

# Reserve Analysis Report

## Windemere Court HOA

3950 Cleveland Ave  
San Diego, CA 92103

For Fiscal Year End:  
February 28, 2009



230 Playa Del Norte  
La Jolla, CA 92037  
Phone: 858-764-1895  
Fax: 800-436-3816

[brian@mccafferyreserveconsulting.com](mailto:brian@mccafferyreserveconsulting.com)  
[www.mccafferyreserveconsulting.com](http://www.mccafferyreserveconsulting.com)

## **Preface**

### **What is A Reserve Study?**

A reserve study is a detailed report that assists common interest developments (CID) in planning for long-term common area repair and replacement expenses. A CID exists when there is individual ownership of a house or condominium along with the shared ownership or right of use to common areas. These common areas can include streets, roofs, recreational facilities and many other items. A reserve study includes two parts: 1) **The Physical Analysis** contains information about the condition and repair/replacement cost of the components that the CID maintains. The physical analysis should include a component inventory and quantity, estimated useful and remaining life, and estimated replacement cost. 2) **The Financial Analysis** evaluates the CID's reserve fund balance and income. The financial analysis calculates a CID's percent funded by comparing the actual reserve balance to a fully funded balance. The reserve study then estimates the total annual contribution necessary to defray the future costs.

### **Why Should a Reserve Study be performed?**

Certain states, such as California, require that reserve studies be completed and that the board of directors inform owners of the reserve status annually. In addition, the board of directors of a CID has a legal and fiduciary duty to maintain the community in a good state of repair. Property Values are directly affected by the level of maintenance and upkeep of the common area components. Reserve studies create a maintenance plan, which keeps a development in good condition, therefore increasing property appreciation and value. The amount of funds in the reserve account also greatly affects property values. Reserve studies inform CID's how much they should have in their reserve account, which eliminates costly special assessments. Over time each member of a CID should contribute their fair share to the reserve account so when expenses arise the required funds are available. Reserve Studies can also help avoid litigation against CID board members.

### **Sections of this Reserve Study**

**Executive Summary** - Provides the general information about the CID and summarizes the findings of the study. Percent Funded and Recommended Reserve Contribution are included in the summary.

**Component Summary** – List all components and their details in tabular form.

**30 Year Funding Plans** – Lists theoretical fully funded balance for the next 30 years. Also lists theoretical annual contribution, projected year-end balance, and percent funded for the current, recommended, and threshold funding plans. (Inflation and annual dues increase are taken into account)

**Annual Expenses** – Lists projected annual expenses for each component over the next 30 years in tabular form. (Inflation is taken into account)

**30 Year Reserve Projection Graph** – Displays the reserve account balance for the current, fully funded, threshold, and recommended funding plans over the next 30 years. (Inflation and annual dues increase are taken into account)

**Projected Annual Expenses Graph** – Displays projected annual expenses over the next 30 years in a bar graph. (Inflation is taken into account)

**Category Cost % Chart** – Provides the percentage of total annual depreciation for each reserve category in a pie graph.

**Component Details** – Provides detailed information on each component. Also includes pictures of selected components.

### **Where do Component Repair/Replacement Cost Estimates Come From?**

The most accurate cost source is actual bids from contractors or to look at contracts from when the repair/replacement was last performed. In most cases bids or contracts are not available so unit costs for similar work done in the same local area are used. In addition, it is helpful to talk to local vendors who have knowledge of the work and can help with a cost estimate. A third source is to use construction cost estimators such as RS Means. Many times the entire quantity of a component will not need to be replaced or repaired all at once. An example of this is concrete sidewalks. All sidewalks should never have to be replaced, but some sections may experience cracking. In this case an allowance can be created for their partial replacement.

The cost source number for each component is provided in the component summary and details. An explanation of each follows:

1. **Local Historical Cost** – Cost based on bids for similar work done in same area.
2. **McCaffery Estimate** – Estimate or Allowance made by McCaffery Staff Member.
3. **Board/Manager Direction** – Cost estimate provided by board member or property manager.
4. **Bid/Contract** – Bid came from actual bid or contract.
5. **Cost Manual** – Cost came from estimating manual.
6. **Previous Study** – Cost came from previous reserve study.

### **What Procedures were used for calculation and establishment of reserves?**

In this study the fully funded reserve balance for a component at a given time was computed using the component method. Using the component method the fully funded reserve balance equals the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component.

For example if the cost of a boiler is \$10,000, the useful life is 10 years and the remaining life is 3 years. The recommended reserve balance would be:

$$\$10,000 \times ((10-3)/10) = \$7,000.$$

### **Glossary of Terms:**

**Contingency** – An allowance for miscellaneous components or unpredictable expenses. (5% of total current cost unless directed otherwise)

**Current Budgeted Reserve Assessment** – Amount currently being deposited into reserve account. Provided by Property Manager or Board Member.

**Depreciation This Year** – Amount that should be saved for component during current year. Provided for each component and summed for all components. If the association is 100% funded this is the amount they should contribute to the reserve fund annually.  
=(Total Current Cost / Normal Useful Life)

**Fully Funded Balance** – The total depreciation over the life of the component. In other words, the amount that should have been saved during the life of the component. Provided for each component and summed for all components =((Normal Life – Remaining Life) \* Depreciation This Year)

**Normal Useful Life** – Typical useable life for a component.

**Percent Funded** – The percentage of the fully funded balance that the CID has in reserve fund. (Projected Balance/ Fully Funded Balance)

**Projected Balance** – Projected balance at fiscal year end with current funding plan. Calculated using current reserve balance, remaining contributions to reserves before year-end, and planned expenses before year-end.

**Recommended Reserve Contribution** – Recommended amount that the CID should allocate into reserves.

**Remaining Life** – Expected remaining useable life of component. (0 year remaining life means the component will be serviced in the upcoming fiscal year)

**Replacement Year** – Year that component is projected to be replaced or repaired.

**Total Cost** – Total cost to replace entire quantity of component in today's dollars.  
=(Quantity x Unit Cost)

**Total Future Cost** - Current cost adjusted to future cost taking into account inflation and replacement year. =(Current Cost \* (1+ inflation rate)^(Replacement Year-Present Year))

**Threshold Reserve Contribution** – Reserve contribution that should be allocated into reserves to keep reserve balance above a minimum amount during the next 30 years. (Minimum amount is 5% of total replacement cost unless otherwise noted)

**Under Funded** – Amount association is short of fully funded balance; also known as a deficit. =(Fully Funded Balance – Projected Balance)

**Unit Cost** – Cost per Unit.

**Unit of Measure** – Unit used to measure component. (Explanations shown below)

SF – Square Feet

SY – Square Yard

LF – Linear Feet

Each – Per Single Unit

Lump Sum - Total cost for component

Allowance – Allowance for component repair or replacement

Contract – Cost obtained from actual contract or bid

**Useful Life** – Time in years component is expected to last.

If you have any questions feel free to contact us at 858-764-1895.

## **Assessment and Reserve Funding Disclosure Summary Explanation**

California Civil Code Section 1365 requires a specific reserve disclosure form to be updated and included every year in the annual budgets that are sent to owners. As your reserve provider we have included this form with your reserve study.

### **Please Note**

We have used the budget numbers that were given to us during the current fiscal year. If the association would like us to use the budget numbers from the upcoming fiscal year in the disclosure summary and the associated calculations please contact us after the new budget for the upcoming year has been finalized.

If regular or special assessments vary you must attach a sheet that summarizes this.

For all calculations on the form we assume the association will raise its dues 3% per year for the next 30 years. If the association has an alternative plan that you would like us to take into account please let us know.

### **What to Include in the Annual Budget**

The completed Reserve Funding Disclosure Summary along with Executive Summary, Component Summary, and Theoretical 30 Year Funding Plans from the report should be included with the annual budget.

If you have any questions feel free to give us a call at 858-764-1895.

**Assessment and Reserve Funding Disclosure Summary**

(1) The current regular assessment per ownership interest per month is:

\$ 215.00 per month for the year ending 02/28/09

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or membe (As of 9/21/2008 )

Date Assessment is Due	Amount per unit	Purpose of Assessment
None		
Total:		

(3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes \_\_\_ No X

(4) If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years?

See attached theoretical 30 year funding plans.

(5) All major components appropriate for reserve funding are included in the reserve study and are included in it's calculations.

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5 of the civil code the estimated amount required in the reserve fund at the end of the current fiscal year is:

\$ 154,205

based in whole or in part on the last reserve study or update prepared by McCaffery Reserve Consulting as of August 2008. The projected reserve fund cash balance at the end of the current fiscal year is: \$ 79,312 resulting in the reserves being 51% funded at this date.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5 of the civil code the projected required amount in reserves, projected reserve fund cash balance and projected percent funded for each of the next 5 years is:

See attached theoretical 30 year funding plans.

