlay with a new wearing course. This type of repaving is less expensive than a full-depth replacement and is feasible if the base remains in acceptable, reusable condition. We include phased mill and overlay from 2024 to 2028.



# Asphalt Private Drives, Full-Depth Replacement, Phased

## SITE COMPONENT

**PERCENTAGE OF TOTAL FUTURE COSTS: 11.17%**

**Line Item: 11**

ESTIMATED UNIT QUANTITY		ESTIMATED REPLACEMENT COSTS	
Present:	6,970 Square Yards	Current Unit Cost:	\$36.00
Replacement Per Phase:	2,323 Square Yards	Current Cost Per Phase:	\$83,640
Replaced in Next 30-Years:	6,970 Square Yards	Total Cost Next 30-Years:	\$623,402
ESTIMATED AGE AND REPLACEMENT YEARS		CONDITION AND USEFUL LIFE	
Estimated Current Age in Years:	16	Overall Current Condition:	Fair
Remaining Years Until Replacement:	23	Useful Life in Hastings, MN	15 to 20 Years
Estimated First Year of Replacement:	2045	Full or Partial Replacement:	Full 100.0%
PRIORITY RATING		PRIORITY SCORE	
Priority Rating	Medium Priority	Priority Score	79



Overview of asphalt private drive



Section of smooth pavement with few cracks



Crack at pavement



Surface condition at asphalt pavement

Schedule of Replacements Costs			
2022	\$0	2033	\$0
2023	\$0	2034	\$0
2024	\$0	2035	\$0
2025	\$0	2036	\$0
2026	\$0	2037	\$0
2027	\$0	2038	\$0
2028	\$0	2039	\$0
2029	\$0	2040	\$0
2030	\$0	2041	\$0
2031	\$0	2042	\$0
2032	\$0	2043	\$0
		2044	\$0
		2045	\$192,897
		2046	\$0
		2047	\$207,435
		2048	\$0
		2049	\$223,070
		2050	\$0
		2051	\$0
		2052	\$0

### Engineering Narrative

Following the proposed milling and overlayment repaving event (see previous page), we conservatively include an allowance for a full-depth replacement of the private drive pavement from 2045 to 2049. This type of repaving consists of complete demolition of the existing pavement and base.



# Catch Basins, Capital Repairs, Phased

## SITE COMPONENT

**PERCENTAGE OF TOTAL FUTURE COSTS: 0.76%**

**Line Item: 12**

ESTIMATED UNIT QUANTITY		ESTIMATED REPLACEMENT COSTS		
Present:	14	Each	Current Unit Cost:	\$1,150.00
Replacement Per Phase:	7	Each	Current Cost Per Phase:	\$8,050
Replaced in Next 30-Years:	21	Each	Total Cost Next 30-Years:	\$42,661
ESTIMATED AGE AND REPLACEMENT YEARS		CONDITION AND USEFUL LIFE		
Estimated Current Age in Years:	16	Overall Current Condition:		Fair
Remaining Years Until Replacement:	4	Useful Life in Hastings, MN		20 to 25      Years
Estimated First Year of Replacement:	2026	Full or Partial Replacement:		Full      150.0%
PRIORITY RATING		PRIORITY SCORE		
Priority Rating	Medium Priority	Priority Score		71



Overview of catch basin



Settlement and cracks near catch basin



Catch basin interior



Catch basin interior

Schedule of Replacements Costs					
2022	\$0				
2023	\$0	2033	\$0	2043	\$0
2024	\$0	2034	\$0	2044	\$0
2025	\$0	2035	\$0	2045	\$0
2026	\$9,309	2036	\$13,387	2046	\$0
2027	\$0	2037	\$0	2047	\$19,965
2028	\$0	2038	\$0	2048	\$0
2029	\$0	2039	\$0	2049	\$0
2030	\$0	2040	\$0	2050	\$0
2031	\$0	2041	\$0	2051	\$0
2032	\$0	2042	\$0	2052	\$0

### Engineering Narrative

Storm water catch basins collect water from the private drives and direct it into an underground pipe system. Over time, the concrete adjusting collars, mortar and pipe connections may deteriorate, shift or sustain damage from vehicle loading. As the integrity of the basins is compromised, water and sediment may erode from the surrounding soil and create voids that lead to potholes. We recommend the Association budget for phased catch basin repairs, in coordination with repaving projects, due to the interrelated nature of these elements.



