



RESERVE STUDY - MARCH 9, 2023

Commercial Owners Association (Sample Only)

3525 Main Street

Los Angeles, California

REVIEWED BY:

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DATE:

March 9, 2023



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OVERVIEW

This "Full" Reserve Study has been prepared for "Commercial Owners 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 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.

As the complete report contains details that may not be of interest to many individuals, **it is suggested that this "Overview" page, the "Component Inventory" and the "Summary" be distributed with the pro-forma operating budget.** 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. 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 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 ensure 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 outside of the scope of the services provided herein.

SUMMARY

COMMERCIAL OWNERS ASSOCIATION (SAMPLE ONLY)

ASSUMPTIONS:

| | | | |
|--|----------|---------|------------|
| (A) FISCAL (12 MONTH) PERIOD RESERVE STUDY IS TO COVER: | 1/1/2024 | through | 12/31/2024 |
| (B) INFLATION FACTOR (30 year average CPI per Bureau of Labor Statistics): | | | 2.49% |
| (C) INTEREST % ON RESERVE FUNDS (unless provided, assumed to be 1%): | | | 3.0000% |
| (D) BEGINNING RESERVE BALANCE PER ASSOCIATION AS OF: | 1/1/2024 | | \$375,000 |
| (E) NUMBER OF UNITS: | | | 21 |

| ANALYSIS OF MONTHLY <u>RESERVE</u> CONTRIBUTION | PERIOD | | | TOTAL | PER UNIT ¹ |
|---|----------|---------|------------|-------------------|-----------------------|
| (F) CURRENTLY BUDGETED PER ASSOCIATION: | 1/1/2023 | through | 12/31/2023 | \$1,880.00 | \$89.52 |
| (G) RECOMMENDED TO BUDGET (see Funding Plan #3²): | 1/1/2024 | through | 12/31/2024 | \$2,641.40 | \$125.78 |
| (H) <u>DOLLAR</u> INCREASE / (DECREASE) ("G" less "F"): | 1/1/2024 | through | 12/31/2024 | \$761.40 | \$36.26 |
| (I) <u>%</u> INCREASE / (DECREASE) ("H" divided by "F"): | 1/1/2024 | through | 12/31/2024 | 40.50% | 40.50% |
| (J) SPECIAL ASSESSMENT (ANNUAL) - IN ADDITION TO "G": | 1/1/2024 | through | 12/31/2024 | \$0.00 | \$0.00 |
| (K) FUTURE <u>ANNUAL</u> % INCREASES / (DECREASES): | 1/1/2025 | through | 12/31/2026 | 40.50% | 40.50% |
| | 1/1/2027 | through | 12/31/2053 | 2.10% | 2.10% |

| ANALYSIS OF MONTHLY <u>ASSESSMENT</u> ("DUES"): | PERIOD | | | TOTAL | PER UNIT ¹ |
|--|----------|---------|------------|-------------|-----------------------|
| (L) CURRENTLY BUDGETED PER ASSOCIATION: | 1/1/2023 | through | 12/31/2023 | \$10,075.88 | \$479.80 |
| (M) RESERVE CONTRIBUTION <u>%</u> (item "F" divided by "L"): | 1/1/2023 | through | 12/31/2023 | 18.66% | 18.66% |
| (N) % CHANGE IN ASSESSMENT ("H" divided by "L") (if recommended reserve contribution implemented) | 1/1/2024 | through | 12/31/2024 | 7.56% | 7.56% |

| OVERAGE / (DEFICIT): | PERIOD | | | TOTAL | PER UNIT ¹ |
|--|----------|---------|------------|------------|-----------------------|
| (between "actual" and "ideal" reserve balance) | 1/1/2023 | through | 12/31/2023 | (\$80,241) | (\$3,821) |

| | |
|---|---------------------|
| COST OF COMPONENTS THAT NEED TO BE REPLACED WITHIN 5 YEARS | \$300,473.25 |
|---|---------------------|

PERCENT FUNDED³

| | |
|--|---------------|
| as of 1/1/2024 | 82.37% |
| as of 12/31/2024 (if Funding Plan #3 ² recommended above is followed) | 80.16% |

FOOTNOTES:

1. Per Unit amounts reflect "Total" amounts divided by units - no adjustments made for variable rate assessments.
2. Funding Plan #3 reflects minimum funding and may only marginally cover total annual expenditures in some years.
3. Actual reserve balance (item "D") divided by accumulated depreciation (per schedule).

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 = \$1,000

COMMERCIAL OWNERS ASSOCIATION (SAMPLE ONLY)

AS OF: 1/1/2024

| CATEGORY / COMPONENT | ID# | APPROXIMATE QUANTITY | LIFE IN YRS | | CURRENT COST | ANNUAL DEPRE | RESERVES | | | MONTHLY CONTRIBUTION | |
|------------------------------|------|----------------------|-------------|--------|----------------------|--------------|----------|-------------|--------------------|----------------------|-----------|
| | | | USEFUL | REMAIN | | | ACTUAL | ACCUM DEPRE | SURPLUS/ (DEFICIT) | CURRENT | RECOMMEND |
| | | | | | | | | | | | |
| ROOF/DECKS | | | | | | | | | | | |
| cap sheet roof | 0101 | 60,950 sq ft | 12 | 3 | 240,250 ¹ | 20,021 | 148,428 | 180,188 | (31,760) | 744.12 | 1,045.49 |
| standing seam roof | 0102 | lifetime | 30+ | 30+ | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| skylights | 0103 | 47 skylights | 24 | 12 | 51,900 ⁴ | 2,163 | 21,376 | 25,950 | (4,574) | 107.17 | 150.57 |
| STRUCTURE | | | | | | | | | | | |
| foundations/structural frame | 0201 | 2 buildings | 30+ | 30+ | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| structural pest control | 0202 | lifetime | 30+ | 30+ | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| PAINT | | | | | | | | | | | |
| exterior flatwork | 0301 | 39,650 sq ft | 10 | 5 | 24,100 ³ | 2,410 | 9,926 | 12,050 | (2,124) | 49.76 | 69.92 |
| interior flatwork | 0302 | operating budget | n/a | n/a | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| doors | 0303 | 29 sides | 5 | 0 | 1,550 ³ | 310 | 1,277 | 1,550 | (273) | 6.40 | 8.99 |
| metal | 0304 | 6,550 sq ft | 5 | 2 | 8,350 ³ | 1,670 | 4,127 | 5,010 | (883) | 20.69 | 29.07 |
| parking stripes | 0305 | 160 spaces | 5 | 1 | 3,550 ³ | 710 | 2,339 | 2,840 | (501) | 11.73 | 16.48 |
| curbs | 0306 | 950 lin ft | 5 | 0 | 1,150 ³ | 230 | 947 | 1,150 | (203) | 4.75 | 6.67 |
| ELECTRICAL | | | | | | | | | | | |
| fire alarm system | 0401 | 2 systems | 20 | 10 | 3,400 ⁴ | 170 | 1,400 | 1,700 | (300) | 7.02 | 9.86 |
| lighting-exterior | 0402 | 38 fixtures | 20 | 19 | 9,150 ³ | 458 | 377 | 458 | (81) | 1.89 | 2.66 |
| lighting-parking lot | 0403 | 15 fixtures | 25 | 11 | 15,250 ⁴ | 610 | 7,035 | 8,540 | (1,505) | 35.27 | 49.55 |
| LANDSCAPE/ HARDSCAPE | | | | | | | | | | | |
| asphalt seal coat | 0501 | 96,950 sq ft | 5 | 1 | 6,750 ³ | 1,350 | 4,448 | 5,400 | (952) | 22.30 | 31.33 |
| asphalt replacement | 0502 | 96,950 sq ft | 20 | 8 | 327,850 ¹ | 16,393 | 162,038 | 196,710 | (34,672) | 812.35 | 1,141.35 |
| swales | 0503 | 1,350 lin ft | 30 | 12 | 15,250 ⁴ | 508 | 7,537 | 9,150 | (1,613) | 37.79 | 53.09 |
| concrete channel drain | 0504 | operating budget | 30+ | 30+ | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| concrete flatwork | 0505 | operating budget | 30+ | 30+ | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| concrete block walls | 0506 | lifetime | 30+ | 30+ | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| irrigation controller | 0507 | 1 @ 40 stations | 15 | 3 | 3,000 ⁴ | 200 | 1,977 | 2,400 | (423) | 9.91 | 13.93 |
| back flow preventers | 0508 | 3 preventers | 15 | 3 | 2,100 ⁴ | 140 | 1,384 | 1,680 | (296) | 6.94 | 9.75 |
| major tree trimming/removal | 0509 | operating budget | n/a | n/a | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| landscape remodel | 0510 | operating budget | n/a | n/a | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |

COMPONENT INVENTORYthreshold = \$1,000

COMMERCIAL OWNERS ASSOCIATION (SAMPLE ONLY)

AS OF: 1/1/2024

| CATEGORY / COMPONENT | ID# | APPROXIMATE QUANTITY | LIFE IN YRS | | CURRENT COST | ANNUAL DEPRE | RESERVES | | | MONTHLY CONTRIBUTION | | |
|----------------------|------|---|-------------|--------|------------------|---------------|----------------|----------------|--------------------|----------------------|-----------------|-------------|
| | | | USEFUL | REMAIN | | | ACTUAL | ACCUM DEPRE | SURPLUS/ (DEFICIT) | CURRENT | RECOMMEND | |
| | | | | | | | | | | | | |
| MISCELLANEOUS | | | | | | | | | | | | |
| mailboxes | 0601 | usps | n/a | n/a | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 | |
| signs | 0602 | 10 signs | 20 | 9 | 600 ⁴ | 30 | 272 | 330 | (58) | 1.36 | 1.91 | |
| | | | | | | | | | | | | |
| CONTINGENCY RESERVE | 0701 | 5% of total annual expenditures - see "Reserve Expenditures by Year" schedule for details | | | | <u>135</u> | <u>135</u> | <u>111</u> | <u>135</u> | <u>(24)</u> | <u>0.56</u> | <u>0.78</u> |
| | | | | | | | | | | | | |
| TOTALS | | | | | <u>714,335</u> | <u>47,507</u> | <u>375,000</u> | <u>455,241</u> | <u>(80,241)</u> | <u>1,880.00</u> | <u>2,641.40</u> | |

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**82.37%**

COMPONENT INVENTORY ADDENDUM
COMMERCIAL OWNERS ASSOCIATION (SAMPLE ONLY)

| CATEGORY / COMPONENT | ID# | APPROXIMATE QUANTITY | LIFE IN YRS | | CURRENT COST |
|---|------|----------------------|-------------|--------|--------------|
| | | | USEFUL | REMAIN | |
| COMPONENTS WITH 0 YEARS REMAINING LIFE: | | | | | |
| doors | 0303 | 29 sides | 5 | 0 | 1,550 |
| curbs | 0306 | 950 lin ft | 5 | 0 | 1,150 |
| TOTAL | | | | | 2,700 |
| COMPONENTS WITH 1 YEAR REMAINING LIFE: | | | | | |
| parking stripes | 0305 | 160 spaces | 5 | 1 | 3,550 |
| asphalt seal coat | 0501 | 96,950 sq ft | 5 | 1 | 6,750 |
| TOTAL | | | | | 10,300 |
| COMPONENTS WITH 2 YEARS REMAINING LIFE: | | | | | |
| metal | 0304 | 6,550 sq ft | 5 | 2 | 8,350 |
| TOTAL | | | | | 8,350 |
| | | | | | |

COMPARISON OF FUNDING PLANS / ILLUSTRATIONS

COMMERCIAL OWNERS ASSOCIATION (SAMPLE ONLY)