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change.

(b) For the purposes of preparing a summary pursuant to this section:

(1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.

(2) "Major component" has the meaning used in Section 1365.5. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.

(3) The form set out in subdivision (a) shall accompany each pro forma operating budget or summary thereof that is delivered pursuant to this article. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.

(4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

The preparer of this form will be indemnified and held harmless against all losses, claims, action, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which has been relied upon by others, or which may result from any improper use or reliance on the disclosure.



## Executive Summary

Windemere Court HOA

This is a Homeowners Association with 29 Condominium Units.

The common area components include: elevator, spa, and building exterior.

A Full Study with an on-site inspection was performed on August 21st, 2008

Number of Units	29
Year Built	1986
Fiscal Year End	February 28, 2009

After Tax Interest Rate	2.5%
Annual Inflation Rate	3.0%
Annual Dues Increase	3.0%

Reserve Fund Balance      February 28, 2009

Fully Funded Reserve Balance	\$ 154,205
Projected Balance	\$ 79,312
Under Funded	\$ 74,893
<b>Percent Funded</b>	<b>51.4%</b>

	Annually	Monthly	Per Unit Monthly
Current Budgeted Reserve Assessment	\$ 11,280	\$ 940	\$ 32.41
Depreciation of Components in 2008	\$ 16,626	\$ 1,385	\$ 47.77
Threshold Reserve Contribution for 2009	\$ 15,120	\$ 1,260	\$ 43.45
<b>Recommended Reserve Contribution for 2009</b>	<b>\$ 18,000</b>	<b>\$ 1,500</b>	<b>\$ 51.72</b>

**Component Summary**  
Windemere Court HOA

Category	Approx. Quantity	Unit of Measure	Useful Life	Remaining Life	Unit Cost	Total Cost	Depreciation This Year	Fully Funded Balance	Cost Source
<b>Roofing/Decking</b>									
Composite Shingles	5900	SF	25	3	\$ 3.50	\$ 20,650	\$ 826	\$ 18,172	1
Built-Up Roofing	5100	SF	15	9	\$ 4.25	\$ 21,675	\$ 1,445	\$ 8,670	1
Gutters & Downspouts	1	Allowance	25	20	\$ 5,000	\$ 5,000	\$ 200	\$ 1,000	1
Skylights Large	2	Each	20	14	\$ 375	\$ 750	\$ 38	\$ 225	1
Skylights Small	3	Each	20	1	\$ 257	\$ 771	\$ 39	\$ 732	1
Upper Walkway Recoat	2950	SF	5	3	\$ 1.70	\$ 5,015	\$ 1,003	\$ 2,006	1
Upper Walkway Resurface	2950	SF	25	3	\$ 5.00	\$ 14,750	\$ 590	\$ 12,980	1
						\$ 68,611	\$ 4,140	\$ 43,785	
<b>Painting</b>									
Exterior Wood Exposed	9600	SF	5	1	\$ 1.00	\$ 9,600	\$ 1,920	\$ 7,680	1
Exterior Wood Courtyard	12600	SF	10	1	\$ 1.00	\$ 12,600	\$ 1,260	\$ 11,340	1
Doors	43	Each	10	1	\$ 45.00	\$ 1,935	\$ 194	\$ 1,742	1
Metal Rails/Gates/Fence	442	LF	5	1	\$ 6.00	\$ 2,652	\$ 530	\$ 2,122	1
Wood Replacements	1	Allowance	10	1	\$ 2,500	\$ 2,500	\$ 250	\$ 2,250	1
						\$ 29,287	\$ 4,154	\$ 25,133	
<b>Paving</b>									
Garage Floor Clean/Restripe	1	Allowance	10	1	\$ 1,200	\$ 1,200	\$ 120	\$ 1,080	1
Concrete Paving @ Courtyard & Entry	1	Allowance	15	2	\$ 1,600	\$ 1,600	\$ 107	\$ 1,387	1
						\$ 2,800	\$ 227	\$ 2,467	
<b>Fencing/Rails</b>									
Metal 2' Balcony Rails	112	LF	30	8	\$ 26.00	\$ 2,912	\$ 97	\$ 2,135	1
Courtyard Rail Repairs	1	Allowance	10	5	\$ 2,000	\$ 2,000	\$ 200	\$ 1,000	1
Vinyl Fencing	130	LF	25	21	\$ 55.00	\$ 7,150	\$ 286	\$ 1,144	1
Pedestrian Gates	2	Each	25	3	\$ 800	\$ 1,600	\$ 64	\$ 1,408	1
Vehicle Gate	1	Each	25	3	\$ 2,500	\$ 2,500	\$ 100	\$ 2,200	1
Vehicle Gate Operator	1	Each	15	5	\$ 2,600	\$ 2,600	\$ 173	\$ 1,733	1
Entry Intercom	1	Each	15	14	\$ 2,500	\$ 2,500	\$ 167	\$ 167	1
						\$ 21,262	\$ 1,087	\$ 9,787	
<b>Spa Area</b>									
Spa Resurface	1	Allowance	12	2	\$ 3,400	\$ 3,400	\$ 283	\$ 2,833	1
Spa Heater	1	Each	10	8	\$ 2,200	\$ 2,200	\$ 220	\$ 440	1
Spa Filter	1	Each	10	2	\$ 1,100	\$ 1,100	\$ 110	\$ 880	1
Spa Pump/Motor	1	Each	7	1	\$ 550	\$ 550	\$ 79	\$ 471	1
Coping Stones/Tile	24	LF	25	2	\$ 35.00	\$ 840	\$ 34	\$ 773	1
Pool Furnishings	1	Allowance	6	2	\$ 2,000	\$ 2,000	\$ 333	\$ 1,333	1
Gas Grill	2	Each	10	4	\$ 650	\$ 1,300	\$ 130	\$ 780	1
						\$ 11,390	\$ 1,189	\$ 7,511	

Category Component	Approx. Quantity	Unit of Measure	Useful Life	Remaining Life	Unit Cost	Total Cost	Depreciation This Year	Fully Funded Balance	Cost Source	
<b>Mechanical/Plumbing</b>										
Hot Water Heater	1	Each	20	0	\$ 4,500	\$ 4,500	\$ 225	\$ 4,500	1	
Hot Water Storage Tank	1	Each	15	1	\$ 2,200	\$ 2,200	\$ 147	\$ 2,053	1	
Garage Exhaust Fan 5 HP	1	Each	15	14	\$ 1,300	\$ 1,300	\$ 87	\$ 87	1	
Sump Pumps & Controls	2	Each	10	4	\$ 1,500	\$ 3,000	\$ 300	\$ 1,800	1	
Fire Alarm Control Panel	1	Each	20	1	\$ 1,500	\$ 1,500	\$ 75	\$ 1,425	1	
Fire Extinguishers/Cabinets			Included in Operating Budget							6
Elevator Modernization	1	Each	30	8	\$ 40,000	\$ 40,000	\$ 1,333	\$ 29,333	1	
Elevator Cab Remodel	1	Each	25	3	\$ 4,000	\$ 4,000	\$ 160	\$ 3,520	1	
Plumbing Repairs	1	Allowance	20	15	\$ 10,000	\$ 10,000	\$ 500	\$ 2,500	1	
						\$ 66,500	\$ 2,827	\$ 45,218		
<b>Landscaping</b>										
Irrigation System Upgrade	1	Allowance	15	3	\$ 1,600	\$ 1,600	\$ 107	\$ 1,280	1	
Planter Waterproofing	1	Allowance	20	1	\$ 3,000	\$ 3,000	\$ 150	\$ 2,850	1	
						\$ 4,600	\$ 257	\$ 4,130		
<b>Lighting</b>										
Wall Mount Floods			Included in Operating Budget							6
Ceiling Mounted Courtyard	31	Each	20	1	\$ 60	\$ 1,860	\$ 93	\$ 1,767	1	
Ceiling Mounted Garage	9	Each	20	1	\$ 120	\$ 1,080	\$ 54	\$ 1,026	1	
Exit Light Fixtures	6	Each	20	1	\$ 130	\$ 780	\$ 39	\$ 741	1	
Column Lights (Bollards)	6	Each	25	3	\$ 400	\$ 2,400	\$ 96	\$ 2,112	1	
						\$ 6,120	\$ 282	\$ 5,646		
<b>Miscellaneous</b>										
Mailboxes	30	Each	25	3	\$ 60	\$ 1,800	\$ 72	\$ 1,584	1	
Termite Tenting	1	Allowance	10	9	\$ 16,000	\$ 16,000	\$ 1,600	\$ 1,600	1	
						\$ 17,800	\$ 1,672	\$ 3,184		
<b>Contingency</b>										
5%							\$ 792	\$ 7,343		
<b>TOTALS</b>						<b>\$ 228,370</b>	<b>\$ 16,626</b>	<b>\$ 154,205</b>		

Notes: Any other items not listed are included in operating budget.



