

# RDA REPORT

Artisan Parkview Condominium  
Phoenix, Arizona  
Account 2037 - Version 002  
September 23, 2011

## RESERVE DATA ANALYSIS, INC.

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## Please Note

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This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Associations Institute, various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual and the McGraw Hill Book Company. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of property management and preparation of reserve analysis studies.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and each estimated useful life will approximate that of the norm per industry standards and/or manufacture specifications used. In some cases, estimates may have been used on assets which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

**We recommend that your reserve analysis study be updated every two to three years due to fluctuating interest rates, inflationary changes and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the association and subsequent computations made in preparing this reserve analysis study are retained in our computer files. Therefore, updates can typically be completed in a more timely manner than the original study.**

Reserve Data Analysis, Inc. would like to thank you for using our services, and we invite you to call us at any time should you have any questions or comments or need assistance. In addition, any of the parameters and estimates used in this study may be changed at your request, after which we will provide you with a revised study.

**RESERVE DATA ANALYSIS, INC.**

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## PART I - INTRODUCTION

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Preparing the annual budget and overseeing the association's finances are perhaps the most important responsibilities of board members. The annual operating and reserve budgets reflect the planning and goals of the association and set the level and quality of service for all of the association's activities.

### ■ 1. Funding Options

When a major repair or replacement is required in a community, an association has essentially four options available to address the expenditure:

The first option is to pass a "special assessment" to the membership in an amount required to cover the expenditure. Although not commonplace, there have been special assessments in the amount of \$10,000 per member assessed in associations in Virginia and southern California. When a special assessment is passed, the association has the authority and responsibility to collect the assessments, even by means of foreclosure if necessary. However, an association operating on a special assessment basis cannot guarantee that an assessment, when needed, will be passed. Consequently, it cannot guarantee its ability to perform the required repairs or replacements to those major components for which the association is obligated to maintain when the need arises. Additionally, while relatively new communities require very little in the way of major "reserve" expenditures, associations reaching 12 to 15 years of age and older find many components reaching the end of their effective useful lives. These required expenditures, all accruing at the same time, can be devastating to an association's overall budget.

The second option is for the association to acquire a loan from a lending institution in order to effect the required repairs. In many cases, banks will lend money to an association using "future homeowner assessments" as collateral for the loan. With this method, not only is the current board of directors pledging the future assets of an association, they are also required to pay interest fees on the loan payback in addition to the original principal. In the case of a \$150,000 roofing replacement, the association may be required to pay back the loan over a three to five year period, with interest; whereas, if the association was setting aside reserves for this purpose, using the

vehicle of the regularly assessed membership dues, it would have had the full term of the life of the roof in order to accumulate the necessary moneys. Additionally, those contributions would have been evenly distributed over the entire membership and would have earned interest as part of that contribution.

The third option, too often used, is simply to defer the required repair or replacement. This option can create an environment of declining property values due to the increasing deferred maintenance and the association's financial inability to keep pace with the normal aging process of the common area components. This, in turn, can have a seriously negative impact on sellers in the Association by making it difficult or even impossible for potential buyers to obtain financing from lenders. Increasingly, many lending institutions are requesting copies of the association's most recent reserve study before granting loans, either for the association, a prospective purchaser, or for an individual within such association.

The fourth, and only logical means that the board of directors has to ensure its ability to maintain the assets for which it is obligated, uniformly distributing the costs of the replacements over the entire membership, is by assessing an adequate level of reserves as part of the regular membership assessment. The community is not only comprised of present members, but also future members. Any decision by the board of directors to adopt a calculation method or funding plan which would disproportionately burden future members in order to make up for past reserve deficits would be a breach of its fiduciary responsibility to those future members. Unlike individuals determining their own course of action, the board is responsible to the "community" as a whole.

## ■ 2. The Reserve Study

There are two components of a reserve study – a physical analysis and a financial analysis. During the physical analysis, a reserve provider evaluates information regarding the physical status and repair/replacement cost of the association's major common area components. To do so, the provider conducts a component inventory, a condition assessment, and life and valuation estimates. A financial analysis assesses the association's reserve balance or "fund status" (measured in cash or as percent funded) to determine a recommendation for an appropriate reserve contribution rate in the future known as the "funding plan."

Reserve studies fit into one of three categories: 1) Full Study; 2) Update - with site inspection; and 3) Update - without site inspection.

- In a Full reserve study, the reserve provider conducts a component inventory, a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both a "fund status" and "funding plan."

- In an Update – with site inspection, the reserve provider conducts a component inventory (verification only, not quantification), a condition assessment (based on on-site visual observations), and life and valuation estimates to determine both the “fund status” and “funding plan.”
- In an Update – without site inspection, the reserve provider conducts life and valuation estimates to determine the “fund status” and “funding plan.”