| FUNDING ILLUSTRATION #1 | | | FUNDING ILLUSTRATION #2 | | | FUNDING PLAN #3 | | | FUNDING ILLUSTRATION #4 | | |
|-------------------------|----------------------|----------------|-------------------------|-----------------|----------------|----------------------|-----------------|----------------|-------------------------|-----------------|----------------|
| YEAR | Monthly Contribution | Percent Funded | Monthly Contribution | Annual % Change | Percent Funded | Monthly Contribution | Annual % Change | Percent Funded | Monthly Contribution | Annual % Change | Percent Funded |
| 1/1/2024 | 1,880 | 82.37% | 1,880 | 0.00% | 82.37% | 2,641 | 40.50% | 82.37% | 11,037 | 487.05% | 82.37% |
| 1/1/2025 | 1,880 | 78.36% | 1,880 | 0.00% | 78.36% | 3,711 | 40.50% | 80.16% | 4,401 | -60.12% | 100.00% |
| 1/1/2026 | 1,880 | 74.55% | 1,880 | 0.00% | 74.55% | 5,214 | 40.50% | 80.15% | 5,587 | 26.95% | 100.00% |
| 1/1/2027 | 1,880 | 69.80% | 1,880 | 0.00% | 69.80% | 5,324 | 2.10% | 81.25% | 4,291 | -23.19% | 100.00% |
| 1/1/2028 | 1,880 | 46.27% | 1,880 | 0.00% | 46.27% | 5,435 | 2.10% | 73.98% | 4,768 | 11.11% | 100.00% |
| 1/1/2029 | 1,880 | 45.44% | 1,880 | 0.00% | 45.44% | 5,550 | 2.10% | 78.76% | 4,796 | 0.59% | 100.00% |
| 1/1/2030 | 1,880 | 41.35% | 1,880 | 0.00% | 41.35% | 5,666 | 2.10% | 81.58% | 4,944 | 3.08% | 100.00% |
| 1/1/2031 | 1,880 | 39.70% | 1,880 | 0.00% | 39.70% | 5,785 | 2.10% | 84.60% | 6,699 | 35.50% | 100.00% |
| 1/1/2032 | 1,880 | 37.29% | 14,380 | 664.89% | 37.29% | 5,907 | 2.10% | 84.56% | 4,688 | -30.02% | 100.00% |
| 1/1/2033 | 1,880 | -50.22% | 1,880 | -86.93% | 0.02% | 6,031 | 2.10% | 70.67% | 5,192 | 10.76% | 100.00% |
| 1/1/2034 | 1,880 | -35.11% | 1,880 | 0.00% | 5.97% | 6,157 | 2.10% | 78.35% | 5,449 | 4.95% | 100.00% |
| 1/1/2035 | 1,880 | -26.57% | 1,880 | 0.00% | 8.52% | 6,287 | 2.10% | 83.20% | 5,856 | 7.47% | 100.00% |
| 1/1/2036 | 1,880 | -26.79% | 6,788 | 261.08% | 5.22% | 6,419 | 2.10% | 85.53% | 5,499 | -6.10% | 100.00% |
| 1/1/2037 | 1,880 | -47.58% | 1,880 | -72.31% | 0.02% | 6,553 | 2.10% | 86.69% | 5,754 | 4.64% | 100.00% |
| 1/1/2038 | 1,880 | -36.17% | 1,880 | 0.00% | 4.37% | 6,691 | 2.10% | 90.30% | 7,527 | 30.81% | 100.00% |
| 1/1/2039 | 1,880 | -26.71% | 29,922 | 1491.58% | 7.38% | 6,832 | 2.10% | 90.08% | 5,666 | -24.73% | 100.00% |
| 1/1/2040 | 1,880 | -186.53% | 1,880 | -93.72% | 0.01% | 6,975 | 2.10% | 83.38% | 6,129 | 8.17% | 100.00% |
| 1/1/2041 | 1,880 | -151.63% | 1,880 | 0.00% | 1.84% | 7,122 | 2.10% | 88.92% | 6,294 | 2.70% | 100.00% |
| 1/1/2042 | 1,880 | -124.85% | 1,880 | 0.00% | 3.76% | 7,271 | 2.10% | 92.88% | 6,516 | 3.53% | 100.00% |
| 1/1/2043 | 1,880 | -102.69% | 1,880 | 0.00% | 6.07% | 7,424 | 2.10% | 95.66% | 6,662 | 2.23% | 100.00% |
| 1/1/2044 | 1,880 | -88.25% | 1,880 | 0.00% | 6.64% | 7,580 | 2.10% | 97.72% | 6,927 | 3.98% | 100.00% |
| 1/1/2045 | 1,880 | -73.74% | 1,880 | 0.00% | 8.55% | 7,739 | 2.10% | 99.16% | 7,109 | 2.62% | 100.00% |
| 1/1/2046 | 1,880 | -65.27% | 1,880 | 0.00% | 8.38% | 7,901 | 2.10% | 100.23% | 7,263 | 2.17% | 100.00% |
| 1/1/2047 | 1,880 | -57.62% | 1,880 | 0.00% | 8.55% | 8,067 | 2.10% | 101.12% | 7,500 | 3.26% | 100.00% |
| 1/1/2048 | 1,880 | -48.73% | 1,880 | 0.00% | 10.14% | 8,237 | 2.10% | 101.73% | 7,936 | 5.82% | 100.00% |
| 1/1/2049 | 1,880 | -41.36% | 1,880 | 0.00% | 11.37% | 8,410 | 2.10% | 101.90% | 7,985 | 0.61% | 100.00% |
| 1/1/2050 | 1,880 | -41.64% | 1,880 | 0.00% | 8.26% | 8,586 | 2.10% | 102.26% | 10,157 | 27.21% | 100.00% |
| 1/1/2051 | 1,880 | -37.36% | 34,155 | 1716.76% | 7.75% | 8,767 | 2.10% | 100.53% | 10,483 | 3.21% | 100.00% |
| 1/1/2052 | 1,880 | -107.59% | 57,113 | 67.22% | 0.01% | 8,951 | 2.10% | 98.39% | 7,567 | -27.82% | 100.00% |
| 1/1/2053 | 1,880 | -539.95% | 1,880 | -96.71% | 0.01% | 9,139 | 2.10% | 100.73% | 8,341 | 10.23% | 100.00% |

AVERAGE:

-51.16%

18.81%

89.46%

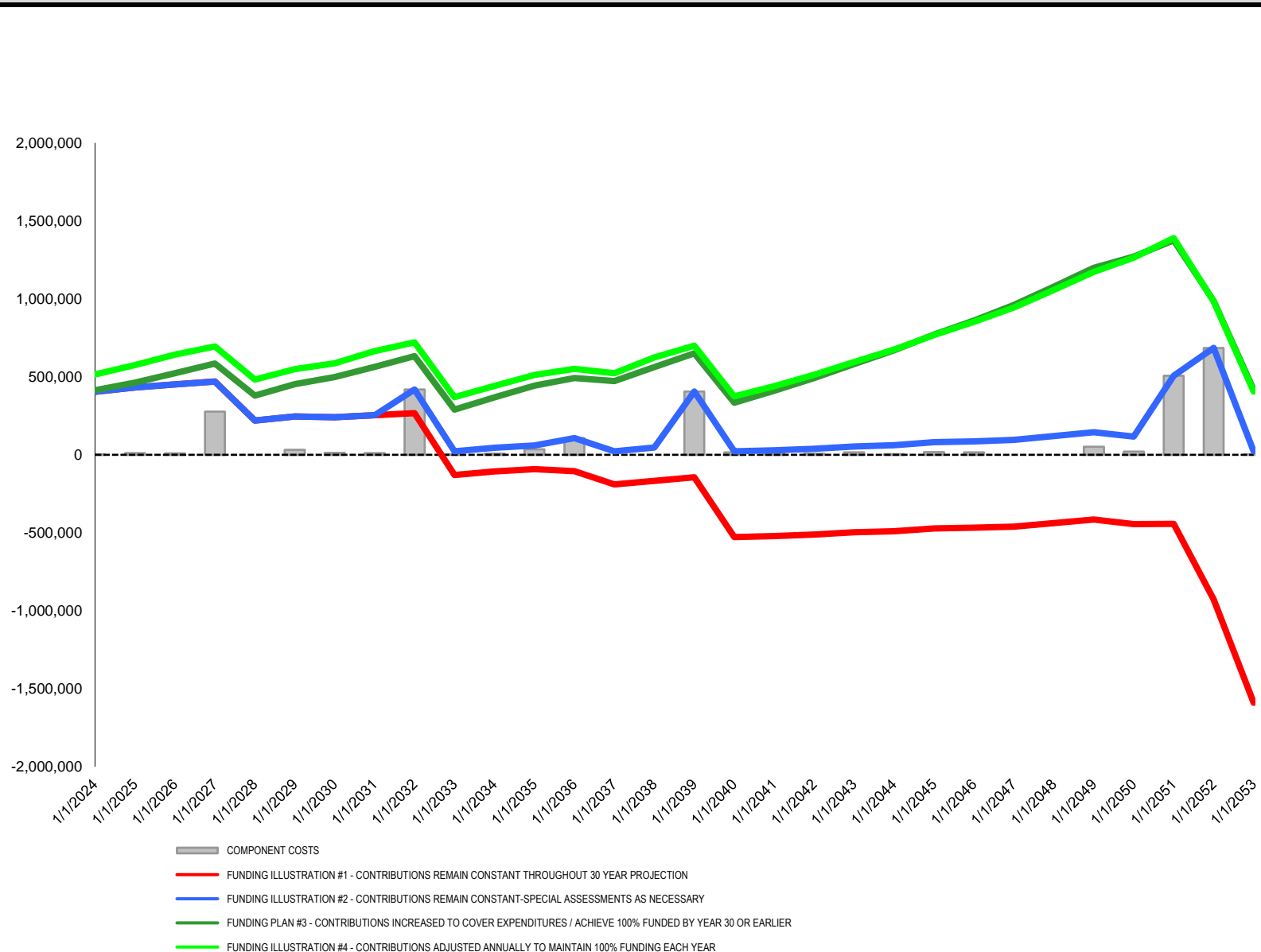
100.00%

FOOTNOTES:

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

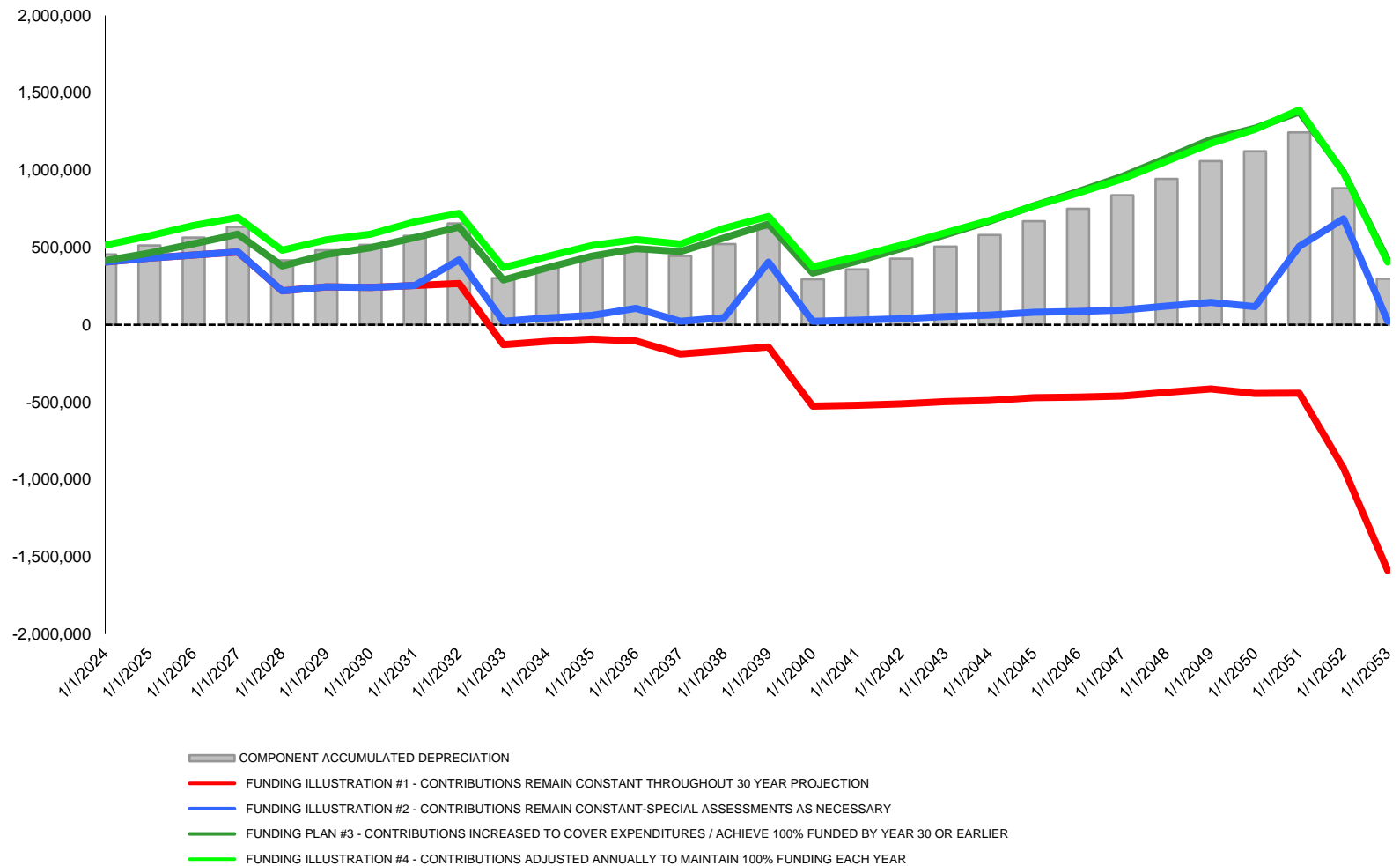
COMMERCIAL OWNERS ASSOCIATION (SAMPLE ONLY)

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



COMMERCIAL OWNERS 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**
COMMERCIAL OWNERS ASSOCIATION (SAMPLE ONLY) **ANNUAL BASIS**

| DESCRIPTION | 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 | 1/1/2036 | 1/1/2037 | 1/1/2038 |
|--|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| RESERVE CONTRIBUTION | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 |
| SPECIAL ASSESSMENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| INTEREST INCOME (a) | 7,061 | 7,477 | 7,842 | 5,771 | 3,747 | 3,937 | 4,017 | 4,294 | 846 | 0 | 0 | 0 | 0 | 0 | 0 |
| COMPONENT COSTS (b) | (2,835) | (11,084) | (9,210) | (277,345) | 0 | (31,824) | (12,535) | (10,414) | (419,099) | (785) | (8,195) | (35,163) | (106,488) | 0 | 0 |
| NET RECEIPTS/(DISBURSE) | 26,786 | 18,953 | 21,193 | (249,014) | 26,307 | (5,327) | 14,042 | 16,440 | (395,693) | 21,775 | 14,365 | (12,603) | (83,928) | 22,560 | 22,560 |
| CASH BALANCE: begin year | 375,000 | 401,786 | 420,740 | 441,933 | 192,919 | 219,226 | 213,898 | 227,940 | 244,380 | (151,313) | (129,539) | (115,174) | (127,777) | (211,705) | (189,145) |
| CASH BALANCE: end year | 401,786 | 420,740 | 441,933 | 192,919 | 219,226 | 213,898 | 227,940 | 244,380 | (151,313) | (129,539) | (115,174) | (127,777) | (211,705) | (189,145) | (166,585) |
| COMPONENT ACCUMULATED DEPRECIATION (c) | 455,241 | 512,748 | 564,357 | 633,176 | 416,960 | 482,426 | 517,326 | 574,128 | 655,380 | 301,311 | 368,979 | 433,533 | 476,997 | 444,953 | 522,878 |
| less: beginning cash balance | 375,000 | 401,786 | 420,740 | 441,933 | 192,919 | 219,226 | 213,898 | 227,940 | 244,380 | (151,313) | (129,539) | (115,174) | (127,777) | (211,705) | (189,145) |
| over/(under) funded-total | (80,241) | (110,961) | (143,617) | (191,243) | (224,041) | (263,201) | (303,427) | (346,188) | (411,000) | (452,625) | (498,518) | (548,707) | (604,774) | (656,658) | (712,023) |
| " " " per unit | (3,821) | (5,284) | (6,839) | (9,107) | (10,669) | (12,533) | (14,449) | (16,485) | (19,571) | (21,554) | (23,739) | (26,129) | (28,799) | (31,269) | (33,906) |

