



SPECIALIZING IN RESERVE STUDIES SINCE 1990  
A PROFESSIONAL CORPORATION

December 5, 2007

Woodwinds Condominium  
c/o Mr. Frank Miller  
Riddell Management Services  
7143 Kirtley Trail  
Culpeper, VA 22701

Dear Mr. Miller:

First, let me say it was nice meeting with the board of Directors and interested owners last night to discuss the reserve study. Those meetings are an important part of the reserve process and I appreciate having the opportunity to present the study and answer questions.

The meeting concluded with the board approving the study. As discussed at the meeting I've adjusted the remaining useful lives of the pavilion roofing and deck replacement based on the pavilion being built in the 2002/03 time period.

Please consider this the "Final Report." Again, I thank the Board for selecting **PM+** to do this study and hope you will call upon us for your future reserve study needs.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mario B. Ginnetti', is written over a light blue horizontal line.

Mario B. "Ben" Ginnetti, PRA, RS, P.E.  
President

Enclosures:

Study - PDF File



SPECIALIZING IN RESERVE STUDIES SINCE 1990  
A PROFESSIONAL CORPORATION

# RESERVE STUDY

## WOODWINDS CONDOMINIUM

**Reston, Virginia**

**Prepared for:**

**Board of Directors**

**Date:**

**December 5, 2007**



**Engineer**

**Mario B. "Ben" Ginnetti, PRA, RS, P.E.**

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## Executive Summary

- The following relevant data was used in preparing this study:

1st Study Year	FY08	\$200,000	AOH at Start of Fiscal Year ♦
FY Begins	01-Jan-08	\$101,500	Current Year Contribution ♦
Proposal Received Date	25-Sep-07	3.00%	Inflation ♦♦
Property Inspection Date	10/15 & 19/2007	4.02%	Interest ♦♦
Inflation/Interest Date	19-Oct-07	144	# Units

- ♦ AOH (cash amount on hand at start of fiscal year) and current year contribution were supplied by management and are considered best information available as of the proposal acceptance date. They are not audited amounts.
  - ♦♦ Interest and inflation factors<sup>1</sup> best project the current and future needs of the property. Inflation and interest are based on the 5-year CPI and U.S. 5-Year Treasury note yield, on the date shown.
- Based on the funds available at the start of the fiscal year and your current contribution (adjusted for inflation) the following summarizes your existing funding profile and compares it to our analysis of the funding needed to support the reserves over the life of the study:

		<b>Contribution</b>	
		<b>Current</b>	<b>Our Analysis</b>
		<b>FY08</b>	
Association Contribution		\$104,500	\$200,400
Average per Owner		\$726	\$1,392
		<b>30-Year Average</b>	
Association Contribution		\$165,500	\$317,900
Average per Owner		\$1,149	\$2,208
		<b>30-Year Minimum Balance</b>	
	\$	(\$5,599,400)	\$128,600
	%	-245%	6%

- Our analysis of your current contribution to the reserves indicates it will need to be increased if the reserve needs of the property are to be met. See 30-Year Cash Flow Projection chart, column 12, for projected contributions needed to support the reserves.
- During our inspection we noted that the exterior wood and metal are in need of paint. Paint protects these surfaces and minimizes the amount of deterioration they are exposed to. Also, pavement useful life could be extended with preventive maintenance. There are many open cracks in the asphalt.
- In preparing this study **PM+** compared the contributions needed to support both the Cash Flow Pooling and Component methods. Our analysis concluded the cash flow pooling method required the least contribution; therefore, this study is submitted using this method.

1. Although the factors used may not prove to be precise they should be reasonable predictors of cost increases and contributions needed to support the reserve requirement over the life of the study.

## Study Information

### Introduction

The purpose of this study is to design a **Table of Repair/Replacement Reserves** for the common and limited common elements of the property based on the current condition of the components. If the property is to preserve the owner's investment and its quality of life features, a reserve of funds is necessary to do future work.

In addition to the above, Properties located in the state of Virginia are required by Virginia Statutes, 2003 Condominium and Property Owner's Association Act, to conduct reserve studies at least every five years, review the results of the study at least annually and make adjustments as necessary unless the condominium instruments/declaration imposes more stringent requirements. Your attention is called to Sections 55-79.83:1 or 55-514.1 of the Statutes for the complete text.

This study is the initial engagement for the property by **PM+**. **PM+** has neither collaborated with nor provided consulting advice to others on issues pertaining to the property.

In developing the table we consider items that have a predictable life cycle as well as those that will most likely need annual maintenance and repairs to keep them in serviceable condition. They are as follows:

#### Predictable life cycle (Non # sign items).

These components have a predictable life cycle (an average useful life). We show that life in column (3) in the "Table of Repair and Replacement Reserves." At the end of its useful life total replacement will be needed.

#### Annual Allowances (Items preceded by the # sign).

We reserve an average annual amount for these items. These items are typically "life of the property" or long lasting components that do not have a predictable life cycle. We assume the association will keep these components in satisfactory condition with timely spot repairs.

If major work to these items is needed it usually requires the services of an architect, engineer, or specialty contractors to determine scope and cost. We do not reserve for major work in this category unless we are informed the community has a project pending and an estimated cost is known. If future major work is needed it should be budgeted for in an updated reserve study or funded through sources other than the reserves.

There are three major considerations to be taken into account when establishing the **Reserves**: 1) properly funded reserves avoids "special assessments", 2) each owner should pay their fair share for the time they use the component, and 3) when reserve funds are available the Association is more inclined not to defer work. Work deferral results in additional deterioration and "catch-up" costs to restore the item to a good condition. In addition to these considerations, a new factor has recently become apparent. Years ago owners were poorly informed on the importance of the reserves and paid very little attention to whether or

not a property had an adequate plan for funding the reserves. With the inclusion of reserve tables in resale packages and other publicity many potential buyers are now verifying the reserve status before they buy.

Although we use generally accepted techniques and the best information available, it is possible actual costs and useful life can vary from our estimates. We recognize that possibility and attempt with our methodology to arrive at the overall funding recommendation that will avoid, or minimize the need for a special assessment to do reserve work.

This study only considers items already in place. It does not take into consideration any major work the association is contemplating to alter present conditions, unless noted otherwise. Nor does it consider correcting hazardous or defective conditions associated with asbestos, radon, lead, mold, FRT, utility, plumbing, mechanical, electrical systems, etc. Work of this nature requires a special study to determine scope and costs.

This purpose of this study is to determine the funding needed to support the property's reserve requirement and a recommended funding plan to meet the requirement. No other use is intended.

For any reserve projects in progress on the date(s) of our inspection our observation of the work should not be considered a project audit or quality control inspection. We leave that to others to determine.

In order for the Table to be an effective budget management tool it will need periodic updates. Because reserves on hand, current costs, quality of maintenance, acts of God, vandalism, and useful life can vary from year to year, a periodic review will assure it remains an effective management tool.

## **Maintenance/Repair/Replacement “Tips” and Reserve Considerations**

There are three levels of care needed to maximize the useful life of equipment and property components: 1) Maintenance, 2) Repair and 3) Replacement.

