



RESERVE STUDY - FEBRUARY 1, 2020

CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY)

3525 Main Street
Los Angeles, California

REVIEWED BY:

Les Weinberg, MBA, RS

DATE:

February 1, 2020



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OVERVIEW

This "Full" Reserve Study has been prepared for "Condominium Homeowners Association (Sample Only)" in Los Angeles, California. It consists of three main divisions:

The **Summary** is a brief synopsis of the results of the Reserve Study for compliance with the Civil Code.

The **Financial Analysis** utilizes the data gathered from the Condition Assessment. Future expenditures by year over a 30-year period are then projected. Specific information regarding methods and assumptions are delineated in that section.

The **Condition Assessment** is both an inventory and examination of the major association components that are subject to deterioration within the 30-year scope of this study. Specific information regarding survey methods and assumptions are delineated in that section.

Information contained in this report will assist in compliance with the provisions of California Civil Code, Sections 5300, 5570, and 5550 which require, among other items, that a pro forma operating budget (which should include a summary of the Reserve Study) be distributed between 30 and 90 days prior to the beginning of the association's fiscal year. The code requires that the association perform a Reserve Study at least every 3 years, which must be updated annually. The summary of the Reserve Study must include:

- 1) An estimation of remaining life expectancy of those components.
- 2) A statement of annual contributions necessary to defray such costs.
- 3) Identification of common area components with less than a 30-year life.
- 4) A statement showing the current reserves available to defray such costs.
- 5) "Percent Funded" (i.e. item #4 above divided by item #3).
- 6) A statement as to whether the board has determined or anticipates any special assessments.
- 7) A statement regarding the procedures used for calculation and establishment of the reserves.

DOCUMENTS TO BE DISTRIBUTED (within 30 – 90 days prior to the fiscal year the study is for):

- 1) **Summary**
- 2) **Component Inventory**
- 3) **ARFDS** (Assessment and Reserve Funding Disclosure Summary)
- 4) Copies of the full Reserve Study should be made available upon request.

In addition to the legal objectives, the information contained in the study will provide a perpetual inventory of all common area components which can be expanded should the project undergo any future physical changes. Also, the detailed schedules will serve as an advance warning system with respect to major repair or replacement of the components. This will allow time for obtaining competitive bids, ultimately resulting in cost savings to the individual homeowners. As a planning tool, the study can be utilized as a "maintenance monitor", thus obtaining maximum life potential from the components and avoiding the "quick-fix" option that can occur due to a lack of funds.

One of the most important aspects of this report is that it will provide an educated estimate as to what the monthly reserve contribution realistically needs to be. This will ensure the physical well-being of the project and ultimately enhance each owner's investment while helping to avoid unexpected and costly special assessments.

It is important to note that the information contained herein includes estimates and assumptions based on various sources of information. While every effort has been made to insure accurate results, this report reflects the judgment of Reserve Studies Inc. based on conditions present at the time of the study and should not be construed as a guarantee or assurance of future events. This study has been undertaken by an independent third party. RSI (Reserve Studies Inc.) has no involvement with the client (association) outside of the scope of the services provided herein.

SUMMARY
CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY)

The following is a summary of the results of the Financial Analysis portion of the Reserve Study for the period indicated below. The recommended monthly reserve contribution is based on **Funding Plan #3** (also see "Comparison of Funding Plans / Illustrations" schedule). However, this funding plan, while being the most equitable, reflects minimum funding and may only marginally cover the total annual expenditures in some years. The "Per Unit" amounts reflect the "Total" amounts divided by the number of units - no adjustments have been made for any variable rate assessments.

ASSUMPTIONS:

(A) FISCAL (12 MONTH) PERIOD RESERVE STUDY IS TO COVER:	1/1/2021	through	12/31/2021
(B) INFLATION FACTOR (10 year running average CPI per Bureau of Labor Statistics - calculated annually):			1.77%
(C) INTEREST % ON RESERVE FUNDS (unless provided by the association, assumed to be 1%):			1.0000%
(D) BEGINNING RESERVE BALANCE (per association, estimated as of	1/1/2021)	\$23,402
(E) NUMBER OF UNITS:			6

ANALYSIS OF RESERVE CONTRIBUTION

		TOTAL	PER UNIT
(F) AMOUNT BUDGETED MONTHLY (PER ASSOCIATION) AS OF	12/31/2020 :	\$450.00	\$75.00
(G) RECOMMENDED MONTHLY FOR PERIOD	1/1/2021 through 12/31/2021 :	\$603.23	\$100.54
(see <u>Funding Plan #3</u> for specific details)			
(H) <u>DOLLAR</u> INCREASE / (DECREASE) (item "G" less item "F"):		\$153.23	\$25.54
(I) <u>PERCENTAGE</u> INCREASE / (DECREASE) (item "H" divided by item "F"):		34.05%	34.05%
(J) SPECIAL ASSESSMENT FOR PERIOD	1/1/2021 through 12/31/2021 :	\$0.00	\$0.00
(in addition to "AMOUNT RECOMMENDED" from above [item "G"])			
(K) FUTURE <u>ANNUAL</u> PERCENTAGE INCREASES / (DECREASES)	1/1/2022 - 1/1/2023	34.05%	34.05%

ANALYSIS OF TOTAL BUDGETED ASSESSMENT ("DUES") FROM ALL OWNERS:

		TOTAL	PER UNIT
(L) AMOUNT BUDGETED MONTHLY (PER ASSOCIATION) AS OF	12/31/2020 :	2,216.00	369.33
(M) RESERVE CONTRIBUTION % OF TOTAL ASSESSMENT ("DUES") (item "F" divided by "L")		20.31%	20.31%
(N) % INCREASE/(DECREASE) IN TOTAL MONTHLY ASSESSMENT ("DUES") ("h" divided by "L")		6.91%	6.91%
(if recommended monthly reserve contribution implemented)			

OVERAGE / (DEFICIT) - between "actual" and "ideal" reserve balance:	(52,870)	(8,812)
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FUNDS TO COVER THE COST OF COMPONENTS THAT NEED TO BE REPLACED WITHIN 5 YEARS	\$36,414.00
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PERCENT FUNDED AS OF: 1/1/2021	(excluding "unknown" amounts from Component Inventory)	30.68%
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actual reserve balance (item "D" above):	23,402
divided by	
accumulated depreciation (see Component Inventory):	76,272

PERCENT FUNDED AS OF: 12/31/2021	(if Funding Plan #3 recommended above is followed)	22.73%
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FINANCIAL ANALYSIS

This **Financial Analysis** reveals the financial ramifications over a 30-year projection resulting from the Condition Assessment, and consists of the following schedules:

- 1) **COMPONENT INVENTORY** - Lists all the components compiled from the Condition Assessment, including their quantity, typical useful lives, estimated remaining lives and average costs. Also provided for each component is an allocation of the beginning reserve balance, annual depreciation, accumulated depreciation, and monthly contributions.

FUNDING PLANS / ILLUSTRATIONS - Four funding plans / illustrations are provided to illustrate the effects of various levels of reserve contributions versus anticipated reserve expenditures. They include 30 years of activity, are detailed on an **annual** basis, and include interest income earned on reserve funds (net of taxes), which can offset the amount of contributions required.
- 2) **FUNDING ILLUSTRATION #1** - This illustration assumes that the current reserve contribution will remain the same throughout the 30-year projection. In most cases this will not be sufficient to cover future reserve expenditures over the 30-year period. **This is not a recommended funding plan.**
- 3) **FUNDING ILLUSTRATION #2** - This illustration also assumes that the current reserve contribution will remain the same throughout the 30-year projection. However, special assessments are generated for any year that the reserve balance would otherwise drop below \$0.00. **This is not a recommended funding plan**
- 4) **FUNDING PLAN #3** - This plan increases (or sometimes decreases) current reserve contributions as necessary to cover all future expenditures and achieve 100% funding at least by the end of the 30-year projection. It most fairly matches the depreciation of the common components and the enjoyment of the benefits. **This is a recommended funding plan** and fulfills the requirement of the California Civil Code with respect to distribution of a full funding plan.
- 5) **FUNDING ILLUSTRATION #4** - This illustration dictates what the reserve contribution would need to be to achieve annual 100% funding.
- 6) **COMPARISON OF FUNDING PLANS / ILLUSTRATIONS** - Details comparison of the 4 funding plans / illustrations on an annual basis, including the **monthly** reserve contributions and the percent funded for each year.
- 7) **GRAPH: FUNDING PLANS / ILLUSTRATIONS 1-4 vs. RESERVE EXPENDITURES** - Shows the cash receipts (reserve contributions plus interest income) in each of the 4 funding plans / illustrations versus the total reserve expenditures on an annual basis.
- 8) **GRAPH: FUNDING PLANS / ILLUSTRATIONS 1-4 vs. ACCUMULATED DEPRECIATION** - Shows the cash receipts versus the accumulated depreciation on an annual basis.
- 9) **RESERVE EXPENDITURES BY YEAR** – Details the component expenditures for each year they come due.
- 10) **COMPONENT ACCUMULATED DEPRECIATION ANALYSIS** – Calculates the accumulated depreciation for each component at year-end. The total accumulated depreciation per year is ideally the amount that should be in reserves and represents 100% funded. For example, if a component cost is \$1,000, has a useful life of 10 years and is 6 years old, then \$600 should be in reserves: \$1,000 divided by 10 years = \$100 per year x 6 years of depreciation.

COMPONENT INVENTORY threshold = \$500
CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY)

AS OF: 1/1/2021

CATEGORY / COMPONENT	ID#	APPROXIMATE QUANTITY	LIFE IN YRS		CURRENT COST	ANNUAL DEPRE	RESERVES			MONTHLY CONTRIBUTION	
			USEFUL	REMAIN			ACTUAL	ACCUM DEPRE	SURPLUS/ (DEFICIT)	CONTRIBUTION	
										CURRENT	RECOMMEND
ROOF/DECKS											
composition shingle roof	0101	6,500 sq ft	25	7	22,450 ¹	898	4,959	16,164	(11,205)	95.37	127.84
slate decks	0102	350 sq ft	20	2	7,450 ⁴	373	2,057	6,705	(4,648)	39.56	53.03
gutters & downspouts	0103	400 lin ft	35	21	2,700 ⁴	77	331	1,080	(749)	6.37	8.54
STRUCTURE											
foundation/structural frame	0201	1 building	30+	30+	0	0	0	0	0	0.00	0.00
structural pest control	0202	120,000 cu ft	12	0	10,000 ²	833	3,068	10,000	(6,932)	59.00	79.09
garage doors	0203	3 doors	30+	3	4,600	0	353	1,150	(797)	6.78	9.10
PAINT											
exterior flatwork	0301	6,900 sq ft	10	6	12,550 ³	1,255	1,540	5,020	(3,480)	29.62	39.70
doors	0302	20 sides	5	4	1,300 ³	260	80	260	(180)	1.53	2.06
garage interior	0303	operating budget	n/a	n/a	0	0	0	0	0	0.00	0.00
ironwork	0304	600 sq ft	3	0	1,000 ²	333	307	1,000	(693)	5.90	7.91
trim	0305	900 sq ft	3	0	2,800 ³	933	859	2,800	(1,941)	16.52	22.14
wood gates	0306	150 sq ft	3	0	300 ¹	100	92	300	(208)	1.77	2.37
MECHANICAL											
gate operators	0401	operating budget	n/a	n/a	0	0	0	0	0	0.00	0.00
PLUMBING											
circulation pump	0501	1 @ 1/4 horsepower	10	2	950 ⁴	95	233	760	(527)	4.48	6.01
distribution piping	0502	6 units	40	12	31,200 ¹	780	6,701	21,840	(15,139)	128.85	172.73
drainage/ sewer piping	0503	allowance	30	20	15,000 ³	500	1,534	5,000	(3,466)	29.50	39.54
water heater	0504	1 @ 100 gallons	10	9	4,250 ²	425	130	425	(295)	2.51	3.36
ELECTRICAL											
lighting	0601	operating budget	n/a	n/a	0	0	0	0	0	0.00	0.00
LANDSCAPE/ HARDSCAPE											
concrete block walls	0701	operating budget	30+	30+	0	0	0	0	0	0.00	0.00
concrete flatwork	0702	operating budget	30+	30+	0	0	0	0	0	0.00	0.00
irrigation controllers	0703	2 controllers	10	7	500 ⁴	50	46	150	(104)	0.88	1.19
irrigation piping system	0704	operating budget	n/a	n/a	0	0	0	0	0	0.00	0.00
wrought iron	0705	2 gates	30	16	4,100 ²	137	587	1,913	(1,326)	11.29	15.13
wood patio gates	0706	4 gates	15	3	1,250 ²	83	307	1,000	(693)	5.90	7.91
landscape remodel	0707	operating budget	n/a	n/a	0	0	0	0	0	0.00	0.00
tile-slate	0708	operating budget	n/a	n/a	0	0	0	0	0	0.00	0.00

COMPONENT INVENTORY threshold = \$500
CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY)

AS OF: 1/1/2021

CATEGORY / COMPONENT	ID#	APPROXIMATE QUANTITY	LIFE IN YRS		CURRENT COST	ANNUAL DEPRE	RESERVES			MONTHLY CONTRIBUTION		
			USEFUL	REMAIN			ACTUAL	ACCUM DEPRE	SURPLUS/ (DEFICIT)	CONTRIBUTION		
										CURRENT	RECOMMEND	
MISCELLANEOUS												
fire extinguisher	0801	operating budget	n/a	n/a	0	0	0	0	0	0.00	0.00	
mailboxes	0802	operating budget	n/a	n/a	0	0	0	0	0	0.00	0.00	
laundry equipment	0803	leased	n/a	n/a	0	0	0	0	0	0.00	0.00	
CONTINGENCY RESERVE	0901	5% of total annual expenditures - see "Reserve Expenditures by Year" schedule for details				705	705	216	705	(489)	4.16	5.58
TOTALS					123,105	7,838	23,402	76,272	(52,870)	450.00	603.23	

COST SOURCES

- 1) In-house database. Developed from experience of costs for recent repairs, replacements, or restoration of components in similar properties.
- 2) Based on contractor proposal provided by association and/or information from association's vendors.
- 3) Based on actual cost of recent repair, replacement, or restoration of component - information provided by association.
- 4) National cost guide (National Construction Estimator, R.S. Means, LSI, etc.)
- 5) Per Mechanical Engineering Evaluation
- 6) Per information in previous non-RSI study

Percent Funded: ratio of the actual reserve balance to the component accumulated depreciation	30.68%
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COMPARISON OF FUNDING PLANS / ILLUSTRATIONS

CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY)

