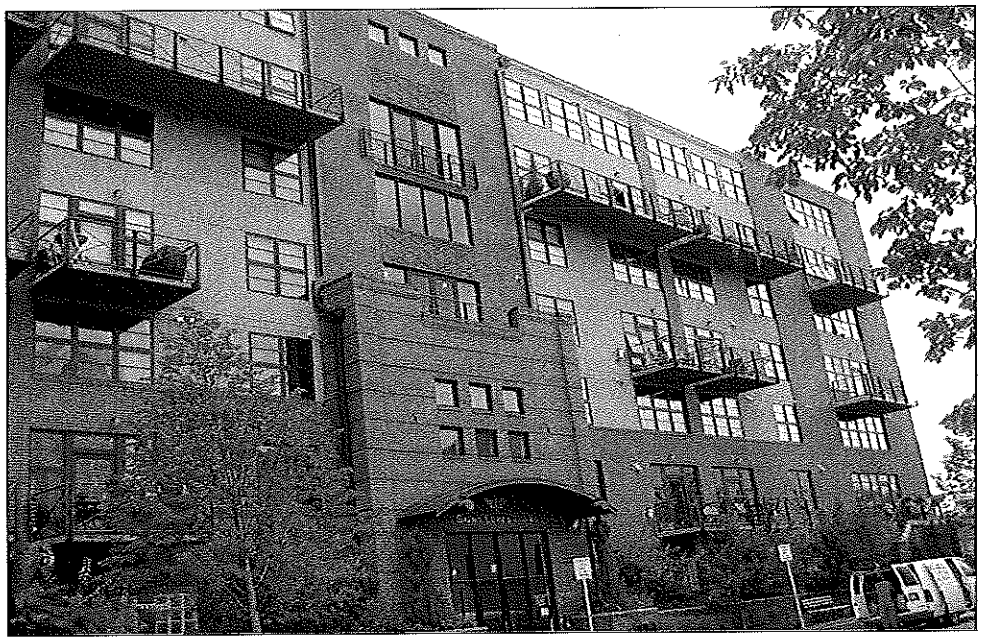
Saint Lukes Lofts

1860 Washington
Denver, CO 80203



Level 1 Reserve Analysis

Report Period – 01/01/05 – 12/31/05

Client Reference Number - 04010
Property Type – Lofts
Number of Units – 41
Fiscal Year End – December 31

Date of Property Inspection –	**August 20, 2004**
Report Prepared by –	**G. Michael Kelsen**
Property Inspected by -	**G. Michael Kelsen**
Main Contact Person -	**Ms. Lynda Reifman** **Property Manager**
Report was prepared on -	**Thursday, February 03, 2005**

Final Version

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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 inspection. 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 also been excluded from 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 judgement 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 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. Deterioration 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 inspection 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. Even if it is not currently governed by your state, the chances are very good that the documents of the association require the association to have a Reserve fund established. This doesn't mean a Reserve Analysis is required, but how are you going to know you have enough funds in the account if you don't have the proper information? Hypothetically, some associations look at the Reserve fund and think that $50,000 is a lot of money and they are in good shape. What they don't know is that the roof is going to 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 bé 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 Inspection –

The Property Inspection 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 inspection. We did not destroy any landscape work, building walls, or perform any methods of intrusive investigation during the inspection. 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 Saint Lukes Lofts - Association ID # - 04010

Projected Starting Balance as of January 1, 2005 -	**$102,016**
Ideal Reserve Balance as of January 1, 2005 -	**$70,709**
Percent Funded as of January 1, 2005 -	**144%**
Recommended Reserve Allocation (per month) -	**$1,000**
Minimum Reserve Allocation (per month) -	**$1,000**
Recommended Special Assessment -	**$0**

Information to complete this Reserve Analysis was gathered during a property inspection of the common area elements on August 20, 2004. In addition, we obtained information by contacting local vendors and contractors, as well as communicating with the property representative (Property Manager). 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.

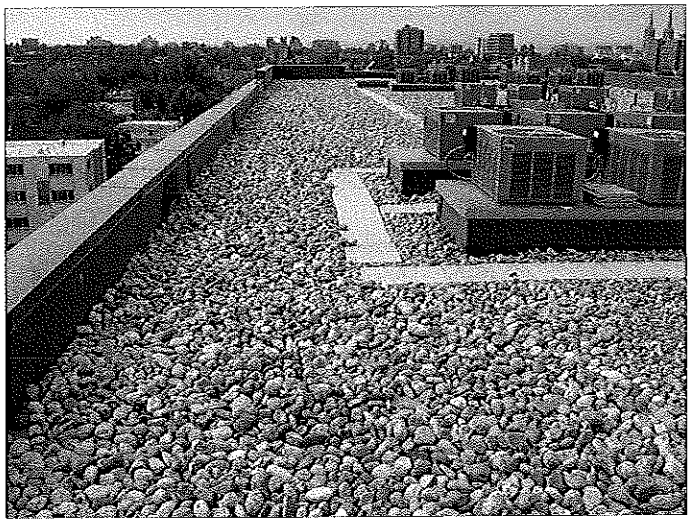
This property currently contains 41 two-story loft units contained within a single building that was constructed approximately 3 years ago. Common area responsibilities include mechanical equipment, interior hallways, exterior building surfaces (stucco, roof, etc.), and a parking garage. Since the property is relatively new, there have not been any Reserve projects completed recently. However, there will be a couple Reserve projects that will need to be addressed over the next couple years. These projects include, but are not limited to, repairing the concrete drive areas, and repainting the ironwork.

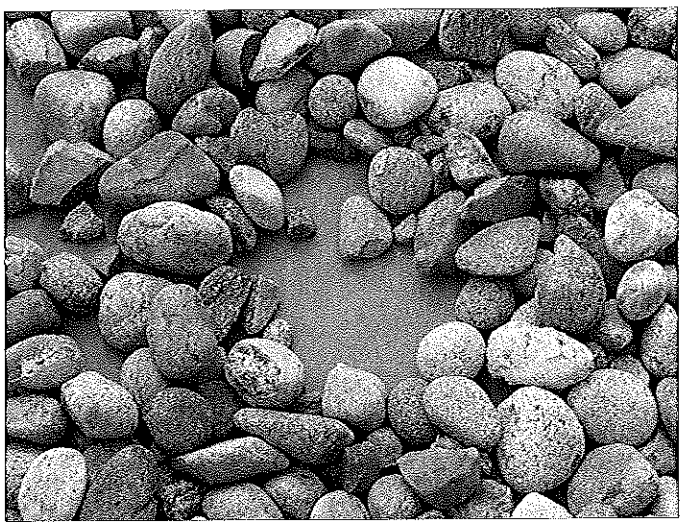
In comparing the projected balance of $102,016 versus the ideal Reserve Balance of $70,709, we find the association Reserve fund to be in a surplus financial position (approximately 144% funded of ideal) at this time. This is a very unusual situation for most association, especially properties as young in age as Saint Lukes Lofts. As a result, we find the current budgeted Reserve allocation of $1,000 per month is sufficient for the next couple years (through 2006). Starting in 2007, we recommend increasing the Reserve contribution to $2,050 per month (representing an increase of $25.61 per unit), followed by nominal annual increases of 3.5% 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 $1,800 per month starting in 2007. 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 ($6.10 per unit per month 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 #: 103 Flat Roof - EPDM - Replace





Observations:

There were a few areas where the roof membrane was exposed to the elements. No other unusual conditions observed during inspection. There were no reports of leaks or problems. This type of material has a life expectancy of 20 - 25 years with proper maintenance and limited exposure to foot traffic. It is very important to keep the membrane covered with rocks at all times, as the sun and elements will deteriorate the membrane if left exposed.

Location: Rooftop of building

Quantity: Approx. 220 squares

Life Expectancy: 22 *Remaining Life:* 19

Best Cost: $77,000

$350/square; Estimate to replace

Worst Cost: $88,000

$400/square; Higher estimate for more labor

Source of Information: Cost database

General Notes:

Over garage entrance by visitor parking - 12 squares
garages - 63 squares
Main roof - 133 squares
Over Townhouse units - 12 squares

Comp #: 120 Downspouts - Replace

Observations:

No unusual conditions observed at time of inspection. All areas inspected were attached to the sides of the buildings in a secure manner, with no signs of water stains around downspouts. The average life expectancy for downspouts ranges from 25 - 30 years, as long as they are cleaned out periodically.

Location: **Sides of buildings**

Quantity: **Approx. 720 LF**

Life Expectancy: 28 *Remaining Life:* 25

Best Cost: **$4,000**

$5.50/LF: Estimate ot replace

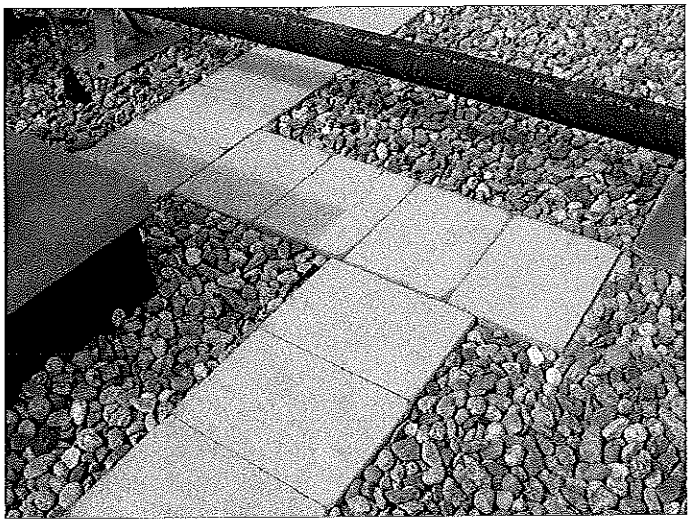
Worst Cost: **$4,700**

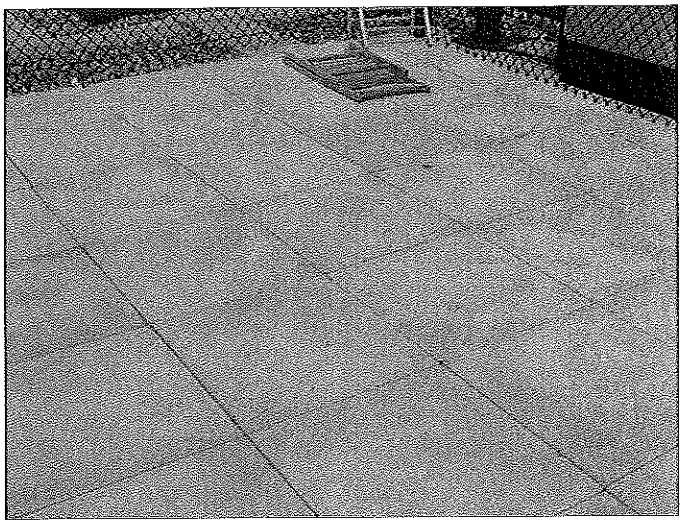
$6.50/LF: Higher estimate

Source of Information: Cost database

General Notes:

Comp #: 122 Concrete Walking Pads - Replace





Observations:

A few stepping pavers had minor cracks and chips. Due to a limited amount of foot traffic, we suggest replacing these pavers on an as needed basis using operating funds, It is unlikely that all pavers will need to be replaced at the same time.

Location: Main roof

Quantity: Approx. 1,840 GSF

Life Expectancy: N/A *Remaining Life:*

Best Cost: $0

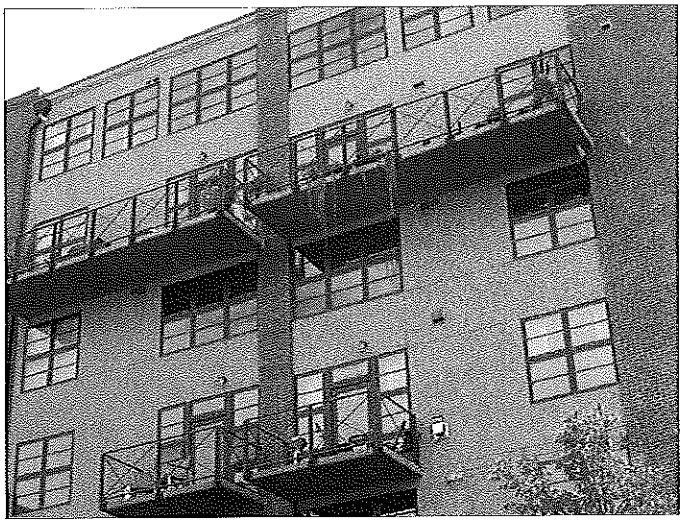
Worst Cost: $0

Source of Information:

General Notes:

Walking area - 720 LF
deck area - 400 GSF

Comp #: 201 Stucco Surfaces - Repaint



Observations:

All stucco surfaces were in good condition with no fading or stained surfaces noted during property inspection. While stucco surfaces have a long life expectancy (typically a 10 year labor warranty), it is recommended by industry professionals that it is inspected and any voids are repaired as soon as possible to prevent water intrusion into substrate. It is also recommended that a new coating is applied every 10 - 15 years to maintain an appropriate appearance. Coordinate painting with trim cycle for best cost estimate.