Maintenance is taking care of an item by doing such tasks as sealing pavement cracks to prevent water from undermining the base, painting to prevent metal corrosion or wood rot, lubricating moving parts on mechanical equipment, fan belt adjustments, etc. It involves the least expenditure of funds and is the best way to maximize useful life. Repair is replacing a portion of an item, such as, a section of pavement, a part of a roof, an air conditioning compressor, etc. It's usually more expensive than maintenance. The most costly is replacement. It involves the entire replacement of the item.

The application of good maintenance and repair techniques can be explained by the following example: An asphalt parking lot of 1000 square yards develops a 10 foot long crack in the surface. The crack can be sealed for about a dollar a linear foot. By doing so, water will not seep through the asphalt causing damage to the base course. That simple maintenance action extended the useful life of the pavement at minimum cost. Assume the crack was not sealed and it grew to a 12' by 12' base damaged area. Cost of repairs would be approximately 60 times as much as fixing the crack. If the damaged area was not repaired and eventually the entire lot had to be replaced it would cost considerably more. Therefore, the prudent thing to do is good maintenance. It's the least costly of the three levels of work.

Prior to totally replacing an item, e.g., a roof, a fence, an air conditioner, etc., all measures should be taken to extend the useful life of the item with repairs. If the roof is leaking don't automatically think the entire roof needs to be replaced. Most leaks occur around penetrations and flashed areas and they can be repaired for less than replacing the entire roof. Fence posts almost always rot out at ground level before the rest of the fence. Posts can be replaced without purchasing a complete new fence. The same applies to most mechanical/electrical equipment. Tube leaks frequently occur in boilers; compressor failures occur in air conditioners and circuit breakers wear out in electric panels. These kinds of failures are repairable without replacing the entire item. The reserve table should be used as an aid in establishing budgets - not as a work plan. When used as a budget management tool its effectiveness will be recognized when funds are readily available to do work - when it must be done. Do not use the remaining useful life data as a work plan. It should be treated as a “window of probable expectancy”, based on statistical information, historical trends, conditions at time of survey and experience of when repair or replacement is most likely to be needed. Actual work should not be done until needed. For example, if paving is estimated to need replacement in five years but it's not a problem at that time, put it off until it is a problem. Conversely, if repairs are necessary sooner, do them sooner.

When contracting for services, seek competitive bids and purchase only what's necessary to restore the item to its “like original” condition. Include state-of-the-art improvements but avoid over buying or substantially enhancing an item beyond its original condition. Such improvements are not included in the cost estimates.

Catastrophic failures to such items as footers, foundations, floors, exterior walls and total replacement of utility systems, etc., are not included in the table. They are not included because they are not predictable

and it is rare that these items have to be replaced in total. We do recommend a reasonable annual amount be set aside for some repairs and reflect that in the reserve table.

Funding for reserves should be fair to all owners; past, present and future. The worst case scenario for a property is to have no money set aside to pay for repairs/replacements forcing the current owners to pay the total cost. Additionally, having insufficient reserves also presents some injustices as illustrated by the following example:

Mr. and Mrs. "X" owned a unit at the property for the first ten years of its existence when reserve funding was suppressed and insufficient to take care of future problems. Mr. and Mrs. "X" sell their unit and leave. Five years after they leave the pavement and sidewalks need to be repaired. Mr. & Mrs. "Y" now own the unit and receive notice they are to be "specially assessed" to pay for the repair costs.

For demonstration purposes let's say the pavement and sidewalk repairs costs \$150,000 and the association has \$50,000 in the reserve account. Let's also assume there are 100 units at this property.

Over the last fifteen years, past and present owners set aside \$50,000 to take care of the \$150,000 expenditure. Expressed in \$/year that equates to \$3,333/yr or \$33.33 per owner per year.

Mr. & Mrs. "X" had the benefit of good paving and sidewalks for 10 years at a total cost to them of \$333.30. Unfortunately for Mr. & Mrs. "Y", they only used the items for five years, but it will cost them \$1166.50 for their share of the repairs.

Calculations for the above are as follows:

$$5 \text{ years they lived there} \times \$33.33/\text{yr} = \$166.50$$

The difference between amount in reserves and repair costs divided by number of unit owners:

$$\begin{aligned} (\$150,000 - \$50,000) / 100 &= \underline{\$1000.00} \\ \text{Total cost to Mr. \& Mrs. "Y"} &= \$1166.50 \end{aligned}$$

Or, said another way:

Mr. and Mrs. "X" used the items for 66% of their useful life but only paid 22% of the repair cost.

Mr. and Mrs. "Y" used the items for 34% of their useful life but had to pay 78% of the cost.

For funding to be fair all owners should contribute their share of the costs for the period of time they use the item.

Where we describe preventive maintenance recommendations in this study they are intended to be general in nature and the most common tasks needed to extend item useful life. They are not all inclusive; we do not imply that is all that is necessary for good maintenance. Manufacturers brochures, service specialty companies and other qualified sources should be consulted to establish the full array of actions needed for proper preventive maintenance.

## **Level of Service and Engineer's Qualification**

This is a Level I, Full Study (with on-site visit) as defined by CAI's National Reserve Study Standards.

This study was compiled in accordance with generally accepted standards and represents our professional opinion on the items, timing and dollar amounts that should be budgeted for repair and replacement. The contents of this study comply with the proposal acceptance. In compiling this study we used information obtained from field measurements, observations and management (information provided by management is considered to be reliable). We also took into considered construction features, current conditions and component age. Testing was not performed, nor was demolition done or panels removed to determine conditions that are not obvious. Based on our inspection and the information gained during the inspection this study contains, to the best of our ability, all material issues required to determine the funding needed to meet the property's reserve requirement.

This reserve study was done in its entirety by Mario B. "Ben" Ginnetti, a registered professional engineer (**P.E.**) licensed to practice engineering in the states of Virginia, Maryland, Ohio and the District of Columbia. He is also a CAI Certified Reserve Specialist (**RS**) and a Professional Reserve Analyst (**PRA**).

## **Age, Units and Style**

Constructed in the mid 70's.  
Garden and Townhome configuration.  
Major amenities – pavilion.

## **Cash Flow Pooling Method Studies**

This study was calculated using the cash flow pooling method. This method develops the funding plan by having the annual contributions offset the variable annual expenses. All expenses are averaged over the life of the study to calculate the annual contribution needed to support the reserve requirement.

## **Funding Goals**

The following represent the basic categories of Funding Plan goals as defined by the Community Association Institute (CAI) for reserve studies:

- Baseline Funding - Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.
- Component Full Funding - Setting a Reserve funding goal of attaining and maintaining cumulative Reserves at or near 100% funded.
- Statutory Funding - Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves of component required by local statutes.
- 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 "Fully Funding." This study complies with this goal.