FUNDING ILLUSTRATION #1			FUNDING ILLUSTRATION #2			FUNDING PLAN #3			FUNDING ILLUSTRATION #4		
YEAR	Monthly Contribution	Percent Funded	Monthly Contribution (1)	Annual % Change	Percent Funded	Monthly Contribution	Annual % Change	Percent Funded	Monthly Contribution	Annual % Change	Percent Funded
1/1/2021	450	30.68%	450	0.00%	30.68%	603	34.05%	30.68%	5,110	1035.63%	30.68%
1/1/2022	450	20.10%	450	0.00%	20.10%	809	34.05%	22.73%	784	-84.67%	100.00%
1/1/2023	450	24.50%	450	0.00%	24.50%	1,084	34.05%	32.20%	935	19.37%	100.00%
1/1/2024	450	19.34%	450	0.00%	19.34%	1,084	0.00%	36.09%	708	-24.35%	100.00%
1/1/2025	450	12.97%	450	0.00%	12.97%	1,084	0.00%	39.70%	723	2.13%	100.00%
1/1/2026	450	16.37%	450	0.00%	16.37%	1,084	0.00%	49.56%	820	13.51%	100.00%
1/1/2027	450	20.22%	450	0.00%	20.22%	1,084	0.00%	57.81%	849	3.54%	100.00%
1/1/2028	450	6.69%	1,767	292.59%	6.69%	1,084	0.00%	56.61%	736	-13.40%	100.00%
1/1/2029	450	-21.91%	450	-74.53%	0.00%	1,084	0.00%	51.31%	810	10.18%	100.00%
1/1/2030	450	-12.65%	542	20.37%	6.58%	1,084	0.00%	61.07%	771	-4.84%	100.00%
1/1/2031	450	-21.03%	450	-16.92%	0.09%	1,084	0.00%	64.49%	796	3.18%	100.00%
1/1/2032	450	-12.71%	450	0.00%	6.07%	1,084	0.00%	72.10%	1,056	32.66%	100.00%
1/1/2033	450	-5.87%	4,083	807.41%	10.56%	1,084	0.00%	75.85%	771	-26.93%	100.00%
1/1/2034	450	-113.57%	450	-88.98%	0.06%	1,084	0.00%	59.89%	816	5.76%	100.00%
1/1/2035	450	-86.93%	450	0.00%	8.57%	1,084	0.00%	71.17%	852	4.45%	100.00%
1/1/2036	450	-71.21%	450	0.00%	12.63%	1,084	0.00%	78.41%	939	10.19%	100.00%
1/1/2037	450	-65.90%	1,183	162.96%	11.46%	1,084	0.00%	82.19%	849	-9.59%	100.00%
1/1/2038	450	-105.28%	450	-61.97%	0.13%	1,084	0.00%	82.97%	906	6.71%	100.00%
1/1/2039	450	-84.60%	450	0.00%	6.25%	1,084	0.00%	88.03%	924	1.95%	100.00%
1/1/2040	450	-83.40%	475	5.56%	3.12%	1,084	0.00%	90.93%	998	8.06%	100.00%
1/1/2041	450	-82.35%	1,858	291.23%	0.10%	1,084	0.00%	92.56%	952	-4.64%	100.00%
1/1/2042	450	-116.77%	867	-53.36%	0.02%	1,084	0.00%	93.60%	982	3.19%	100.00%
1/1/2043	450	-120.27%	1,075	24.04%	0.13%	1,084	0.00%	95.33%	945	-3.78%	100.00%
1/1/2044	450	-132.25%	450	-58.14%	0.03%	1,084	0.00%	97.46%	1,073	13.52%	100.00%
1/1/2045	450	-106.16%	1,600	255.56%	6.15%	1,084	0.00%	97.98%	974	-9.20%	100.00%
1/1/2046	450	-148.82%	450	-71.88%	0.03%	1,084	0.00%	99.37%	1,090	11.95%	100.00%
1/1/2047	450	-120.23%	1,283	185.19%	6.07%	1,084	0.00%	99.37%	1,043	-4.32%	100.00%
1/1/2048	450	-150.42%	642	-50.00%	0.08%	1,084	0.00%	99.91%	1,038	-0.52%	100.00%
1/1/2049	450	-144.11%	450	-29.87%	0.02%	1,084	0.00%	100.55%	1,108	6.74%	100.00%
1/1/2050	450	-118.97%	450	0.00%	5.38%	1,084	0.00%	100.19%	1,128	1.77%	100.00%

AVERAGE:

-62.25%

7.02%

74.12%

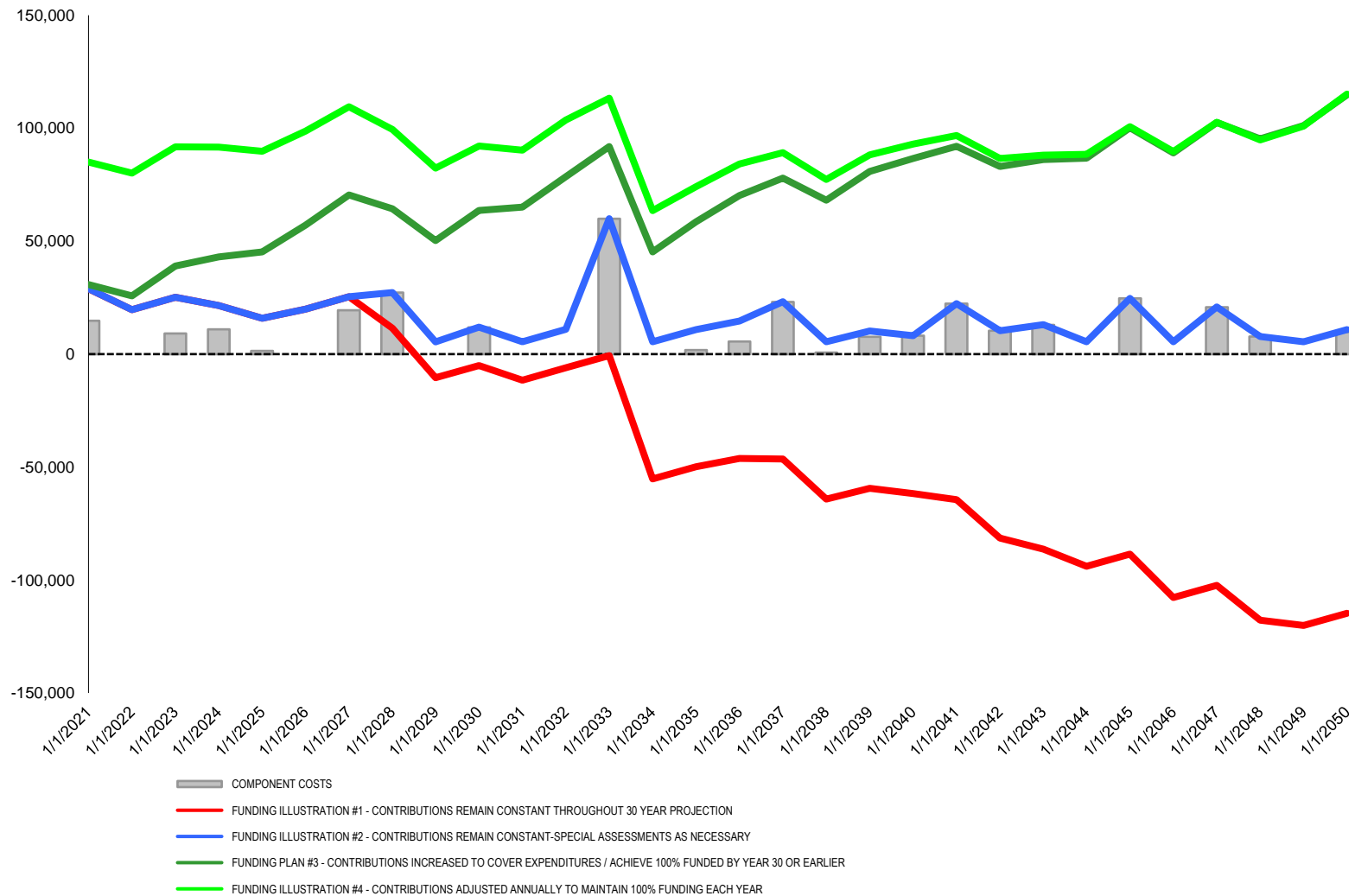
100.00%

FOOTNOTES:

(1) If there are special assessments, they are prorated on a monthly basis

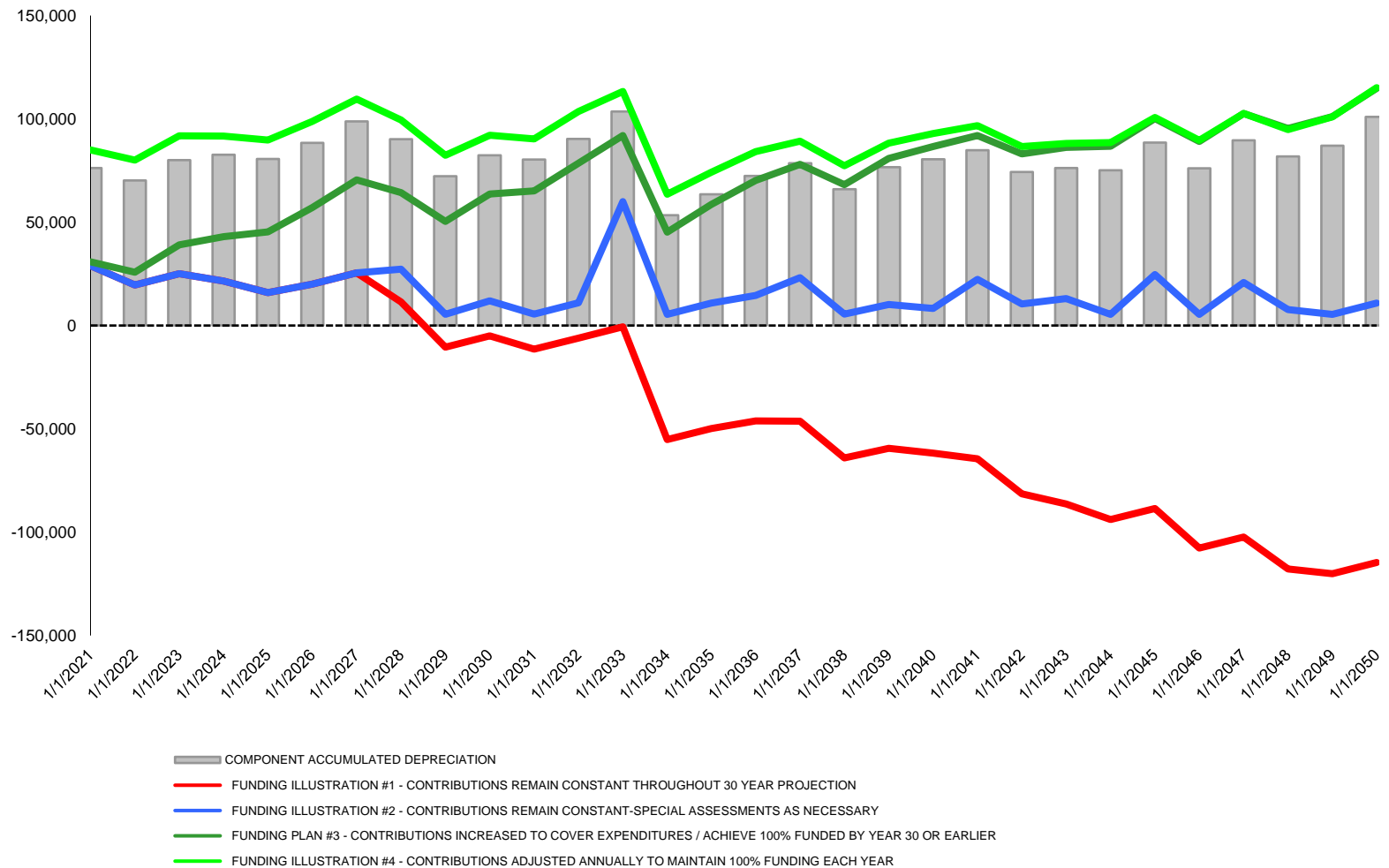
CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY)

GRAPH 1: FUNDING PLAN / ILLUSTRATIONS 1-4 vs COMPONENT COSTS



CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY)

GRAPH 2: FUNDING PLAN / ILLUSTRATIONS 1-4 vs COMPONENT DEPRECIATION



FUNDING ILLUSTRATION #1 (assumption: current contribution remains constant throughout 30 year projection) **ILLUSTRATION ONLY / NOT RECOMMENDED**
CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY) **ANNUAL BASIS**

DESCRIPTION	1/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032	1/1/2033	1/1/2034	1/1/2035
RESERVE CONTRIBUTION	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
SPECIAL ASSESSMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST INCOME (a)	114	102	108	80	75	104	79	0	0	0	0	0	0	0	0
COMPONENT COSTS (b)	(14,805)	0	(9,135)	(11,010)	(1,464)	0	(19,421)	(27,245)	0	(11,865)	0	0	(59,939)	0	(1,744)
NET RECEIPTS/(DISBURSE)	(9,291)	5,502	(3,627)	(5,530)	4,012	5,504	(13,942)	(21,845)	5,400	(6,465)	5,400	5,400	(54,539)	5,400	3,656
CASH BALANCE: begin year	23,402	14,111	19,613	15,985	10,455	14,467	19,971	6,029	(15,817)	(10,417)	(16,882)	(11,482)	(6,082)	(60,621)	(55,221)
CASH BALANCE: end year	14,111	19,613	15,985	10,455	14,467	19,971	6,029	(15,817)	(10,417)	(16,882)	(11,482)	(6,082)	(60,621)	(55,221)	(51,565)
COMPONENT ACCUMULATED DEPRECIATION (c)	76,272	70,205	80,065	82,649	80,627	88,349	98,762	90,107	72,182	82,377	80,261	90,328	103,584	53,378	63,523
less: beginning cash balance	23,402	14,111	19,613	15,985	10,455	14,467	19,971	6,029	(15,817)	(10,417)	(16,882)	(11,482)	(6,082)	(60,621)	(55,221)
over/(under) funded-total	(52,870)	(56,094)	(60,452)	(66,664)	(70,172)	(73,882)	(78,791)	(84,079)	(87,999)	(92,794)	(97,143)	(101,810)	(109,666)	(113,999)	(118,744)
" " " per unit	(8,812)	(9,349)	(10,075)	(11,111)	(11,695)	(12,314)	(13,132)	(14,013)	(14,666)	(15,466)	(16,190)	(16,968)	(18,278)	(19,000)	(19,791)