Location: **Exterior building surfaces**

Quantity: **Approx. 18,000 GSF**

Life Expectancy: 12 *Remaining Life:* 9

Best Cost: **$18,000**

Estimate to repaint surfaces

Worst Cost: **$22,500**

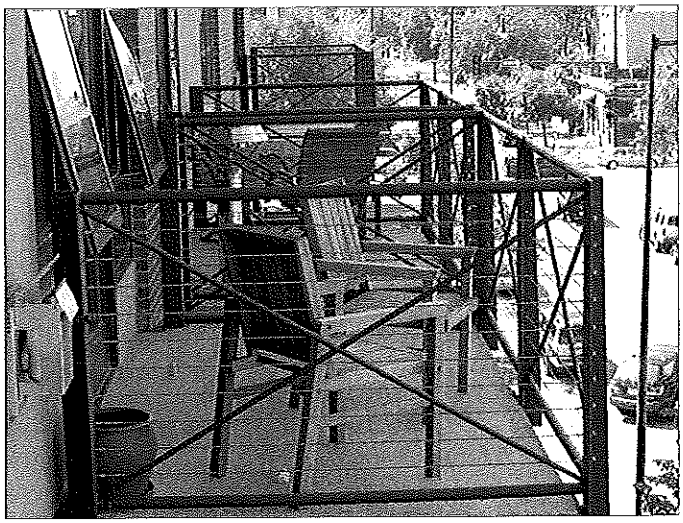
Higher estimate for more labor

Source of Information: Cost database

General Notes:

Main roof - 265 GSF
garage area - 1440 GSF
east side - 6400 GSF
south side - 1750 GSF
west side - 6400 GSF
north side - 1750 GSF

Comp #: 207 Iron Fencing - Repaint



Observations:

The exterior areas we were able to access during inspection revealed faded paint and some areas where the paint was peeling, exposing the metal and causing the material to rust. Based on the current condition, we suggest repainting the metal surfaces as soon as possible to prevent further damage to the base materials. In this environment, it is recommended that these surfaces are painted every 2 - 3 years due to the effects from the ultraviolet rays drying and fading the paint. The interior handrails should be painted at the same time as interior wall surfaces.

Location: Balconies, TH patios, parking area

Quantity: Approx. 1,240 LF

Life Expectancy: 3 *Remaining Life:* 0

Best Cost: $4,350

$3.50/LF: Estimate ot repaint surfaces

Worst Cost: $5,300

$4.25/LF: Higher estimate for more prep work

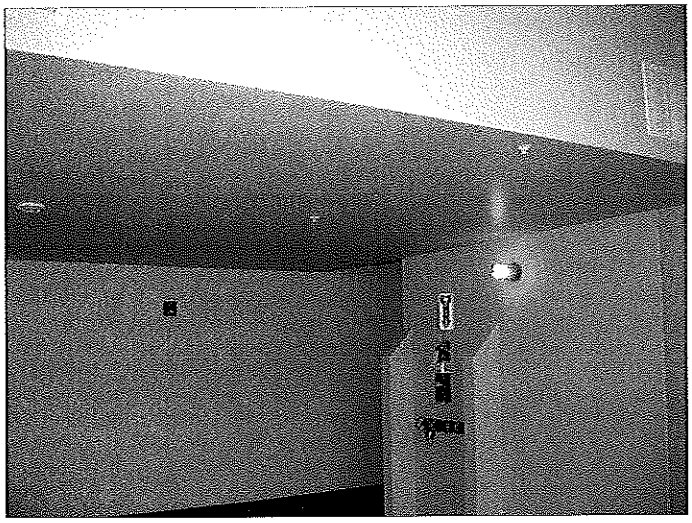
Source of Information: Cost database

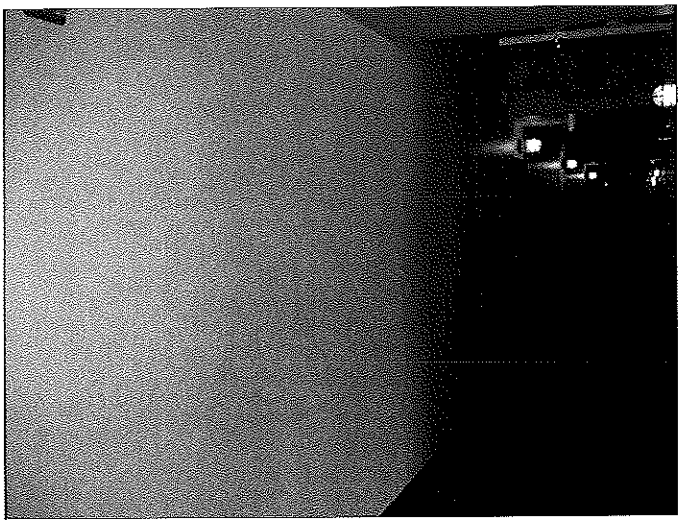
General Notes:

visitor parking area - 105 LF
east side balconies - 480 LF
west side balconies and entrances - 540 LF
north side - 115 LF

Interior -
Stairwells - 560 LF
2nd floor - 18

Comp #: 216 Interior Surfaces - Repaint





Observations:

No major signs of nicks or marks on the wall surfaces. There were a few signs of minor damage where furniture grazed the wall at time of owners moving into the building. To maintain the appearance of the interior walls, we suggest repainting every 6 - 8 years, depending on the overall care and abuse the walls receive. Painting of the walls should be coordinated with carpet replacement every other painting cycle for less labor and less cost.

Location: **Stairwells, hallways, garage**

Quantity: **Approx. 18,520 GSF**

Life Expectancy: 6 *Remaining Life:* 3

Best Cost: **$9,260**

$.50/GSF; Estimate to repaint interior walls

Worst Cost: **$12,040**

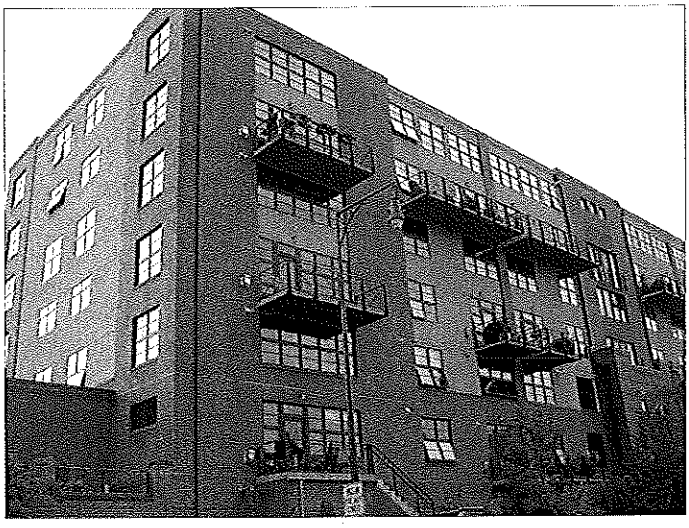
$.65/GSF; Higher estimate for more prep work

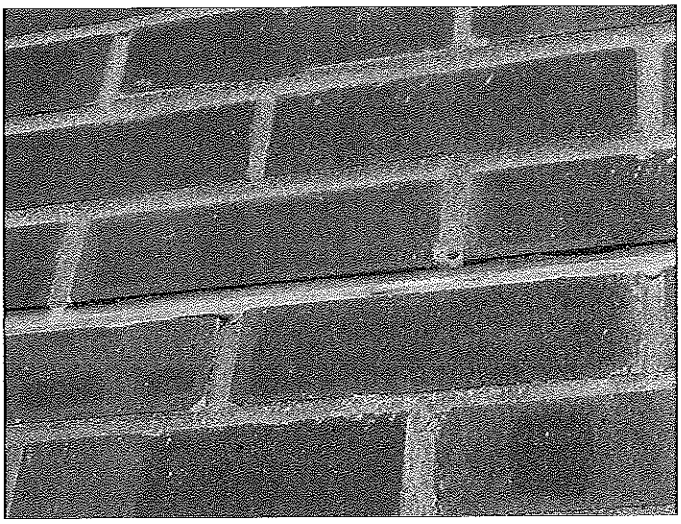
Source of Information: Cost database

General Notes:

Stairwells - 2150 GSF
Hallways - 6th floor - 3240 GSF
4th floor - 4020 GSF
2nd floor - 3945 GSF
Lobby - 880 GSF
Garage - 4285 GSF

Comp #: 303 Brick Siding/walls - Repair





Observations:

In the areas we were able to observe during the inspection, there were no signs of problems with the brick mortar or bricks. This type of material has an extended life expectancy and replacement will not be necessary. Therefore, no Reserve funding is required for this component.

Location: Building siding

Quantity: Extensive GSF

Life Expectancy: N/A *Remaining Life:*

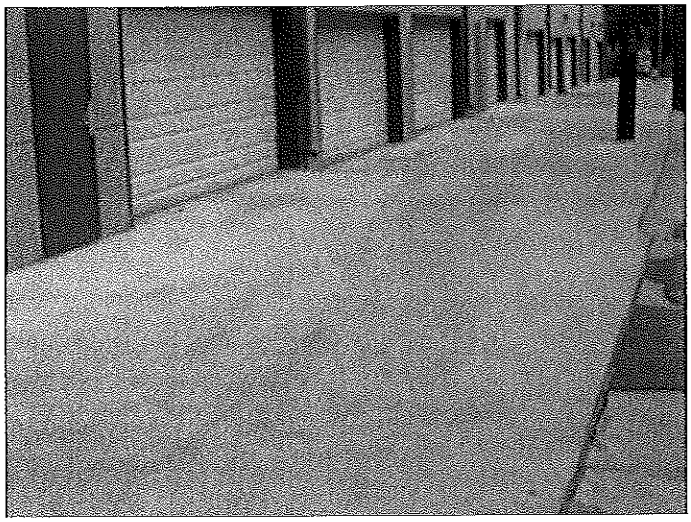
Best Cost: $0

Worst Cost: $0

Source of Information:

General Notes:

Comp #: 403 Concrete - Repair/Replace



Observations:

The majority of the area (almost 75% of total GSF) is located inside as the parking garage and is not exposed to elements that will cause severe deterioration. It is unlikely that all concrete will need to be replaced at the same time. Therefore, Reserve an allowance for periodic repairs and replacement to concrete surfaces every 4 years. As a percentage, plan on repairing 10% of the exposed surfaces, and 1% of the inside garage surfaces for a total of approximately 850 GSF every 4 years.

Location: Parking areas, and sidewalks

Quantity: Approx. 25,690 GSF

Life Expectancy: 4 *Remaining Life:* 1

Best Cost: $6,000

Allowance to repair area every 4 years

Worst Cost: $7,800

Higher allowance for more repairs

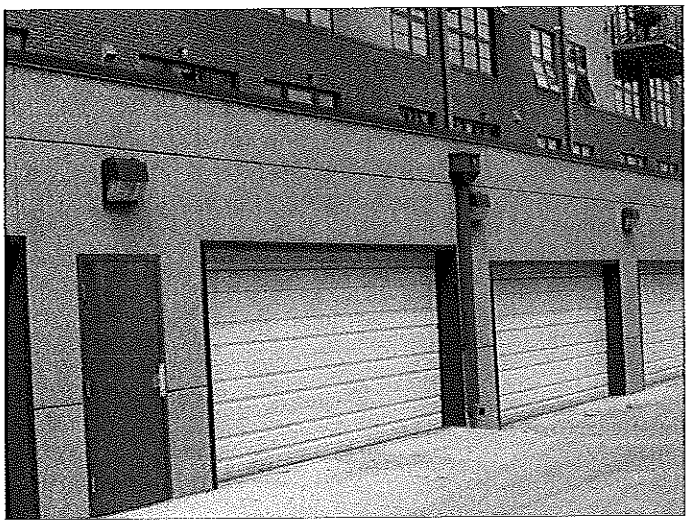
Source of Information: Cost database

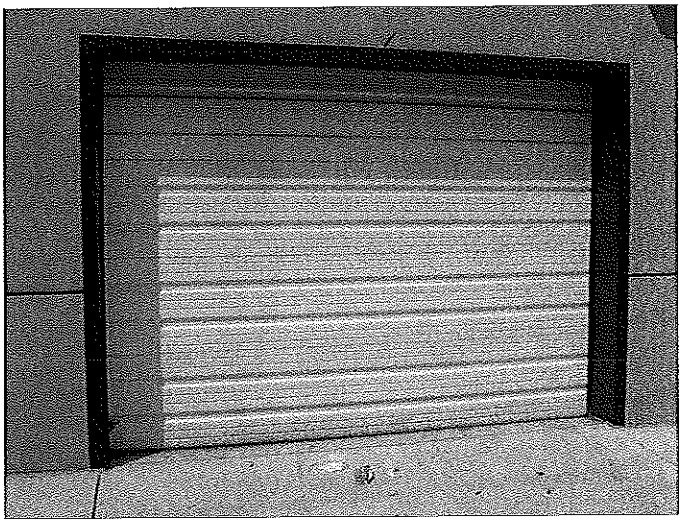
General Notes:

Visitor parking - 2845 GSF
Parking garage - 18920 GSF
Front of garages/alleyway - 3750 GSF

sidewalks - visitor parking area - 175 GSF

Comp #: 502 Garage Doors - Replace





Observations:

All doors appeared to be in good operating condition with no signs of abuse or problems during inspection. These doors are heavily used on a daily basis, especially the main door serving the general parking garage. These doors are considered to be heavy duty commercial grade doors and have a life expectancy of 12 - 15 years under normal wear and tear. Maintenance, such as replacing springs and repairing tracks, should be treated as a separate issue from Reserves.