## **Common and Limited Common Elements (Major Components)**

### Building Envelope

Peaked Roof  
Gutters & Downspouts  
Windows, Balcony & Patio Doors (Owners Responsibility)  
Main Entrance Doors  
Utility Room Doors  
Brick & Siding Façade  
Exterior/Interior Painting (Funded from the Operating Account)

### Pavements/Sidewalks

Asphalt Pavements  
Concrete Curbs & Gutters  
Concrete Sidewalks/Patios

### Decoration

Carpeted Stairways

### Mechanical/Electrical

Hot Water Heaters  
Common Mechanical/Plumbing/Electrical Systems

### Retaining Walls/Fencing

Wood, Stone & Masonry Block Retaining Walls  
Wood Fencing

### Other Property Features

Balconies/Patios  
Pavilion  
Pole Mounted & Building Mounted Site Lights  
Mail Boxes  
Entrance Features  
Signs  
Storm Drainage  
Hand Railing  
Picnic Tables/Benches  
Trash Receptacles  
Minor Landscaping

## Definition of Terms

These definitions pertain to the categories shown in the Table of Repair & Replacement Reserves.

### Column

- (1) The various property components and major items of equipment we believe the community should include in the reserves. Where a 15%, 30%, etc., is shown means that total replacement of that item is not anticipated. These items generally have an indefinite life span and only need partial repairs. Items preceded by the pound (#) sign are budgeted for a year at a time. Typically, these items need annual repairs. These items should be adjusted at each update based on historical trends and the amount of work anticipated the following year. If we have omitted or added any items that are not common or limited common area responsibility, please inform us so we can provide a revised table. It also applies if the association accomplishes the work from their annual operating expense and a reserve set-aside is not needed.
- (2) Approximate quantity and unit of measure. The following abbreviations are used; however, they may not all appear in this study:

AC – Acres	HP – Horsepower
AOH - Amount-On-hand	RC - Replacement Cost
AnAvg - Annual Average	SF - Square Feet
BLDG - Building	SY - Square Yards
EA - Each	TN - Tons
CY - Cubic Yards	UN - Units
LF - Linear Feet	> - Greater Than
LS - Lump Sum	< - Less Than

# Symbol (left of the item in the Reserve Table) - The item is expressed in terms of an annual amount to be done each year as conditions warrant. We believe an annual amount better reflects actual expenditures.

Reserve Depletion Factor - Number of years amount-on-hand will fund (It's the same as the "go broke" date if no more money is added to the reserves).

% Funded - Ratio of the current to the ideal Reserve Balance for each component in the Reserve Table. The ratio is a product of the "used-up" life, useful life and component cost.

Cost Per Owner – Average contribution per owner needed to meet the reserve requirement. The dollar amount will vary from property to property based on construction features, common and limited common elements, past contributions to the reserves and other factors that may not result in a true comparison.

Minimum Balance Percentage – The minimum balance after the first year in the **Cost Projection** chart divided by the **Total Estimated Cost** of all the components (column 5) of the **Table**

**of Repair and Replacement Reserves.** An amount to be held in reserve to fund unforeseen contingencies. Expressed as a percentage.

- (3) The components average useful life (Avg). Leading publications on useful life data, our own experiences and historical trends are used to determine the average useful life.
- (4) Our best estimate of the remaining useful life (RUL). Some items in the table may not fail precisely as shown. We mainly use the remaining useful life number in conjunction with the estimated cost to arrive at a prudent dollar amount to be allocated to the reserves. Projects anticipated to occur in the first fiscal year are considered to have a “zero” remaining useful life.
- (5) Current cost estimates are in current dollars. Estimates are based on similar work in the greater Washington area, association experience, industry publications, such as R.S. Means and Home-Tech, contractors and other reliable sources. It assumes the association will competitively seek bids and obtain a fair price in today's market. Some work, such as, balconies, roofing, garages, façade, boiler and chiller replacements, etc. may need the services of an engineer or architect to determine scope and oversee repairs. The cost of such repairs takes precedence over those shown in the table.
- (6) Distribution of the funds the association had (is projected to have) at the start of their fiscal year or the amount we were requested to use. The program distributes a prorated amount to each item.
- (7) The amount needed to fund the balance of the requirement.
- (8) The contribution needed to fund the 1<sup>st</sup> year applying the Pooling method. This value is the product of the reserve components and the 30-year Cash Flow chart. The annual contribution is calculated so that the reserve balance never falls below the “X” axis and there is always a minimum balance for unforeseen contingencies.
- (9) Fiscal Year.
- (10) Projected annual expenses.
- (11) Cumulative expenses over 30-years.
- (12) 30-year projected contribution if the **PM+** funding plan is implemented, adjusted for inflation.
- (13) Projected year-end balance based on our recommendations, interest applied.
- (14) 30-year projected contribution if the association's current funding plan is continued, adjusted for inflation.
- (15) Projected year-end balance based on the association's current funding plan, interest applied.

## Comments

The “Table of Repair & Replacement Reserves” in appendix “A” lists the components, their estimated costs and useful lives, and the annual contribution needed to support the property’s reserve requirement. This chart also shows the actual cash out-lays the association should be prepared to fund in years 1 – 10.

The “Years 11 – 30 Expense Projection” chart shows the actual cash out-lay the association should be prepared to fund over this period of time.

The “30 – Year Cash Flow Projection” chart summarizes the yearly annual expenses, contributions, and fund balances that should be available at the end of each fiscal year, if our recommendations are implemented (blue line). The brown line plot represents the year end balances based on the associations current contribution. The plot objective is to have the year end balances always above the “X” axis. If it falls below, it indicates a special assessment or loan will be needed to support the reserves.

The “Property Comparison” chart compares the property’s current funding to the last 100 properties we have studied. The comparison shows the maximums, minimums and property averages compared to your property.

We offer the following comments, either to clarify our assumptions or call to your attention, items that need explanation or attention:

### Building Envelope

Roofing on all garden units was replaced in 2006. Best information available indicates the roofs on the townhomes, carports and Pavilion were last replaced in 1990. We assume these roofs will need to be replaced in about three years. Gutters and downspouts are holding-up well. We assume total replacement will be needed the next time the roofs are replaced.

Main entrance doors are exposed to winds and frequent use and will require more maintenance to keep them operable. We expect replacement to be needed in about 10 years.

Exterior and interior painting of the building(s) is funded from the operating account and therefore not included in the reserves. Our inspection of the paintable surfaces on the exterior of the buildings supports it is past due for painting.

### Pavements

There are two considerations that apply to asphalt pavements. 1) preventive maintenance will extend pavement useful life, and 2) when its useful life is used up the pavement will need to be restored to full strength.

1. Preventive maintenance consist of sealing open cracks (equal to or greater than 1/8”), repair base/sub-base areas that have failed (distinguished by “alligator” or “chicken

wire" cracking), applying a seal coat to the entire surface and repaint all traffic markings. An additional benefit of the seal coat and traffic markings is the pavement will look uniform and that enhances property appearance. Funding for this work is identified as "Repair/Seal Coat/Traffic Markings" in the reserve table. Although we allow for this work to be done every four years, if cracks open or asphalt failures occur sooner they should be repaired at that time. The contingency built into the funding plan should be more than adequate to fund these repairs in the off years.

2. Be prepared to overlay all asphalt around the time period shown in the table. Although we allow for 100% of the asphalt to receive an overlay our experience supports a smaller percentage of the base/sub base will need repairs. We show that percentage in the "Base/Concrete Repairs" entry. When paving, we recommend the contract call for "milling" of the gutter pans. Milling will maintain the same elevation at the pans and reduce the possibility of drainage problems. The cost estimate will provide a 1-1/2" compacted overlay and milling of the curbs. If complete milling of the driving lanes and parking areas is needed and a thicker overlay is placed, cost will be higher.