DESCRIPTION	1/1/2036	1/1/2037	1/1/2038	1/1/2039	1/1/2040	1/1/2041	1/1/2042	1/1/2043	1/1/2044	1/1/2045	1/1/2046	1/1/2047	1/1/2048	1/1/2049	1/1/2050
RESERVE CONTRIBUTION	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
SPECIAL ASSESSMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST INCOME (a)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
COMPONENT COSTS (b)	(5,599)	(23,147)	(708)	(7,701)	(8,133)	(22,372)	(10,317)	(12,976)	0	(24,630)	0	(20,792)	(7,752)	0	(9,696)
NET RECEIPTS/(DISBURSE)	(199)	(17,747)	4,692	(2,301)	(2,733)	(16,972)	(4,917)	(7,576)	5,400	(19,230)	5,400	(15,392)	(2,352)	5,400	(4,296)
CASH BALANCE: begin year	(51,565)	(51,764)	(69,511)	(64,819)	(67,119)	(69,853)	(86,825)	(91,742)	(99,318)	(93,918)	(113,148)	(107,748)	(123,140)	(125,492)	(120,092)
CASH BALANCE: end year	(51,764)	(69,511)	(64,819)	(67,119)	(69,853)	(86,825)	(91,742)	(99,318)	(93,918)	(113,148)	(107,748)	(123,140)	(125,492)	(120,092)	(124,388)
COMPONENT ACCUMULATED DEPRECIATION (c)	72,418	78,545	66,024	76,620	80,478	84,822	74,353	76,278	75,101	88,470	76,028	89,616	81,865	87,081	100,947
less: beginning cash balance	(51,565)	(51,764)	(69,511)	(64,819)	(67,119)	(69,853)	(86,825)	(91,742)	(99,318)	(93,918)	(113,148)	(107,748)	(123,140)	(125,492)	(120,092)
over/(under) funded-total	(123,983)	(130,309)	(135,535)	(141,438)	(147,598)	(154,675)	(161,178)	(168,020)	(174,419)	(182,388)	(189,176)	(197,364)	(205,005)	(212,573)	(221,039)
" " " per unit	(20,664)	(21,718)	(22,589)	(23,573)	(24,600)	(25,779)	(26,863)	(28,003)	(29,070)	(30,398)	(31,529)	(32,894)	(34,168)	(35,429)	(36,840)

FOOTNOTES: (a) Interest income calculated on average balance less Federal & State income taxes of 39.3%
(b) See "Reserve Expenditures By Year Schedule"
(c) See "Component Accumulated Depreciation Analysis"

Rate: 1.0000%

FUNDING ILLUSTRATION #2 (assumption: current contribution constant - special assess as necessary) **ILLUSTRATION ONLY / NOT RECOMMENDED**
CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY) **ANNUAL BASIS**

DESCRIPTION	1/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032	1/1/2033	1/1/2034	1/1/2035
RESERVE CONTRIBUTION	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
SPECIAL ASSESSMENT	0	0	0	0	0	0	0	15,800	0	1,100	0	0	43,600	0	0
INTEREST INCOME (a)	114	102	108	80	75	104	79	18	16	17	17	50	33	17	44
COMPONENT COSTS (b)	(14,805)	0	(9,135)	(11,010)	(1,464)	0	(19,421)	(27,245)	0	(11,865)	0	0	(59,939)	0	(1,744)
NET RECEIPTS/(DISBURSE)	(9,291)	5,502	(3,627)	(5,530)	4,012	5,504	(13,942)	(6,027)	5,416	(5,348)	5,417	5,450	(10,906)	5,417	3,700
CASH BALANCE: begin year	23,402	14,111	19,613	15,985	10,455	14,467	19,971	6,029	2	5,418	70	5,486	10,936	30	5,447
CASH BALANCE: end year	14,111	19,613	15,985	10,455	14,467	19,971	6,029	2	5,418	70	5,486	10,936	30	5,447	9,147
COMPONENT ACCUMULATED DEPRECIATION (c)	76,272	70,205	80,065	82,649	80,627	88,349	98,762	90,107	72,182	82,377	80,261	90,328	103,584	53,378	63,523
less: beginning cash balance	23,402	14,111	19,613	15,985	10,455	14,467	19,971	6,029	2	5,418	70	5,486	10,936	30	5,447
over/(under) funded-total	(52,870)	(56,094)	(60,452)	(66,664)	(70,172)	(73,882)	(78,791)	(84,079)	(72,180)	(76,959)	(80,191)	(84,842)	(92,648)	(53,348)	(58,076)
" " " per unit	(8,812)	(9,349)	(10,075)	(11,111)	(11,695)	(12,314)	(13,132)	(14,013)	(12,030)	(12,827)	(13,365)	(14,140)	(15,441)	(8,891)	(9,679)

DESCRIPTION	1/1/2036	1/1/2037	1/1/2038	1/1/2039	1/1/2040	1/1/2041	1/1/2042	1/1/2043	1/1/2044	1/1/2045	1/1/2046	1/1/2047	1/1/2048	1/1/2049	1/1/2050
RESERVE CONTRIBUTION	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
SPECIAL ASSESSMENT	0	8,800	0	0	300	16,900	5,000	7,500	0	13,800	0	10,000	2,300	0	0
INTEREST INCOME (a)	55	27	15	22	8	0	0	0	17	17	17	17	0	16	20
COMPONENT COSTS (b)	(5,599)	(23,147)	(708)	(7,701)	(8,133)	(22,372)	(10,317)	(12,976)	0	(24,630)	0	(20,792)	(7,752)	0	(9,696)
NET RECEIPTS/(DISBURSE)	(144)	(8,920)	4,707	(2,279)	(2,425)	(72)	83	(76)	5,417	(5,413)	5,417	(5,375)	(52)	5,416	(4,276)
CASH BALANCE: begin year	9,147	9,003	83	4,790	2,512	86	14	97	22	5,438	25	5,441	66	14	5,431
CASH BALANCE: end year	9,003	83	4,790	2,512	86	14	97	22	5,438	25	5,441	66	14	5,431	1,155
COMPONENT ACCUMULATED DEPRECIATION (c)	72,418	78,545	66,024	76,620	80,478	84,822	74,353	76,278	75,101	88,470	76,028	89,616	81,865	87,081	100,947
less: beginning cash balance	9,147	9,003	83	4,790	2,512	86	14	97	22	5,438	25	5,441	66	14	5,431
over/(under) funded-total	(63,271)	(69,542)	(65,940)	(71,829)	(77,967)	(84,736)	(74,339)	(76,181)	(75,079)	(83,032)	(76,003)	(84,175)	(81,799)	(87,067)	(95,516)
" " " per unit	(10,545)	(11,590)	(10,990)	(11,972)	(12,994)	(14,123)	(12,390)	(12,697)	(12,513)	(13,839)	(12,667)	(14,029)	(13,633)	(14,511)	(15,919)

FOOTNOTES: (a) Interest income calculated on average balance less Federal & State income taxes of 39.3%
(b) See "Reserve Expenditures By Year Schedule"
(c) See "Component Accumulated Depreciation Analysis"

Rate: 1.0000%

FUNDING PLAN #3 (assumption: current contribution increased as necessary to cover all expenditures)
CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY)

RECOMMENDED TO BE ADOPTED

ANNUAL BASIS

DESCRIPTION	1/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032	1/1/2033	1/1/2034	1/1/2035
RESERVE CONTRIBUTION	7,239	9,703	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008
SPECIAL ASSESSMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST INCOME (a)	119	126	168	187	229	305	327	266	264	309	354	435	334	234	309
COMPONENT COSTS (b)	(14,805)	0	(9,135)	(11,010)	(1,464)	0	(19,421)	(27,245)	0	(11,865)	0	0	(59,939)	0	(1,744)
NET RECEIPTS/(DISBURSE)	(7,447)	9,830	4,041	2,184	11,773	13,313	(6,086)	(13,971)	13,272	1,451	13,361	13,442	(46,597)	13,241	11,572
CASH BALANCE: begin year	23,402	15,955	25,785	29,825	32,010	43,783	57,096	51,009	37,038	50,310	51,761	65,122	78,565	31,967	45,208
CASH BALANCE: end year	15,955	25,785	29,825	32,010	43,783	57,096	51,009	37,038	50,310	51,761	65,122	78,565	31,967	45,208	56,780
COMPONENT ACCUMULATED DEPRECIATION (c)	76,272	70,205	80,065	82,649	80,627	88,349	98,762	90,107	72,182	82,377	80,261	90,328	103,584	53,378	63,523
less: beginning cash balance	23,402	15,955	25,785	29,825	32,010	43,783	57,096	51,009	37,038	50,310	51,761	65,122	78,565	31,967	45,208
over/(under) funded-total	(52,870)	(54,250)	(54,280)	(52,824)	(48,617)	(44,566)	(41,666)	(39,098)	(35,144)	(32,067)	(28,500)	(25,206)	(25,020)	(21,411)	(18,315)
" " " per unit	(8,812)	(9,042)	(9,047)	(8,804)	(8,103)	(7,428)	(6,944)	(6,516)	(5,857)	(5,345)	(4,750)	(4,201)	(4,170)	(3,568)	(3,052)

DESCRIPTION	1/1/2036	1/1/2037	1/1/2038	1/1/2039	1/1/2040	1/1/2041	1/1/2042	1/1/2043	1/1/2044	1/1/2045	1/1/2046	1/1/2047	1/1/2048	1/1/2049	1/1/2050
RESERVE CONTRIBUTION	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008	13,008
SPECIAL ASSESSMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST INCOME (a)	367	361	370	426	459	448	431	441	484	491	498	517	512	571	624
COMPONENT COSTS (b)	(5,599)	(23,147)	(708)	(7,701)	(8,133)	(22,372)	(10,317)	(12,976)	0	(24,630)	0	(20,792)	(7,752)	0	(9,696)
NET RECEIPTS/(DISBURSE)	7,776	(9,779)	12,670	5,732	5,333	(8,917)	3,121	473	13,491	(11,131)	13,506	(7,268)	5,768	13,578	3,936
CASH BALANCE: begin year	56,780	64,556	54,778	67,447	73,180	78,513	69,596	72,717	73,190	86,681	75,550	89,055	81,788	87,556	101,134
CASH BALANCE: end year	64,556	54,778	67,447	73,180	78,513	69,596	72,717	73,190	86,681	75,550	89,055	81,788	87,556	101,134	105,070
COMPONENT ACCUMULATED DEPRECIATION (c)	72,418	78,545	66,024	76,620	80,478	84,822	74,353	76,278	75,101	88,470	76,028	89,616	81,865	87,081	100,947
less: beginning cash balance	56,780	64,556	54,778	67,447	73,180	78,513	69,596	72,717	73,190	86,681	75,550	89,055	81,788	87,556	101,134
over/(under) funded-total	(15,637)	(13,989)	(11,246)	(9,172)	(7,299)	(6,309)	(4,757)	(3,561)	(1,911)	(1,788)	(478)	(561)	(77)	475	187
" " " per unit	(2,606)	(2,331)	(1,874)	(1,529)	(1,216)	(1,052)	(793)	(593)	(318)	(298)	(80)	(93)	(13)	79	31

FOOTNOTES:

- (a) Interest income calculated on average balance less Federal & State income taxes of 39.3%
(b) See "Reserve Expenditures By Year Schedule"
(c) See "Component Accumulated Depreciation Analysis"

Rate: 1.0000%

FUNDING ILLUSTRATION #4 (assumption: contributions as necessary for 100% funding annually)
CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY)

ILLUSTRATION ONLY - NOT RECOMMENDED
ANNUAL BASIS

DESCRIPTION	1/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032	1/1/2033	1/1/2034	1/1/2035
RESERVE CONTRIBUTION	61,324	9,404	11,225	8,492	8,673	9,845	10,193	8,827	9,726	9,255	9,549	12,668	9,257	9,790	10,226
SPECIAL ASSESSMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST INCOME (a)	284	456	494	496	513	568	573	493	469	494	518	589	476	355	413
COMPONENT COSTS (b)	(14,805)	0	(9,135)	(11,010)	(1,464)	0	(19,421)	(27,245)	0	(11,865)	0	0	(59,939)	0	(1,744)
NET RECEIPTS/(DISBURSE)	46,803	9,860	2,584	(2,023)	7,722	10,413	(8,654)	(17,925)	10,195	(2,116)	10,067	13,256	(50,206)	10,145	8,895
CASH BALANCE: begin year	23,402	70,205	80,065	82,649	80,627	88,349	98,762	90,107	72,182	82,377	80,261	90,328	103,584	53,378	63,523
CASH BALANCE: end year	70,205	80,065	82,649	80,627	88,349	98,762	90,107	72,182	82,377	80,261	90,328	103,584	53,378	63,523	72,418
COMPONENT ACCUMULATED DEPRECIATION (c)	76,272	70,205	80,065	82,649	80,627	88,349	98,762	90,107	72,182	82,377	80,261	90,328	103,584	53,378	63,523
less: beginning cash balance	23,402	70,205	80,065	82,649	80,627	88,349	98,762	90,107	72,182	82,377	80,261	90,328	103,584	53,378	63,523
over/(under) funded-total	(52,870)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
" " " per unit	(8,812)	0	0	0	0	0	0	0	0	0	0	0	0	0	0

DESCRIPTION	1/1/2036	1/1/2037	1/1/2038	1/1/2039	1/1/2040	1/1/2041	1/1/2042	1/1/2043	1/1/2044	1/1/2045	1/1/2046	1/1/2047	1/1/2048	1/1/2049	1/1/2050
RESERVE CONTRIBUTION	11,268	10,187	10,871	11,083	11,976	11,420	11,785	11,340	12,872	11,689	13,085	12,521	12,455	13,295	13,531
SPECIAL ASSESSMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST INCOME (a)	458	439	433	477	502	483	457	459	496	499	503	520	513	571	626
COMPONENT COSTS (b)	(5,599)	(23,147)	(708)	(7,701)	(8,133)	(22,372)	(10,317)	(12,976)	0	(24,630)	0	(20,792)	(7,752)	0	(9,696)
NET RECEIPTS/(DISBURSE)	6,128	(12,522)	10,596	3,859	4,344	(10,469)	1,925	(1,177)	13,369	(12,442)	13,588	(7,751)	5,216	13,866	4,461
CASH BALANCE: begin year	72,418	78,545	66,024	76,620	80,478	84,822	74,353	76,278	75,101	88,470	76,028	89,616	81,865	87,081	100,947
CASH BALANCE: end year	78,545	66,024	76,620	80,478	84,822	74,353	76,278	75,101	88,470	76,028	89,616	81,865	87,081	100,947	105,408
COMPONENT ACCUMULATED DEPRECIATION (c)	72,418	78,545	66,024	76,620	80,478	84,822	74,353	76,278	75,101	88,470	76,028	89,616	81,865	87,081	100,947
less: beginning cash balance	72,418	78,545	66,024	76,620	80,478	84,822	74,353	76,278	75,101	88,470	76,028	89,616	81,865	87,081	100,947
over/(under) funded-total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
" " " per unit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