# Concrete Curbs and Gutters, Partial Replacement

## SITE COMPONENT

**PERCENTAGE OF TOTAL FUTURE COSTS: 2.29%**

**Line Item: 13**

### ESTIMATED UNIT QUANTITY

Present:	6,800	Linear Feet
Replacement Per Phase:	170	Linear Feet
Replaced in Next 30-Years:	1,700	Linear Feet

### ESTIMATED REPLACEMENT COSTS

Current Unit Cost:	\$40.00
Current Cost Per Phase:	\$6,800
Total Cost Next 30-Years:	\$128,118

### ESTIMATED AGE AND REPLACEMENT YEARS

Estimated Current Age in Years:	to 16
Remaining Years Until Replacement:	2
Estimated First Year of Replacement:	2024

### CONDITION AND USEFUL LIFE

Overall Current Condition:	Fair
Useful Life in Hastings, MN	to 65 Years
Full or Partial Replacement:	Partial 25.0%

### PRIORITY RATING

Priority Rating Medium Priority

### PRIORITY SCORE

Priority Score 59



Overview of concrete curb and gutter



Gutter between drive and concrete driveway



Gutter between drive and concrete driveway



Crack at concrete gutter

### Schedule of Replacements Costs

2022 \$0	2033 \$0	2043 \$0
2023 \$0	2034 \$0	2044 \$0
2024 \$7,313	2035 \$0	2045 \$15,683
2025 \$0	2036 \$11,309	2046 \$0
2026 \$7,864	2037 \$0	2047 \$16,865
2027 \$0	2038 \$0	2048 \$0
2028 \$8,456	2039 \$0	2049 \$18,136
2029 \$0	2040 \$0	2050 \$0
2030 \$0	2041 \$13,561	2051 \$19,503
2031 \$9,430	2042 \$0	2052 \$0
2032 \$0		

### Engineering Narrative

Concrete curbs and gutters line the private drives within the community. Concrete has a long useful life and typically fails in a progressive manner as it ages. We recommend budgeting for the phased replacement of 25% of concrete curbs and gutters within the next 30 years, concurrently with asphalt repair / replacement projects as well as catch basin repairs.



# Concrete Sidewalks and Driveways, Partial Replacement

## SITE COMPONENT

**PERCENTAGE OF TOTAL FUTURE COSTS: 11.38%**

**Line Item: 14**

### ESTIMATED UNIT QUANTITY

Present:	48,670	Square Feet
Replacement Per Phase:	1,947	Square Feet
Replaced in Next 30-Years:	19,468	Square Feet

### ESTIMATED REPLACEMENT COSTS

Current Unit Cost:	\$14.00
Current Cost Per Phase:	\$27,255
Total Cost Next 30-Years:	\$635,562

### ESTIMATED AGE AND REPLACEMENT YEARS

Estimated Current Age in Years:	5 to 16
Remaining Years Until Replacement:	5
Estimated First Year of Replacement:	2027

### CONDITION AND USEFUL LIFE

Overall Current Condition:	Good	
Useful Life in Hastings, MN	to 65	Years
Full or Partial Replacement:	Partial	40.0%

### PRIORITY RATING

Priority Rating	Medium Priority
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### PRIORITY SCORE

Priority Score	72
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Concrete driveway installed in 2017



Concrete driveway installed in 2017



Concrete sidewalk connecting driveway to unit entry area



Isolated condition of trip hazard at unlevel walk

### Schedule of Replacements Costs

<b>2022</b>	\$0				
<b>2023</b>	\$0	<b>2033</b>	\$0	<b>2043</b>	\$0
<b>2024</b>	\$0	<b>2034</b>	\$0	<b>2044</b>	\$60,615
<b>2025</b>	\$0	<b>2035</b>	\$0	<b>2045</b>	\$0
<b>2026</b>	\$0	<b>2036</b>	\$45,326	<b>2046</b>	\$65,184
<b>2027</b>	\$32,685	<b>2037</b>	\$0	<b>2047</b>	\$0
<b>2028</b>	\$0	<b>2038</b>	\$0	<b>2048</b>	\$70,097
<b>2029</b>	\$0	<b>2039</b>	\$0	<b>2049</b>	\$72,690
<b>2030</b>	\$0	<b>2040</b>	\$0	<b>2050</b>	\$75,380
<b>2031</b>	\$0	<b>2041</b>	\$54,356	<b>2051</b>	\$78,169
<b>2032</b>	\$0	<b>2042</b>	\$0	<b>2052</b>	\$81,061

### Engineering Narrative

Concrete flatwork maintained by the Association includes driveways (installed in 2017 to replace previous asphalt driveways) and common sidewalks located at end / corner units. We recommend budgeting for the phased replacement of 40% of surfaces within the next 30 years. All concrete patios and entry areas are limited common elements and are the responsibility of individual unit owners. Concrete sidewalks parallel to public streets are not the responsibility of the Association.