Note - We use current cost for the price of asphalt pavement work. Asphalt cost is dictated by the price of oil. Actual cost could be higher or lower depending on the cost of oil at the time work is done and how many base failures need repair to support the overlay.

#### Decorating

Stairway carpet was last replaced in 2003. We assume the association will find it necessary to replace the carpet in the next three years.

#### Mechanical/Plumbing/Electrical

Hot water heaters were converted to gas units in the 1996/1997 time period. Average useful life for these units is 15 years.

#### Retaining Walls

Wood, modular block and stone retaining walls are placed throughout the property. They range in height from less than a foot to about four feet. Wood retaining walls will typically have accelerated deterioration in the top member of the wall. In some cases these members can be replaced without replacing the entire wall. Modular block and stone walls can be kept in good repair by doing needed repairs as failures occur.

The wood retaining wall beneath the Pavilion is leaning. This wall is keeping the hillside from slipping. If the wall fails the Association could be facing costly repairs to reestablish the hillside. The wall should be repaired as soon as possible.

#### Balconies

The Association has begun a program to replace rear balconies on the buildings. The repair program is needed to correct water penetration problems, concrete and parapet wall

deterioration. To date 15 balconies have been repaired. The problems have ranged from severe to mild, with most of the severe problems corrected in the 15 balconies that have been completed. We assume the Association will continue to repair the balconies and have outlined a 12 year program for six to seven balconies being repaired each year. The repair rate may need to be adjusted as conditions warrant. We also reserve for the balconies on the front side of the buildings.

#### Pavilion

We allow only for the decking, top rail and roof to be replaced. We assume the structure will last the "life of the property" if timely repairs are made. When replacing the decking and top rail we recommend the use of composite woods. Composites have a much longer useful life than regular wood and require far less maintenance. This wooden structure would benefit by having all the wood protectively coated.

#### Mail Boxes

Daily use of mail boxes will result in wear and tear to hinges, locks and cover plates. Repair/replacement will be necessary to keep these boxes in serviceable condition.

#### Annual Allowances

These items are critical for the proper repair and replacement of components that do not fail on a cyclic basis but are an integral part of this reserve study. We reserve an annual amount based on quantity and quality of the components available. Most contractors have a minimum charge for work regardless of the size, and although the amount we allocate may be less than some minimums, that amount accrues, and in conjunction with the contingency, allows work to be funded when needed.

Facade/Caulk/Waterproofing – Minor repairs to bricks, siding, sealing windows, doors, walls, expansion joints and other openings to keep buildings weather tight.

Common Area Doors – Provides for replacing association owned utility room doors and interior doors, as needed.

Curbs/Gutters/Sidewalks/Steps/Patios - Curbs, gutters, sidewalks, steps and patios will deteriorate, heave, settle, be damaged by vehicles or sustain other types of damage. Defective areas should be corrected as needed.

Mechanical/Plumbing/Electrical - A general category to repair common area mechanical, plumbing and electric systems that are not reserved for elsewhere. Motors, pumps, gauges, valves, controls, fire, security, TV systems, plumbing pipes, electric faults and other kinds of system deterioration will need repair as problems occur.

Site Lighting - The property is illuminated through a series of pole and building mounted fixtures. Fixture, pole and distribution electric wiring failures should be expected. We con-

sider pole lights to be long lasting units. Building mounted lights are provided for in the Mechanical/Plumbing/Electrical Allowance.

Masonry Retaining Walls - We consider concrete, brick and stone retaining walls to be "life of the property" and should never need to be completely replaced unless a catastrophic failure occurs. We allow a reasonable annual amount to keep these walls in good condition.

Masonry Retaining Walls/Hand Railings - We consider block and stone retaining walls to be "life of the property" and should never need to be completely replaced unless a catastrophic failure occurs. We allow a reasonable annual amount to keep these walls in good condition. Same applies for the hand railing throughout the property. Metal hand railings should be painted about every four years and post pockets sealed to prevent standing water from corroding the posts and damaging the surrounding concrete.

Site Items - Repairs to entrance features, signs, drainage, minor landscaping, picnic tables/benches, trash receptacles, barbeque stoves, etc.

## Appendix A

**TABLE OF REPAIR & REPLACEMENT RESERVES**

**YEARS 1 - 10 EXPENSE PROJECTION**

INFLATION = 3.00%  
INTEREST = 4.02%

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ITEM	APPROX'MT		USEFUL LIFE		ESTIMATED COST IN CURRENT \$	DISTR'BTN OF AOH AS OF 01-Jan-08	BALANCE NEEDED TO FUND RESERVE	FY08 RECOM'MND CONTR'BTN	YEARS 1 - 10 EXPENSE PROJECTION										
	QUANTITY	AVG REM (YRS)	(3)	(4)					(5)	(6)	(7)	(8)	FY08	FY09	FY10	FY11	FY12	FY13	FY14
<b>BUILDING ENVELOPE</b>																			
GARDEN UNITS																			
ROOFING-SHINGLES	67,592	SF	20	19	\$148,700	\$13,000	\$135,700	\$3,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GUTTERS/DOWNSPOUTS	2,882	LF	40	19	26,700	2,300	24,400	600	0	0	0	0	0	0	0	0	0	0	0
MAIN ENTRANCE DOORS/GLASS	952	SF	25	10	42,800	3,700	39,100	1,800	0	0	0	0	0	0	0	0	0	0	55,800
TOWNHOME UNITS																			
ROOFING-SHINGLES	34,020	SF	20	3	74,800	6,600	68,200	10,200	0	0	79,400	0	0	0	0	0	0	0	0
GUTTERS/DOWNSPOUTS	1,400	LF	40	23	16,800	1,500	15,300	300	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL BUILDING ENVELOPE</b>					<b>309,800</b>	<b>27,100</b>	<b>282,700</b>	<b>16,100</b>											
<b>PAVEMENTS</b>																			
REPAIR/SEAL COAT/TRAFFIC MARKINGS	9,511	SY	4	1	11,400	1,000	10,400	4,700	11,400	0	0	0	12,800	0	0	0	14,400	0	0
PAVEMENT OVERLAY	9,511	SY	13	8	99,900	8,700	91,200	5,100	0	0	0	0	0	0	122,900	0	0	0	0
BASE/CONCRETE RPRS @ 20%	1,902	SY	13	8	60,900	5,300	55,600	3,100	0	0	0	0	0	0	74,900	0	0	0	0
<b>TOTAL PAVEMENTS</b>					<b>172,200</b>	<b>15,000</b>	<b>157,200</b>	<b>12,900</b>											
<b>DECORATING</b>																			
STAIRWAY CARPET	1,252	SY	7	3	50,100	4,400	45,700	6,900	0	0	53,200	0	0	0	0	0	0	0	65,400
<b>TOTAL DECORATING</b>					<b>50,100</b>	<b>4,400</b>	<b>45,700</b>	<b>6,900</b>											
<b>MECHANICAL/ELECTRICAL</b>																			
HOT WATER HEATERS	12	EA	15	5	72,000	6,300	65,700	5,900	0	0	0	0	81,000	0	0	0	0	0	0
<b>TOTAL MECHANICAL/ELECTRICAL</b>					<b>72,000</b>	<b>6,300</b>	<b>65,700</b>	<b>5,900</b>											
<b>RETAINING WALLS</b>																			
RETAINING WALL(WOOD)	200	LF	20	15	24,000	2,100	21,900	700	0	0	0	0	0	0	0	0	0	0	0
RETAINING WALL(BENEATH PAVILION)	50	LF	20	1	2,000	200	1,800	800	2,000	0	0	0	0	0	0	0	0	0	0
<b>TOTAL RETAINING WALLS</b>					<b>26,000</b>	<b>2,300</b>	<b>23,700</b>	<b>1,500</b>											
<b>OTHER PROPERTY FEATURES</b>																			
REAR BALCONIES																			
BALCONY RECONSTRUCTION	6	EA	15	1	87,000	7,600	79,400	35,700	87,000	0	0	0	0	0	0	0	0	0	0
BALCONY RECONSTRUCTION	6	EA	15	2	87,000	7,600	79,400	17,900	0	89,600	0	0	0	0	0	0	0	0	0
BALCONY RECONSTRUCTION	6	EA	15	3	87,000	7,600	79,400	11,900	0	0	92,300	0	0	0	0	0	0	0	0
BALCONY RECONSTRUCTION	7	EA	15	4	101,500	8,900	92,600	10,400	0	0	0	110,900	0	0	0	0	0	0	0
BALCONY RECONSTRUCTION	7	EA	15	5	101,500	8,900	92,600	8,300	0	0	0	0	114,200	0	0	0	0	0	0
BALCONY RECONSTRUCTION	7	EA	15	6	101,500	8,900	92,600	6,900	0	0	0	0	0	117,700	0	0	0	0	0
BALCONY RECONSTRUCTION	7	EA	15	7	101,500	8,900	92,600	6,000	0	0	0	0	0	0	121,200	0	0	0	0
BALCONY RECONSTRUCTION	7	EA	15	8	101,500	8,900	92,600	5,200	0	0	0	0	0	0	0	124,800	0	0	0
BALCONY RECONSTRUCTION	7	EA	15	9	101,500	8,900	92,600	4,600	0	0	0	0	0	0	0	0	128,600	0	0
BALCONY RECONSTRUCTION	7	EA	15	10	101,500	8,900	92,600	4,200	0	0	0	0	0	0	0	0	0	132,400	0