FOOTNOTES: (a) Interest income calculated on average balance less Federal & State income taxes of 39.3%
(b) See "Reserve Expenditures By Year Schedule"
(c) See "Component Accumulated Depreciation Analysis"

Rate: 1.0000%

**RESERVE EXPENDITURES BY YEAR
CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY)**

1/1/2021 through 1/1/2035

EXPENDITURES	1/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032	1/1/2033	1/1/2034	1/1/2035
ROOF/DECKS															
composition shingle roof	0	0	0	0	0	0	0	25,383	0	0	0	0	0	0	0
slate decks	0	0	7,716	0	0	0	0	0	0	0	0	0	0	0	0
gutters & downspouts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
STRUCTURE															
foundation/structural frame	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
structural pest control	10,000	0	0	0	0	0	0	0	0	0	0	0	12,344	0	0
garage doors	0	0	0	4,848	0	0	0	0	0	0	0	0	0	0	0
PAINT															
exterior flatwork	0	0	0	0	0	0	13,942	0	0	0	0	0	0	0	0
doors	0	0	0	0	1,394	0	0	0	0	1,522	0	0	0	0	1,661
garage interior	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ironwork	1,000	0	0	1,054	0	0	1,111	0	0	1,171	0	0	1,234	0	0
trim	2,800	0	0	2,951	0	0	3,110	0	0	3,278	0	0	3,455	0	0
wood gates	300	0	0	315	0	0	333	0	0	351	0	0	369	0	0
MECHANICAL															
gate operators	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLUMBING															
circulation pump	0	0	984	0	0	0	0	0	0	0	0	0	1,172	0	0
distribution piping	0	0	0	0	0	0	0	0	0	0	0	0	38,511	0	0
drainage/ sewer piping	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
water heater	0	0	0	0	0	0	0	0	0	4,978	0	0	0	0	0
ELECTRICAL															
lighting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LANDSCAPE/ HARDSCAPE															
concrete block walls	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
concrete flatwork	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
irrigation controllers	0	0	0	0	0	0	0	565	0	0	0	0	0	0	0
irrigation piping system	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
wrought iron	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
wood patio gates	0	0	0	1,318	0	0	0	0	0	0	0	0	0	0	0
landscape remodel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
tile-slate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS															
fire extinguisher	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
mailboxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
laundry equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CONTINGENCY RESERVE	705	0	435	524	70	0	925	1,297	0	565	0	0	2,854	0	83
(5% / year of annual expenditures)															
TOTAL	14,805	0	9,135	11,010	1,464	0	19,421	27,245	0	11,865	0	0	59,939	0	1,744

RESERVE EXPENDITURES BY YEAR
CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY)

1/1/2036 through 1/1/2050

EXPENDITURES	1/1/2036	1/1/2037	1/1/2038	1/1/2039	1/1/2040	1/1/2041	1/1/2042	1/1/2043	1/1/2044	1/1/2045	1/1/2046	1/1/2047	1/1/2048	1/1/2049	1/1/2050	TOTAL
ROOF/DECKS																
composition shingle roof	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25,383
slate decks	0	0	0	0	0	0	0	10,962	0	0	0	0	0	0	0	18,678
gutters & downspouts	0	0	0	0	0	0	3,903	0	0	0	0	0	0	0	0	3,903
STRUCTURE																
foundation/structural frame	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
structural pest control	0	0	0	0	0	0	0	0	0	15,234	0	0	0	0	0	37,578
garage doors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,848
PAINT																
exterior flatwork	0	16,616	0	0	0	0	0	0	0	0	0	19,802	0	0	0	50,360
doors	0	0	0	0	1,813	0	0	0	0	1,979	0	0	0	0	2,161	10,530
garage interior	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ironwork	1,301	0	0	1,371	0	0	1,445	0	0	1,523	0	0	1,605	0	0	12,815
trim	3,641	0	0	3,838	0	0	4,045	0	0	4,264	0	0	4,494	0	0	35,876
wood gates	390	0	0	411	0	0	433	0	0	457	0	0	481	0	0	3,840
MECHANICAL																
gate operators	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLUMBING																
circulation pump	0	0	0	0	0	0	0	1,396	0	0	0	0	0	0	0	3,552
distribution piping	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	38,511
drainage/ sewer piping	0	0	0	0	0	21,307	0	0	0	0	0	0	0	0	0	21,307
water heater	0	0	0	0	5,933	0	0	0	0	0	0	0	0	0	7,073	17,984
ELECTRICAL																
lighting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LANDSCAPE/ HARDSCAPE																
concrete block walls	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
concrete flatwork	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
irrigation controllers	0	0	674	0	0	0	0	0	0	0	0	0	803	0	0	2,042
irrigation piping system	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
wrought iron	0	5,429	0	0	0	0	0	0	0	0	0	0	0	0	0	5,429
wood patio gates	0	0	0	1,714	0	0	0	0	0	0	0	0	0	0	0	3,032
landscape remodel	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
tile-slate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MISCELLANEOUS																
fire extinguisher	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
mailboxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
laundry equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CONTINGENCY RESERVE	267	1,102	34	367	387	1,065	491	618	0	1,173	0	990	369	0	462	14,783
(5% / year of annual expenditures)																
TOTAL	5,599	23,147	708	7,701	8,133	22,372	10,317	12,976	0	24,630	0	20,792	7,752	0	9,696	310,451

**COMPONENT ACCUMULATED DEPRECIATION ANALYSIS
CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY)**

1/1/2021 through 1/1/2035

COMPONENT	1/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032	1/1/2033	1/1/2034	1/1/2035
composition shingle roof															
Useful life	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
Remaining life	7	6	5	4	3	2	1	0	24	23	22	21	20	19	18
Replacement cost	22,450	22,847	23,251	23,663	24,082	24,508	24,942	25,383	25,832	26,289	26,754	27,228	27,710	28,200	28,699
Accumulated depreciation	16,164	17,364	18,601	19,877	21,192	22,547	23,944	25,383	1,033	2,103	3,210	4,356	5,542	6,768	8,036
slate decks															
Useful life	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Remaining life	2	1	0	19	18	17	16	15	14	13	12	11	10	9	8
Replacement cost	7,450	7,582	7,716	7,853	7,992	8,133	8,277	8,424	8,573	8,725	8,879	9,036	9,196	9,359	9,525
Accumulated depreciation	6,705	7,203	7,716	393	799	1,220	1,655	2,106	2,572	3,054	3,552	4,066	4,598	5,147	5,715
gutters & downspouts															
Useful life	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
Remaining life	21	20	19	18	17	16	15	14	13	12	11	10	9	8	7
Replacement cost	2,700	2,748	2,797	2,847	2,897	2,948	3,000	3,053	3,107	3,162	3,218	3,275	3,333	3,392	3,452
Accumulated depreciation	1,080	1,178	1,279	1,383	1,490	1,600	1,714	1,832	1,953	2,078	2,207	2,339	2,476	2,617	2,762
foundation/structural frame															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
structural pest control															
Useful life	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Remaining life	0	11	10	9	8	7	6	5	4	3	2	1	0	11	10
Replacement cost	10,000	10,177	10,357	10,540	10,727	10,917	11,110	11,307	11,507	11,711	11,918	12,129	12,344	12,562	12,784
Accumulated depreciation	10,000	848	1,726	2,635	3,576	4,549	5,555	6,596	7,671	8,783	9,932	11,118	12,344	1,047	2,131
garage doors															
Useful life	4	3	2	1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	3	2	1	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	4,600	4,681	4,764	4,848	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	1,150	1,560	2,382	4,848	0	0	0	0	0	0	0	0	0	0	0
exterior flatwork															
Useful life	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Remaining life	6	5	4	3	2	1	0	9	8	7	6	5	4	3	2
Replacement cost	12,550	12,772	12,998	13,228	13,462	13,700	13,942	14,189	14,440	14,696	14,956	15,221	15,490	15,764	16,043
Accumulated depreciation	5,020	6,386	7,799	9,260	10,770	12,330	13,942	1,419	2,888	4,409	5,982	7,611	9,294	11,035	12,834
doors															
Useful life	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Remaining life	4	3	2	1	0	4	3	2	1	0	4	3	2	1	0
Replacement cost	1,300	1,323	1,346	1,370	1,394	1,419	1,444	1,470	1,496	1,522	1,549	1,576	1,604	1,632	1,661
Accumulated depreciation	260	529	808	1,096	1,394	284	578	882	1,197	1,522	310	630	962	1,306	1,661
garage interior															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ironwork															
Useful life	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Remaining life	0	2	1	0	2	1	0	2	1	0	2	1	0	2	1
Replacement cost	1,000	1,018	1,036	1,054	1,073	1,092	1,111	1,131	1,151	1,171	1,192	1,213	1,234	1,256	1,278
Accumulated depreciation	1,000	339	691	1,054	358	728	1,111	377	767	1,171	397	809	1,234	419	852

**COMPONENT ACCUMULATED DEPRECIATION ANALYSIS
CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY)**

1/1/2021 through 1/1/2035

COMPONENT	1/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032	1/1/2033	1/1/2034	1/1/2035
trim															
Useful life	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Remaining life	0	2	1	0	2	1	0	2	1	0	2	1	0	2	1
Replacement cost	2,800	2,850	2,900	2,951	3,003	3,056	3,110	3,165	3,221	3,278	3,336	3,395	3,455	3,516	3,578
Accumulated depreciation	2,800	950	1,933	2,951	1,001	2,037	3,110	1,055	2,147	3,278	1,112	2,263	3,455	1,172	2,385
wood gates															
Useful life	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Remaining life	0	2	1	0	2	1	0	2	1	0	2	1	0	2	1
Replacement cost	300	305	310	315	321	327	333	339	345	351	357	363	369	376	383
Accumulated depreciation	300	102	207	315	107	218	333	113	230	351	119	242	369	125	255
gate operators															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
circulation pump															
Useful life	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Remaining life	2	1	0	9	8	7	6	5	4	3	2	1	0	9	8
Replacement cost	950	967	984	1,001	1,019	1,037	1,055	1,074	1,093	1,112	1,132	1,152	1,172	1,193	1,214
Accumulated depreciation	760	870	984	100	204	311	422	537	656	778	906	1,037	1,172	119	243
distribution piping															
Useful life	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Remaining life	12	11	10	9	8	7	6	5	4	3	2	1	0	39	38
Replacement cost	31,200	31,752	32,314	32,886	33,468	34,060	34,663	35,277	35,901	36,536	37,183	37,841	38,511	39,193	39,887
Accumulated depreciation	21,840	23,020	24,236	25,487	26,774	28,100	29,464	30,867	32,311	33,796	35,324	36,895	38,511	980	1,994
drainage/ sewer piping															
Useful life	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Remaining life	20	19	18	17	16	15	14	13	12	11	10	9	8	7	6
Replacement cost	15,000	15,266	15,536	15,811	16,091	16,376	16,666	16,961	17,261	17,567	17,878	18,194	18,516	18,844	19,178
Accumulated depreciation	5,000	5,598	6,214	6,851	7,509	8,188	8,889	9,611	10,357	11,126	11,919	12,736	13,578	14,447	15,342
water heater															
Useful life	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Remaining life	9	8	7	6	5	4	3	2	1	0	9	8	7	6	5
Replacement cost	4,250	4,325	4,402	4,480	4,559	4,640	4,722	4,806	4,891	4,978	5,066	5,156	5,247	5,340	5,435
Accumulated depreciation	425	865	1,321	1,792	2,280	2,784	3,305	3,845	4,402	4,978	507	1,031	1,574	2,136	2,718
lighting															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
concrete block walls															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
concrete flatwork															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**COMPONENT ACCUMULATED DEPRECIATION ANALYSIS
CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY)**

1/1/2021 through 1/1/2035

COMPONENT	1/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032	1/1/2033	1/1/2034	1/1/2035
irrigation controllers															
Useful life	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Remaining life	7	6	5	4	3	2	1	0	9	8	7	6	5	4	3
Replacement cost	500	509	518	527	536	545	555	565	575	585	595	606	617	628	639
Accumulated depreciation	150	204	259	316	375	436	500	565	58	117	179	242	309	377	447
irrigation piping system															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
wrought iron															
Useful life	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Remaining life	16	15	14	13	12	11	10	9	8	7	6	5	4	3	2
Replacement cost	4,100	4,173	4,247	4,322	4,398	4,476	4,555	4,636	4,718	4,802	4,887	4,973	5,061	5,151	5,242
Accumulated depreciation	1,913	2,087	2,265	2,449	2,639	2,835	3,037	3,245	3,460	3,682	3,910	4,144	4,386	4,636	4,893
wood patio gates															
Useful life	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Remaining life	3	2	1	0	14	13	12	11	10	9	8	7	6	5	4
Replacement cost	1,250	1,272	1,295	1,318	1,341	1,365	1,389	1,414	1,439	1,464	1,490	1,516	1,543	1,570	1,598
Accumulated depreciation	1,000	1,102	1,209	1,318	89	182	278	377	480	586	695	809	926	1,047	1,172
landscape remodel															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
tile-slate															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
fire extinguisher															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
mailboxes															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
laundry equipment															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contingency - 5%	705	0	435	524	70	0	925	1,297	0	565	0	0	2,854	0	83
TOTAL Accumulated depreciation	76,272	70,205	80,065	82,649	80,627	88,349	98,762	90,107	72,182	82,377	80,261	90,328	103,584	53,378	63,523