| DESCRIPTION | 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 | 1/1/2051 | 1/1/2052 | 1/1/2053 |
|--|-----------|-----------|-----------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| RESERVE CONTRIBUTION | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 |
| 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) | (405,515) | (16,031) | (13,316) | (8,338) | (15,330) | (4,640) | (18,129) | (15,059) | 0 | 0 | (52,049) | (20,503) | (507,092) | (685,405) | (1,286) |
| NET RECEIPTS/(DISBURSE) | (382,955) | 6,529 | 9,244 | 14,222 | 7,230 | 17,920 | 4,431 | 7,501 | 22,560 | 22,560 | (29,489) | 2,057 | (484,532) | (662,845) | 21,274 |
| CASH BALANCE: begin year | (166,585) | (549,540) | (543,012) | (533,768) | (519,546) | (512,316) | (494,396) | (489,965) | (482,464) | (459,904) | (437,344) | (466,833) | (464,776) | (949,308) | (1,612,154) |
| CASH BALANCE: end year | (549,540) | (543,012) | (533,768) | (519,546) | (512,316) | (494,396) | (489,965) | (482,464) | (459,904) | (437,344) | (466,833) | (464,776) | (949,308) | (1,612,154) | (1,590,880) |
| COMPONENT ACCUMULATED DEPRECIATION (c) | 623,716 | 294,612 | 358,113 | 427,533 | 505,955 | 580,536 | 670,500 | 750,712 | 837,375 | 943,710 | 1,057,298 | 1,121,048 | 1,244,126 | 882,343 | 298,575 |
| less: beginning cash balance | (166,585) | (549,540) | (543,012) | (533,768) | (519,546) | (512,316) | (494,396) | (489,965) | (482,464) | (459,904) | (437,344) | (466,833) | (464,776) | (949,308) | (1,612,154) |
| over/(under) funded-total | (790,301) | (844,153) | (901,125) | (961,301) | (1,025,501) | (1,092,852) | (1,164,896) | (1,240,677) | (1,319,839) | (1,403,614) | (1,494,642) | (1,587,881) | (1,708,902) | (1,831,652) | (1,910,729) |
| " " " per unit | (37,633) | (40,198) | (42,911) | (45,776) | (48,833) | (52,041) | (55,471) | (59,080) | (62,849) | (66,839) | (71,173) | (75,613) | (81,376) | (87,222) | (90,987) |

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: 3.0000%

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

| DESCRIPTION | 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 | 1/1/2036 | 1/1/2037 | 1/1/2038 |
|--|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| RESERVE CONTRIBUTION | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 |
| SPECIAL ASSESSMENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 150,000 | 0 | 0 | 0 | 58,900 | 0 | 0 |
| INTEREST INCOME (a) | 7,061 | 7,477 | 7,842 | 5,771 | 3,747 | 3,937 | 4,017 | 4,294 | 2,222 | 201 | 536 | 562 | 227 | 209 | 627 |
| COMPONENT COSTS (b) | (2,835) | (11,084) | (9,210) | (277,345) | 0 | (31,824) | (12,535) | (10,414) | (419,099) | (785) | (8,195) | (35,163) | (106,488) | 0 | 0 |
| NET RECEIPTS/(DISBURSE) | 26,786 | 18,953 | 21,193 | (249,014) | 26,307 | (5,327) | 14,042 | 16,440 | (244,317) | 21,976 | 14,901 | (12,041) | (24,801) | 22,769 | 23,187 |
| CASH BALANCE: begin year | 375,000 | 401,786 | 420,740 | 441,933 | 192,919 | 219,226 | 213,898 | 227,940 | 244,380 | 63 | 22,038 | 36,939 | 24,898 | 97 | 22,866 |
| CASH BALANCE: end year | 401,786 | 420,740 | 441,933 | 192,919 | 219,226 | 213,898 | 227,940 | 244,380 | 63 | 22,038 | 36,939 | 24,898 | 97 | 22,866 | 46,053 |
| COMPONENT ACCUMULATED DEPRECIATION (c) | 455,241 | 512,748 | 564,357 | 633,176 | 416,960 | 482,426 | 517,326 | 574,128 | 655,380 | 301,311 | 368,979 | 433,533 | 476,997 | 444,953 | 522,878 |
| less: beginning cash balance | 375,000 | 401,786 | 420,740 | 441,933 | 192,919 | 219,226 | 213,898 | 227,940 | 244,380 | 63 | 22,038 | 36,939 | 24,898 | 97 | 22,866 |
| over/(under) funded-total | (80,241) | (110,961) | (143,617) | (191,243) | (224,041) | (263,201) | (303,427) | (346,188) | (411,000) | (301,249) | (346,941) | (396,594) | (452,099) | (444,856) | (500,012) |
| " " " per unit | (3,821) | (5,284) | (6,839) | (9,107) | (10,669) | (12,533) | (14,449) | (16,485) | (19,571) | (14,345) | (16,521) | (18,885) | (21,529) | (21,184) | (23,810) |

| DESCRIPTION | 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 | 1/1/2051 | 1/1/2052 | 1/1/2053 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------------|-------------|-----------|-----------|
| RESERVE CONTRIBUTION | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 | 22,560 |
| SPECIAL ASSESSMENT | 336,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 387,300 | 662,800 | 0 |
| INTEREST INCOME (a) | 419 | 60 | 206 | 425 | 630 | 872 | 1,093 | 1,222 | 1,521 | 1,963 | 1,935 | 1,719 | 877 | 1 | 196 |
| COMPONENT COSTS (b) | (405,515) | (16,031) | (13,316) | (8,338) | (15,330) | (4,640) | (18,129) | (15,059) | 0 | 0 | (52,049) | (20,503) | (507,092) | (685,405) | (1,286) |
| NET RECEIPTS/(DISBURSE) | (46,036) | 6,589 | 9,450 | 14,647 | 7,860 | 18,792 | 5,524 | 8,723 | 24,081 | 24,523 | (27,554) | 3,775 | (96,355) | (44) | 21,469 |
| CASH BALANCE: begin year | 46,053 | 16 | 6,605 | 16,055 | 30,702 | 38,561 | 57,353 | 62,877 | 71,601 | 95,681 | 120,204 | 92,650 | 96,426 | 71 | 26 |
| CASH BALANCE: end year | 16 | 6,605 | 16,055 | 30,702 | 38,561 | 57,353 | 62,877 | 71,601 | 95,681 | 120,204 | 92,650 | 96,426 | 71 | 26 | 21,496 |
| COMPONENT ACCUMULATED DEPRECIATION (c) | 623,716 | 294,612 | 358,113 | 427,533 | 505,955 | 580,536 | 670,500 | 750,712 | 837,375 | 943,710 | 1,057,298 | 1,121,048 | 1,244,126 | 882,343 | 298,575 |
| less: beginning cash balance | 46,053 | 16 | 6,605 | 16,055 | 30,702 | 38,561 | 57,353 | 62,877 | 71,601 | 95,681 | 120,204 | 92,650 | 96,426 | 71 | 26 |
| over/(under) funded-total | (577,664) | (294,596) | (351,508) | (411,478) | (475,253) | (541,974) | (613,147) | (687,835) | (765,774) | (848,029) | (937,094) | (1,028,398) | (1,147,701) | (882,273) | (298,549) |
| " " " per unit | (27,508) | (14,028) | (16,738) | (19,594) | (22,631) | (25,808) | (29,197) | (32,754) | (36,465) | (40,382) | (44,624) | (48,971) | (54,652) | (42,013) | (14,217) |

FOOTNOTES: (a) Interest income calculated on average balance less Federal & State income taxes of 39.3% Rate: 3.0000%
(b) See "Reserve Expenditures By Year Schedule"
(c) See "Component Accumulated Depreciation Analysis"

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

RECOMMENDED TO BE ADOPTED

ANNUAL BASIS

| DESCRIPTION | 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 | 1/1/2036 | 1/1/2037 | 1/1/2038 |
|--|----------|-----------|-----------|-----------|-----------|-----------|----------|----------|-----------|----------|----------|----------|-----------|----------|----------|
| RESERVE CONTRIBUTION | 31,697 | 44,534 | 62,570 | 63,884 | 65,226 | 66,596 | 67,994 | 69,422 | 70,880 | 72,368 | 73,888 | 75,440 | 77,024 | 78,641 | 80,293 |
| SPECIAL ASSESSMENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| INTEREST INCOME (a) | 7,145 | 7,848 | 8,788 | 7,481 | 6,258 | 7,290 | 8,252 | 9,454 | 6,974 | 4,564 | 5,907 | 6,988 | 7,215 | 7,798 | 9,400 |
| COMPONENT COSTS (b) | (2,835) | (11,084) | (9,210) | (277,345) | 0 | (31,824) | (12,535) | (10,414) | (419,099) | (785) | (8,195) | (35,163) | (106,488) | 0 | 0 |
| NET RECEIPTS/(DISBURSE) | 36,007 | 41,298 | 62,149 | (205,980) | 71,484 | 42,062 | 63,711 | 68,462 | (341,246) | 76,147 | 71,600 | 47,264 | (22,249) | 86,440 | 89,692 |
| CASH BALANCE: begin year | 375,000 | 411,007 | 452,305 | 514,454 | 308,475 | 379,959 | 422,020 | 485,732 | 554,193 | 212,948 | 289,094 | 360,694 | 407,958 | 385,709 | 472,149 |
| CASH BALANCE: end year | 411,007 | 452,305 | 514,454 | 308,475 | 379,959 | 422,020 | 485,732 | 554,193 | 212,948 | 289,094 | 360,694 | 407,958 | 385,709 | 472,149 | 561,841 |
| COMPONENT ACCUMULATED DEPRECIATION (c) | 455,241 | 512,748 | 564,357 | 633,176 | 416,960 | 482,426 | 517,326 | 574,128 | 655,380 | 301,311 | 368,979 | 433,533 | 476,997 | 444,953 | 522,878 |
| less: beginning cash balance | 375,000 | 411,007 | 452,305 | 514,454 | 308,475 | 379,959 | 422,020 | 485,732 | 554,193 | 212,948 | 289,094 | 360,694 | 407,958 | 385,709 | 472,149 |
| over/(under) funded-total | (80,241) | (101,741) | (112,051) | (118,721) | (108,485) | (102,468) | (95,305) | (88,396) | (101,187) | (88,364) | (79,885) | (72,839) | (69,039) | (59,244) | (50,729) |
| " " " per unit | (3,821) | (4,845) | (5,336) | (5,653) | (5,166) | (4,879) | (4,538) | (4,209) | (4,818) | (4,208) | (3,804) | (3,469) | (3,288) | (2,821) | (2,416) |

| DESCRIPTION | 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 | 1/1/2051 | 1/1/2052 | 1/1/2053 |
|--|-----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|----------|
| RESERVE CONTRIBUTION | 81,979 | 83,701 | 85,458 | 87,253 | 89,085 | 90,956 | 92,866 | 94,816 | 96,807 | 98,840 | 100,916 | 103,035 | 105,199 | 107,408 | 109,664 |
| SPECIAL ASSESSMENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| INTEREST INCOME (a) | 7,341 | 5,128 | 6,505 | 8,010 | 9,557 | 11,201 | 12,884 | 14,538 | 16,424 | 18,521 | 20,216 | 21,792 | 19,262 | 10,626 | 6,513 |
| COMPONENT COSTS (b) | (405,515) | (16,031) | (13,316) | (8,338) | (15,330) | (4,640) | (18,129) | (15,059) | 0 | 0 | (52,049) | (20,503) | (507,092) | (685,405) | (1,286) |
| NET RECEIPTS/(DISBURSE) | (316,196) | 72,797 | 78,647 | 86,925 | 83,313 | 97,517 | 87,621 | 94,295 | 113,232 | 117,361 | 69,083 | 104,324 | (382,631) | (567,371) | 114,890 |
| CASH BALANCE: begin year | 561,841 | 245,645 | 318,443 | 397,089 | 484,014 | 567,327 | 664,844 | 752,465 | 846,760 | 959,992 | 1,077,353 | 1,146,436 | 1,250,760 | 868,128 | 300,757 |
| CASH BALANCE: end year | 245,645 | 318,443 | 397,089 | 484,014 | 567,327 | 664,844 | 752,465 | 846,760 | 959,992 | 1,077,353 | 1,146,436 | 1,250,760 | 868,128 | 300,757 | 415,647 |
| COMPONENT ACCUMULATED DEPRECIATION (c) | 623,716 | 294,612 | 358,113 | 427,533 | 505,955 | 580,536 | 670,500 | 750,712 | 837,375 | 943,710 | 1,057,298 | 1,121,048 | 1,244,126 | 882,343 | 298,575 |
| less: beginning cash balance | 561,841 | 245,645 | 318,443 | 397,089 | 484,014 | 567,327 | 664,844 | 752,465 | 846,760 | 959,992 | 1,077,353 | 1,146,436 | 1,250,760 | 868,128 | 300,757 |
| over/(under) funded-total | (61,875) | (48,967) | (39,671) | (30,444) | (21,941) | (13,209) | (5,657) | 1,753 | 9,385 | 16,282 | 20,055 | 25,388 | 6,633 | (14,215) | 2,182 |
| " " " per unit | (2,946) | (2,332) | (1,889) | (1,450) | (1,045) | (629) | (269) | 83 | 447 | 775 | 955 | 1,209 | 316 | (677) | 104 |

