

**Interlude Condominiums**  
**70 Gallun Lane**  
**Snowmass Village, CO 81615**



**Level 2, Premium Reserve Analysis**

**Report Period – 01/01/15 – 12/31/15**

**Client Reference Number - 8282**

**Property Type – Condominiums**

**Number of Units – 27**

**Fiscal Year End – December 31**

**Draft  
Version**

**Date of Property Observation - April 29, 2015**  
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## Introduction to the Reserve Analysis –

The elected officials of this association made a wise decision to invest in a Reserve Analysis to get a better understanding of the status of the Reserve funds. This Analysis will be a valuable tool to assist the Board of Directors in making the decision to which the dues are derived. Typically, the Reserve contribution makes up 15% - 40% of the association's total budget. Therefore, Reserves is considered to be a significant part of the overall monthly association payment.

Every association conducts its business within a budget. There are typically two main parts to this budget, Operating and Reserves. The Operating budget includes all expenses that are fixed on an annual basis. These would include management fees, maintenance fees, utilities, etc. The Reserves is primarily made up of Capital Replacement items such as asphalt, roofing, fencing, mechanical equipment, etc., that do not normally occur on an annual basis.

The Reserve Analysis is also broken down into two different parts, the Physical Analysis and the Financial Analysis. The Physical Analysis is information regarding the physical status and replacement cost of major common area components that the association is responsible to maintain. It is important to understand that while the Component Inventory will remain relatively "stable" from year to year, the Condition Assessment and Life/Valuation Estimates will most likely vary from year to year. You can find this information in the **Asset Inventory Section** (Section 2) of this Reserve Analysis. The **Financial Analysis Section** is the evaluation of the association's Reserve balance, income, and expenses. This is made up of a finding of the clients current Reserve Fund Status (measured as Percent Funded) and a recommendation for an appropriate Reserve Allocation rate (also known as the Funding Plan). You can find this information in Section 3 (pages 1 – 13) of this Reserve Analysis.

The purpose of this Reserve Analysis is to provide an educated estimate as to what the Reserve Allocation needs to be. The detailed schedules will serve as an advanced warning that major projects will need to be addressed in the future. This will allow the Board of Directors to have ample timing to obtain competitive estimates and bids that will result in cost savings to the individual homeowners. This will also ensure the physical well being of the property and ultimately enhance each owner's investment, while limiting the possibility of unexpected major projects that may lead to Special Assessments.

It is important for the client, homeowners, and potential future homeowners to understand that the information contained in this analysis is based on estimates and assumptions gathered from various sources. Estimated life expectancies and cycles are based upon conditions that were readily visible and accessible at time of the observation. No destructive or intrusive methods (such as entering the walls to inspect the condition of electrical wiring, plumbing lines, and telephone wires) were performed. In addition, environmental hazards (such as lead paint, asbestos, radon, etc.), construction defects, and acts of nature have not been investigated in the preparation of this report. If problem areas were revealed, a reasonable effort has been made to include these items within the report. While every effort has been made to ensure accurate results, this report reflects the judgment of Aspen Reserve Specialties and should not be construed as a guarantee or assurance of predicting future events.

## **General Information and Answers to Frequently Asked Questions –**

### **Why is it important to perform a Reserve Study?**

As previously mentioned, the Reserve allocation makes up a significant portion of the total monthly dues. This report provides the essential information that is needed to guide the Board of Directors in establishing the budget in order to run the daily operations of your association. It is suggested that a third party professionally prepare a Reserve Study since there is no vested interest in the property. Also, a professional knows what to look for and how to properly develop an accurate and reliable component list.

### **Now that we have “it”, what do we do with “it”?**

Hopefully, you will not look at this report and think it is too cumbersome to understand. Our intention is to make this Reserve Analysis very easy to read and understand. Please take the time to review it carefully and make sure the “main ingredients” (asset information) are complete and accurate. If there are any inaccuracies, please inform us immediately so we may revise the report.

Once you feel the report is an accurate tool to work from, use it to help establish your budget for the upcoming fiscal year. The Reserve allocation makes up a significant portion of the total monthly dues and this report should help you determine the correct amount of money to go into the Reserve fund. Additionally, the Reserve Study should act as a guide to obtain proposals in advance of pending normal maintenance and replacement projects. This will give you an opportunity to shop around for the best price available.

The Reserve Study should be readily available for Real Estate agents, brokerage firms, and lending institutions for potential future homeowners. As the importance of Reserves becomes more of a household term, people are requesting homeowners associations to reveal the strength of the Reserve fund prior to purchasing a condominium or townhome.

### **How often do we update or review “it”?**

Unfortunately, there is a misconception that these reports are good for an extended period of time since the report has projections for the next 30 years. Just like any major line item in the budget, the Reserve Analysis should be reviewed *each year* before the budget is established. Invariably, some assumptions have to be made during the compilation of this analysis. Anticipated events may not materialize and unpredictable circumstances could occur. Aging rates and repair/replacement costs will vary from causes that are unforeseen. Earned interest rates may vary from year to year. These variations could alter the content of the Reserve Analysis. Therefore, this analysis should be reviewed annually, and a property observation should be conducted at least once every three years.

### **Is it the law to have a Reserve Study conducted?**

The Government requires reserve analyses in approximately 20 states. The State of Colorado currently requires all associations to adopt a Reserve policy, but does not currently enforce a Reserve Study is completed. Despite enacting this current law, the chances are also very good the documents of the association require the association to have a Reserve fund established. This may not mean a Reserve Analysis is required, but how are you going to know there are enough funds in the account if you don't have the proper information? Hypothetically, some associations look at the Reserve fund and think \$50,000 is a lot of money and they are in good shape. What they don't know is the roof will need to be replaced within 5 years, and the cost of the roof is going to exceed \$75,000. So while \$50,000 sounds like a lot of money, in reality it won't even cover the cost of a roof, let alone all the other amenities the association is responsible to maintain.



## **What makes an asset a “Reserve” item versus an “Operating” item?**

A “Reserve” asset is an item that is the responsibility of the association to maintain, has a limited Useful Life, predictable Remaining Useful Life expectancies, typically occurs on a cyclical basis that exceeds 1 year, and costs above a minimum threshold cost. An “operating” expense is typically a fixed expense that occurs on an annual basis. For instance, minor repairs to a roof for damage caused by high winds or other weather elements would be considered an “operating” expense. However, if the entire roof needs to be replaced because it has reached the end of its life expectancy, then the replacement would be considered a Reserve expense.

## **The GREY area of “maintenance” items that are often seen in a Reserve Study –**

One of the most popular questions revolves around major “maintenance” items, such as painting the buildings or seal coating the asphalt. You may hear from your accountant that since painting or seal coating is not replacing a “capital” item, then it cannot be considered a Reserve issue. However, it is the opinion of several major Reserve Study providers that these items are considered to be major expenses that occur on a cyclical basis. Therefore, it makes it very difficult to ignore a major expense that meets the criteria to be considered a Reserve component. Once explained in this context, many accountants tend to agree and will include any expenses, such as these examples, as a Reserve component.

## **The Property Observation –**

The Property Observation was conducted following a review of the documents that were established by the developer identifying all common area assets. In some cases, the Board of Directors at some point may have revised the documents. In either case, the most current set of documents was reviewed prior to inspecting the property. In addition, common area assets may have been reported to Aspen Reserve Specialties by the client, or by other parties.

Estimated life expectancies and life cycles are based upon conditions that were readily accessible and visible at the time of the observation. We did not destroy any landscape work, building walls, or perform any methods of intrusive investigation during the observation. In these cases, information may have been obtained by contacting the contractor or vendor that has worked on the property.

## **The Reserve Fund Analysis –**

We projected the starting balance from taking the most recent balance statement, adding expected Reserve contributions for the rest of the year, and subtracting any pending projects for the rest of the year. We compared this number to the ideal Reserve Balance and arrived at the Percent funded level. Measures of strength are as follows:

**0% - 30% Funded** – Is considered to be a “weak” financial position. Associations that fall into this category are subject to Special Assessments and deferred maintenance, which could lead to lower property values. If the association is in this position, actions should be taken to improve the financial strength of the Reserve Fund.

**31% - 69% Funded** – The majority of associations are considered to be in this “fair” financial position. While this doesn’t represent financial strength and stability, the likelihood of Special Assessments and deferred maintenance is diminished. Effort should be taken to continue strengthening the financial position of the Reserve fund.

**70% - 99% Funded** – This indicates financial strength of a Reserve fund and every attempt to maintain this level should be a goal of the association.

**100% Funded** – This is the ideal amount of Reserve funding. This means that the association has the exact amount of funds in the Reserve account that should be at any given time.

## Summary of Interlude Condominiums –

Assoc. ID # - 08282-15

Projected Starting Balance as of January 1, 2015 -	<b>\$194,161</b>
Ideal Reserve Balance as of January 1, 2015 -	<b>\$478,139</b>
Percent Funded as of January 1, 2015 -	<b>41%</b>
Recommended Monthly Reserve Allocation -	<b>\$8,333 (rest of 2015)</b>
Recommended Monthly Reserve Allocation -	<b>\$9,025 (starting 2016)</b>
Minimum Monthly Reserve Allocation -	<b>\$8,633 (starting 2016)</b>
Recommended Special Assessment -	<b>\$0</b>

This report is an update to an existing Reserve Study that was prepared for the association 4 years ago for the 2011 fiscal period. An observation of the property's common area elements originally took place on April 29, 2015. In addition, we obtained information by contacting local vendors and contractors, as well as communicating with the property representative. To the best of our knowledge, the conclusions and suggestions of this report are considered reliable and accurate insofar as the information obtained from these sources.

This property contains 27 condominium style units within 3 similar buildings that were constructed 45 years ago in 1970. Association maintenance responsibilities include building exteriors, heating systems, elevators, a new heated drive, landscaping (that includes a waterscape) and an irrigation system. Recently completed reserve projects include a major overhaul of the elevator control system and jack, replacing all asphalt with heated concrete, and replacing all of the decorative exterior lighting with new fixtures. Please refer to the *Projected Reserve Expenditures* table in the Financial Analysis section for a list of when components are scheduled to be addressed in the future.

In comparing the projected balance of \$194,161 versus the ideal reserve balance of \$478,139, we find the association Reserve fund to be in an average financial position at this point in time (approximately 41% funded of ideal). Since the budget has already been adopted for the current fiscal year, we recommend maintaining the budgeted reserve contribution (\$8,333 per month) for the rest of 2015. However, as a result of the information contained in this report, we find the current Reserve allocation to be less than adequate in increasing the strength of the reserve fund to prepare for future projects.

Therefore, we are recommending an increase of the reserve contribution to \$9,025 (representing an increase of approximately \$25.62 per unit) per month starting January 2016. This should be followed by nominal annual increases of 4.50% thereafter to help offset the effects of inflation. By following the recommendation, the plan will maintain the Reserve account at the fully funded position throughout the thirty-year period.

In the Percent Funded graph, you will see we have also provided a "Minimum Reserve Contribution" of \$8,633 per month with annual increases of 3.60%. If the reserve contribution falls below this rate, then the reserve fund could fall into a situation where Special Assessments, deferred maintenance, and lower property values are possible at some point in the future. The minimum reserve allocation follows the "Threshold Theory" of reserve funding where the percent funded status is not allowed to dip below 30% funded at any point during the thirty-year period.

This was provided for one purpose only, to show the association how small the difference is between the two scenarios and how it would not make financial sense to contribute less money (approximately \$14.51 per unit per month in this case) to the reserve fund to only stay above a certain threshold. As you can see, the difference between the two scenarios is considered to be minimal, and based on the risk, we strongly suggest the Recommended Reserve Allocation is followed.