# Fences, Vinyl

## SITE COMPONENT

**PERCENTAGE OF TOTAL FUTURE COSTS:** 0.88%

**Line Item: 15**

### ESTIMATED UNIT QUANTITY

Present:	570	Linear Feet
Replacement Per Phase:	570	Linear Feet
Replaced in Next 30-Years:	570	Linear Feet

### ESTIMATED REPLACEMENT COSTS

Current Unit Cost:	\$62.00
Current Cost Per Phase:	\$35,340
Total Cost Next 30-Years:	\$49,009

### ESTIMATED AGE AND REPLACEMENT YEARS

Estimated Current Age in Years:	16
Remaining Years Until Replacement:	9
Estimated First Year of Replacement:	2031

### CONDITION AND USEFUL LIFE

Overall Current Condition:	Fair
Useful Life in Hastings, MN	20 to 25 Years
Full or Partial Replacement:	Full 100.0%

### PRIORITY RATING

Priority Rating Medium Priority

### PRIORITY SCORE

Priority Score 74



Vinyl fencing at front patio



Vinyl fencing at front patio



Heaved fence post; Unlevel fence



Vinyl fence at utility meters

### Schedule of Replacements Costs

2022	\$0	2033	\$0	2043	\$0
2023	\$0	2034	\$0	2044	\$0
2024	\$0	2035	\$0	2045	\$0
2025	\$0	2036	\$0	2046	\$0
2026	\$0	2037	\$0	2047	\$0
2027	\$0	2038	\$0	2048	\$0
2028	\$0	2039	\$0	2049	\$0
2029	\$0	2040	\$0	2050	\$0
2030	\$0	2041	\$0	2051	\$0
2031	\$49,009	2042	\$0	2052	\$0
2032	\$0				

### Engineering Narrative

Vinyl fencing is located at private porch/patio areas as well as at utility meters. Vinyl fencing typically achieves a useful life upwards of 25 years. Over time, fencing can become brittle and crack, and posts and pier foundations can heave during freeze / thaw cycles. We recommend budgeting for vinyl fencing replacement by 2031.

# Irrigation System, Phased Replacement

## SITE COMPONENT

**PERCENTAGE OF TOTAL FUTURE COSTS: 1.25%** **Line Item: 16**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS	
Present:	350	Heads	Current Unit Cost:	\$120.00
Replacement Per Phase:	117	Heads	Current Cost Per Phase:	\$14,000
Replaced in Next 30-Years:	350	Heads	Total Cost Next 30-Years:	\$69,971

ESTIMATED AGE AND REPLACEMENT YEARS		CONDITION AND USEFUL LIFE		
Estimated Current Age in Years:	16	Overall Current Condition:	Fair	
Remaining Years Until Replacement:	12	Useful Life in Hastings, MN	30 to 35	Years
Estimated First Year of Replacement:	2034	Full or Partial Replacement:	Full	100.0%

PRIORITY RATING		PRIORITY SCORE	
Priority Rating	Medium Priority	Priority Score	74



Irrigated lawn with snow cover



Irrigation valve location



Schedule of Replacements Costs			
2022	\$0		
2023	\$0	2033	\$0
2024	\$0	2034	\$21,651
2025	\$0	2035	\$0
2026	\$0	2036	\$23,283
2027	\$0	2037	\$0
2028	\$0	2038	\$25,037
2029	\$0	2039	\$0
2030	\$0	2040	\$0
2031	\$0	2041	\$0
2032	\$0	2042	\$0
		2043	\$0
		2044	\$0
		2045	\$0
		2046	\$0
		2047	\$0
		2048	\$0
		2049	\$0
		2050	\$0
		2051	\$0
		2052	\$0

**Engineering Narrative**

An irrigation system comprising approximately 350 sprinkler heads waters the lawn and landscaped areas around the building. The system is original and reported in satisfactory operational condition. Over time, erosion, plant growth and the freeze-and-thaw cycle may cause damage to the system. As such, we recommend the Association budget for phased replacement of the system from 2034 to 2038. The Association should fund interim head and controller replacements through the operating budget as needed.