### ■ 3. Developing a Component List

The budget process begins with an accurate inventory of all the major components for which the association is responsible. The determination of whether an expense should be labeled as operational, reserve, or excluded altogether is sometimes subjective. Since this labeling may have a major impact on the financial plans of the association, subjective determinations should be minimized. We suggest the following considerations when labeling an expense:

**OPERATIONAL EXPENSES** occur at least annually, no matter how large the expense, and can be effectively budgeted for each year. They are characterized as being reasonably predictable both in terms of frequency and cost. Operational expenses include all minor expenses which would not otherwise adversely affect an operational budget from one year to the next. Examples of Operational Expenses include:

**Utilities:**

- Electricity
- Gas
- Water
- Telephone
- Cable TV

**Services:**

- Landscaping
- Pool Maintenance
- Street Sweeping
- Accounting
- Reserve Study

**Administrative:**

- Supplies
- Bank Service Charges
- Dues & Publications
- Licenses, Permits & Fees

**Repair Expenses:**

- Tile Roof Repairs
- Equipment Repairs
- Minor Concrete Repairs
- Operating Contingency

**RESERVE EXPENSES** are major expenses that occur other than annually and which must be budgeted for in advance in order to provide the necessary funds in time

for their occurrence. Reserve expenses are reasonably predictable both in terms of frequency and cost. However, they may include significant assets which have an indeterminable but potential liability which may be demonstrated as a likely occurrence. They are expenses that when incurred would have a significant affect on the smooth operation of the budgetary process from one year to the next if they were not reserved for in advance. Examples of Reserve Expenses include:

- Roof Replacements
- Painting
- Deck Resurfacing
- Fencing Replacement
- Street Seal/Slurry Coatings
- Asphalt Overlays
- Pool Re-plastering
- Pool Equipment Replacement
- Pool Furniture Replacement
- Tennis Court Resurfacing
- Park & Play Equipment
- Equipment Replacement
- Interior Furnishings
- Lighting Replacement

**BUDGETING IS NORMALLY EXCLUDED FOR** repairs or replacements of assets which are deemed to have an estimated useful life equal to or exceeding the estimated useful life of the facility or community itself, or exceeding the legal life of the community as defined in an association's governing documents. Examples include the complete replacement of elevators, tile roofs, wiring and plumbing. Also excluded are insignificant expenses which may be covered either by an operating or reserve contingency, or otherwise in a general maintenance fund. Costs which are caused by acts of God, accidents or other occurrences which are more properly insured for, rather than reserved for, are also excluded.

#### ■ 4. Preparing the Reserve Study

Once the reserve assets have been identified and quantified, their respective replacement costs, useful lives and remaining lives must be assigned so that a funding schedule can be constructed. Replacement costs and useful lives can be found in published manuals such as construction estimators, appraisal handbooks, and valuation guides. Remaining lives are calculated from the useful lives and ages of assets and adjusted according to conditions such as design, manufacture quality, usage, exposure to the elements and maintenance history.

By following the recommendations of an effective reserve study the association should avoid any major shortfalls. However, to remain accurate, the report should be updated every two to three years to reflect such changes as shifts in economic parameters, additions of phases or assets, or expenditures of reserve funds. The association can assist in simplifying the reserve analysis update process by keeping accurate records of these changes throughout the year.

## ■ 5. Funding Methods

From the simplest to most complex, reserve analysis providers use many different computational processes to calculate reserve requirements. However, there are two basic processes identified as industry standards: the cash-flow method and the component method.

The cash flow method develops 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 actual anticipated schedule of reserve expenses until the desired funding goal is achieved. This method sets up a "window" in which all future anticipated replacement costs are computed, based on the individual lives of the components under consideration.

The component method develops a reserve-funding plan where the total contribution is based on the sum of contributions for individual components. The component method is the more conservative of the two funding options, and assures that the association will achieve and maintain an ideal level of reserves over time. This method also allows for computations on individual components in the analysis. The RDA Summary and RDA Projection Reports are based upon the component methodology.

## ■ 6. Funding Strategies

Once an association has established its funding goals, the association can select an appropriate funding plan. There are two basic strategies widely used by associations. It is recommended that associations consult professionals to determine the best strategy or combination of plans that best suit the association's need. Additionally, associations should consult with their financial advisor to determine the tax implications of selecting a particular plan. Further, consultation with the American Institute of Certified Public Accountants (AICPA) for their reporting requirements is advisable. The two funding plans and descriptions of both are detailed below.