Location: Garage entrances

Quantity: (1) 8 x 10, (11) 17 x 7

Life Expectancy: 15 *Remaining Life:* 12

Best Cost: $24,000

$1500/door; Estimate to replace

Worst Cost: $28,800

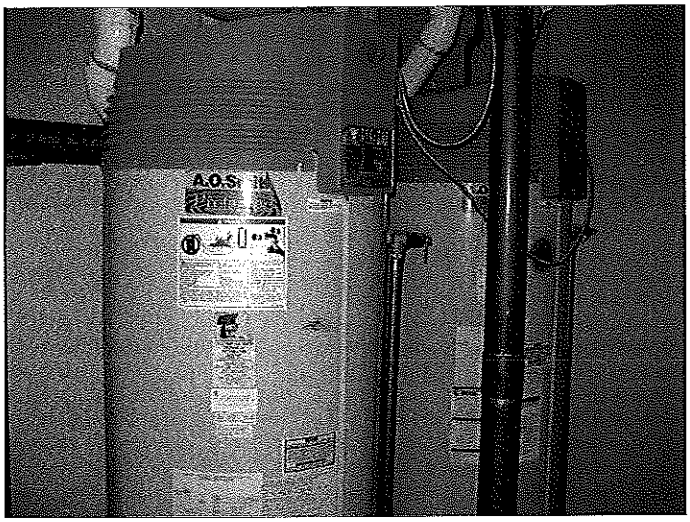
$1800/door; Higher estimate for better quality

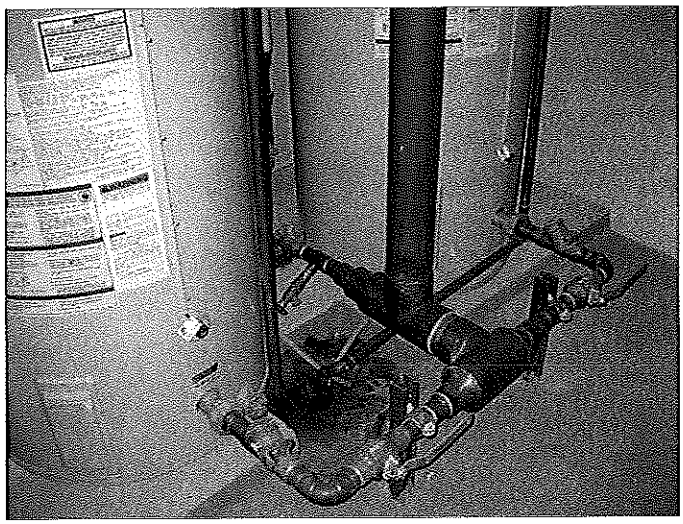
Source of Information: Research with local company

General Notes:

(1) 8x10
(11) 17x7 doors

Comp #: 703 Hot Water Heater Tank - Replace





Observations:

These water heaters are reported to be the most efficient units available on the market today. According to the manufacturer, these heaters have a limited warranty of 3 years against leaks. However, the heater only has a one year warranty against defects and typical wear. This warranty is typical for all heaters of this type. The average life expectancy for this quality water heater ranges from 7 - 10 years, depending on the level of maintenance and quality of water running through the system. According to the manufacturer, these heater require annual maintenance. Please refer to the owners manual for specific maintenance requirements.

Location: 6th floor boiler room

Quantity: (2) AO Smith boilers

Life Expectancy: 9 *Remaining Life:* 6

Best Cost: $18,000

$9,000/heater; Estimate to replace

Worst Cost: $20,000

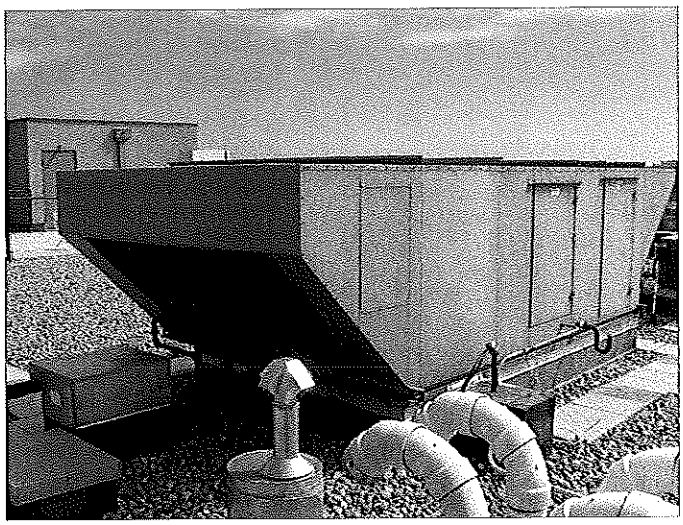
$10,000/heater; Higher estimate for more labor

Source of Information: Research with local plumber

General Notes:

(2) AO Smith preferred boilers with Cyclone x-tra high efficiency units
model #BTH199966
serial #MG01-1030972-966 and MA01-1006448-966
100 gallon capacity tanks

Comp #: 704 Air Handler Unit - Replace



Observations:

No reported problems with operation of unit. It is unusual that the entire unit would need to be replaced. Expect to replace major parts and rebuild unit every 10 - 12 years. Timing of rebuilding depends on amount of use and maintenance. This line item is established to provide funding for any repairs that are necessary when required. It is unlikely that all moving parts of the system will need to be replaced at the same time.

Location: Roof

Quantity: (1) Airtex unit

Life Expectancy: 12 *Remaining Life:* 9

Best Cost: $5,000

Estimate for minro repairs and rebuilding

Worst Cost: $6,000

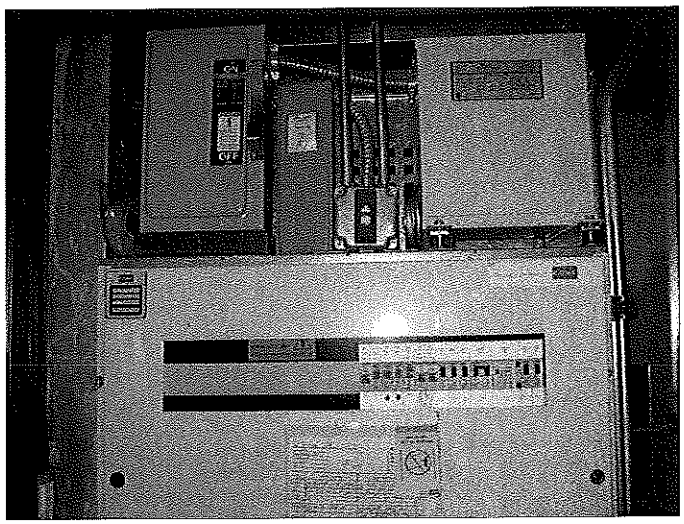
Higher estimate for more parts and labor

Source of Information: Cost database

General Notes:

Model #FWA-143/DJ-60-0
serial #DK-2855-MAV-1
supply capacity - 4500 CFM

Comp #: 707 Elevator - Rebuild/Upgrade



Observations:

The elevator was operating smoothly with no problems noted. The inspection and maintenance records on site did not report any unusual problems. This elevator is relatively new and in good condition. All elevators should be inspected annually by a professional to ensure proper operation and detect any safety concerns. The equipment that will eventually fail and need to be replaced include the control system (brain of the unit), door operator and tracks, and the pump unit. Due to a moderate use facility, Reserve to replace this equipment every 25 years.

Location: 6th floor elevator room

Quantity: (1) Kone elevator, 4 stops

Life Expectancy: 25 *Remaining Life:* 22

Best Cost: $25,000
Estimate to rebuild major components

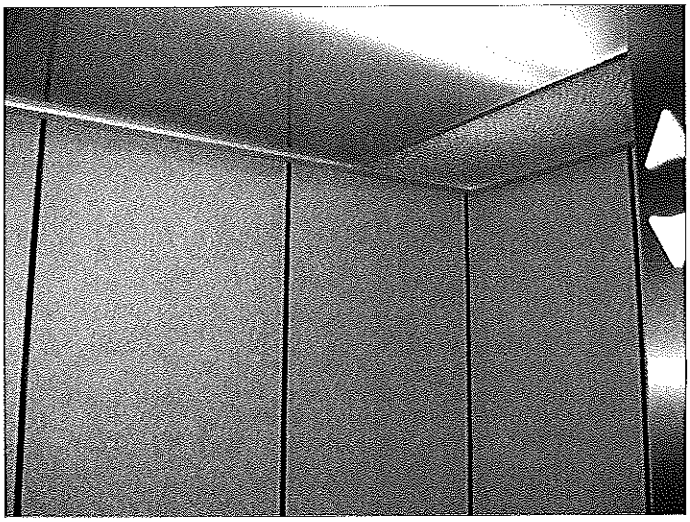
Worst Cost: $30,000
Higher estimate for more labor

Source of Information: Research with manufacturer

General Notes:

model #4500145248
serial - 762405G06
2001-619315

Comp #: 709 Elevator Cab - Remodel



Observations:

Cab was in very good condition with no signs of abuse or mistreatment. There are moving pads available in the room behind the mailboxes for protection when moving in large furniture and equipment. Depending on the decorative tastes of the association and trend development, the average remodeling cycle ranges from 15 - 20 years. Cost could vary depending on extent of décor chosen at time of remodel.

Location: Center of building

Quantity: (1) 4x6 cab

Life Expectancy: 18 *Remaining Life:* 15

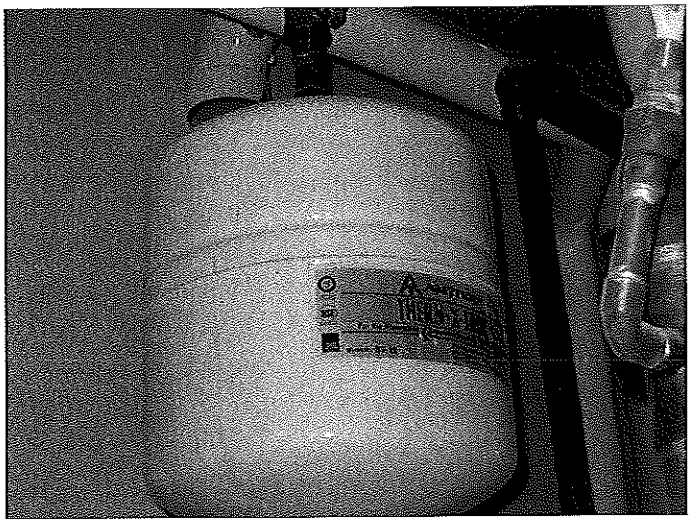
Best Cost: $4,500
Estimate for a basic remodel

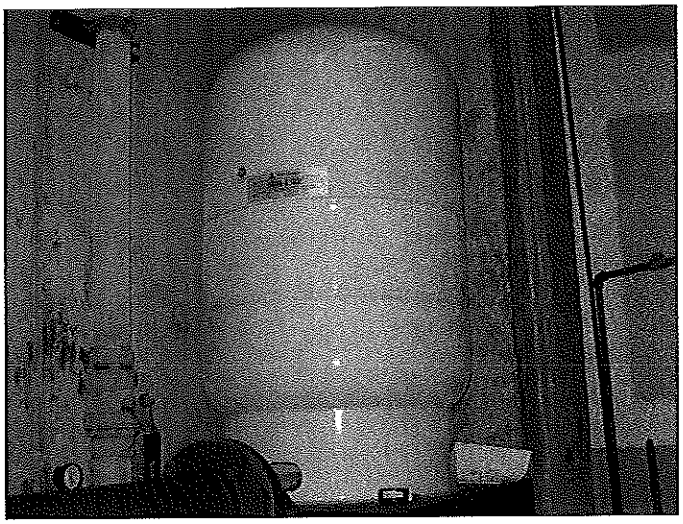
Worst Cost: $5,500
Higher estimate for more elaborate design

Source of Information: Cost database

General Notes:
slate tile floor
stainless steel walls

Comp #: 713 Expansion Tanks - Replace





Observations:

These tanks are used for hot water system and the fire equipment. These tanks have an extended life expectancy and replacement is unlikely. Due to extended life and relatively low replacement cost, no Reserve funding is required for replacement of this tank.

Location: Fire equipment room, boiler room

Quantity: (2) Amtrol Therm X

Life Expectancy: N/A *Remaining Life:*

Best Cost: $0

Worst Cost: $0

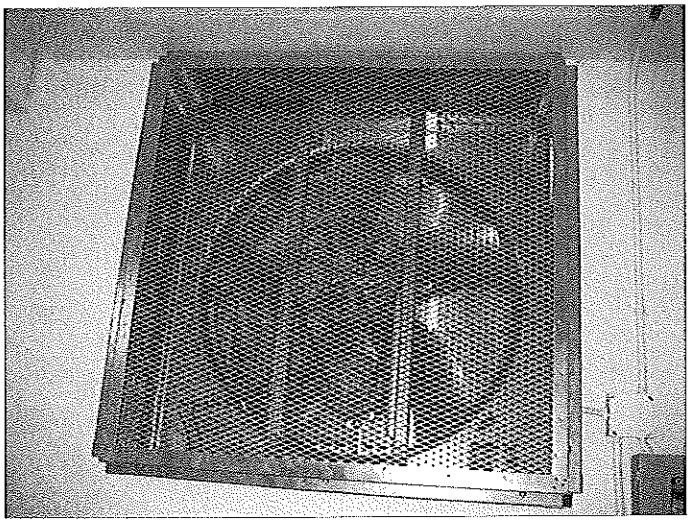
Source of Information:

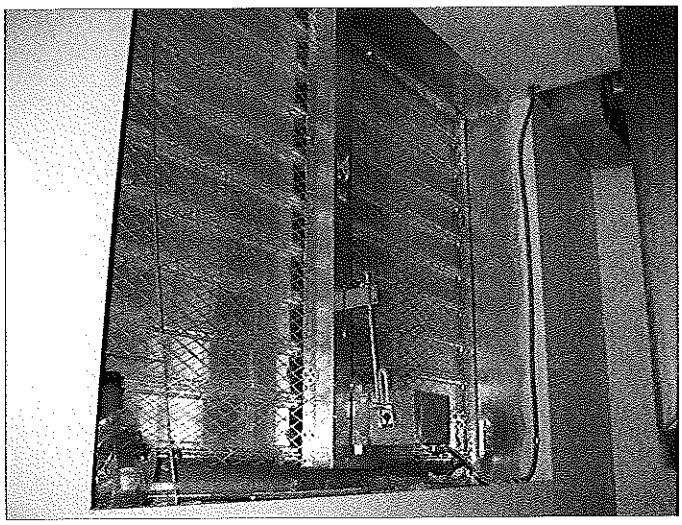
General Notes:

fire equipment room -
model #ST-210V, date code 14811301

boiler room -
model #ST-12

Comp #: 714 Exhaust Fans - Replace





Observations:

No unusual conditions were observed or reported during inspection. These units are hooked up to a carbon monoxide system that activates the motor when exhaust levels reach a potential hazardous level. The only moving part of this system is the small motor (3 HP) to operate the fan. These motors and detection units should be replaced as needed with general operating funds. Therefore, no separate Reserve funding is required for this component.