**TABLE OF REPAIR & REPLACEMENT RESERVES**

**YEARS 1 - 10 EXPENSE PROJECTION**

INFLATION = 3.00%  
INTEREST = 4.02%

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ITEM	APPROX'MT		USEFUL LIFE		ESTIMATED COST IN CURRENT \$	DISTR'BTN OF AOH AS OF 01-Jan-08	BALANCE NEEDED TO FUND RESERVE	FY08 RECOM'MND CONTR'BTN	YEARS 1 - 10 EXPENSE PROJECTION										
	QUANTITY	EA	AVG REM (YRS)	(4)					(5)	(6)	(7)	(8)	FY08	FY09	FY10	FY11	FY12	FY13	FY14
BALCONY RECONSTRUCTION	7	EA	15	11	101,500	8,900	92,600	3,800	0	0	0	0	0	0	0	0	0	0	0
BALCONY RECONSTRUCTION	7	EA	15	12	101,500	8,900	92,600	3,500	0	0	0	0	0	0	0	0	0	0	0
BALCONIES (ALREADY REPAIRED)	15	EA	15	13	60,000	5,300	54,700	1,900	0	0	0	0	0	0	0	0	0	0	0
FRONT BALCONIES																			
GARDENS	4	EA	15	6	58,000	5,100	52,900	4,000	0	0	0	0	0	67,200	0	0	0	0	0
GARDENS	4	EA	15	7	58,000	5,100	52,900	3,400	0	0	0	0	0	0	69,300	0	0	0	0
GARDENS	4	EA	15	8	58,000	5,100	52,900	3,000	0	0	0	0	0	0	0	71,300	0	0	0
GARDENS	5	EA	15	9	72,500	6,300	66,200	3,300	0	0	0	0	0	0	0	0	91,800	0	0
TOWNHOMES	28	EA	25	6	58,800	5,100	53,700	4,000	0	0	0	0	0	68,200	0	0	0	0	0
CARPORT ROOFING-SHINGLES	21,336	SF	20	4	46,900	4,100	42,800	4,800	0	0	0	51,200	0	0	0	0	0	0	0
PAVILION																			
ROOFING-SHINGLES	640	SF	20	16	1,400	100	1,300	0	0	0	0	0	0	0	0	0	0	0	0
REDECK-(COMPOSITE MATERIAL)	667	SF	25	21	15,300	1,300	14,000	300	0	0	0	0	0	0	0	0	0	0	0
MAIL BOXES-WALL	102	EA	25	12	12,200	1,100	11,100	400	0	0	0	0	0	0	0	0	0	0	0
MAIL BOXES-STREET	42	EA	25	12	7,600	700	6,900	300	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL OTHER PROPERTY FEATURES</b>					1,623,200	142,200	1,481,000	143,800											
<b>ANNUAL ALLOWANCES</b>																			
# FACADE/CAULK/WATERPROOFING	LS		1	1	7,200	600	6,600	3,000	7,200	7,400	7,600	7,900	8,100	8,300	8,600	8,900	9,100	9,400	9,400
# COMMON AREA DOORS	LS		1	1	3,500	300	3,200	1,400	3,500	3,600	3,700	3,800	3,900	4,100	4,200	4,300	4,400	4,400	4,600
# CURBS/GUTTERS/SIDEWALKS/STEPS/PATIOS	LS		1	1	2,700	200	2,500	1,100	2,700	2,800	2,900	3,000	3,000	3,100	3,200	3,300	3,400	3,400	3,500
# MECHANICAL/PLUMBING/ELECTRICAL	LS		1	1	10,800	900	9,900	4,500	10,800	11,100	11,500	11,800	12,200	12,500	12,900	13,300	13,700	13,700	14,100
# SITE LIGHTING	LS		1	1	2,300	200	2,100	900	2,300	2,400	2,400	2,500	2,600	2,700	2,700	2,800	2,800	2,900	3,000
# MASONRY RETAINING WALLS	LS		1	1	1,500	100	1,400	600	1,500	1,500	1,600	1,600	1,700	1,700	1,800	1,800	1,900	1,900	2,000
# HAND RAILING/WOOD FENCING	LS		1	1	1,000	100	900	400	1,000	1,000	1,100	1,100	1,100	1,200	1,200	1,200	1,300	1,300	1,300
# SITE ITEMS	LS		1	1	3,300	300	3,000	1,400	3,300	3,400	3,500	3,700	3,800	3,900	4,000	4,100	4,200	4,200	4,400
<b>TOTAL ANNUAL ALLOWANCES</b>					32,300	2,700	29,600	13,300											
<b>TOTAL RESERVES</b>					\$2,285,600	\$200,000	\$2,085,600	\$200,400	\$132,700	\$122,800	\$259,200	\$197,500	\$244,400	\$290,600	\$229,100	\$433,600	\$275,700	\$295,900	

**FY08 AVERAGE CONTRIBUTION PER OWNER = \$1,392**

Notes:

All dollars rounded to nearest \$100, except contribution per owner. Totals may not add due to rounding.