**Theoretical 30 Year Funding Plans**  
Windemere Court HOA

Year End	Annual Expenses	Fully Funded Balance	Current Funding Plan			Recommended Funding Plan			Threshold Funding Plan		
			Contribution	Balance	% Funded	Contribution	Balance	% Funded	Contribution	Balance	% Funded
2009	\$ -	\$ 154,205	\$ 11,280	\$ 79,312	51%	\$ -	\$ 79,312	51%	\$ -	\$ 79,312	51%
2010	\$ 4,500	\$ 166,106	\$ 11,618	\$ 88,413	53%	\$ 18,000	\$ 94,795	57%	\$ 15,120	\$ 91,915	55%
2011	\$ 43,495	\$ 142,543	\$ 11,967	\$ 59,096	41%	\$ 18,540	\$ 72,210	51%	\$ 15,574	\$ 66,291	47%
2012	\$ 9,484	\$ 154,499	\$ 12,326	\$ 63,415	41%	\$ 19,096	\$ 83,627	54%	\$ 16,041	\$ 74,505	48%
2013	\$ 59,351	\$ 114,982	\$ 12,696	\$ 18,344	16%	\$ 19,669	\$ 46,035	40%	\$ 16,522	\$ 33,538	29%
2014	\$ 4,840	\$ 132,062	\$ 13,077	\$ 27,040	20%	\$ 20,259	\$ 62,605	47%	\$ 17,018	\$ 46,555	35%
2015	\$ 5,333	\$ 149,698	\$ 13,469	\$ 35,852	24%	\$ 20,867	\$ 79,705	53%	\$ 17,528	\$ 59,914	40%
2016	\$ 14,630	\$ 158,680	\$ 13,873	\$ 35,992	23%	\$ 21,493	\$ 88,561	56%	\$ 18,054	\$ 64,837	41%
2017	\$ -	\$ 183,888	\$ 14,289	\$ 51,181	28%	\$ 22,138	\$ 112,913	61%	\$ 18,596	\$ 85,053	46%
2018	\$ 66,730	\$ 140,399	\$ 14,718	\$ 448	0%	\$ 22,802	\$ 71,808	51%	\$ 19,154	\$ 39,603	28%
2019	\$ 49,157	\$ 114,688	\$ 15,159	\$ (33,538)	-29%	\$ 23,486	\$ 47,931	42%	\$ 19,728	\$ 11,164	10%
2020	\$ -	\$ 140,472	\$ 15,614	\$ (17,924)	-13%	\$ 24,190	\$ 73,320	52%	\$ 20,320	\$ 31,763	23%
2021	\$ 42,201	\$ 123,389	\$ 16,083	\$ (44,043)	-36%	\$ 24,916	\$ 57,868	47%	\$ 20,930	\$ 11,286	9%
2022	\$ 1,568	\$ 149,148	\$ 16,565	\$ (29,046)	-19%	\$ 25,664	\$ 83,410	56%	\$ 21,558	\$ 31,557	21%
2023	\$ 7,365	\$ 170,305	\$ 17,062	\$ (19,349)	-11%	\$ 26,434	\$ 104,565	61%	\$ 22,204	\$ 47,186	28%
2024	\$ 21,554	\$ 177,929	\$ 17,574	\$ (23,329)	-13%	\$ 27,227	\$ 112,851	63%	\$ 22,870	\$ 49,681	28%
2025	\$ 19,552	\$ 188,639	\$ 18,101	\$ (24,781)	-13%	\$ 28,043	\$ 124,163	66%	\$ 23,556	\$ 54,927	29%
2026	\$ 23,191	\$ 196,627	\$ 18,644	\$ (29,328)	-15%	\$ 28,885	\$ 132,961	68%	\$ 24,263	\$ 57,373	29%
2027	\$ 2,645	\$ 227,228	\$ 19,203	\$ (12,769)	-6%	\$ 29,751	\$ 163,391	72%	\$ 24,991	\$ 81,153	36%
2028	\$ 15,007	\$ 246,592	\$ 19,780	\$ (7,996)	-3%	\$ 30,644	\$ 183,113	74%	\$ 25,741	\$ 93,916	38%
2029	\$ 28,056	\$ 253,684	\$ 20,373	\$ (15,679)	-6%	\$ 31,563	\$ 191,198	75%	\$ 26,513	\$ 94,721	37%
2030	\$ 25,466	\$ 264,582	\$ 20,984	\$ (20,161)	-8%	\$ 32,510	\$ 203,022	77%	\$ 27,308	\$ 98,931	37%
2031	\$ 86,742	\$ 212,369	\$ 21,614	\$ (85,290)	-40%	\$ 33,485	\$ 154,841	73%	\$ 28,128	\$ 42,790	20%
2032	\$ 3,162	\$ 247,277	\$ 22,262	\$ (66,189)	-27%	\$ 34,490	\$ 190,040	77%	\$ 28,971	\$ 69,670	28%
2033	\$ 9,898	\$ 277,115	\$ 22,930	\$ (53,157)	-19%	\$ 35,525	\$ 220,418	80%	\$ 29,841	\$ 91,355	33%
2034	\$ 52,802	\$ 263,782	\$ 23,618	\$ (82,341)	-31%	\$ 36,590	\$ 209,717	80%	\$ 30,736	\$ 71,573	27%
2035	\$ 4,188	\$ 302,109	\$ 24,326	\$ (62,202)	-21%	\$ 37,688	\$ 248,460	82%	\$ 31,658	\$ 100,832	33%
2036	\$ 38,068	\$ 307,055	\$ 25,056	\$ (75,214)	-24%	\$ 38,819	\$ 255,422	83%	\$ 32,608	\$ 97,893	32%
2037	\$ 1,866	\$ 351,238	\$ 25,808	\$ (51,272)	-15%	\$ 39,983	\$ 299,925	85%	\$ 33,586	\$ 132,060	38%
2038	\$ 125,642	\$ 267,890	\$ 26,582	\$ (150,332)	-56%	\$ 41,183	\$ 222,964	83%	\$ 34,593	\$ 44,313	17%
2039	\$ 47,956	\$ 264,752	\$ 27,380	\$ (170,908)	-65%	\$ 42,418	\$ 223,001	84%	\$ 35,631	\$ 33,096	13%

Note: All future projections are theoretical. The estimated lives and costs of components will likely change over time depending on factors such as inflation rates and levels of maintenance. Reserve analysis should be performed annually to account for these factors.

**Annual Expenses by Component**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Roofing/Decking</b>											
Composite Shingles	\$ -	\$ -	\$ -	\$ -	\$ 22,565	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Built-Up Roofing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,281
Gutters & Downspouts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Skylights Large	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Skylights Small	\$ -	\$ -	\$ 794	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Upper Walkway Recoat	\$ -	\$ -	\$ -	\$ -	\$ 5,480	\$ -	\$ -	\$ -	\$ -	\$ 6,353	\$ -
Upper Walkway Resurface	\$ -	\$ -	\$ -	\$ -	\$ 16,118	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Painting</b>											
Exterior Wood Exposed	\$ -	\$ 9,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,463	\$ -	\$ -	\$ -
Exterior Wood Courtyard	\$ -	\$ 12,978	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Doors	\$ -	\$ 1,993	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Metal Rails/Gates/Fence	\$ -	\$ 2,732	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,167	\$ -	\$ -	\$ -
Wood Replacements	\$ -	\$ 2,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Paving</b>											
Garage Floor Clean/Restripe	\$ -	\$ 1,236	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Concrete Paving @ Courtyard & Entry	\$ -	\$ -	\$ 1,697	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fencing/Rails</b>											
Metal 2' Balcony Rails	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,689	\$ -
Courtyard Rail Repairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,319	\$ -	\$ -	\$ -	\$ -
Vinyl Fencing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pedestrian Gates	\$ -	\$ -	\$ -	\$ -	\$ 1,748	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Gate	\$ -	\$ -	\$ -	\$ -	\$ 2,732	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Gate Operator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,014	\$ -	\$ -	\$ -	\$ -
Entry Intercom	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Spa Area</b>											
Spa Resurface	\$ -	\$ -	\$ 3,607	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Spa Heater	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,787	\$ -
Spa Filter	\$ -	\$ -	\$ 1,167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Spa Pump/Motor	\$ -	\$ 567	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 697	\$ -