Comp #: 103 EPDM Flat Roof - Replace



**Observations:**

- The EPDM roofs appeared to be in fair condition at time of observation with no unusual conditions noted. There were a few areas noted where the roof was no longer adhered to the substrate (to be expected at this age).
- EPDM roofs in this environment typically last, on average, 20 years before micro-holes and failing seams present.
- With the relatively simple EPDM roof areas, the low traffic reported, and separation from the asphalt shingled roof areas, we recommend that funding be provided to replace these roofs independent of the other roofs.

**Location:** Building Roofs

**General Notes:**

**Quantity:** Approx. 8 Squares

EPDM Flat Roofs -  
 Building A - approx. 3 Squares  
 Building B/C - approx. 5 Squares

**Life Expectancy:** 20 Remaining Life: 8

**Best Cost:** \$9,600  
\$1,200/square; Estimate to replace

**Worst Cost:** \$11,200  
\$1,400/square; Higher estimate for more labor

**Source of Information:** Cost Database



Comp #: 105 Asphalt Shingle Roof - Replace



**Observations:**

- The triple layer asphalt shingle roof appeared to be in good to fair condition with little surface deterioration, cupping, or cracking noted throughout. The modified bitumen roofs near the chimneys showed the most weathering.
- Roofs in this climate, with frequent freeze/thaw cycles, high UV exposure, and snow/ice build-up, typically have a useful life of approximately 25 years before damage to the underlayment occurs, necessitating replacement.
- Roof inspections should occur annually with needed repairs being performed with operating funds.

**Location:** Building Roofs

**General Notes:**

**Quantity:** Approx. 190 Squares

Asphalt Shingle Roofs -  
 Building A - approx. 60 Squares  
 Building B/C - approx. 130 Squares

**Life Expectancy:** 25 **Remaining Life:** 14

**Best Cost:** \$144,000

\$900/square; Estimate to remove and replace

**Worst Cost:** \$160,000

\$1000/squares; Higher estimate for more labor costs

**Source of Information:** Cost Database





Comp #: 120 Gutters & Downspouts - Replace



Observations:

- The gutters and downspouts, generally, appeared to be in good condition at time of observation. The only damage noted was at ground level where damage typically occur due to snow and ice removal.
- we typically recommend that gutters & downspouts are replaced when the roofs are replaced.
- Due to the relatively high costs, durability, and age of this material, we recommend that an allowance be provided to replace 25% of this asset (approx. 425 LF) every time the roofs are replaced.

Location: Building Exteriors

General Notes:

Quantity: Approx. 1,700 LF

Gutters & Downspouts -  
 Building A - approx. 550 LF  
 Building B/C - approx. 1,150 LF

Life Expectancy: 25 Remaining Life: 14

Best Cost: \$10,625  
\$25/LF; Allowance to replace 25% of asset

PROJECT HISTORY:  
2010 - All gutters and downspouts replaced.

Worst Cost: \$12,725  
Higher estimate for more repairs/replacement

Source of Information: Cost Database



Comp #: 121 Heat Tape - Replace



**Observations:**

- In general, the heat tape appeared to be in fair condition with new, protected, tape on eaves and older, failing, tape noted in the chimney areas. It was reported that approx. 30% of the tape has failed or is failing.

- As tape with higher demands/exposures will have a shorter useful life (6 - 10 years) than tape in protected areas, like eave panels, (18 - 22 years) we recommend that an allowance be provided to replace 33% of tape every 8 years.

- Quantity and frequency will need to be adjusted in future updates as more protected tape is installed.

**Location:** Gutters and Downspouts

**General Notes:**

**Quantity:** Approx. 2,330 LF

**Heat Tape -**  
**Building A -**  
 Gutters & Downspouts - approx. 550 LF  
 Eave Panels\* -approx. 210 LF  
**Building B/C -**  
 Gutters & Downspout - approx. 1,150 LF  
 Eave Serpentine - approx. 420 LF

**PROJECT HISTORY:**  
 2012\* - Eave panels were installed on the north eaves of Building A. If viable, these panels will be installed on Building B/C.  
 2015 - Planning on replacing 30% of failing/failed heat tape.

**Life Expectancy:** 8    **Remaining Life:** 0

**Best Cost:** \$9,300

\$12/LF; Estimate to replace 565 LF of tape

**Worst Cost:** \$12,400

\$16/LF; Higher estimate for protected installation

**Source of Information:** Client provided cost information



Comp #: 204 Exterior Wood Surfaces - Repaint



Observations:

- The exterior wood surfaces conditions varied from fair to poor, during observation, with fading, peeling paint and exposed wood noted on a majority of southern aspects and those areas with higher exposures to weather.
- In this environment, it is recommended that these surfaces are painted every 4 - 6 years to protect them from advanced deterioration and to provide a first class appearance.
- Prep, including pressure washing, scraping, board replacement and priming should be included in the scope.

Location: Building Exteriors

Quantity: (27) Units

Life Expectancy: 5 Remaining Life: 0

Best Cost: \$32,000

Estimate to repaint wood surfaces

Worst Cost: \$35,000

Highly estimate for more prep work

Source of Information: Cost database

General Notes:

**Wood Surfaces -**  
 Architectural Trellises  
 Walkways/Decks and their Railings  
 Window & Door Trim  
 Wall Paneling  
 Structural Beams  
 Soffits

**Metal Surfaces -**  
 Limited Steel Railings (DTM paint should be used)

**PROJECT HISTORY:**  
 2010 - All building exteriors painted.



Comp #: 205 Exterior Stucco Surfaces - Repaint



*Observations:*

- The exterior stucco surfaces were, generally, in fair condition at time of observation.
- It is recommended that funding be provided to repaint these surfaces, with a product specifically designed for this finish, every 10 - 12 years to ensure a uniform appearance and protect the surfaces from accelerated deterioration.
- This work has been aligned with other painting projects to ensure the best possible cost estimates.

*Location:* **Building Exteriors**

*Quantity:* **(27) Units**

*Life Expectancy:* **10** *Remaining Life:* **5**

*Best Cost:* **\$80,000**

Estimate to repaint stucco surfaces

*Worst Cost:* **\$95,000**

Higher estimate for more prep work

*Source of Information:* Cost Database

*General Notes:*

**PROJECT HISTORY:**  
 2010 - All building exteriors painted.

Comp #: 219 Exterior Unit Doors - Refinish/Repaint



Observations:

- The unit doors appeared to be in fair condition, during inspection, with normal wear and tear noted during observation. There was no advanced deterioration noted on any of the doors.
- Outside of annual touch-ups to protect the finish on these doors, we recommend that they are refinished every 10 years (every other painting cycle) to ensure a uniform appearance and pleasing arrival experience.

Location: Buildings

Quantity: (42) Unit Doors

Life Expectancy: 10 Remaining Life: 5

Best Cost: \$16,000  
Estimate to refinish doors

Worst Cost: \$18,000  
Higher estimate for upgraded finish

Source of Information: Cost database

General Notes:

Unit Doors -  
 Building A - (15) Unit Doors  
 Building B/C - (27) Unit Doors

PROJECT HISTORY:  
 2008 - Doors refinished

Comp #: 303 Exterior Wood Surfaces - Major Repairs



Observations:

- The natural wood exterior surfaces throughout the property appeared to be in good to fair condition with only a few areas showing advanced deterioration and needing attention.
- It is recommended that an allowance be provided to perform repairs the exterior wood surfaces experiencing advanced deterioration, and the cause of the deterioration (if possible), every other painting cycle.
- This work has been aligned with other exterior building projects for best possible cost estimates.

Location: Building Exteriors

General Notes:

Quantity: Extensive GSF

Life Expectancy: 10 Remaining Life: 5

Best Cost: \$12,000

Allowance for siding repairs

Worst Cost: \$15,000

Higher allowance for more repairs

Source of Information: Cost database

**PROJECT HISTORY:**  
 2012 - All of the structural support beams extending past the roof eaves were chinked, repaired and/or replaced. Custom metal cap flashing was then installed to protect these beams from further accelerated deterioration.

Comp #: 306 Exterior Brick Surfaces - Replace



**Observations:**

- Considering the age of the property, the brick surfaces appeared to be in good condition, during observation, with no loose or missing stones or grout noted.
- With proper annual maintenance, it is unlikely that widespread failure of these exterior surfaces will occur. As such, burdening membership with this expense isn't recommended at this point in time.
- If widespread failure begins to present, future updates can included funding for the repair of these surfaces.

**Location:** Building Exteriors

**General Notes:**

**Quantity:** Approx. 7,000 GSF

Building A - Approx. 2,200 GSF  
Building B/C - Approx. 4,800 GSF

**Life Expectancy:** N/A **Remaining Life:**

**Best Cost:** \$0

**Worst Cost:** \$0

**Source of Information:**



Comp #: 308 Exterior Stucco Surfaces - Major Repairs



Observations:

- Generally, the stucco surfaces appeared to be in good to fair condition at time of observation with a few areas noted that need to be repaired due to peeling, cracking and delamination.
- In addition to regular painting of the stucco surfaces, it's recommended that that all openings are regularly repaired to protect the substrate and help prevent further deterioration.
- This work should be completed prior to the stucco painting cycle recommended in component 205.

Location: **Building Exteriors**

General Notes:

Quantity: **Extensive GSF**

Life Expectancy: **10** Remaining Life: **5**

Best Cost: **\$21,000**

Allowance for extensive repairs

Worst Cost: **\$24,000**

Higher allowance for more repairs

Source of Information: Cost Database

Empty rectangular box for general notes.



Comp #: 403 Drive Concrete - Repair/Replace



**Observations:**

- The concrete drive surfaces were in fair to poor condition, generally, during observation with cracking prevalent.
- As widespread failure of these surfaces is not anticipated, we recommend providing an allowance to replace 20% of the drive concrete (approx. 1,320 GSF) every 6 years.
- As the concrete is more frequently replaced, to make up for prior deferred maintenance, the quantity of replaced concrete can be reduced so as not to overburden membership with excessive replacement.

**Location:** Protected Parking Areas

**General Notes:**

**Quantity:** Approx. 6,600 GSF

**Drive Concrete -**  
**Building A - approx. 2,800 GSF**  
**Building B/C - approx. 3,800 GSF**

**Life Expectancy:** 6 **Remaining Life:** 3

**Best Cost:** \$15,840

\$12/GSF; Allowance for repair and replacement

**Worst Cost:** \$23,760

\$15/GSF; higher allowance for more repairs

**Source of Information:** Cost Database

Comp #: 403 Heated Drive Concrete - Repair/Replace



**Observations:**

- The heated concrete driveway appeared to be in good condition at time of observation.
- If properly heated during winter months, and assuming that the substrate and drainage were properly addressed during installation, there is little chance that this asset will ever need replacement or major repairs.
- As there is always a chance for boiler failure, or unanticipated damage or settling, it is recommended that funding is provided to repair/replace 20% of these surfaces every 18 years (or every third concrete replacement cycle).

**Location:** Driveway Between Buildings

**General Notes:**

**Quantity:** Approx. 4,300 GSF

**Heated Drive Concrete -  
Approx. 4,300 GSF**

**Life Expectancy:** 18 **Remaining Life:** 15

**Best Cost:** \$12,900

\$15/GSF; Estimate to replace 20% of concrete

**Worst Cost:** \$15,480

\$18/GSF; Higher estimate for more repairs

**Source of Information:** Cost Database

Comp #: 501 Unit Doors - Replace



*Observations:*

- during observation, the doors, generally, appeared to be in good to fair condition with no advanced deterioration noted or reported. All doors that were opened appeared to operate as expected with no sticking or gaps noted.
- Door replacement is an owner responsibility while maintenance, and painting, is the association's responsibility.
- Similar to windows and other limited common elements that are the responsibility of the owners, associations have coordinated their replacement to maintain uniformity and provide for best possible cost estimates.