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: 3.0000%

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

ILLUSTRATION ONLY - NOT RECOMMENDED
ANNUAL BASIS

| DESCRIPTION | 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 | 1/1/2036 | 1/1/2037 | 1/1/2038 |
|--|----------|----------|----------|-----------|----------|----------|----------|----------|-----------|----------|----------|----------|-----------|----------|----------|
| RESERVE CONTRIBUTION | 132,439 | 52,811 | 67,043 | 51,495 | 57,215 | 57,552 | 59,324 | 80,387 | 56,254 | 62,304 | 65,387 | 70,274 | 65,986 | 69,046 | 90,319 |
| SPECIAL ASSESSMENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| INTEREST INCOME (a) | 8,144 | 9,881 | 10,986 | 9,634 | 8,251 | 9,172 | 10,013 | 11,280 | 8,777 | 6,149 | 7,362 | 8,353 | 8,458 | 8,879 | 10,519 |
| COMPONENT COSTS (b) | (2,835) | (11,084) | (9,210) | (277,345) | 0 | (31,824) | (12,535) | (10,414) | (419,099) | (785) | (8,195) | (35,163) | (106,488) | 0 | 0 |
| NET RECEIPTS/(DISBURSE) | 137,748 | 51,609 | 68,819 | (216,216) | 65,466 | 34,899 | 56,802 | 81,252 | (354,069) | 67,668 | 64,554 | 43,463 | (32,044) | 77,925 | 100,838 |
| CASH BALANCE: begin year | 375,000 | 512,748 | 564,357 | 633,176 | 416,960 | 482,426 | 517,326 | 574,128 | 655,380 | 301,311 | 368,979 | 433,533 | 476,997 | 444,953 | 522,878 |
| CASH BALANCE: end year | 512,748 | 564,357 | 633,176 | 416,960 | 482,426 | 517,326 | 574,128 | 655,380 | 301,311 | 368,979 | 433,533 | 476,997 | 444,953 | 522,878 | 623,716 |
| COMPONENT ACCUMULATED DEPRECIATION (c) | 455,241 | 512,748 | 564,357 | 633,176 | 416,960 | 482,426 | 517,326 | 574,128 | 655,380 | 301,311 | 368,979 | 433,533 | 476,997 | 444,953 | 522,878 |
| less: beginning cash balance | 375,000 | 512,748 | 564,357 | 633,176 | 416,960 | 482,426 | 517,326 | 574,128 | 655,380 | 301,311 | 368,979 | 433,533 | 476,997 | 444,953 | 522,878 |
| over/(under) funded-total | (80,241) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| " " " per unit | (3,821) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| DESCRIPTION | 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 | 1/1/2051 | 1/1/2052 | 1/1/2053 |
|--|-----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|----------|
| RESERVE CONTRIBUTION | 67,987 | 73,544 | 75,529 | 78,196 | 79,943 | 83,127 | 85,303 | 87,153 | 89,995 | 95,230 | 95,815 | 121,883 | 125,801 | 90,804 | 100,096 |
| SPECIAL ASSESSMENT | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| INTEREST INCOME (a) | 8,425 | 5,988 | 7,208 | 8,564 | 9,967 | 11,477 | 13,038 | 14,569 | 16,340 | 18,357 | 19,984 | 21,698 | 19,508 | 10,834 | 6,444 |
| COMPONENT COSTS (b) | (405,515) | (16,031) | (13,316) | (8,338) | (15,330) | (4,640) | (18,129) | (15,059) | 0 | 0 | (52,049) | (20,503) | (507,092) | (685,405) | (1,286) |
| NET RECEIPTS/(DISBURSE) | (329,104) | 63,501 | 69,420 | 78,422 | 74,581 | 89,964 | 80,212 | 86,663 | 106,335 | 113,588 | 63,751 | 123,078 | (361,783) | (583,768) | 105,254 |
| CASH BALANCE: begin year | 623,716 | 294,612 | 358,113 | 427,533 | 505,955 | 580,536 | 670,500 | 750,712 | 837,375 | 943,710 | 1,057,298 | 1,121,048 | 1,244,126 | 882,343 | 298,575 |
| CASH BALANCE: end year | 294,612 | 358,113 | 427,533 | 505,955 | 580,536 | 670,500 | 750,712 | 837,375 | 943,710 | 1,057,298 | 1,121,048 | 1,244,126 | 882,343 | 298,575 | 403,829 |
| COMPONENT ACCUMULATED DEPRECIATION (c) | 623,716 | 294,612 | 358,113 | 427,533 | 505,955 | 580,536 | 670,500 | 750,712 | 837,375 | 943,710 | 1,057,298 | 1,121,048 | 1,244,126 | 882,343 | 298,575 |
| less: beginning cash balance | 623,716 | 294,612 | 358,113 | 427,533 | 505,955 | 580,536 | 670,500 | 750,712 | 837,375 | 943,710 | 1,057,298 | 1,121,048 | 1,244,126 | 882,343 | 298,575 |
| 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: 3.0000%

RESERVE EXPENDITURES BY YEAR
COMMERCIAL OWNERS ASSOCIATION (SAMPLE ONLY)

1/1/2024 through 1/1/2038

| EXPENDITURES | 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 | 1/1/2036 | 1/1/2037 | 1/1/2038 |
|------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| ROOF/DECKS | | | | | | | | | | | | | | | |
| cap sheet roof | 0 | 0 | 0 | 258,647 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| standing seam roof | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| skylights | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 69,716 | 0 | 0 |
| STRUCTURE | | | | | | | | | | | | | | | |
| foundations/structural frame | 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 | 0 | 0 | 0 | 0 | 0 | 0 |
| PAINT | | | | | | | | | | | | | | | |
| exterior flatwork | 0 | 0 | 0 | 0 | 0 | 27,253 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| interior flatwork | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| doors | 1,550 | 0 | 0 | 0 | 0 | 1,755 | 0 | 0 | 0 | 0 | 1,985 | 0 | 0 | 0 | 0 |
| metal | 0 | 0 | 8,771 | 0 | 0 | 0 | 0 | 9,918 | 0 | 0 | 0 | 0 | 11,215 | 0 | 0 |
| parking stripes | 0 | 3,638 | 0 | 0 | 0 | 0 | 4,115 | 0 | 0 | 0 | 0 | 4,653 | 0 | 0 | 0 |
| curbs | 1,150 | 0 | 0 | 0 | 0 | 1,301 | 0 | 0 | 0 | 0 | 1,471 | 0 | 0 | 0 | 0 |
| ELECTRICAL | | | | | | | | | | | | | | | |
| fire alarm system | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,349 | 0 | 0 | 0 | 0 |
| lighting-exterior | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| lighting-parking lot | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 19,988 | 0 | 0 | 0 |
| LANDSCAPE/ HARDSCAPE | | | | | | | | | | | | | | | |
| asphalt seal coat | 0 | 6,918 | 0 | 0 | 0 | 0 | 7,823 | 0 | 0 | 0 | 0 | 8,848 | 0 | 0 | 0 |
| asphalt replacement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 399,142 | 0 | 0 | 0 | 0 | 0 | 0 |
| swales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20,486 | 0 | 0 |
| concrete channel drain | 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 |
| concrete block walls | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| irrigation controller | 0 | 0 | 0 | 3,230 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| back flow preventers | 0 | 0 | 0 | 2,261 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| major tree trimming/removal | 0 | 0 | 0 | 0 | 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 |
| MISCELLANEOUS | | | | | | | | | | | | | | | |
| mailboxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| signs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 748 | 0 | 0 | 0 | 0 | 0 |
| CONTINGENCY RESERVE | 135 | 528 | 439 | 13,207 | 0 | 1,515 | 597 | 496 | 19,957 | 37 | 390 | 1,674 | 5,071 | 0 | 0 |
| (5% / year of annual expenditures) | | | | | | | | | | | | | | | |
| TOTAL | 2,835 | 11,084 | 9,210 | 277,345 | 0 | 31,824 | 12,535 | 10,414 | 419,099 | 785 | 8,195 | 35,163 | 106,488 | 0 | 0 |

RESERVE EXPENDITURES BY YEAR
COMMERCIAL OWNERS ASSOCIATION (SAMPLE ONLY)

1/1/2039 through 1/1/2053

| EXPENDITURES | 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 | 1/1/2051 | 1/1/2052 | 1/1/2053 | TOTAL |
|------------------------------------|----------------|---------------|---------------|--------------|---------------|--------------|---------------|---------------|----------|----------|---------------|---------------|----------------|----------------|--------------|------------------|
| ROOF/DECKS | | | | | | | | | | | | | | | | |
| cap sheet roof | 347,443 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 466,727 | 0 | 0 | 1,072,817 |
| standing seam roof | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| skylights | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 69,716 |
| STRUCTURE | | | | | | | | | | | | | | | | |
| foundations/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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PAINT | | | | | | | | | | | | | | | | |
| exterior flatwork | 34,854 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 44,573 | 0 | 0 | 0 | 0 | 106,680 |
| interior flatwork | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| doors | 2,245 | 0 | 0 | 0 | 0 | 2,539 | 0 | 0 | 0 | 0 | 2,871 | 0 | 0 | 0 | 0 | 12,945 |
| metal | 0 | 0 | 12,682 | 0 | 0 | 0 | 0 | 14,342 | 0 | 0 | 0 | 0 | 16,218 | 0 | 0 | 73,146 |
| parking stripes | 0 | 5,263 | 0 | 0 | 0 | 0 | 5,952 | 0 | 0 | 0 | 0 | 6,732 | 0 | 0 | 0 | 30,353 |
| curbs | 1,663 | 0 | 0 | 0 | 0 | 1,880 | 0 | 0 | 0 | 0 | 2,126 | 0 | 0 | 0 | 0 | 9,591 |
| ELECTRICAL | | | | | | | | | | | | | | | | |
| fire alarm system | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,349 |
| lighting-exterior | 0 | 0 | 0 | 0 | 14,600 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,600 |
| lighting-parking lot | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 19,988 |
| LANDSCAPE/ HARDSCAPE | | | | | | | | | | | | | | | | |
| asphalt seal coat | 0 | 10,005 | 0 | 0 | 0 | 0 | 11,314 | 0 | 0 | 0 | 0 | 12,795 | 0 | 0 | 0 | 57,703 |
| asphalt replacement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 652,767 | 0 | 1,051,909 |
| swales | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20,486 |
| concrete channel drain | 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 |
| concrete block walls | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| irrigation controller | 0 | 0 | 0 | 4,670 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,900 |
| back flow preventers | 0 | 0 | 0 | 3,271 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,532 |
| major tree trimming/removal | 0 | 0 | 0 | 0 | 0 | 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 | 0 |
| MISCELLANEOUS | | | | | | | | | | | | | | | | |
| mailboxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| signs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,225 | 1,973 |
| CONTINGENCY RESERVE | 19,310 | 763 | 634 | 397 | 730 | 221 | 863 | 717 | 0 | 0 | 2,479 | 976 | 24,147 | 32,638 | 61 | 127,984 |
| (5% / year of annual expenditures) | | | | | | | | | | | | | | | | |
| TOTAL | 405,515 | 16,031 | 13,316 | 8,338 | 15,330 | 4,640 | 18,129 | 15,059 | 0 | 0 | 52,049 | 20,503 | 507,092 | 685,405 | 1,286 | 2,687,672 |

**COMPONENT ACCUMULATED DEPRECIATION ANALYSIS
COMMERCIAL OWNERS ASSOCIATION (SAMPLE ONLY)**

1/1/2024 through 1/1/2038

| COMPONENT | 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 | 1/1/2036 | 1/1/2037 | 1/1/2038 |
|-------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| cap sheet roof | | | | | | | | | | | | | | | |
| Useful life | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Remaining life | 3 | 2 | 1 | 0 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| Replacement cost | 240,250 | 246,232 | 252,363 | 258,647 | 265,087 | 271,688 | 278,453 | 285,386 | 292,492 | 299,775 | 307,239 | 314,889 | 322,730 | 330,766 | 339,002 |
| Accumulated depreciation | 180,188 | 205,193 | 231,333 | 258,647 | 22,091 | 45,281 | 69,613 | 95,129 | 121,872 | 149,888 | 179,223 | 209,926 | 242,048 | 275,638 | 310,752 |
| standing seam roof | | | | | | | | | | | | | | | |
| 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 |
| skylights | | | | | | | | | | | | | | | |
| Useful life | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| Remaining life | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 23 | 22 |
| Replacement cost | 51,900 | 53,192 | 54,516 | 55,873 | 57,264 | 58,690 | 60,151 | 61,649 | 63,184 | 64,757 | 66,369 | 68,022 | 69,716 | 71,452 | 73,231 |
| Accumulated depreciation | 25,950 | 28,812 | 31,801 | 34,921 | 38,176 | 41,572 | 45,113 | 48,805 | 52,653 | 56,662 | 60,838 | 65,188 | 69,716 | 2,977 | 6,103 |
| foundations/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 | 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 | 5 | 4 | 3 | 2 | 1 | 0 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| Replacement cost | 24,100 | 24,700 | 25,315 | 25,945 | 26,591 | 27,253 | 27,932 | 28,628 | 29,341 | 30,072 | 30,821 | 31,588 | 32,375 | 33,181 | 34,007 |
| Accumulated depreciation | 12,050 | 14,820 | 17,721 | 20,756 | 23,932 | 27,253 | 2,793 | 5,726 | 8,802 | 12,029 | 15,411 | 18,953 | 22,663 | 26,545 | 30,606 |
| interior 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 |
| doors | | | | | | | | | | | | | | | |
| Useful life | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Remaining life | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 | 1 |
| Replacement cost | 1,550 | 1,589 | 1,629 | 1,670 | 1,712 | 1,755 | 1,799 | 1,844 | 1,890 | 1,937 | 1,985 | 2,034 | 2,085 | 2,137 | 2,190 |
| Accumulated depreciation | 1,550 | 318 | 652 | 1,002 | 1,370 | 1,755 | 360 | 738 | 1,134 | 1,550 | 1,985 | 407 | 834 | 1,282 | 1,752 |
| metal | | | | | | | | | | | | | | | |
| Useful life | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Remaining life | 2 | 1 | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 |
| Replacement cost | 8,350 | 8,558 | 8,771 | 8,989 | 9,213 | 9,442 | 9,677 | 9,918 | 10,165 | 10,418 | 10,677 | 10,943 | 11,215 | 11,494 | 11,780 |
| Accumulated depreciation | 5,010 | 6,846 | 8,771 | 1,798 | 3,685 | 5,665 | 7,742 | 9,918 | 2,033 | 4,167 | 6,406 | 8,754 | 11,215 | 2,299 | 4,712 |
| parking stripes | | | | | | | | | | | | | | | |
| Useful life | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Remaining life | 1 | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 |
| Replacement cost | 3,550 | 3,638 | 3,729 | 3,822 | 3,917 | 4,015 | 4,115 | 4,217 | 4,322 | 4,430 | 4,540 | 4,653 | 4,769 | 4,888 | 5,010 |
| Accumulated depreciation | 2,840 | 3,638 | 746 | 1,529 | 2,350 | 3,212 | 4,115 | 843 | 1,729 | 2,658 | 3,632 | 4,653 | 954 | 1,955 | 3,006 |