- Full Funding — Given that the basis of funding for reserves is to distribute the costs of the replacements over the lives of the components in question, it follows that the ideal level of reserves would be proportionately related to those lives and costs. If an association has a component with an expected estimated useful life of ten years, it would set aside approximately one-tenth of the replacement cost each year. At the end of three years, one would expect that three-tenths of the replacement cost to have accumulated, and if so, that component would be "fully-funded." This model is



important in that it is a measure of the adequacy of an association's reserves at any one point of time, and is independent of any particular method which may have been used for past funding or may be under consideration for future funding. The formula is based on current replacement cost, and is a measure in time, independent of future inflationary or investment factors:

$$\text{Fully Funded Reserves} = \frac{\text{Age of Component}}{\text{Useful Life}} \times \text{Current Replacement Cost}$$

When an association's total accumulated reserves for all components meet this criteria, its reserves are "fully-funded."

- **Threshold Funding (RDA Modified Cash Flow Reports)** — There are two goals of this funding method. The first goal is to make sure that all scheduled reserve expenditures are covered by keeping the reserve cash balance above zero during the projected period. The second goal is to reach and maintain a 100% fully funded reserve balance during the projected period. Depending on the association's current percent funded, it may take the entire projected period (typically 30 years) before the 100% fully funded level is achieved.

Reaching and maintaining a 100% fully funded reserve balance by uniformly distributing the costs of the replacements over time benefits both current and future members of an association, and is the best approach the board of directors can take to fulfill its fiduciary responsibility. The modified cash flow method creates a funding strategy that gives the membership the lowest reserve funding recommendation as possible over time, while approaching the 100% fully funded level.

Another advantage of the modified cash flow method is that in most cases several strategies can be manually tested by Reserve Data Analysis, Inc. (the strategy is not based strictly on each components current funding status) until the best funding strategy is created – one that has consistent, incremental contribution increases from year to year. This very important aspect of the reserve study will aid the board of directors during the annual budgeting process.

## ■ 7. Distribution of Accumulated Reserves

The first step is to identify the ideal level of reserves for each asset. As indicated in the prior section, this is accomplished by evaluating the component's age proportionate to its estimated useful life and current replacement cost. Again, the equation used is as follows:

$$\text{Fully Funded Reserves} = \frac{\text{Age of Component}}{\text{Useful Life}} \times \text{Current Replacement Cost}$$

The RDA RESERVE MANAGEMENT SOFTWARE™ program performs the above calculations to the very month the component was placed-in-service. It also allows for the accumulation of the necessary reserves for the replacement to be available on the first day of the fiscal year it is scheduled to be replaced.

After identifying the ideal level of reserves for each asset, the beginning reserve balance must be allocated to each of the individual components identified in the analysis.

The next step the program performs is to arrange all of the assets used in the study in ascending order by remaining life, and alphabetically within each grouping of remaining life items. These assets are then assigned their respective ideal level of reserves until the amount of funds available are depleted, or until all assets are appropriately funded. If any assets are assigned a zero remaining life (schedule for replacement this fiscal year), then the amount assigned equals the current replacement cost and funding begins for the next cycle of replacement. If there are insufficient funds available to accomplish this, then the software automatically adjusts the zero remaining life item to 1 year and that asset assumes its new grouping position alphabetically in the final printed report.

If at the completion of this task there are additional moneys which have not been distributed, the remaining reserves are then assigned, in ascending order, to a level equal to, but not exceeding, the current replacement cost for each component. If there are sufficient moneys available to fund all assets at their current replacement cost levels, then any excess funds are designated as such initially, but are then considered to be available reserves in the report funding computations.

Assigning the reserves in this manner defers the make-up period for any underfunding over the longest remaining life of all the assets under consideration, thereby minimizing the impact of deficiency. For example, if the report indicates an underfunding of \$50,000, this underfunding will be assigned to components with the longest remaining life possible in order to give more time to "replenish" the account. If the \$50,000 underfunding were to be assigned to short remaining life items, the impact would be immediately felt.

If the reserves are underfunded, the monthly contribution requirements as outlined in this report may be higher than normal depending on the calculation method that is used. In future years, as individual assets are replaced, the funding requirements will return to their normal levels. In the case of a large deficiency, a special assessment may be considered. The program can easily generate revised reports outlining how the monthly contributions would be affected by such an adjustment, or by any other changes which may be under consideration.

## ■ 8. Funding Reserves

Two contribution numbers are provided in the report, the "Monthly Membership Contribution" and the "Net Monthly Allocation." The association should contribute to reserves each month the "Monthly Membership Contribution" figure, when the interest earned on the reserves is left in the reserve accounts as part of the contribution. When interest is earned on the reserves, that interest must be left in reserves and only amounts set aside for taxes should be removed.

The second alternative is to allocate the "Net Monthly Allocation" to reserves (this is the member contribution plus the anticipated interest earned for the fiscal year). This method assumes that all interest earned will be assigned directly as operating income. This allocation takes into consideration the anticipated interest earned on accumulated reserves regardless of whether or not it is actually earned. When taxes are paid the amount due will be taken directly from the association's operating accounts as the reserve accounts are allocated only those moneys net of taxes.