# Mailbox Stations

## SITE COMPONENT

**PERCENTAGE OF TOTAL FUTURE COSTS:** 0.72%

**Line Item: 17**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	10	Each	Current Unit Cost:	\$2,900.00	
Replacement Per Phase:	10	Each	Current Cost Per Phase:	\$29,000	
Replaced in Next 30-Years:	10	Each	Total Cost Next 30-Years:	\$40,217	
ESTIMATED AGE AND REPLACEMENT YEARS			CONDITION AND USEFUL LIFE		
Estimated Current Age in Years:	16		Overall Current Condition:	Fair	
Remaining Years Until Replacement:	9		Useful Life in Hastings, MN	20 to 25	Years
Estimated First Year of Replacement:	2031		Full or Partial Replacement:	Full	100.0%
PRIORITY RATING			PRIORITY SCORE		
Priority Rating	Medium Priority		Priority Score	62	



Overview of mailbox stations



Overview of mailbox stations



Typical aluminum cluster-style mailbox station



Pedestal base at mailbox station

Schedule of Replacements Costs					
2022	\$0				
2023	\$0	2033	\$0	2043	\$0
2024	\$0	2034	\$0	2044	\$0
2025	\$0	2035	\$0	2045	\$0
2026	\$0	2036	\$0	2046	\$0
2027	\$0	2037	\$0	2047	\$0
2028	\$0	2038	\$0	2048	\$0
2029	\$0	2039	\$0	2049	\$0
2030	\$0	2040	\$0	2050	\$0
2031	\$40,217	2041	\$0	2051	\$0
2032	\$0	2042	\$0	2052	\$0

**Engineering Narrative**

Aluminum cluster-style mailbox stations are located throughout the community and are original. We recommend budgeting for the replacement of the mailbox stations at 25 years of age, by 2031.



# Retaining Walls, Masonry, Phased Replacement

## SITE COMPONENT

**PERCENTAGE OF TOTAL FUTURE COSTS: 1.60%**

**Line Item: 18**

### ESTIMATED UNIT QUANTITY

Present:	1,130	Square Feet
Replacement Per Phase:	226	Square Feet
Replaced in Next 30-Years:	1,130	Square Feet

### ESTIMATED REPLACEMENT COSTS

Current Unit Cost:	\$46.00
Current Cost Per Phase:	\$10,396
Total Cost Next 30-Years:	\$89,324

### ESTIMATED AGE AND REPLACEMENT YEARS

Estimated Current Age in Years:	16
Remaining Years Until Replacement:	4
Estimated First Year of Replacement:	2026

### CONDITION AND USEFUL LIFE

Overall Current Condition:	Fair	
Useful Life in Hastings, MN	20 to 40	Years
Full or Partial Replacement:	Full	100.0%

### PRIORITY RATING

Priority Rating	Medium Priority
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### PRIORITY SCORE

Priority Score	86
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Overview of retaining wall with slight lean



Segmental masonry unit retaining wall



Segmental masonry unit retaining wall



Segmental blocks and caps at retaining wall

### Schedule of Replacements Costs

2022	\$0	2033	\$0	2043	\$0
2023	\$0	2034	\$0	2044	\$0
2024	\$0	2035	\$0	2045	\$0
2025	\$0	2036	\$17,289	2046	\$24,863
2026	\$12,022	2037	\$0	2047	\$0
2027	\$0	2038	\$0	2048	\$0
2028	\$0	2039	\$0	2049	\$0
2029	\$0	2040	\$0	2050	\$0
2030	\$0	2041	\$20,733	2051	\$0
2031	\$14,417	2042	\$0	2052	\$0
2032	\$0				

### Engineering Narrative

Segmental masonry unit retaining walls are original. We note various locations of slight wall lean, and management reports issues with tree roots. We recommend funding periodic capital repairs through the operating budget as needed. We include phased wall replacement from 2026 to 2046.