*Location:* Buildings

*Quantity:* (42) Unit Doors

*Life Expectancy:* N/A *Remaining Life:*

*Best Cost:* \$0

*Worst Cost:* \$0

*Source of Information:*

*General Notes:*

Unit Doors -  
 Building A - (15) Unit Doors  
 Building B/C - (27) Unit Doors

Comp #: 506 Unit Windows - Replace



*Observations:*

- The windows appeared to be in fair condition at time of observation. Windows with southern exposures and those on the upper level with less shielding from exposure were beginning to show signs of advanced deterioration.
- As windows are an owner's responsibility, we do not recommend funding for their replacement.
- Some associations, at the benefit and request of their membership, will coordinate property wide window replacement for better cost estimates and to ensure a uniform appearance throughout the property.

*Location:* Buildings

*Quantity:* Approx. 287 Openings

*Life Expectancy:* N/A *Remaining Life:*

*Best Cost:* \$0

*Worst Cost:* \$0

*Source of Information:*

*General Notes:*

**Building A -**  
 Windows - Approx. 27 Window Openings  
 Sliding Glass Doors - 9 Glass Doors

**Building B/C -**  
 Windows - Approx. 233 Window Openings  
 Sliding Glass Doors - 18 Glass Doors



Comp #: 601 Concrete Walks - Repair



**Observations:**

- Conditions of walk concrete varied throughout the property from good to fair, during observation.
- As exposures and traffic varies on the walk concrete, and widespread failure isn't anticipated, we recommend funding for replacement of 20% of the concrete (approx. 530 GSF) every 6 years.
- Providing this allowance, at a higher rate for colored and/or stamped concrete, will allow the association to repair/replace failing concrete on a regular basis while allowing for complete replacement every 30 years.+

**Location:** Throughout Community

**Quantity:** Approx. 2,650 GSF

**Life Expectancy:** 6 **Remaining Life:** 3

**Best Cost:** \$5,830

Allowance to repair 15% of area every 6 years

**Worst Cost:** \$6,890

Higher allowance for more repairs

**Source of Information:** Cost Database

**General Notes:**

**Colored Concrete -**  
 Building A - approx. 220 GSF  
 Building B/C - approx. 260 GSF

**Stamped Concrete approx. 170 GSF**

**Hallway Concrete -**  
 Building A - approx. 500 GSF  
 Building B/C - approx. 1,500 GSF

**HISTORY: Walkway to west of building C was replaced in 2012.**



Comp #: 607 Wood Decking - Repair/Replace



**Observations:**

- The decking conditions varied, throughout the property, from good to fair throughout the property with only a few areas showing advanced deterioration from exposure, i.e. cracking, warping and rotting.
- As exposure varies throughout the property, we recommend that funding be provided to replace 20% of the decking and railings (approx. 1,025 GSF and 360 LF respectively) every 10 years.
- A capital improvement will be necessary if supports are added for composite decking and new railings.

**Location:** Building Exteriors

**Quantity:** See General Notes

**Life Expectancy:** 10 **Remaining Life:** 5

**Best Cost:** \$35,000

Allowance for repairs

**Worst Cost:** \$42,000

Higher allowance for more repairs

**Source of Information:** Cost Database

**General Notes:**

**Wood Decking - approx. 6,825 GSF**  
**Building A -**  
 Unit Decks - approx. 650 GSF  
 Hallway Decks - approx. 1,600 GSF  
**Building B/C -**  
 Unit Decks - approx. 1,350 GSF  
 Hallway Decks - approx. 3,225 GSF

**Wood Railings - approx. 2,390 LF**  
**Building A -**  
 Unit Rails - approx. 270 LF  
 Hallway Rails - approx. 550 LF  
**Building B/C -**  
 Unit Rails - approx. 370 LF  
 Hallway Rails - approx. 1,200 LF

Comp #: 608 Concrete Deck w/ Liner - Repair/Replace



**Observations:**

- The concrete decks observed appeared to be in good to fair condition at time of observation with no cracking or spalling noted. Please note that not all decks were observed due to access to private property.
- Due to the semi-protected nature of these decks/walkways, it is unlikely that widespread failure will occur. We recommend that an allowance be provided to replace 33% of the decking (approx. 460 GSF) every 12 years.
- Care should be taken to not chip the surface when shoveling or removing ice.

**Location:** 1st Level Building Exteriors

**General Notes:**

**Quantity:** Approx. 1,375 GSF

Concrete Decking -  
 Building A - approx. 325 GSF  
 Building B/C - approx. 1,050 GSF

**Life Expectancy:** 12 **Remaining Life:** 3

**Best Cost:** \$13,800  
\$30/GSF; Allowance to replace

**Worst Cost:** \$16,100  
\$35/GSF; Higher allowance for more labor

**Source of Information:** Cost Database



Comp #: 610 Wood Stair Treads - Partial Replacement



**Observations:**

- Generally, the wood stair treads appeared to be in good to fair condition with treads on lower levels, and with higher exposures, showing more deterioration. No stairs showing advanced deterioration were noted.
- As widespread failure is unlikely, we recommend an allowance funding method be used to replace 15% (approx. 21 treads) every 5 years. This will allow for the replacement of stairs with higher exposure and/or traffic while allowing for replacement of all treads every 35 years.

**Location:** Building Stairwells

**Quantity:** (142) Treads

**Life Expectancy:** 5    **Remaining Life:** 4

**Best Cost:** \$2,000  
Allowance to replace 15% every 5 years

**Worst Cost:** \$3,000  
Higher allowance for more replacement

**Source of Information:** Cost Database

**General Notes:**

**Wood Stair Treads -  
Building A - (56) Treads  
Building B/C - (86) Treads**



Comp #: 701 Snowmelt Boilers - Major Repairs



Picture Unavailable

**Observations:**

- The newly installed boilers appeared to be in good condition at time of observation.
- Outside of regularly scheduled annual maintenance, we recommend that an allowance be provided to perform major repairs, above and beyond the replacement of faulty sensors and other relatively inexpensive repairs.
- As time passes, the cost and/or frequency of repairs will need to be adjusted to align with actual conditions.

**Location:** Building B - Snowmelt Mech Room

**Quantity:** (2) Boilers

**Life Expectancy:** 4 **Remaining Life:** 2

**Best Cost:** \$2,000

Allowance for major repairs

**Worst Cost:** \$3,000

Higher allowance for more repairs

**Source of Information:** Cost Database

**General Notes:**

<b>Snowmelt Boilers -</b>			
<b>(2) - Lochinvar Boilers</b>			
<b>Model - NG Knight XL 500 kBtu</b>			
<b>Manufactured - 2012</b>			
<b>Boiler</b>	<b>Serial #</b>	<b>Nat. Board #</b>	<b>CO State #</b>
1	E12H10209891	209891	89043
2	E12H10214639	214639	89044

Comp #: 701 Heating Boilers - Rebuild



**Observations:**

- At time of observation, the boilers, in general, appeared to be in fair condition with their age showing.
- With regular annual maintenance on these boilers to ensure the longest possible useful life, it is recommended that funding be provided to rebuild the major components when they have reached their half life.
- Rebuilding these boilers will prolong their useful life, but trouble finding replacement parts, irreparable failure of the heat exchangers, and significant decreases in efficiency will necessitate replacement.

**Location:** Building Mechanical Rooms

**General Notes:**

**Quantity:** (3) Boilers

**Life Expectancy:** 15 **Remaining Life:** 4

**Best Cost:** \$39,000

\$13,000/boiler; allowance to rebuild

**Worst Cost:** \$45,000

\$15,000/boiler; higher allowance for more labor

**Source of Information:** Cost Database

Heating Boilers -			
(3) - HydroTherm Boilers (for heat and hot water)			
Model - NG MultiTemp 1.2 MBtu			
Manufactured - 2004			
Bldg	Serial #	Nat. Board #	CO State #
A	Unavailable	Unavailable	67362
B	Unavailable	Unavailable	67359
C	Unavailable	Unavailable	67361
(2) - Lochinvar Boilers (for snowmelt system)			
Model - NG Knight XL 500 kBtu			
Manufactured - 2012			
Boiler	Serial #	Nat. Board #	CO State #
1	E12H10209891	209891	89043
2	E12H10214639	214639	89044

Comp #: 702 Heating Boilers - Replace



**Observations:**

- These boilers, generally, appeared to be in fair condition with corrosion and prior leaks noted during observation.
- It is recommended that funding be provided to replace these boilers, on average, every 30 years as replacement parts become difficult to find, efficiencies dramatically decrease and irreparable failures begin to occur.
- The funding provided for the rebuilding at half of their useful life should be combined with this funding. As such, the total cost for replacement of each boiler is estimated to be between \$93,000 and \$105,000.

**Location:** Boiler Mechanical Rooms

**General Notes:**

**Quantity:** (3) Boilers

**Life Expectancy:** 30 **Remaining Life:** 19

**Best Cost:** \$240,000

\$80,000/boiler; stimate to replace boilers

**Worst Cost:** \$270,000

\$90,000/boiler; higher estimate for more repairs

**Source of Information:** Cost Database

Heating Boilers -			
(3) - HydroTherm Boilers			
Model - NG MultiTemp 1.2 MBtu			
Manufactured - 2004			
Bldg	Serial #	Nat. Board #	CO State #
A	Unavailable	Unavailable	67362
B	Unavailable	Unavailable	67359
C	Unavailable	Unavailable	67361

Comp #: 702 Snowmelt Boilers - Replace



Picture Unavailable

**Observations:**

- The newly installed boilers appeared to be in good condition at time of observation.
- Funding for complete replacement of these boilers is recommended every 18 - 22 years as replacement parts become more difficult to find and reduced efficiencies necessitate replacement. Regular annual maintenance and good water quality are needed to ensure the longest possible useful life.
- This funding should be combined with 701 for complete replacement costs between \$41,000 and \$46,500.

**Location:** Building B - Snowmelt Mech Room

**General Notes:**

**Quantity:** (2) Boilers

**Life Expectancy:** 20 **Remaining Life:** 2

**Best Cost:** \$80,000  
\$40,000/boiler; estimate to replace

**Worst Cost:** \$90,000  
\$45,000/boiler; higher estimate for more repairs

**Source of Information:** Research with contractor

Snowmelt Boilers -			
(2) - Lochinvar Boilers			
Model - NG Knight XL 500 kBtu			
Manufactured - 2012			
Boiler	Serial #	Nat. Board #	CO State #
1	E12H10209891	209891	89043
2	E12H10214639	214639	89044

Comp #: 703 Water Heaters - Replace



**Observations:**

- The heaters appeared to be in fair condition, during observation, with no apparent signs of advanced deterioration.
- Heaters, of this design, with reported demands, typically have an average useful life of approximately 15 years before failures begin to occur. We recommend that they are replaced prior to failure to avoid higher costs.
- Regular annual maintenance, and care to ensure high water quality, are recommended to ensure the longest possible useful life.

**Location:** Boiler Mechanical Rooms

**Quantity:** (3) Tanks

**Life Expectancy:** 15 **Remaining Life:** 4

**Best Cost:** \$7,500

\$2,500/tank; Estimate to replace tanks

**Worst Cost:** \$9,000

\$3,000/tank; Higher estimate for more labor

**Source of Information:** Cost Database

**General Notes:**

**Indirect Fired Hot Water Heaters -**  
**(3) - TFI-EverHot water heaters**

Model - FM-30	
Building	Serial #
A	041904-25
B	Unavailable
C	081604-28

Comp #: 707 Elevators - Rebuild/Upgrade



**Observations:**

- At time of observation, the elevator equipment appeared to be in good condition with no unusual conditions noted.
- These controls typically last, on average, approximately 25 years before obsolescence occurs. Typically, this occurs with irreparable damage and/or when repair parts become increasingly difficult to find.
- We recommend regular annual maintenance to ensure the longest possible useful life of this asset. Please note that this pricing doesn't include the replacement of the jack.