## ■ 9. Users' Guide to Your Reserve Analysis Study

Part II of your RDA REPORT contains the reserve analysis study for your association. There are seven types of pages in the study as described below.

### REPORT SUMMARY

The **Report Summary** lists all of the parameters which were used in calculating the report as well as the summary of your reserve analysis study.

### INDEX REPORTS

The **Distribution of Accumulated Reserves** report lists all assets in remaining life order. It also identifies the ideal level of reserves which should have accumulated for the association as well as the actual reserves available.

### DETAIL REPORTS

The **Detail Report** itemizes each asset and lists all measurements, current and future costs and calculations for that asset. Provisions for percentage replacements, salvage values and one-time replacements can also be utilized.

The numerical listings for each asset are enhanced by extensive narrative detailing factors such as design, manufacture quality, usage, exposure to elements and maintenance history.

The **Detail Report Index** is an alphabetical listing of all assets together with the page number of the asset's detail report and asset number.

### PROJECTIONS AND CHARTS

**Thirty-year Projections** of projected data add to the usefulness of your reserve analysis study.

## ■ 10. Definitions

**REPORT I.D.** - Includes the REPORT DATE (ex. November 15, 1992), VERSION (ex. 001), and ACCOUNT NUMBER (ex. 9773). Please use this information when referencing your report. (Displayed on the summary page.)

**BUDGET YEAR BEGINNING/ENDING** - The budgetary year for which the report is prepared. For associations with fiscal years ending December 31, the monthly contribution figures indicated are for the 12 month period beginning 1/1/2X and ending 12/31/2X.

**NUMBER OF UNITS/PHASES** - If applicable, the number of units and/or phases included in this version of the report.

**INFLATION** - This figure is used to approximate the future cost to repair or replace each component in the report. The current cost for each component is compounded on an annual basis by the number of remaining years to replacement and the total is used in calculating the monthly reserve contribution which will be necessary in order to accumulate the required funds in time for replacement.

**ANNUAL CONTRIBUTION INCREASE** - The percentage rate at which the association will increase its contribution to reserves at the end of each year until the year in which the asset is replaced. For example, in order to accumulate \$10,000 in 10 years, you could set aside \$1,000 per year. As an alternative, you could set aside \$795 the first year and increase that amount by 5% each year until the year of replacement. In either case you arrive at the same amount. The idea is that you start setting aside a lower amount and increase that number each year in accordance with the planned percentage. Ideally this figure should be equal to the rate of inflation. It can, however, be used to aid those associations that have not set aside appropriate reserves in the past by making the initial year's allocation less formidable.

**INVESTMENT YIELD** - The average interest rate anticipated by the association based upon its current investment practices.

**TAXES ON YIELD** - The estimated percentage of interest income which will be set aside for taxes.

**ACCUMULATED RESERVE BALANCE** - The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. Based upon information provided and not audited.

**PERCENT FULLY FUNDED** - The ratio, at the beginning of the fiscal year, of the actual (or projected) reserve balance to the calculated fully funded balance, expressed as a percentage.

**PHASE INCREMENT DETAIL/AGE** - Comments regarding aging of the components on the basis of construction date or date of acceptance by the association.

**MONTHLY CONTRIBUTION** - The contribution to reserves required by the association each month.

**INTEREST CONTRIBUTION** - The interest that should be earned on the reserves, net of taxes, based upon their beginning reserve balance and monthly contributions for one year. This figure is averaged for budgeting purposes.

**NET MONTHLY ALLOCATION** - The sum of the monthly contribution and interest contribution figures.

**GROUP OR FACILITY NUMBER/CATEGORY NUMBER** - The report may be prepared and sorted either by group or facility (location, building, phase, etc.) or by category (roofing, painting, etc.). Standard report printing format is by category.

**PERCENTAGE OF REPLACEMENT** - In some cases, an asset may not be replaced in its entirety or the cost may be shared with a second party. Examples are budgeting for a percentage of replacement of streets over a period of time, or sharing the expense to replace a common wall with a neighboring party.

**PLACED-IN-SERVICE** - The month and year that the asset was placed-in-service. - This may be the construction date, the first escrow closure date in a given phase, or the date of the last servicing or replacement.

**ESTIMATED USEFUL LIFE** - The estimated useful life of an asset based upon industry standards, manufacturer specifications, visual inspection, location, usage, association standards and prior history. All of these factors are taken into consideration when tailoring the estimated useful life to the particular asset. For example, the carpeting in a hallway or elevator (a heavy traffic area) will not have the same life as the identical carpeting in a seldom-used meeting room or office.

**ADJUSTMENT TO USEFUL LIFE** - Once the useful life is determined it may be adjusted +/- by this separate figure for the current cycle of replacement. This will allow for a current period adjustment without affecting the estimated replacement cycles for future replacements.