# - An annual allocation. Repairs are usually needed at least once a year.

One year remaining useful life indicates the useful life of the component is used up, except for # sign items that are treated as annual events.

YEARS 11 - 30 EXPENSE PROJECTION

INFLATION = 3.00%  
INTEREST = 4.02%

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ITEM	USEFUL LIFE ESTIMATED		FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37
	AVG REM (YRS)	COST IN CURRENT \$																				
(1)	(3)	(4)	(5)																			
<b>BUILDING ENVELOPE</b>																						
<b>GARDEN UNITS</b>																						
ROOFING-SHINGLES	20	19	\$148,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$253,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
GUTTERS/DOWNSPOUTS	40	19	26,700	0	0	0	0	0	0	0	45,500	0	0	0	0	0	0	0	0	0	0	0
MAIN ENTRANCE DOORS/GLASS	25	10	42,800	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOWNHOME UNITS</b>																						
ROOFING-SHINGLES	20	3	74,800	0	0	0	0	0	0	0	0	0	0	0	143,300	0	0	0	0	0	0	0
GUTTERS/DOWNSPOUTS	40	23	16,800	0	0	0	0	0	0	0	0	0	0	0	32,200	0	0	0	0	0	0	0
<b>TOTAL BUILDING ENVELOPE</b>			309,800																			
<b>PAVEMENTS</b>																						
REPAIR/SEAL COAT/TRAFFIC MARKINGS	4	1	11,400	0	0	16,300	0	0	0	18,300	0	0	0	20,600	0	0	0	23,200	0	0	0	26,100
PAVEMENT OVERLAY	13	8	99,900	0	0	0	0	0	0	0	0	0	180,400	0	0	0	0	0	0	0	0	0
BASE/CONCRETE RPRS @ 20%	13	8	60,900	0	0	0	0	0	0	0	0	0	110,000	0	0	0	0	0	0	0	0	0
<b>TOTAL PAVEMENTS</b>			172,200																			
<b>DECORATING</b>																						
STAIRWAY CARPET	7	3	50,100	0	0	0	0	0	0	80,400	0	0	0	0	0	0	98,900	0	0	0	0	0
<b>TOTAL DECORATING</b>			50,100																			
<b>MECHANICAL/ELECTRICAL</b>																						
HOT WATER HEATERS	15	5	72,000	0	0	0	0	0	0	0	0	126,300	0	0	0	0	0	0	0	0	0	0
<b>TOTAL MECHANICAL/ELECTRICAL</b>			72,000																			
<b>RETAINING WALLS</b>																						
RETAINING WALL(WOOD)	20	15	24,000	0	0	0	0	36,300	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RETAINING WALL(BENEATH PAVILION)	20	1	2,000	0	0	0	0	0	0	0	0	0	3,600	0	0	0	0	0	0	0	0	0
<b>TOTAL RETAINING WALLS</b>			26,000																			
<b>OTHER PROPERTY FEATURES</b>																						
<b>REAR BALCONIES</b>																						
BALCONY RECONSTRUCTION	15	1	87,000	0	0	0	0	0	135,500	0	0	0	0	0	0	0	0	0	0	0	0	0
BALCONY RECONSTRUCTION	15	2	87,000	0	0	0	0	0	0	139,600	0	0	0	0	0	0	0	0	0	0	0	0
BALCONY RECONSTRUCTION	15	3	87,000	0	0	0	0	0	0	0	143,800	0	0	0	0	0	0	0	0	0	0	0
BALCONY RECONSTRUCTION	15	4	101,500	0	0	0	0	0	0	0	0	172,800	0	0	0	0	0	0	0	0	0	0
BALCONY RECONSTRUCTION	15	5	101,500	0	0	0	0	0	0	0	0	0	178,000	0	0	0	0	0	0	0	0	0
BALCONY RECONSTRUCTION	15	6	101,500	0	0	0	0	0	0	0	0	0	0	183,300	0	0	0	0	0	0	0	0
BALCONY RECONSTRUCTION	15	7	101,500	0	0	0	0	0	0	0	0	0	0	0	188,800	0	0	0	0	0	0	0
BALCONY RECONSTRUCTION	15	8	101,500	0	0	0	0	0	0	0	0	0	0	0	0	194,500	0	0	0	0	0	0
BALCONY RECONSTRUCTION	15	9	101,500	0	0	0	0	0	0	0	0	0	0	0	0	0	200,300	0	0	0	0	0
BALCONY RECONSTRUCTION	15	10	101,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	206,300	0	0	0	0
BALCONY RECONSTRUCTION	15	11	101,500	136,400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	212,500	0	0	0
BALCONY RECONSTRUCTION	15	12	101,500	0	140,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	218,900	0	0
BALCONIES (ALREADY REPAIRED)	15	13	60,000	0	0	85,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	133,300	0
<b>FRONT BALCONIES</b>																						
GARDENS	15	6	58,000	0	0	0	0	0	0	0	0	0	104,800	0	0	0	0	0	0	0	0	0
GARDENS	15	7	58,000	0	0	0	0	0	0	0	0	0	0	107,900	0	0	0	0	0	0	0	0
GARDENS	15	8	58,000	0	0	0	0	0	0	0	0	0	0	0	111,100	0	0	0	0	0	0	0
GARDENS	15	9	72,500	0	0	0	0	0	0	0	0	0	0	0	0	143,100	0	0	0	0	0	0