# Signage, Monument

## SITE COMPONENT

PERCENTAGE OF TOTAL FUTURE COSTS: 0.19%

Line Item: 19

### ESTIMATED UNIT QUANTITY

Present:	1	Each
Replacement Per Phase:	1	Each
Replaced in Next 30-Years:	1	Each

### ESTIMATED REPLACEMENT COSTS

Current Unit Cost:	\$7,200.00
Current Cost Per Phase:	\$7,200
Total Cost Next 30-Years:	\$10,354

### ESTIMATED AGE AND REPLACEMENT YEARS

Estimated Current Age in Years:	16
Remaining Years Until Replacement:	10
Estimated First Year of Replacement:	2032

### CONDITION AND USEFUL LIFE

Overall Current Condition:	Fair
Useful Life in Hastings, MN	20 to 30 Years
Full or Partial Replacement:	Full 100.0%

### PRIORITY RATING

Priority Rating	Medium Priority
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### PRIORITY SCORE

Priority Score	69
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Monument sign overview



Corten steel ornamental fencing



Placard inset at masonry pier



Finishes at monument signage

### Schedule of Replacements Costs

2022	\$0	2033	\$0	2043	\$0
2023	\$0	2034	\$0	2044	\$0
2024	\$0	2035	\$0	2045	\$0
2025	\$0	2036	\$0	2046	\$0
2026	\$0	2037	\$0	2047	\$0
2027	\$0	2038	\$0	2048	\$0
2028	\$0	2039	\$0	2049	\$0
2029	\$0	2040	\$0	2050	\$0
2030	\$0	2041	\$0	2051	\$0
2031	\$0	2042	\$0	2052	\$0
2032	\$10,354				

### Engineering Narrative

A monument sign comprising masonry piers/caps, signage placards, ornamental corten steel fencing, and two directional light fixtures is located at the southwest corner of the intersection of S Frontage Road and Tierney Drive. The monument sign is original. We recommend budgeting for signage upgrades by 2032.

# FHA Recertification

## OTHER COMPONENTS

**PERCENTAGE OF TOTAL FUTURE COSTS: 1.70%** **Line Item: 20**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	1	Allowance	Current Unit Cost:	\$3,500.00	
Replacement Per Phase:	1	Allowance	Current Cost Per Phase:	\$3,500	
Replaced in Next 30-Years:	15	Allowance	Total Cost Next 30-Years:	\$95,068	
ESTIMATED AGE AND REPLACEMENT YEARS			CONDITION AND USEFUL LIFE		
Estimated Current Age in Years:	0		Overall Current Condition:		
Remaining Years Until Replacement:	1		Useful Life in Hastings, MN	to 2	Years
Estimated First Year of Replacement:	2023		Full or Partial Replacement:	Full	1500.0%
PRIORITY RATING			PRIORITY SCORE		
Priority Rating			Priority Score		



No photographs available



Schedule of Replacements Costs					
<b>2022</b>	\$0				
<b>2023</b>	\$3,630	<b>2033</b>	\$5,220	<b>2043</b>	\$7,506
<b>2024</b>	\$0	<b>2034</b>	\$0	<b>2044</b>	\$0
<b>2025</b>	\$3,903	<b>2035</b>	\$5,613	<b>2045</b>	\$8,072
<b>2026</b>	\$0	<b>2036</b>	\$0	<b>2046</b>	\$0
<b>2027</b>	\$4,197	<b>2037</b>	\$6,036	<b>2047</b>	\$8,680
<b>2028</b>	\$0	<b>2038</b>	\$0	<b>2048</b>	\$0
<b>2029</b>	\$4,514	<b>2039</b>	\$6,491	<b>2049</b>	\$9,335
<b>2030</b>	\$0	<b>2040</b>	\$0	<b>2050</b>	\$0
<b>2031</b>	\$4,854	<b>2041</b>	\$6,980	<b>2051</b>	\$10,038
<b>2032</b>	\$0	<b>2042</b>	\$0	<b>2052</b>	\$0

**Engineering Narrative**

At the direction of management, we include funds for FHA recertification every other year, beginning in 2023, at a cost of \$3,500.