**ESTIMATED REMAINING LIFE** - This calculation is completed internally based upon the report's fiscal year date and the date the asset was placed-in-service.

**REPLACEMENT YEAR** - The year that the asset is scheduled to be replaced. The appropriate funds will be available by the first day of the fiscal year for which replacement is anticipated.

**FIXED ACCUMULATED RESERVES** - An optional figure which, if used, will override the normal process of allocating reserves to each asset.

**FIXED MONTHLY CONTRIBUTION** - An optional figure which, if used, will override all calculations and set the contribution at this amount.

**SALVAGE VALUE** - The salvage value of the asset at the time of replacement, if applicable.

**ONE-TIME REPLACEMENT** - Notation if the asset is to be replaced on a one-time basis.

**CURRENT REPLACEMENT COST** - The estimated replacement cost effective as of the beginning of the fiscal year for which the report is being prepared.

**FUTURE REPLACEMENT COST** - The estimated cost to repair or replace the asset at the end of its estimated useful life based upon the current replacement cost and inflation.

**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 representative(s).

## ■ 11. A Multi-Purpose Tool

Your RDA REPORT is an important part of your association's budgetary process. Following its recommendations should ensure the association's smooth budgetary transitions from one fiscal year to the next, and either decrease or eliminate the need for "special assessments".

In addition, your RDA reserve study serves a variety of useful purposes:

- Following the recommendations of a reserve study performed by a professional consultant can protect the Board of Directors in a community from personal liability concerning reserve components and reserve funding.
- A reserve analysis study is required by your accountant during the preparation of the association's annual audit.
- A reserve study is often requested by lending institutions during the process of loan applications, both for the community and, in many cases, the individual owners.
- Your RDA REPORT is also a detailed inventory of the association's major assets and serves as a management tool for scheduling, coordinating and planning future repairs and replacements.
- Your RDA REPORT is a tool which can assist the Board in fulfilling its legal and fiduciary obligations for maintaining the community in a state of good repair. If a community is operating on a special assessment basis, it cannot guarantee that an assessment, when needed, will be passed. Therefore, it cannot guarantee its ability to perform the required repairs or replacements to those major components which the association is obligated to maintain.
- Since the RDA reserve analysis study includes precise measurements and cost estimates of the client's assets, the detail reports may be used to evaluate the accuracy and price of contractor bids when assets are due to be repaired or replaced.
- The reserve study is an annual disclosure to the membership concerning the financial condition of the association, and may be used as a "consumers' guide" by prospective purchasers.

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**Artisan Parkview Condominium**  
 Phoenix, Arizona  
CFS Reserve Analysis Report Summary

Report Date	September 23, 2011	Parameters:	
Version	002	Inflation	3.00%
Account Number	2037	Annual Contribution Increase	3.00%
Budget Year Beginning	1/ 1/12	Investment Yield	0.08%
Ending	12/31/12	Taxes on Yield	0.00%
Total Units Included	35	Contingency	3.00%
Phase Development	1 of 1	Reserve Fund Balance as of	
		1/ 1/12:	\$206,763.00

Project Profile & Introduction

Unless otherwise indicated in this report, we have used 2003 as the basis for aging the original components examined in this analysis.

Refer to Asset ID #1000 (\*\* Reserve Balance Calculation) for an explanation of how the projected 1/1/2012 reserve balance was determined.

Calculation Method: Modified Cash Flow  
 Funding Strategy: Threshold  
 RDA Reports: December 2003 (rev. May 2004). Updated w/inspection September 2011.

Cash Flow Specific Summary of Calculations

Monthly Contribution to Reserves Required:	\$1,898.00
( \$54.23 per unit per month)	
Average Net Monthly Interest Contribution This Year:	14.49
Net Monthly Allocation to Reserves 1/ 1/12 to 12/31/12:	<u>\$1,912.49</u>
( \$54.64 per unit per month)	

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**Artisan Parkview Condominium**  
Distribution of Accumulated Reserves