**COMPONENT ACCUMULATED DEPRECIATION ANALYSIS
CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY)**

1/1/2036 through 1/1/2050

COMPONENT	1/1/2036	1/1/2037	1/1/2038	1/1/2039	1/1/2040	1/1/2041	1/1/2042	1/1/2043	1/1/2044	1/1/2045	1/1/2046	1/1/2047	1/1/2048	1/1/2049	1/1/2050
composition shingle roof															
Useful life	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
Remaining life	17	16	15	14	13	12	11	10	9	8	7	6	5	4	3
Replacement cost	29,207	29,724	30,250	30,785	31,330	31,885	32,449	33,023	33,608	34,203	34,808	35,424	36,051	36,689	37,338
Accumulated depreciation	9,346	10,701	12,100	13,545	15,038	16,580	18,171	19,814	21,509	23,258	25,062	26,922	28,841	30,819	32,857
slate decks															
Useful life	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Remaining life	7	6	5	4	3	2	1	0	19	18	17	16	15	14	13
Replacement cost	9,694	9,866	10,041	10,219	10,400	10,584	10,771	10,962	11,156	11,353	11,554	11,759	11,967	12,179	12,395
Accumulated depreciation	6,301	6,906	7,531	8,175	8,840	9,526	10,232	10,962	558	1,135	1,733	2,352	2,992	3,654	4,338
gutters & downspouts															
Useful life	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
Remaining life	6	5	4	3	2	1	0	34	33	32	31	30	29	28	27
Replacement cost	3,513	3,575	3,638	3,702	3,768	3,835	3,903	3,972	4,042	4,114	4,187	4,261	4,336	4,413	4,491
Accumulated depreciation	2,911	3,064	3,222	3,385	3,553	3,725	3,903	113	231	353	479	609	743	883	1,027
foundation/structural frame															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
structural pest control															
Useful life	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Remaining life	9	8	7	6	5	4	3	2	1	0	11	10	9	8	7
Replacement cost	13,010	13,240	13,474	13,712	13,955	14,202	14,453	14,709	14,969	15,234	15,504	15,778	16,057	16,341	16,630
Accumulated depreciation	3,253	4,413	5,614	6,856	8,140	9,468	10,840	12,258	13,722	15,234	1,292	2,630	4,014	5,447	6,929
garage doors															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
exterior flatwork															
Useful life	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Remaining life	1	0	9	8	7	6	5	4	3	2	1	0	9	8	7
Replacement cost	16,327	16,616	16,910	17,209	17,514	17,824	18,139	18,460	18,787	19,120	19,458	19,802	20,152	20,509	20,872
Accumulated depreciation	14,694	16,616	1,691	3,442	5,254	7,130	9,070	11,076	13,151	15,296	17,512	19,802	2,015	4,102	6,262
doors															
Useful life	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Remaining life	4	3	2	1	0	4	3	2	1	0	4	3	2	1	0
Replacement cost	1,690	1,720	1,750	1,781	1,813	1,845	1,878	1,911	1,945	1,979	2,014	2,050	2,086	2,123	2,161
Accumulated depreciation	338	688	1,050	1,425	1,813	369	751	1,147	1,556	1,979	403	820	1,252	1,698	2,161
garage interior															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ironwork															
Useful life	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Remaining life	0	2	1	0	2	1	0	2	1	0	2	1	0	2	1
Replacement cost	1,301	1,324	1,347	1,371	1,395	1,420	1,445	1,471	1,497	1,523	1,550	1,577	1,605	1,633	1,662
Accumulated depreciation	1,301	441	898	1,371	465	947	1,445	490	998	1,523	517	1,051	1,605	544	1,108

**COMPONENT ACCUMULATED DEPRECIATION ANALYSIS
CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY)**

1/1/2036 through 1/1/2050

COMPONENT	1/1/2036	1/1/2037	1/1/2038	1/1/2039	1/1/2040	1/1/2041	1/1/2042	1/1/2043	1/1/2044	1/1/2045	1/1/2046	1/1/2047	1/1/2048	1/1/2049	1/1/2050
trim															
Useful life	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Remaining life	0	2	1	0	2	1	0	2	1	0	2	1	0	2	1
Replacement cost	3,641	3,705	3,771	3,838	3,906	3,975	4,045	4,117	4,190	4,264	4,339	4,416	4,494	4,574	4,655
Accumulated depreciation	3,641	1,235	2,514	3,838	1,302	2,650	4,045	1,372	2,793	4,264	1,446	2,944	4,494	1,525	3,103
wood gates															
Useful life	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Remaining life	0	2	1	0	2	1	0	2	1	0	2	1	0	2	1
Replacement cost	390	397	404	411	418	425	433	441	449	457	465	473	481	490	499
Accumulated depreciation	390	132	269	411	139	283	433	147	299	457	155	315	481	163	333
gate operators															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
circulation pump															
Useful life	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Remaining life	7	6	5	4	3	2	1	0	9	8	7	6	5	4	3
Replacement cost	1,235	1,257	1,279	1,302	1,325	1,348	1,372	1,396	1,421	1,446	1,472	1,498	1,525	1,552	1,579
Accumulated depreciation	371	503	640	781	928	1,078	1,235	1,396	142	289	442	599	763	931	1,105
distribution piping															
Useful life	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40
Remaining life	37	36	35	34	33	32	31	30	29	28	27	26	25	24	23
Replacement cost	40,593	41,311	42,042	42,786	43,543	44,314	45,098	45,896	46,708	47,535	48,376	49,232	50,103	50,990	51,893
Accumulated depreciation	3,044	4,131	5,255	6,418	7,620	8,863	10,147	11,474	12,845	14,261	15,722	17,231	18,789	20,396	22,055
drainage/ sewer piping															
Useful life	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Remaining life	5	4	3	2	1	0	29	28	27	26	25	24	23	22	21
Replacement cost	19,517	19,862	20,214	20,572	20,936	21,307	21,684	22,068	22,459	22,857	23,262	23,674	24,093	24,519	24,953
Accumulated depreciation	16,264	17,214	18,193	19,201	20,238	21,307	723	1,471	2,246	3,048	3,877	4,735	5,622	6,538	7,486
water heater															
Useful life	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Remaining life	4	3	2	1	0	9	8	7	6	5	4	3	2	1	0
Replacement cost	5,531	5,629	5,729	5,830	5,933	6,038	6,145	6,254	6,365	6,478	6,593	6,710	6,829	6,950	7,073
Accumulated depreciation	3,319	3,940	4,583	5,247	5,933	604	1,229	1,876	2,546	3,239	3,956	4,697	5,463	6,255	7,073
lighting															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
concrete block walls															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
concrete flatwork															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**COMPONENT ACCUMULATED DEPRECIATION ANALYSIS
CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY)**

1/1/2036 through 1/1/2050

COMPONENT	1/1/2036	1/1/2037	1/1/2038	1/1/2039	1/1/2040	1/1/2041	1/1/2042	1/1/2043	1/1/2044	1/1/2045	1/1/2046	1/1/2047	1/1/2048	1/1/2049	1/1/2050
irrigation controllers															
Useful life	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Remaining life	2	1	0	9	8	7	6	5	4	3	2	1	0	9	8
Replacement cost	650	662	674	686	698	710	723	736	749	762	775	789	803	817	831
Accumulated depreciation	520	596	674	69	140	213	289	368	449	533	620	710	803	82	166
irrigation piping system															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
wrought iron															
Useful life	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Remaining life	1	0	29	28	27	26	25	24	23	22	21	20	19	18	17
Replacement cost	5,335	5,429	5,525	5,623	5,723	5,824	5,927	6,032	6,139	6,248	6,359	6,472	6,587	6,704	6,823
Accumulated depreciation	5,157	5,429	184	375	572	777	988	1,206	1,432	1,666	1,908	2,157	2,415	2,682	2,957
wood patio gates															
Useful life	15	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Remaining life	3	2	1	0	14	13	12	11	10	9	8	7	6	5	4
Replacement cost	1,626	1,655	1,684	1,714	1,744	1,775	1,806	1,838	1,871	1,904	1,938	1,972	2,007	2,043	2,079
Accumulated depreciation	1,301	1,434	1,572	1,714	116	237	361	490	624	762	904	1,052	1,204	1,362	1,525
landscape remodel															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
tile-slate															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
fire extinguisher															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
mailboxes															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
laundry equipment															
Useful life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Remaining life	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Replacement cost	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Accumulated depreciation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contingency - 5%	267	1,102	34	367	387	1,065	491	618	0	1,173	0	990	369	0	462
TOTAL Accumulated depreciation	72,418	78,545	66,024	76,620	80,478	84,822	74,353	76,278	75,101	88,470	76,028	89,616	81,865	87,081	100,947

CONDITION ASSESSMENT

This **Condition Assessment** is an evaluation of those major components that are subject to deterioration at a predictable rate and within a thirty (30) year projection of the study. A threshold of \$500 has been utilized in this report, and therefore any component with an average cost of less than that would be presumed to be funded from the operating account. Those elements with anticipated life expectancies of more than thirty (30) years (i.e. concrete surfaces, building superstructures, sewers, main electrical systems etc.) have, for the purposes of this study been defined as "lifetime components".

Estimated life expectancies and life cycles are based upon conditions that were readily visible and accessible at the time of the survey (which involved no destructive or intrusive methods of examination). RSI's field personnel access as many common areas as practicable. However, some random evaluation procedures were inevitable (i.e. not every square foot of roofing was inspected, and in the case of multiplicity of components, at least 25% were randomly observed). Only limited evaluations (i.e. less than 10% were made of exclusive use common areas, as these could only be properly accessed via the "separate interests". All quantities, types, and descriptions of components, where practical, were verified by field observation. Although the survey may identify design and/or installation deficiencies with certain components, this is done so in a limited manner. It is not the intent of this report to provide a comprehensive listing of construction deficiencies. If the association has concerns with regards to such matters, the advice of appropriately qualified specialists should be sought. The survey also relies upon the Association's CC & R's and information supplied by other parties, which may have included one or more of the following: the association's community manager; the board of directors; owners/occupants; contractors; and specialist consultants. The results are based upon the experience of the inspector, contractor bids and published cost estimating information (with local adjustment factors).

Invariably some assumptions must be made in the compilation of this type of report. Anticipated events may not materialize, and unpredictable circumstances could well occur. This report should only be considered as a tool for assistance in compilation of the association's budget and not as an all-encompassing prediction of future events. Rates of deterioration and repair/replacement costs frequently vary, and such variations could significantly affect the content of the study. It is therefore imperative that the study be updated on a yearly basis and that a Condition Assessment be performed at least every 3 years.

DATE OF SURVEY: January 5, 2020

INSPECTOR(S): Cai Deering

OTHERS PRESENT: None



CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY)

CATEGORY:	ROOF/DECKS	
COMPONENT(S):	COMPOSITION SHINGLE ROOF	ID#(S) 0101



COMPOSITION SHINGLE ROOF (TYPICAL)

OBSERVATIONS: *This component includes the composition shingle roofing (sloped). Access was limited (extension ladder required); however, we were previously informed it was installed in 2000 and that repairs were done in 2014. For reporting purposes, the remaining life has been estimated. For this type of roofing material on these types of structures, 2 layers are generally permitted. However, if it is decided to re-roof over the existing roofing, experience dictates that the typical useful life of the new materials would be reduced by approximately one third (33%). The average component cost and typical useful life reflects removal of the existing roofing prior to the installation of the new roofing.*

TYPICAL USEFUL LIFE:	25 YEAR(S)
ESTIMATED REMAINING LIFE:	7 YEAR(S)
AVERAGE COMPONENT COST:	\$ 22,450

TO PROTECT YOUR INVESTMENT: *Periodic maintenance should include an examination for and replacement of missing and damaged shingles, especially subsequent to windy weather and prior to the rainy season. All flashings should also be regularly examined and re-sealed with caulking mastic as necessary. Such repairs should be performed immediately upon discovery so as to help prevent damage to the surrounding roof areas, the structures and the interiors of the individual units. A maintenance contract with a licensed roofing contractor is strongly recommended.*

CATEGORY:	ROOF/DECKS	
COMPONENT(S):	SLATE DECKS	ID#(S) 0102



SLATE DECKS (TYPICAL)

OBSERVATIONS: *This component includes the slate tile & membrane deck surfaces of the unit balconies. They appeared to be in average to aging condition. Replacement typically becomes necessary in order to access the waterproof membrane that should be installed beneath, or to eventually update their appearance.*

TYPICAL USEFUL LIFE:	20 YEAR(S)
ESTIMATED REMAINING LIFE:	2 YEAR(S)
AVERAGE COMPONENT COST:	\$ 7,450

TO PROTECT YOUR INVESTMENT: *Maintenance would entail occasional cleaning and periodic grout re-sealing.*

CATEGORY:	ROOF/DECKS	
COMPONENT(S):	GUTTERS & DOWNSPOUTS	ID#(S) 0103



GUTTERS & DOWNSPOUTS (TYPICAL)

OBSERVATIONS: *The aluminum gutters and downspouts. We were previously informed that they were installed in 2005 and they appeared to be in good condition. The importance of a properly functioning water removal system lies in the fact that other components can be affected considerably (i.e. integrity of the roof, siding, paint, termite infestation, etc.). Therefore, proper maintenance is imperative.*

TYPICAL USEFUL LIFE:	35 YEAR(S)
ESTIMATED REMAINING LIFE:	21 YEAR(S)
AVERAGE COMPONENT COST:	\$ 2,700

TO PROTECT YOUR INVESTMENT: *The gutter systems should be regularly examined, cleaned, leveled and re-secured (if necessary) and all joints sealed as required. Drainage should be directed away from the structure.*

CATEGORY:	STRUCTURE		
COMPONENT(S):	FOUNDATIONS/STRUCTURAL FRAME	ID#(S)	0201



FOUNDATIONS/STRUCTURAL FRAME (TYPICAL)

OBSERVATIONS: *This component includes the foundations and structural frame, along with the exterior surfaces. Provided there are no major catastrophes, the proper drainage principles are maintained and that structural pest control procedures are adhered to, this would normally be considered to be a lifetime component for which no reserve budget would be called for. It was noted that the baluster spacing of the guardrails at the stairs exceeded the current building standard of 4" maximum. Small children are at risk to pass through these openings, which has led to revised construction standards over the years due to injuries and deaths of small children who passed through those railings. Although older balconies may be grandfathered by city and county building standards, the insurance industry has been known to cancel their policies unless upgrades are made. It is recommended that consideration be given to upgrading the railings at this time. The insurance carrier should first be consulted with respect to the appropriate specifications, and bids for replacement should then be obtained.*

TYPICAL USEFUL LIFE:	30+ YEAR(S)
ESTIMATED REMAINING LIFE:	30+ YEAR(S)
AVERAGE COMPONENT COST:	\$ 0

TO PROTECT YOUR INVESTMENT: *It is important that all grade levels be maintained 4-6 inches below the lowest edge of the structural frame. In addition, all grading should be properly sloped away from the structures for drainage and all downspouts should discharge onto hardscape areas or splash blocks such that rainwater is directed away from the structures.*

CATEGORY:	STRUCTURE		
COMPONENT(S):	STRUCTURAL PEST CONTROL	ID#(S) 0202	



STRUCTURAL PEST CONTROL (TYPICAL)

OBSERVATIONS: *This component addresses the potential fumigation of the building. We were previously informed the building was fumigated in 1999, and that spot treatments are performed on a quarterly basis. When and where an infestation of wood destroying pests or organisms occurs, and how severe the infestation will be, is difficult to predict. The California Department of Real Estate (DRE), per the "Operating Cost Manual", suggests that annual inspections be performed to discover any infestation in its early stages before it becomes a serious problem. It previously required that associations establish a reserve for fumigation of all structures on at least a 12-year basis. This is now considered optional; however, it would be prudent to budget for future fumigation in the event it becomes necessary. The frequency for fumigation tends to be greater in ocean environments, while decreasing further inland, especially in desert environments. It is suggested that further evaluation be obtained from a licensed pest control operator.*

TYPICAL USEFUL LIFE:	12 YEAR(S)
ESTIMATED REMAINING LIFE:	0 YEAR(S)
AVERAGE COMPONENT COST:	\$ 10,000

TO PROTECT YOUR INVESTMENT: *It is suggested that a regular and on-going maintenance program be established with a reputable licensed pest control operator. Such a program can minimize the necessity for fumigation. In addition, loose or cracked siding or stucco, peeling paint and gaps at trim around windows and doors should be repaired accordingly as to prevent moisture from making its way into the framing and providing an environment for termite infestation, fungus, and/or mold. It is recommended that planned inspection(s) be performed prior to repainting being done in order to identify & correct/repair these situations. Other situations that should be monitored with respect to termite infestation include low foundation walls, cracks in foundation walls, leaking pipes, over-watered landscape surrounding the structure, and damaged or nonexistent gutters and downspouts that discharge near the perimeter of the structures.*

CATEGORY:	STRUCTURE	
COMPONENT(S):	GARAGE DOORS	ID#(S) 0203



GARAGE DOORS (TYPICAL)

OBSERVATIONS: *This component includes the 3 remaining wood garage doors which we were informed are to be replaced with metal roll up doors. Once installed, these would be considered a lifetime component.*

TYPICAL USEFUL LIFE:	30+ YEAR(S)
ESTIMATED REMAINING LIFE:	3 YEAR(S)
AVERAGE COMPONENT COST:	\$ 4,300

TO PROTECT YOUR INVESTMENT: N/A.