**Location:** Elevator Mechanical Rooms

**Quantity:** (2) Control Systems

**Life Expectancy:** 25 **Remaining Life:** 23

**Best Cost:** \$170,000  
\$85,000/elevator; Estimate to rebuild

**Worst Cost:** \$200,000  
\$100,000/elevator; Higher estimate

**Source of Information:** Research with contractor

**General Notes:**

Elevators -		
Building	Thyssenkrupp Job #	CO Reg. #
A	FBT653	CP10-001088
B/C	FBV144	CP10-001087

**HISTORY:** The jack and all mechanical equipment was replaced in 2013. It is unlikely that the jack will need to be replaced again.

Comp #: 709 Elevator Cab - Remodel



**Observations:**

- The elevator cabs appeared to be in good to fair condition at time of observation.
- It is recommended that funding is provided to upgrade the cab interiors approximately every 20 years to conform with current design trends and provide a first class arrival experience.
- The cabs went through minor renovations in 2013, when the systems were upgraded, with new carpeting, control panels, and lighting. Cost estimates and remaining useful have been adjusted to take this into account.

**Location:** Building Elevators

**Quantity:** (2) Elevators

**Life Expectancy:** 20 **Remaining Life:** 7

**Best Cost:** \$16,000  
\$8,000/cab; Estimate for a basic remodel

**Worst Cost:** \$19,000  
\$9,500/cab; Higher estimate for upgraded décor

**Source of Information:** Research with contractor

**General Notes:**

**Building A - Otis 2500 lbs**  
**Carpet Flooring - approx. 4 Yards**  
**Formica Wall Panels - approx. 150 GSF**  
**4 Stops**

**Building B/C - Otis 2500 lbs**  
**Carpet Flooring - approx. 4 Yards**  
**Formica Wall Panels - approx. 150 GSF**  
**4 Stops**

Comp #: 725 Misc. Mechanical Equipment - Replace



**Observations:**

- The miscellaneous equipment associated with the boilers, in general, appeared to be in good to fair condition.
- As these components have varying useful lives and costs, we recommend that an allowance be provided to replace failing components every 4 years. This will allow for complete replacement of all assets every 20 years.
- It is recommended that these systems are inspected annually, as part of a regular maintenance program, with needed repairs funded with operating funds. All pumps were replaced in 2011 with snowmelt system added in 2012.

**Location:** Building Mechanical Rooms

**General Notes:**

**Quantity:** See General Notes

**Life Expectancy:** 4 **Remaining Life:** 0

**Best Cost:** \$9,000

Allowance to repair/replace equipment

**Worst Cost:** \$11,000

Higher allowance for more repairs

**Source of Information:** Cost database

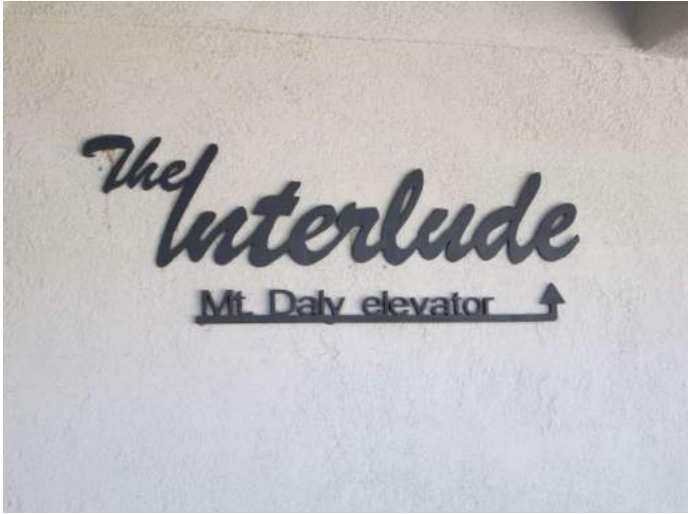
Expansion Tanks -				
Bldg.	Mfg	Model	Serial #	Mfd
A	Extrol	AX-120V	131639	2001
B (b)	Extrol	AX-120V	Unavailable	2001
B (s)	Extrol	AX-40V	246009	2012
C	Extrol	AX-120V	322928	2003

Pumps w/ Controls -	
(12) - Grundfos Boiler/Snowmelt Circ. Pumps	
Controls -	
Building B Snowmelt - (1) Tekmar 665 controller	
Glycol Feeder -	
Building B Snowmelt - (1) Axiom SF100 feeder	
Air Scrubber -	
Building B Snowmelt - (1) Spirotherm VSR-250	



Comp #: 801 Building/Property Signage - Replace



*Observations:*

- The signage appeared to be in good condition, with no accelerated deterioration noted, during observation.
- Though the signs are custom fabricated solid steel, with an extended useful life, we recommend funding be provided to replace them, on average, every 20 years to conform with current design trends.

*Location:* **Building Exteriors**

*Quantity:* **(4) Signs**

*Life Expectancy:* **20** *Remaining Life:* **15**

*Best Cost:* **\$6,000**

Allowance for general repairs

*Worst Cost:* **\$8,000**

Higher allowance for more renovations costs

*Source of Information:* Client provided cost information

*General Notes:*

Comp #: 901 Fire Protection System - Replace



Observations:

- The panels appeared to be in good condition at time of observation with no issues reported.
- It is not likely that widespread failure of the system or its components will occur. Outside of the panels, which have a relatively high cost, equipment should be replaced, as needed, with operating funds.
- It is recommended that funding be provided to replace all panels, and related equipment, approximately every 25 years as repair components become hard to find and to bring the system up to current code.

Location: See General Notes

General Notes:

Quantity: (1) Protection System

Life Expectancy: 25 Remaining Life: 19

Best Cost: \$45,000

Estimate to replace/upgrade system

Worst Cost: \$50,000

Higher estimate for additional upgrades

Source of Information: Cost database

**Fire Protection System -**  
**Building A - Under building Parking Area**  
 (1) - SilentKnight Intelliknight 5895XL power module  
 (1) - SilentKnight Intelliknight 5860R annunciator  
**Building B - Elevator/Maintenance Room**  
 (1) - SilentKnight Intelliknight 5820XL panel

Comp #: 1507 Outdoor Carpet Runners - Replace



**Observations:**

- Considering their age (replaced in 2008), the runners are in fair condition with no significant deterioration noted at the edges. Wear patterns and staining are becoming noticeable in the lower floor stairwells that see more traffic.
- To maintain a uniform appearance throughout the property, it is recommended that funding be provided to replace all of the runners at the same time. It is recommend that elevator carpet is replaced at the same time.
- Runners that need to be replaced outside of this replacement cycle should be replaced with operating funds.

**Location:** Exterior Walkways

**General Notes:**

**Quantity:** Approx. 4,140 GSF

- 3' x 8' - (16) - Approx. 3 GSF
- 3' x 9' - (5) - Approx. 135 GSF
- 3' x 10' - (8) - Approx. 240 GSF
- 3' x 11' - (2) - Approx. 66 GSF
- 3' x 14' - (1) - Approx. 42 GSF
- 3' x 15' - (1) - Approx. 45 GSF
- 3' x 20' - (1) - Approx. 60 GSF
- 3' x 23' - (1) - Approx. 69 GSF
- 3' x 24' - (5) - Approx. 360 GSF
- 3' x 30' - (1) - Approx. 90 GSF
- 3' x 32' - (12) - Approx. 1152 GSF
- 3' x 34' - (1) - Approx. 102 GSF
- 3' x 36' - (1) - Approx. 108 GSF
- 3' x 45 - (9) - Approx. 1215 GSF
- 5' x 7' - (2) - approx. 70 GSF (elevators)

**Life Expectancy:** 8    **Remaining Life:** 3

**Best Cost:** \$11,390  
 \$2.75/GSF; Estimate to replace with similar

**Worst Cost:** \$14,490  
 \$3.50/GSF; Higher estimate for upgraded runners

**Source of Information:** Cost database



Comp #: 1602 Decorative Exterior Lighting - Replace



**Observations:**

- During observations, the decorative lighting appeared to be in like new condition having been replaced in 2014.
- We typically recommend that funding for complete replacement of decorative lighting is provided to conform with current design trends and to maintain a uniform appearance throughout the property.

**Location:** Building Exteriors

**Quantity:** (127) Lights

**Life Expectancy:** 20 **Remaining Life:** 19

**Best Cost:** \$25,400  
\$200/light; Estimate to replace

**Worst Cost:** \$31,750  
\$250/light; Higher estimate for better quality

**Source of Information:** Cost Database

**General Notes:**

**Building A -**  
 (30) - Wall Mount Fixtures  
 (4) - Exit Signs

**Building B/C -**  
 (75) - Wall Mount Fixtures  
 (7) - Exit Signs

**Grounds -**  
 (6) - Path Lights  
 (5) - Landscape Spotlights

**PROJECT HISTORY:** All wall mount sconces were replaced in 2014.

Comp #: 1703 Irrigation Controllers - Replace



Observations:

- The irrigation controllers appeared to be in good condition, during observation, with no issues reported. The system was not active during observation.
- Funding for the replacement of these controllers is recommended every 10 - 15 years to ensure proper operation.
- The industry is moving towards ET (evapotranspiration) controllers as they significantly reduce water usage and can save the association money over the life of the controller

Location: See General Notes

Quantity: (2) Controllers

Life Expectancy: 12 Remaining Life: 3

Best Cost: \$1,600  
\$800/controller; Estimate to replace controllers

Worst Cost: \$3,600  
\$1800/controller; Higher est. for ET controllers

Source of Information: Cost Database

General Notes:

**Location #1 - Building B Maintenance Room**  
 (1) - Rainbird ESPX (14 Zones)  
 Serial # - 213920  
 Date code: N/A

**Location #2 - Building C Mechanical/Elevator Room**  
 (1) - Rainbird ESP 12 - LX Plus (11 Zones)  
 Serial #: 1324164  
 Date code: 19MY00-01

Comp #: 1801 Landscaping - Replenish



*Observations:*

- Generally, the landscaping conditions varied throughout the property with most areas well maintained. However, the flagstone walkway, and adjacent retaining wall/fence, are in poor condition and need to immediate attention.
- It is recommended that an allowance be provided to replenish the landscaping throughout the property on a regular basis. This allows for removal of aging vegetation, addition of new vegetation and addressing erosion/grading issues.
- This work should encompass all improvements not related to the annual landscape maintenance contract.

*Location:* **Throughout Property**

*General Notes:*

*Quantity:* **Extensive**

*Life Expectancy:* **5** *Remaining Life:* **0**

*Best Cost:* **\$4,500**

Allowance to replenish landscaping

*Worst Cost:* **\$5,500**

Higher allowance for more replenishment

*Source of Information:* Cost database



Comp #: 1807 Waterscape Liners - Replace



**Observations:**

- The waterscape beds appeared to be in fair condition with the liner exposed in several areas.
- It is assumed that 45 mil EPDM was used to line all ponds and the streams connecting the ponds. Typically, with proper maintenance, these liners last approximately 30 years before they need replacement.
- It is recommended that care is taken to not disturb the beds and that any exposed liner is covered to protect it from accelerated deterioration due to UV exposure.

**Location:** West Edge of Property

**Quantity:** Approx. 1,000 GSF

**Life Expectancy:** 30 **Remaining Life:** 1

**Best Cost:** \$25,000

Allowance to refurbish water feature

**Worst Cost:** \$30,000

Higher allowance for more labor

**Source of Information:** Cost Database

**General Notes:**

**Waterfall and Lined Ponds -**  
**Upper Pond - Approx. 500 GSF**  
**Middle Pond - Approx. 150 GSF**  
**Lower Pond - Approx. 200 GSF**  
**Stream - Approx. 150 GSF**

Comp #: 1808 Waterscape Equipment - Replace



**Observations:**

- The two pumps appeared to be functioning properly during observation.
- Due to the relatively low cost for replacement, we recommend that failing pumps are replaced, as needed, with operating funds.
- The pump enclosure should be cleaned twice a year and care should be taken to ensure inlets are free of debris.