Location: Garage

Quantity: (1) Greenheck

Life Expectancy: N/A *Remaining Life:*

Best Cost: $0

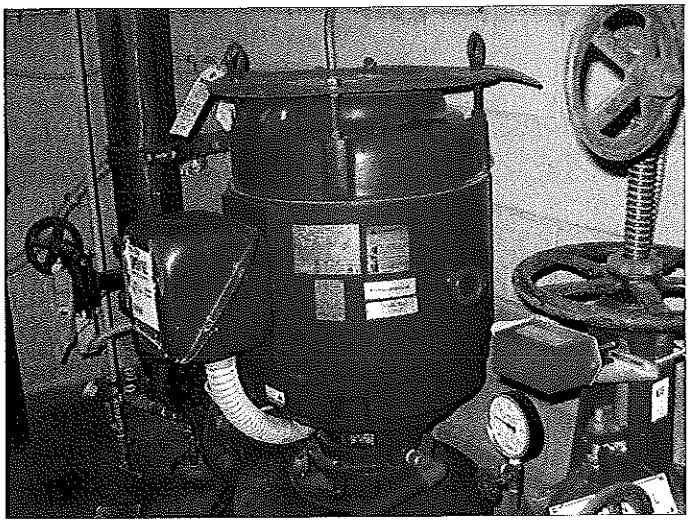
Worst Cost: $0

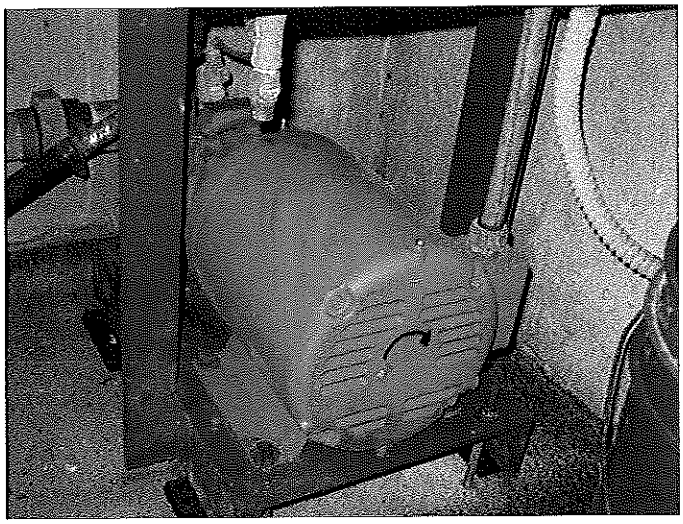
Source of Information:

General Notes:

model #SBE-2L36-15
serial #01F11804
mark - EF2

Comp #: 715 Pumps - Replace





Observations:

The booster pump in the fire equipment room reportedly failed about 4 years ago and cost approximately $2,900 to replace. The other pumps are used primarily in case of a fire erupts in the building. It is very difficult to predict when a pump will fail as there are many moving parts in a pump that could fail at any time. Due to fire pump hopefully never needing to be used, we do not suggest Reserving to replace this pump. While the booster pump could fail at any time, the average life expectancy ranges from 6 - 9 years.

Location: Fire equipment room

Quantity: (2) Assorted pumps

Life Expectancy: 7 *Remaining Life:* 3

Best Cost: $3,000

Estimate to replace booster pump

Worst Cost: $4,000

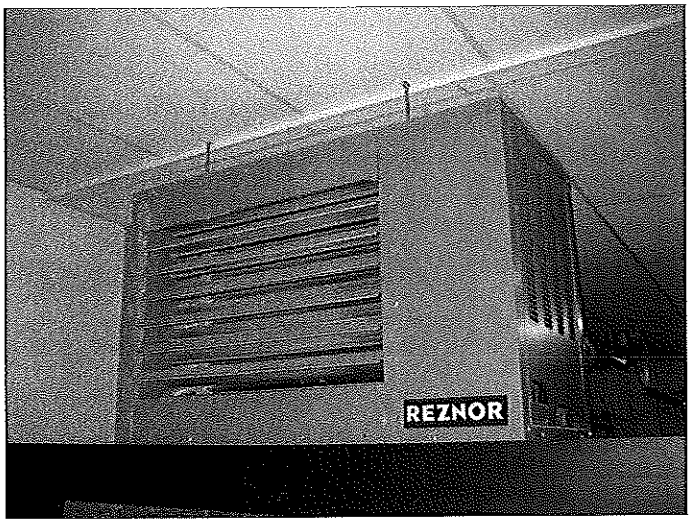
Higher estimate

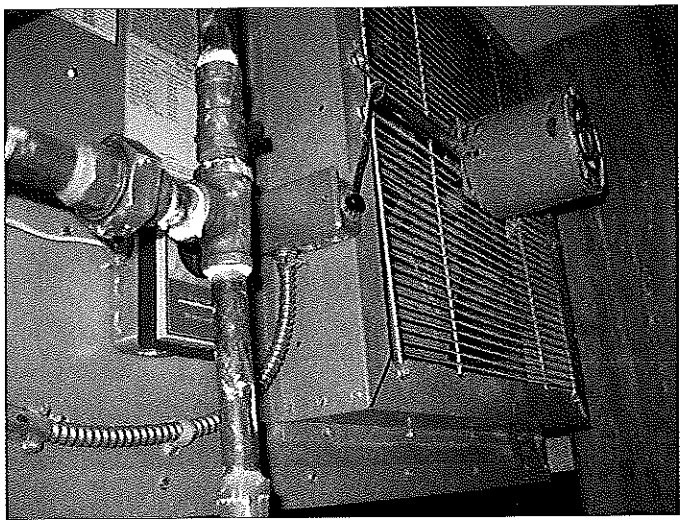
Source of Information: Past client cost history

General Notes:

Fire pump - 75 HP, 208 volts, 3 phase, 60 Hz
Emerson, model #AD35A
booster pump - 5 HP

Comp #: 717 Suspended Heaters - Replace





Observations:

Heaters were not operating at time of inspection due to lack of need since temperatures were adequate. Replacement cycle depends on level of use and maintenance. In these scenarios, replacement cycle typically ranges from 10 - 12 years.

Location: Parking garage

Quantity: (3) Reznor heaters

Life Expectancy: 15 *Remaining Life:* 12

Best Cost: $3,600

$1200/heater; Estimate to replace

Worst Cost: $4,500

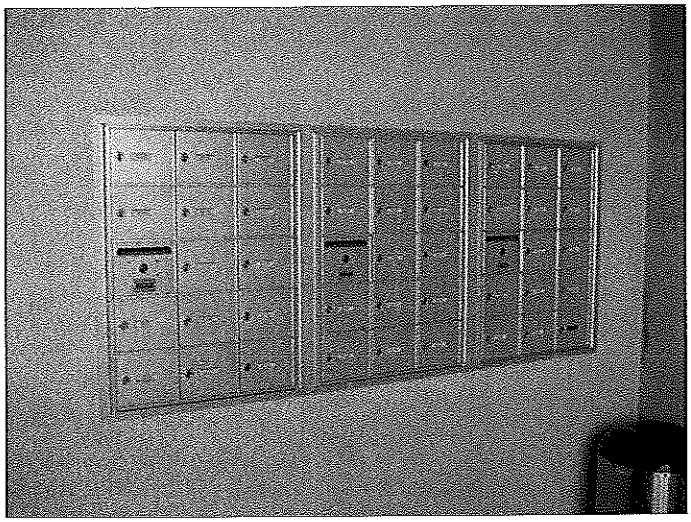
$1500/heater; Higher estimate

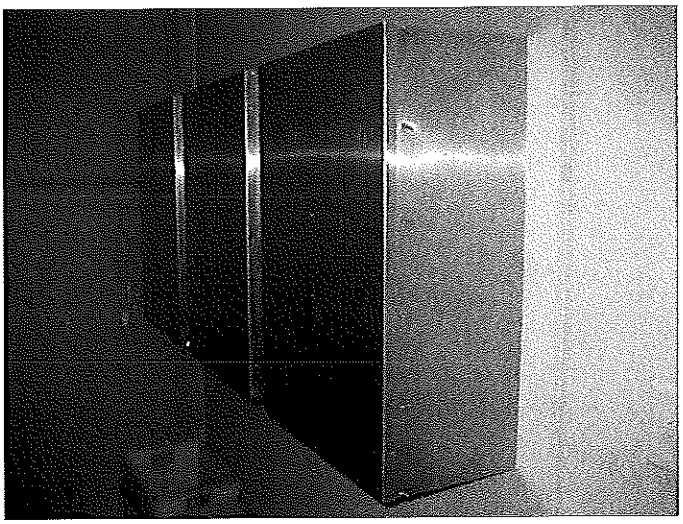
Source of Information: Cost database

General Notes:

model #SFT300, serial #BAE75U6N11709
may 2001

Comp #: 803 Mailboxes - Replace





Observations:

These mailboxes are new and in very good condition. Several manufacturers report that the US Postal Service will be establishing new size requirements for mailboxes in the next couple years. However, since these boxes are new, the association should fall under a "grandfather" clause and replacement will not be needed immediately. However, when replacement is required, it may cost a little more than normal due to reconfiguring the space in which the boxes are located. In an interior location, the average life span for mailboxes ranges from 20 - 25 years.

Location: **Interior lobby**

Quantity: **(3) 3x5 banks w/outgoing slot**

Life Expectancy: 22 *Remaining Life:* 19

Best Cost: **$2,250**

$750/bank; Estimate to replace

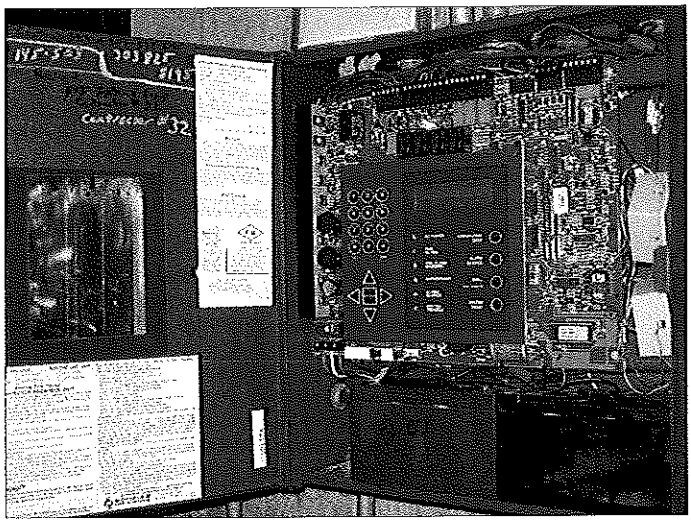
Worst Cost: **$2,550**

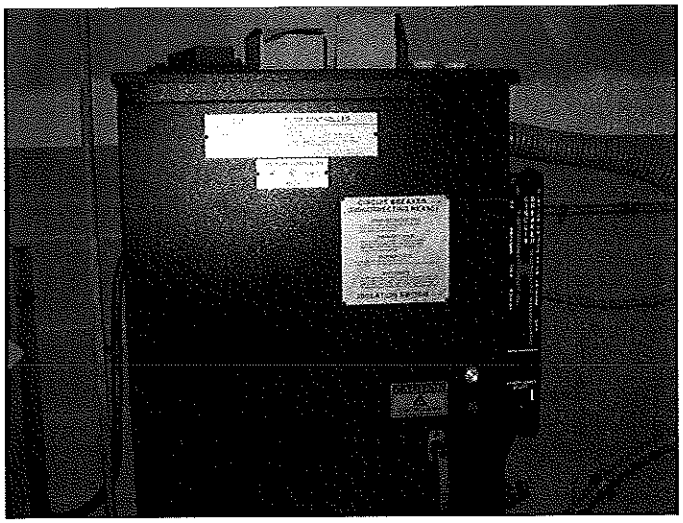
$850/bank; Higher installation cost

Source of Information: Cost database

General Notes:

Comp #: 901 Fire Protection System - Replace





Observations:

System was not tested during inspection. There were no reports of system malfunctioning recently. System is relatively new and no problems should exist. System should be tested at least once a year by a professional. Advances in technology will require the panel to be replaced every 18 - 20 years. Once the wiring is installed, it should not have to be replaced in the future.

Location: Fire equipment room

Quantity: (1) Panel, (1) Controller

Life Expectancy: 20 *Remaining Life:* 17

Best Cost: $3,500

Estimater to replace the panel and controller only

Worst Cost: $4,200

Higher estimate for additional parts

Source of Information: Cost database

General Notes:

Alarm panel - Notifier, AFP-200
Fire Pump Controller - model #M420-75-208C, serial #PE01N12620-11

Comp #: 905 Intercom - Replace

Observations:

No unusual conditions or reported problems with units and they are assumed to be functional and in good operating condition. The main reason for replacement will be due to advances in technology. Reserve to replace every 10 - 12 years, depending on amount of use and technological advances.