REPORT DATE: September 23, 2011  
 VERSION: 002  
 ACCOUNT NUMBER: 2037

DESCRIPTION	REM LIFE	FULLY FUNDED RESERVES	ASSIGNED RESERVES
** Reserve Balance Calculation	0	0.00	0.00
Concrete Components - Unfunded	0	0.00	0.00
Granite Replenishment - Unfunded	0	0.00	0.00
Irrigation System - Unfunded	0	0.00	0.00
Monument Signs - Letters, Unfunded	0	0.00	0.00
Roofs - Metal, Unfunded	0	0.00	0.00
Paint - Wall (North Perimeter)	1	882.00	980.00
Streets - Repair & Seal Coat	2	1,378.88	2,757.75
Paint - Wrought Iron	3	1,333.33	4,000.00
Irrigation Controllers	5	466.07	725.00
Paint - Community Exteriors	8	18,157.89	115,000.00
Roofs - Flat, Built-Up	9	34,300.00	43,283.76
Light Fixture (Pole Mounted)	16	270.00	270.00
Light Fixtures (Wall Mounted)	16	5,400.00	5,400.00
Mailboxes - Pedestal Sets	16	1,674.00	1,674.00
Streets - Asphalt Rehab. (Overlay)	18	7,047.67	7,047.67
Fencing - Wrought Iron	21	4,647.60	4,647.60
Garage Doors	21	9,450.00	9,450.00
Gates - Wrought Iron	21	5,505.00	5,505.00
Total Asset Summary:		90,512.44	200,740.78
Contingency @ 3.00%:		2,715.37	6,022.22
Grand Total:		93,227.81	206,763.00
Excess Reserves Not Used:			0.00
Percent Fully Funded:	222%		

**Artisan Parkview Condominium**  
Cash Flow Specific Projections

REPORT DATE: September 23, 2011  
 VERSION: 002  
 ACCOUNT NUMBER: 2037

Beginning Accumulated Reserves: \$206,763

YEAR	CURRENT REPLACEMENT COST	ANNUAL CONTRBTN	ANNUAL INTEREST CONTRBTN	ANNUAL EXPENDTRS	PROJECTED ENDING RESERVES	FULLY FUNDED RESERVES	PERCENT FULLY FUNDED
'12	298,948	22,776	174	0	229,713	118,751	193%
'13	307,916	23,459	192	1,009	252,354	144,651	174%
'14	317,154	24,163	208	2,926	273,800	169,996	161%
'15	326,668	24,888	225	4,371	294,542	194,726	151%
'16	336,468	25,635	245	0	320,422	225,563	142%
'17	346,562	26,404	265	840	346,250	257,182	135%
'18	356,959	27,196	284	3,293	370,438	287,921	129%
'19	367,668	28,012	307	0	398,756	323,871	123%
'20	378,698	28,852	213	145,679	282,142	206,356	137%
'21	390,059	29,718	165	89,507	222,518	145,726	153%
'22	401,761	30,609	186	3,706	249,607	175,148	143%
'23	413,814	31,527	210	1,357	279,988	208,815	134%
'24	426,228	32,473	236	0	312,697	245,826	127%
'25	439,015	33,447	258	5,874	340,528	278,639	122%
'26	452,185	34,451	282	4,171	371,089	315,192	118%
'27	465,751	35,484	310	0	406,883	358,246	114%
'28	479,723	36,549	313	32,736	411,009	368,870	111%
'29	494,115	37,645	343	0	448,997	415,581	108%
'30	508,939	38,775	184	236,469	251,487	214,005	118%
'31	524,207	39,938	215	1,271	290,368	257,008	113%
'32	539,933	41,136	247	0	331,752	303,787	109%
'33	556,131	42,370	182	123,378	250,925	222,251	113%
'34	572,815	43,641	213	5,284	289,495	264,761	109%
'35	589,999	44,950	242	7,894	326,793	307,021	106%
'36	607,699	46,299	279	0	373,370	360,205	104%
'37	625,930	47,688	316	0	421,375	416,303	101%
'38	644,708	49,119	350	5,947	464,896	469,134	99%
'39	664,049	50,592	269	152,380	363,377	369,598	98%
'40	683,971	52,110	99	263,112	152,474	151,043	101%
'41	704,490	53,673	142	0	206,289	206,552	100%

**Artisan Parkview Condominium**  
Annual Expenditure Detail

REPORT DATE: September 23, 2011  
VERSION: 002  
ACCOUNT NUMBER: 2037

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DESCRIPTION	EXPENDITURES
REPLACEMENT YEAR 2012	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2013	
Paint - Wall (North Perimeter)	1,009.40
*** ANNUAL TOTAL:	<u>1,009.40</u>
REPLACEMENT YEAR 2014	
Streets - Repair & Seal Coat	2,925.69
*** ANNUAL TOTAL:	<u>2,925.69</u>
REPLACEMENT YEAR 2015	
Paint - Wrought Iron	4,370.91
*** ANNUAL TOTAL:	<u>4,370.91</u>
REPLACEMENT YEAR 2016	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2017	
Irrigation Controllers	840.47
*** ANNUAL TOTAL:	<u>840.47</u>
REPLACEMENT YEAR 2018	
Streets - Repair & Seal Coat	3,292.89
*** ANNUAL TOTAL:	<u>3,292.89</u>
REPLACEMENT YEAR 2019	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2020	
Paint - Community Exteriors	145,678.58