# Reserve Study Update

## OTHER COMPONENTS

**PERCENTAGE OF TOTAL FUTURE COSTS: 0.05%** **Line Item: 21**

ESTIMATED UNIT QUANTITY			ESTIMATED REPLACEMENT COSTS		
Present:	1	Each	Current Unit Cost:	\$2,700.00	
Replacement Per Phase:	1	Each	Current Cost Per Phase:	\$2,700	
Replaced in Next 30-Years:	1	Each	Total Cost Next 30-Years:	\$3,011	
ESTIMATED AGE AND REPLACEMENT YEARS			CONDITION AND USEFUL LIFE		
Estimated Current Age in Years:	0		Overall Current Condition:		
Remaining Years Until Replacement:	3		Useful Life in Hastings, MN	to 3	Years
Estimated First Year of Replacement:	2025		Full or Partial Replacement:	Full	100.0%
PRIORITY RATING			PRIORITY SCORE		
Priority Rating			Priority Score		



To Request a Reserve Study Update proposal, email:  
[\*\*PROPOSALS@BUILDINGRESERVES.COM\*\*](mailto:PROPOSALS@BUILDINGRESERVES.COM)

or Click Here

[\*\*REQUEST RESERVE STUDY UPDATE PROPOSAL\*\*](#)

Use Reference Number:  
**13601-2021**

Schedule of Replacements Costs					
2022	\$0				
2023	\$0	2033	\$0	2043	\$0
2024	\$0	2034	\$0	2044	\$0
2025	\$3,011	2035	\$0	2045	\$0
2026	\$0	2036	\$0	2046	\$0
2027	\$0	2037	\$0	2047	\$0
2028	\$0	2038	\$0	2048	\$0
2029	\$0	2039	\$0	2049	\$0
2030	\$0	2040	\$0	2050	\$0
2031	\$0	2041	\$0	2051	\$0
2032	\$0	2042	\$0	2052	\$0

Engineering Narrative
<p>It is necessary to update the reserve study every three years +/- to make certain an equitable funding plan is in place. A variety of factors can alter reserve recommendations, including changes in the following: maintenance practices, reserve balance, construction inflation rates, construction labor rates, interest rates on invested reserves and / or unforeseen damage from weather events.</p>

## TERMS AND DEFINITIONS

(Definitions are derived from the standards set forth by the Community Association Institute, C.A.I.)

**CASH FLOW METHOD:** A method of developing a Reserve Funding Plan where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.

**CURRENT COST OF REPLACEMENT:** That amount required today derived from the quantity of the Reserve Component and its unit cost to replace or repair a Reserve Component using the most current technology and construction materials, duplicating the productive utility of the existing property at current local market prices for materials, labor and manufacturing equipment, contractor overhead, profit and fees, but without provisions for building permits, over time, bonuses for labor or premiums for material and equipment. We include removal and disposal costs in the cost of replacement where applicable.

**COMPONENT:** The individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited Useful Life expectancies, 3) predictable Remaining Useful Life expectancies, 4) above a minimum threshold cost, and 5) as required by local codes.

**COMPONENT INVENTORY:** The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate Association representative(s) of the association or cooperative.

**FINANCIAL ANALYSIS:** The portion of a Reserve Study where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.

**FUNDING PLAN:** An association's plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

**FUTURE COST OF REPLACEMENT:** Reserve Expenditure derived from the inflated current cost of replacement or current cost of replacement as defined above, with consideration given to the effects of inflation on local market rates for material, labor and equipment.

**LONG-LASTING PROPERTY COMPONENTS:** Property components of Association responsibility not likely to require capital repair or replacement during the next 30 years with an unpredictable remaining Useful Life beyond the next 30 years.

**PHYSICAL ANALYSIS:** The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

**RECOMMENDED FUNDING:** The stated purpose of this Reserve Study to determine the adequate, not excessive, future annual, reasonable Reserve Contributions to fund future Reserve Expenditures.

**REMAINING YEARS UNTIL REPLACEMENT:** Also referred to as "Remaining Life" (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Projects anticipated to occur in the initial year have "zero" Remaining Useful Life.

**REPLACEMENT COST:** The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

**RESERVE BALANCE:** Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves Based upon information provided and not audited.

**RESERVE STUDY:** A budget planning tool which identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: the Physical Analysis and the Financial Analysis. "Our budget and finance committee is soliciting proposals to update our Reserve Study for next year's budget."