**Location:** East Shore of Upper Pond

**General Notes:**

**Quantity:** (2) Pumps

**Life Expectancy:** N/A **Remaining Life:**

**Best Cost:** \$0

**Worst Cost:** \$0

**Source of Information:**



Comp #: 1901 Utility Vehicle - Replace



**Observations:**

- Though the utility vehicle is 6 years old, it appears to be in good to fair condition with no unexpected damage noted, or reported, during observation. It should be noted that the check engine light was on during observation.
- Funding for complete replacement of the vehicle, and it's attachments, is recommended approximately every 12 years based on reduced usage patterns with the new snowmelt system.
- Regular annual maintenance should be performed to ensure the longest possible useful life.

**Location:** Protected Parking Areas

**General Notes:**

**Quantity:** (1) Polaris UTV

**Utility Vehicle -**  
 (1) - Polaris Ranger 700 EV  
 Mileage: 1088  
 Hours: 320.6

**Life Expectancy:** 10 **Remaining Life:** 6

**Best Cost:** \$15,000

Estimate to replace with similar

**Attachments/Extras -**  
 (1) - 60" Snowplow Blade  
 (1) - 4500lb Winch  
 (1) - Cab Enclosure  
 (1) - Upgraded Wheels & Tires

**Worst Cost:** \$17,000

Higher estimate for upgraded vehicle

**Source of Information:** Cost database

# Funding Summary For Interlude Condominiums

## Beginning Assumptions

Financial Information Source	Research With Client
# of units	27
Fiscal Year End	December 31, 2015
Monthly Dues from 2015 Approved Budget	\$30,303.25
Monthly Reserve Allocation from 2015 Budget	\$8,333.33
Projected Starting Reserve Balance (as of 1/1/2015)	\$194,161
Reserve Balance: Average Per Unit	\$7,191
Ideal Starting Reserve Balance (as of 1/1/2015)	\$478,139
Ideal Reserve Balance: Average Per Unit	\$17,709

## Economic Factors

Past 20 year Average Inflation Rate (based on CCI)	4.50%
Current Average Interest Rate	1.00%

## Current Reserve Status

Current Balance as a % of Ideal Balance	41%
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## Recommendations for 2014 Fiscal Year

Monthly Reserve Allocation (rest of 2014)	\$8,333
Per Unit Average	\$308.64
Monthly Reserve Allocation (starting 2015)	\$9,025
Per Unit Average	\$334.26
Nominal Annual Increases	4.50%
Minimum Monthly Reserve Allocation (starting 2015)	\$8,633
Per Unit	\$319.75
Nominal Annual Increases	3.60%
# of Years	30

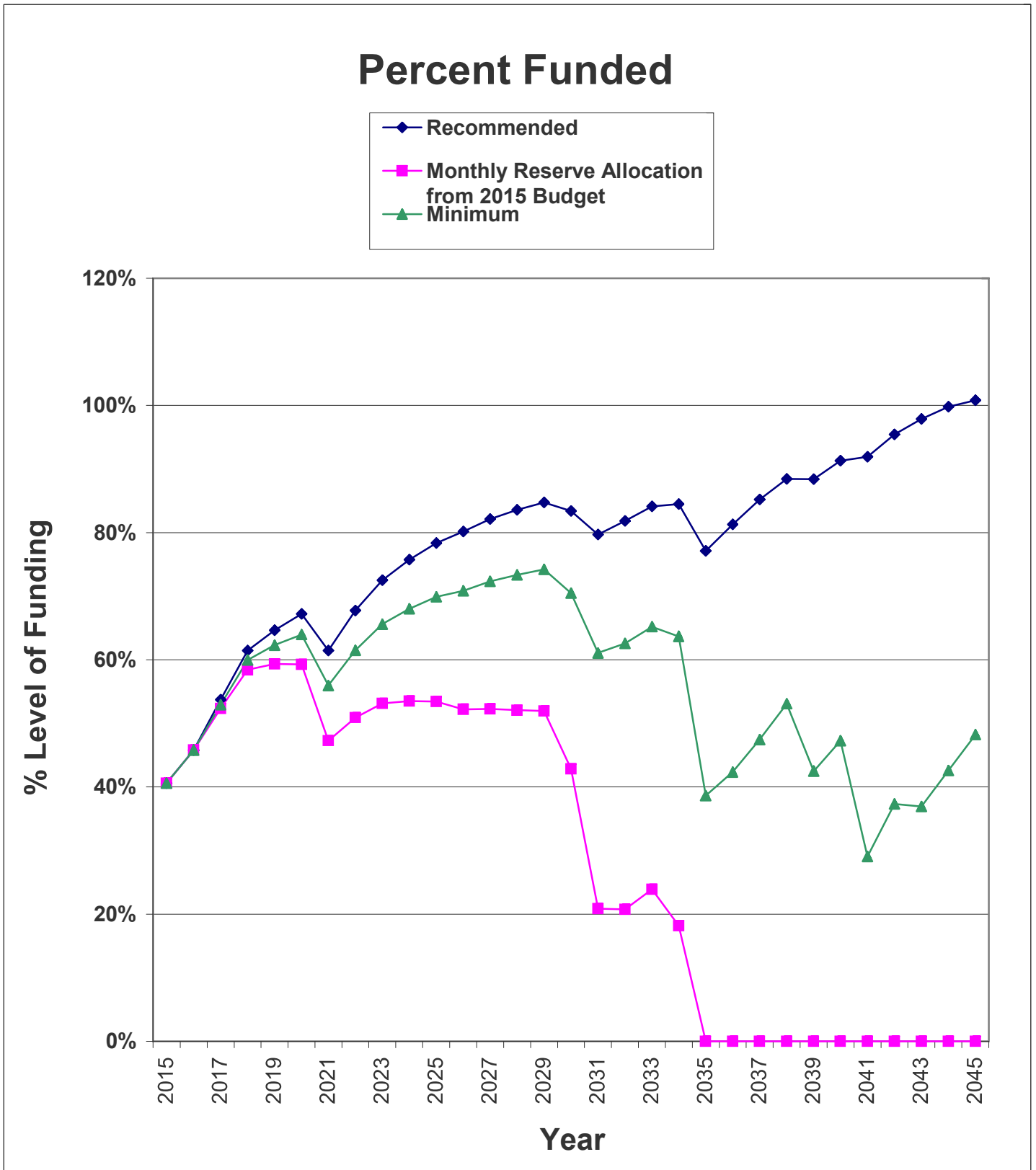
## Changes to Current 2014 Budget

Increase/Decrease to Reserve Allocation	\$0
as Percentage	0%
Per Unit	\$0.00

## Changes from 2014 to 2015

Increase/Decrease to Reserve Allocation	\$692
as Percentage	8%
Per Unit	\$25.62

Percent Funded Graph For Interlude Condominiums



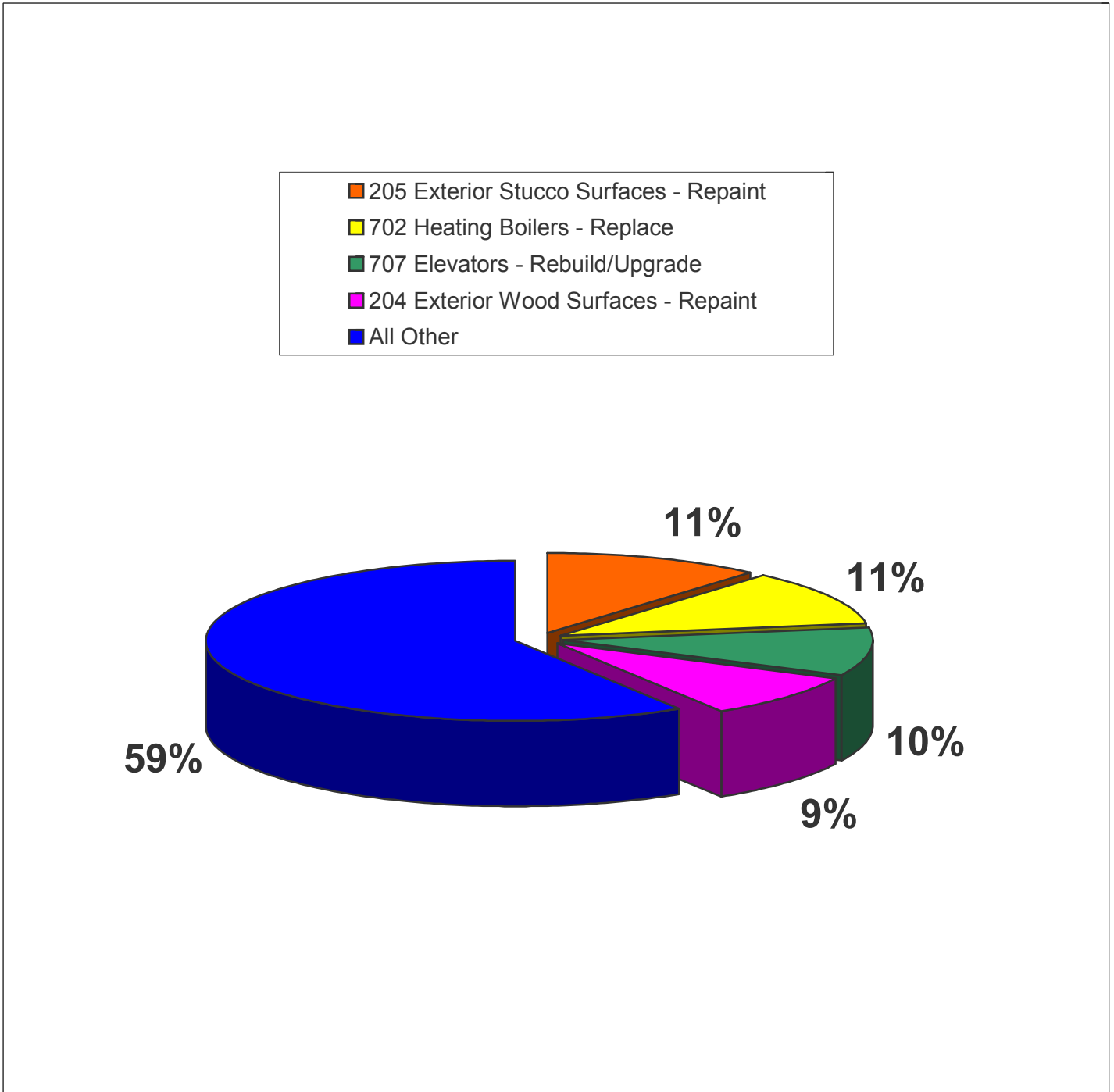
## Component Inventory for Interlude Condominiums