Location: Main entrance to building

Quantity: (1) DKS telephone entry system

Life Expectancy: 12 *Remaining Life:* 9

Best Cost: $2,000

Estimate to replace intercom panel

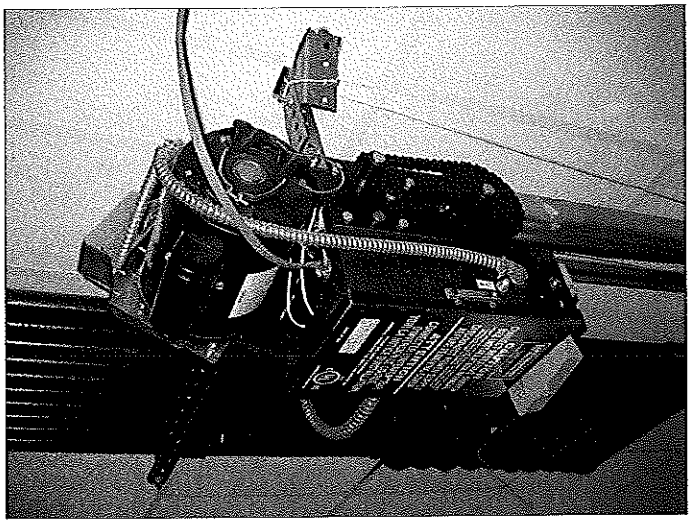
Worst Cost: $2,500

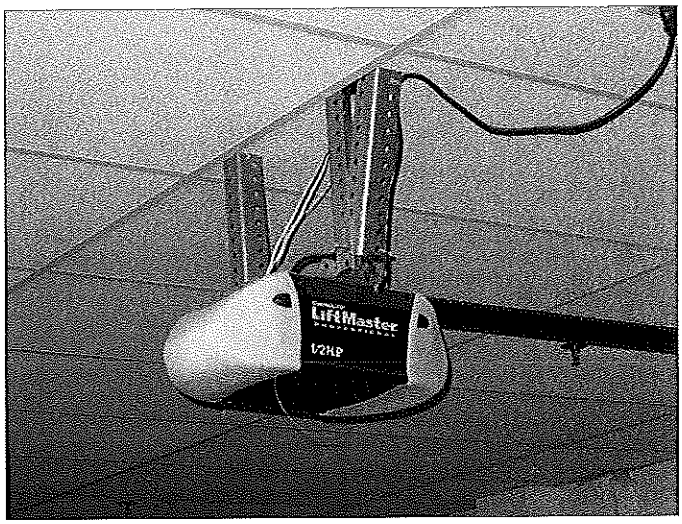
Higher estimate for additional labor

Source of Information: Cost database

General Notes:

Comp #: 906 Garage Door Opener - Replace





Observations:

The individual doors have a heavy duty residential opener. Due to varying levels of use and low individual replacement cost, we suggest replacing these as needed with operating dues. The main garage door has a commercial type opener and depending on the level of use, expect to replace every 6 - 8 years.

Location: **Garage doors**

Quantity: **(1) Commercial, (11) Residential**

Life Expectancy: 7 *Remaining Life:* 4

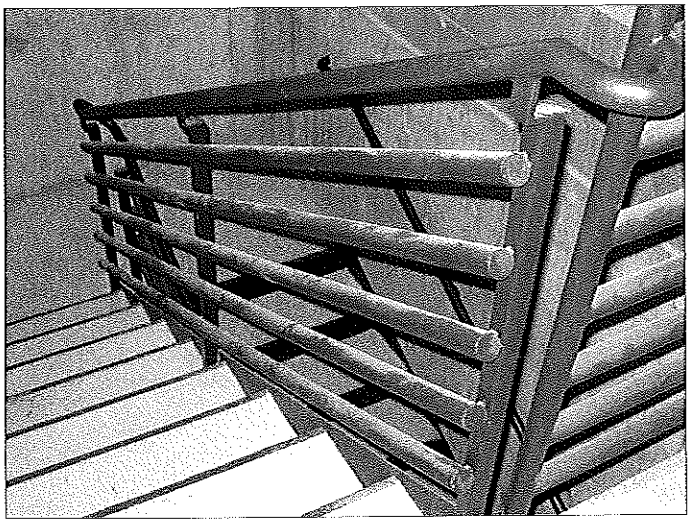
Best Cost: **$3,000**
Estimate to replace

Worst Cost: **$3,500**
Higher estimate for more labor

Source of Information: Research with garage door co.

General Notes:

Comp #: 1002 Ironwork Fencing - Replace



Observations:

The majority of the area is either interior or balconies which have limited exposure to elements. The only fence that may require periodic replacement is the fence on the north side of the building for the townhome units. Due to the overall small area, we suggest repairing as part of prep work before painting and separate Reserve funding is not required for replacement.

Location: Interior stairwell, balconies, fence

Quantity: Approx. 1,818 LF

Life Expectancy: N/A *Remaining Life:*

Best Cost: $0

Worst Cost: $0

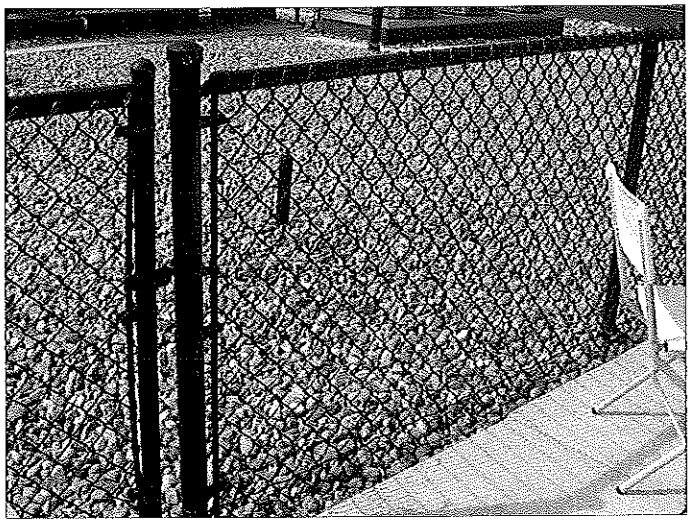
Source of Information:

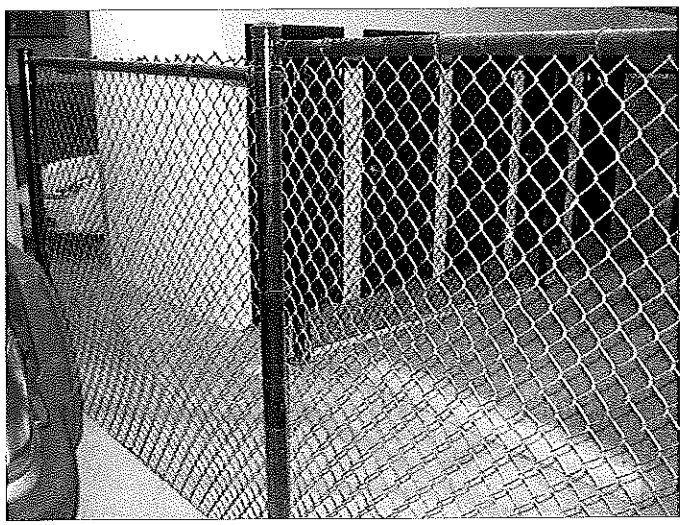
General Notes:

visitor parking area - 105 LF
east side balconies - 480 LF
west side balconies and entrances - 540 LF
north side - 115 LF

Interior -
Stairwells - 560 LF
2nd floor - 18

Comp #: 1003 Chain Link Fencing - Replace





Observations:

All fencing was in very good condition during inspection and there were no signs of abuse or accidental damage from cars. Due to interior location for the majority of the fencing, we suggest repairing the chain link when needed with general operating funds. The amount of exposure to elements is minimized and complete replacement is not expected.

Location: Main roof, garage

Quantity: Approx. 310 LF

Life Expectancy: N/A *Remaining Life:*

Best Cost: $0

Worst Cost: $0

Source of Information:

General Notes:

roof - 70 LF
garage - 240 LF

Comp #: 1005 Block Wall - Replace

Picture Unavailable

Observations:

Wall is very stable and intact. It appears the wall was constructed properly with the proper angle to hold back the landscape material. The materials used have an extended life expectancy and the only reason replacement would be required is due to ground movement. Since it is very difficult to predict if the ground will move and the extent of the movement, we suggest handling any repairs on an as needed basis with operating funds.

Location: Visitor parking

Quantity: Approx. 75 LF

Life Expectancy: N/A *Remaining Life:*

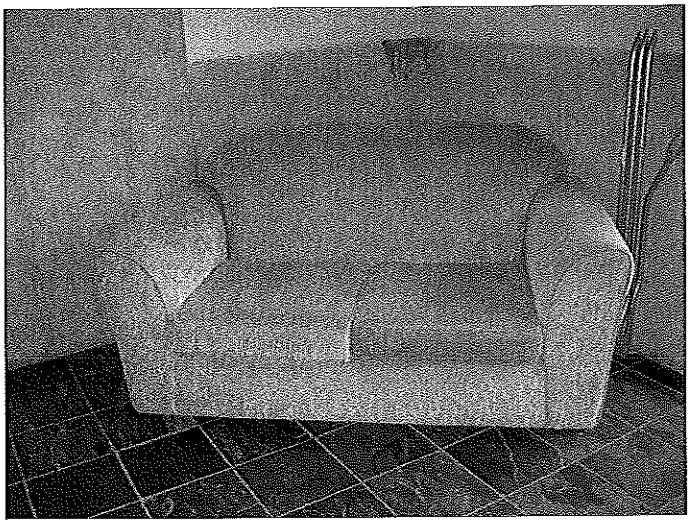
Best Cost: $0

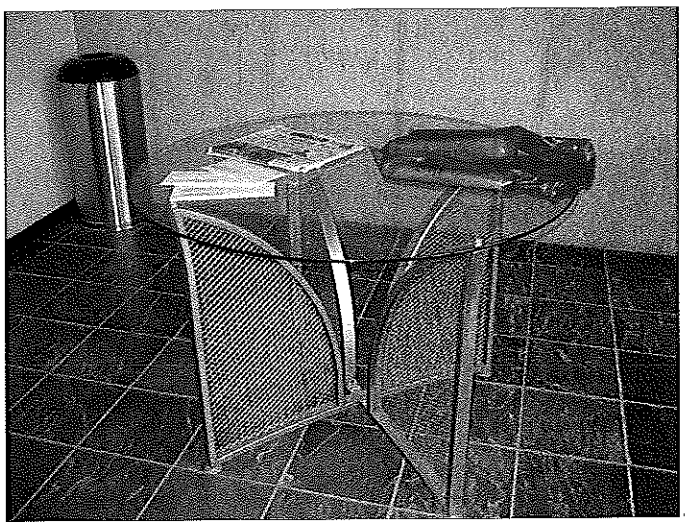
Worst Cost: $0

Source of Information:

General Notes:

Comp #: 1405 Furnishings - Replace





Observations:

Furniture is new and in good condition. Due to limited amount of furniture, the replacement cost does not meet the requirements for Reserve funding. Replace when desired with separate funds from Reserves.

Location: Lobby

Quantity: (1) Sofa, (1) glass table

Life Expectancy: N/A *Remaining Life:*

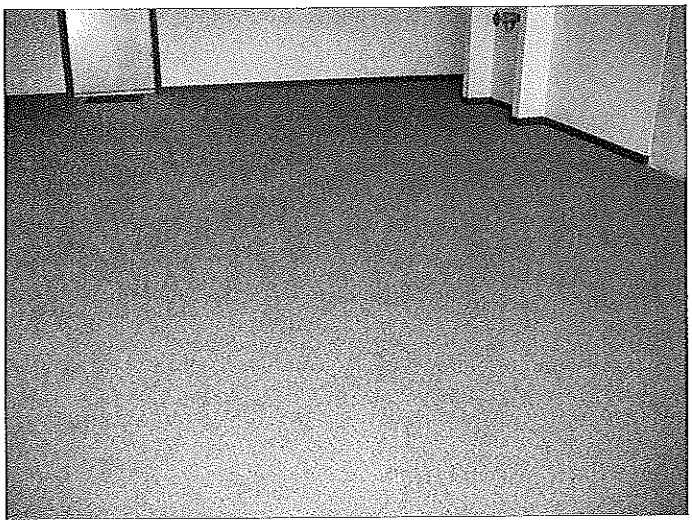
Best Cost: $0

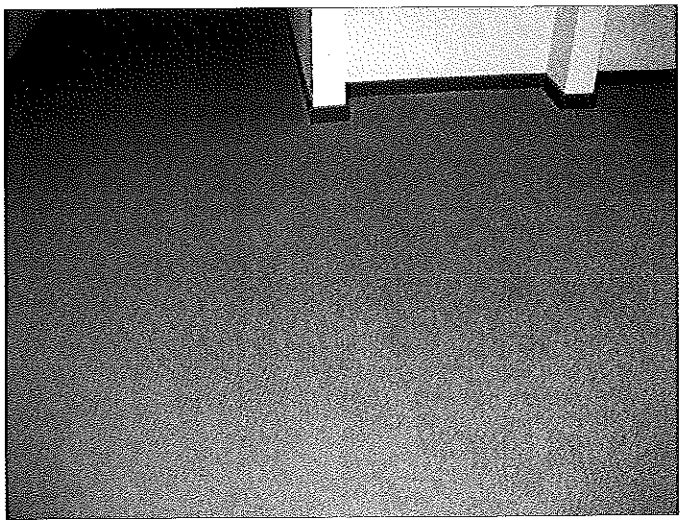
Worst Cost: $0

Source of Information:

General Notes:

Comp #: 1501 Carpeting - Replace





Observations:

Carpet does not appear to have any padding installed underneath. This will decrease the useful life of the carpet as wear will be increased since there is no "give" in the carpet. When replacement is required, we suggest installing a good quality padding to achieve a longer life expectancy. Quality of carpet will also effect the longevity. In future Reserve Study updates, if a better quality with padding is installed, the life expectancy can be adjusted accordingly.