**Annual Expenses by Component**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Coping Stones/Tile	\$ -	\$ -	\$ -	\$ 891	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pool Furnishings	\$ -	\$ -	\$ -	\$ 2,122	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,534	\$ -
Gas Grill	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,463	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Mechanical/Plumbing</b>											
Hot Water Heater	\$ 4,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hot Water Storage Tank	\$ -	\$ 2,266	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Garage Exhaust Fan 5 HP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sump Pumps & Controls	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,377	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Alarm Control Panel	\$ -	\$ 1,545	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Extinguishers/Cabinets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Elevator Modernization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,671	\$ -
Elevator Cab Remodel	\$ -	\$ -	\$ -	\$ -	\$ 4,371	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plumbing Repairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Landscaping</b>											
Irrigation System Upgrade	\$ -	\$ -	\$ -	\$ -	\$ 1,748	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planter Waterproofing	\$ -	\$ 3,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Lighting</b>											
Wall Mount Floods	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ceiling Mounted Courtyard	\$ -	\$ 1,916	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ceiling Mounted Garage	\$ -	\$ 1,112	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Exit Light Fixtures	\$ -	\$ 803	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Column Lights (Bollards)	\$ -	\$ -	\$ -	\$ -	\$ 2,623	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Miscellaneous</b>											
Mailboxes	\$ -	\$ -	\$ -	\$ -	\$ 1,967	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Termite Tenting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,876
<b>Totals</b>	\$ -	\$ 4,500	\$ 43,495	\$ 9,484	\$ 59,351	\$ 4,840	\$ 5,333	\$ 14,630	\$ -	\$ 66,730	\$ 49,157

**Annual Expenses by Component**

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Roofing/Decking</b>											
Composite Shingles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Built-Up Roofing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gutters & Downspouts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,031
Skylights Large	\$ -	\$ -	\$ -	\$ -	\$ 1,134	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Skylights Small	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Upper Walkway Recoat	\$ -	\$ -	\$ -	\$ 7,365	\$ -	\$ -	\$ -	\$ -	\$ 8,538	\$ -	\$ -
Upper Walkway Resurface	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Painting</b>											
Exterior Wood Exposed	\$ -	\$ 13,289	\$ -	\$ -	\$ -	\$ -	\$ 15,405	\$ -	\$ -	\$ -	\$ -
Exterior Wood Courtyard	\$ -	\$ 17,441	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Doors	\$ -	\$ 2,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Metal Rails/Gates/Fence	\$ -	\$ 3,671	\$ -	\$ -	\$ -	\$ -	\$ 4,256	\$ -	\$ -	\$ -	\$ -
Wood Replacements	\$ -	\$ 3,461	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Paving</b>											
Garage Floor Clean/Restrip	\$ -	\$ 1,661	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Concrete Paving @ Courty:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,645	\$ -	\$ -	\$ -
<b>Fencing/Rails</b>											
Metal 2' Balcony Rails	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Courtyard Rail Repairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,116	\$ -	\$ -	\$ -	\$ -	\$ -
Vinyl Fencing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pedestrian Gates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Gate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Gate Operator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,696
Entry Intercom	\$ -	\$ -	\$ -	\$ -	\$ 3,781	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Spa Area</b>											
Spa Resurface	\$ -	\$ -	\$ -	\$ -	\$ 5,143	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Spa Heater	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,745	\$ -	\$ -
Spa Filter	\$ -	\$ -	\$ 1,568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Spa Pump/Motor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 857	\$ -	\$ -	\$ -	\$ -	\$ -

**Annual Expenses by Component**

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Coping Stones/Tile	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pool Furnishings	\$ -	\$ -	\$ -	\$ -	\$ 3,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,612
Gas Grill	\$ -	\$ -	\$ -	\$ -	\$ 1,966	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Mechanical/Plumbing</b>											
Hot Water Heater	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,128
Hot Water Storage Tank	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,530	\$ -	\$ -	\$ -	\$ -
Garage Exhaust Fan 5 HP	\$ -	\$ -	\$ -	\$ -	\$ 1,966	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sump Pumps & Controls	\$ -	\$ -	\$ -	\$ -	\$ 4,538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Alarm Control Panel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Extinguishers/Cabinets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Elevator Modernization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Elevator Cab Remodel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plumbing Repairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,580	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Landscaping</b>											
Irrigation System Upgrade	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,724	\$ -	\$ -
Planter Waterproofing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Lighting</b>											
Wall Mount Floods	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ceiling Mounted Courtyard	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ceiling Mounted Garage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Exit Light Fixtures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Column Lights (Bollards)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Miscellaneous</b>											
Mailboxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Termite Tenting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,056	\$ -
<b>Totals</b>	<b>\$ -</b>	<b>\$ 42,201</b>	<b>\$ 1,568</b>	<b>\$ 7,365</b>	<b>\$ 21,554</b>	<b>\$ 19,552</b>	<b>\$ 23,191</b>	<b>\$ 2,645</b>	<b>\$ 15,007</b>	<b>\$ 28,056</b>	<b>\$ 25,466</b>