**SPECIAL ASSESSMENT:** An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by governing documents or local statutes

**USEFUL LIFE (UL):** Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present

## **RESOURCES USED**

**Building Reserves INC., uses different national and local data to conduct its professional services. A concise list of several of these resources follows.**

**Association of Construction Inspectors - The largest professional organization for those involved in providing inspection and construction project management. ACI is the leading association providing standards, guild lines, regulations, education and training.**

**Community Association Institute – America’s leading advocate for responsible communities noted as the only national organization. Their mission is to assist communities in promoting harmony, community, and responsible leadership.**

**Marshall & Swift/ Boeckh (MS/B) – The worldwide provider of building cost data, co-sourcing solutions, and estimating technology for the property and casualty insurance industry found on the web at <http://www.msbinfo.com>**

**R.S. Means Costworks – North America’s leading supplier of construction cost information. A member of the Construction Market Data Group, Means provides accurate and up-to-date cost information that helps owners developers, architects, engineers, contractors and others to carefully and precisely project and control the cost of both new building construction and renovation projects, found on the web at <http://www.rsmeans.com>**



# Service Contract

**Contract Date:** 10/29/2021

**Customer:** Prairie Ridge Condominium Association

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This Agreement is between Building Reserves, Inc. located at 1341 W Fullerton Ave #314, Chicago, IL 60614 (herein referred to as "BR"), and (herein referred to as "Customer"). BR agrees to complete an investigation and reserve study of the Property (the "Study") that provides, among other things, an analysis of the unit quantities and unit costs, a life analysis and condition assessment, projected replacement times and a cash flow analysis with recommended reserve contributions to offset capital and replacement costs of Customer property.

Customer may elect to purchase additional or alternate services or packages provided by BR, which include but are not limited to Preventative Maintenance Plans (herein referred to as "PMP"). These additional or alternate services are also governed by the terms of this contract.

Customer shall pay to BR an amount equal to the Fee, as determined in accordance with the payment schedule set forth in the Proposal and any riders (and which may include the PMP, or other such programs or services.).

Customer agrees to cooperate and provide BR with access to the Property within a reasonable period of time following BR's request for an on-site inspection. Customer will use its best efforts to provide BR with historical and budgetary information for the Property as well as all governing documents and other information requested by BR with respect to the Property.

BR's inspection and analysis of the Property is limited to visual observations, with no testing, and is non-invasive. BR is not qualified to detect or quantify the impact of hazardous materials or adverse environmental concerns. Unless BR expressly states otherwise in writing, BR does not investigate or consider (nor assume any responsibility or liability for) the existence or impact of any hazardous materials or any structural, latent or hidden defects on or within the Property. BR will not conduct any soil or water analysis, geological survey or investigation of subsurface mineral rights (including, without limitation, water, oil, gas, coal or metal). The validity of BR's Study (and BR's opinions and estimates) could be affected adversely by the presence of substances such as asbestos, urea-formaldehyde foam insulation, toxic wastes, environmental mold, and other chemicals or hazardous materials. BR does not conduct any invasive or structural testing or inspections; accordingly, BR makes no representation, warranty or guarantee regarding (nor does BR assume any liability or responsibility for) the structural integrity of the Property, including, without limitation, any physical defects that were not readily apparent during BR's onsite inspection. BR will inspect sloped roofs only from the ground level. BR will inspect flat roofs from the roof level when and where safe access is available (as determined in BR's sole discretion). BR specifically disclaims any liability associated with studies or reports that are selected which do not include an on-site inspection at the onset, as all information necessary to provide the reports and plans are subject to information provided by Customer.

As a result of the Study or upon information provided by the Customer, as the case may be, BR will prepare an initial report (the "Initial Report") that represents a valid opinion of BR's findings and recommendations. If requested by Customer within six (6) calendar months following the date of the Initial Report, BR will prepare up to two (2) revised reports, incorporating new information that is provided by Customer in written and list format, as well as any changes that are requested reasonably by Customer and agreed-upon by BR (the "Final Report" and, together with the Initial Report, the "Reports"). If Customer does not request a Final Report within six (6) calendar months following the date of the Initial Report, then the Initial Report shall be deemed as the Final Report.

This Preventative Maintenance Plan is provided as guidance only and provides suggestions for the Customers that may help maintain its property. It contains recognized information, standards and suggestions on the types and frequency of practices, and maintenance that may sustain the property and systems of the Customer. Sections of the guidance may not be applicable to every Customer and this guidance should be considered advisory, as individual conditions for each Customer property may affect the required maintenance of the individual Customer.

The Reports contain intellectual property that was developed by BR and is provided on a confidential basis to only Customer for only Customer's benefit. The Reports are limited to only the express purpose stated herein and may be relied upon only by Customer. The Reports, whether in whole or in part, may not be used for any purpose other than its intended purpose, including, but not limited to, as a design specification, design engineering study or an appraisal. Without BR's prior written consent, Customer may not reference BR's name or the Reports (or any information contained therein, whether in whole or in part) in any document that is reproduced or distributed to third parties without BR's prior written consent.