**Artisan Parkview Condominium**  
Annual Expenditure Detail

DESCRIPTION	EXPENDITURES
*** ANNUAL TOTAL:	145,678.58
REPLACEMENT YEAR 2021	
Roofs - Flat, Built-Up	89,507.44
*** ANNUAL TOTAL:	89,507.44
REPLACEMENT YEAR 2022	
Streets - Repair & Seal Coat	3,706.18
*** ANNUAL TOTAL:	3,706.18
REPLACEMENT YEAR 2023	
Paint - Wall (North Perimeter)	1,356.55
*** ANNUAL TOTAL:	1,356.55
REPLACEMENT YEAR 2024	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2025	
Paint - Wrought Iron	5,874.14
*** ANNUAL TOTAL:	5,874.14
REPLACEMENT YEAR 2026	
Streets - Repair & Seal Coat	4,171.35
*** ANNUAL TOTAL:	4,171.35
REPLACEMENT YEAR 2027	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2028	
Light Fixture (Pole Mounted)	1,203.53
Light Fixtures (Wall Mounted)	24,070.61
Mailboxes - Pedestal Sets	7,461.92
*** ANNUAL TOTAL:	32,736.06

**Artisan Parkview Condominium**  
Annual Expenditure Detail

DESCRIPTION	EXPENDITURES
REPLACEMENT YEAR 2029	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2030	
Paint - Community Exteriors	195,779.85
Streets - Asphalt Rehab. (Overlay)	35,994.58
Streets - Repair & Seal Coat	4,694.88
*** ANNUAL TOTAL:	236,469.31
REPLACEMENT YEAR 2031	
Irrigation Controllers	1,271.29
*** ANNUAL TOTAL:	1,271.29
REPLACEMENT YEAR 2032	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2033	
Fencing - Wrought Iron	28,819.69
Garage Doors	58,599.28
Gates - Wrought Iron	34,136.44
Paint - Wall (North Perimeter)	1,823.09
*** ANNUAL TOTAL:	123,378.50
REPLACEMENT YEAR 2034	
Streets - Repair & Seal Coat	5,284.13
*** ANNUAL TOTAL:	5,284.13
REPLACEMENT YEAR 2035	
Paint - Wrought Iron	7,894.34
*** ANNUAL TOTAL:	7,894.34
REPLACEMENT YEAR 2036	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2037	
*** ANNUAL TOTAL:	0.00

**Artisan Parkview Condominium**  
Annual Expenditure Detail

DESCRIPTION	EXPENDITURES
REPLACEMENT YEAR 2038	
Streets - Repair & Seal Coat	5,947.33
*** ANNUAL TOTAL:	<hr/> 5,947.33
REPLACEMENT YEAR 2039	
Roofs - Flat, Built-Up	152,380.45
*** ANNUAL TOTAL:	<hr/> 152,380.45
REPLACEMENT YEAR 2040	
Paint - Community Exteriors	263,111.77
*** ANNUAL TOTAL:	<hr/> 263,111.77
REPLACEMENT YEAR 2041	
*** ANNUAL TOTAL:	0.00

**Artisan Parkview Condominium**  
Cash Flow Detail Report by Category

REPORT DATE: September 23, 2011  
 VERSION: 002  
 ACCOUNT NUMBER: 2037

**\*\* Reserve Balance Calculation**

ASSET ID 1000  
 GROUP/FACILITY 0  
 CATEGORY 5  
  
 PLACED IN SERVICE 0/ 0  
 0 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2012  
 0 YEAR REM LIFE

QUANTITY	1 comment
UNIT COST	0.000
PERCENT REPL	0.00%
CURRENT COST	0.00
FUTURE COST	0.00
SALVAGE VALUE	0.00

REMARKS:

Current Reserve Balance Per Client (6/30/11):	\$	202,463
Remaining 2011 Reserve Contributions:		
\$703/month x 6 months	+	4,218
Remaining 2011 Interest to be Earned (0.08%)	+	82
Projected January 1, 2012 Reserve Balance:	\$	----- 206,763



**Artisan Parkview Condominium**  
Cash Flow Detail Report by Category

Concrete Components - Unfunded		QUANTITY	1 comment
ASSET ID	1001	UNIT COST	0.000
GROUP/FACILITY	0	PERCENT REPL	0.00%
CATEGORY	10	CURRENT COST	0.00
		FUTURE COST	0.00
		SALVAGE VALUE	0.00
PLACED IN SERVICE	0 / 0		
0 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2012		
0 YEAR REM LIFE			

REMARKS:

We are not budgeting for repair or replacement of concrete decks, pads, sidewalks, or driveways as a reserve component. It is anticipated that any repairs required will be addressed immediately due to safety concerns. Good maintenance practice won't allow the need for repairs to accumulate to a point of major expense. We recommend that the client includes a line item in the annual operating budget for repairs and/or replacements on an "as needed" basis. However, should the client wish to include budgeting for concrete components, we will do so at their request (cost and useful life to be provided by client).

