Millbrook Townhomes
Canyon Trail & Depew Street
Littleton, CO80128

Level 2, Platinum Reserve Analysis
Report Period – 01/01/17 – 12/31/17

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APRA

Client Reference Number - 7780
Property Type – Townhome Style

Final Version

Fiscal Year End –	**December 31**
Number of units-	**140**
Date of Property Observation -	**June 10, 2016**
Project Manager -	**G. Michael Kelsen, RS, PRA**
Main Contact Person -	**Lisa Bradley**
Report was prepared on -	**Thursday, March 30, 2017**

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Table of Contents

SECTION 1:

SECTION 2:

SECTION 3:

SECTION 4:

ARS
Aspen Reserve Specialties

Introduction to the Reserve Analysis –

The elected officials of this association made a wise decision to invest in a Reserve Analysis to get a better understanding of the status of the Reserve funds. This Analysis will be a valuable tool to assist the Board of Directors in making the decision to which the dues are derived. Typically, the Reserve contribution makes up 15% - 40% of the association's total budget. Therefore, Reserves is considered to be a significant part of the overall monthly association payment.

Every association conducts its business within a budget. There are typically two main parts to this budget, Operating and Reserves. The Operating budget includes all expenses that are fixed on an annual basis. These would include management fees, maintenance fees, utilities, etc. The Reserves is primarily made up of Capital Replacement items such as asphalt, roofing, fencing, mechanical equipment, etc., that do not normally occur on an annual basis.

The Reserve Analysis is also broken down into two different parts, the Physical Analysis and the Financial Analysis. The Physical Analysis is information regarding the physical status and replacement cost of major common area components that the association is responsible to maintain. It is important to understand that while the Component Inventory will remain relatively "stable" from year to year, the Condition Assessment and Life/Valuation Estimates will most likely vary from year to year. You can find this information in the ***Asset Inventory Section*** (Section 2) of this Reserve Analysis. The ***Financial Analysis Section*** is the evaluation of the association's Reserve balance, income, and expenses. This is made up of a finding of the clients current Reserve Fund Status (measured as Percent Funded) and a recommendation for an appropriate Reserve Allocation rate (also known as the Funding Plan). You can find this information in Section 3 (pages 1 – 13) of this Reserve Analysis.

The purpose of this Reserve Analysis is to provide an educated estimate as to what the Reserve Allocation needs to be. The detailed schedules will serve as an advanced warning that major projects will need to be addressed in the future. This will allow the Board of Directors to have ample timing to obtain competitive estimates and bids that will result in cost savings to the individual homeowners. This will also ensure the physical well being of the property and ultimately enhance each owner's investment, while limiting the possibility of unexpected major projects that may lead to Special Assessments.

It is important for the client, homeowners, and potential future homeowners to understand that the information contained in this analysis is based on estimates and assumptions gathered from various sources. Estimated life expectancies and cycles are based upon conditions that were readily visible and accessible at time of the observation. No destructive or intrusive methods (such as entering the walls to inspect the condition of electrical wiring, plumbing lines, and telephone wires) were performed. In addition, environmental hazards (such as lead paint, asbestos, radon, etc.), construction defects, and acts of nature have not been investigated in the preparation of this report. If problem areas were revealed, a reasonable effort has been made to include these items within the report. While every effort has been made to ensure accurate results, this report reflects the judgment of Aspen Reserve Specialties and should not be construed as a guarantee or assurance of predicting future events.

General Information and Answers to Frequently Asked Questions –

Why is it important to perform a Reserve Study?

As previously mentioned, the Reserve allocation makes up a significant portion of the total monthly dues. This report provides the essential information that is needed to guide the Board of Directors in establishing the budget in order to run the daily operations of your association. It is suggested that a third party professionally prepare a Reserve Study since there is no vested interest in the property. Also, a professional knows what to look for and how to properly develop an accurate and reliable component list.

Now that we have "it", what do we do with "it"?

Hopefully, you will not look at this report and think it is too cumbersome to understand. Our intention is to make this Reserve Analysis very easy to read and understand. Please take the time to review it carefully and make sure the "main ingredients" (asset information) are complete and accurate. If there are any inaccuracies, please inform us immediately so we may revise the report.

Once you feel the report is an accurate tool to work from, use it to help establish your budget for the upcoming fiscal year. The Reserve allocation makes up a significant portion of the total monthly dues and this report should help you determine the correct amount of money to go into the Reserve fund. Additionally, the Reserve Study should act as a guide to obtain proposals in advance of pending normal maintenance and replacement projects. This will give you an opportunity to shop around for the best price available.

The Reserve Study should be readily available for Real Estate agents, brokerage firms, and lending institutions for potential future homeowners. As the importance of Reserves becomes more of a household term, people are requesting homeowners associations to reveal the strength of the Reserve fund prior to purchasing a condominium or townhome.

How often do we update or review "it"?

Unfortunately, there is a misconception that these reports are good for an extended period of time since the report has projections for the next 30 years. Just like any major line item in the budget, the Reserve Analysis should be reviewed *each year* before the budget is established. Invariably, some assumptions have to be made during the compilation of this analysis. Anticipated events may not materialize and unpredictable circumstances could occur. Aging rates and repair/replacement costs will vary from causes that are unforeseen. Earned interest rates may vary from year to year. These variations could alter the content of the Reserve Analysis. Therefore, this analysis should be reviewed annually, and a property observation should be conducted at least once every three years.

Is it the law to have a Reserve Study conducted?

The Government requires reserve analyses in approximately 20 states. The State of Colorado currently requires all associations to adopt a Reserve policy, but does not currently enforce a Reserve Study is completed. Despite enacting this current law, the chances are also very good the documents of the association require the association to have a Reserve fund established. This may not mean a Reserve Analysis is required, but how are you going to know there are enough funds in the account if you don't have the proper information? Hypothetically, some associations look at the Reserve fund and think $50,000 is a lot of money and they are in good shape. What they don't know is the roof will need to be replaced within 5 years, and the cost of the roof is going to exceed $75,000. So while $50,000 sounds like a lot of money, in reality it won't even cover the cost of a roof, let alone all the other amenities the association is responsible to maintain.

What makes an asset a "Reserve" item versus an "Operating" item?

A "Reserve" asset is an item that is the responsibility of the association to maintain, has a limited Useful Life, predictable Remaining Useful Life expectancies, typically occurs on a cyclical basis that exceeds 1 year, and costs above a minimum threshold cost. An "operating" expense is typically a fixed expense that occurs on an annual basis. For instance, minor repairs to a roof for damage caused by high winds or other weather elements would be considered an "operating" expense. However, if the entire roof needs to be replaced because it has reached the end of its life expectancy, then the replacement would be considered a Reserve expense.

The GREY area of "maintenance" items that are often seen in a Reserve Study –

One of the most popular questions revolves around major "maintenance" items, such as painting the buildings or seal coating the asphalt. You may hear from your accountant that since painting or seal coating is not replacing a "capital" item, then it cannot be considered a Reserve issue. However, it is the opinion of several major Reserve Study providers that these items are considered to be major expenses that occur on a cyclical basis. Therefore, it makes it very difficult to ignore a major expense that meets the criteria to be considered a Reserve component. Once explained in this context, many accountants tend to agree and will include any expenses, such as these examples, as a Reserve component.

The Property Observation –

The Property Observation was conducted following a review of the documents that were established by the developer identifying all common area assets. In some cases, the Board of Directors at some point may have revised the documents. In either case, the most current set of documents was reviewed prior to inspecting the property. In addition, common area assets may have been reported to Aspen Reserve Specialties by the client, or by other parties.

Estimated life expectancies and life cycles are based upon conditions that were readily accessible and visible at the time of the observation. We did not destroy any landscape work, building walls, or perform any methods of intrusive investigation during the observation. In these cases, information may have been obtained by contacting the contractor or vendor that has worked on the property.

The Reserve Fund Analysis –

We projected the starting balance from taking the most recent balance statement, adding expected Reserve contributions for the rest of the year, and subtracting any pending projects for the rest of the year. We compared this number to the ideal Reserve Balance and arrived at the Percent funded level. Measures of strength are as follows:

0% - 30% Funded – Is considered to be a "weak" financial position. Associations that fall into this category are subject to Special Assessments and deferred maintenance, which could lead to lower property values. If the association is in this position, actions should be taken to improve the financial strength of the Reserve Fund.

31% - 69% Funded – The majority of associations are considered to be in this "fair" financial position. While this doesn't represent financial strength and stability, the likelihood of Special Assessments and deferred maintenance is diminished. Effort should be taken to continue strengthening the financial position of the Reserve fund.

70% - 99% Funded – This indicates financial strength of a Reserve fund and every attempt to maintain this level should be a goal of the association.

100% Funded – This is the ideal amount of Reserve funding. This means that the association has the exact amount of funds in the Reserve account that should be at any given time.

Summary of Millbrook Townhomes HOA - Assoc. ID # - 07780-16

Reported Starting Balance as of January 1, 2017 -	**$322,831**
Ideal Reserve Balance as of January 1, 2017 -	**$1,201,570**
Percent Funded as of January 1, 2017 -	**27%**
Recommended Reserve Allocation (per month) -	**$14,200**
Minimum Reserve Allocation (per month) -	**$13,150**
Recommended Special Assessment (2017) -	**$210,000 ($1,500 per unit)**
Recommended Special Assessment (2018 and 2019) -	**$119,000 ($850 per unit)**

This report is an update to an existing Reserve Study that was prepared for the association 8 years ago for the 2009 fiscal period. An observation of the property's common area elements took place on June 10, 2016 to verify the information from this previous report. In addition, we obtained information by contacting local vendors and contractors, as well as communicating with the property representative. To the best of our knowledge, the conclusions and suggestions of this report are considered reliable and accurate insofar as the information obtained from these sources.

This property contains 140 townhome units contained within 32 buildings (ranging from 4 units to 6 units per building). The majority of the community (25 buildings) was constructed approximately 33 years ago, while the remaining buildings were built approximately 21 years ago. The association's maintenance responsibilities include building exterior surfaces, private streets/driveways, a pool area and clubhouse, perimeter fencing, and landscaping. Please refer to the *Projected Reserve Expenditures* table of the Financial Analysis for a detailed listing of when projects are programmed to be addressed.

In comparing the projected balance of $322,831 versus the ideal Reserve Balance of $1,201,570, we find the association Reserve fund to be in a less than ideal financial position (approximately 27% funded of ideal) at this time. Associations in this position are typically susceptible to Special Assessments and/or deferred maintenance, which can lead to lower property values. Based on the information contained within this report, we find no alternative but to recommend a multi-year Assessment for the next 3 years (ranging from $850 - $1,500 per unit per year). In addition, the current budgeted Reserve allocation is less than adequate in funding the Reserve fund to address future projects. Therefore, we suggest increasing the Reserve contribution to $14,200 per month (representing an increase of $33.68 per unit), followed by nominal annual increases of 2.75% thereafter to help offset the effects of inflation. By following the recommendation, the plan will maintain the Reserve account in a positive manner, while gradually increasing to a fully funded position within the thirty-year period.

In the percent Funded graph, you will see that we have also suggested a minimum Reserve contribution of $13,150 per month. If the Reserve contribution falls below this rate, then the Reserve fund will fall into a situation where Special Assessments, deferred maintenance, and lower property values are possible at some point in the future. The minimum Reserve allocation follows the "threshold" theory of Reserve funding where the "percent funded" status is not allowed to dip below 30% funded at any point during the thirty-year period. This was provided for one purpose only, to show the association how small the difference is between the two scenarios and how it would not make financial sense to contribute less money (approximately 7% in this case) to the Reserve fund to only stay above a certain threshold. As you can see, the difference between the two scenarios is considered to be extremely minimal, and based on the risk involved, we strongly suggest the recommended Reserve Allocation is followed.

Comp #: 105 Comp Shingle Roof - Replace (New)

Observations:

- At the time of our site visit, we noted that these roofs appeared to be much newer compared to other buildings. The shingles were a different color, no major damages, and granules in tact. According to Gardner Roofing, these roofs were replaced in 2013.
- It appears this roof material is rated as a 30 year product. Despite this rating, a life expectancy of 20 - 25 years is expected in this environment.
- Due to the potentially harsh winters, extensive freeze/thaw cycle, and likelihood of hail events over the useful life of the roof, we typically see associations replacing roofs sooner than the manufacturer's suggested useful life.

Location: ***Building rooftops***

Quantity: ***Approx. 886 squares***

Life Expectancy: ***25*** *Remaining Life:* ***21***

Best Cost: ***$332,250***

$375/square; Estimate to remove and replace

Worst Cost: ***$376,550***

$425/square; Higher estimate for more labor costs

Source of Information: Cost Database

General Notes:

South property (1983A)--
Bldg 7944 - 54 sq Bldg 7934 - 47 sq
Bldg 7946 - 54 sq Bldg 7922 - 54 sq

North property (1983B)--
Bldg 5344 - 49 sq Bldg 5354 - 75 sq
Bldg 5444 - 58 sq Bldg 5424 - 75 sq
Bldg 5514 - 58 sq Bldg 5374 - 89 sq
Bldg 5494 - 58 sq Bldg 5534 - 89 sq
Bldg 5454 - 87 sq

Garages -
4-car = 13 sq. x 3 garages = 39 squares

Comp #: 105 Comp Shingle Roof - Replace (Old)

Observations:

- At the time of our site visit, we noted that these roofs appeared to be much older compared to other buildings. The shingles were a different color and appeared to have a major loss of granules.
- It appears this roof material is rated as a 30 year product. Despite this rating, a life expectancy of 20 - 25 years is expected in this environment.
- Due to the potentially harsh winters, extensive freeze/thaw cycle, and likelihood of hail events over the useful life of the roof, we typically see associations replacing roofs sooner than the manufacturer's suggested useful life.
- Remaining life is based on age of roof and observed conditions.