Category	Asset #	Asset Name	UL	RUL	Best Cost	Worst Cost
Roofing	103	EPDM Flat Roof - Replace	20	8	\$9,600	\$11,200
	105	Asphalt Shingle Roof - Replace	25	14	\$144,000	\$160,000
	120	Gutters & Downspouts - Replace	25	14	\$10,625	\$12,725
	121	Heat Tape - Replace	8	0	\$9,300	\$12,400
Painted Surfaces	204	Exterior Wood Surfaces - Repaint	5	0	\$32,000	\$35,000
	205	Exterior Stucco Surfaces - Repaint	10	5	\$80,000	\$95,000
	219	Exterior Unit Doors - Refinish/Repaint	10	5	\$16,000	\$18,000
Siding Materials	303	Exterior Wood Surfaces - Major Repairs	10	5	\$12,000	\$15,000
	306	Exterior Brick Surfaces - Replace	N/A		\$0	\$0
	308	Exterior Stucco Surfaces - Major Repairs	10	5	\$21,000	\$24,000
Drive Materials	403	Drive Concrete - Repair/Replace	6	3	\$15,840	\$23,760
	403	Heated Drive Concrete - Repair/Replace	18	15	\$12,900	\$15,480
Property Access	501	Unit Doors - Replace	N/A		\$0	\$0
	506	Unit Windows - Replace	N/A		\$0	\$0
Decking	601	Concrete Walks - Repair	6	3	\$5,830	\$6,890
	607	Wood Decking - Repair/Replace	10	5	\$35,000	\$42,000
	608	Concrete Deck w/ Liner - Repair/Replace	12	3	\$13,800	\$16,100
	610	Wood Stair Treads - Partial Replacemen	5	4	\$2,000	\$3,000
Mechanical Equip.	701	Snowmelt Boilers - Major Repairs	4	2	\$2,000	\$3,000
	701	Heating Boilers - Rebuild	15	4	\$39,000	\$45,000
	702	Heating Boilers - Replace	30	19	\$240,000	\$270,000
	702	Snowmelt Boilers - Replace	20	2	\$80,000	\$90,000
	703	Water Heaters - Replace	15	4	\$7,500	\$9,000
	707	Elevators - Rebuild/Upgrade	25	23	\$170,000	\$200,000
	709	Elevator Cab - Remodel	20	7	\$16,000	\$19,000
	725	Misc. Mechanical Equipment - Replace	4	0	\$9,000	\$11,000
Prop. Identification	801	Building/Property Signage - Replace	20	15	\$6,000	\$8,000
Security	901	Fire Protection System - Replace	25	19	\$45,000	\$50,000
Flooring	1507	Outdoor Carpet Runners - Replace	8	3	\$11,390	\$14,490
Light Fixtures	1602	Decorative Exterior Lighting - Replace	20	19	\$25,400	\$31,750
Irrig. System	1703	Irrigation Controllers - Replace	12	3	\$1,600	\$3,600
Landscaping	1801	Landscaping - Replenish	5	0	\$4,500	\$5,500
	1807	Waterscape Liners - Replace	30	1	\$25,000	\$30,000
	1808	Waterscape Equipment - Replace	N/A		\$0	\$0
Maintenance Equip.	1901	Utility Vehicle - Replace	10	6	\$15,000	\$17,000

## Significant Components For Interlude Condominiums

ID	Asset Name	UL	RUL	Ave Curr Cost	Significance: (Curr Cost/UL)	
					As \$	As %
103	EPDM Flat Roof - Replace	20	8	\$10,400	\$520	0.6802%
105	Asphalt Shingle Roof - Replace	25	14	\$152,000	\$6,080	7.9532%
120	Gutters & Downspouts - Replace	25	14	\$11,675	\$467	0.6109%
121	Heat Tape - Replace	8	0	\$10,850	\$1,356	1.7741%
204	Exterior Wood Surfaces - Repaint	5	0	\$33,500	\$6,700	8.7642%
205	Exterior Stucco Surfaces - Repaint	10	5	\$87,500	\$8,750	11.4458%
219	Exterior Unit Doors - Refinish/Repaint	10	5	\$17,000	\$1,700	2.2238%
303	Exterior Wood Surfaces - Major Repairs	10	5	\$13,500	\$1,350	1.7659%
308	Exterior Stucco Surfaces - Major Repairs	10	5	\$22,500	\$2,250	2.9432%
403	Drive Concrete - Repair/Replace	6	3	\$19,800	\$3,300	4.3167%
403	Heated Drive Concrete - Repair/Replace	18	15	\$14,190	\$788	1.0312%
601	Concrete Walks - Repair	6	3	\$6,360	\$1,060	1.3866%
607	Wood Decking - Repair/Replace	10	5	\$38,500	\$3,850	5.0362%
608	Concrete Deck w/ Liner - Repair/Replace	12	3	\$14,950	\$1,246	1.6297%
610	Wood Stair Treads - Partial Replacement	5	4	\$2,500	\$500	0.6540%
701	Heating Boilers - Rebuild	15	4	\$42,000	\$2,800	3.6627%
701	Snowmelt Boilers - Major Repairs	4	2	\$2,500	\$625	0.8176%
702	Heating Boilers - Replace	30	19	\$255,000	\$8,500	11.1188%
702	Snowmelt Boilers - Replace	20	18	\$85,000	\$4,250	5.5594%
703	Water Heaters - Replace	15	4	\$8,250	\$550	0.7195%
707	Elevators - Rebuild/Upgrade	25	23	\$185,000	\$7,400	9.6799%
709	Elevator Cab - Remodel	20	7	\$17,500	\$875	1.1446%
725	Misc. Mechanical Equipment - Replace	4	0	\$10,000	\$2,500	3.2702%
801	Building/Property Signage - Replace	20	15	\$7,000	\$350	0.4578%
901	Fire Protection System - Replace	25	19	\$47,500	\$1,900	2.4854%
1507	Outdoor Carpet Runners - Replace	8	3	\$12,940	\$1,618	2.1158%
1602	Decorative Exterior Lighting - Replace	20	19	\$28,575	\$1,429	1.8689%
1703	Irrigation Controllers - Replace	12	3	\$2,600	\$217	0.2834%
1801	Landscaping - Replenish	5	0	\$5,000	\$1,000	1.3081%
1807	Waterscape Liners - Replace	30	1	\$27,500	\$917	1.1991%
1901	Utility Vehicle - Replace	10	6	\$16,000	\$1,600	2.0930%

## Significant Components Graph For Interlude Condominiums



Significance:  
(Curr Cost/UL)

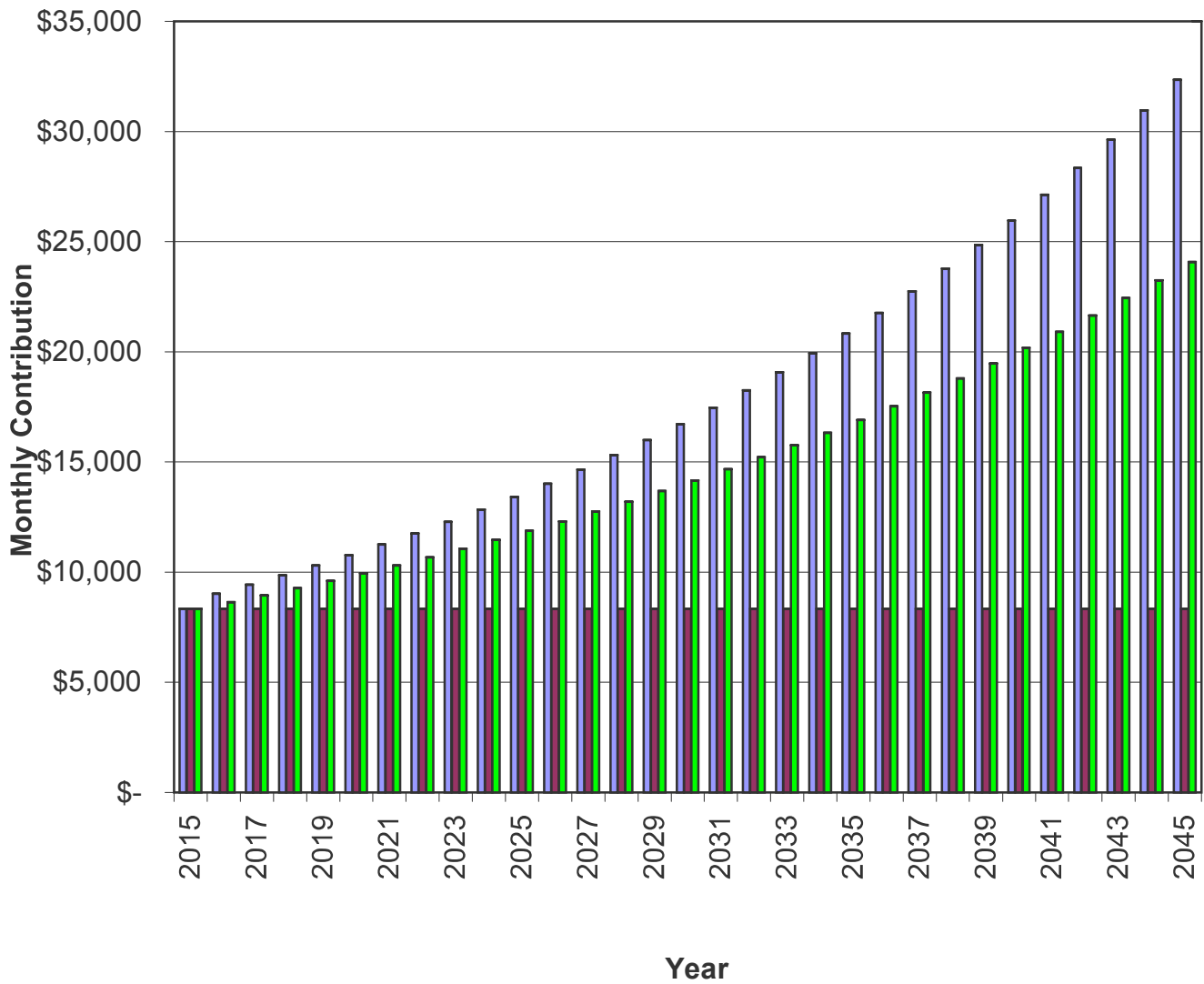
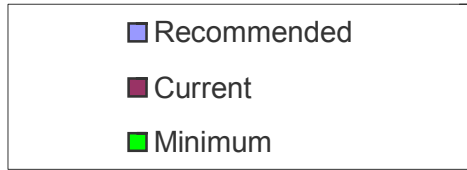
Asset ID	Asset Name	UL	RUL	Average Curr. Cost	As \$	As %
205	Exterior Stucco Surfaces - Repaint	10	5	\$87,500	\$8,750	11%
702	Heating Boilers - Replace	30	19	\$255,000	\$8,500	11%
707	Elevators - Rebuild/Upgrade	25	23	\$185,000	\$7,400	10%
204	Exterior Wood Surfaces - Repaint	5	0	\$33,500	\$6,700	9%
All Other	See Expanded Table For Breakdown				\$45,097	59%

## Yearly Summary For Interlude Condominiums

<b>Year</b>	<b>Fully Funded Balance</b>	<b>Starting Reserve Balance</b>	<b>Percent Funded</b>	<b>Annual Reserve Contribs</b>	<b>Rec. Special Ass'mnt</b>	<b>Interest Income</b>	<b>Reserve Expenses</b>
2015	\$478,139	\$194,161	41%	\$100,000	\$0	\$2,155	\$59,350
2016	\$517,522	\$236,965	46%	\$108,300	\$0	\$2,780	\$28,738
2017	\$594,262	\$319,308	54%	\$113,174	\$0	\$3,763	\$2,730
2018	\$705,389	\$433,514	61%	\$118,266	\$0	\$4,624	\$64,647
2019	\$760,740	\$491,757	65%	\$123,588	\$0	\$5,185	\$74,831
2020	\$812,042	\$545,700	67%	\$129,150	\$0	\$4,769	\$271,045
2021	\$664,896	\$408,575	61%	\$134,962	\$0	\$4,661	\$24,092
2022	\$773,675	\$524,106	68%	\$141,035	\$0	\$5,854	\$23,815
2023	\$892,318	\$647,180	73%	\$147,381	\$0	\$7,019	\$44,441
2024	\$999,640	\$757,139	76%	\$154,013	\$0	\$8,166	\$42,591
2025	\$1,118,835	\$876,727	78%	\$160,944	\$0	\$9,296	\$63,672
2026	\$1,226,708	\$983,295	80%	\$168,187	\$0	\$10,617	\$21,000
2027	\$1,389,610	\$1,141,100	82%	\$175,755	\$0	\$12,261	\$16,959
2028	\$1,569,900	\$1,312,157	84%	\$183,664	\$0	\$14,104	\$0
2029	\$1,782,121	\$1,509,925	85%	\$191,929	\$0	\$14,564	\$312,377
2030	\$1,683,829	\$1,404,041	83%	\$200,566	\$0	\$12,367	\$546,524
2031	\$1,343,089	\$1,070,450	80%	\$209,591	\$0	\$11,432	\$74,524
2032	\$1,487,211	\$1,216,949	82%	\$219,023	\$0	\$13,326	\$0
2033	\$1,722,967	\$1,449,297	84%	\$228,879	\$0	\$14,739	\$193,242
2034	\$1,774,992	\$1,499,673	84%	\$239,178	\$0	\$11,668	\$915,678
2035	\$1,082,351	\$834,840	77%	\$249,941	\$0	\$9,055	\$116,968
2036	\$1,201,490	\$976,868	81%	\$261,189	\$0	\$10,794	\$65,930
2037	\$1,387,995	\$1,182,922	85%	\$272,942	\$0	\$13,221	\$6,584
2038	\$1,653,970	\$1,462,501	88%	\$285,225	\$0	\$13,567	\$509,151
2039	\$1,416,198	\$1,252,142	88%	\$298,060	\$0	\$13,739	\$67,155
2040	\$1,639,507	\$1,496,786	91%	\$311,472	\$0	\$13,318	\$653,682
2041	\$1,270,282	\$1,167,894	92%	\$325,489	\$0	\$13,076	\$58,103
2042	\$1,517,628	\$1,448,355	95%	\$340,136	\$0	\$15,036	\$243,361
2043	\$1,593,799	\$1,560,166	98%	\$355,442	\$0	\$17,107	\$69,966
2044	\$1,866,394	\$1,862,749	100%	\$371,437	\$0	\$20,534	\$8,960