**COMPONENT ACCUMULATED DEPRECIATION ANALYSIS
COMMERCIAL OWNERS ASSOCIATION (SAMPLE ONLY)**

1/1/2024 through 1/1/2038

| COMPONENT | 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 | 1/1/2036 | 1/1/2037 | 1/1/2038 |
|-------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| curbs | | | | | | | | | | | | | | | |
| Useful life | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Remaining life | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 | 1 |
| Replacement cost | 1,150 | 1,179 | 1,208 | 1,238 | 1,269 | 1,301 | 1,333 | 1,366 | 1,400 | 1,435 | 1,471 | 1,508 | 1,546 | 1,584 | 1,623 |
| Accumulated depreciation | 1,150 | 236 | 483 | 743 | 1,015 | 1,301 | 267 | 546 | 840 | 1,148 | 1,471 | 302 | 618 | 950 | 1,298 |
| fire alarm system | | | | | | | | | | | | | | | |
| Useful life | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Remaining life | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 19 | 18 | 17 | 16 |
| Replacement cost | 3,400 | 3,485 | 3,572 | 3,661 | 3,752 | 3,845 | 3,941 | 4,039 | 4,140 | 4,243 | 4,349 | 4,457 | 4,568 | 4,682 | 4,799 |
| Accumulated depreciation | 1,700 | 1,917 | 2,143 | 2,380 | 2,626 | 2,884 | 3,153 | 3,433 | 3,726 | 4,031 | 4,349 | 223 | 457 | 702 | 960 |
| lighting-exterior | | | | | | | | | | | | | | | |
| Useful life | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Remaining life | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 |
| Replacement cost | 9,150 | 9,378 | 9,612 | 9,851 | 10,096 | 10,347 | 10,605 | 10,869 | 11,140 | 11,417 | 11,701 | 11,992 | 12,291 | 12,597 | 12,911 |
| Accumulated depreciation | 458 | 938 | 1,442 | 1,970 | 2,524 | 3,104 | 3,712 | 4,348 | 5,013 | 5,709 | 6,436 | 7,195 | 7,989 | 8,818 | 9,683 |
| lighting-parking lot | | | | | | | | | | | | | | | |
| Useful life | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| Remaining life | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 24 | 23 | 22 |
| Replacement cost | 15,250 | 15,630 | 16,019 | 16,418 | 16,827 | 17,246 | 17,675 | 18,115 | 18,566 | 19,028 | 19,502 | 19,988 | 20,486 | 20,996 | 21,519 |
| Accumulated depreciation | 8,540 | 9,378 | 10,252 | 11,164 | 12,115 | 13,107 | 14,140 | 15,217 | 16,338 | 17,506 | 18,722 | 19,988 | 819 | 1,680 | 2,582 |
| asphalt seal coat | | | | | | | | | | | | | | | |
| Useful life | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Remaining life | 1 | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 |
| Replacement cost | 6,750 | 6,918 | 7,090 | 7,267 | 7,448 | 7,633 | 7,823 | 8,018 | 8,218 | 8,423 | 8,633 | 8,848 | 9,068 | 9,294 | 9,525 |
| Accumulated depreciation | 5,400 | 6,918 | 1,418 | 2,907 | 4,469 | 6,106 | 7,823 | 1,604 | 3,287 | 5,054 | 6,906 | 8,848 | 1,814 | 3,718 | 5,715 |
| asphalt replacement | | | | | | | | | | | | | | | |
| Useful life | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Remaining life | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 19 | 18 | 17 | 16 | 15 | 14 |
| Replacement cost | 327,850 | 336,013 | 344,380 | 352,955 | 361,744 | 370,751 | 379,983 | 389,445 | 399,142 | 409,081 | 419,267 | 429,707 | 440,407 | 451,373 | 462,612 |
| Accumulated depreciation | 196,710 | 218,408 | 241,066 | 264,716 | 289,395 | 315,138 | 341,985 | 369,973 | 399,142 | 20,454 | 41,927 | 64,456 | 88,081 | 112,843 | 138,784 |
| swales | | | | | | | | | | | | | | | |
| Useful life | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| Remaining life | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 29 | 28 |
| Replacement cost | 15,250 | 15,630 | 16,019 | 16,418 | 16,827 | 17,246 | 17,675 | 18,115 | 18,566 | 19,028 | 19,502 | 19,988 | 20,486 | 20,996 | 21,519 |
| Accumulated depreciation | 9,150 | 9,899 | 10,679 | 11,493 | 12,340 | 13,222 | 14,140 | 15,096 | 16,091 | 17,125 | 18,202 | 19,322 | 20,486 | 700 | 1,435 |
| concrete channel drain | | | | | | | | | | | | | | | |
| 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 |
| 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 |

**COMPONENT ACCUMULATED DEPRECIATION ANALYSIS
COMMERCIAL OWNERS ASSOCIATION (SAMPLE ONLY)**

1/1/2024 through 1/1/2038

| COMPONENT | 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 | 1/1/2036 | 1/1/2037 | 1/1/2038 |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| irrigation controller | | | | | | | | | | | | | | | |
| 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 | 3,000 | 3,075 | 3,152 | 3,230 | 3,310 | 3,392 | 3,476 | 3,563 | 3,652 | 3,743 | 3,836 | 3,932 | 4,030 | 4,130 | 4,233 |
| Accumulated depreciation | 2,400 | 2,665 | 2,942 | 3,230 | 221 | 452 | 695 | 950 | 1,217 | 1,497 | 1,790 | 2,097 | 2,418 | 2,753 | 3,104 |
| back flow preventers | | | | | | | | | | | | | | | |
| 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 | 2,100 | 2,152 | 2,206 | 2,261 | 2,317 | 2,375 | 2,434 | 2,495 | 2,557 | 2,621 | 2,686 | 2,753 | 2,822 | 2,892 | 2,964 |
| Accumulated depreciation | 1,680 | 1,865 | 2,059 | 2,261 | 154 | 317 | 487 | 665 | 852 | 1,048 | 1,253 | 1,468 | 1,693 | 1,928 | 2,174 |
| major tree trimming/removal | | | | | | | | | | | | | | | |
| 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 |
| 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 |
| 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 |
| signs | | | | | | | | | | | | | | | |
| Useful life | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Remaining life | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 19 | 18 | 17 | 16 | 15 |
| Replacement cost | 600 | 615 | 630 | 646 | 662 | 678 | 695 | 712 | 730 | 748 | 767 | 786 | 806 | 826 | 847 |
| Accumulated depreciation | 330 | 369 | 410 | 452 | 497 | 542 | 591 | 641 | 694 | 748 | 38 | 79 | 121 | 165 | 212 |
| Contingency - 5% | 135 | 528 | 439 | 13,207 | 0 | 1,515 | 597 | 496 | 19,957 | 37 | 390 | 1,674 | 5,071 | 0 | 0 |
| TOTAL Accumulated depreciation | 455,241 | 512,748 | 564,357 | 633,176 | 416,960 | 482,426 | 517,326 | 574,128 | 655,380 | 301,311 | 368,979 | 433,533 | 476,997 | 444,953 | 522,878 |

**COMPONENT ACCUMULATED DEPRECIATION ANALYSIS
COMMERCIAL OWNERS ASSOCIATION (SAMPLE ONLY)**

1/1/2039 through 1/1/2053

| COMPONENT | 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 | 1/1/2051 | 1/1/2052 | 1/1/2053 |
|-------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| cap sheet roof | | | | | | | | | | | | | | | |
| 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 | 347,443 | 356,094 | 364,961 | 374,049 | 383,363 | 392,909 | 402,692 | 412,719 | 422,996 | 433,529 | 444,324 | 455,388 | 466,727 | 478,349 | 490,260 |
| Accumulated depreciation | 347,443 | 29,675 | 60,827 | 93,512 | 127,788 | 163,712 | 201,346 | 240,753 | 281,997 | 325,147 | 370,270 | 417,439 | 466,727 | 39,862 | 81,710 |
| standing seam roof | | | | | | | | | | | | | | | |
| 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 |
| skylights | | | | | | | | | | | | | | | |
| Useful life | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| Remaining life | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 |
| Replacement cost | 75,054 | 76,923 | 78,838 | 80,801 | 82,813 | 84,875 | 86,988 | 89,154 | 91,374 | 93,649 | 95,981 | 98,371 | 100,820 | 103,330 | 105,903 |
| Accumulated depreciation | 9,382 | 12,821 | 16,425 | 20,200 | 24,154 | 28,292 | 32,621 | 37,148 | 41,880 | 46,825 | 51,990 | 57,383 | 63,013 | 68,887 | 75,015 |
| foundations/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 | 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 | 0 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 9 | 8 | 7 | 6 |
| Replacement cost | 34,854 | 35,722 | 36,611 | 37,523 | 38,457 | 39,415 | 40,396 | 41,402 | 42,433 | 43,490 | 44,573 | 45,683 | 46,821 | 47,987 | 49,182 |
| Accumulated depreciation | 34,854 | 3,572 | 7,322 | 11,257 | 15,383 | 19,708 | 24,238 | 28,981 | 33,946 | 39,141 | 44,573 | 4,568 | 9,364 | 14,396 | 19,673 |
| interior 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 |
| doors | | | | | | | | | | | | | | | |
| Useful life | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Remaining life | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 | 1 |
| Replacement cost | 2,245 | 2,301 | 2,358 | 2,417 | 2,477 | 2,539 | 2,602 | 2,667 | 2,733 | 2,801 | 2,871 | 2,942 | 3,015 | 3,090 | 3,167 |
| Accumulated depreciation | 2,245 | 460 | 943 | 1,450 | 1,982 | 2,539 | 520 | 1,067 | 1,640 | 2,241 | 2,871 | 588 | 1,206 | 1,854 | 2,534 |
| metal | | | | | | | | | | | | | | | |
| Useful life | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Remaining life | 2 | 1 | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 |
| Replacement cost | 12,073 | 12,374 | 12,682 | 12,998 | 13,322 | 13,654 | 13,994 | 14,342 | 14,699 | 15,065 | 15,440 | 15,824 | 16,218 | 16,622 | 17,036 |
| Accumulated depreciation | 7,244 | 9,899 | 12,682 | 2,600 | 5,329 | 8,192 | 11,195 | 14,342 | 2,940 | 6,026 | 9,264 | 12,659 | 16,218 | 3,324 | 6,814 |
| parking stripes | | | | | | | | | | | | | | | |
| Useful life | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Remaining life | 1 | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 |
| Replacement cost | 5,135 | 5,263 | 5,394 | 5,528 | 5,666 | 5,807 | 5,952 | 6,100 | 6,252 | 6,408 | 6,568 | 6,732 | 6,900 | 7,072 | 7,248 |
| Accumulated depreciation | 4,108 | 5,263 | 1,079 | 2,211 | 3,400 | 4,646 | 5,952 | 1,220 | 2,501 | 3,845 | 5,254 | 6,732 | 1,380 | 2,829 | 4,349 |

**COMPONENT ACCUMULATED DEPRECIATION ANALYSIS
COMMERCIAL OWNERS ASSOCIATION (SAMPLE ONLY)**

1/1/2039 through 1/1/2053

| COMPONENT | 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 | 1/1/2051 | 1/1/2052 | 1/1/2053 |
|-------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| curbs | | | | | | | | | | | | | | | |
| Useful life | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Remaining life | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 | 1 |
| Replacement cost | 1,663 | 1,704 | 1,746 | 1,789 | 1,834 | 1,880 | 1,927 | 1,975 | 2,024 | 2,074 | 2,126 | 2,179 | 2,233 | 2,289 | 2,346 |
| Accumulated depreciation | 1,663 | 341 | 698 | 1,073 | 1,467 | 1,880 | 385 | 790 | 1,214 | 1,659 | 2,126 | 436 | 893 | 1,373 | 1,877 |
| fire alarm system | | | | | | | | | | | | | | | |
| Useful life | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Remaining life | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 |
| Replacement cost | 4,918 | 5,040 | 5,165 | 5,294 | 5,426 | 5,561 | 5,699 | 5,841 | 5,986 | 6,135 | 6,288 | 6,445 | 6,605 | 6,769 | 6,938 |
| Accumulated depreciation | 1,230 | 1,512 | 1,808 | 2,118 | 2,442 | 2,781 | 3,134 | 3,505 | 3,891 | 4,295 | 4,716 | 5,156 | 5,614 | 6,092 | 6,591 |
| lighting-exterior | | | | | | | | | | | | | | | |
| Useful life | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Remaining life | 4 | 3 | 2 | 1 | 0 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 |
| Replacement cost | 13,232 | 13,561 | 13,899 | 14,245 | 14,600 | 14,964 | 15,337 | 15,719 | 16,110 | 16,511 | 16,922 | 17,343 | 17,775 | 18,218 | 18,672 |
| Accumulated depreciation | 10,586 | 11,527 | 12,509 | 13,533 | 14,600 | 748 | 1,534 | 2,358 | 3,222 | 4,128 | 5,077 | 6,070 | 7,110 | 8,198 | 9,336 |
| lighting-parking lot | | | | | | | | | | | | | | | |
| Useful life | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| Remaining life | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 |
| Replacement cost | 22,055 | 22,604 | 23,167 | 23,744 | 24,335 | 24,941 | 25,562 | 26,198 | 26,850 | 27,519 | 28,204 | 28,906 | 29,626 | 30,364 | 31,120 |
| Accumulated depreciation | 3,529 | 4,521 | 5,560 | 6,648 | 7,787 | 8,979 | 10,225 | 11,527 | 12,888 | 14,310 | 15,794 | 17,344 | 18,961 | 20,648 | 22,406 |
| asphalt seal coat | | | | | | | | | | | | | | | |
| Useful life | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Remaining life | 1 | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 | 1 | 0 | 4 | 3 | 2 |
| Replacement cost | 9,762 | 10,005 | 10,254 | 10,509 | 10,771 | 11,039 | 11,314 | 11,596 | 11,885 | 12,181 | 12,484 | 12,795 | 13,114 | 13,441 | 13,776 |
| Accumulated depreciation | 7,810 | 10,005 | 2,051 | 4,204 | 6,463 | 8,831 | 11,314 | 2,319 | 4,754 | 7,309 | 9,987 | 12,795 | 2,623 | 5,376 | 8,266 |
| asphalt replacement | | | | | | | | | | | | | | | |
| Useful life | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Remaining life | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 | 19 |
| Replacement cost | 474,131 | 485,937 | 498,037 | 510,438 | 523,148 | 536,174 | 549,525 | 563,208 | 577,232 | 591,605 | 606,336 | 621,434 | 636,908 | 652,767 | 669,021 |
| Accumulated depreciation | 165,946 | 194,375 | 224,117 | 255,219 | 287,731 | 321,704 | 357,191 | 394,246 | 432,924 | 473,284 | 515,386 | 559,291 | 605,063 | 652,767 | 33,451 |
| swales | | | | | | | | | | | | | | | |
| Useful life | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| Remaining life | 27 | 26 | 25 | 24 | 23 | 22 | 21 | 20 | 19 | 18 | 17 | 16 | 15 | 14 | 13 |
| Replacement cost | 22,055 | 22,604 | 23,167 | 23,744 | 24,335 | 24,941 | 25,562 | 26,198 | 26,850 | 27,519 | 28,204 | 28,906 | 29,626 | 30,364 | 31,120 |
| Accumulated depreciation | 2,206 | 3,014 | 3,861 | 4,749 | 5,678 | 6,651 | 7,669 | 8,733 | 9,845 | 11,008 | 12,222 | 13,489 | 14,813 | 16,194 | 17,635 |
| concrete channel drain | | | | | | | | | | | | | | | |
| 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 |
| 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 |