Location: ***North & South Properties***

Quantity: ***Approx. 1,008 squares***

Life Expectancy: ***25*** *Remaining Life:* ***2***

Best Cost: ***$334,125***

$375/square; Estimate to remove and replace

Worst Cost: ***$378,675***

$425/square; Higher estimate for more labor costs

Source of Information: Cost Database

General Notes:

South property (1983A)--
Bldg 7906 - 54 sq Bldg 7932 - 54 sq
Bldg 7926 - 54 sq Bldg 7948 - 47 sq
Bldg 7928 - 47 sq Bldg 7914 - 54 sq
Bldg 7938 - 47 sq Bldg 7930 - 47 sq
Bldg 7942 - 54 sq Bldg 7902 - 54 sq
Bldg 7908 - 68 sq Bldg 7912 - 54 sq

North property (1983B)--
Bldg 5404 - 49 sq Bldg 5474 - 81 sq
Bldg 5364 - 58 sq Bldg 5524 - 49 sq
Bldg 7918 - 47 sq Bldg 7924 - 68 sq

Garages -
4-car = 13 sq. x 14 garages = 182 squares
3-car = 10 sq. x 21 garages = 210 squares
2 car = 7 sq. x 3 garages = 21 squares

Mailbox Shelter - 2 squares
Clubhouse - 20 sq

Comp #: 120 Gutters/Downspouts - Replace (New)

Observations:

- There were no unusual conditions with the installation of the lines or any evidence of damage.
- It is typical for debris, such as roof granules and dirt, to build up in the lines. When debris remains in the rain gutters, it will stay wet after rains and snow melt which will cause premature deterioration of the materials.
- Therefore, we recommend cleaning out the lines at least once a year as a maintenance expense to ensure full life expectancy.
- It is typical to replace rain gutters and downspouts at the same time as roof materials for best cost estimate.
- Therefore, Reserve to replace these lines every 25 years.

Location: ***Building rooftops***

Quantity: ***Approx. 6,660 LF***

Life Expectancy: ***25*** *Remaining Life:* ***21***

Best Cost: ***$49,950***

$7.50/LF; Estimate to replace

Worst Cost: ***$54,950***

$8.25/LF: Higher estimate for larger lines

Source of Information: Cost Database

General Notes:

South property (1983A)--
Bldg 7944 - 340 LF Bldg 7934 - 320 LF
Bldg 7946 - 340 LF Bldg 7922 - 340 LF

North property (1983B)--
Bldg 5344 - 370 LF Bldg 5354 - 560 LF
Bldg 5444 - 480 LF Bldg 5424 - 560 LF
Bldg 5514 - 480 LF Bldg 5374 - 720 LF
Bldg 5494 - 480 LF Bldg 5534 - 720 LF
Bldg 5454 - 560 LF

Garages -
4-car = 130 LF x 3 garages = 390 LF

Comp #: 120 Gutters/Downspouts - Replace (Old)

Observations:

- There were no unusual conditions with the installation of the lines or any evidence of damage.
- It is typical for debris, such as roof granules and dirt, to build up in the lines. When debris remains in the rain gutters, it will stay wet after rains and snow melt which will cause premature deterioration of the materials.
- Therefore, we recommend cleaning out the lines at least once a year as a maintenance expense to ensure full life expectancy.
- It is typical to replace rain gutters and downspouts at the same time as roof materials for best cost estimate.
- Therefore, Reserve to replace these lines every 25 years.

Location: ***Building rooftops***

Quantity: ***Approx. 10,980 LF***

Life Expectancy: ***25*** *Remaining Life:* ***2***

Best Cost: ***$82,350***

$7.50/LF; Estimate to replace

Worst Cost: ***$90,600***

$8.25/LF: Higher estimate for larger lines

Source of Information: Cost Database

General Notes:

South property (1983A)--
Bldg 7906 - 340 LF Bldg 7932 - 340 LF
Bldg 7926 - 340 LF Bldg 7948 - 320 LF
Bldg 7928 - 320 LF Bldg 7914 - 340 LF
Bldg 7938 - 320 LF Bldg 7930 - 320 LF
Bldg 7942 - 340 LF Bldg 7902 - 340 LF
Bldg 7908 - 505 LF Bldg 7912 - 340 LF

North property (1983B)--
Bldg 5404 - 370 LF Bldg 5474 - 525 LF
Bldg 5364 - 480 LF Bldg 5524 - 370 LF
Bldg 7918 - 320 LF Bldg 7924 - 340 LF

Garages -
4-car = 130 LF x 14 bldgs = 1,820 LF
3-car = 105 LF x 21 bldgs = 2,205 LF
2 car = 80 LF x 3 bldgs = 240 LF

Mailbox Shelter - 60 LF
Clubhouse - 85 LF

Comp #: 203 Building Ext Surfaces - Repaint (2013)

Observations:

- Conditions vary throughout the community as the buildings are painted in phases. See general notes as to when buildings were painted.
- In this climate, it is recommended that exterior surfaces are painted every 5 - 7 years.
- The exact timeframe depends on the color chosen and the level of exposure to elements, as well as the quality of past paint jobs.
- The remaining life is based on the observed conditions and when the surfaces were last painted.

Location: ***See general notes***

Quantity: ***(30) Units + clubhouse***

Life Expectancy: ***6*** *Remaining Life:* ***2***

Best Cost: ***$35,650***

$1,150/unit; Estimate to repaint buildings

Worst Cost: ***$38,750***

$1,250/unit; Higher estimate for more prep work

Source of Information: Research with contractor

General Notes:

Buildings painted in this phase -
7908, 7912, clubhouse, 7922, 7932, 7934, 7938, 7944

Comp #: 204 Building Ext Surfaces - Repaint (2015)

Observations:

- Conditions vary throughout the community as the buildings are painted in phases. See general notes as to when buildings were painted.
- In this climate, it is recommended that exterior surfaces are painted every 5 - 7 years.
- The exact timeframe depends on the color chosen and the level of exposure to elements, as well as the quality of past paint jobs.
- The remaining life is based on the observed conditions and when the surfaces were last painted.

Location: ***See general notes***

Quantity: ***(32) Units***

Life Expectancy: ***6*** *Remaining Life:* ***4***

Best Cost: ***$36,800***

$1,150/unit; Estimate to repaint buildings

Worst Cost: ***$40,000***

$1,250/unit; Higher estimate for more prep work

Source of Information: Research with contractor

General Notes:

Buildings painted in this phase -
5354, 5494, 7902, 7904, 7906, 7918, 7926, 7942

Comp #: 204 Building Ext Surfaces - Repaint (2014)

Observations:

- Conditions vary throughout the community as the buildings are painted in phases. See general notes as to when buildings were painted.
- In this climate, it is recommended that exterior surfaces are painted every 5 - 7 years.
- The exact timeframe depends on the color chosen and the level of exposure to elements, as well as the quality of past paint jobs.
- The remaining life is based on the observed conditions and when the surfaces were last painted.

Location: ***See general notes***

Quantity: ***(36) Units***

Life Expectancy: ***6*** *Remaining Life:* ***3***

Best Cost: ***$41,400***

$1,150/unit; Estimate to repaint buildings

Worst Cost: ***$45,000***

$1,250/unit; Higher estimate for more prep work

Source of Information: Cost Database

General Notes:

Buildings painted in this phase -
5454, 5524, 7914, 7924, 7928, 7930, 7946, 7948

Comp #: 206 Building Ext Surfaces - Repaint (2016)

Observations:

- Conditions vary throughout the community as the buildings are painted in phases. See general notes as to when buildings were painted.
- In this climate, it is recommended that exterior surfaces are painted every 5 - 7 years.
- The exact timeframe depends on the color chosen and the level of exposure to elements, as well as the quality of past paint jobs.
- The remaining life is based on the observed conditions and when the surfaces were last painted.

Location: ***See general notes***

Quantity: ***(42) Units***

Life Expectancy: ***6*** *Remaining Life:* ***5***

Best Cost: ***$48,300***

$1,150/unit; Estimate to repaint buildings

Worst Cost: ***$52,500***

$1,250/unit; Higher estimate for more prep work

Source of Information: Research with contractor

General Notes:

Buildings painted in this phase -
5534, 5514, 5444, 5474, 5424, 5404, 5374, 5364, 5344 W Canyon Trail

Comp #: 207 Iron Fencing - Repaint

Observations:

- In general, the paint conditions on the metal surfaces was in fair to poor condition. Areas that had longer sun exposure are fading more rapidly. Railings needed minor repairs due to rust corrosion. These can be done prior to the next paint cycle.
- Based on the observed conditions, we recommend painting these surfaces this next year to protect the materials against further deterioration.
- In this climate, we recommend repainting this component every 3 - 4 years to maintain appearance and protect metal surfaces. Remaining life based on current condition.

Location: ***Pool fence, handrails***

Quantity: ***Approx. 315 GSF***

Life Expectancy: ***4*** *Remaining Life:* ***0***

Best Cost: ***$2,200***

$7.00/LF; Estimate to repaint fence

Worst Cost: ***$2,450***

$7.75/LF; Higher estimate for additional prep costs

Source of Information: Cost Database

General Notes:

Pool Area Fence - Approx. 190 LF
Handrail - Approx. 125 LF

Comp #: 209 Wood Fencing - Restain

Observations:

- In general, the fence stain was in fair condition. It appears that the fence was stained in the last couple of years.

- In this climate, we recommend staining wood fences every 2 - 4 years to protect the materials against splintering and cracking.

- The remaining life is based on the observed condition.

Location: ***Along the east side of property***

Quantity: ***Approx. 540 LF***

Life Expectancy: ***4*** *Remaining Life:* ***2***

Best Cost: ***$2,300***

$4.25/LF: Estimate to restain fence

Worst Cost: ***$2,700***

$5.00/LF; Higher estimate for more prep work

Source of Information: Cost Database

General Notes:

Comp #: 216 Interior Surfaces - Repaint

Observations:

- In general, the paint on interior surfaces was in fair to poor condition. No major wall damages, but base boards were scarred up and discolored.
- Based on observed conditions, we suggest waiting until the next time exterior surfaces are scheduled to be painted. The exterior surfaces need to be painted in the next year or two. By scheduling the interiors at the same time as the exteriors, the association will be able to obtain the best painting cost possible.
- In between painting cycles, we recommend touching up areas on an as needed basis with general operating funds. Remaining life is based on the current conditions.

Location: ***Clubhouse***

Quantity: ***Approx. 2,515 GSF***

Life Expectancy: ***6*** *Remaining Life:* ***1***

Best Cost: ***$2,550***

$1.00/GSF; Estimate to repaint

Worst Cost: ***$2,900***

$1.15/GSF; Higher estimate

Source of Information: Cost Database

General Notes:

Lobby - Approx. 700 GSF

Kitchen/Entry area - Approx. 295 GSF

Storage Room - Approx. 340 GSF

Hallway - Approx. 500 GSF

Men's Restroom - Approx. 500 GSF

Women's Restroom - Approx. 500 GSF

Comp #: 301 Siding/Trim - Repair (2013)

Observations:

- The trim work is in fair condition and could use some repairs before being painted again.
- We recommend coordinating these repairs prior to painting the buildings.
- As the property ages, it is possible the estimate for repairs will need to be increased in future Reserve Study updates.
- This material typically has an overall life expectancy of 25 - 30 years and can be extended with proper care and maintenance.

Location: ***Units + clubhouse***

Quantity: ***(30) Units (Approx. 33,130 GSF)***

Life Expectancy: ***6*** *Remaining Life:* ***2***

Best Cost: ***$18,600***

$600/unit; Estimate for repairs

Worst Cost: ***$20,150***

$650/unit; Higher estimate for more repairs

Source of Information: Cost Database

General Notes:

clubhouse
bldg 7908 - 6240 GSF
bldg 7912 - 4380 GSF
bldg 7922 - 4380 GSF
bldg 7932 - 4380 GSF
bldg 7934 - 4685 GSF
bldg 7938 - 4685 GSF
bldg 7944 - 4380 GSF

Comp #: 302 Siding/Trim - Repair (2014)

Observations:

- The majority of damages noted were located around the garage doors and other minor damages were noted throughout.
- We recommend coordinating these repairs prior to painting the buildings.
- As the property ages, it is possible the estimate for repairs will need to be increased in future Reserve Study updates.
- This material typically has an overall life expectancy of 25 - 30 years and can be extended with proper care and maintenance.

Location: ***See general notes***

Quantity: ***(36) Units (Approx. 38,885 GSF)***

Life Expectancy: ***6*** *Remaining Life:* ***3***

Best Cost: ***$21,600***

$600/unit; Estimate for repairs

Worst Cost: ***$23,400***

$650/unit; Higher estimate for more repairs

Source of Information: Cost Database

General Notes:

bldg 5454 - 3700 GSF
bldg 5524 - 6130 GSF
bldg 7924 - 6240 GSF
bldg 7914 - 4380 GSF
bldg 7928 - 4685 GSF
bldg 7946 - 4380 GSF
bldg 7948 - 4685 GSF
bldg 7930 - 4685 GSF

Comp #: 303 Siding/Trim - Repair (2015)

Observations:

- The trim work at these addresses was in good condition with no major damages noted at the time of our site visit.
- We recommend coordinating these repairs prior to painting the buildings.
- As the property ages, it is possible the estimate for repairs will need to be increased in future Reserve Study updates.
- This material typically has an overall life expectancy of 25 - 30 years and can be extended with proper care and maintenance.
- Remaining life is based on the current conditions.

Location: ***See general notes***

Quantity: ***(32) Units (Approx. 38,550 GSF)***

Life Expectancy: ***6*** *Remaining Life:* ***4***

Best Cost: ***$19,200***

$600/unit; Estimate for repairs

Worst Cost: ***$20,800***

$650/unit; Higher estimate for more repairs

Source of Information: Cost Database

General Notes:

bldg 5354 - 5430 GSF
bldg 5494 - 6230 GSF
bldg 7902 - 4380 GSF
bldg 7904 - 4685 GSF
bldg 7906 - 4380 GSF
bldg 7918 - 4685 GSF
bldg 7926 - 4380 GSF
bldg 7942 - 4380 GSF

Comp #: 304 Siding/Trim - Repair (2016)

Observations:

- The trim work at these addresses was in good to fair conditions. Only minor damages were noted at the time of our site visit.
- We recommend coordinating these repairs prior to painting the buildings.
- As the property ages, it is possible the estimate for repairs will need to be increased in future Reserve Study updates.
- This material typically has an overall life expectancy of 25 - 30 years and can be extended with proper care and maintenance.