CATEGORY:	PAINT	
COMPONENT(S):	EXTERIOR FLATWORK	ID#(S) 0301



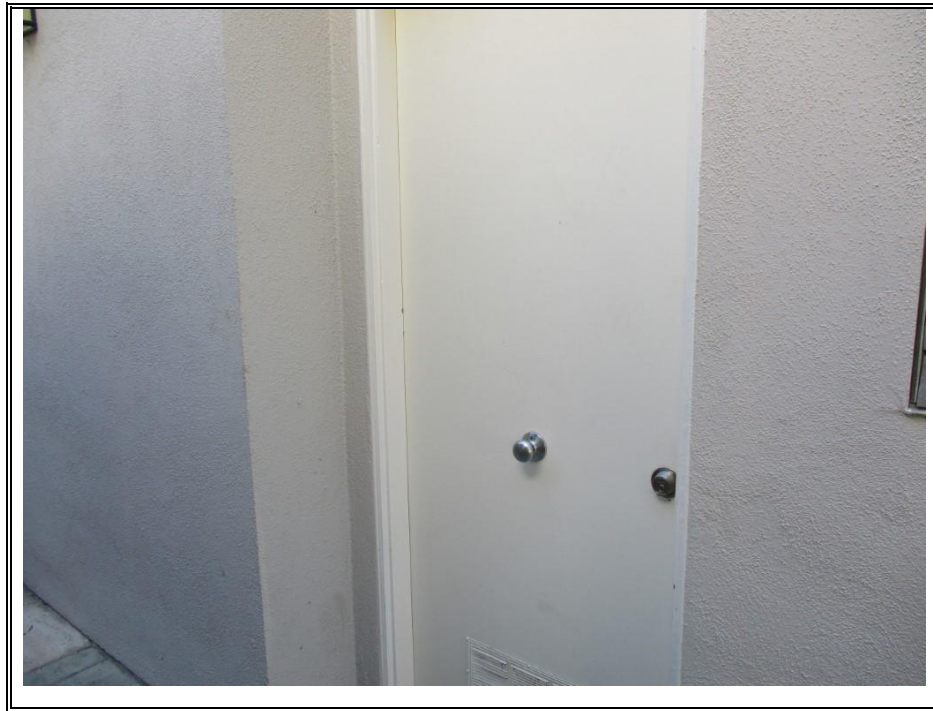
EXTERIOR FLATWORK (TYPICAL)

OBSERVATIONS: *This component includes the painted surfaces of the stucco and the concrete block privacy walls. We were previously informed that they were painted in 2015 and they appeared to be in good condition.*

TYPICAL USEFUL LIFE:	10 YEAR(S)
ESTIMATED REMAINING LIFE:	6 YEAR(S)
AVERAGE COMPONENT COST:	\$ 12,550

TO PROTECT YOUR INVESTMENT: *Cleaning and periodic "touch-up" of peeling and damaged surfaces is recommended for appearance, protection of the underlying component and prevention of termite infestation. All peeling paint should be sanded / scraped and bare areas properly primed prior to any finish paint. Any splits and cracks should be sealed with appropriate materials. In addition, all openings of windows and doors should be examined prior to painting and re-caulked if required.*

CATEGORY:	PAINT	
COMPONENT(S):	DOORS	ID#(S) 0302



DOORS (TYPICAL)

OBSERVATIONS: *This component includes the painted surfaces of the exteriors of the individual unit doors as well as both sides of the common area doors. We were informed that they were painted in 2018 and they appeared to be in good condition.*

TYPICAL USEFUL LIFE:	5 YEAR(S)
ESTIMATED REMAINING LIFE:	4 YEAR(S)
AVERAGE COMPONENT COST:	\$ 1,300

TO PROTECT YOUR INVESTMENT: *Cleaning and periodic "touch-up" of peeling and damaged surfaces is recommended for appearance, protection of the underlying component and prevention of termite infestation. All peeling paint should be sanded / scraped and bare areas properly primed prior to any finish paint. Any splits and cracks should be sealed with appropriate materials. In addition, all openings of doors should be examined prior to painting and re-caulked if required.*

CATEGORY:	PAINT	
COMPONENT(S):	GARAGE INTERIOR	ID#(S) 0303



GARAGE INTERIOR (TYPICAL)

OBSERVATIONS: *This component includes the painted surfaces of the interior of the garage. They appeared to be in average condition. It is recommended that repainting be performed on an as-needed basis and funded from the operating account.*

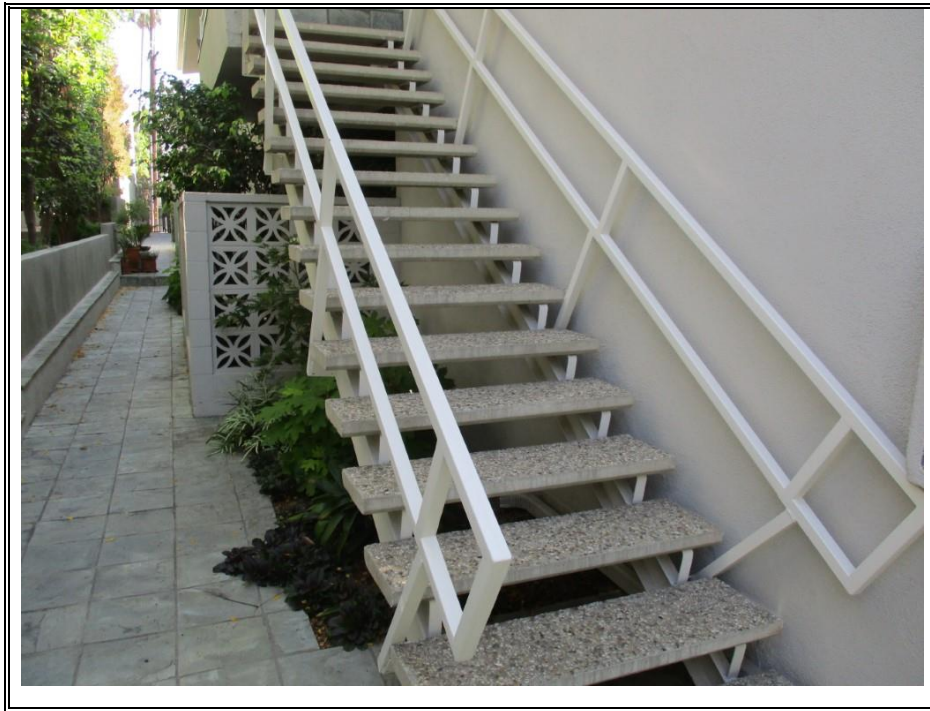
TYPICAL USEFUL LIFE:	N/A YEAR(S)
ESTIMATED REMAINING LIFE:	N/A YEAR(S)
AVERAGE COMPONENT COST:	\$ 0

TO PROTECT YOUR INVESTMENT: *Cleaning and periodic "touch-up" of peeling and damaged surfaces is recommended for appearance, protection of the underlying component and prevention of termite infestation. All peeling paint should be sanded / scraped and bare areas properly primed prior to any finish paint. Any splits and cracks should be sealed with appropriate materials.*

CATEGORY: PAINT

COMPONENT(S): IRONWORK

ID#(S) 0304



IRONWORK (TYPICAL)

OBSERVATIONS: *This component includes the painted surfaces wood trim metal and wrought iron fencing, rails and stair stringers at the exterior of the building. We were informed they are to be painted in 2019 and they appeared to be in average condition for their age.*

TYPICAL USEFUL LIFE:	3 YEAR(S)
ESTIMATED REMAINING LIFE:	0 YEAR(S)
AVERAGE COMPONENT COST:	\$ 1,000

TO PROTECT YOUR INVESTMENT: *Cleaning and periodic "touch-up" of peeling and damaged surfaces is recommended for appearance, and for protection of the underlying component. All peeling paint should be sanded / scraped and bare areas properly primed prior to any finish paint. Any splits and cracks should be sealed with appropriate materials.*

CATEGORY:	<i>PAINT</i>	
COMPONENT(S):	<i>TRIM</i>	ID#(S) 0305



TRIM (TYPICAL)

OBSERVATIONS: *This component includes the painted surfaces wood trim and garage doors at the exterior of the building. We were informed they are to be painted in 2019 and they appeared to be in average condition for their age.*

TYPICAL USEFUL LIFE:	3 YEAR(S)
ESTIMATED REMAINING LIFE:	0 YEAR(S)
AVERAGE COMPONENT COST:	\$ 2,800

TO PROTECT YOUR INVESTMENT: *Cleaning and periodic "touch-up" of peeling and damaged surfaces is recommended for appearance, and for protection of the underlying component. All peeling paint should be sanded / scraped and bare areas properly primed prior to any finish paint. Any splits and cracks should be sealed with appropriate materials.*

CATEGORY:	<i>PAINT</i>	
COMPONENT(S):	<i>WOOD GATES</i>	ID#(S) 0306



WOOD GATES (TYPICAL)

OBSERVATIONS: *This component includes the painted surfaces of the wood gates at the privacy walls. They appeared to be in average condition.*

TYPICAL USEFUL LIFE:	3 YEAR(S)
ESTIMATED REMAINING LIFE:	0 YEAR(S)
AVERAGE COMPONENT COST:	\$ 0

TO PROTECT YOUR INVESTMENT: *Cleaning and periodic "touch-up" of peeling and damaged surfaces is recommended for appearance, protection of the underlying component and prevention of termite infestation. All peeling paint should be sanded / scraped and bare areas properly primed prior to any finish paint. Any splits and cracks should be sealed with appropriate materials.*

CATEGORY:	MECHANICAL	
COMPONENT(S):	GATE OPERATORS	ID#(S) 0401



GATE OPERATORS (TYPICAL)

OBSERVATIONS: *This component includes the overhead-type vehicle gate operators. They appeared to be in average condition. We were informed that repair / replacement is performed on an as-needed basis and funded from the operating account.*

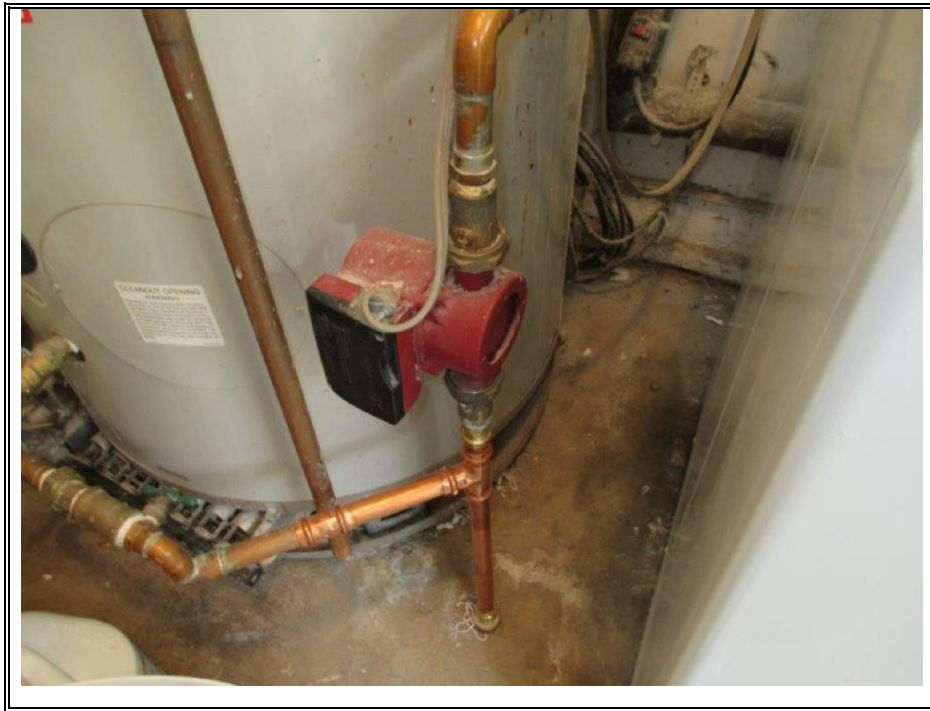
TYPICAL USEFUL LIFE:	N/A YEAR(S)
ESTIMATED REMAINING LIFE:	N/A YEAR(S)
AVERAGE COMPONENT COST:	\$ 0

TO PROTECT YOUR INVESTMENT: *Maintenance should include regular lubrication of all moving parts. It is suggested that a maintenance contract be obtained with a qualified specialist.*

CATEGORY: PLUMBING

COMPONENT(S): CIRCULATION PUMP

ID#(S) 0501



CIRCULATION PUMP (TYPICAL)

OBSERVATIONS: *This component includes a circulation pump, which serves to expedite hot water provision to the individual units. It was inaccessible for inspection (laundry room locked) and for reporting purposes the remaining life has been estimated.*

TYPICAL USEFUL LIFE:	10 YEAR(S)
ESTIMATED REMAINING LIFE:	2 YEAR(S)
AVERAGE COMPONENT COST:	\$ 950

TO PROTECT YOUR INVESTMENT: *Maintenance should include periodic lubrication (which can considerably extend its life expectancy).*