YEARS 11 - 30 EXPENSE PROJECTION

INFLATION = 3.00%  
INTEREST = 4.02%

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ITEM	USEFUL LIFE ESTIMATED		COST IN CURRENT \$																				
	AVG	REM		FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37
(1)	(3)	(4)	(5)																				
<b>BUILDING ENVELOPE</b>																							
TOWNHOMES	25	6	58,800	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CARPORT ROOFING-SHINGLES PAVILION	20	4	46,900	0	0	0	0	0	0	0	0	0	0	0	0	92,600	0	0	0	0	0	0	0
ROOFING-SHINGLES	20	16	1,400	0	0	0	0	0	2,200	0	0	0	0	0	0	0	0	0	0	0	0	0	0
REDECK-(COMPOSITE MATERIAL)	25	21	15,300	0	0	0	0	0	0	0	0	0	27,600	0	0	0	0	0	0	0	0	0	0
MAIL BOXES-WALL	25	12	12,200	0	16,900	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MAIL BOXES-STREET	25	12	7,600	0	10,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL OTHER PROPERTY FEATURES</b>			1,623,200																				
<b>ANNUAL ALLOWANCES</b>																							
# FACADE/CAULK/WATERPROOFING	1	1	7,200	9,700	10,000	10,300	10,600	10,900	11,200	11,600	11,900	12,300	12,600	13,000	13,400	13,800	14,200	14,600	15,100	15,500	16,000	16,500	17,000
# COMMON AREA DOORS	1	1	3,500	4,700	4,800	5,000	5,100	5,300	5,500	5,600	5,800	6,000	6,100	6,300	6,500	6,700	6,900	7,100	7,300	7,500	7,800	8,000	8,200
# CURBS/GUTTERS/SIDEWALKS/STEPS/PATIOS	1	1	2,700	3,600	3,700	3,800	4,000	4,100	4,200	4,300	4,500	4,600	4,700	4,900	5,000	5,200	5,300	5,500	5,700	5,800	6,000	6,200	6,400
# MECHANICAL/PLUMBING/ELECTRICAL	1	1	10,800	14,500	14,900	15,400	15,900	16,300	16,800	17,300	17,900	18,400	18,900	19,500	20,100	20,700	21,300	22,000	22,600	23,300	24,000	24,700	25,500
# SITE LIGHTING	1	1	2,300	3,100	3,200	3,300	3,400	3,500	3,600	3,700	3,800	3,900	4,000	4,200	4,300	4,400	4,500	4,700	4,800	5,000	5,100	5,300	5,400
# MASONRY RETAINING WALLS	1	1	1,500	2,000	2,100	2,100	2,200	2,300	2,300	2,400	2,500	2,600	2,600	2,700	2,800	2,900	3,000	3,000	3,100	3,200	3,300	3,400	3,500
# HAND RAILING/WOOD FENCING	1	1	1,000	1,300	1,400	1,400	1,500	1,500	1,600	1,600	1,700	1,700	1,800	1,800	1,900	1,900	2,000	2,000	2,100	2,200	2,200	2,300	2,400
# SITE ITEMS	1	1	3,300	4,500	4,600	4,800	4,900	5,100	5,200	5,400	5,500	5,700	5,900	6,000	6,200	6,400	6,600	6,800	7,000	7,200	7,400	7,600	7,900
<b>TOTAL ANNUAL ALLOWANCES</b>			32,300																				
<b>TOTAL RESERVES</b>			\$2,285,600	\$179,800	\$212,600	\$147,900	\$47,600	\$85,300	\$188,100	\$290,200	\$197,400	\$526,700	\$360,900	\$688,700	\$356,900	\$543,100	\$598,700	\$295,200	\$280,200	\$288,600	\$205,100	\$100,100	\$76,300

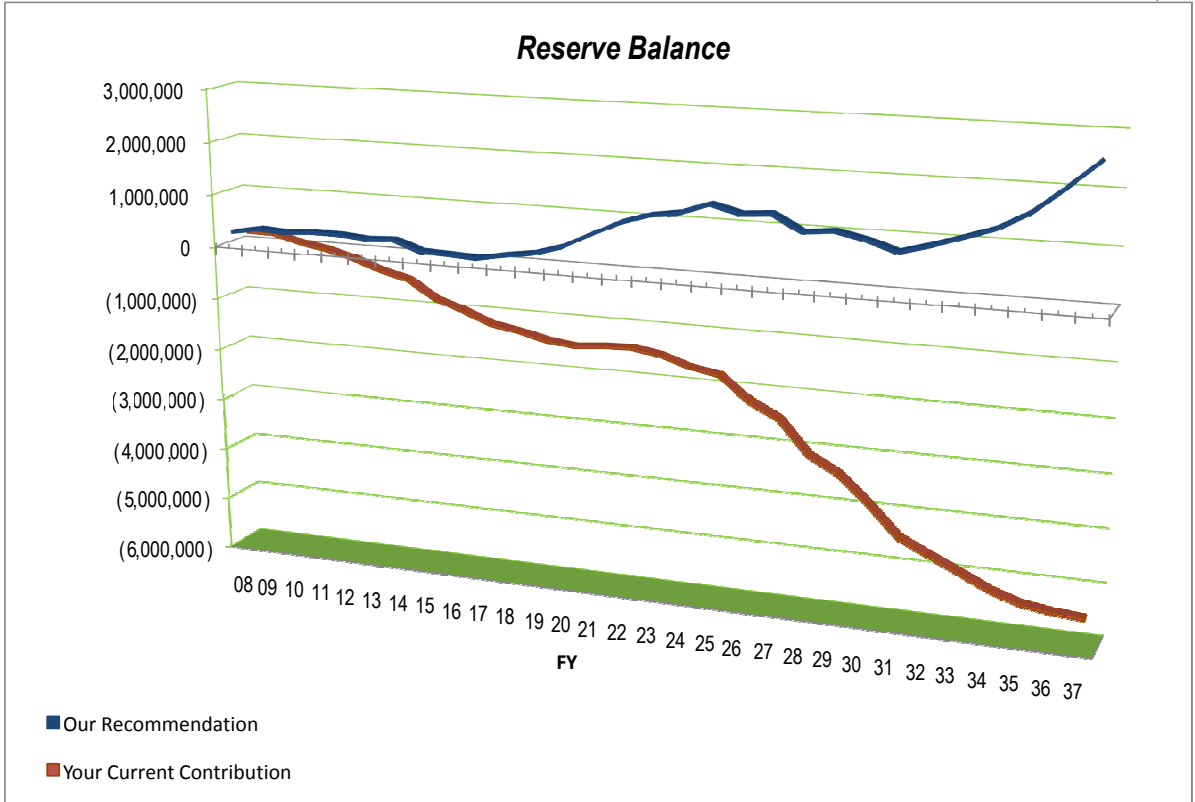
### 30 - YEAR CASH FLOW PROJECTION

Based on the assumptions in this study, the Association should be prepared to spend the following over the life of the study:

FY	Expenses		30-Year Cash Flow		Your Current Contribution	
	Annual*	Cumulative	Our Recommendation Contribution	Balance	Contribution	Balance
(9)	(10)	(11)	(12)	(13)	(14)	(15)
AOH				\$200,000		\$200,000
08	132,700	132,700	200,400	278,500	104,500	178,700
09	122,800	255,500	206,400	376,700	107,600	170,100
10	259,200	514,700	212,600	343,400	110,800	22,600
11	197,500	712,200	219,000	379,600	114,100	(63,200)
12	244,400	956,600	225,600	375,300	117,500	(197,700)
13	290,600	1,247,200	232,400	329,800	121,000	(382,100)
14	229,100	1,476,300	239,400	353,800	124,600	(506,200)
15	433,600	1,909,900	246,600	173,500	128,300	(844,100)
16	275,700	2,185,600	254,000	157,900	132,100	(1,027,400)
17	295,900	2,481,500	261,600	128,600	136,100	(1,234,900)
18	179,800	2,661,300	269,400	227,000	140,200	(1,325,700)
19	212,600	2,873,900	277,500	303,600	144,400	(1,449,900)
20	147,900	3,021,800	285,800	459,200	148,700	(1,507,400)
21	47,600	3,069,400	294,400	734,400	153,200	(1,458,200)
22	85,300	3,154,700	303,200	990,600	157,800	(1,441,400)
23	188,100	3,342,800	312,300	1,159,600	162,500	(1,526,000)
24	290,200	3,633,000	321,700	1,239,000	167,400	(1,715,100)
25	197,400	3,830,400	331,400	1,428,200	172,400	(1,810,100)
26	526,700	4,357,100	341,300	1,292,800	177,600	(2,246,000)
27	360,900	4,718,000	351,500	1,335,000	182,900	(2,521,400)
28	688,700	5,406,700	362,000	1,048,800	188,400	(3,143,200)
29	356,900	5,763,600	372,900	1,107,600	194,100	(3,438,900)
30	543,100	6,306,700	384,100	986,700	199,900	(3,934,100)
31	598,700	6,905,400	395,600	815,100	205,900	(4,500,800)
32	295,200	7,200,600	407,500	964,700	212,100	(4,768,200)
33	280,200	7,480,800	419,700	1,148,600	218,500	(5,024,100)
34	288,600	7,769,400	432,300	1,344,300	225,100	(5,292,100)
35	205,100	7,974,500	445,300	1,648,200	231,900	(5,477,000)
36	100,100	8,074,600	458,700	2,087,500	238,900	(5,552,800)
37	76,300	8,150,900	472,500	2,583,500	246,100	(5,599,400)