Location: ***See general notes***

Quantity: ***(42) Units (Approx. 63910 GSF)***

Life Expectancy: ***6*** *Remaining Life:* ***5***

Best Cost: ***$25,200***

$600/unit; Estimate for repairs

Worst Cost: ***$27,300***

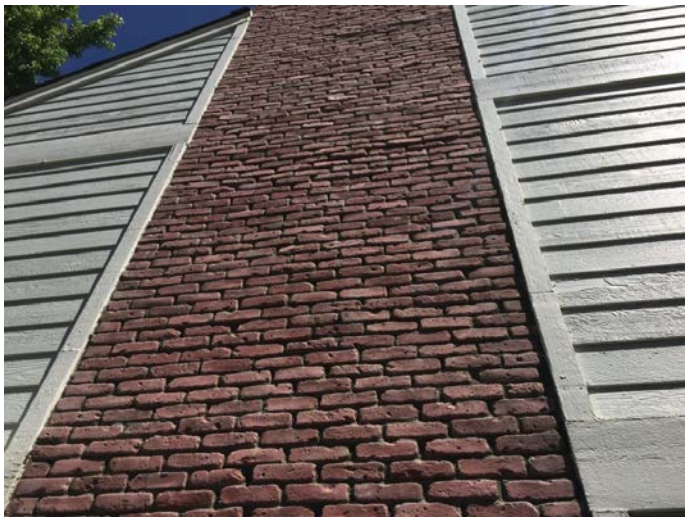
$650/unit; Higher estimate for more repairs

Source of Information: Cost Database

General Notes:

bldg 5534 - 9170 GSF
bldg 5514 - 6230 GSF
bldg 5444 - 6230 GSF
bldg 5474 - 9190 GSF
bldg 5424 - 5430 GSF
bldg 5404 - 6130 GSF
bldg 5374 - 9170 GSF
bldg 5364 - 6230 GSF
bldg 5344 - 6130 GSF

Comp #: 306 Brick/Flagstone - Replace



Observations:

- In general, the stones and bricks were in good condition with no major damages noted.
- Typically, these stones or bricks have an extended life expectancy and complete replacement is unlikely.
- There are times where some stones or bricks will loosen and fall off, but this is unpredictable when and how much would occur.
- Repairs should be handled as a maintenance issue on an as needed basis. No reserve funding is required for this component at this time.
- If it later turns out that frequent repairs are necessary, then funding could be added in future Reserve Study updates.

Location: ***Buildings exterior***

Quantity: ***Approx. 21,835 GSF***

Life Expectancy: ***N/A*** *Remaining Life:*

Best Cost: ***$0***

Worst Cost: ***$0***

Source of Information:

General Notes:

South Property--

Bldg 7944 - 720 GSF	***Bldg 7948 - 750 GSF***
Bldg 7946 - 720 GSF	***Bldg 7914 - 720 GSF***
Bldg 7906 - 720 GSF	***Bldg 7904 - 750 GSF***
Bldg 7902 - 750 GSF	***Bldg 7908 - 400 GSF***
Bldg 7912 - 720 GSF	***Bldg 7918 - 750 GSF***
Bldg 7924 - 400 GSF	***Bldg 7926 - 720 GSF***
Bldg 7928 - 750 GSF	***Bldg 7922 - 720 GSF***
Bldg 7938 - 750 GSF	***Bldg 7942 - 720 GSF***
Bldg 7932 - 720 GSF	***Bldg 7934 - 750 GSF***
Bldg 7930 - 750 GSF	

North Property--

Bldg 5344 - 560 GSF	***Bldg 5354 - 520 GSF***
Bldg 5404 - 560 GSF	***Bldg 5424 - 520 GSF***
Bldg 5364 - 480 GSF	***Bldg 5374 - 705 GSF***
Bldg 5444 - 480 GSF	***Bldg 5494 - 480 GSF***
Bldg 5514 - 480 GSF	***Bldg 5534 - 705 GSF***
Bldg 5524 - 560 GSF	***Bldg 5474 - 700 GSF***
Bldg 5454 - 825 GSF	

Clubhouse - 530 GSF

Comp #: 401 Asphalt - Overlay

Observations:

- At the time of our site visit, the asphalt was in poor conditions. Major cracking throughout, major spalling, and pot holes were noted at the time of our site visit.
- The average life expectancy for asphalt surfaces ranges between 20 - 25 years for surfaces that are maintained on a regular schedule.
- Maintenance includes crack fill and repairing small potholes annually as an operating expense. In addition, asphalt should be seal coated every 2 -3 years, depending on the level of traffic and snow removing techniques.
- Remaining life is based on the current conditions.

Location: ***Throughout community***

Quantity: ***Approx. 152,470 GSF***

Life Expectancy: ***24*** *Remaining Life:* ***0***

Best Cost: ***$251,600***

$1.65/GSF; Est. to rotomill and 2" overlay

Worst Cost: ***$289,700***

$1.90/GSF; Higher estimate for more repairs

Source of Information: Cost Database

General Notes:

Comp #: 402 Asphalt - Seal Coat/crack fill

Observations:

- The asphalt was very poor condition and should be seal coated with the new overlay. Asphalt was very dry looking and faded in color.
- Maintenance includes crack fill and repairing small potholes annually as an operating expense.
- In addition, asphalt should be seal coated every 2 -3 years, depending on the level of traffic and snow removing techniques.
- Remaining life is based on the current conditions observed at the time of our site visit.

Location: ***Throughout community***

Quantity: ***Approx. 152,470 GSF***

Life Expectancy: ***4*** *Remaining Life:* ***0***

Best Cost: ***$22,875***

$.15/GSF; Estimate for seal coat only

Worst Cost: ***$27,450***

$.18/GSF; Higher est. includes repairs/crack fill

Source of Information: Cost Database

General Notes:

Comp #: 406 Concrete - Repair/Replace

Observations:

- At the time of our site visit, we noted that a few repairs have been made throughout the previous years. Drain swales are generally in fair condition.
- No expectation to completely replace concrete swale.
- Reserve to make repairs and replacements to approximately 10% of total area (610 GSF) every 4 years.
- Remaining life is based on the current conditions.

Location: ***Throughout common drives***

Quantity: ***Approx. 6,087 GSF***

Life Expectancy: ***4*** *Remaining Life:* ***0***

Best Cost: ***$4,500***

Estimate to repair 10% of area every 4 years

Worst Cost: ***$5,050***

Higher estimate for more repairs

Source of Information: Cost Database

General Notes:

Drain Swales - Approx. 5,527 GSF

Curb and Gutter - Approx. 560 GSF

Comp #: 407 Timber Borders - Partial Replace

Observations:

- In general, the timber borders adjacent to the asphalt drives was in poor condition. We noted major rotting and deterioration throughout.

- Typically, we see the need for replacement every 5 - 8 years due to water rot, damages from snow removal, etc.

- Remaining life is based on the current conditions observed at the time of our site visit.

Location: ***Throughout common drives***

Quantity: ***Approx. 965 LF***

Life Expectancy: ***8*** *Remaining Life:* ***0***

Best Cost: ***$2,550***

Allowance to replace 30% every 8 years

Worst Cost: ***$3,000***

Higher allowance for more repairs

Source of Information: Cost Database

General Notes:

Comp #: 502 Garage Doors - Replace

Observations:

- In general, the garage doors are in fair condition. No major problems were noted, but minor dings and dents were present. Paint varied as well throughout, but in general, was in fair condition.
- The declarations do not specifically state who is responsible for replacement of the doors.
- It was reported these doors are the responsibility of the individual owner, not the association.
- Therefore, Reserve funding is not required for this component.

Location: ***Garage units***

Quantity: ***(187) Various sized doors***

Life Expectancy: ***N/A*** *Remaining Life:*

Best Cost: ***$0***

Worst Cost: ***$0***

Source of Information:

General Notes:

South Property--
4-car -
(4) 8x7 garage doors x 13 garages = 52 doors
(2) 16x7 garage doors x 1 garage = 2 doors
3-car
(3) 8x7 garage doors x 11 garages = 33 doors
(1) 16x7 & (1) 8x7 garage door x 10 garages = 20 doors
2 car -
(2) 8x7 garage doors x 3 garages = 6 doors

North Property--
Bldg 5344 - (8) 8x7 garage doors
Bldg 5354 - (2) 16x7 & (2) 8x7 garage doors
Bldg 5404 - (8) 8x7 garage doors
Bldg 5424 - (2) 16x7 & (2) 8x7 garage doors
Bldg 5364 - (4) 8x7 garage doors
Bldg 5374 - (6) 8x7 garage doors
Bldg 5444 - (4) 8x7 garage doors
Bldg 5494 - (4) 8x7 garage doors
Bldg 5514 - (4) 8x7 garage doors
Bldg 5534 - (6) 8x7 garage doors
Bldg 5524 - (8) 8x7 garage doors
Bldg 5474 - (12) 8x7 garage doors
Bldg 5454 - (6) 16x7 garage doors

Comp #: 506 Windows - Replace

Observations:

- Interior doors are brown and do not match. Windows are still functional, but appeared to be outdated, scuffed up in areas, and in need of caulking and paint.

- In our experience, we have seen the need to replace pool buildings windows and doors every 20 - 25 years on average.

- The remaining life is based on age and conditions.

Location: ***Clubhouse***

Quantity: ***(9) Exterior openings***

Life Expectancy: ***22*** *Remaining Life:* ***1***

Best Cost: ***$4,550***

$650/opening; Average estimate to replace

Worst Cost: ***$5,250***

$750/window; Higher estimate for better quality

Source of Information: Cost Database

General Notes:

Exterior doors - (2) 3x7 doors

Interior doors - (6) 3x7 doors
(1) 5x7 closet door

Windows - (7) 3x5 windows

Comp #: 601 Concrete Sidewalks/Decks - Repair

Observations:

- In general, the concrete sidewalks/decks were in fair to poor condition. We noted some repairs have been made throughout the community, but still needs many more repairs.

- While it is unlikely that all concrete surfaces will fail and need to be replaced at the same time, frequent repairs and replacement to a percentage of the area (10% or 4,440 GSF), should be anticipated every 4 years.

- Remaining life is based on the current conditions.

Location: ***Throughout community***

Quantity: ***Approx. 44,430 GSF***

Life Expectancy: ***4*** *Remaining Life:* ***0***

Best Cost: ***$32,200***

Allowance to repair 10% of area every 4 years

Worst Cost: ***$37,750***

Higher estimate for more repairs

Source of Information: Cost Database

General Notes:

South Property Porches--
Bldg 7944 - 250 GSF ***Bldg 7948 - 110 GSF***
Bldg 7946 - 250 GSF ***Bldg 7914 - 250 GSF***
Bldg 7906 - 250 GSF ***Bldg 7904 - 110 GSF***
Bldg 7902 - N/A ***Bldg 7908 - N/A***
Bldg 7912 - N/A ***Bldg 7918 - 110 GSF***
Bldg 7924 - 520 GSF ***Bldg 7926 - 250 GSF***
Bldg 7928 - 110 GSF ***Bldg 7922 - 250 GSF***
Bldg 7938 - 110 GSF ***Bldg 7942 - 250 GSF***
Bldg 7932 - 250 GSF ***Bldg 7934 - 110 GSF***
Bldg 7930 - 110 GSF
Sidewalks - Approx 27,974 GSF
North Property Porches--
Bldg 5344 - 200 GSF ***Bldg 5354 - 130 GSF***
Bldg 5404 - 200 GSF ***Bldg 5424 - 130 GSF***
Bldg 5364 - 420 GSF ***Bldg 5374 - 640 GSF***
Bldg 5444 - 420 GSF ***Bldg 5494 - 420 GSF***
Bldg 5514 - 420 GSF ***Bldg 5534 - 640 GSF***
Bldg 5524 - 200 GSF ***Bldg 5474 - 260 GSF***
Bldg 5454 - N/A
Sidewalks - Approx. 7244 GSF
Mailbox - Approx. 475 GSF
Clubhouse - Approx. 205 GSF
Pool Deck - Approx. 760 GSF

Comp #: 607 Wood Deck - Replace

Observations:

- Conditions, sizes, and types of decks vary throughout the community. In general, the decks appeared to be outdated and nearing the end of their lives. We noted wood rot on the majority of the decks.
- According to the declarations, it appears the association will be responsible for painting/staining the decks (funding included with exterior building surfaces - repaint).
- Typically, these are considered to be exclusive use common areas, and in most situations, the individual owner is responsible when major repairs or replacement is necessary.
- Therefore, at this time, separate Reserve funding for replacement is not recommended.

Location: ***Unit buildings***

Quantity: ***Approx. 3,190 GSF***

Life Expectancy: ***N/A*** *Remaining Life:*

Best Cost: ***$0***

Worst Cost: ***$0***

Source of Information:

General Notes:

South Property--
Bldg 7908 - 360 GSF ***Bldg 7902 - 300 GSF***
Bldg 7912 - 240 GSF

North Property--
Bldg 5344 - 192 GS ***Bldg 5404 - 192 GSF***
Bldg 5364 - 160 GSF ***Bldg 5374 - 240 GSF***
Bldg 5444 - 160 GSF ***Bldg 5494 - 160 GSF***
Bldg 5514 - 160 GSF ***Bldg 5534 - 240 GSF***
Bldg 5524 - 192 GSF ***Bldg 5474 - 290 GSF***
Bldg 5454 - 300 GSF

Comp #: 703 Hot Water Heater Tank - Replace

Observations:

- There were no major problems reported or noted at the time of our site visit. However, the hardware and fittings are corroding and we believe this heater is nearing the end of its life.

- Due to the minimal replacement cost associated with this component when compared to the life expectancy, Reserve funding is not required.

- Repair and replace water heater on an as needed basis with operating funds.

Location: ***Basement of clubhouse***

Quantity: ***(1) Rheem, 40 gallon***

Life Expectancy: ***N/A*** *Remaining Life:*

Best Cost: ***$0***

Worst Cost: ***$0***

Source of Information:

General Notes:

(1) Rheem Glas hot water heater - 40 gallon
model 22-40
ser # 1181310060

Comp #: 706 HVAC Furnace - Replace

Observations:

- We noted that the furnace had been replaced in 2011. In general, the furnace is good condition with no reported problems.

- Expect a useful life of approximately 20 - 30 years from this component.

- Remaining life is based on the current conditions and overall age.

Location: ***Basement of clubhouse***

Quantity: ***(1) Lennox system***

Life Expectancy: ***25*** *Remaining Life:* ***19***

Best Cost: ***$3,500***
Estimate to replace

Worst Cost: ***$4,500***
Higher estimate

Source of Information: Cost Database

General Notes:

Bryant Heating & Cooling
M/N - 310AAV066135
S/N - 2311A18346
Date - June 2011

Project History--
Replaced - June 2011

Comp #: 803 Mailboxes - Replace

Observations:

- At the time of our site visit, the mailboxes were in fair condition. Some marking and discoloration noted throughout mailboxes. No broken boxes were noted.

- Expect to replace this component approximately every 18 - 20 years to maintain appearance and function.

- Remaining life based on current age and condition.