Location: Interior hallways

Quantity: Approx. 515 GSY

Life Expectancy: 6 *Remaining Life:* 3

Best Cost: $12,400

$24/GSY; Estimate to remove and install

Worst Cost: $13,900

$27/GSY; Higher estimate for better quality

Source of Information: Cost database

General Notes:

6th floor - 175 GSY
4th floor - 179 GSY
2nd floor - 160 GSY

Comp #: 1504 Slate Tile - Replace

Picture Unavailable

Picture Unavailable

Observations:

No evidence of cracks or grout problems at time of inspection. Flooring is relatively new and in good condition. Due to the location and the amount of traffic this area will receive, we suggest planning on replacement every 12 years. Replacement should be coordinated with every other carpet replacement cycle for best cost possible.

Location: **Lobby**

Quantity: **Approx. 410 GSF**

Life Expectancy: 12 *Remaining Life:* 9

Best Cost: **$10,250**

$25/GSF; Estimate to replace

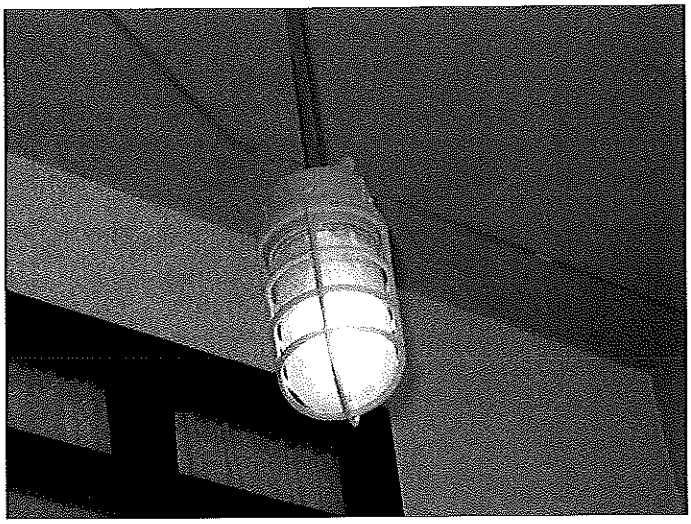
Worst Cost: **$12,300**

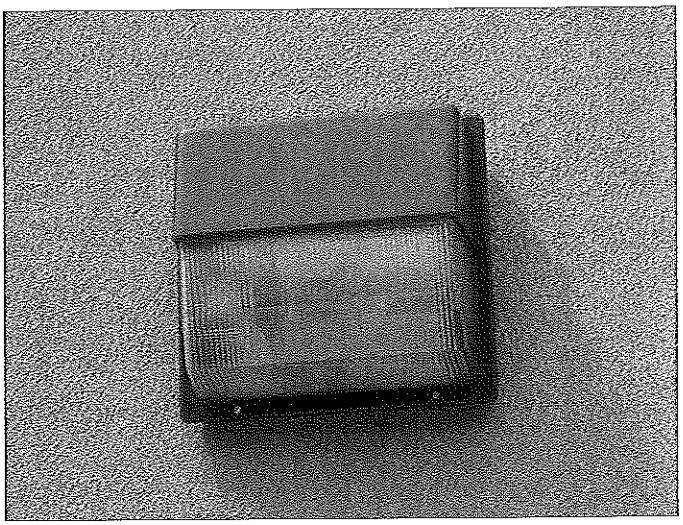
$30/GSF; Higher estimate

Source of Information: Cost database

General Notes:

Comp #: 1601 Light Fixtures - Replace





Observations:

No reports of problems, other than frequent bulb replacement required on the square lights by the garages. No Reserve funding was requested by client. Replace on an as needed basis with general operating funds.

Location: Throughout property (int and ext)

Quantity: Approx. 250 lights

Life Expectancy: N/A *Remaining Life:*

Best Cost: $0

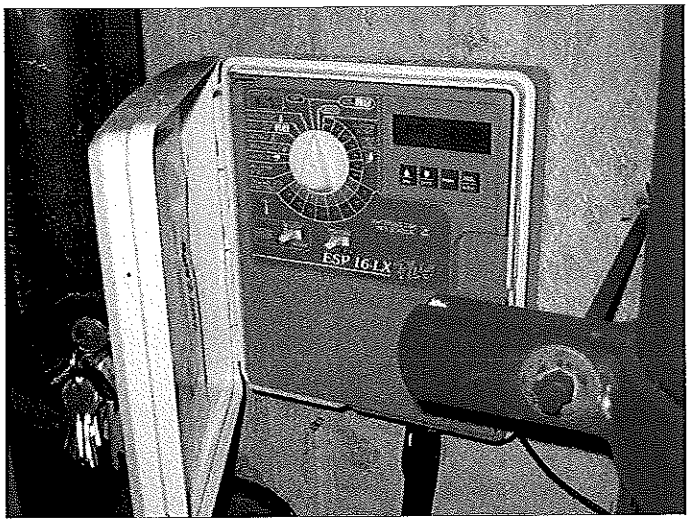
Worst Cost: $0

Source of Information:

General Notes:

Interior:
Stairwells - 60 florescent lights
Hallways -
6th floor - 22
4th floor - 23
2nd floor - 23
lobby - 3
Garage - 50 florescent lights
Exterior:
(14) Square brown lights - $200 each 10 year LE
Balcony lights - 48

Comp #: 1703 Irrigation Timeclock - Replace



Picture Unavailable

Observations:

Clock is located inside the fire equipment room. No reports of problems with operation of unit. These clocks have a life expectancy that ranges from 10 - 15 years in this environment under normal condition. This does not include the clock malfunctioning due to an electrical shock from lightning.

Location: Fire equipment room

Quantity: (1) Rainbird, ESP-16 LX plus

Life Expectancy: 15 *Remaining Life:* 12

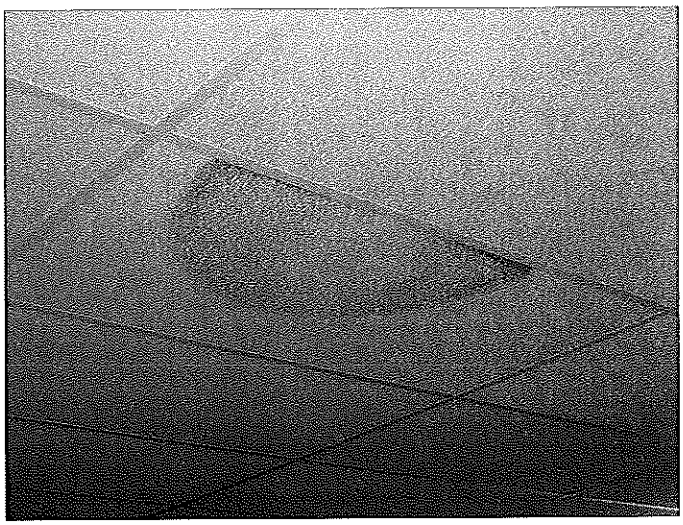
Best Cost: $1,200
Estimate to replace

Worst Cost: $1,500
Higher estimate

Source of Information: Cost database

General Notes:

Comp #: 2001 Ceiling Tiles/Grids - Replace



Observations:

There were approximately 4 - 5 tiles stained from water leaking. We suggest having a stockpile of tiles in storage for replacement of stained tiles on an as needed basis. Over a periodic of time, tiles will discolor, stain, and need to be replaced for aesthetic purposes. Expect to replace tiles every 10 - 12 years. The girds (supports) should not need to be replaced, unless the new tiles are of different dimension. In between replacement cycles, we suggest repairing tiles as needed with general operating funds.

Location: Parking garage

Quantity: Approx. 18920 GSF

Life Expectancy: 12 *Remaining Life:* 9

Best Cost: $22,700

$1.20/GSF; Estimate to replace

Worst Cost: $26,500

$1.40/GSF; Higher estimate for more labor

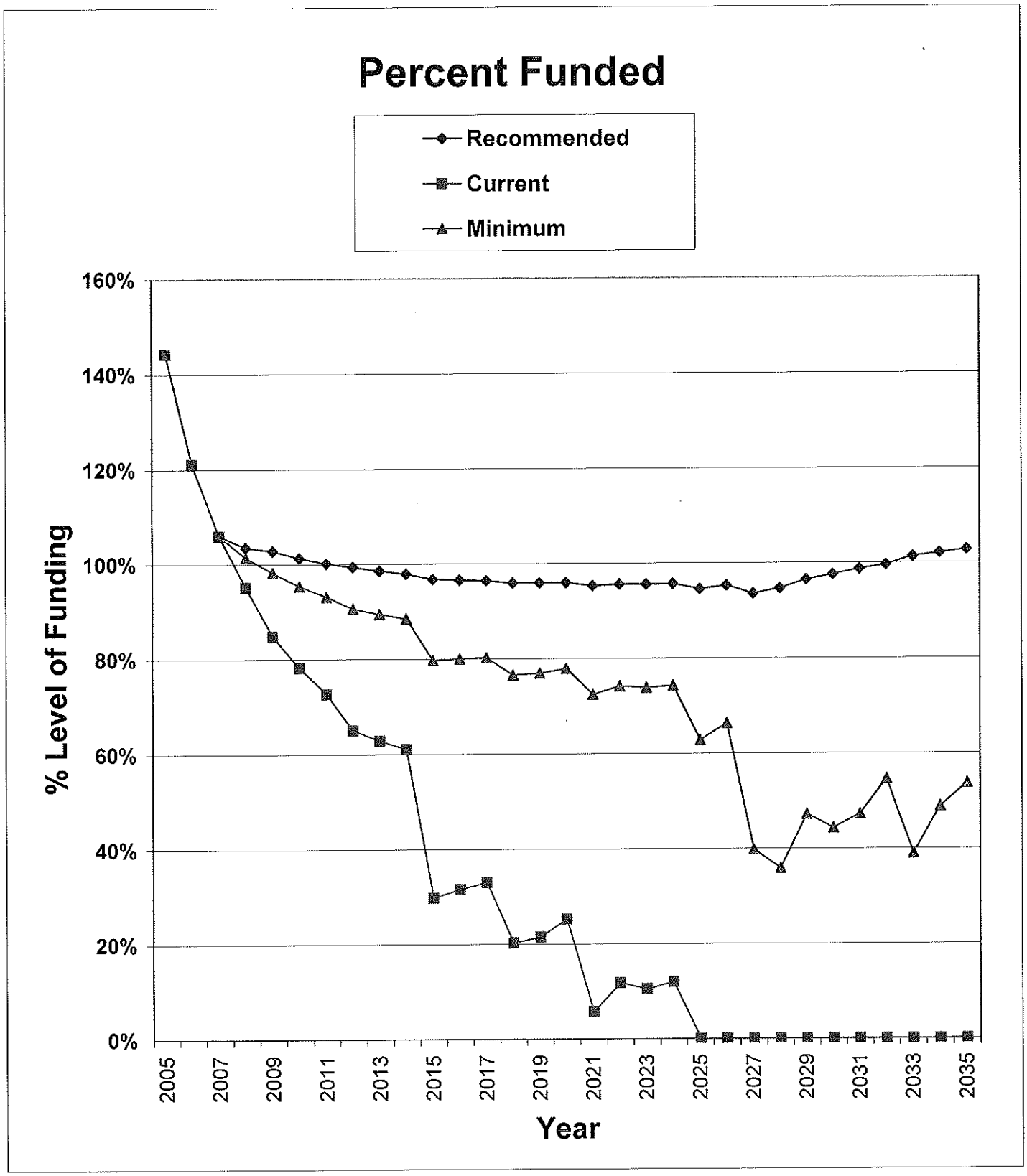
Source of Information: Cost database

General Notes:

Funding Summary For Saint Lukes Lofts

Beginning Assumptions	
Financial Information Source	Research With Client
# of units	41
Fiscal Year End	31-Dec
Budgeted Monthly Dues	$10,344
Budgeted Monthly Reserve Allocation	$1,000
Projected Starting Reserve Balance	$102,016
Ideal Starting Reserve Balance	$70,709
Economic Factors	
Current Inflation Rate	3.00%
Reported After-Tax Interest Rate	2.00%
Current Reserve Status	
Current Balance as a % of Ideal Balance	144%
Recommendations	
Reserve Allocation (per month through 2006)	$1,000
Per Unit	$24.39
Minimum Reserve Allocation (per month through 2006)	$1,000
Per Unit	$24.39
Reserve Allocation (per month starting 2007)	$2,050
Per Unit	$50.00
Minimum Reserve Allocation (per month starting 2007)	$1,800
Per Unit	$43.90
Annual Increases starting in 2008	3.50%
# of Years	30
Special Assessment (2005)	$0
Per Unit	$0
Changes in 2005 From Prior Year	
Increase/Decrease to Reserve Allocation	$0
as Percentage	0%
Per Unit	$0.00