**COMPONENT ACCUMULATED DEPRECIATION ANALYSIS
COMMERCIAL OWNERS ASSOCIATION (SAMPLE ONLY)**

1/1/2039 through 1/1/2053

| COMPONENT | 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 | 1/1/2051 | 1/1/2052 | 1/1/2053 |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|----------------|----------------|
| irrigation controller | | | | | | | | | | | | | | | |
| 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 | 4,338 | 4,446 | 4,557 | 4,670 | 4,786 | 4,905 | 5,027 | 5,152 | 5,280 | 5,411 | 5,546 | 5,684 | 5,826 | 5,971 | 6,120 |
| Accumulated depreciation | 3,470 | 3,853 | 4,253 | 4,670 | 319 | 654 | 1,005 | 1,374 | 1,760 | 2,164 | 2,588 | 3,031 | 3,496 | 3,981 | 4,488 |
| back flow preventers | | | | | | | | | | | | | | | |
| 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 | 3,038 | 3,114 | 3,192 | 3,271 | 3,352 | 3,435 | 3,521 | 3,609 | 3,699 | 3,791 | 3,885 | 3,982 | 4,081 | 4,183 | 4,287 |
| Accumulated depreciation | 2,430 | 2,699 | 2,979 | 3,271 | 223 | 458 | 704 | 962 | 1,233 | 1,516 | 1,813 | 2,124 | 2,449 | 2,789 | 3,144 |
| major tree trimming/removal | | | | | | | | | | | | | | | |
| 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 |
| 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 |
| 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 |
| signs | | | | | | | | | | | | | | | |
| Useful life | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Remaining life | 14 | 13 | 12 | 11 | 10 | 9 | 8 | 7 | 6 | 5 | 4 | 3 | 2 | 1 | 0 |
| Replacement cost | 868 | 890 | 912 | 935 | 958 | 982 | 1,006 | 1,031 | 1,057 | 1,083 | 1,110 | 1,138 | 1,166 | 1,195 | 1,225 |
| Accumulated depreciation | 260 | 312 | 365 | 421 | 479 | 540 | 604 | 670 | 740 | 812 | 888 | 967 | 1,049 | 1,135 | 1,225 |
| Contingency - 5% | 19,310 | 763 | 634 | 397 | 730 | 221 | 863 | 717 | 0 | 0 | 2,479 | 976 | 24,147 | 32,638 | 61 |
| TOTAL Accumulated depreciation | 623,716 | 294,612 | 358,113 | 427,533 | 505,955 | 580,536 | 670,500 | 750,712 | 837,375 | 943,710 | 1,057,298 | 1,121,048 | 1,244,126 | 882,343 | 298,575 |

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, 2023

INSPECTOR(S): Scott Clements

OTHERS PRESENT: None



COMMERCIAL OWNERS ASSOCIATION

| | | |
|----------------------|----------------|--------------------|
| CATEGORY: | ROOF/DECKS | |
| COMPONENT(S): | CAP SHEET ROOF | ID#(S) 0101 |



CAP SHEET ROOF (TYPICAL)

OBSERVATIONS: *This component includes the cap-sheet roofing (flat) on each building. Conditions varied and for reporting purposes the remaining lives have been averaged. On this type of structure, 2 layers are generally permitted. However, if the association should decide 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: | 12 YEAR(S) |
| ESTIMATED REMAINING LIFE: | 3 YEAR(S) |
| AVERAGE COMPONENT COST: | \$ 240,250 |

TO PROTECT YOUR INVESTMENT: *Periodic maintenance should include an examination for, and resealing of any separated laps and seams. All flashings should also be regularly examined and resealed as necessary. Any roof drains should be maintained in a clean and operational condition at all times to prevent damming, water retention and associated leakage. A maintenance contract with a licensed roofing contractor is strongly recommended.*

| | | |
|----------------------|--------------------|--------------------|
| CATEGORY: | ROOF/DECKS | |
| COMPONENT(S): | STANDING SEAM ROOF | ID#(S) 0102 |



STANDING SEAM ROOF (TYPICAL)

OBSERVATIONS: *This component includes the standing seam galvanized roofing (sloped/metal) over the trash enclosures. It would typically have a life expectancy in excess of 30 years and therefore no amount has been budgeted for its replacement at this time.*

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

TO PROTECT YOUR INVESTMENT: *Little by way of maintenance can be performed for this component other than eventual painting. As the painting cycle would be somewhat unpredictable, it is recommended that the situation be monitored and funds for painting (when necessary) be supplied from the Contingency Reserve.*

| | | |
|----------------------|------------|--------------------|
| CATEGORY: | ROOF/DECKS | |
| COMPONENT(S): | SKYLIGHTS | ID#(S) 0103 |



SKYLIGHTS (TYPICAL)

OBSERVATIONS: *This component includes the Plexiglas skylights. They appeared to be in average condition.*

| | |
|----------------------------------|------------|
| TYPICAL USEFUL LIFE: | 24 YEAR(S) |
| ESTIMATED REMAINING LIFE: | 12 YEAR(S) |
| AVERAGE COMPONENT COST: | \$ 51,900 |

TO PROTECT YOUR INVESTMENT: *The skylights should be re-caulked on an as-needed basis to prevent leakage (minor expenditure – operating cost).*

| | | |
|----------------------|------------------------------|--------------------|
| 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. We were informed of repairs to wall cracks in 2016. Provided there are no major catastrophes, the proper drainage principles are maintained and that structural pest control procedures are adhered to (see component ID #0202), this would normally be considered to be a lifetime component for which no reserve budget would be called for.*

| | |
|----------------------------------|-------------|
| 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 need for fumigation of each building. 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) suggests that annual inspections be performed to discover any infestation in its early stages before it becomes a serious problem. As these buildings have been primarily constructed of concrete and steel, no funding for complete fumigation has been provided. It is recommended that any necessary treatments be funded on an as-needed basis from the operating account. It is also suggested that the association seek the services of a licensed pest control operator for further evaluation and recommendations.*

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

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: | <i>PAINT</i> | |
| COMPONENT(S): | <i>EXTERIOR FLATWORK</i> | ID#(S) 0301 |



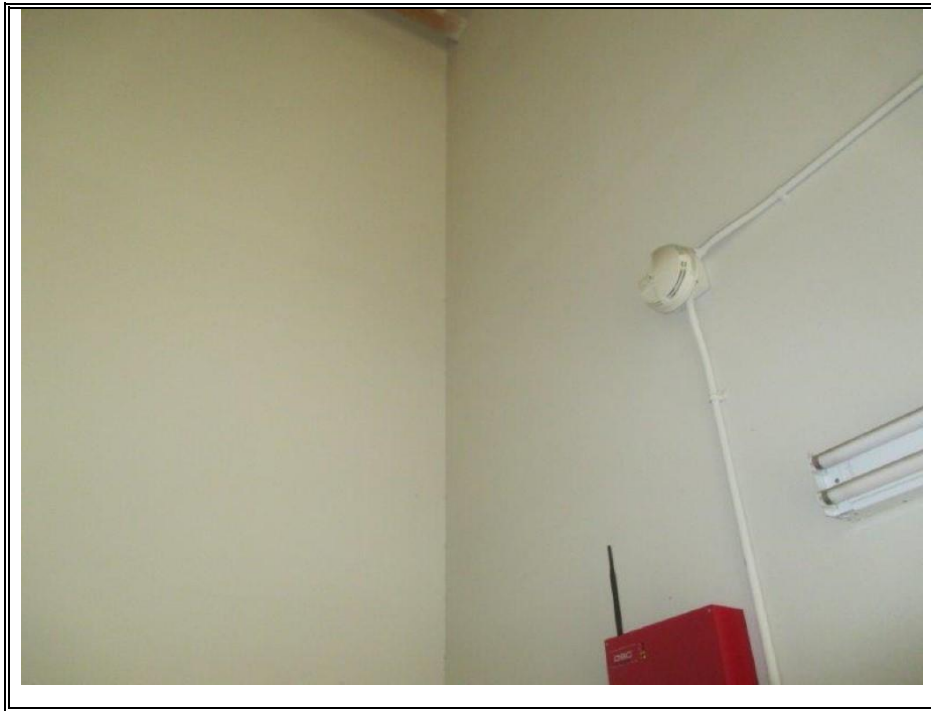
EXTERIOR FLATWORK (TYPICAL)

OBSERVATIONS: *This component includes the painted concrete surfaces on the buildings and the block walls. We were informed they were painted in 2014 and they appeared to be in average condition.*

| | |
|----------------------------------|------------|
| TYPICAL USEFUL LIFE: | 10 YEAR(S) |
| ESTIMATED REMAINING LIFE: | 5 YEAR(S) |
| AVERAGE COMPONENT COST: | \$ 24,100 |

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): | INTERIOR FLATWORK | ID#(S) 0302 |



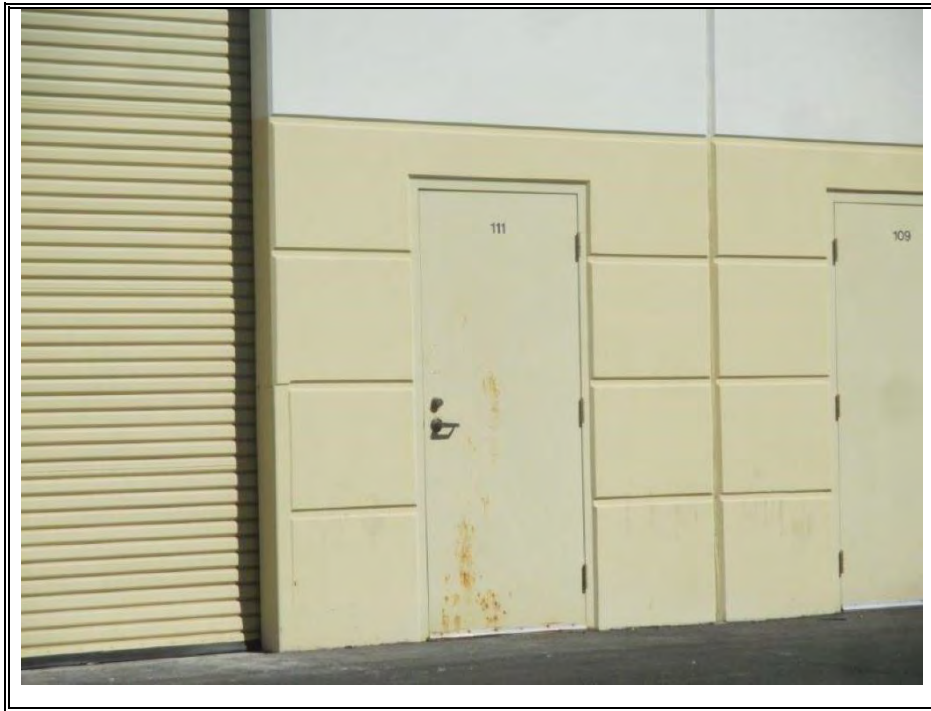
INTERIOR FLATWORK (TYPICAL)

OBSERVATIONS: *This component includes the painted surfaces of the interior of the electrical rooms. They appeared to be in average condition. It is recommended that painting 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. In addition, all openings of windows and doors should be examined prior to painting and re-caulked if required.*

| | | |
|----------------------|--------------|--------------------|
| CATEGORY: | <i>PAINT</i> | |
| COMPONENT(S): | <i>DOORS</i> | ID#(S) 0303 |



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 they were painted in 2014 and they appeared to be in an aged condition.*

| | |
|----------------------------------|------------------|
| TYPICAL USEFUL LIFE: | 5 YEAR(S) |
| ESTIMATED REMAINING LIFE: | 0 YEAR(S) |
| AVERAGE COMPONENT COST: | \$ 1,550 |

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.*

| | | |
|----------------------|--------------|--------------------|
| CATEGORY: | <i>PAINT</i> | |
| COMPONENT(S): | <i>METAL</i> | ID#(S) 0304 |



METAL (TYPICAL)

OBSERVATIONS: *This component includes the painted surfaces of the exterior metal trash bins and roll-up doors. We were informed they were painted in 2014 and they appeared to be in varied conditions. For reporting purposes, the remaining lives have been averaged.*

| | |
|----------------------------------|------------------|
| TYPICAL USEFUL LIFE: | 5 YEAR(S) |
| ESTIMATED REMAINING LIFE: | 2 YEAR(S) |
| AVERAGE COMPONENT COST: | \$ 8,350 |