Location: ***See general notes***

Quantity: ***(10) Assorted CBU's, (5) Parcel***

Life Expectancy: ***22*** *Remaining Life:* ***4***

Best Cost: ***$19,500***
Estimate to replace

Worst Cost: ***$21,500***
Higher estimate for better quality

Source of Information: Cost Database

General Notes:

South Property--
Clubhouse
(3) 5x6 CBU's
(2) 2 box parcel CBU's

North Property--
(1) 5x7 CBU
(1) 4x7 CBU
(5) parcel boxes
(3) 2 box parcel CBU's

Cost to replace -
CBU's - $1,550 each
Parcel - $1,175 each

Comp #: 1001 Wood Handrails - Replace

Observations:

- At the time of our site visit, the hand rails were in fair condition. We did not note any broken rails. Paint is in the same conditions has the exterior surfaces.
- This material should be painted at the same time as the units. Make necessary repairs as part of prep work before the painting cycle.
- Reserve funding is not necessary.

Location: ***Decks of units***

Quantity: ***Approx. 1,225 LF***

Life Expectancy: ***N/A*** *Remaining Life:*

Best Cost: ***$0***

Worst Cost: ***$0***

Source of Information:

General Notes:

South Property--
Bldg 7908 - 165 LF ***Bldg 7902 - 110 LF***
Bldg 7912 - 100 LF

North Property--
Bldg 5344 - 80 LF ***Bldg 5404 - 80 LF***
Bldg 5364 - 60 LF ***Bldg 5374 - 85 LF***
Bldg 5444 - 60 LF ***Bldg 5494 - 60 LF***
Bldg 5514 - 60 LF ***Bldg 5534 - 85 LF***
Bldg 5524 - 80 LF ***Bldg 5474 - 100 LF***
Bldg 5454 - 100 LF

Comp #: 1001 Wood Fencing - Replace

Observations:

- The fencing is aging appropriately with no major damages noted at the time of our site visit. Some boards were warped and stain varied in conditions.
- As long as proper weatherproofing is performed, the overall life of the fence should range between 15 - 20 years.
- Without maintenance, expect to replace every 10 - 12 years.
- The remaining life is based on the observed condition.

Location: ***Along the east side of property***

Quantity: ***Approx. 540 LF***

Life Expectancy: ***20*** *Remaining Life:* ***6***

Best Cost: ***$17,825***

$33/LF; Estimate to replace

Worst Cost: ***$20,525***

$38/LF: Higher estimate for better quality

Source of Information: Cost Database

General Notes:

Comp #: 1002 Ironwork Fencing - Replace

Observations:

- In general, the fence was in good to fair condition with no structural problems observed. However, the metal railings were in fair to poor condition. We did note major and minor rust. corrosion in some areas.
- The average replacement cycle for this type of fencing typically ranges between 25 - 35 years, depending on maintenance levels and exposure to elements.
- These surfaces should be repaired prior to being painted.
- Remaining life is based on the current age and conditions of the metal surfaces.

Location: ***Throughout community***

Quantity: ***Approx. 315 GSF***

Life Expectancy: ***35*** *Remaining Life:* ***6***

Best Cost: ***$12,600***

$40/LF; Estimate to replace

Worst Cost: ***$14,200***

$45/LF: Higher estimate

Source of Information: Cost Database

General Notes:

Pool Area Fence - Approx. 190 LF

Handrail - Approx. 125 LF

Comp #: 1006 Hardboard Rear Dividing Fence - Replace

Observations:

- These dividers had not been replaced at the time of our site visit. The hardboard siding and trim work was in poor condition. We noted cracking, paint chipping, etc throughout the community.

- These walls should be painted at the same time as the units are in order to keep a consistent appearance throughout the community.

- Based on observed condition, we suggest replacing these walls within the next couple years.

Location: ***Back of units***

Quantity: ***Approx. 5,940 GSF***

Life Expectancy: ***25*** *Remaining Life:* ***5***

Best Cost: ***$47,550***

$8/GSF; Estimate to replace

Worst Cost: ***$53,500***

$9/GSF; Higher estimate for better quality

Source of Information: Cost database

General Notes:

4 Unit Bldgs--
300 GSF x 17 bldgs = Approx. 5,100 GSF

6 Unit Bldgs--
420 GSF x 2 bldgs = Approx. 840 GSF

Comp #: 1009 Split Rail Fencing - Replace

Observations:

- The split rail fencing was in fair to poor condition and has not been stained or painted in the past. We noted some railings having splits or cracks in them. Other rails had wood rot throughout.

- This type of fence has an average life expectancy of 10 - 15 years, depending on level of maintenance and exposure to elements.

- Remaining life is based on the current conditions and overall age of the fencing.

Location: ***Throughout community***

Quantity: ***Approx. 1,050 LF***

Life Expectancy: ***15*** *Remaining Life:* ***0***

Best Cost: ***$15,750***

$15/LF; Estimate to replace with similar

Worst Cost: ***$18,900***

$18/LF; Higehr estimate for more labor

Source of Information: Cost Database

General Notes:

Comp #: 1011 Timber Retaining Wall - Repair

Observations:

- At the time of our site visit, we noted that approximately half of the retaining wall in the greenbelt area had been replaced/repaired. The remainder of retaining walls were in fair condition with shifting and settling timbers present.
- Generally, in most conditions, these walls have an overall life expectancy of 20 - 25 years.
- However, with periodic repairs, the life of the wall can be extended. The top timber tends to become the first piece to deteriorate and need to be replaced.
- This type of wall also tends to be susceptible to movement and leaning. When replacement is necessary, most associations are converting to block wall for longer life expectancy and less maintenance.

Location: ***Throughout community***

Quantity: ***Approx. 3,580 GSF***

Life Expectancy: ***7*** *Remaining Life:* ***4***

Best Cost: ***$8,700***

Allowance for periodic repairs

Worst Cost: ***$10,875***

Higher allowance for more repairs

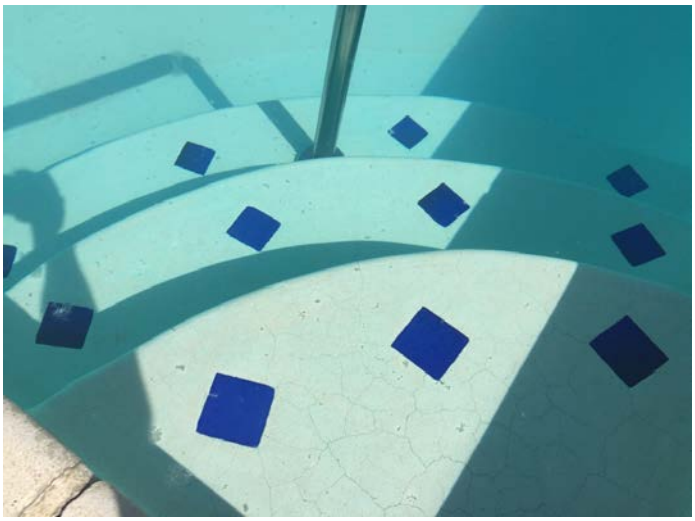
Source of Information: Cost Database

General Notes:

North Property--
Bldg 5344 - Approx. 418 GSF
Bldg 5404 - Approx. 140 GSF
Bldg 5374 - Approx. 230 GSF
Bldg 5444 - Approx. 20 GSF
Bldg 5494 - Approx. 38 GSF
Bldg 5514 - Approx. 70 GSF
Bldg 5524 - Approx. 244 GSF
Bldg 5474 - Approx. 100 GSF
Bldg 5454 - Approx. 21 GSF

Greenbelt Area - Approx. 2,300 GSF

Comp #: 1101 Pool - Resurface



Observations:

- In general, the pool surface is in fair to poor condition with cracking noted on steps and throughout.
- The average resurfacing cycle for pool surfaces ranges from 8 - 10 years, depending on the quality of the water and the chemical levels in the water.
- In this climate, frequent acid washes are required to clean the surface after being winterized for 9 months a year.
- These acid washes gradually "eat" away the plaster and the surface becomes rough.
- The useful life and remaining life is based on the condition and age of property.

Location: ***Pool***

Quantity: ***Approx. 1,570 GSF***

Life Expectancy: ***10*** *Remaining Life:* ***0***

Best Cost: ***$15,700***

$10/GSF; Estimate to resurface (plaster/tile/coping

Worst Cost: ***$19,650***

$12.50/GSF; Higher estimate for more labor

Source of Information: Cost Database

General Notes:

Comp #: 1105 Pool Heater - Replace

Observations:

- We did not have access to the pool equipment room at the time of our site visit. However, we have been in contact with Alligator Spa and Pool Services, Inc. throughout our research.
- According to Alligator Spa and Pool, the pool heater was replaced in 2011 and is in good working condition with no reported problems.
- Remaining life is based on the current conditions and overall age of the pool heater.

Location: ***By clubhouse***

Quantity: ***(1) Teledyne Laars, 400000 BTU***

Life Expectancy: ***18*** *Remaining Life:* ***12***

Best Cost: ***$4,500***

Estimate to replace with similar type heater

Worst Cost: ***$5,250***

Higher estimate for more efficient unit

Source of Information: Cost Database

General Notes:

(1) Raypak 406ASME Millivolt
M/N - N/A
S/N - N/A
Installed - 5/2011

Comp #: 1108 Pool Filter - Replace

Observations:

- We did not have access to the pool equipment room at the time of our site visit. However, we have been in contact with Alligator Spa and Pool Services, Inc. throughout our research.
- According to Alligator Spa and Pool Services, the property still has the same pool filter, which has reached the end of its useful life.
- They suggest replacing the filter next season with a quote of approximately $3,050 installed.
- Remaining life is based on the current conditions and overall age of the filter.

Location: ***By clubhouse***

Quantity: ***(1) Sta-Rite sand filter***

Life Expectancy: ***18*** *Remaining Life:* ***0***

Best Cost: ***$3,000***

Estimate to replace

Worst Cost: ***$3,250***

Higher estimate

Source of Information: Research with contractor

General Notes:

(1) Purex Triton TR100

Comp #: 1111 Misc. Pool Equipment - Replace

Observations:

- We could not access the pool equipment room at the time of our site visit. However, we have been in contact with Alligator Spa and Pool Services, Inc. during our research process.
- According to Alligator Spa and Pool, the pump and chlorinator were repaired/replaced in 2011 and are in good working condition.
- Due to the low replacement/repair costs, Reserve funding is not required at this time.

Location: ***By clubhouse***

Quantity: ***(1) pump/motor, (1) Chlorinator***

Life Expectancy: ***N/A*** *Remaining Life:*

Best Cost: ***$0***

Worst Cost: ***$0***

Source of Information:

General Notes:

(1) Hayward Super 1.5HP

(1) Automatic Chlorine/Bromine Off-Line Feeder by Pentair - model 300

Comp #: 1121 Pool Furniture - Replace

Observations:

- The pool area had all the same furniture. However, some of the straps were broken or missing. The pool furniture, in general, is in fair to condition.
- Due to minimal replacement cost, fund for this component as an operating expense.
- No reserve funding necessary.

Location: ***Pool area***

Quantity: ***(14) Assorted pieces***

Life Expectancy: ***N/A*** *Remaining Life:*

Best Cost: ***$0***

Worst Cost: ***$0***

Source of Information:

General Notes:

(6) chaise lounge chairs
(5) chairs
(2) park bench
(1) trash can

Comp #: 1402 Appliances - Replace

Observations:

- All of the appliances were the same at the time of our site visit.

- Due to the minimal use these appliances receive expect a useful life of approximately 15 - 20 years from these units.

- Remaining life based on current age and condition.

Location: ***Kitchen area***

Quantity: ***(3) Assorted appliances***

Life Expectancy: ***18*** *Remaining Life:* ***1***

Best Cost: ***$4,500***
Estimate to replace

Worst Cost: ***$6,000***
Higher estimate

Source of Information: Cost Database

General Notes:

(1) Whirlpool "No Frost" fridge - $2,000
(1) "Sound Conditioned" dishwasher - $1,000
(1) Whirlpool "Self-cleaning" oven - $1,500

Comp #: 1403 Cabinets and Countertops -Replace

Observations:

- At the time of our site visit, the cabinets and countertops were still the same and functional. However, these items have reached an age where they are no longer aesthetically pleasing and are out of date.
- When replacement is scheduled, we suggest replacing the countertops with an upgraded product that has a longer life expectancy than Formica.
- The timing of replacement is at the BOD's discretion since this is considered a cosmetic issue.
- We suggest updating kitchens every 20 - 25 years to maintain an appropriate and modern appearance for the community.

Location: ***Kitchen area***

Quantity: ***(7) Boxes, 20 GSF countertop***

Life Expectancy: ***24*** *Remaining Life:* ***1***

Best Cost: ***$5,100***

$600/box, $45/GSF; Estimate to replace and install

Worst Cost: ***$6,000***

$700/box, $55/GSF; Higher estimate for upgrade

Source of Information: Cost Database

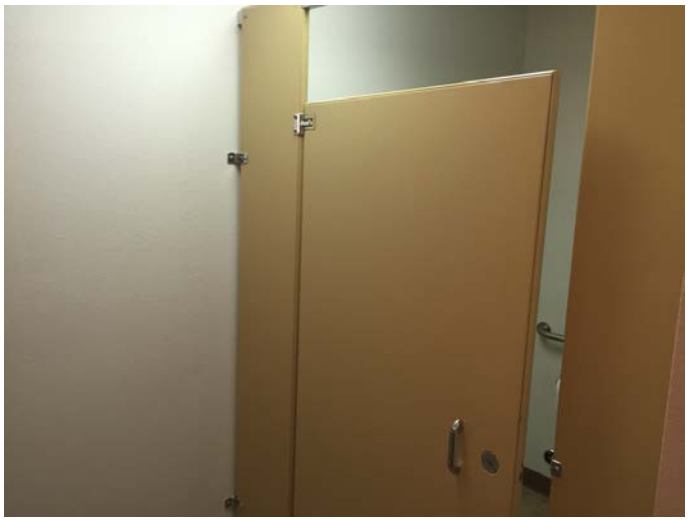
General Notes:

Under countertop box units - (2)

Over countertop box units - (3) full units
(2) 1/2 units

Countertop - 10x2 Formica

Comp #: 1413 Restroom - Remodel



Observations:

- At the time of our site visit, the bathrooms appeared to be the same, but were still in fair condition with no major damages.
- Most associations perform a general remodel of the restroom/locker room interiors every 15 - 20 years to maintain appearance and keep up with current decorative trends.
- Based on the age of the community, we suggest planning a remodel of the interiors within the next couple years.
- The final decision is up to the community members in deciding when to spend the money to perform this project since it is considered cosmetic.