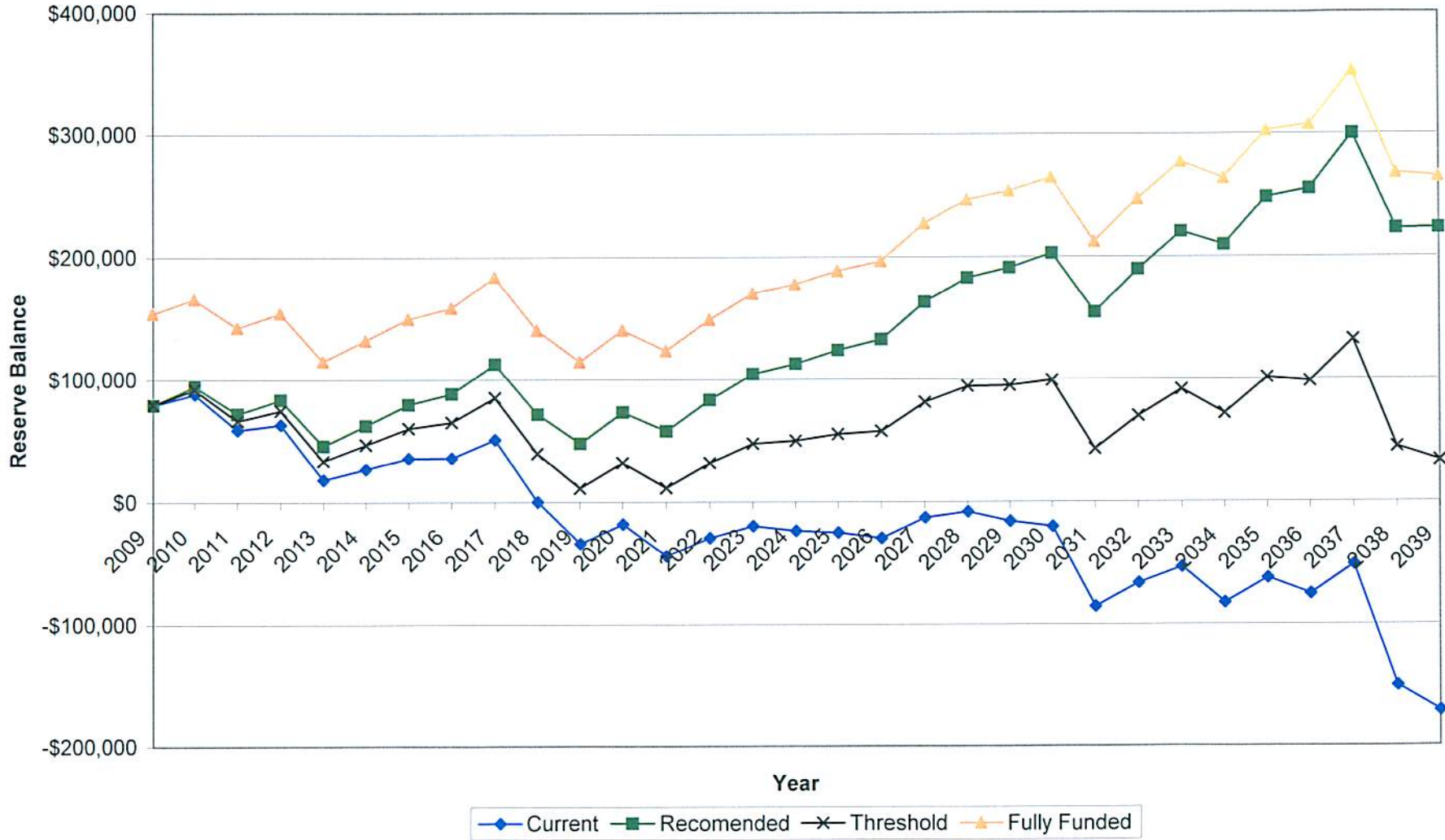
**Annual Expenses by Component**

	2031	2032	2033	2034	2035	2036	2037	2038	2039
<b>Roofing/Decking</b>									
Composite Shingles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,246	\$ -
Built-Up Roofing	\$ -	\$ -	\$ -	\$ 44,061	\$ -	\$ -	\$ -	\$ -	\$ -
Gutters & Downspouts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Skylights Large	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Skylights Small	\$ 1,434	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Upper Walkway Recoat	\$ -	\$ -	\$ 9,898	\$ -	\$ -	\$ -	\$ -	\$ 11,474	\$ -
Upper Walkway Resurface	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,747	\$ -
<b>Painting</b>									
Exterior Wood Exposed	\$ 17,859	\$ -	\$ -	\$ -	\$ -	\$ 20,703	\$ -	\$ -	\$ -
Exterior Wood Courtyard	\$ 23,440	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Doors	\$ 3,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Metal Rails/Gates/Fence	\$ 4,934	\$ -	\$ -	\$ -	\$ -	\$ 5,719	\$ -	\$ -	\$ -
Wood Replacements	\$ 4,651	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Paving</b>									
Garage Floor Clean/Restrip	\$ 2,232	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Concrete Paving @ Courty	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fencing/Rails</b>									
Metal 2' Balcony Rails	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Courtyard Rail Repairs	\$ -	\$ -	\$ -	\$ -	\$ 4,188	\$ -	\$ -	\$ -	\$ -
Vinyl Fencing	\$ 13,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pedestrian Gates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,661	\$ -
Vehicle Gate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,720	\$ -
Vehicle Gate Operator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Entry Intercom	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,891
<b>Spa Area</b>									
Spa Resurface	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,332	\$ -	\$ -	\$ -
Spa Heater	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,033	\$ -
Spa Filter	\$ -	\$ 2,108	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Spa Pump/Motor	\$ -	\$ 1,054	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,296

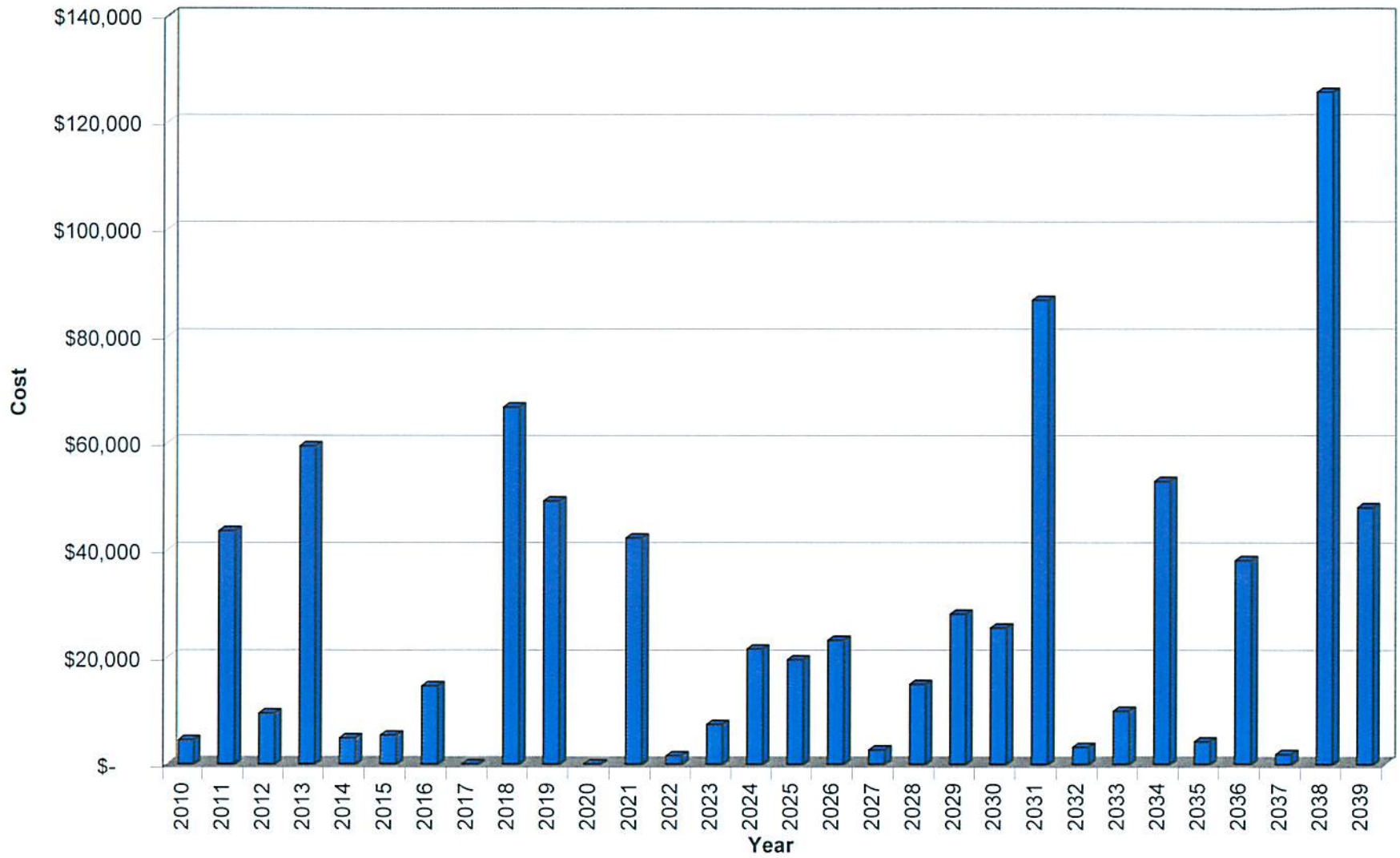
**Annual Expenses by Component**

	2031	2032	2033	2034	2035	2036	2037	2038	2039
Coping Stones/Tile	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,866	\$ -	\$ -
Pool Furnishings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,313	\$ -	\$ -	\$ -
Gas Grill	\$ -	\$ -	\$ -	\$ 2,643	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Mechanical/Plumbing</b>									
Hot Water Heater	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hot Water Storage Tank	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Garage Exhaust Fan 5 HP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,064
Sump Pumps & Controls	\$ -	\$ -	\$ -	\$ 6,098	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Alarm Control Panel	\$ 2,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Extinguishers/Cabinets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Elevator Modernization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Elevator Cab Remodel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,152	\$ -
Plumbing Repairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Landscaping</b>									
Irrigation System Upgrade	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Planter Waterproofing	\$ 5,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Lighting</b>									
Wall Mount Floods	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ceiling Mounted Courtyard	\$ 3,460	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Ceiling Mounted Garage	\$ 2,009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Exit Light Fixtures	\$ 1,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Column Lights (Bollards)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,491	\$ -
<b>Miscellaneous</b>									
Mailboxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,118	\$ -
Termite Tenting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,705
<b>Totals</b>	<b>\$ 86,742</b>	<b>\$ 3,162</b>	<b>\$ 9,898</b>	<b>\$ 52,802</b>	<b>\$ 4,188</b>	<b>\$ 38,068</b>	<b>\$ 1,866</b>	<b>\$ 125,642</b>	<b>\$ 47,956</b>

### 30 Year Reserve Balance Projection



### Projected Annual Expenditures



### Component Details

Roofing/Decking		Composite Shingles	
Approximate Component Quantity	- 5900	Estimated Current Unit Cost	\$ 3.50
Unit of Measure	- SF	Estimated Total Current Cost	\$ 20,650
Normal Useful Life (Years)	- 25	Estimated Total Future Cost	\$ 22,565
Estimated Remaining Useful Life (Years)	- 3	Fully Funded Balance	\$ 18,172
Estimated Replacement Year	- 2012	Depreciation This Year	\$ 826
Cost Source	- 1		