# Units = 144

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#### SUMMARY

30-Year Annual Average =	\$317,900	\$165,500
30-Year Annual Average per Owner =	\$2,208	\$1,149
Minimum Balance over 30-Years =	\$128,600	(\$5,599,400)
Minimum Balance % =	6%	-245%

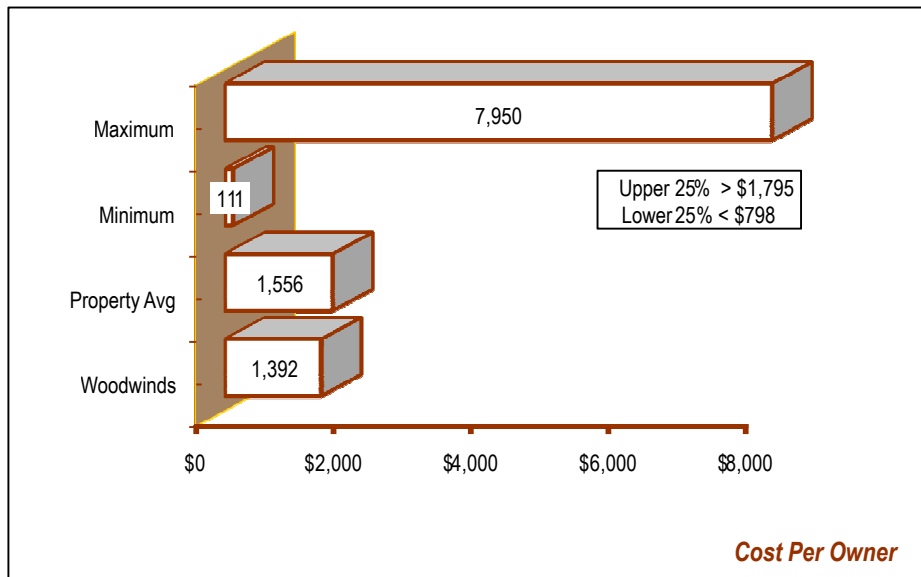
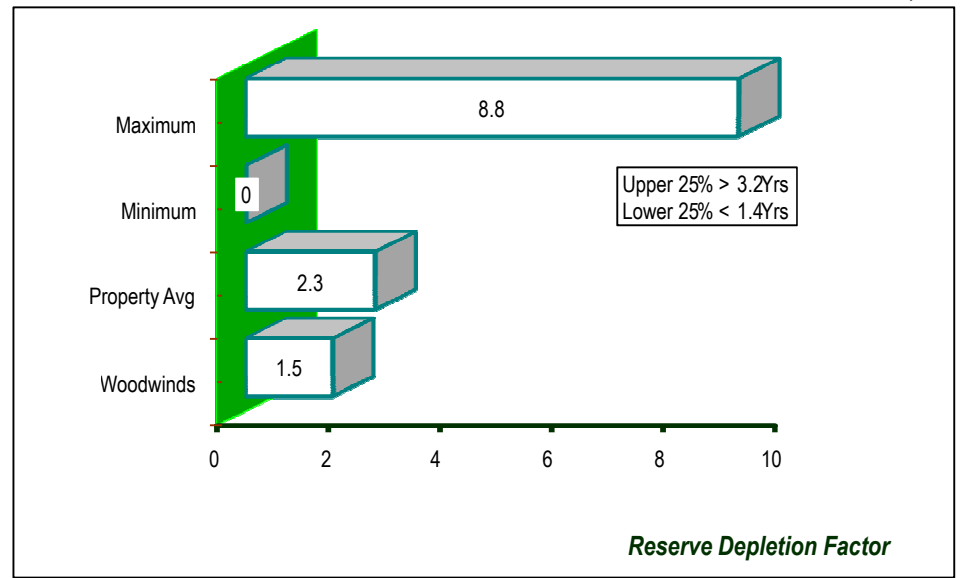
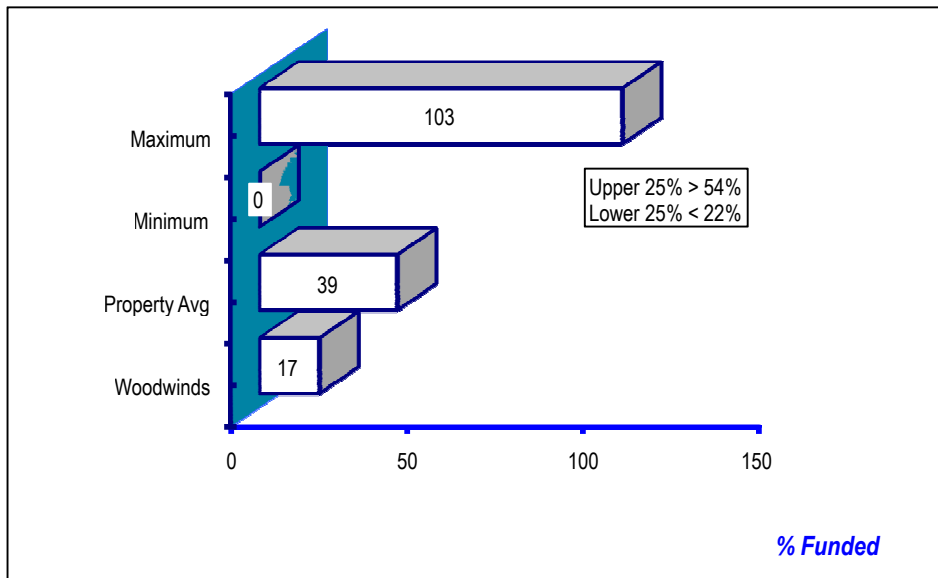
Current Amount-on-Hand =	\$200,000	3.00% = Average Inflation
% Funded =	17%	4.02% = Average Interest
Reserve Depletion Factor =	1.5	

**Notes:**

\* An annual average cost. Some expenditures may be needed in earlier years, some in later years, depending on when the actual work is done. Data is a projection based on this point in time. The projection will change as useful life, current costs and amount-on-hand vary. Data should be considered a more accurate projection for years 1 - 5 than the out-years.

**PROPERTY COMPARISON**  
 Sample Size = 100 Condo's/Coop's

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**Legend:**

This comparison only compares the first study year to other properties.

% Funded -- Used-up life divided by Useful Life times Current Cost.

Reserve Depletion Factor -- Number of years the amount-on-hand will fund if no more is contributed to the reserves.

Cost Per Owner - The average cost per owner to meet the reserve requirement compared to other properties.