# Reserve Contributions For Interlude Condominiums

## Reserve Contributions





## Component Funding Information For Interlude Condominiums

ID	Component Name	Ave		Ideal Balance	Current Fund	
		Current Cost	Future Cost		Balance	Monthly
103	EPDM Flat Roof - Replace	\$10,400	\$14,790	\$6,240	\$0	\$56.68
105	Asphalt Shingle Roof - Replace	\$152,000	\$281,496	\$66,880	\$0	\$662.77
120	Gutters & Downspouts - Replace	\$11,675	\$21,621	\$5,137	\$0	\$50.91
121	Heat Tape - Replace	\$10,850	\$15,430	\$10,850	\$10,850	\$147.84
204	Exterior Wood Surfaces - Repaint	\$33,500	\$41,747	\$33,500	\$33,500	\$730.35
205	Exterior Stucco Surfaces - Repaint	\$87,500	\$109,041	\$43,750	\$35,297	\$953.82
219	Exterior Unit Doors - Refinish/Repaint	\$17,000	\$21,185	\$8,500	\$0	\$185.31
303	Exterior Wood Surfaces - Major Repairs	\$13,500	\$16,823	\$6,750	\$0	\$147.16
308	Exterior Stucco Surfaces - Major Repairs	\$22,500	\$28,039	\$11,250	\$0	\$245.27
403	Drive Concrete - Repair/Replace	\$19,800	\$22,595	\$9,900	\$9,900	\$359.73
403	Heated Drive Concrete - Repair/Replace	\$14,190	\$27,462	\$2,365	\$0	\$85.93
601	Concrete Walks - Repair	\$6,360	\$7,258	\$3,180	\$3,180	\$115.55
607	Wood Decking - Repair/Replace	\$38,500	\$47,978	\$19,250	\$0	\$419.68
608	Concrete Deck w/ Liner - Repair/Replace	\$14,950	\$17,060	\$11,213	\$11,213	\$135.81
610	Wood Stair Treads - Partial Replacement	\$2,500	\$2,981	\$500	\$500	\$54.50
701	Heating Boilers - Rebuild	\$42,000	\$50,086	\$30,800	\$30,800	\$305.22
701	Snowmelt Boilers - Major Repairs	\$2,500	\$2,730	\$1,250	\$1,250	\$68.13
702	Heating Boilers - Replace	\$255,000	\$588,504	\$93,500	\$0	\$926.57
702	Snowmelt Boilers - Replace	\$85,000	\$187,721	\$8,500	\$0	\$463.28
703	Water Heaters - Replace	\$8,250	\$9,838	\$6,050	\$6,050	\$59.95
707	Elevators - Rebuild/Upgrade	\$185,000	\$509,151	\$14,800	\$0	\$806.66
709	Elevator Cab - Remodel	\$17,500	\$23,815	\$11,375	\$0	\$95.38
725	Misc. Mechanical Equipment - Replace	\$10,000	\$11,925	\$10,000	\$10,000	\$272.52
801	Building/Property Signage - Replace	\$7,000	\$13,547	\$1,750	\$0	\$38.15
901	Fire Protection System - Replace	\$47,500	\$109,623	\$11,400	\$0	\$207.12
1507	Outdoor Carpet Runners - Replace	\$12,940	\$14,767	\$8,088	\$8,088	\$176.32
1602	Decorative Exterior Lighting - Replace	\$28,575	\$65,947	\$1,429	\$0	\$155.75
1703	Irrigation Controllers - Replace	\$2,600	\$2,967	\$1,950	\$1,950	\$23.62
1801	Landscaping - Replenish	\$5,000	\$6,231	\$5,000	\$5,000	\$109.01
1807	Waterscape Liners - Replace	\$27,500	\$28,738	\$26,583	\$26,583	\$99.92
1901	Utility Vehicle - Replace	\$16,000	\$20,836	\$6,400	\$0	\$174.41

## Yearly Cash Flow For Interlude Condominiums

Year	2015	2016	2017	2018	2019
<b>Starting Balance</b>	\$194,161	\$236,965	\$319,308	\$433,514	\$491,757
<i>Reserve Income</i>	\$100,000	\$108,300	\$113,174	\$118,266	\$123,588
<i>Interest Earnings</i>	\$2,155	\$2,780	\$3,763	\$4,624	\$5,185
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$296,315	\$348,045	\$436,244	\$556,405	\$620,531
<b>Reserve Expenditures</b>	\$59,350	\$28,738	\$2,730	\$64,647	\$74,831
<b>Ending Balance</b>	\$236,965	\$319,308	\$433,514	\$491,757	\$545,700

Year	2020	2021	2022	2023	2024
<b>Starting Balance</b>	\$545,700	\$408,575	\$524,106	\$647,180	\$757,139
<i>Reserve Income</i>	\$129,150	\$134,962	\$141,035	\$147,381	\$154,013
<i>Interest Earnings</i>	\$4,769	\$4,661	\$5,854	\$7,019	\$8,166
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$679,619	\$548,198	\$670,995	\$801,580	\$919,318
<b>Reserve Expenditures</b>	\$271,045	\$24,092	\$23,815	\$44,441	\$42,591
<b>Ending Balance</b>	\$408,575	\$524,106	\$647,180	\$757,139	\$876,727

Year	2025	2026	2027	2028	2029
<b>Starting Balance</b>	\$876,727	\$983,295	\$1,141,100	\$1,312,157	\$1,509,925
<i>Reserve Income</i>	\$160,944	\$168,187	\$175,755	\$183,664	\$191,929
<i>Interest Earnings</i>	\$9,296	\$10,617	\$12,261	\$14,104	\$14,564
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$1,046,967	\$1,162,099	\$1,329,116	\$1,509,925	\$1,716,418
<b>Reserve Expenditures</b>	\$63,672	\$21,000	\$16,959	\$0	\$312,377
<b>Ending Balance</b>	\$983,295	\$1,141,100	\$1,312,157	\$1,509,925	\$1,404,041

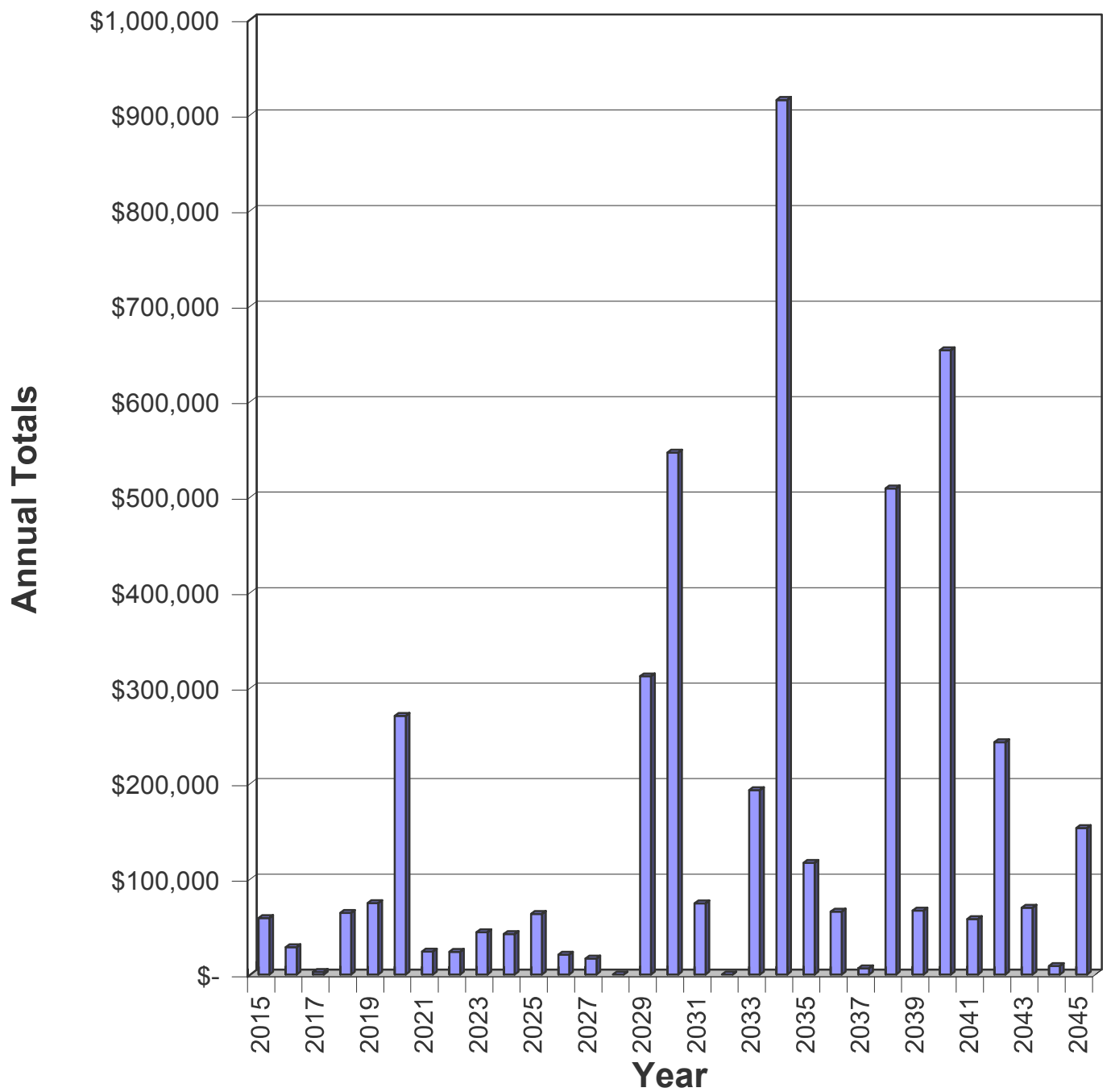
Year	2030	2031	2032	2033	2034
<b>Starting Balance</b>	\$1,404,041	\$1,070,450	\$1,216,949	\$1,449,297	\$1,499,673
<i>Reserve Income</i>	\$200,566	\$209,591	\$219,023	\$228,879	\$239,178
<i>Interest Earnings</i>	\$12,367	\$11,432	\$13,326	\$14,739	\$11,668
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$1,616,974	\$1,291,473	\$1,449,297	\$1,692,914	\$1,750,518
<b>Reserve Expenditures</b>	\$546,524	\$74,524	\$0	\$193,242	\$915,678
<b>Ending Balance</b>	\$1,070,450	\$1,216,949	\$1,449,297	\$1,499,673	\$834,840