CATEGORY:	PLUMBING	
COMPONENT(S):	DISTRIBUTION PIPING	ID#(S) 0502



DISTRIBUTION PIPING (TYPICAL)

OBSERVATIONS: *This component includes the copper distribution piping that provides potable water to the individual units and throughout the complex. We were informed it was installed in 1991 and it appeared to be in average condition. Although previously considered to be a lifetime component, copper piping has more recently been found to fail as early as 15 years after installation. This is suspected to be primarily caused by changes in the chemical makeup of potable water due to the U.S. Environmental Protection Agency's (EPA) Safe Water Drinking Act and the Lead and Copper Rule (LCR). For purposes of reporting, an approximate time frame of 40 years has been assumed for future replacement. A rough cost estimate, based on number of units, has been provided. It is recommended that further evaluation be obtained from a licensed plumbing consultant / contractor, as well as consideration of an epoxy pipe lining system, and adjustments can be included in a future Reserve Study Update.*

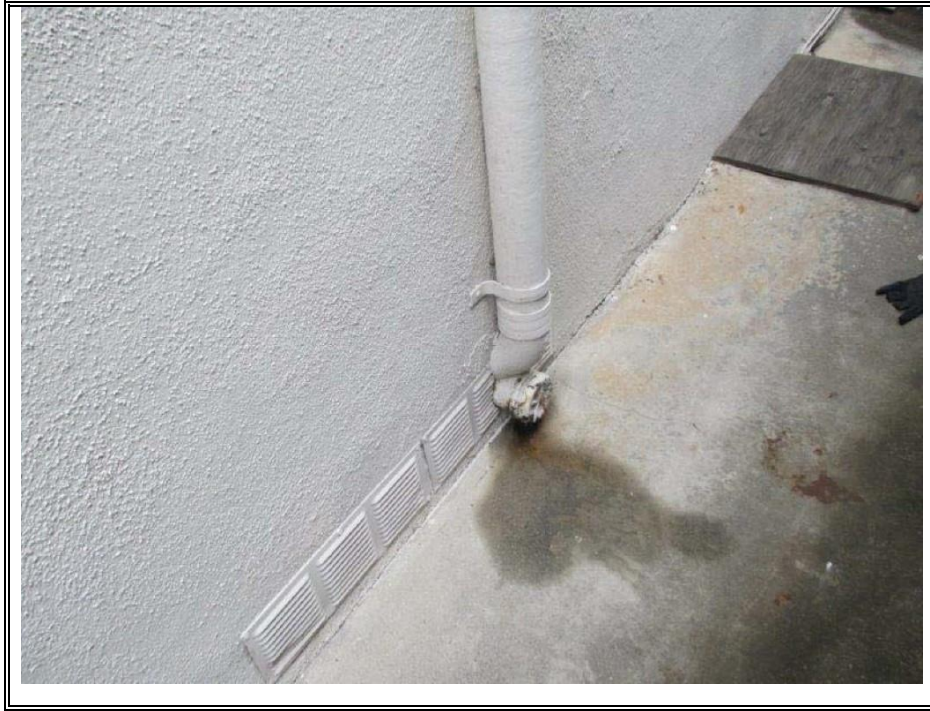
TYPICAL USEFUL LIFE:	40 YEAR(S)
ESTIMATED REMAINING LIFE:	12 YEAR(S)
AVERAGE COMPONENT COST:	\$ 31,200

TO PROTECT YOUR INVESTMENT: *Little by way of maintenance is needed for the piping other than periodic examination for leaking, especially in the garage area. Any leaks should be promptly repaired upon discovery, as any wood or soil that is kept constantly moist provides ideal conditions for termites. Consideration may be given to professionally installing a water treatment system and / or an epoxy pipe lining system, which would serve to enhance the longevity of the piping.*

CATEGORY: PLUMBING

COMPONENT(S): DRAINAGE/SEWER PIPING

ID#(S) 0503



DRAINAGE/SEWER PIPING (TYPICAL)

OBSERVATIONS: *This component provides an allowance for repair / sectional replacement of the sewer and drainage piping. We were informed that a portion of the main sewage line was replaced in 2018 (front half of the building). No amount has been provided for complete replacement as the piping would typically have a life well in excess of the scope of this projection and would therefore be considered a lifetime component.*

TYPICAL USEFUL LIFE:	30 YEAR(S)
ESTIMATED REMAINING LIFE:	20 YEAR(S)
AVERAGE COMPONENT COST:	\$ 15,000

TO PROTECT YOUR INVESTMENT: *Occasional routing should be performed to ensure that the drainage system is free flowing.*

CATEGORY: PLUMBING

COMPONENT(S): WATER HEATER

ID#(S) 0504



WATER HEATER (TYPICAL)

OBSERVATIONS: *This component includes a water heater that provides hot water throughout the complex. We were informed it is to be replaced in 2018 and for reporting purposes it is assumed to be done. A visual examination cannot make predictions as to future performance (i.e. even with correct maintenance, these units can fail without warning).*

TYPICAL USEFUL LIFE:	10 YEAR(S)
ESTIMATED REMAINING LIFE:	9 YEAR(S)
AVERAGE COMPONENT COST:	\$ 4,250

TO PROTECT YOUR INVESTMENT: *Maintenance should include periodic draining of a few gallons of water from the drain cock to relieve sediment build-up. A regular safety check-up by the local utility company (if available) or licensed plumbing contractor is also suggested.*

CATEGORY:	<i>ELECTRICAL</i>	
COMPONENT(S):	<i>LIGHTING</i>	ID#(S) 0601



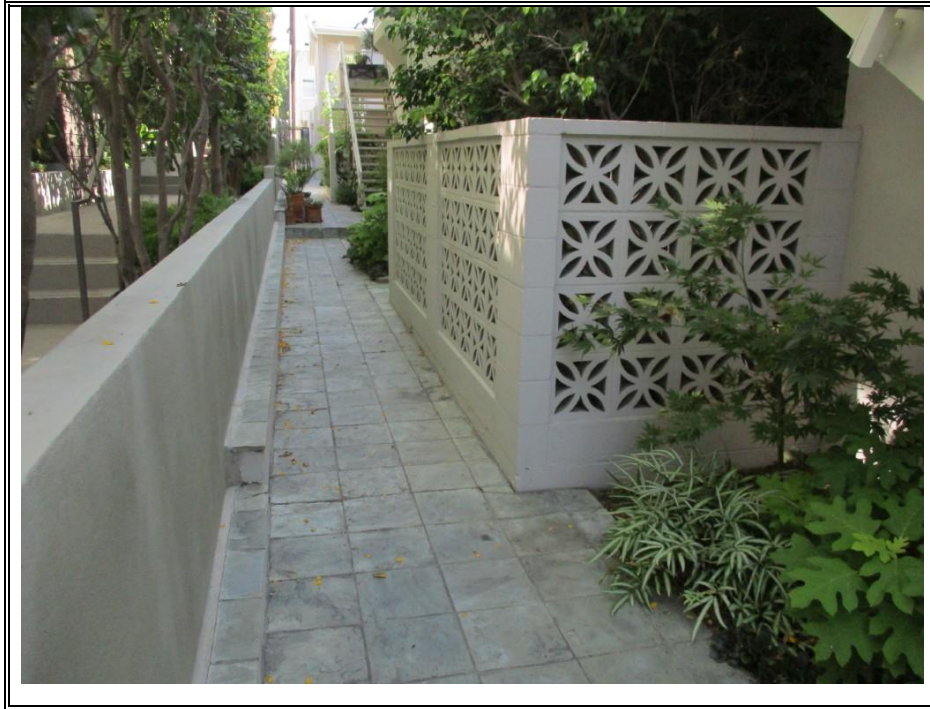
LIGHTING (TYPICAL)

OBSERVATIONS: *This component includes the light fixtures at the exterior of the building. We were previously informed they were installed in 2015 and they appeared to be in average condition. Given the limited quantity, it is recommended that repairs/replacements be performed on an as-needed basis and funded from the operating account.*

TYPICAL USEFUL LIFE:	<i>N/A YEAR(S)</i>
ESTIMATED REMAINING LIFE:	<i>N/A YEAR(S)</i>
AVERAGE COMPONENT COST:	<i>\$ 0</i>

TO PROTECT YOUR INVESTMENT: *Maintenance would entail periodically checking the fixtures to make sure that they are secure. Also, occasional examination for, and changing of burned out bulbs would be prudent. In addition, cleaning of the fixtures is recommended on an as-needed basis.*

CATEGORY:	LANDSCAPE/HARDSCAPE	
COMPONENT(S):	CONCRETE BLOCK WALLS	ID#(S) 0701



CONCRETE BLOCK WALLS (TYPICAL)

OBSERVATIONS: *This component includes the concrete block walls throughout the complex. They appeared to be in average condition. It is recommended that any repair / replacement be performed on an as-needed basis and funded from the operating account. No amount has been provided for complete replacement as they would typically have a life well in excess of the scope of this projection and would therefore be considered lifetime components.*

TYPICAL USEFUL LIFE:	30+ YEAR(S)
ESTIMATED REMAINING LIFE:	30+ YEAR(S)
AVERAGE COMPONENT COST:	\$ 0

TO PROTECT YOUR INVESTMENT: *Maintenance would entail monitoring for cracks on a periodic basis. Any necessary repairs should be made accordingly.*

CATEGORY:	LANDSCAPE/HARDSCAPE	
COMPONENT(S):	CONCRETE FLATWORK	ID#(S) 0702



CONCRETE FLATWORK (TYPICAL)

OBSERVATIONS: *This component includes the concrete driveways, walkways and at the building. Although they appeared to be in average condition, they should be regularly monitored for cracking and vertical displacement, which can create potential trip hazards (and liability for the association). Otherwise, concrete areas are generally considered a lifetime component and therefore no amount has been budgeted for replacement. Occasional repairs would typically be funded from the operating account.*

TYPICAL USEFUL LIFE:	30+ YEAR(S)
ESTIMATED REMAINING LIFE:	30+ YEAR(S)
AVERAGE COMPONENT COST:	\$ 0

TO PROTECT YOUR INVESTMENT: *Sections observed to be vertically displaced should be repaired immediately. Emphasis should be placed on areas adjacent to trees, as their roots are often the culprits of such damage. As the need for such repairs is difficult to predict, costs should be disbursed either from the operating account or the contingency reserve (see "Reserve Expenditures By Year Schedule" in the Reserve Funding section of this report as well as the Glossary for more on the contingency reserve).*

CATEGORY:	LANDSCAPE/HARDSCAPE	
COMPONENT(S):	IRRIGATION CONTROLLERS	ID#(S) 0703



IRRIGATION CONTROLLERS (TYPICAL)

OBSERVATIONS: *This component includes the irrigation controllers, including one at the side of the building and one at the laundry room. We were previously informed that they were installed in 2016 and they appeared to be in good condition. They tend to have a more predictable life expectancy, and the average component cost provides for their replacement. However, average life expectancies cannot be predicted for the other sprinkler components or automatic valve actuation systems. Repairs/replacements of such systems usually occur on an ongoing basis and should be covered under the operating account.*

TYPICAL USEFUL LIFE:	10 YEAR(S)
ESTIMATED REMAINING LIFE:	7 YEAR(S)
AVERAGE COMPONENT COST:	\$ 500

TO PROTECT YOUR INVESTMENT: *The irrigation system should be maintained in such a manner so as to prevent overspray onto, and water accumulations adjacent to the structures. Occasional removal and cleaning of sprinkler heads that become clogged with debris may be performed by the gardening service in order to prevent premature death of shrubbery/ground cover.*

CATEGORY:	LANDSCAPE/HARDSCAPE	
COMPONENT(S):	IRRIGATION PIPING SYSTEM	ID#(S) 0704



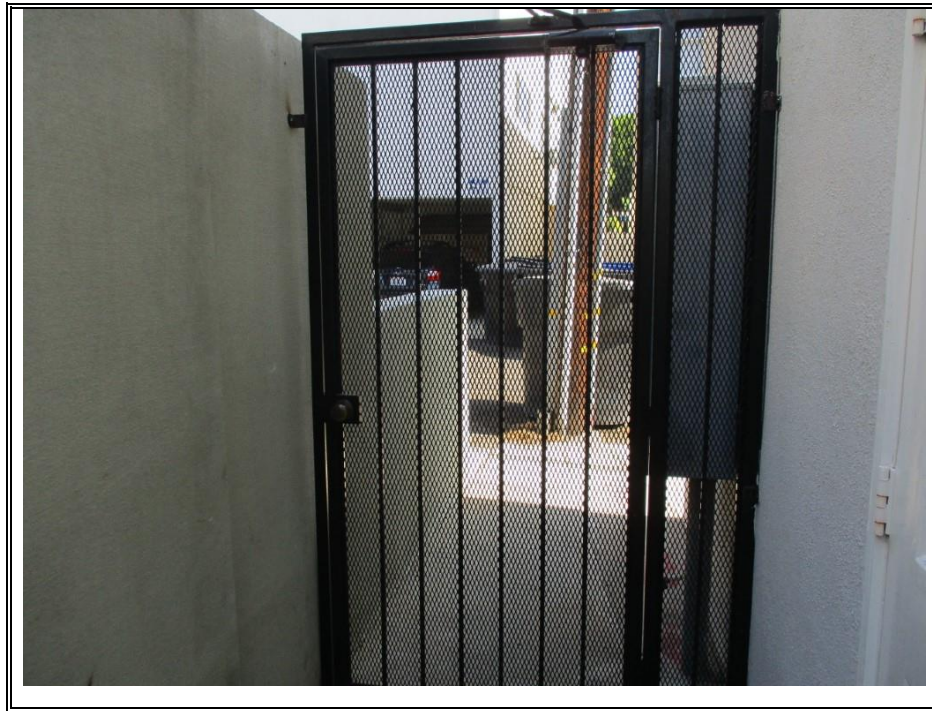
IRRIGATION PIPING SYSTEM (TYPICAL)

OBSERVATIONS: *This component includes the irrigation system “PVC” piping. We were previously informed the re-piping project was completed in 2016. Future repairs and replacements should be performed on an as-needed basis and funded from the operating account.*

TYPICAL USEFUL LIFE:	N/A YEAR(S)
ESTIMATED REMAINING LIFE:	N/A YEAR(S)
AVERAGE COMPONENT COST:	\$ 0

TO PROTECT YOUR INVESTMENT: *Little by way of maintenance is needed for the piping.*

CATEGORY:	LANDSCAPE/HARDSCAPE	
COMPONENT(S):	WROUGHT IRON	ID#(S) 0705



WROUGHT IRON (TYPICAL)