Location: ***Clubhouse***

Quantity: ***(2) Restrooms***

Life Expectancy: ***18*** *Remaining Life:* ***1***

Best Cost: ***$9,000***

$4,500/restroom; Allowance for general remodel

Worst Cost: ***$11,000***

$5,500/restroom; Higher est. for more renovation

Source of Information: Cost Database

General Notes:

Men's Restroom--
Countertop - (1) 2x3 Formica
Sink - (1)
Urinal - (1)
Toilet - (1)
Partition wall - (1)

Women's Restroom - Same as men's

Comp #: 1415 Clubhouse - Remodel/Update

Observations:

- In general, the lobby area of the clubhouse was dated, but functional. Overall, the area was in fair condition.

- General remodel of this area is suggested every 15 - 20 years in order to maintain current decorative trends and an appropriate appearance for the community.

- Remaining life is based on the current age and conditions of the lobby.

Location: ***Clubhouse***

Quantity: ***See General Notes***

Life Expectancy: ***18*** *Remaining Life:* ***1***

Best Cost: ***$12,500***

Allowance to remodel

Worst Cost: ***$15,000***

Higher allowance for more renovations

Source of Information: Cost Database

General Notes:

Carpet - Approx. 54 GSY
Popcorn Ceiling - Approx. 480 GSF
Pictures - (4)
Assorted Wood Tables - (8)
Wood Couch - (1)
Chairs - (2)
Small Chairs - (8)
Lamp - (1)
Fireplace - (1)
Entry/kitchen Area - Approx. 11 GSY
Storage Room - Approx. 8 GSY
Hallway - Approx. 10 GSY
Men's Restroom - Approx. 9 GSY
Women's Restroom - Approx. 9 GSY

Comp #: 1417 Furniture - Replace

Observations:

- This type of furniture is typically replaced on an as needed basis with general operating funds.

- Therefore, separate funding in the Reserve account is not necessary for this component.

Location: ***Storage room***

Quantity: ***See general notes***

Life Expectancy: ***N/A*** *Remaining Life:*

Best Cost: ***$0***

Worst Cost: ***$0***

Source of Information:

General Notes:

Stackable Chairs - (8)
Foldable Chairs - (23)
Big Tables - (2)
Small Tables - (2)

Comp #: 1601 Interior Lights - Replace

Observations:

- There were no reported problems with the interior lighting at the time of our site visit. In general, the lights appeared to be in good working condition.

- Can lights and florescent lights are inexpensive to replace and should be replaced on an as needed basis with maintenance/operating funds.

- Reserve funds are not necessary at this time.

Location: ***Clubhouse***

Quantity: ***(14) Assorted lights***

Life Expectancy: ***N/A*** *Remaining Life:*

Best Cost: ***$0***

Worst Cost: ***$0***

Source of Information:

General Notes:

entry/kitchen - (1) can lights
(1) fluorescent light
lobby - (10) can lights
hallway - (2) can lights

Comp #: 1602 Exterior Wall Mount - Replace

Observations:

- Our field work was conducted during daylight hours, therefore, we were unable to see the lights in working condition. Aesthetically speaking, the lights are in fair condition. Minor rust and discoloration were noted. We did note that a couple of lights were broken.
- While replacement can occur on an as needed basis, it is our opinion and recommendation to replace all lights at the same time every 15 - 20 years to maintain a consistent appearance throughout the property.
- In addition, by replacing multiple fixtures, the association will be able to obtain a quantity discount for the fixtures. Estimated replacement cost includes labor for installation.

Location: ***Buildings exterior***

Quantity: ***Approx. 400 lights***

Life Expectancy: ***18*** *Remaining Life:* ***0***

Best Cost: ***$56,000***

$140/light; Estimate to replace

Worst Cost: ***$66,000***

$165/light; Higher estimate for better quality

Source of Information: Cost database

General Notes:

South Property--
Bldg 7944 - (8) ***Bldg 7948 - (8)***
Bldg 7946 - (8) ***Bldg 7914 - (8)***
Bldg 7906 - (8) ***Bldg 7904 - (8)***
Bldg 7902 - (8) ***Bldg 7908 - (12)***
Bldg 7912 - (8) ***Bldg 7918 - (8)***
Bldg 7924 - (12) ***Bldg 7926 - (8)***
Bldg 7928 - (8) ***Bldg 7922 - (8)***
Bldg 7938 - (8) ***Bldg 7942 - (8)***
Bldg 7932 - (8) ***Bldg 7934 - (8)***
Bldg 7930 - (8)

Garages -
2 lights per garage x 38 garages = 76 lights

North Property--
Bldg 5344 - (12) ***Bldg 5354 - (12)*** ***Bldg 5404 - (12)*** ***Bldg 5424 - (12)***
Bldg 5364 - (8) ***Bldg 5374 - (12)***
Bldg 5444 - (8) ***Bldg 5494 - (8)***
Bldg 5514 - (8) ***Bldg 5534 - (12)***
Bldg 5524 - (12) ***Bldg 5474 - (18)***
Bldg 5454 - (12)

garages -
2 lights per garage x 3 garages = 6 lights

Comp #: 1604 Street Lights - Replace

Observations:

- There were no problems reported with the street lights at the time of our site visit. Additionally, the street lights appear to be the responsibility of the local public utility company.

- Due to a small number of fixtures the association is responsible for, treat any expenses associated with the pole lights as a separate issue from the Reserve account.

- Therefore, Reserve funding is not required for this component.

Location: ***Throughout common drives***

Quantity: ***(7) street lights***

Life Expectancy: ***N/A*** *Remaining Life:*

Best Cost: ***$0***

Worst Cost: ***$0***

Source of Information:

General Notes:

Comp #: 1604 Pole Lights - Replace

Observations:

- There were no reported problems of the lights not working at the time of our site visit. However, we did note that several lights were damages and one light was laying on the ground.

- Also, we noted minor rust and discoloration in areas.

- Remaining life is based on the current age and overall conditions.

Location: ***South property***

Quantity: ***(4) 6' lights***

Life Expectancy: ***15*** *Remaining Life:* ***0***

Best Cost: ***$3,000***

$750/light; Estimate to replace

Worst Cost: ***$3,600***

$900/light; Higher estimate

Source of Information: Cost Database

General Notes:

Comp #: 1701 Irrigation System - Rebuild

Observations:

- There were no reported problems with the irrigation system at the time of our site visit.
- This line item is for repairs and replacement that lies outside the scope of routine maintenance: bulk sprinkler head replacement, bulk valve replacement, rerouting lateral lines, rewiring, etc.
- In order to ensure the funds are available for major repairs, we recommend reserving funds for these projects every 4 - 5 years.
- The funding on this line item is for major repairs and is not to be interpreted as complete irrigation system replacement.

Location: ***Throughout community***

Quantity: ***Extensive system***

Life Expectancy: ***5*** *Remaining Life:* ***4***

Best Cost: ***$30,000***

Allowance for major repairs

Worst Cost: ***$35,000***

Higher allowance for more repairs

Source of Information: Cost Database

General Notes:

Comp #: 1703 Irrigation Controllers - Replace

Observations:

- There were no reported problems with the irrigation time clocks at the time of our site visit. We could not locate installation dates, however, these clocks have been on the property for at least 8 years.
- Expect to replace irrigation controllers every 10 - 12 years if properly maintained and under normal conditions.
- Funding is for replacement with evapotranspiration based controllers as these are more efficient and can be controlled remotely by landscaping experts, saving the association irrigation water costs.

Location: ***See general notes***

Quantity: ***(11) Assorted controllers***

Life Expectancy: ***12*** *Remaining Life:* ***0***

Best Cost: ***$27,500***

$2,500/controller; Estimate to replace

Worst Cost: ***$33,000***

$3,000/controller; Higher estimate

Source of Information: Cost Database

General Notes:

Clubhouse - (1) Hunter
Bldg 7908 - (1) Irritrol
Bldg 5344 - (1) Rainmaster
Bldg 5444 - (1) Hunter
Bldg 7924 - (1) Time clock
Bldg 7932 - (1) Time clock
Bldg 7904 - (1) Rainmaster
Bldg 7902 - (1) Hunter
Bldg 7946 - (1) Time clock
Bldg 7938 - (1) Hunter
Bldg 5524 - (1) Irritrol

Comp #: 1706 Backflow Devices - Replace

Observations:

- There were no unusual conditions and no major damages noted at the time of our site visit.
- Devices can be rebuilt and repaired when needed as a maintenance issue.
- It is very seldom that a complete system would need to be replaced due to normal wear and tear.
- Replacement would be as a result of freezing conditions if system is not winterized properly or in a timely manner.
- No Reserve funding is required due to difficulty of predicting a life expectancy and the fact that systems can be rebuilt an a minimal cost, as opposed to being replaced.

Location: ***Throughout community***

Quantity: ***(12) backflow devices***

Life Expectancy: ***N/A*** *Remaining Life:*

Best Cost: ***$0***

Worst Cost: ***$0***

Source of Information:

General Notes:

Comp #: 1801 Groundcover - Replenish

Observations:

- This line item, similar to irrigation repairs, is for projects that lie outside the scope of routine maintenance.

- In order to preserve an attractive curb appeal and to maintain the health of the plants and shrubs, we recommend reserving for refurbishment projects every 4 - 5 years.

- This line item is for cyclical refurbishment and should not be considered as complete landscaping replacement.

Location: ***Throughout Community***

Quantity: ***Extensive***

Life Expectancy: ***5*** *Remaining Life:* ***1***

Best Cost: ***$16,500***

Allowance for major replenishment

Worst Cost: ***$20,000***

Higher allowance for more material

Source of Information: Cost Database

General Notes:

Comp #: 1804 Tree - Replacement/Major Maintenance

Observations:

- Trees appeared to be healthy and in good condition at time of site evaluation.
- It is very difficult to predict a replacement cycle for trees as there are several factors such as disease, infestation of insects, heavy snow storms, etc. can all attribute to eventual tree replacement.
- Since it is difficult to predict when the replacement will be necessary, Reserve funding is typically not a factor.
- Therefore, unless requested by the association, Reserve funding will not be included as part of the study for this component.

Location: ***Common areas***

Quantity: ***Numerous sizes/types***

Life Expectancy: ***N/A*** *Remaining Life:*

Best Cost: ***$0***

Worst Cost: ***$0***

Source of Information:

General Notes:

Comp #: 1811 Concrete Drain Swales - Repair

Observations:

- At the time of our site visit, there were no major problems observed during our observations. We did not spalling and minor cracking.

- These areas are not subject to as much deterioration as the streets and driveways due to no heavy traffic.

- Due to small area, include with other concrete surfaces. Separate funding is not required for this component.

Location: ***Throughout community***

Quantity: ***Approx. 546 GSF***

Life Expectancy: ***N/A*** *Remaining Life:*

Best Cost: ***$0***

Worst Cost: ***$0***

Source of Information:

General Notes:

Comp #: 2020 Storage Shed - Replace

Observations:

- There were no major problems with the storage shed at the time of our site visit. The shed is aging appropriately.

- Remaining life is based on the current age and conditions.

Location: ***Pool area***

Quantity: ***(1) 8.5 x 8.5 Tuff Shed***

Life Expectancy: ***20*** *Remaining Life:* ***3***

Best Cost: ***$2,600***

Allowance to replace

Worst Cost: ***$3,000***

Higher allowance for better quality

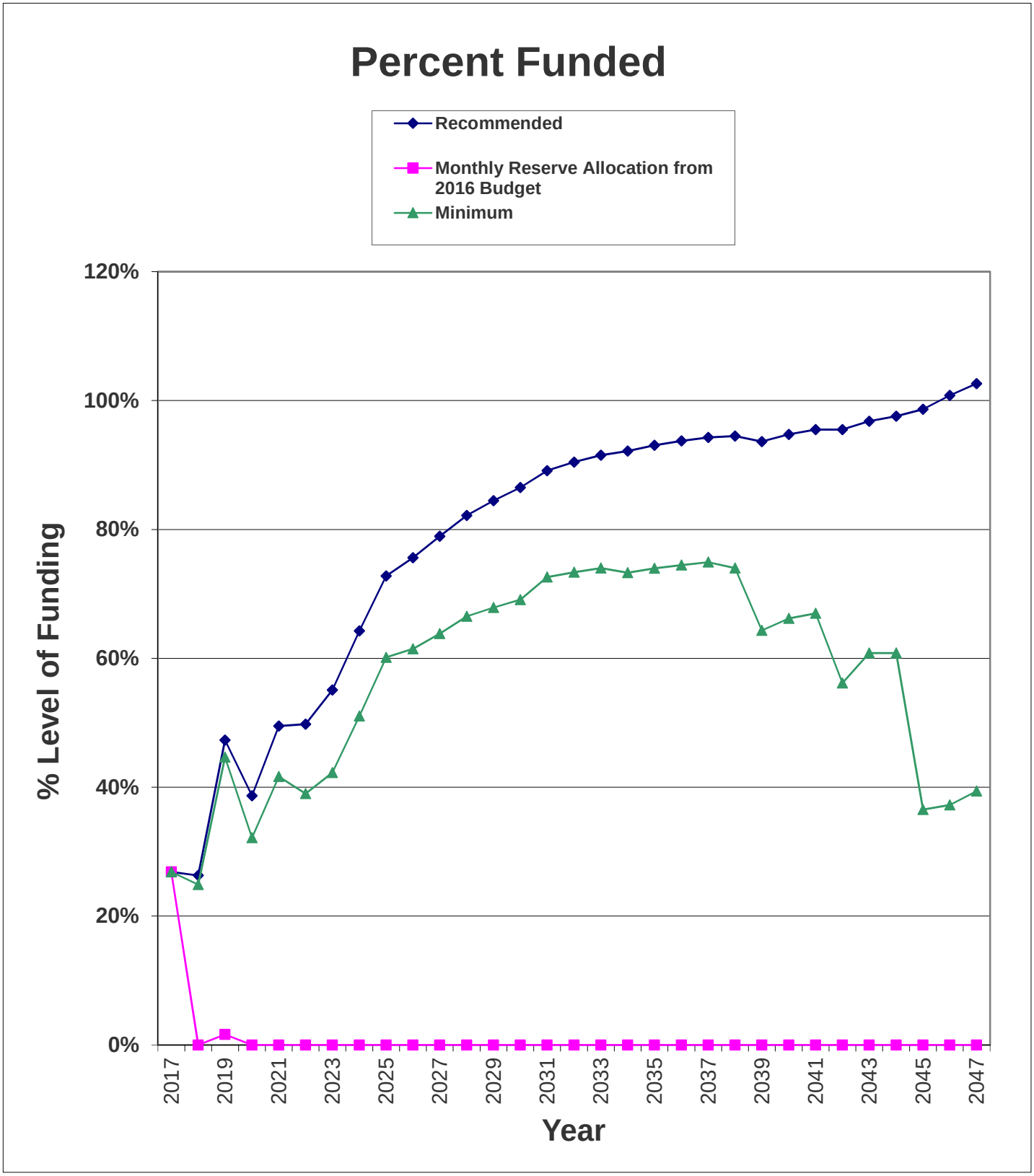
Source of Information: Cost Database

General Notes:

Funding Summary For Millbrook Townhomes

Beginning Assumptions	
Financial Information Source	Research With Client
# of units	140
Fiscal Year End	December 31, 2017
Monthly Dues from 2014 budget	$32,900.00
Monthly Reserve Allocation from 2016 Budget	$9,485.00
Projected Starting Reserve Balance (as of 1/1/2015)	$322,831
Reserve Balance: Average Per Unit	$2,306
Ideal Starting Reserve Balance (as of 1/1/2015)	$1,201,570
Ideal Reserve Balance: Average Per Unit	$8,583
Economic Factors	
Past 20 year Average Inflation Rate (Based on CCI)	3.00%
Current Average Interest Rate	1.00%
Current Reserve Status	
Current Balance as a % of Ideal Balance	27%
Recommendations for 2017 Fiscal Year	
Monthly Reserve Allocation	$14,200
Per Unit	$101.43
Minimum Monthly Reserve Allocation	$13,150
Per Unit	$93.93
Primary Annual Increases	2.75%
# of Years	30
Special Assessment (2017)	$210,000
Per Unit	$1,500
Special Assessment (2018 and 2019)	$119,000
Per Unit	$850
Changes From Prior Year (2016 to 2017)	
Increase/Decrease to Reserve Allocation	$4,715
as Percentage	50%
Average Per Unit	$33.68

Percent Funded Graph For Millbrook Townhomes



Component Inventory for Millbrook Townhomes

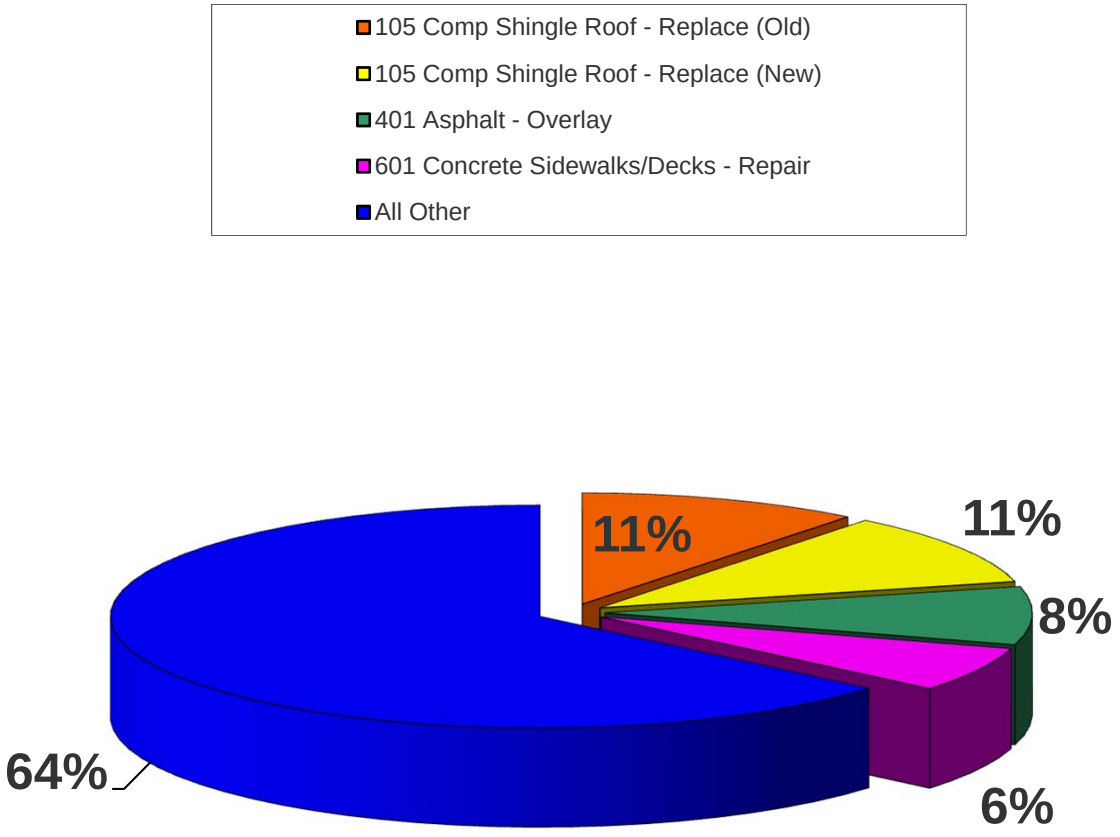
Category	Asset #	Asset Name	UL	RUL	Best Cost	Worst Cost
Roofing	105	Comp Shingle Roof - Replace (New)	25	21	$332,250	$376,550
	105	Comp Shingle Roof - Replace (Old)	25	2	$334,125	$378,675
	120	Gutters/Downspouts - Replace (New)	25	21	$49,950	$54,950
	120	Gutters/Downspouts - Replace (Old)	25	2	$82,350	$90,600
Painted Surfaces	203	Building Ext Surfaces - Repaint (2013)	6	2	$35,650	$38,750
	204	Building Ext Surfaces - Repaint (2015)	6	4	$36,800	$40,000
	204	Building Ext Surfaces - Repaint (2014)	6	3	$41,400	$45,000
	206	Building Ext Surfaces - Repaint (2016)	6	5	$48,300	$52,500
	207	Iron Fencing - Repaint	4	0	$2,200	$2,450
	209	Wood Fencing - Restain	4	2	$2,300	$2,700
	216	Interior Surfaces - Repaint	6	1	$2,550	$2,900
Siding Materials	301	Siding/Trim - Repair (2013)	6	2	$18,600	$20,150
	302	Siding/Trim - Repair (2014)	6	3	$21,600	$23,400
	303	Siding/Trim - Repair (2015)	6	4	$19,200	$20,800
	304	Siding/Trim - Repair (2016)	6	5	$25,200	$27,300
	306	Brick/Flagstone - Replace	N/A		$0	$0
Drive Materials	401	Asphalt - Overlay	24	0	$251,600	$289,700
	402	Asphalt - Seal Coat/crack fill	4	0	$22,875	$27,450
	406	Concrete - Repair/Replace	4	0	$4,500	$5,050
	407	Timber Borders - Partial Replace	8	0	$2,550	$3,000
Property Access	502	Garage Doors - Replace	N/A		$0	$0
	506	Windows - Replace	22	1	$4,550	$5,250
Walking Surfaces	601	Concrete Sidewalks/Decks - Repair	4	0	$32,200	$37,750
	607	Wood Deck - Replace	N/A		$0	$0
Mechanical Equip.	703	Hot Water Heater Tank - Replace	N/A		$0	$0
	706	HVAC Furnace - Replace	25	19	$3,500	$4,500
Prop. Identification	803	Mailboxes - Replace	22	4	$19,500	$21,500
Fencing/Walls	1001	Wood Handrails - Replace	N/A		$0	$0
	1001	Wood Fencing - Replace	20	6	$17,825	$20,525
	1002	Ironwork Fencing - Replace	35	6	$12,600	$14,200
	1006	Hardboard Rear Dividing Fence - Replac	25	5	$47,550	$53,500
	1009	Split Rail Fencing - Replace	15	0	$15,750	$18,900
	1011	Timber Retaining Wall - Repair	7	4	$8,700	$10,875
Pool/Spa	1101	Pool - Resurface	10	0	$15,700	$19,650
	1105	Pool Heater - Replace	18	12	$4,500	$5,250
	1108	Pool Filter - Replace	18	0	$3,000	$3,250
	1111	Misc. Pool Equipment - Replace	N/A		$0	$0
	1121	Pool Furniture - Replace	N/A		$0	$0
Interiors	1402	Appliances - Replace	18	1	$4,500	$6,000
	1403	Cabinets and Countertops -Replace	24	1	$5,100	$6,000
	1413	Restroom - Remodel	18	1	$9,000	$11,000
	1415	Clubhouse - Remodel/Update	18	1	$12,500	$15,000
	1417	Furniture - Replace	N/A		$0	$0
Light Fixtures	1601	Interior Lights - Replace	N/A		$0	$0
	1602	Exterior Wall Mount - Replace	18	0	$56,000	$66,000
	1604	Street Lights - Replace	N/A		$0	$0
	1604	Pole Lights - Replace	15	0	$3,000	$3,600
Irrig. System	1701	Irrigation System - Rebuild	5	4	$30,000	$35,000
	1703	Irrigation Controllers - Replace	12	0	$27,500	$33,000

Category	Asset #	Asset Name	UL	RUL	Best Cost	Worst Cost
Irrig. System	1706	Backflow Devices - Replace	N/A		$0	$0
Landscaping	1801	Groundcover - Replenish	5	1	$16,500	$20,000
	1804	Tree - Replacement/Major Maintenance	N/A		$0	$0
	1811	Concrete Drain Swales - Repair	N/A		$0	$0
Miscellaneous	2020	Storage Shed - Replace	20	3	$2,600	$3,000

Significant Components For Millbrook Townhomes

ID	Asset Name	UL	RUL	Ave Curr Cost	Significance: (Curr Cost/UL) As $	As %
105	Comp Shingle Roof - Replace (New)	25	21	$354,400	$14,176	10.5717%
105	Comp Shingle Roof - Replace (Old)	25	2	$356,400	$14,256	10.6314%
120	Gutters/Downspouts - Replace (New)	25	21	$52,450	$2,098	1.5646%
120	Gutters/Downspouts - Replace (Old)	25	2	$86,475	$3,459	2.5795%
203	Building Ext Surfaces - Repaint (2013)	6	2	$37,200	$6,200	4.6236%
204	Building Ext Surfaces - Repaint (2014)	6	3	$43,200	$7,200	5.3694%
204	Building Ext Surfaces - Repaint (2015)	6	4	$38,400	$6,400	4.7728%
206	Building Ext Surfaces - Repaint (2016)	6	5	$50,400	$8,400	6.2643%
207	Iron Fencing - Repaint	4	0	$2,325	$581	0.4335%
209	Wood Fencing - Restain	4	2	$2,500	$625	0.4661%
216	Interior Surfaces - Repaint	6	1	$2,725	$454	0.3387%
301	Siding/Trim - Repair (2013)	6	2	$19,375	$3,229	2.4081%
302	Siding/Trim - Repair (2014)	6	3	$22,500	$3,750	2.7966%
303	Siding/Trim - Repair (2015)	6	4	$20,000	$3,333	2.4858%
304	Siding/Trim - Repair (2016)	6	5	$26,250	$4,375	3.2627%
401	Asphalt - Overlay	24	0	$270,650	$11,277	8.4099%
402	Asphalt - Seal Coat/crack fill	4	0	$25,163	$6,291	4.6912%
406	Concrete - Repair/Replace	4	0	$4,775	$1,194	0.8902%
407	Timber Borders - Partial Replace	8	0	$2,775	$347	0.2587%
506	Windows - Replace	22	1	$4,900	$223	0.1661%
601	Concrete Sidewalks/Decks - Repair	4	0	$34,975	$8,744	6.5206%
706	HVAC Furnace - Replace	25	19	$4,000	$160	0.1193%
803	Mailboxes - Replace	22	4	$20,500	$932	0.6949%
1001	Wood Fencing - Replace	20	6	$19,175	$959	0.7150%
1002	Ironwork Fencing - Replace	35	6	$13,400	$383	0.2855%
1006	Hardboard Rear Dividing Fence - Replace	25	5	$50,525	$2,021	1.5072%
1009	Split Rail Fencing - Replace	15	0	$17,325	$1,155	0.8613%
1011	Timber Retaining Wall - Repair	7	4	$9,788	$1,398	1.0427%
1101	Pool - Resurface	10	0	$17,675	$1,768	1.3181%
1105	Pool Heater - Replace	18	12	$4,875	$271	0.2020%
1108	Pool Filter - Replace	18	0	$3,125	$174	0.1295%
1402	Appliances - Replace	18	1	$5,250	$292	0.2175%
1403	Cabinets and Countertops -Replace	24	1	$5,550	$231	0.1725%
1413	Restroom - Remodel	18	1	$10,000	$556	0.4143%
1415	Clubhouse - Remodel/Update	18	1	$13,750	$764	0.5697%
1602	Exterior Wall Mount - Replace	18	0	$61,000	$3,389	2.5273%
1604	Pole Lights - Replace	15	0	$3,300	$220	0.1641%
1701	Irrigation System - Rebuild	5	4	$32,500	$6,500	4.8474%
1703	Irrigation Controllers - Replace	12	0	$30,250	$2,521	1.8799%
1801	Groundcover - Replenish	5	1	$18,250	$3,650	2.7220%
2020	Storage Shed - Replace	20	3	$2,800	$140	0.1044%