Roofing/Decking		Built-Up Roofing	
Approximate Component Quantity	- 5100	Estimated Current Unit Cost	\$ 4.25
Unit of Measure	- SF	Estimated Total Current Cost	\$ 21,675
Normal Useful Life (Years)	- 15	Estimated Total Future Cost	\$ 28,281
Estimated Remaining Useful Life (Years)	- 9	Fully Funded Balance	\$ 8,670
Estimated Replacement Year	- 2018	Depreciation This Year	\$ 1,445
Cost Source	- 1		

Roofing/Decking		Gutters & Downspouts	
Approximate Component Quantity	- 1	Estimated Current Unit Cost	\$ 5,000.00
Unit of Measure	- Allowance	Estimated Total Current Cost	\$ 5,000
Normal Useful Life (Years)	- 25	Estimated Total Future Cost	\$ 9,031
Estimated Remaining Useful Life (Years)	- 20	Fully Funded Balance	\$ 1,000
Estimated Replacement Year	- 2029	Depreciation This Year	\$ 200
Cost Source	- 1		

Roofing/Decking		Skylights Large	
Approximate Component Quantity	- 2	Estimated Current Unit Cost	\$ 375.00
Unit of Measure	- Each	Estimated Total Current Cost	\$ 750
Normal Useful Life (Years)	- 20	Estimated Total Future Cost	\$ 1,134
Estimated Remaining Useful Life (Years)	- 14	Fully Funded Balance	\$ 225
Estimated Replacement Year	- 2023	Depreciation This Year	\$ 38
Cost Source	- 1		

Roofing/Decking		Skylights Small	
Approximate Component Quantity	- 3	Estimated Current Unit Cost	\$ 257.00
Unit of Measure	- Each	Estimated Total Current Cost	\$ 771
Normal Useful Life (Years)	- 20	Estimated Total Future Cost	\$ 794
Estimated Remaining Useful Life (Years)	- 1	Fully Funded Balance	\$ 732
Estimated Replacement Year	- 2010	Depreciation This Year	\$ 39
Cost Source	- 1		



<b>Roofing/Decking</b>	<b>Upper Walkway Recoat</b>
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Approximate Component Quantity	-	2950	Estimated Current Unit Cost	\$	1.70
Unit of Measure	-	SF	Estimated Total Current Cost	\$	5,015
Normal Useful Life (Years)	-	5	Estimated Total Future Cost	\$	5,480
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	\$	2,006
Estimated Replacement Year	-	2012	Depreciation This Year	\$	1,003
Cost Source	-	1			



<b>Roofing/Decking</b>	<b>Upper Walkway Resurface</b>
------------------------	--------------------------------

Approximate Component Quantity	-	2950	Estimated Current Unit Cost	\$	5.00
Unit of Measure	-	SF	Estimated Total Current Cost	\$	14,750
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	\$	16,118
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	\$	12,980
Estimated Replacement Year	-	2012	Depreciation This Year	\$	590
Cost Source	-	1			

<b>Painting</b>	<b>Exterior Wood Exposed</b>
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Approximate Component Quantity	-	9600	Estimated Current Unit Cost	\$	1.00
Unit of Measure	-	SF	Estimated Total Current Cost	\$	9,600
Normal Useful Life (Years)	-	5	Estimated Total Future Cost	\$	9,888
Estimated Remaining Useful Life (Years)	-	1	Fully Funded Balance	\$	7,680
Estimated Replacement Year	-	2010	Depreciation This Year	\$	1,920
Cost Source	-	1			

**Painting Exterior Wood Courtyard**

Approximate Component Quantity	- 12600	Estimated Current Unit Cost	\$ 1.00
Unit of Measure	- SF	Estimated Total Current Cost	\$ 12,600
Normal Useful Life (Years)	- 10	Estimated Total Future Cost	\$ 12,978
Estimated Remaining Useful Life (Years)	- 1	Fully Funded Balance	\$ 11,340
Estimated Replacement Year	- 2010	Depreciation This Year	\$ 1,260
Cost Source	- 1		

**Painting Doors**

Approximate Component Quantity	- 43	Estimated Current Unit Cost	\$ 45.00
Unit of Measure	- Each	Estimated Total Current Cost	\$ 1,935
Normal Useful Life (Years)	- 10	Estimated Total Future Cost	\$ 1,993
Estimated Remaining Useful Life (Years)	- 1	Fully Funded Balance	\$ 1,742
Estimated Replacement Year	- 2010	Depreciation This Year	\$ 194
Cost Source	- 1		

**Painting Metal Rails/Gates/Fence**

Approximate Component Quantity	- 442	Estimated Current Unit Cost	\$ 6.00
Unit of Measure	- LF	Estimated Total Current Cost	\$ 2,652
Normal Useful Life (Years)	- 5	Estimated Total Future Cost	\$ 2,732
Estimated Remaining Useful Life (Years)	- 1	Fully Funded Balance	\$ 2,122
Estimated Replacement Year	- 2010	Depreciation This Year	\$ 530
Cost Source	- 1		

**Painting Wood Replacements**

Approximate Component Quantity	- 1	Estimated Current Unit Cost	\$ 2,500.00
Unit of Measure	- Allowance	Estimated Total Current Cost	\$ 2,500
Normal Useful Life (Years)	- 10	Estimated Total Future Cost	\$ 2,575
Estimated Remaining Useful Life (Years)	- 1	Fully Funded Balance	\$ 2,250
Estimated Replacement Year	- 2010	Depreciation This Year	\$ 250
Cost Source	- 1		

**Paving Garage Floor Clean/Restripe**

Approximate Component Quantity	- 1	Estimated Current Unit Cost	\$ 1,200.00
Unit of Measure	- Allowance	Estimated Total Current Cost	\$ 1,200
Normal Useful Life (Years)	- 10	Estimated Total Future Cost	\$ 1,236
Estimated Remaining Useful Life (Years)	- 1	Fully Funded Balance	\$ 1,080
Estimated Replacement Year	- 2010	Depreciation This Year	\$ 120
Cost Source	- 1		

<b>Paving</b>	<b>Concrete Paving @ Courtyard &amp; Entry</b>
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Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	1,600.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	\$	1,600
Normal Useful Life (Years)	-	15	Estimated Total Future Cost	\$	1,697
Estimated Remaining Useful Life (Years)	-	2	Fully Funded Balance	\$	1,387
Estimated Replacement Year	-	2011	Depreciation This Year	\$	107
Cost Source	-	1			

<b>Fencing/Rails</b>	<b>Metal 2' Balcony Rails</b>
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Approximate Component Quantity	-	112	Estimated Current Unit Cost	\$	26.00
Unit of Measure	-	LF	Estimated Total Current Cost	\$	2,912
Normal Useful Life (Years)	-	30	Estimated Total Future Cost	\$	3,689
Estimated Remaining Useful Life (Years)	-	8	Fully Funded Balance	\$	2,135
Estimated Replacement Year	-	2017	Depreciation This Year	\$	97
Cost Source	-	1			

<b>Fencing/Rails</b>	<b>Courtyard Rail Repairs</b>
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Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	2,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	\$	2,000
Normal Useful Life (Years)	-	10	Estimated Total Future Cost	\$	2,319
Estimated Remaining Useful Life (Years)	-	5	Fully Funded Balance	\$	1,000
Estimated Replacement Year	-	2014	Depreciation This Year	\$	200
Cost Source	-	1			





<b>Fencing/Rails</b>	<b>Vinyl Fencing</b>
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Approximate Component Quantity	-	130	Estimated Current Unit Cost	\$	55.00
Unit of Measure	-	LF	Estimated Total Current Cost	\$	7,150
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	\$	13,301
Estimated Remaining Useful Life (Years)	-	21	Fully Funded Balance	\$	1,144
Estimated Replacement Year	-	2030	Depreciation This Year	\$	286
Cost Source	-	1			

<b>Fencing/Rails</b>	<b>Pedestrian Gates</b>
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Approximate Component Quantity	-	2	Estimated Current Unit Cost	\$	800.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	1,600
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	\$	1,748
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	\$	1,408
Estimated Replacement Year	-	2012	Depreciation This Year	\$	64
Cost Source	-	1			

<b>Fencing/Rails</b>	<b>Vehicle Gate</b>
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Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	2,500.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	2,500
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	\$	2,732
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	\$	2,200
Estimated Replacement Year	-	2012	Depreciation This Year	\$	100
Cost Source	-	1			