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>PARKING STRIPES</i> | ID#(S) 0305 |



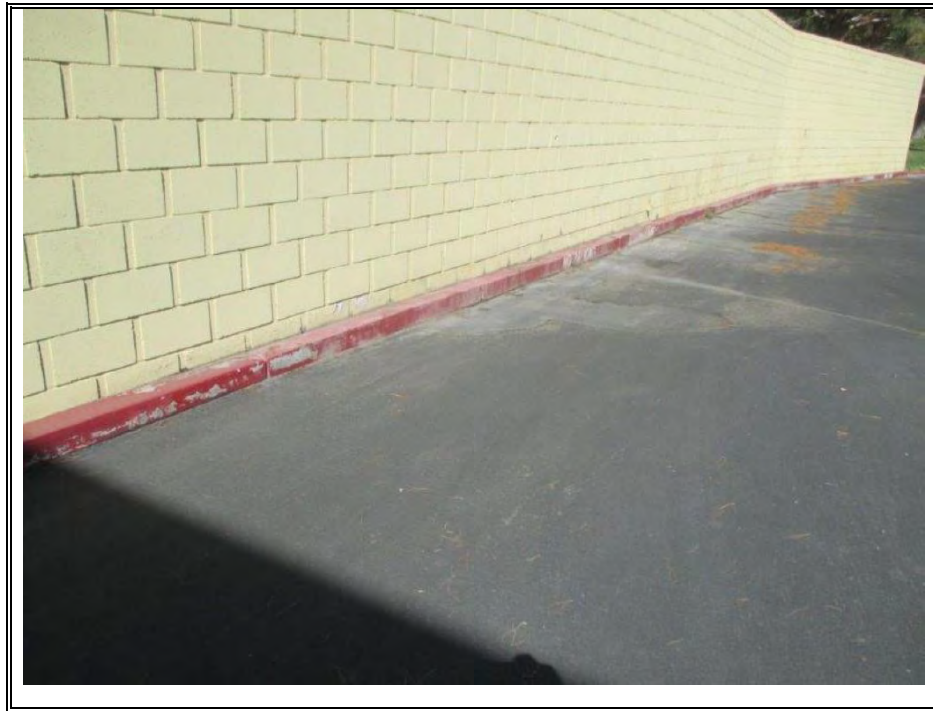
PARKING STRIPES (TYPICAL)

OBSERVATIONS: *This component includes the painted parking stripes that delineate the individual parking spaces at the parking lot. We were informed they were painted in 2014 and they appeared to be in varied conditions. For reporting purposes, the remaining lives have been averaged.*

| | |
|----------------------------------|------------------|
| TYPICAL USEFUL LIFE: | 5 YEAR(S) |
| ESTIMATED REMAINING LIFE: | 1 YEAR(S) |
| AVERAGE COMPONENT COST: | \$ 3,550 |

TO PROTECT YOUR INVESTMENT: *Cleaning and periodic "touch-up" of peeling and damaged surfaces is recommended for appearance. All peeling paint should be sanded / scraped prior to any finish paint.*

| | | |
|----------------------|-------|--------------------|
| CATEGORY: | PAINT | |
| COMPONENT(S): | CURBS | ID#(S) 0306 |



CURBS (TYPICAL)

OBSERVATIONS: *This component includes the painted red curbs at the parking lot. We were informed they were painted in 2014 and they appeared to be in an aged condition.*

| | |
|----------------------------------|-----------|
| TYPICAL USEFUL LIFE: | 5 YEAR(S) |
| ESTIMATED REMAINING LIFE: | 0 YEAR(S) |
| AVERAGE COMPONENT COST: | \$ 1,150 |

TO PROTECT YOUR INVESTMENT: *Cleaning and periodic "touch-up" of peeling and damaged surfaces is recommended for appearance. All peeling paint should be sanded / scraped prior to any finish paint.*

| | | |
|----------------------|--------------------------|--------------------|
| CATEGORY: | <i>ELECTRICAL</i> | |
| COMPONENT(S): | <i>FIRE ALARM SYSTEM</i> | ID#(S) 0401 |



FIRE ALARM SYSTEM (TYPICAL)

OBSERVATIONS: *This component includes the fire alarm systems in the utility room of each building. We were informed one was replaced in 2018 and, as conditions varied, for reporting purposes their remaining lives have been averaged.*

| | |
|----------------------------------|-------------------|
| TYPICAL USEFUL LIFE: | <i>20 YEAR(S)</i> |
| ESTIMATED REMAINING LIFE: | <i>10 YEAR(S)</i> |
| AVERAGE COMPONENT COST: | <i>\$ 3,400</i> |

TO PROTECT YOUR INVESTMENT: *Little by way of maintenance can be performed for this component. However, it should be professionally inspected on a regular (suggested annual) basis.*

| | | |
|----------------------|--------------------------|--------------------|
| CATEGORY: | <i>ELECTRICAL</i> | |
| COMPONENT(S): | <i>LIGHTING-EXTERIOR</i> | ID#(S) 0402 |



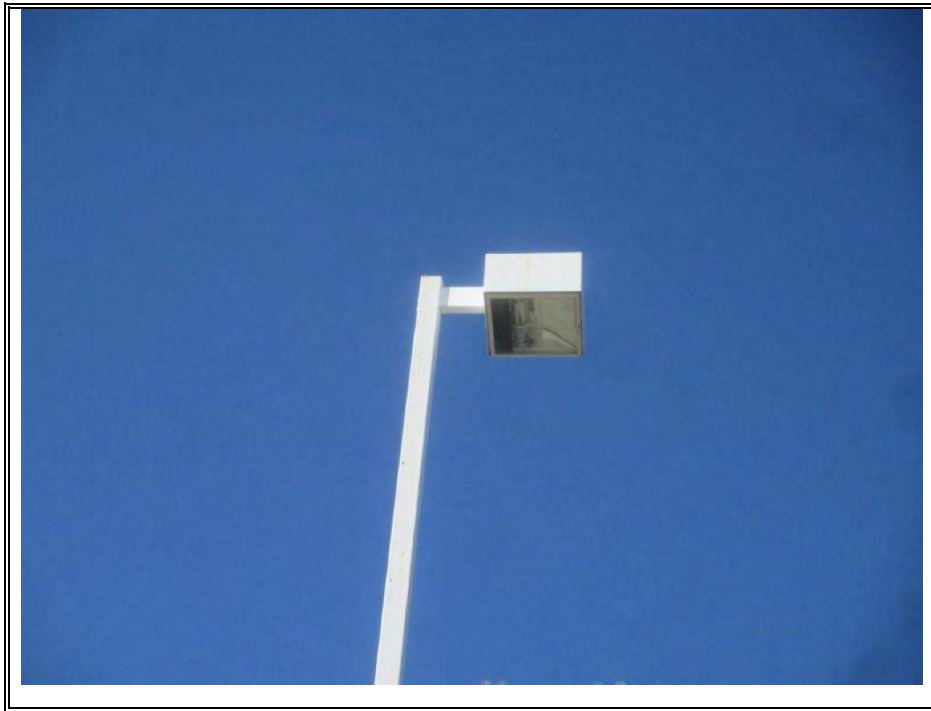
LIGHTING-EXTERIOR (TYPICAL)

OBSERVATIONS: *This component includes the various sized light fixtures at the exterior of each building. Inspection was limited (viewed from a distance) however, we were informed they were converted to LED in 2018 and they appeared to be in good condition. The external location of these fixtures usually makes them subject to a greater rate of deterioration due to exposure to the elements. Also, it is often desirable to replace these fixtures as they eventually become dated and/or more energy efficient options become available.*

| | |
|----------------------------------|------------|
| TYPICAL USEFUL LIFE: | 20 YEAR(S) |
| ESTIMATED REMAINING LIFE: | 19 YEAR(S) |
| AVERAGE COMPONENT COST: | \$ 9,150 |

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: | <i>ELECTRICAL</i> | |
| COMPONENT(S): | <i>LIGHTING-PARKING LOT</i> | ID#(S) 0403 |



LIGHTING-PARKING LOT (TYPICAL)

OBSERVATIONS: *This component includes the box-type pole light fixtures at the parking lot. They appeared to be in good condition for their age. These types of fixtures are typically subject to a greater level of deterioration from the elements.*

| | |
|----------------------------------|------------|
| TYPICAL USEFUL LIFE: | 25 YEAR(S) |
| ESTIMATED REMAINING LIFE: | 11 YEAR(S) |
| AVERAGE COMPONENT COST: | \$ 15,250 |

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): | ASPHALT SEAL COAT | ID#(S) 0501 |



ASPHALT SEAL COAT (TYPICAL)

OBSERVATIONS: *This component includes the seal coat for the parking lot. We were informed it was applied in 2014 and it appeared to be in an average condition for its age. While a relatively inexpensive procedure, the seal coat serves to enhance the longevity of the underlying asphalt as well as its appearance by replenishing the oil and fine aggregates of the underlying asphalt. It is important that this procedure always be undertaken within 6 months of any overlay or resurfacing and performed thereafter on a 3 – 5 year cycle (typically a warranty requirement). See component ID #0502 for further comments.*

| | |
|----------------------------------|-----------|
| TYPICAL USEFUL LIFE: | 5 YEAR(S) |
| ESTIMATED REMAINING LIFE: | 1 YEAR(S) |
| AVERAGE COMPONENT COST: | \$ 6,750 |

TO PROTECT YOUR INVESTMENT: *All asphalt areas should be examined at least annually and any cracks exceeding ¼ inch should be repaired with a rubberized sealant compound. Irrigation run-off can accelerate degradation and should be prevented / diverted.*

| | | |
|----------------------|---------------------|--------------------|
| CATEGORY: | LANDSCAPE/HARDSCAPE | |
| COMPONENT(S): | ASPHALT REPLACEMENT | ID#(S) 0502 |



ASPHALT REPLACEMENT (TYPICAL)

OBSERVATIONS: *This component provides for replacement of the asphalt surfaces described in component ID #0501. The surfaces appeared to be in an aging condition. Aging, oxidation, and vehicle traffic eventually cause cracking, ponding and uneven pavement. Such surface irregularities may result in improper drainage and compromised driving surfaces. Asphalt replacement entails removal of the existing pavement, grading and compaction of the existing aggregate base material, and the installation of hot asphalt pavement. It is recommended that pavement engineering be obtained prior to replacement in order to guarantee that new pavement specifications will meet or exceed the needs of the common area pavement. In conjunction with replacement, seal coat should be performed within 6 months and then at 3 – 5 year intervals thereafter (see component ID #0501). It is recommended that prior to replacement, further evaluation be obtained from a soils/geotechnical engineer.*

| | |
|----------------------------------|------------|
| TYPICAL USEFUL LIFE: | 20 YEAR(S) |
| ESTIMATED REMAINING LIFE: | 8 YEAR(S) |
| AVERAGE COMPONENT COST: | \$ 327,850 |

TO PROTECT YOUR INVESTMENT: *All asphalt areas should be examined at least annually and any cracks exceeding ¼ inch should be repaired with a rubberized sealant compound. Irrigation run-off can accelerate degradation and should be prevented / diverted.*

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|----------------------|---------------------|--------------------|
| CATEGORY: | LANDSCAPE/HARDSCAPE | |
| COMPONENT(S): | SWALES | ID#(S) 0503 |



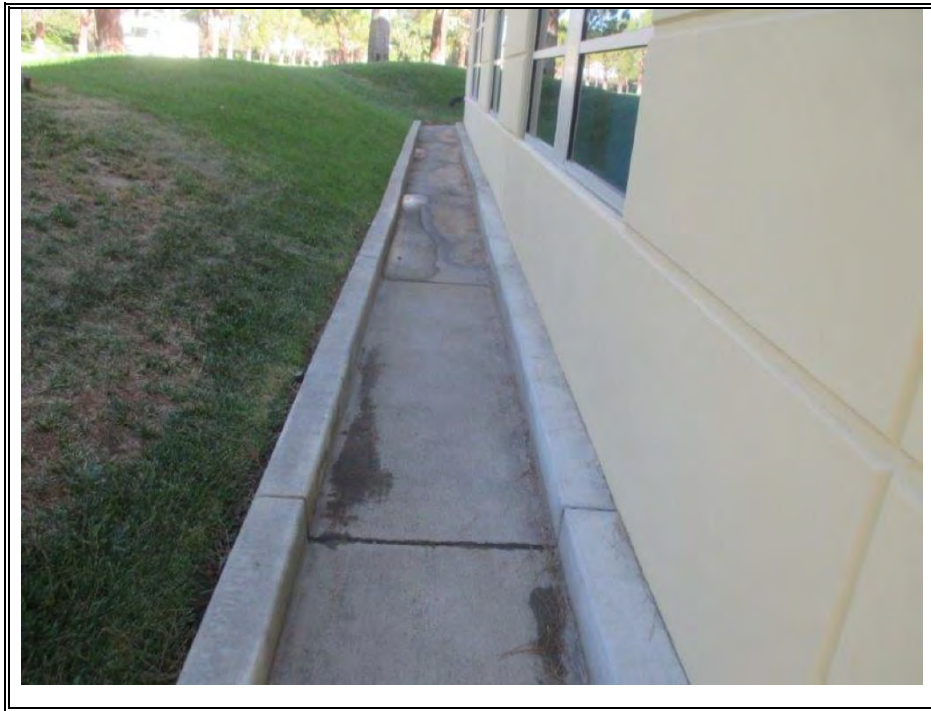
SWALES (TYPICAL)

OBSERVATIONS: *This component includes the concrete "V" drains (swales) in the asphalt parking area. They appeared to be in average condition. However, cracks and poor drainage can result in water undermining both the swales and asphalt with associated failures. It is recommended that replacement be coordinated with replacement of the asphalt.*

| | |
|----------------------------------|------------|
| TYPICAL USEFUL LIFE: | 30 YEAR(S) |
| ESTIMATED REMAINING LIFE: | 12 YEAR(S) |
| AVERAGE COMPONENT COST: | \$ 15,250 |