Significant Components Graph For Millbrook Townhomes

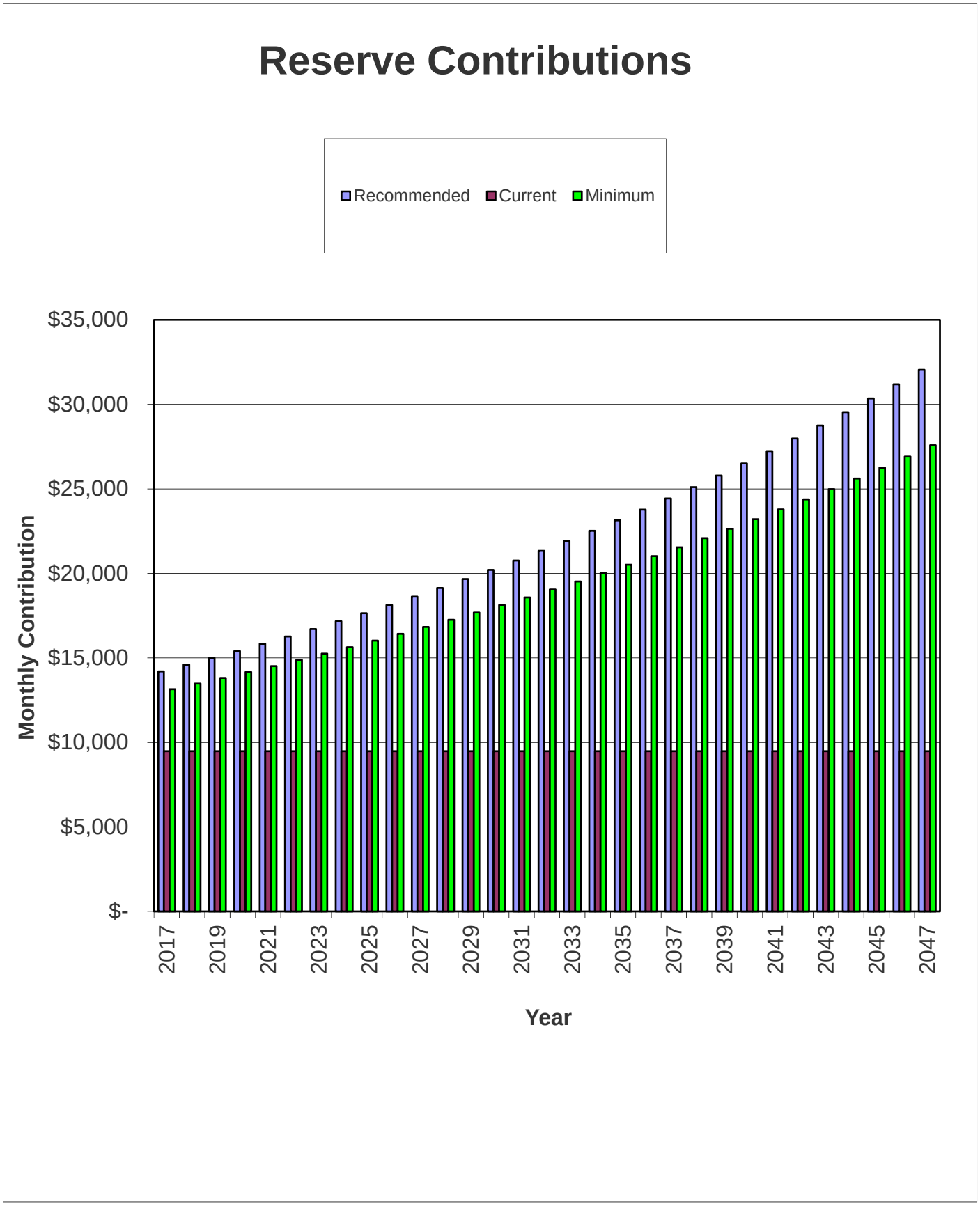


Asset ID	Asset Name	UL	RUL	Average Curr. Cost	Significance: (Curr Cost/UL) As $	As %
105	Comp Shingle Roof - Replace (Old)	25	2	$356,400	$14,256	11%
105	Comp Shingle Roof - Replace (New)	25	21	$354,400	$14,176	11%
401	Asphalt - Overlay	24	0	$270,650	$11,277	8%
601	Concrete Sidewalks/Decks - Repair	4	0	$34,975	$8,744	7%
All Other	See Expanded Table on Page 4 For Additional Breakdown				$85,641	64%

Yearly Summary For Millbrook Townhomes

Fiscal Year Start	Fully Funded Balance	Starting Reserve Balance	Percent Funded	Annual Reserve Contribs	Rec. Special Ass'mnt	Interest Income	Reserve Expenses
2017	$1,201,570	$322,831	27%	$170,400	$210,000	$3,831	$473,338
2018	$888,196	$233,725	26%	$175,086	$119,000	$4,110	$62,238
2019	$992,997	$469,683	47%	$179,901	$119,000	$4,143	$532,519
2020	$620,820	$240,208	39%	$184,848	$0	$2,966	$74,852
2021	$713,270	$353,170	50%	$189,931	$0	$3,437	$212,074
2022	$671,683	$334,464	50%	$195,155	$0	$3,600	$147,431
2023	$700,095	$385,788	55%	$200,521	$0	$4,563	$63,673
2024	$820,432	$527,199	64%	$206,036	$0	$6,314	$3,351
2025	$1,011,459	$736,198	73%	$211,702	$0	$7,654	$160,357
2026	$1,051,596	$795,196	76%	$217,523	$0	$8,438	$128,129
2027	$1,131,382	$893,028	79%	$223,505	$0	$9,564	$105,598
2028	$1,242,174	$1,020,499	82%	$229,652	$0	$10,678	$144,912
2029	$1,321,365	$1,115,916	84%	$235,967	$0	$11,663	$145,944
2030	$1,407,603	$1,217,601	87%	$242,456	$0	$13,430	$4,002
2031	$1,648,538	$1,469,486	89%	$249,124	$0	$15,318	$138,515
2032	$1,764,236	$1,595,412	90%	$255,975	$0	$16,638	$134,492
2033	$1,893,818	$1,733,533	92%	$263,014	$0	$17,554	$235,350
2034	$1,929,857	$1,778,751	92%	$270,247	$0	$18,590	$126,691
2035	$2,085,547	$1,940,897	93%	$277,679	$0	$20,240	$130,087
2036	$2,249,257	$2,108,728	94%	$285,315	$0	$22,016	$119,633
2037	$2,435,700	$2,296,426	94%	$293,161	$0	$23,259	$255,542
2038	$2,495,016	$2,357,304	94%	$301,223	$0	$20,608	$913,033
2039	$1,886,380	$1,766,103	94%	$309,507	$0	$18,711	$116,691
2040	$2,087,425	$1,977,629	95%	$318,018	$0	$20,628	$166,472
2041	$2,251,166	$2,149,804	95%	$326,763	$0	$19,119	$820,055
2042	$1,754,806	$1,675,632	95%	$335,749	$0	$18,330	$37,819
2043	$2,057,682	$1,991,892	97%	$344,983	$0	$20,476	$252,321
2044	$2,157,381	$2,105,029	98%	$354,470	$0	$17,253	$1,129,692
2045	$1,365,316	$1,347,060	99%	$364,218	$0	$13,918	$287,450
2046	$1,426,202	$1,437,746	101%	$374,234	$0	$15,031	$257,219

Reserve Contributions For Millbrook Townhomes



Component Funding Information For Millbrook Townhomes

ID	Component Name	Ave Current Cost	Ideal Balance	Current Fund Balance	Monthly
105	Comp Shingle Roof - Replace (New)	$354,400	$56,704	$0	$1,501.19
105	Comp Shingle Roof - Replace (Old)	$356,400	$327,888	$0	$1,509.66
120	Gutters/Downspouts - Replace (New)	$52,450	$8,392	$0	$222.17
120	Gutters/Downspouts - Replace (Old)	$86,475	$79,557	$0	$366.30
203	Building Ext Surfaces - Repaint (2013)	$37,200	$24,800	$0	$656.56
204	Building Ext Surfaces - Repaint (2014)	$43,200	$21,600	$0	$762.45
204	Building Ext Surfaces - Repaint (2015)	$38,400	$12,800	$0	$677.74
206	Building Ext Surfaces - Repaint (2016)	$50,400	$8,400	$0	$889.53
207	Iron Fencing - Repaint	$2,325	$2,325	$2,325	$61.55
209	Wood Fencing - Restain	$2,500	$1,250	$0	$66.19
216	Interior Surfaces - Repaint	$2,725	$2,271	$0	$48.09
301	Siding/Trim - Repair (2013)	$19,375	$12,917	$0	$341.96
302	Siding/Trim - Repair (2014)	$22,500	$11,250	$0	$397.11
303	Siding/Trim - Repair (2015)	$20,000	$6,667	$0	$352.99
304	Siding/Trim - Repair (2016)	$26,250	$4,375	$0	$463.30
401	Asphalt - Overlay	$270,650	$270,650	$270,650	$1,194.20
402	Asphalt - Seal Coat/crack fill	$25,163	$25,163	$25,163	$666.15
406	Concrete - Repair/Replace	$4,775	$4,775	$4,775	$126.41
407	Timber Borders - Partial Replace	$2,775	$2,775	$2,775	$36.73
506	Windows - Replace	$4,900	$4,677	$0	$23.59
601	Concrete Sidewalks/Decks - Repair	$34,975	$34,975	$17,144	$925.93
706	HVAC Furnace - Replace	$4,000	$960	$0	$16.94
803	Mailboxes - Replace	$20,500	$16,773	$0	$98.68
1001	Wood Fencing - Replace	$19,175	$13,423	$0	$101.53
1002	Ironwork Fencing - Replace	$13,400	$11,103	$0	$40.54
1006	Hardboard Rear Dividing Fence - Replace	$50,525	$40,420	$0	$214.02
1009	Split Rail Fencing - Replace	$17,325	$17,325	$0	$122.31
1011	Timber Retaining Wall - Repair	$9,788	$4,195	$0	$148.07
1101	Pool - Resurface	$17,675	$17,675	$0	$187.17
1105	Pool Heater - Replace	$4,875	$1,625	$0	$28.68
1108	Pool Filter - Replace	$3,125	$3,125	$0	$18.38
1402	Appliances - Replace	$5,250	$4,958	$0	$30.89
1403	Cabinets and Countertops -Replace	$5,550	$5,319	$0	$24.49
1413	Restroom - Remodel	$10,000	$9,444	$0	$58.83
1415	Clubhouse - Remodel/Update	$13,750	$12,986	$0	$80.89
1602	Exterior Wall Mount - Replace	$61,000	$61,000	$0	$358.87
1604	Pole Lights - Replace	$3,300	$3,300	$0	$23.30
1701	Irrigation System - Rebuild	$32,500	$6,500	$0	$688.33
1703	Irrigation Controllers - Replace	$30,250	$30,250	$0	$266.95
1801	Groundcover - Replenish	$18,250	$14,600	$0	$386.52
2020	Storage Shed - Replace	$2,800	$2,380	$0	$14.83

Yearly Cash Flow For Millbrook Townhomes

Year	2017	2018	2019	2020	2021
Starting Balance	$322,831	$233,725	$469,683	$240,208	$353,170
Reserve Income	$170,400	$175,086	$179,901	$184,848	$189,931
Interest Earnings	$3,831	$4,110	$4,143	$2,966	$3,437
Special Assessments	$210,000	$119,000	$119,000	$0	$0
Funds Available	$707,062	$531,921	$772,727	$428,022	$546,538
Reserve Expenditures	$473,338	$62,238	$532,519	$74,852	$212,074
Ending Balance	$233,725	$469,683	$240,208	$353,170	$334,464

Year	2022	2023	2024	2025	2026
Starting Balance	$334,464	$385,788	$527,199	$736,198	$795,196
Reserve Income	$195,155	$200,521	$206,036	$211,702	$217,523
Interest Earnings	$3,600	$4,563	$6,314	$7,654	$8,438
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$533,218	$590,872	$739,549	$955,553	$1,021,157
Reserve Expenditures	$147,431	$63,673	$3,351	$160,357	$128,129
Ending Balance	$385,788	$527,199	$736,198	$795,196	$893,028

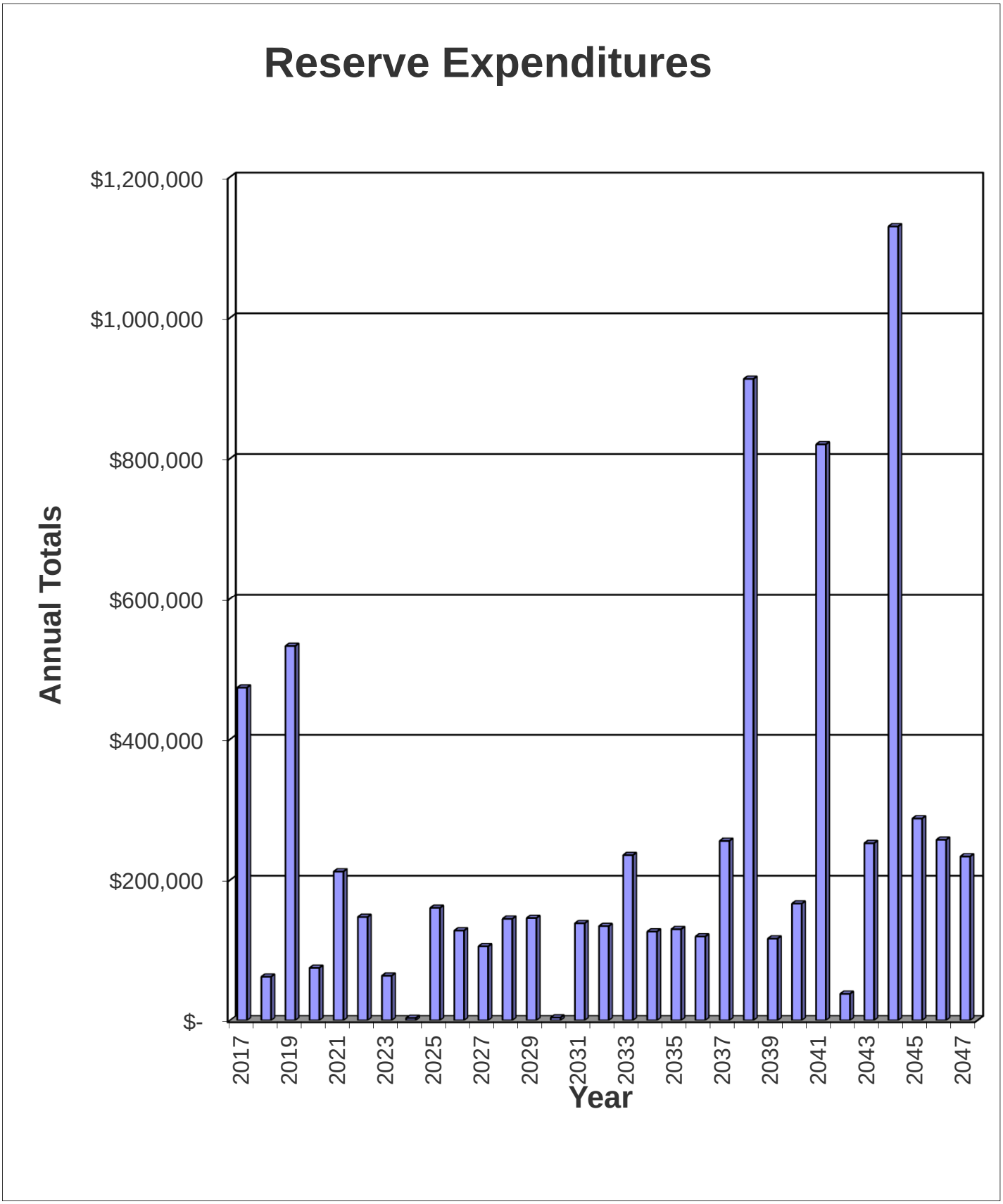
Year	2027	2028	2029	2030	2031
Starting Balance	$893,028	$1,020,499	$1,115,916	$1,217,601	$1,469,486
Reserve Income	$223,505	$229,652	$235,967	$242,456	$249,124
Interest Earnings	$9,564	$10,678	$11,663	$13,430	$15,318
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$1,126,097	$1,260,828	$1,363,546	$1,473,487	$1,733,927
Reserve Expenditures	$105,598	$144,912	$145,944	$4,002	$138,515
Ending Balance	$1,020,499	$1,115,916	$1,217,601	$1,469,486	$1,595,412