Percent Funded Graph For Saint Lukes Lofts



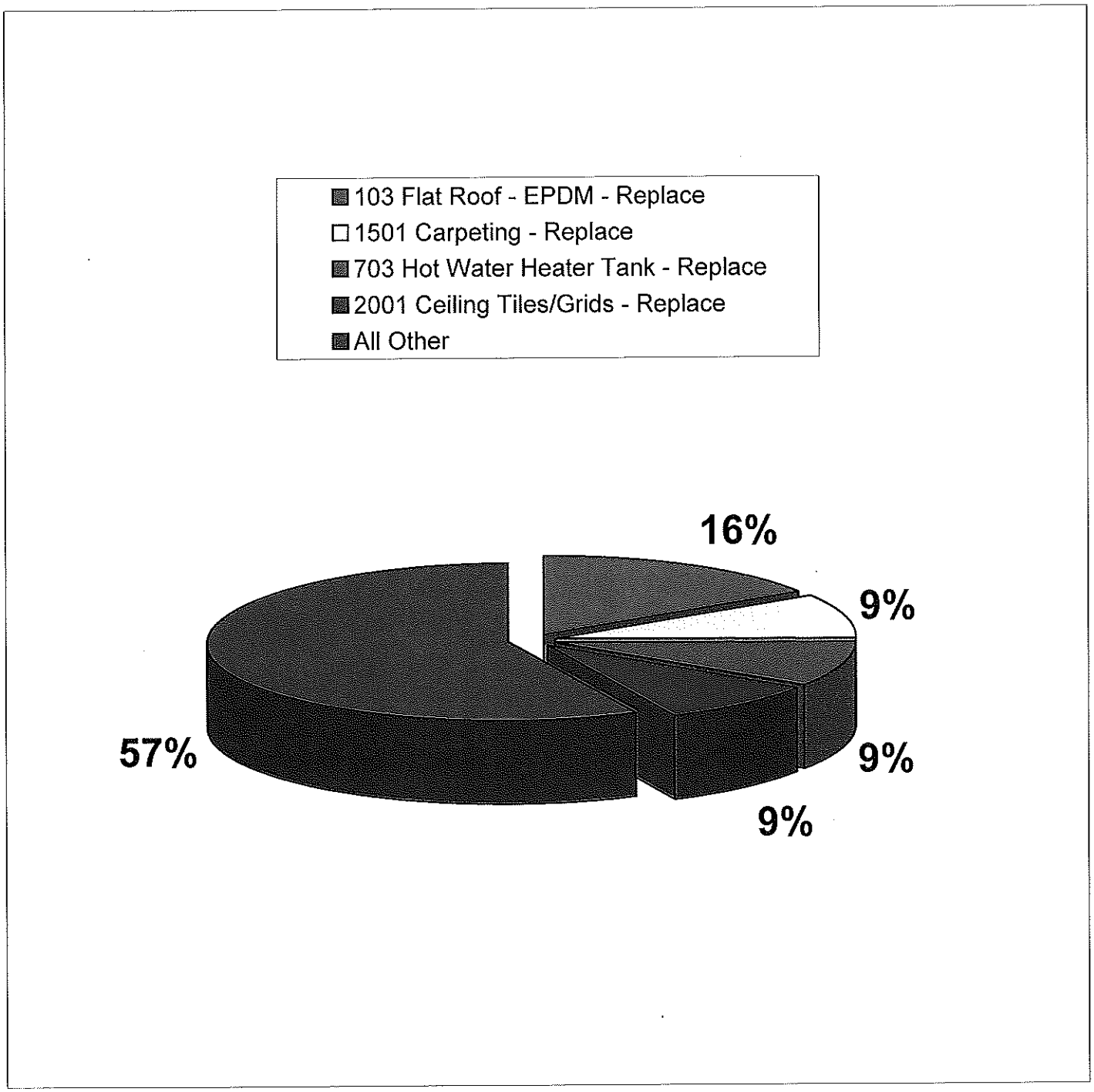
Component Inventory for Saint Lukes Lofts

Category	Asset #	Asset Name	UL	RUL	Best Cost	Worst Cost
Roofing	103	Flat Roof - EPDM - Replace	22	19	$77,000	$88,000
	120	Downspouts - Replace	28	25	$4,000	$4,700
	122	Concrete Walking Pads - Replace	N/A		$0	$0
Painted Surfaces	201	Stucco Surfaces - Repaint	12	9	$18,000	$22,500
	207	Iron Fencing - Repaint	3	0	$4,350	$5,300
	216	Interior Surfaces - Repaint	6	3	$9,260	$12,040
Siding Materials	303	Brick Siding/walls - Repair	N/A		$0	$0
Drive Materials	403	Concrete - Repair/Replace	4	1	$6,000	$7,800
Property Access	502	Garage Doors - Replace	15	12	$24,000	$28,800
Mechanical Equip.	703	Hot Water Heater Tank - Replace	9	6	$18,000	$20,000
	704	Air Handler Unit - Replace	12	9	$5,000	$6,000
	707	Elevator - Rebuild/Upgrade	25	22	$25,000	$30,000
	709	Elevator Cab - Remodel	18	15	$4,500	$5,500
	713	Expansion Tanks - Replace	N/A		$0	$0
	714	Exhaust Fans - Replace	N/A		$0	$0
	715	Pumps - Replace	7	3	$3,000	$4,000
	717	Suspended Heaters - Replace	15	12	$3,600	$4,500
Prop. Identification	803	Mailboxes - Replace	22	19	$2,250	$2,550
Security	901	Fire Protection System - Replace	20	17	$3,500	$4,200
	905	Intercom - Replace	12	9	$2,000	$2,500
	906	Garage Door Opener - Replace	7	4	$3,000	$3,500
Fencing	1002	Ironwork Fencing - Replace	N/A		$0	$0
	1003	Chain Link Fencing - Replace	N/A		$0	$0
	1005	Block Wall - Replace	N/A		$0	$0
Interiors	1405	Furnishings - Replace	N/A		$0	$0
Flooring.	1501	Carpeting - Replace	6	3	$12,400	$13,900
	1504	Slate Tile - Replace	12	9	$10,250	$12,300
Light Fixtures	1601	Light Fixtures - Replace	N/A		$0	$0
Irrig. System	1703	Irrigation Timeclock - Replace	15	12	$1,200	$1,500
Miscellaneous	2001	Ceiling Tiles/Grids - Replace	12	9	$22,700	$26,500

Significant Components For Saint Lukes Lofts

ID	Asset Name	UL	RUL	Ave Curr Cost	Significance: (Curr Cost/UL) As $	As %
103	Flat Roof - EPDM - Replace	22	19	$82,500	$3,750	16.0236%
120	Downspouts - Replace	28	25	$4,350	$155	0.6638%
201	Stucco Surfaces - Repaint	12	9	$20,250	$1,688	7.2106%
207	Iron Fencing - Repaint	3	0	$4,825	$1,608	6.8723%
216	Interior Surfaces - Repaint	6	3	$10,650	$1,775	7.5845%
403	Concrete - Repair/Replace	4	1	$6,900	$1,725	7.3708%
502	Garage Doors - Replace	15	12	$26,400	$1,760	7.5204%
703	Hot Water Heater Tank - Replace	9	6	$19,000	$2,111	9.0207%
704	Air Handler Unit - Replace	12	9	$5,500	$458	1.9584%
707	Elevator - Rebuild/Upgrade	25	22	$27,500	$1,100	4.7002%
709	Elevator Cab - Remodel	18	15	$5,000	$278	1.1869%
715	Pumps - Replace	7	3	$3,500	$500	2.1365%
717	Suspended Heaters - Replace	15	12	$4,050	$270	1.1537%
803	Mailboxes - Replace	22	19	$2,400	$109	0.4661%
901	Fire Protection System - Replace	20	17	$3,850	$193	0.8225%
905	Intercom - Replace	12	9	$2,250	$188	0.8012%
906	Garage Door Opener - Replace	7	4	$3,250	$464	1.9839%
1501	Carpeting - Replace	6	3	$13,150	$2,192	9.3649%
1504	Slate Tile - Replace	12	9	$11,275	$940	4.0148%
1703	Irrigation Timeclock - Replace	15	12	$1,350	$90	0.3846%
2001	Ceiling Tiles/Grids - Replace	12	9	$24,600	$2,050	8.7595%

Significant Components Graph For Saint Lukes Lofts

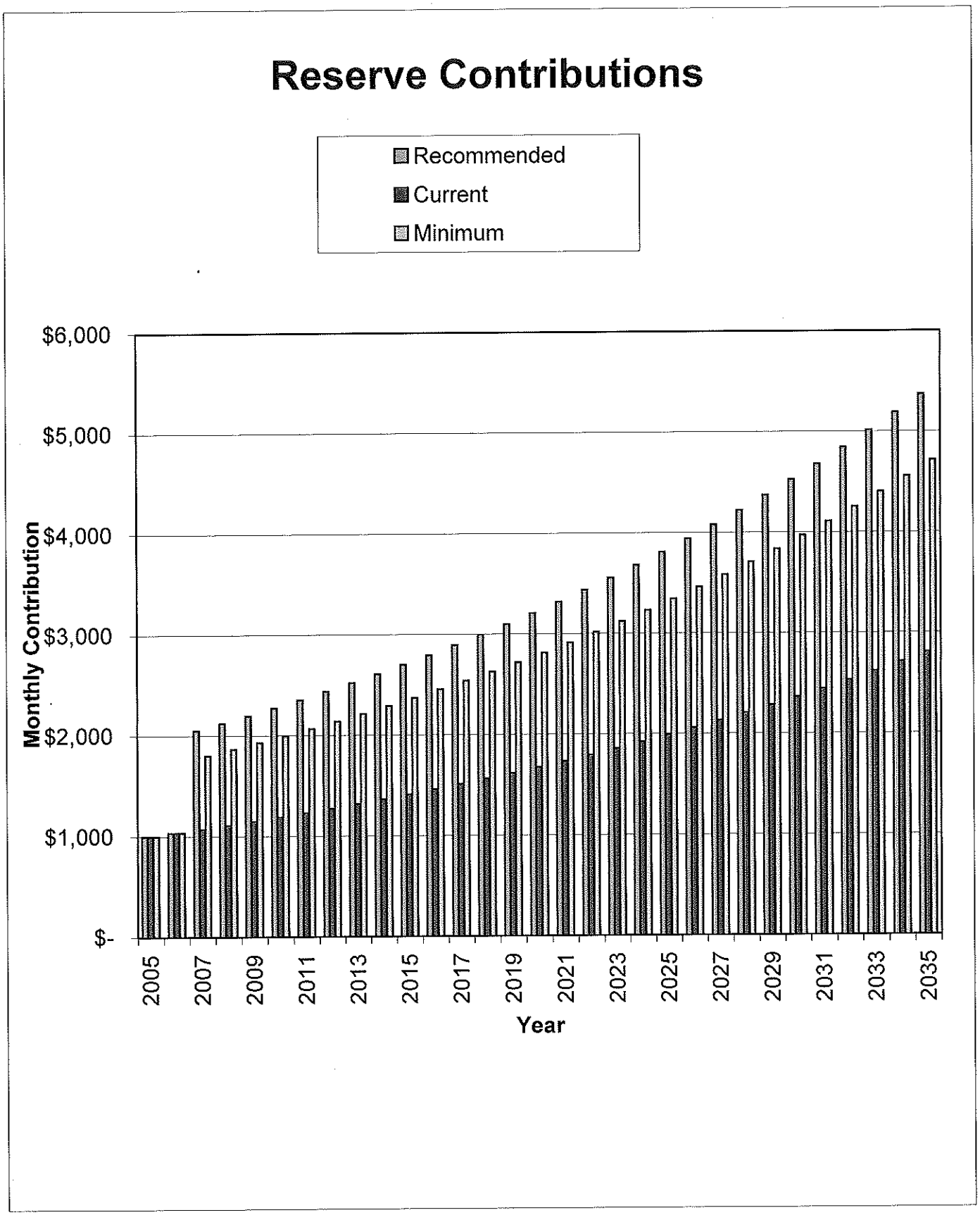


Asset ID	Asset Name	UL	RUL	Average Curr. Cost	Significance: (Curr Cost/UL) As $	As %
103	Flat Roof - EPDM - Replace	22	19	$82,500	$3,750	16%
1501	Carpeting - Replace	6	3	$13,150	$2,192	9%
703	Hot Water Heater Tank - Replace	9	6	$19,000	$2,111	9%
2001	Ceiling Tiles/Grids - Replace	12	9	$24,600	$2,050	9%
All Other	See Expanded Table For Breakdown				$13,300	57%

Yearly Summary For Saint Lukes Lofts

Year	Fully Funded Balance	Starting Reserve Balance	Percent Funded	Annual Reserve Contribs	Interest Income	Reserve Expenses
2005	$70,709	$102,016	144%	$12,000	$2,132	$4,825
2006	$91,966	$111,323	121%	$12,420	$2,301	$7,107
2007	$112,233	$118,936	106%	$24,600	$2,649	$0
2008	$141,173	$146,185	104%	$25,461	$2,853	$35,104
2009	$135,591	$139,396	103%	$26,352	$3,043	$3,658
2010	$163,022	$165,132	101%	$27,274	$3,528	$7,999
2011	$187,618	$187,935	100%	$28,229	$3,791	$28,448
2012	$192,728	$191,507	99%	$29,217	$4,160	$0
2013	$228,156	$224,885	99%	$30,240	$4,844	$0
2014	$265,536	$259,969	98%	$31,298	$4,254	$129,694
2015	$171,369	$165,827	97%	$32,394	$3,627	$4,704
2016	$204,060	$197,143	97%	$33,527	$4,272	$4,499
2017	$238,916	$230,444	96%	$34,701	$4,475	$52,218
2018	$226,666	$217,401	96%	$35,915	$4,648	$10,133
2019	$258,428	$247,831	96%	$37,172	$5,377	$0
2020	$302,643	$290,381	96%	$38,473	$5,422	$81,988
2021	$264,829	$252,288	95%	$39,820	$5,494	$0
2022	$311,456	$297,602	96%	$41,214	$6,185	$23,553
2023	$336,382	$321,448	96%	$42,656	$6,780	$13,747
2024	$373,351	$357,137	96%	$44,149	$6,152	$148,873
2025	$273,481	$258,565	95%	$45,694	$5,680	$0
2026	$325,222	$309,939	95%	$47,294	$4,867	$184,913
2027	$189,361	$177,186	94%	$48,949	$1,421	$52,693
2028	$186,956	$176,981	95%	$50,662	$1,800	$0
2029	$240,138	$231,727	96%	$52,435	$2,189	$55,546
2030	$239,131	$233,262	98%	$54,270	$2,312	$30,360
2031	$265,505	$262,122	99%	$56,170	$3,031	$0
2032	$325,455	$324,149	100%	$58,136	$2,751	$134,221
2033	$250,515	$253,839	101%	$60,171	$2,500	$0
2034	$313,181	$319,740	102%	$62,277	$3,471	$16,260