TO PROTECT YOUR INVESTMENT: *It is essential to regularly repair/seal any cracks in the concrete.*

| | | |
|----------------------|------------------------|--------------------|
| CATEGORY: | LANDSCAPE/HARDSCAPE | |
| COMPONENT(S): | CONCRETE CHANNEL DRAIN | ID#(S) 0504 |



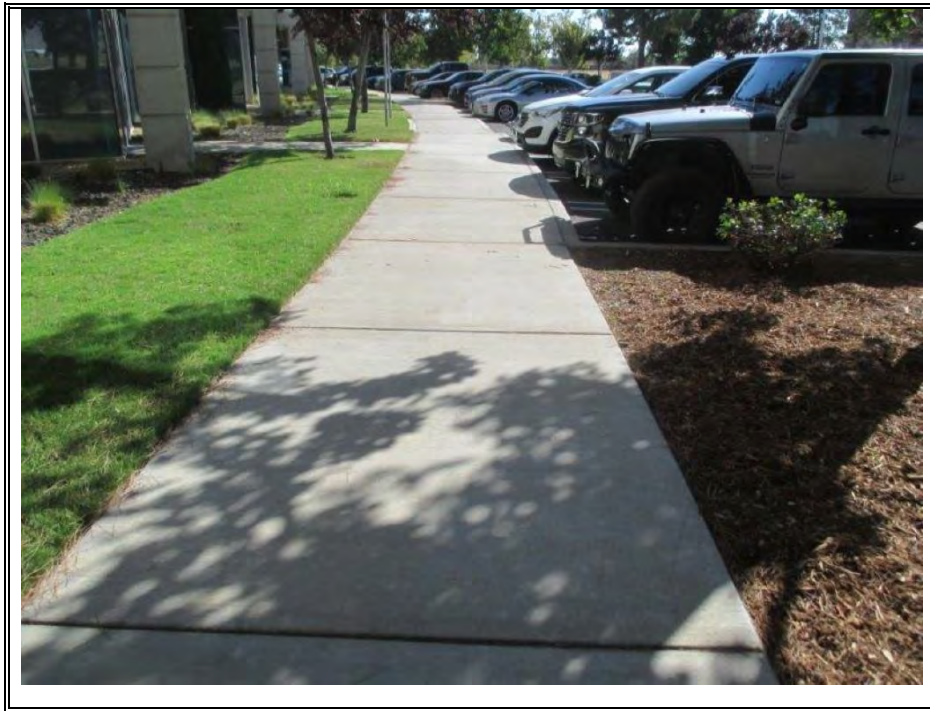
CONCRETE CHANNEL DRAIN (TYPICAL)

OBSERVATIONS: *This component includes the concrete channel drain on the west side of building 32913, which serves to divert water runoff to the parking lot swales and away from the adjoining building. It appeared to be in good condition, and for purposes of reporting would be considered to be a lifetime component*

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

TO PROTECT YOUR INVESTMENT: *It is essential to regularly repair/seal any cracks in the concrete.*

| | | |
|----------------------|---------------------|--------------------|
| CATEGORY: | LANDSCAPE/HARDSCAPE | |
| COMPONENT(S): | CONCRETE FLATWORK | ID#(S) 0505 |



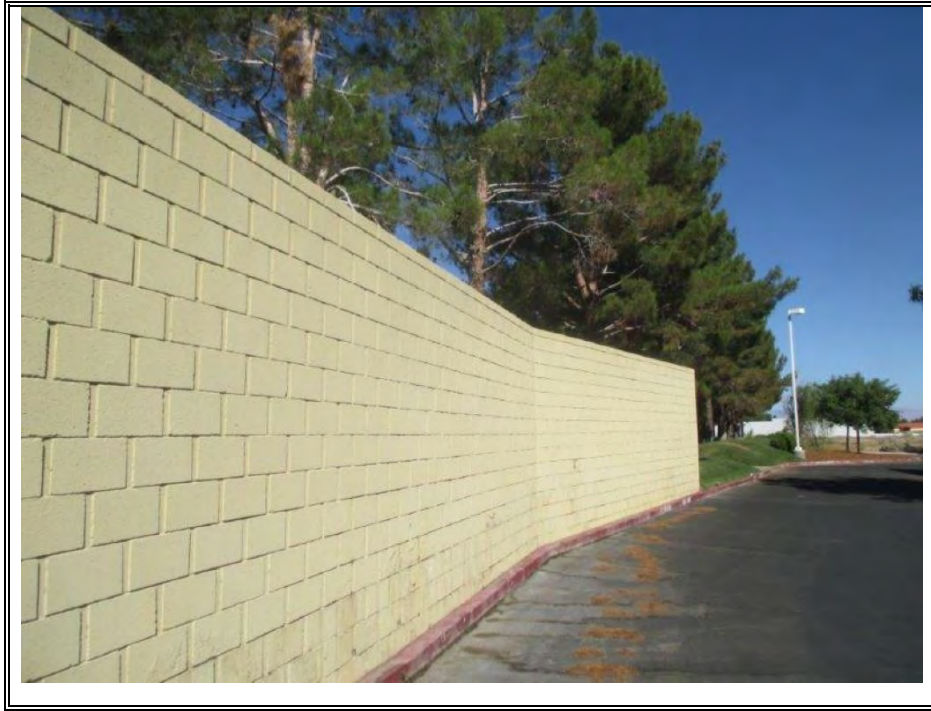
CONCRETE FLATWORK (TYPICAL)

OBSERVATIONS: *This component includes the concrete driveways, walkways and paths throughout the complex. Although they appeared to be in good 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 the replacement of such. 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: *Any sections observed to be vertically displaced should be repaired immediately upon discovery. 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, the associated costs should be disbursed either from the association's operating account or the contingency reserve (see "Component Replacement 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): | CONCRETE BLOCK WALLS | ID#(S) 0506 |



CONCRETE BLOCK WALLS (TYPICAL)

OBSERVATIONS: *This component includes the concrete block walls throughout the development. 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): | IRRIGATION CONTROLLER | ID#(S) 0507 |



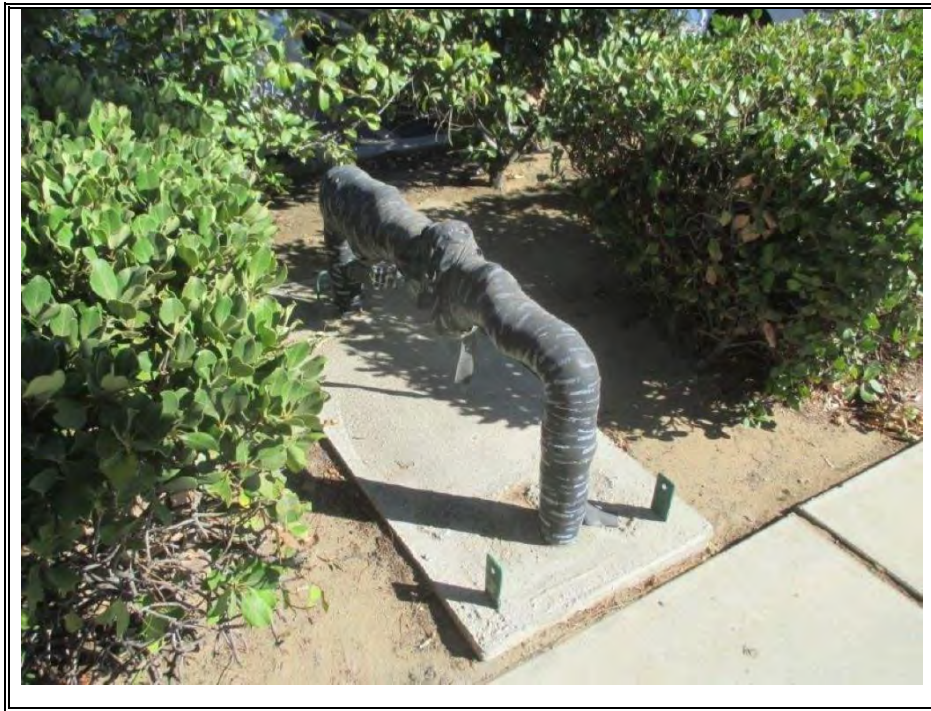
IRRIGATION CONTROLLER (TYPICAL)

OBSERVATIONS: *This component includes an irrigation controller. It was inaccessible for inspection (locked), and for purposes of reporting the condition, number of stations and remaining life has been estimated. It tends to have a more predictable life expectancy, and the average component cost provides for its 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: | 15 YEAR(S) |
| ESTIMATED REMAINING LIFE: | 3 YEAR(S) |
| AVERAGE COMPONENT COST: | \$ 3,000 |

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): | BACK FLOW PREVENTERS | ID#(S) 0508 |



BACK FLOW PREVENTERS (TYPICAL)

OBSERVATIONS: *This component includes the back-flow preventers, comprised of 1 @ 1¼", 1 @ 1½", and 1 @ 2", which are part of the irrigation system. The actual performance life would be difficult to determine. However, a rough time frame has been provided for budgeting purposes.*

| | |
|----------------------------------|------------|
| TYPICAL USEFUL LIFE: | 15 YEAR(S) |
| ESTIMATED REMAINING LIFE: | 3 YEAR(S) |
| AVERAGE COMPONENT COST: | \$ 2,100 |

TO PROTECT YOUR INVESTMENT: *Little can be performed by way of maintenance for this type of component.*

| | | |
|----------------------|-----------------------------|--------------------|
| CATEGORY: | LANDSCAPE/HARDSCAPE | |
| COMPONENT(S): | MAJOR TREE TRIMMING/REMOVAL | ID#(S) 0509 |



MAJOR TREE TRIMMING/REMOVAL (TYPICAL)

OBSERVATIONS: *This component addresses major tree trimming / removal. We were informed of trimming being done in 2017. There were no major problems observed (or reported to us) with respect to structural damage from any trees. However, we recommend that the situation be monitored, and removal of trees should be anticipated in the future if necessary. Close proximity of trees to the structures can become destructive to foundations and walkways. It is recommended that trimming / removal be performed on an as-needed basis and funded from the operating account. Any necessary adjustments can be included in future Reserve Study Updates. Study Updates.*

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

TO PROTECT YOUR INVESTMENT: *A program of annual tree trimming (operating budget item) should be instituted to minimize the need for major tree topping which may be detrimental to both the growth and stability of the trees.*

| | | |
|----------------------|---------------------|--------------------|
| CATEGORY: | LANDSCAPE/HARDSCAPE | |
| COMPONENT(S): | LANDSCAPE REMODEL | ID#(S) 0510 |



LANDSCAPE REMODEL (TYPICAL)

OBSERVATIONS: *This component addresses the landscaping throughout the development. We were informed of landscape / irrigation modifications being done in 2017/2018. It is recommended that landscape modifications 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.

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|----------------------|---------------|--------------------|
| CATEGORY: | MISCELLANEOUS | |
| COMPONENT(S): | MAILBOXES | ID#(S) 0601 |



MAILBOXES (TYPICAL)

OBSERVATIONS: *This component addresses the pedestals of aluminum mailboxes. We were informed they are the responsibility of the U.S.P.S.*

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|----------------------------------|-------------|
| 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: | MISCELLANEOUS | |
| COMPONENT(S): | SIGNS | ID#(S) 0602 |



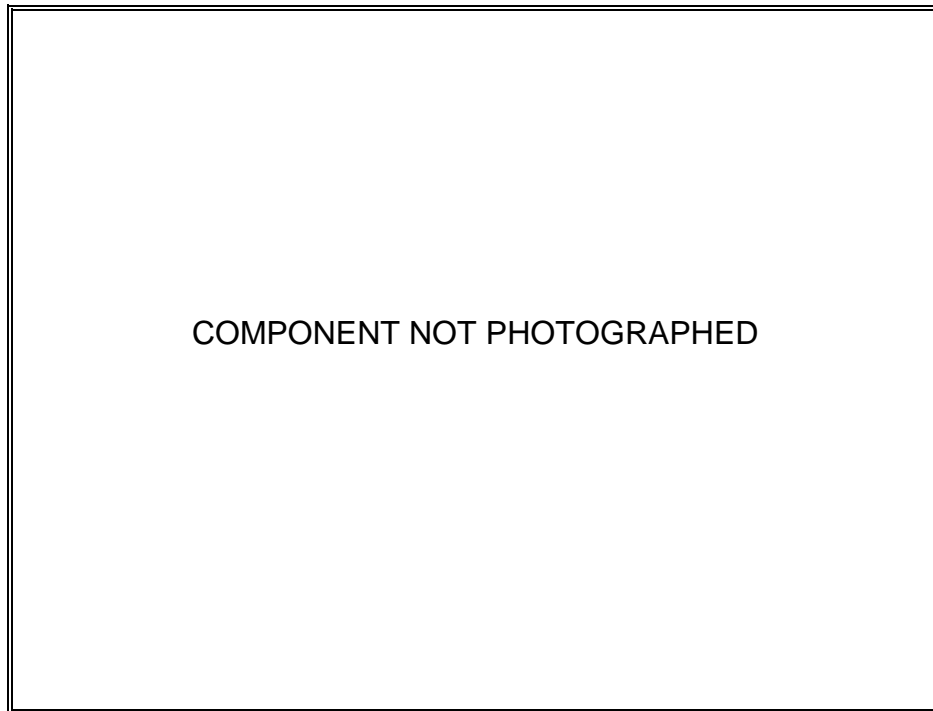
SIGNS (TYPICAL)

OBSERVATIONS: *This component includes the metal handicap signs at the common parking areas. They appeared to be in good condition for their age.*

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|----------------------------------|------------|
| TYPICAL USEFUL LIFE: | 20 YEAR(S) |
| ESTIMATED REMAINING LIFE: | 9 YEAR(S) |
| AVERAGE COMPONENT COST: | \$ 600 |

TO PROTECT YOUR INVESTMENT: *Little can be performed by way of maintenance for this type of component.*

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|----------------------|---------------------|--------------------|
| CATEGORY: | CONTINGENCY RESERVE | |
| COMPONENT(S): | GENERAL - 5% | ID#(S) 0701 |



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. |