Year	2032	2033	2034	2035	2036
Starting Balance	$1,595,412	$1,733,533	$1,778,751	$1,940,897	$2,108,728
Reserve Income	$255,975	$263,014	$270,247	$277,679	$285,315
Interest Earnings	$16,638	$17,554	$18,590	$20,240	$22,016
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$1,868,024	$2,014,101	$2,067,588	$2,238,815	$2,416,059
Reserve Expenditures	$134,492	$235,350	$126,691	$130,087	$119,633
Ending Balance	$1,733,533	$1,778,751	$1,940,897	$2,108,728	$2,296,426

Year	2037	2038	2039	2040	2041
Starting Balance	$2,296,426	$2,357,304	$1,766,103	$1,977,629	$2,149,804
Reserve Income	$293,161	$301,223	$309,507	$318,018	$326,763
Interest Earnings	$23,259	$20,608	$18,711	$20,628	$19,119
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$2,612,846	$2,679,135	$2,094,320	$2,316,276	$2,495,686
Reserve Expenditures	$255,542	$913,033	$116,691	$166,472	$820,055
Ending Balance	$2,357,304	$1,766,103	$1,977,629	$2,149,804	$1,675,632

Year	2042	2043	2044	2045	2046
Starting Balance	$1,675,632	$1,991,892	$2,105,029	$1,347,060	$1,437,746
Reserve Income	$335,749	$344,983	$354,470	$364,218	$374,234
Interest Earnings	$18,330	$20,476	$17,253	$13,918	$15,031
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$2,029,711	$2,357,351	$2,476,752	$1,725,196	$1,827,011
Reserve Expenditures	$37,819	$252,321	$1,129,692	$287,450	$257,219
Ending Balance	$1,991,892	$2,105,029	$1,347,060	$1,437,746	$1,569,792

Yearly Expenditures Graph For Millbrook Townhomes



Projected Reserve Expenditures For Millbrook Townhomes

Year	Asset ID	Asset Name	Projected Cost	Total Per Annum
2017	207	Iron Fencing - Repaint	$2,325	
	401	Asphalt - Overlay	$270,650	
	402	Asphalt - Seal Coat/crack fill	$25,163	
	406	Concrete - Repair/Replace	$4,775	
	407	Timber Borders - Partial Replace	$2,775	
	601	Concrete Sidewalks/Decks - Repair	$34,975	
	1009	Split Rail Fencing - Replace	$17,325	
	1101	Pool - Resurface	$17,675	
	1108	Pool Filter - Replace	$3,125	
	1602	Exterior Wall Mount - Replace	$61,000	
	1604	Pole Lights - Replace	$3,300	
	1703	Irrigation Controllers - Replace	$30,250	$473,338
2018	216	Interior Surfaces - Repaint	$2,807	
	506	Windows - Replace	$5,047	
	1402	Appliances - Replace	$5,408	
	1403	Cabinets and Countertops -Replace	$5,717	
	1413	Restroom - Remodel	$10,300	
	1415	Clubhouse - Remodel/Update	$14,163	
	1801	Groundcover - Replenish	$18,798	$62,238
2019	105	Comp Shingle Roof - Replace (Old)	$378,105	
	120	Gutters/Downspouts - Replace (Old)	$91,741	
	203	Building Ext Surfaces - Repaint (2013)	$39,465	
	209	Wood Fencing - Restain	$2,652	
	301	Siding/Trim - Repair (2013)	$20,555	$532,519
2020	204	Building Ext Surfaces - Repaint (2014)	$47,206	
	302	Siding/Trim - Repair (2014)	$24,586	
	2020	Storage Shed - Replace	$3,060	$74,852
2021	204	Building Ext Surfaces - Repaint (2015)	$43,220	
	207	Iron Fencing - Repaint	$2,617	
	303	Siding/Trim - Repair (2015)	$22,510	
	402	Asphalt - Seal Coat/crack fill	$28,321	
	406	Concrete - Repair/Replace	$5,374	
	601	Concrete Sidewalks/Decks - Repair	$39,365	
	803	Mailboxes - Replace	$23,073	
	1011	Timber Retaining Wall - Repair	$11,016	
	1701	Irrigation System - Rebuild	$36,579	$212,074
2022	206	Building Ext Surfaces - Repaint (2016)	$58,427	
	304	Siding/Trim - Repair (2016)	$30,431	
	1006	Hardboard Rear Dividing Fence - Replace	$58,572	$147,431
2023	209	Wood Fencing - Restain	$2,985	
	1001	Wood Fencing - Replace	$22,896	
	1002	Ironwork Fencing - Replace	$16,000	
	1801	Groundcover - Replenish	$21,791	$63,673
2024	216	Interior Surfaces - Repaint	$3,351	$3,351
2025	203	Building Ext Surfaces - Repaint (2013)	$47,124	
	207	Iron Fencing - Repaint	$2,945	
	301	Siding/Trim - Repair (2013)	$24,544	
	402	Asphalt - Seal Coat/crack fill	$31,875	
	406	Concrete - Repair/Replace	$6,049	
	407	Timber Borders - Partial Replace	$3,515	
	601	Concrete Sidewalks/Decks - Repair	$44,305	$160,357
2026	204	Building Ext Surfaces - Repaint (2014)	$56,366	
	302	Siding/Trim - Repair (2014)	$29,357	

Year	Asset ID	Asset Name	Projected Cost	Total Per Annum
	1701	Irrigation System - Rebuild	$42,405	$128,129
2027	204	Building Ext Surfaces - Repaint (2015)	$51,606	
	209	Wood Fencing - Restain	$3,360	
	303	Siding/Trim - Repair (2015)	$26,878	
	1101	Pool - Resurface	$23,754	$105,598
2028	206	Building Ext Surfaces - Repaint (2016)	$69,765	
	304	Siding/Trim - Repair (2016)	$36,336	
	1011	Timber Retaining Wall - Repair	$13,548	
	1801	Groundcover - Replenish	$25,262	$144,912
2029	207	Iron Fencing - Repaint	$3,315	
	402	Asphalt - Seal Coat/crack fill	$35,876	
	406	Concrete - Repair/Replace	$6,808	
	601	Concrete Sidewalks/Decks - Repair	$49,866	
	1105	Pool Heater - Replace	$6,951	
	1703	Irrigation Controllers - Replace	$43,129	$145,944
2030	216	Interior Surfaces - Repaint	$4,002	$4,002
2031	203	Building Ext Surfaces - Repaint (2013)	$56,268	
	209	Wood Fencing - Restain	$3,781	
	301	Siding/Trim - Repair (2013)	$29,306	
	1701	Irrigation System - Rebuild	$49,159	$138,515
2032	204	Building Ext Surfaces - Repaint (2014)	$67,304	
	302	Siding/Trim - Repair (2014)	$35,054	
	1009	Split Rail Fencing - Replace	$26,992	
	1604	Pole Lights - Replace	$5,141	$134,492
2033	204	Building Ext Surfaces - Repaint (2015)	$61,621	
	207	Iron Fencing - Repaint	$3,731	
	303	Siding/Trim - Repair (2015)	$32,094	
	402	Asphalt - Seal Coat/crack fill	$40,378	
	406	Concrete - Repair/Replace	$7,662	
	407	Timber Borders - Partial Replace	$4,453	
	601	Concrete Sidewalks/Decks - Repair	$56,125	
	1801	Groundcover - Replenish	$29,286	$235,350
2034	206	Building Ext Surfaces - Repaint (2016)	$83,304	
	304	Siding/Trim - Repair (2016)	$43,387	$126,691
2035	209	Wood Fencing - Restain	$4,256	
	1011	Timber Retaining Wall - Repair	$16,663	
	1108	Pool Filter - Replace	$5,320	
	1602	Exterior Wall Mount - Replace	$103,848	$130,087
2036	216	Interior Surfaces - Repaint	$4,778	
	706	HVAC Furnace - Replace	$7,014	
	1402	Appliances - Replace	$9,206	
	1413	Restroom - Remodel	$17,535	
	1415	Clubhouse - Remodel/Update	$24,111	
	1701	Irrigation System - Rebuild	$56,989	$119,633
2037	203	Building Ext Surfaces - Repaint (2013)	$67,187	
	207	Iron Fencing - Repaint	$4,199	
	301	Siding/Trim - Repair (2013)	$34,993	
	402	Asphalt - Seal Coat/crack fill	$45,446	
	406	Concrete - Repair/Replace	$8,624	
	601	Concrete Sidewalks/Decks - Repair	$63,169	
	1101	Pool - Resurface	$31,923	$255,542
2038	105	Comp Shingle Roof - Replace (New)	$659,288	
	120	Gutters/Downspouts - Replace (New)	$97,572	
	204	Building Ext Surfaces - Repaint (2014)	$80,365	
	302	Siding/Trim - Repair (2014)	$41,857	

Year	Asset ID	Asset Name	Projected Cost	Total Per Annum
	1801	Groundcover - Replenish	$33,950	$913,033
2039	204	Building Ext Surfaces - Repaint (2015)	$73,578	
	209	Wood Fencing - Restain	$4,790	
	303	Siding/Trim - Repair (2015)	$38,322	$116,691
2040	206	Building Ext Surfaces - Repaint (2016)	$99,469	
	304	Siding/Trim - Repair (2016)	$51,807	
	506	Windows - Replace	$9,671	
	2020	Storage Shed - Replace	$5,526	$166,472
2041	207	Iron Fencing - Repaint	$4,726	
	401	Asphalt - Overlay	$550,176	
	402	Asphalt - Seal Coat/crack fill	$51,150	
	406	Concrete - Repair/Replace	$9,707	
	407	Timber Borders - Partial Replace	$5,641	
	601	Concrete Sidewalks/Decks - Repair	$71,097	
	1701	Irrigation System - Rebuild	$66,066	
	1703	Irrigation Controllers - Replace	$61,492	$820,055
2042	216	Interior Surfaces - Repaint	$5,706	
	1011	Timber Retaining Wall - Repair	$20,493	
	1403	Cabinets and Countertops -Replace	$11,620	$37,819
2043	203	Building Ext Surfaces - Repaint (2013)	$80,225	
	209	Wood Fencing - Restain	$5,391	
	301	Siding/Trim - Repair (2013)	$41,784	
	803	Mailboxes - Replace	$44,210	
	1001	Wood Fencing - Replace	$41,353	
	1801	Groundcover - Replenish	$39,358	$252,321
2044	105	Comp Shingle Roof - Replace (Old)	$791,667	
	120	Gutters/Downspouts - Replace (Old)	$192,086	
	204	Building Ext Surfaces - Repaint (2014)	$95,960	
	302	Siding/Trim - Repair (2014)	$49,979	$1,129,692
2045	204	Building Ext Surfaces - Repaint (2015)	$87,856	
	207	Iron Fencing - Repaint	$5,319	
	303	Siding/Trim - Repair (2015)	$45,759	
	402	Asphalt - Seal Coat/crack fill	$57,570	
	406	Concrete - Repair/Replace	$10,925	
	601	Concrete Sidewalks/Decks - Repair	$80,020	$287,450
2046	206	Building Ext Surfaces - Repaint (2016)	$118,771	
	304	Siding/Trim - Repair (2016)	$61,860	
	1701	Irrigation System - Rebuild	$76,588	$257,219
2047	209	Wood Fencing - Restain	$6,068	
	1006	Hardboard Rear Dividing Fence - Replace	$122,637	
	1009	Split Rail Fencing - Replace	$42,052	
	1101	Pool - Resurface	$42,902	
	1105	Pool Heater - Replace	$11,833	
	1604	Pole Lights - Replace	$8,010	$233,503

Glossary of Commonly used Words and Phrases (provided by the National Reserve Study Standards of the Community Associations Institute)

Asset or Component – 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) have predictable Remaining Life expectancies, 4) above a minimum threshold cost, and 5) required by local codes.

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.

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 representatives.

Deficit – An actual (or projected) Reserve Balance, which is less than the Fully Funded Balance.

Effective Age – The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

Financial Analysis – The portion of the 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 the Reserve Study.

Component Full Funding – When the actual (or projected) cumulative Reserve balance for all components is equal to the Fully Funded Balance.

Fully Fund Balance (aka – Ideal Balance) – An indicator against which Actual (or projected) Reserve Balance can be compared. The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This number is calculated for each component, and then summed together for an association total.

FFB = Replacement Cost X Effective Age / Useful Life

Fund Status – The status of the Reserve Fund as compared to an established benchmark, such as percent funding.

Funding Goals – Independent of methodology utilized, the following represent the basic categories of Funding Plan Goals.

- **Baseline Funding:** Establishing a Reserve funding goal of keeping the Reserve Balance above zero.
- **Component Full Funding:** Setting a Reserve funding goal of attaining and maintaining cumulative Reserves at or near 100% funded.
- **Threshold Funding:** Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than the "Component Fully Funding" method.

Funding Plan – An association's plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

Funding Principles –

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

Life and Valuation Estimates – The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.

Percent Funded – The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the *actual* (or *projected*) Reserve Balance to the accrued *Fund Balance*, expressed as a percentage.

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.

Remaining Useful Life (RUL) – 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 "0" 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 (typically the beginning of the fiscal year) that the association has identified for use to defray the future repair or replacement of those major components in which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves. This is based upon information provided and is not audited.

Reserve Provider – An individual that prepares Reserve Studies. Also known as ***Aspen Reserve Specialties.***

Reserve Study – A budget-planning tool that 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.

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.

Surplus – An actual (or projected) Reserve Balance that is greater that the Fully Funded Balance.

Useful Life (UL) – Also known as "Life Expectancy", or "Depreciable Life". The estimated time, in years, that a Reserve component can be expected to serve its intended function if properly constructed and maintained in its present application or installation.