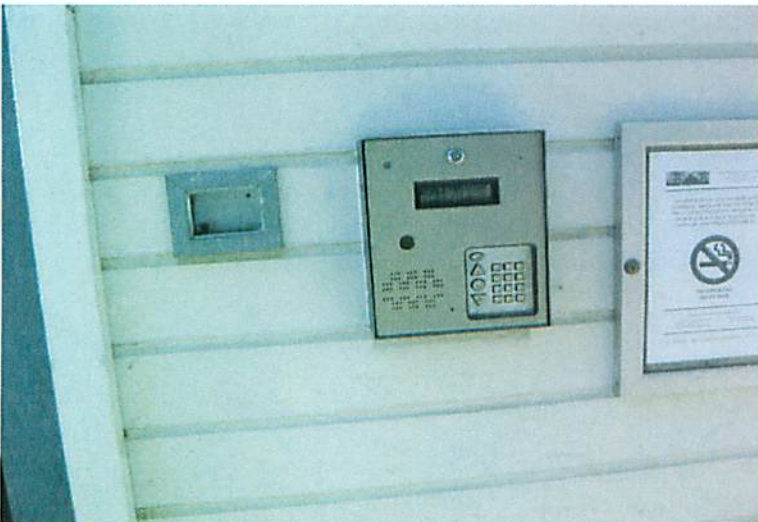
<b>Fencing/Rails</b>	<b>Vehicle Gate Operator</b>
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Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	2,600.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	2,600
Normal Useful Life (Years)	-	15	Estimated Total Future Cost	\$	3,014
Estimated Remaining Useful Life (Years)	-	5	Fully Funded Balance	\$	1,733
Estimated Replacement Year	-	2014	Depreciation This Year	\$	173
Cost Source	-	1			

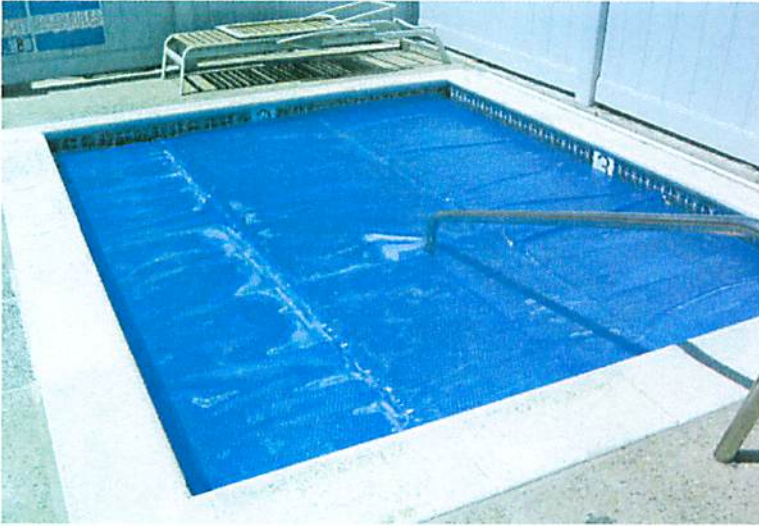


<b>Fencing/Rails</b>	<b>Entry Intercom</b>
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Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	2,500.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	2,500
Normal Useful Life (Years)	-	15	Estimated Total Future Cost	\$	3,781
Estimated Remaining Useful Life (Years)	-	14	Fully Funded Balance	\$	167
Estimated Replacement Year	-	2023	Depreciation This Year	\$	167
Cost Source	-	1			



Spa Area		Spa Resurface	
Approximate Component Quantity	- 1	Estimated Current Unit Cost	\$ 3,400.00
Unit of Measure	- Allowance	Estimated Total Current Cost	\$ 3,400
Normal Useful Life (Years)	- 12	Estimated Total Future Cost	\$ 3,607
Estimated Remaining Useful Life (Years)	- 2	Fully Funded Balance	\$ 2,833
Estimated Replacement Year	- 2011	Depreciation This Year	\$ 283
Cost Source	- 1		



Spa Area		Spa Heater	
Approximate Component Quantity	- 1	Estimated Current Unit Cost	\$ 2,200.00
Unit of Measure	- Each	Estimated Total Current Cost	\$ 2,200
Normal Useful Life (Years)	- 10	Estimated Total Future Cost	\$ 2,787
Estimated Remaining Useful Life (Years)	- 8	Fully Funded Balance	\$ 440
Estimated Replacement Year	- 2017	Depreciation This Year	\$ 220
Cost Source	- 1		



Spa Area	Spa Filter
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Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	1,100.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	1,100
Normal Useful Life (Years)	-	10	Estimated Total Future Cost	\$	1,167
Estimated Remaining Useful Life (Years)	-	2	Fully Funded Balance	\$	880
Estimated Replacement Year	-	2011	Depreciation This Year	\$	110
Cost Source	-	1			



Spa Area	Spa Pump/Motor
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Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	550.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	550
Normal Useful Life (Years)	-	7	Estimated Total Future Cost	\$	567
Estimated Remaining Useful Life (Years)	-	1	Fully Funded Balance	\$	471
Estimated Replacement Year	-	2010	Depreciation This Year	\$	79
Cost Source	-	1			

Spa Area	Coping Stones/Tile
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Approximate Component Quantity	-	24	Estimated Current Unit Cost	\$	35.00
Unit of Measure	-	LF	Estimated Total Current Cost	\$	840
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	\$	891
Estimated Remaining Useful Life (Years)	-	2	Fully Funded Balance	\$	773
Estimated Replacement Year	-	2011	Depreciation This Year	\$	34
Cost Source	-	1			

Spa Area		Pool Furnishings	
Approximate Component Quantity	- 1	Estimated Current Unit Cost	\$ 2,000.00
Unit of Measure	- Allowance	Estimated Total Current Cost	\$ 2,000
Normal Useful Life (Years)	- 6	Estimated Total Future Cost	\$ 2,122
Estimated Remaining Useful Life (Years)	- 2	Fully Funded Balance	\$ 1,333
Estimated Replacement Year	- 2011	Depreciation This Year	\$ 333
Cost Source	- 1		

Spa Area		Gas Grill	
Approximate Component Quantity	- 2	Estimated Current Unit Cost	\$ 650.00
Unit of Measure	- Each	Estimated Total Current Cost	\$ 1,300
Normal Useful Life (Years)	- 10	Estimated Total Future Cost	\$ 1,463
Estimated Remaining Useful Life (Years)	- 4	Fully Funded Balance	\$ 780
Estimated Replacement Year	- 2013	Depreciation This Year	\$ 130
Cost Source	- 1		

Mechanical/Plumbing		Hot Water Heater	
Approximate Component Quantity	- 1	Estimated Current Unit Cost	\$ 4,500.00
Unit of Measure	- Each	Estimated Total Current Cost	\$ 4,500
Normal Useful Life (Years)	- 20	Estimated Total Future Cost	\$ 4,500
Estimated Remaining Useful Life (Years)	- 0	Fully Funded Balance	\$ 4,500
Estimated Replacement Year	- 2009	Depreciation This Year	\$ 225
Cost Source	- 1		



<b>Mechanical/Plumbing</b>	<b>Hot Water Storage Tank</b>
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Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	2,200.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	2,200
Normal Useful Life (Years)	-	15	Estimated Total Future Cost	\$	2,266
Estimated Remaining Useful Life (Years)	-	1	Fully Funded Balance	\$	2,053
Estimated Replacement Year	-	2010	Depreciation This Year	\$	147
Cost Source	-	1			

<b>Mechanical/Plumbing</b>	<b>Garage Exhaust Fan 5 HP</b>
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Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	1,300.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	1,300
Normal Useful Life (Years)	-	15	Estimated Total Future Cost	\$	1,966
Estimated Remaining Useful Life (Years)	-	14	Fully Funded Balance	\$	87
Estimated Replacement Year	-	2023	Depreciation This Year	\$	87
Cost Source	-	1			

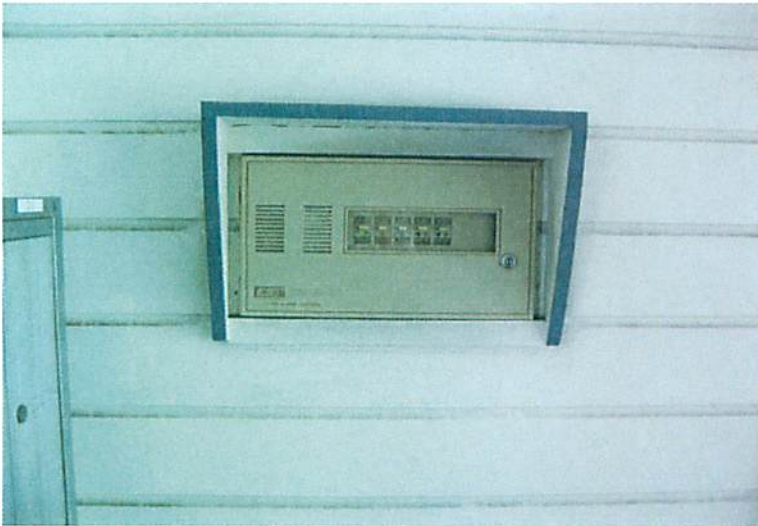
<b>Mechanical/Plumbing</b>	<b>Sump Pumps &amp; Controls</b>
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Approximate Component Quantity	-	2	Estimated Current Unit Cost	\$	1,500.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	3,000
Normal Useful Life (Years)	-	10	Estimated Total Future Cost	\$	3,377
Estimated Remaining Useful Life (Years)	-	4	Fully Funded Balance	\$	1,800
Estimated Replacement Year	-	2013	Depreciation This Year	\$	300
Cost Source	-	1			