Year	2035	2036	2037	2038	2039
<b>Starting Balance</b>	\$834,840	\$976,868	\$1,182,922	\$1,462,501	\$1,252,142
<i>Reserve Income</i>	\$249,941	\$261,189	\$272,942	\$285,225	\$298,060
<i>Interest Earnings</i>	\$9,055	\$10,794	\$13,221	\$13,567	\$13,739
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$1,093,836	\$1,248,851	\$1,469,085	\$1,761,293	\$1,563,941
<b>Reserve Expenditures</b>	\$116,968	\$65,930	\$6,584	\$509,151	\$67,155
<b>Ending Balance</b>	\$976,868	\$1,182,922	\$1,462,501	\$1,252,142	\$1,496,786

Year	2040	2041	2042	2043	2044
<b>Starting Balance</b>	\$1,496,786	\$1,167,894	\$1,448,355	\$1,560,166	\$1,862,749
<i>Reserve Income</i>	\$311,472	\$325,489	\$340,136	\$355,442	\$371,437
<i>Interest Earnings</i>	\$13,318	\$13,076	\$15,036	\$17,107	\$20,534
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$1,821,576	\$1,506,458	\$1,803,527	\$1,932,715	\$2,254,720
<b>Reserve Expenditures</b>	\$653,682	\$58,103	\$243,361	\$69,966	\$8,960
<b>Ending Balance</b>	\$1,167,894	\$1,448,355	\$1,560,166	\$1,862,749	\$2,245,759

Yearly Expenditures Graph For Interlude Condominiums

# Reserve Expenditures



## Projected Reserve Expenditures For Interlude Condominiums

Year	Asset ID	Asset Name	Projected Cost	Total Per Annum
2015	121	Heat Tape - Replace	\$10,850	
	204	Exterior Wood Surfaces - Repaint	\$33,500	
	725	Misc. Mechanical Equipment - Replace	\$10,000	
	1801	Landscaping - Replenish	\$5,000	\$59,350
2016	1807	Waterscape Liners - Replace	\$28,738	\$28,738
2017	701	Snowmelt Boilers - Major Repairs	\$2,730	\$2,730
2018	403	Drive Concrete - Repair/Replace	\$22,595	
	601	Concrete Walks - Repair	\$7,258	
	608	Concrete Deck w/ Liner - Repair/Replace	\$17,060	
	1507	Outdoor Carpet Runners - Replace	\$14,767	
	1703	Irrigation Controllers - Replace	\$2,967	\$64,647
2019	610	Wood Stair Treads - Partial Replacement	\$2,981	
	701	Heating Boilers - Rebuild	\$50,086	
	703	Water Heaters - Replace	\$9,838	
	725	Misc. Mechanical Equipment - Replace	\$11,925	\$74,831
2020	204	Exterior Wood Surfaces - Repaint	\$41,747	
	205	Exterior Stucco Surfaces - Repaint	\$109,041	
	219	Exterior Unit Doors - Refinish/Repaint	\$21,185	
	303	Exterior Wood Surfaces - Major Repairs	\$16,823	
	308	Exterior Stucco Surfaces - Major Repairs	\$28,039	
	607	Wood Decking - Repair/Replace	\$47,978	
	1801	Landscaping - Replenish	\$6,231	\$271,045
2021	701	Snowmelt Boilers - Major Repairs	\$3,256	
	1901	Utility Vehicle - Replace	\$20,836	\$24,092
2022	709	Elevator Cab - Remodel	\$23,815	\$23,815
2023	103	EPDM Flat Roof - Replace	\$14,790	
	121	Heat Tape - Replace	\$15,430	
	725	Misc. Mechanical Equipment - Replace	\$14,221	\$44,441
2024	403	Drive Concrete - Repair/Replace	\$29,425	
	601	Concrete Walks - Repair	\$9,452	
	610	Wood Stair Treads - Partial Replacement	\$3,715	\$42,591
2025	204	Exterior Wood Surfaces - Repaint	\$52,024	
	701	Snowmelt Boilers - Major Repairs	\$3,882	
	1801	Landscaping - Replenish	\$7,765	\$63,672
2026	1507	Outdoor Carpet Runners - Replace	\$21,000	\$21,000
2027	725	Misc. Mechanical Equipment - Replace	\$16,959	\$16,959
2028		No Expenditures Projected		\$0
2029	105	Asphalt Shingle Roof - Replace	\$281,496	
	120	Gutters & Downspouts - Replace	\$21,621	
	610	Wood Stair Treads - Partial Replacement	\$4,630	
	701	Snowmelt Boilers - Major Repairs	\$4,630	\$312,377
2030	204	Exterior Wood Surfaces - Repaint	\$64,832	
	205	Exterior Stucco Surfaces - Repaint	\$169,337	
	219	Exterior Unit Doors - Refinish/Repaint	\$32,900	
	303	Exterior Wood Surfaces - Major Repairs	\$26,126	
	308	Exterior Stucco Surfaces - Major Repairs	\$43,544	
	403	Drive Concrete - Repair/Replace	\$38,319	
	403	Heated Drive Concrete - Repair/Replace	\$27,462	
	601	Concrete Walks - Repair	\$12,308	
	607	Wood Decking - Repair/Replace	\$74,508	
	608	Concrete Deck w/ Liner - Repair/Replace	\$28,932	
	801	Building/Property Signage - Replace	\$13,547	
	1703	Irrigation Controllers - Replace	\$5,032	

<b>Year</b>	<b>Asset ID</b>	<b>Asset Name</b>	<b>Projected Cost</b>	<b>Total Per Annum</b>
	1801	Landscaping - Replenish	\$9,676	\$546,524
2031	121	Heat Tape - Replace	\$21,943	
	725	Misc. Mechanical Equipment - Replace	\$20,224	
	1901	Utility Vehicle - Replace	\$32,358	\$74,524
2032		No Expenditures Projected		\$0
2033	701	Snowmelt Boilers - Major Repairs	\$5,521	
	702	Snowmelt Boilers - Replace	\$187,721	\$193,242
2034	610	Wood Stair Treads - Partial Replacement	\$5,770	
	701	Heating Boilers - Rebuild	\$96,930	
	702	Heating Boilers - Replace	\$588,504	
	703	Water Heaters - Replace	\$19,040	
	901	Fire Protection System - Replace	\$109,623	
	1507	Outdoor Carpet Runners - Replace	\$29,864	
	1602	Decorative Exterior Lighting - Replace	\$65,947	\$915,678
2035	204	Exterior Wood Surfaces - Repaint	\$80,792	
	725	Misc. Mechanical Equipment - Replace	\$24,117	
	1801	Landscaping - Replenish	\$12,059	\$116,968
2036	403	Drive Concrete - Repair/Replace	\$49,901	
	601	Concrete Walks - Repair	\$16,029	\$65,930
2037	701	Snowmelt Boilers - Major Repairs	\$6,584	\$6,584
2038	707	Elevators - Rebuild/Upgrade	\$509,151	\$509,151
2039	121	Heat Tape - Replace	\$31,205	
	610	Wood Stair Treads - Partial Replacement	\$7,190	
	725	Misc. Mechanical Equipment - Replace	\$28,760	\$67,155
2040	204	Exterior Wood Surfaces - Repaint	\$100,682	
	205	Exterior Stucco Surfaces - Repaint	\$262,976	
	219	Exterior Unit Doors - Refinish/Repaint	\$51,092	
	303	Exterior Wood Surfaces - Major Repairs	\$40,573	
	308	Exterior Stucco Surfaces - Major Repairs	\$67,622	
	607	Wood Decking - Repair/Replace	\$115,709	
	1801	Landscaping - Replenish	\$15,027	\$653,682
2041	701	Snowmelt Boilers - Major Repairs	\$7,852	
	1901	Utility Vehicle - Replace	\$50,251	\$58,103
2042	403	Drive Concrete - Repair/Replace	\$64,984	
	601	Concrete Walks - Repair	\$20,874	
	608	Concrete Deck w/ Liner - Repair/Replace	\$49,066	
	709	Elevator Cab - Remodel	\$57,435	
	1507	Outdoor Carpet Runners - Replace	\$42,469	
	1703	Irrigation Controllers - Replace	\$8,533	\$243,361
2043	103	EPDM Flat Roof - Replace	\$35,669	
	725	Misc. Mechanical Equipment - Replace	\$34,297	\$69,966
2044	610	Wood Stair Treads - Partial Replacement	\$8,960	\$8,960
2045	204	Exterior Wood Surfaces - Repaint	\$125,468	
	701	Snowmelt Boilers - Major Repairs	\$9,363	
	1801	Landscaping - Replenish	\$18,727	\$153,558

## **Glossary of Commonly used Words and Phrases** (provided by the National Reserve Study Standards of the Community Associations Institute)

**Asset or Component** – Individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association Responsibility, 2) with limited Useful Life expectancies, 3) have predictable Remaining Life expectancies, 4) above a minimum threshold cost, and 5) required by local codes.

**Cash Flow Method** – A method of developing a Reserve Funding Plan where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.

**Component Inventory** – The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representatives.

**Deficit** – An actual (or projected) Reserve Balance, which is less than the Fully Funded Balance.

**Effective Age** – The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

**Financial Analysis** – The portion of the Reserve Study where current status of the Reserves (Measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of the Reserve Study.

**Component Full Funding** – When the actual (or projected) cumulative Reserve balance for all components is equal to the Fully Funded Balance.

**Fully Fund Balance (aka – Ideal Balance)** – An indicator against which Actual (or projected) Reserve Balance can be compared. The Reserve balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This number is calculated for each component, and then summed together for an association total.

$$\text{FFB} = \text{Replacement Cost} \times \text{Effective Age} / \text{Useful Life}$$

**Fund Status** – The status of the Reserve Fund as compared to an established benchmark, such as percent funding.

**Funding Goals** – Independent of methodology utilized, the following represent the basic categories of Funding Plan Goals.

- **Baseline Funding:** Establishing a Reserve funding goal of keeping the Reserve Balance above zero.
- **Component Full Funding:** Setting a Reserve funding goal of attaining and maintaining cumulative Reserves at or near 100% funded.
- **Threshold Funding:** Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than the “Component Fully Funding” method.

**Funding Plan** – An associations plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

**Funding Principles** –

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

**Life and Valuation Estimates** – The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.

**Percent Funded** – The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the *actual* (or *projected*) Reserve Balance to the accrued *Fund Balance*, expressed as a percentage.

**Physical Analysis** – The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

**Remaining Useful Life (RUL)** – Also referred to as “Remaining Life” (RL). The estimated time, in years, that a reserve component can be expected to *continue* to serve its intended function. Projects anticipated to occur in the initial year have “0” Remaining Useful Life.

**Replacement Cost** – The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

**Reserve Balance** – Actual or projected funds as of a particular point in time (typically the beginning of the fiscal year) that the association has identified for use to defray the future repair or replacement of those major components in which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves. This is based upon information provided and is not audited.

**Reserve Provider** – An individual that prepares Reserve Studies. Also known as **Aspen Reserve Specialties**.

**Reserve Study** – A budget-planning tool that identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: The Physical Analysis and the Financial Analysis.

**Special Assessment** – An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by governing documents or local statutes.

**Surplus** – An actual (or projected) Reserve Balance that is greater than the Fully Funded Balance.

**Useful Life (UL)** – Also known as “Life Expectancy”, or “Depreciable Life”. The estimated time, in years, that a Reserve component can be expected to serve its intended function if properly constructed and maintained in its present application or installation.