BR's opinions and estimates (whether oral or contained within the Initial Report or Final Report) are not (and shall not be construed as) a representation, warranty or guarantee of (i) the actual costs of replacement; (ii) the integrity of condition any common elements; (iii) the actual remaining useful life of the Property or any elements contained thereon or therein; or (iv) the actual quantities of components present at the property. BR's opinions and estimates do not constitute any representation, warranty or guarantee of the performance of any products, materials or workmanship with respect to the Property.

# Service Contract

**Contract Date:** 10/29/2021

**Customer:** Prairie Ridge Condominium Association

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BR's compensation is not dependent or contingent upon any conclusions in the Reports. Customer agrees to pay BR fifty percent (50%) of the quoted fee upon signing as a retainer, and prior to site inspection or shipment of Initial Report. The remaining Fifty percent (50%) is due within 30 days of shipment of Initial Report, and late payments are subject to a monthly interest rate of one and one-half percent (1.5%). If BR does not receive the Fee in accordance with such payment schedule, then BR shall have the immediate right (in BR's sole and absolute discretion) to cease all services hereunder and to withhold any Initial Report and/or Final Reports. Customer understands that the quoted Fee is based on the accuracy of relevant Customer information provided to BR in the initial request for proposal. Should the information provided by Customer pertaining to Customer's maintenance responsibilities, property or quantity of independent budgets be found to be misrepresented or inaccurate, BR reserves the right to requote the project. In addition, the accuracy of any Reports is subject to the accuracy of information provided by Customer. BR makes no representations that it will be able to identify all commonly-owned components unless they are properly identified by Customer.

BR assumes that all data and information provided to BR by Customer is accurate, without any independent investigation or verification by BR. Customer indemnifies and holds harmless BR (and its employees, officers and directors) from and against any and all losses, claims, actions, causes of action, damages, expenses or liabilities (including, without limitation, reasonable attorneys' fees and court costs) that BR might suffer or incur as a result of (i) any false, misleading or incomplete information supplied by or on behalf of Customer to BR; or (ii) any improper use or reliance on the Reports. To the best of BR's knowledge, all data set forth in the reports is true and accurate. Notwithstanding the foregoing, BR assumes no liability for the accuracy of any data, opinions or estimates that are furnished by third parties, even if BR relied upon such information in generating its reports. BR's liability (including, without limitation, the collective liability of any of BR's employees, officers or directors) is limited to actual damages in an amount not to exceed the amount of the fee actually received by BR.

Customer shall indemnify, defend and hold harmless BR (and its employees, officers and directors) from and against any and all losses, liabilities, claims, actions, lawsuits, demands, damages, costs, money judgments and expenses (including reasonable attorneys' fees) arising out of a breach of this Agreement by Customer. Customer warrants that it has all rights necessary to provide the Proprietary Information to BR. Customer's obligation for indemnification and reimbursement shall extend to any director, officer, employee, affiliate, or agent of BR.

Customer hereby grants BR the right to use Customer's name in marketing materials and in BR's client list; provided, however, BR reserves the right to use property information to obtain estimates of replacement costs, useful life estimations, or other information that BR, in its sole discretion, believes may be appropriate or beneficial.

This Agreement represents the entire understanding and agreement of the Parties and supersedes all prior communications, agreements and understandings, if any, between the Parties relating to the subject matter hereof. This Agreement may not be modified, amended or waived except by a written instrument duly executed by both Parties. No failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder. If any clause or provision herein shall be adjudged invalid or unenforceable, it shall not affect the validity of any other provision, which shall remain in full force and effect.

This Agreement is made subject to, and shall be construed in accordance with, the laws of the State of Wisconsin (without regard to its conflict of laws provisions). The Parties agree to sole venue in the state or federal courts located in Waukesha County, Wisconsin, and each Party hereby consents to the jurisdiction of such courts over itself in any action relating to this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be considered an original, but all of which together shall constitute the same instrument. The Parties acknowledge and agree to accept and be bound by this Agreement and its counterparts.

By signing the Proposal, Customer is indicating Customer's agreement to all of the terms & conditions of the Proposal and this Service Contract. Customer has the full right, power, and authority to enter into and be bound by the terms and conditions of this agreement and to perform Customer's obligations under this agreement without the approval or consent of any other party. The person signing this agreement on behalf of Customer represents and warrants that he/she has the authority to do so.





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