<b>Mechanical/Plumbing</b>	<b>Fire Alarm Control Panel</b>
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Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	1,500.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	1,500
Normal Useful Life (Years)	-	20	Estimated Total Future Cost	\$	1,545
Estimated Remaining Useful Life (Years)	-	1	Fully Funded Balance	\$	1,425
Estimated Replacement Year	-	2010	Depreciation This Year	\$	75
Cost Source	-	1			



<b>Mechanical/Plumbing</b>	<b>Elevator Modernization</b>
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Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	40,000.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	40,000
Normal Useful Life (Years)	-	30	Estimated Total Future Cost	\$	50,671
Estimated Remaining Useful Life (Years)	-	8	Fully Funded Balance	\$	29,333
Estimated Replacement Year	-	2017	Depreciation This Year	\$	1,333
Cost Source	-	1			

<b>Mechanical/Plumbing</b>	<b>Elevator Cab Remodel</b>
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Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	4,000.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	4,000
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	\$	4,371
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	\$	3,520
Estimated Replacement Year	-	2012	Depreciation This Year	\$	160
Cost Source	-	1			

<b>Mechanical/Plumbing</b>	<b>Plumbing Repairs</b>
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Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	10,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	\$	10,000
Normal Useful Life (Years)	-	20	Estimated Total Future Cost	\$	15,580
Estimated Remaining Useful Life (Years)	-	15	Fully Funded Balance	\$	2,500
Estimated Replacement Year	-	2024	Depreciation This Year	\$	500
Cost Source	-	1			

<b>Landscaping</b>	<b>Irrigation System Upgrade</b>
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Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	1,600.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	\$	1,600
Normal Useful Life (Years)	-	15	Estimated Total Future Cost	\$	1,748
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	\$	1,280
Estimated Replacement Year	-	2012	Depreciation This Year	\$	107
Cost Source	-	1			

<b>Landscaping</b>	<b>Planter Waterproofing</b>
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Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	3,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	\$	3,000
Normal Useful Life (Years)	-	20	Estimated Total Future Cost	\$	3,090
Estimated Remaining Useful Life (Years)	-	1	Fully Funded Balance	\$	2,850
Estimated Replacement Year	-	2010	Depreciation This Year	\$	150
Cost Source	-	1			

<b>Lighting</b>	<b>Ceiling Mounted Courtyard</b>
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Approximate Component Quantity	-	31	Estimated Current Unit Cost	\$	60.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	1,860
Normal Useful Life (Years)	-	20	Estimated Total Future Cost	\$	1,916
Estimated Remaining Useful Life (Years)	-	1	Fully Funded Balance	\$	1,767
Estimated Replacement Year	-	2010	Depreciation This Year	\$	93
Cost Source	-	1			



<b>Lighting</b>	<b>Ceiling Mounted Garage</b>
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Approximate Component Quantity	-	9	Estimated Current Unit Cost	\$	120.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	1,080
Normal Useful Life (Years)	-	20	Estimated Total Future Cost	\$	1,112
Estimated Remaining Useful Life (Years)	-	1	Fully Funded Balance	\$	1,026
Estimated Replacement Year	-	2010	Depreciation This Year	\$	54
Cost Source	-	1			



<b>Lighting</b>	<b>Exit Light Fixtures</b>
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Approximate Component Quantity	-	6	Estimated Current Unit Cost	\$	130.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	780
Normal Useful Life (Years)	-	20	Estimated Total Future Cost	\$	803
Estimated Remaining Useful Life (Years)	-	1	Fully Funded Balance	\$	741
Estimated Replacement Year	-	2010	Depreciation This Year	\$	39
Cost Source	-	1			

<b>Lighting</b>	<b>Column Lights (Bollards)</b>
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Approximate Component Quantity	-	6	Estimated Current Unit Cost	\$	400.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	2,400
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	\$	2,623
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	\$	2,112
Estimated Replacement Year	-	2012	Depreciation This Year	\$	96
Cost Source	-	1			

<b>Miscellaneous</b>	<b>Mailboxes</b>
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Approximate Component Quantity	-	30	Estimated Current Unit Cost	\$	60.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	1,800
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	\$	1,967
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	\$	1,584
Estimated Replacement Year	-	2012	Depreciation This Year	\$	72
Cost Source	-	1			



<b>Miscellaneous</b>	<b>Termite Tenting</b>
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Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	16,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	\$	16,000
Normal Useful Life (Years)	-	10	Estimated Total Future Cost	\$	20,876
Estimated Remaining Useful Life (Years)	-	9	Fully Funded Balance	\$	1,600
Estimated Replacement Year	-	2018	Depreciation This Year	\$	1,600
Cost Source	-	1			

## Disclaimer

This report attempts to determine the estimated remaining useful life of the components that can be visually observed. This report is expressly for the use of the client and only for the purpose of establishing reserve funding requirements. The study is not a guarantee or warranty, or a recommendation to purchase. Estimated remaining useful lives are calculated with reasonable consideration for weather conditions. Natural disasters, including seismic activity will not be addressed in this report. Reserve Funding for earthquake damages and other disasters exceeds the scope of the study. We recommend the development consider additional insurance to cover unforeseen disasters. We assume the components of the association will receive proper maintenance. The report is expressly for the use of the client and only for the purpose of establishing reserve funding requirements.

In providing the opinions of probable construction costs, the client understands that McCaffery Reserve Consulting (MRC) has no control over costs or the price of labor, equipment or materials, or over the contractor's method of pricing, and that the opinions of probable construction costs provided herein are to be made on the basis of MRC's qualifications and experience. MRC makes no warranty, expressed or implied, as to the accuracy of such opinions as compared to bid or actual costs.

Because the reserve study is a projection, the estimated lives and costs of components will likely change over time depending on a variety of factors such as future inflation rates and levels of maintenance applied by future boards, unknown defects in materials that may lead to premature failures, etc. As a result, some components may experience longer lives while others will experience premature failures. Some components may cost less at the time of replacement due to changes in manufacturing methods while others may cost more due to material shortages or high demand. All future projections are therefore theoretical and reserve studies should be updated annually.

MRC has made a reasonable effort to ensure that the report is accurate. This study does not preclude errors resulting from unforeseen conditions or circumstances. The scope of this report is expressly limited to the components described herein. MRC has obtained certain information, documentation and materials from the association agent and the reserve study is based upon the accuracy of such information. Material inaccuracies could adversely effect the reserve study. MRC is not responsible for such inaccuracies. This study is limited to a visual observation. There has been neither destructive testing nor inspection of the interior of private units; floors, wall or ceiling cavities, or structural elements. It is assumed that the components have been constructed per original construction documents and comply with applicable codes. This study is not designed to uncover latent or patent defects. Estimates represent replacement of a component with similar materials unless otherwise noted. Local building codes have not been researched to determine whether or not current ordinances will permit the replacement of any component with components of like material. The estimates do not take into account the abbreviated useful life of a component as a result of its original construction, installation, or design. MRC is not responsible for any claims, demands, or damages arising out of the discovery of asbestos, radon or any environmental claims, demands or damages. We do not assume any liability for damages which may result from this study. We are not responsible for conditions this report fails to disclose. The information contained in this study is deemed reliable as of the date of this study, but is not guaranteed.

The Association, by accepting this study, agrees to release MRC from any claims, demands or damages. The Association, in consideration of MRC performing the reserve study, hereby agrees to indemnify, defend and hold harmless MRC from and against any and all liability, damages, losses, claims, demands, or lawsuits arising out of or relating to this reserve study.

The information contained within the report is assembled in conjunction with the client and is intended to assist the client with its reserve planning. MRC does not guarantee, either explicitly or implied, that all repair and replacement items have been identified, the accuracy of the probable costs or the product lives associated with these items.