Yearly Summary For Saint Lukes Lofts



Component Funding Information For Saint Lukes Lofts

ID	Component Name	Ave Current Cost	Future Cost	Ideal Balance	Current Fund Balance	Monthly
103	Flat Roof - EPDM - Replace	$82,500	$144,664	$11,250	$16,231	$160.24
120	Downspouts - Replace	$4,350	$9,108	$466	$672	$6.64
201	Stucco Surfaces - Repaint	$20,250	$26,422	$5,063	$7,304	$72.11
207	Iron Fencing - Repaint	$4,825	$5,272	$4,825	$6,961	$68.72
216	Interior Surfaces - Repaint	$10,650	$11,638	$5,325	$7,683	$75.84
403	Concrete - Repair/Replace	$6,900	$7,107	$5,175	$7,466	$73.71
502	Garage Doors - Replace	$26,400	$37,640	$5,280	$7,618	$75.20
703	Hot Water Heater Tank - Replace	$19,000	$22,687	$6,333	$9,137	$90.21
704	Air Handler Unit - Replace	$5,500	$7,176	$1,375	$1,984	$19.58
707	Elevator - Rebuild/Upgrade	$27,500	$52,693	$3,300	$4,761	$47.00
709	Elevator Cab - Remodel	$5,000	$7,790	$833	$1,202	$11.87
715	Pumps - Replace	$3,500	$3,825	$2,000	$2,886	$21.36
717	Suspended Heaters - Replace	$4,050	$5,774	$810	$1,169	$11.54
803	Mailboxes - Replace	$2,400	$4,208	$327	$472	$4.66
901	Fire Protection System - Replace	$3,850	$6,363	$578	$833	$8.23
905	Intercom - Replace	$2,250	$2,936	$563	$812	$8.01
906	Garage Door Opener - Replace	$3,250	$3,658	$1,393	$2,010	$19.84
1501	Carpeting - Replace	$13,150	$14,369	$6,575	$9,486	$93.65
1504	Slate Tile - Replace	$11,275	$14,711	$2,819	$4,067	$40.15
1703	Irrigation Timeclock - Replace	$1,350	$1,925	$270	$390	$3.85
2001	Ceiling Tiles/Grids - Replace	$24,600	$32,097	$6,150	$8,873	$87.60

Yearly Cash Flow For Saint Lukes Lofts

Year	2005	2006	2007	2008	2009
Starting Balance	$102,016	$111,323	$118,936	$146,185	$139,396
Reserve Income	$12,000	$12,420	$24,600	$25,461	$26,352
Interest Earnings	$2,132	$2,301	$2,649	$2,853	$3,043
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$116,148	$126,043	$146,185	$174,499	$168,790
Reserve Expenditures	$4,825	$7,107	$0	$35,104	$3,658
Ending Balance	$111,323	$118,936	$146,185	$139,396	$165,132

Year	2010	2011	2012	2013	2014
Starting Balance	$165,132	$187,935	$191,507	$224,885	$259,969
Reserve Income	$27,274	$28,229	$29,217	$30,240	$31,298
Interest Earnings	$3,528	$3,791	$4,160	$4,844	$4,254
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$195,934	$219,956	$224,885	$259,969	$295,521
Reserve Expenditures	$7,999	$28,448	$0	$0	$129,694
Ending Balance	$187,935	$191,507	$224,885	$259,969	$165,827

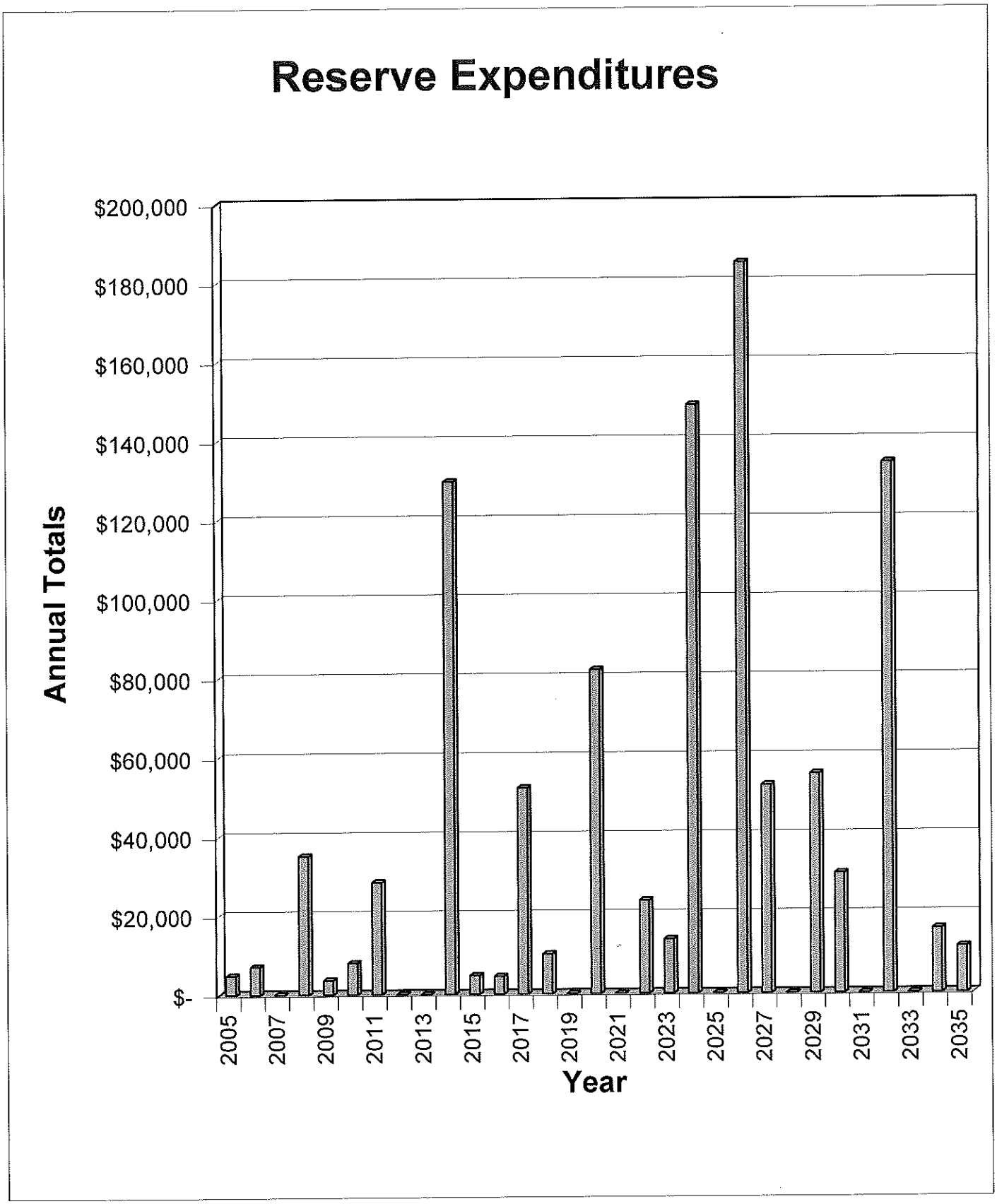
Year	2015	2016	2017	2018	2019
Starting Balance	$165,827	$197,143	$230,444	$217,401	$247,831
Reserve Income	$32,394	$33,527	$34,701	$35,915	$37,172
Interest Earnings	$3,627	$4,272	$4,475	$4,648	$5,377
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$201,847	$234,943	$269,619	$257,964	$290,381
Reserve Expenditures	$4,704	$4,499	$52,218	$10,133	$0
Ending Balance	$197,143	$230,444	$217,401	$247,831	$290,381

Year	2020	2021	2022	2023	2024
Starting Balance	$290,381	$252,288	$297,602	$321,448	$357,137
Reserve Income	$38,473	$39,820	$41,214	$42,656	$44,149
Interest Earnings	$5,422	$5,494	$6,185	$6,780	$6,152
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$334,276	$297,602	$345,001	$370,884	$407,438
Reserve Expenditures	$81,988	$0	$23,553	$13,747	$148,873
Ending Balance	$252,288	$297,602	$321,448	$357,137	$258,565

Year	2025	2026	2027	2028	2029
Starting Balance	$258,565	$309,939	$177,186	$176,981	$231,727
Reserve Income	$45,694	$47,294	$48,949	$50,662	$52,435
Interest Earnings	$5,680	$4,867	$3,539	$4,084	$4,646
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$309,939	$362,100	$229,674	$231,727	$288,808
Reserve Expenditures	$0	$184,913	$52,693	$0	$55,546
Ending Balance	$309,939	$177,186	$176,981	$231,727	$233,262

Year	2030	2031	2032	2033	2034
Starting Balance	$233,262	$262,122	$324,149	$253,839	$319,740
Reserve Income	$54,270	$56,170	$58,136	$60,171	$62,277
Interest Earnings	$4,950	$5,858	$5,775	$5,731	$6,918
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$292,482	$324,149	$388,060	$319,740	$388,935
Reserve Expenditures	$30,360	$0	$134,221	$0	$16,260
Ending Balance	$262,122	$324,149	$253,839	$319,740	$372,674

Yearly Expenditures Graph For Saint Lukes Lofts



Projected Reserve Expenditures For Saint Lukes Lofts

Year	Asset ID	Asset Name	Projected Cost	Total Per Annum
2005	207	Iron Fencing - Repaint	$4,825	$4,825
2006	403	Concrete - Repair/Replace	$7,107	$7,107
2007		No Expenditures Projected		$0
2008	207	Iron Fencing - Repaint	$5,272	
	216	Interior Surfaces - Repaint	$11,638	
	715	Pumps - Replace	$3,825	
	1501	Carpeting - Replace	$14,369	$35,104
2009	906	Garage Door Opener - Replace	$3,658	$3,658
2010	403	Concrete - Repair/Replace	$7,999	$7,999
2011	207	Iron Fencing - Repaint	$5,761	
	703	Hot Water Heater Tank - Replace	$22,687	$28,448
2012		No Expenditures Projected		$0
2013		No Expenditures Projected		$0
2014	201	Stucco Surfaces - Repaint	$26,422	
	207	Iron Fencing - Repaint	$6,296	
	216	Interior Surfaces - Repaint	$13,896	
	403	Concrete - Repair/Replace	$9,003	
	704	Air Handler Unit - Replace	$7,176	
	905	Intercom - Replace	$2,936	
	1501	Carpeting - Replace	$17,158	
	1504	Slate Tile - Replace	$14,711	
	2001	Ceiling Tiles/Grids - Replace	$32,097	$129,694
2015	715	Pumps - Replace	$4,704	$4,704
2016	906	Garage Door Opener - Replace	$4,499	$4,499
2017	207	Iron Fencing - Repaint	$6,879	
	502	Garage Doors - Replace	$37,640	
	717	Suspended Heaters - Replace	$5,774	
	1703	Irrigation Timeclock - Replace	$1,925	$52,218
2018	403	Concrete - Repair/Replace	$10,133	$10,133
2019		No Expenditures Projected		$0
2020	207	Iron Fencing - Repaint	$7,517	
	216	Interior Surfaces - Repaint	$16,592	
	703	Hot Water Heater Tank - Replace	$29,601	
	709	Elevator Cab - Remodel	$7,790	
	1501	Carpeting - Replace	$20,487	$81,988
2021		No Expenditures Projected		$0
2022	403	Concrete - Repair/Replace	$11,405	
	715	Pumps - Replace	$5,785	
	901	Fire Protection System - Replace	$6,363	$23,553
2023	207	Iron Fencing - Repaint	$8,214	
	906	Garage Door Opener - Replace	$5,533	$13,747
2024	103	Flat Roof - EPDM - Replace	$144,664	
	803	Mailboxes - Replace	$4,208	$148,873
2025		No Expenditures Projected		$0
2026	201	Stucco Surfaces - Repaint	$37,671	
	207	Iron Fencing - Repaint	$8,976	
	216	Interior Surfaces - Repaint	$19,812	
	403	Concrete - Repair/Replace	$12,836	
	704	Air Handler Unit - Replace	$10,232	
	905	Intercom - Replace	$4,186	
	1501	Carpeting - Replace	$24,463	
	1504	Slate Tile - Replace	$20,975	
	2001	Ceiling Tiles/Grids - Replace	$45,763	$184,913

Year	Asset ID	Asset Name	Projected Cost	Total Per Annum
2027	707	Elevator - Rebuild/Upgrade	$52,693	$52,693
2028		No Expenditures Projected		$0
2029	207	Iron Fencing - Repaint	$9,808	
	703	Hot Water Heater Tank - Replace	$38,623	
	715	Pumps - Replace	$7,115	$55,546
2030	120	Downspouts - Replace	$9,108	
	403	Concrete - Repair/Replace	$14,447	
	906	Garage Door Opener - Replace	$6,805	$30,360
2031		No Expenditures Projected		$0
2032	207	Iron Fencing - Repaint	$10,718	
	216	Interior Surfaces - Repaint	$23,657	
	502	Garage Doors - Replace	$58,642	
	717	Suspended Heaters - Replace	$8,996	
	1501	Carpeting - Replace	$29,210	
	1703	Irrigation Timeclock - Replace	$2,999	$134,221
2033		No Expenditures Projected		$0
2034	403	Concrete - Repair/Replace	$16,260	$16,260
2035	207	Iron Fencing - Repaint	$11,712	$11,712

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.

Accrued Fund Balance – Total Accrued Depreciation. 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.

AFB = Current 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 associations 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.