OBSERVATIONS: *This component includes the wrought iron. We were informed that one gate was installed in 2018 and that there were repairs to the other. For reporting purposes, the remaining lives have been averaged. If it is regularly painted and exposure to moisture kept to a minimum, most of the wrought iron should have a life well in excess of 30 years. However, based upon our opinion and prior experience, repair and replacement of a portion of the wrought iron should be anticipated due to inevitable corrosion from exposure of some sections to constant sprinkler spray as well as proximity to the ground.*

TYPICAL USEFUL LIFE:	30 YEAR(S)
ESTIMATED REMAINING LIFE:	16 YEAR(S)
AVERAGE COMPONENT COST:	\$ 4,100

TO PROTECT YOUR INVESTMENT: *It is imperative that the wrought iron be regularly painted in order to obtain the maximum life potential from this component. It should be inspected in its entirety at least once per year, with emphasis being placed on places where it has been welded, such as where it meets the spacers or walls. As it can deteriorate from the inside out, the inspection should include trying to bend or squeeze the metal (if it gives at all, repair or replacement of those sections should be performed). Where possible, direct exposure to the ground and sprinkler spray should be minimized.*

CATEGORY:	LANDSCAPE/HARDSCAPE	
COMPONENT(S):	WOOD PATIO GATES	ID#(S) 0706



WOOD PATIO GATES (TYPICAL)

OBSERVATIONS: *This component includes the wood gates at the patio entrances. They appeared to be in average condition.*

TYPICAL USEFUL LIFE:	15 YEAR(S)
ESTIMATED REMAINING LIFE:	3 YEAR(S)
AVERAGE COMPONENT COST:	\$ 1,250

TO PROTECT YOUR INVESTMENT: *The wood gates should be regularly examined for potential decay, which should be incorporated as part of the regular pest control maintenance program. All damaged areas and loose boards should be repaired as necessary. Re-painting/staining is advocated at 4-year intervals, especially upon installation of new fencing, for longevity of this component.*

CATEGORY:	LANDSCAPE/HARDSCAPE	
COMPONENT(S):	LANDSCAPE REMODEL	ID#(S) 0707



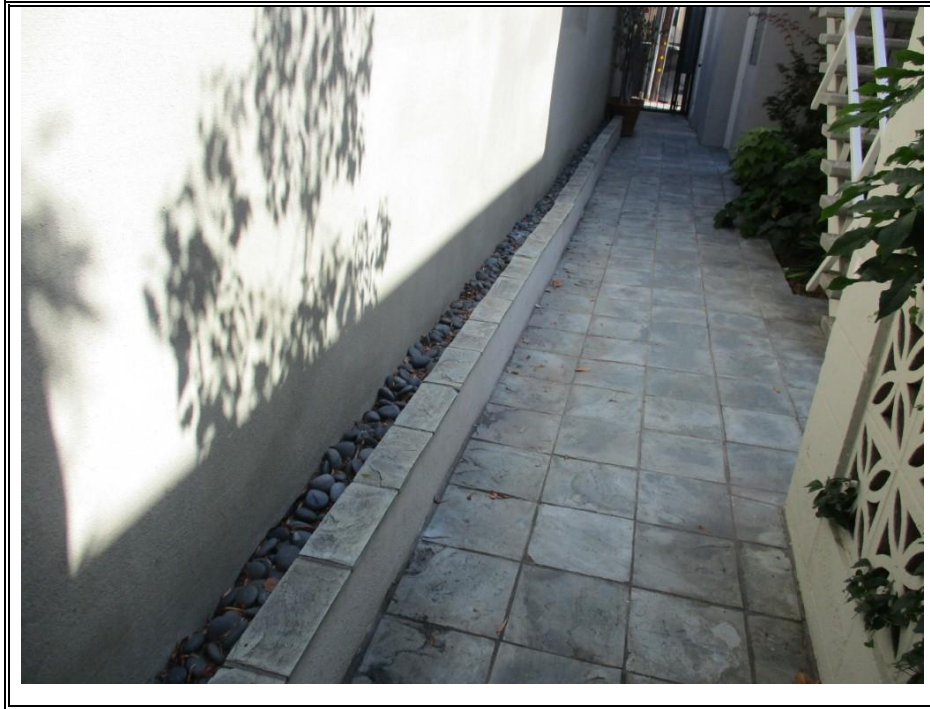
LANDSCAPE REMODEL (TYPICAL)

OBSERVATIONS: *This component addresses the landscaping throughout the property. We were previously informed that the landscape remodel was completed in 2016, and that future repairs and replacements should be performed on an as-needed basis and funded from the operating account.*

TYPICAL USEFUL LIFE:	N/A YEAR(S)
ESTIMATED REMAINING LIFE:	N/A YEAR(S)
AVERAGE COMPONENT COST:	\$ 0

TO PROTECT YOUR INVESTMENT: N/A.

CATEGORY:	LANDSCAPE/HARDSCAPE	
COMPONENT(S):	TILE-SLATE	ID#(S) 0708



TILE-SLATE (TYPICAL)

OBSERVATIONS: *This component includes the slate tile on the walkways. We were previously informed it was installed in 1991 and it appeared to be in average condition for its age. We were informed that any repairs / sectional replacements are performed on an as-needed basis and funded from the operating account.*

TYPICAL USEFUL LIFE:	N/A YEAR(S)
ESTIMATED REMAINING LIFE:	N/A YEAR(S)
AVERAGE COMPONENT COST:	\$ 0

TO PROTECT YOUR INVESTMENT: *Maintenance would entail occasional cleaning and periodic grout re-sealing.*

CATEGORY: MISCELLANEOUS

COMPONENT(S): FIRE EXTINGUISHERS

ID#(S) 0801



FIRE EXTINGUISHERS (TYPICAL)

OBSERVATIONS: *This component includes the fire extinguishers. They appeared to be in average condition and noted as last serviced on 9/20/2017. Given the limited quantity, it is recommended that replacement be performed on an as-needed basis and funded from the operating account.*

TYPICAL USEFUL LIFE:	N/A YEAR(S)
ESTIMATED REMAINING LIFE:	N/A YEAR(S)
AVERAGE COMPONENT COST:	\$ 0

TO PROTECT YOUR INVESTMENT: *The extinguishers should be inspected and re-charged by a State Fire Marshall approved company at a maximum of 1 year intervals (or as required by law).*

CATEGORY:	MISCELLANEOUS	
COMPONENT(S):	MAILBOXES	ID#(S) 0802



MAILBOXES (TYPICAL)

OBSERVATIONS: *This component includes the cluster of individual mailboxes. They appeared to be in an aging condition. We were informed that maintenance would be funded out of the operating budget.*

TYPICAL USEFUL LIFE:	N/A YEAR(S)
ESTIMATED REMAINING LIFE:	N/A YEAR(S)
AVERAGE COMPONENT COST:	\$ 0

TO PROTECT YOUR INVESTMENT: *Other than occasional lubrication of the locks, little can be performed by way of maintenance for this type of equipment.*

CATEGORY: MISCELLANEOUS

COMPONENT(S): LAUNDRY EQUIPMENT

ID#(S) 0803



LAUNDRY EQUIPMENT (TYPICAL)

OBSERVATIONS: *This component includes the coin operated washers and dryers in the laundry rooms of the apartment buildings. They appeared to be in average condition and we were previously informed that they are leased.*

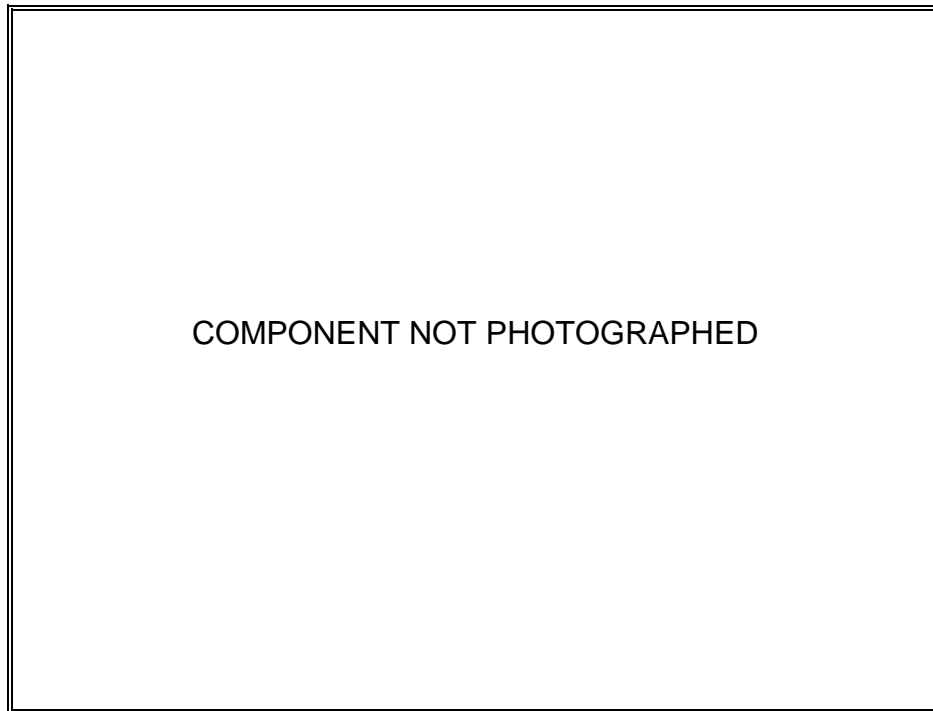
TYPICAL USEFUL LIFE: N/A YEAR(S)

ESTIMATED REMAINING LIFE: N/A YEAR(S)

AVERAGE COMPONENT COST: \$ 0

TO PROTECT YOUR INVESTMENT: N/A

CATEGORY:	CONTINGENCY RESERVE	
COMPONENT(S):	GENERAL - 5%	ID#(S) 0901



GENERAL - 5% (TYPICAL)

OBSERVATIONS: *While efforts have been made to ensure a reasonable level of precision, it is seldom possible to anticipate every expense / replacement that will be incurred by an association during an operating year. Also, it is difficult to accurately predict the cost of some items that are anticipated, due to unforeseen circumstances with respect to removal/installation, replacement with a different material than originally budgeted for, economic factors, etc. Therefore, it is prudent to include a contingency amount in the reserve budget. The Department of Real Estate (DRE) suggests a contingency equal to 3% of the annual budget (5% for a conversion from an apartment complex and 10% for a high-rise building over 70 feet). It is our opinion that a 5% contingency factor should be included in the reserve budget, and therefore a provision for this has been included (see Component Inventory page for dollar amount).*

TYPICAL USEFUL LIFE:	N/A YEAR(S)
ESTIMATED REMAINING LIFE:	N/A YEAR(S)
AVERAGE COMPONENT COST:	\$ SEE PG 4

TO PROTECT YOUR INVESTMENT: N/A.

GLOSSARY

ACCUMULATED DEPRECIATION	Amount of each component that has been used up at a point in time. The total accumulated depreciation equates to a “fully funded balance” (per CAI Standards definition).
ANNUAL DEPRECIATION	The current cost of a component divided by its typical life expectancy.
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. Different reserve funding plans are tested against the anticipated reserve expenses to achieve a desired funding goal.
CASH RESERVES	Funds available for major repair, restoration, replacement, or maintenance of the common components.
CC&R's	The covenants, conditions and restrictions, which govern the day to day operations of a facility.
COMPONENTS	The common area assets that require major repair, restoration, replacement, or maintenance. Typically: 1) Association responsibility, 2) with limited useful life expectancies, 3) predictable remaining useful life expectancies, 4) above a minimum threshold cost, and 5) as required by local codes.
COMPONENT INVENTORY	A list of components subject to degradation at a somewhat predictable rate within the projection period.
CONDITION ASSESSMENT	The evaluation of the current condition of the components based on observed or reported characteristics.
CONTINGENCY RESERVE ALLOWANCE	Additional funds set aside to allow for unforeseeable situations or variations. It is a percentage based on total expenditures anticipated each year.
CU. FT.	Measured in cubic feet.
CURRENT COST	Average cost for major repair, restoration, replacement, or maintenance of a component.
CURRENT RESERVE BALANCE	Amount of funds in reserve accounts estimated as of the beginning of the Reserve Study.
DEFICIT	The amount that the fully funded balance exceeds the actual (or projected) reserve balance.
EXCLUSIVE USE COMMON AREA	That part of a common area that has been designated for the individual use by a single interest.
FINANCIAL ANALYSIS	The portion of a Reserve Study (one of two parts) 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 expenditures over time are presented. It should illustrate the financial ability to fund future major repair or replacement of those common components that are subject to degradation within a specified period.
FISCAL YEAR	The twelve-month financial reporting period, which may not necessarily be a calendar year. Example: July 1, 2018 through June 30, 2019.
INFLATION FACTOR	An allowance for anticipated price increases based upon a 10-year average of the Consumer Price Index published by the U.S. Department of Labor. It is set at the beginning of each year.
INTEREST RATE ASSUMPTIONS	Average interest rate currently being earned from financial institutions where reserve funds are held.
LIFE CYCLE	The normal lifetime of a component, assuming it is properly installed / constructed and maintained.
LIFETIME COMPONENT	An element with a life expectancy that extends beyond the projection period of the study.
LIN. FT.	Measured in linear feet.
PERCENT FUNDED	The ratio, at a point of time (typically the beginning of the fiscal year), of the actual (or projected) reserve balance to the accumulated depreciation of all the components (i.e. amount that ideally should be in reserves), expressed as a percentage.
PHYSICAL INSPECTION	A visual examination of accessible common components subject to degradation within the projection period.
PRO FORMA OPERATING BUDGET	A projection of operating expenditures for the year.
PROJECTION PERIOD	The span (in years) over which the study forecasts potential reserve expenditures and liabilities.
REGULAR ASSESSMENT	Budgeted amounts assessed to all owners (oftentimes referred to as “Dues”), including the reserve contribution – typically assessed monthly, quarterly, or annually.
REMAINING LIFE	The number of remaining years of a components' anticipated life expectancy based upon current condition and degradation factors.
REPLACEMENT CYCLE	See “Life Cycle” (i.e. frequency of repair/replacement within forecast).
RESERVE CONTRIBUTION	That portion of the “regular” assessment allocated to the reserve fund.
RESERVE STATUS	The present ability to fund future major repair or replacement of its common components.
SPECIAL ASSESSMENT	An assessment levied in addition to regular assessments, often regulated by governing documents or local statutes.
SQ. FT.	Measured in square feet.
SURPLUS	An actual (or projected) reserve balance greater than the fully funded balance.
USEFUL LIFE (UL)	The estimated time in years that a component is expected to serve its intended function if properly constructed in its present application or installation.