Streets - Asphalt Rehab. (Overlay)		QUANTITY	1 total
ASSET ID	1003	UNIT COST	21,143.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	10	CURRENT COST	21,143.00
		FUTURE COST	35,994.54
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1 / 03		
25 YEAR USEFUL LIFE			
+2 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2030		
18 YEAR REM LIFE			

REMARKS:

18,385 - sq. ft. of 1.5" overlay @ \$ 1.15 = \$ 21,143.00  
-----  
TOTAL = \$ 21,143.00

Most asphalt areas can be expected to last between 20 - 30 years before it will become necessary for an overlay to be applied. This can double the life of the surface upon application. It will be necessary to adjust man-hole and valve covers at the time the overlay is applied. Deflection testing should be conducted by an independent consultant near the end of the estimated useful life to determine the condition of the asphalt and estimated remaining life before the overlay is required.

**Artisan Parkview Condominium**  
Cash Flow Detail Report by Category

Streets - Asphalt Rehab. (Overlay), Continued ...

The useful life has been adjusted to align with the future seal coating and repair cycles.

<b>Streets - Repair &amp; Seal Coat</b>		QUANTITY	18,385 sq. ft.
ASSET ID	1005	UNIT COST	0.150
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	10	CURRENT COST	2,757.75
		FUTURE COST	2,925.70
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/10		
4 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2014		
2 YEAR REM LIFE			

REMARKS:

The asphalt appears to have been seal coated within the past two years - no information was provided by the client. This component is for a continuous four year repair, seal coating, and restriping cycle.

It should be noted that the repair/seal coat and rehabilitation assets are budgeted to occur simultaneously in 2030. We acknowledge that the seal coat won't be needed in the same year as the rehabilitation. However, in an effort to properly budget for a continuous seal coat cycle, this can't be avoided. The funds available for the seal coat can be used to help offset additional expenses that may be associated with the rehabilitation.

**Artisan Parkview Condominium**  
Cash Flow Detail Report by Category

Roofs - Flat, Built-Up		QUANTITY	19,600 sq. ft.
		UNIT COST	3.500
ASSET ID	1016	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	68,600.00
CATEGORY	20	FUTURE COST	89,507.44
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/03		
18 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2021		
9 YEAR REM LIFE			

REMARKS:

The flat, built-up roofs atop the seven buildings were repaired and coated with an elastomeric coating as part of a construction defect project in 2010. This component budgets to replace the flat roofs. Should the client wish to budget for ongoing recoats of the flat roofs we will do so at their request in a revision or future update of this report.

Roofs - Metal, Unfunded		QUANTITY	1 comment
		UNIT COST	0.000
ASSET ID	1015	PERCENT REPL	0.00%
GROUP/FACILITY	0	CURRENT COST	0.00
CATEGORY	20	FUTURE COST	0.00
		SALVAGE VALUE	0.00
PLACED IN SERVICE	0/ 0		
0 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2012		
0 YEAR REM LIFE			

REMARKS:

We are not budgeting to replace any of the metal roofs because they have an indefinite life, and should last for the life of the community if properly maintained. However, we suggest that a line item be set up in the operating budget for periodic inspections and repairs.

**Artisan Parkview Condominium**  
Cash Flow Detail Report by Category

Paint - Community Exteriors		QUANTITY	1 total
		UNIT COST	115,000.000
		PERCENT REPL	100.00%
ASSET ID	1010	CURRENT COST	115,000.00
GROUP/FACILITY	0	FUTURE COST	145,678.56
CATEGORY	30	SALVAGE VALUE	0.00
PLACED IN SERVICE 7/10			
10 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR 2020			
8 YEAR REM LIFE			

REMARKS:

The exteriors of the seven buildings (stucco, railings, walls, wrought iron components, etc.) were prepped and painted as part of a construction defect project in 2010. The cost for this project was \$114,335.02 (\$105,835 for the Thorocoat200, \$8,500 for site walls, railings, stairs, doors, frames, etc.). We are budgeting to repaint these components every 10 years.

Paint - Wall (North Perimeter)		QUANTITY	2,800 sq. ft.
		UNIT COST	0.350
		PERCENT REPL	100.00%
ASSET ID	1014	CURRENT COST	980.00
GROUP/FACILITY	0	FUTURE COST	1,009.40
CATEGORY	30	SALVAGE VALUE	0.00
PLACED IN SERVICE 1/03			
10 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR 2013			
1 YEAR REM LIFE			

REMARKS:

This component includes a provision to paint the side of the north perimeter wall (block & stucco portions). This wall does not appear to have been painted when the rest of the property was painted in 2010.

**Artisan Parkview Condominium**  
Cash Flow Detail Report by Category

Paint - Wrought Iron	QUANTITY	1 total
	UNIT COST	4,000.000
ASSET ID 1011	PERCENT REPL	100.00%
GROUP/FACILITY 0	CURRENT COST	4,000.00
CATEGORY 30	FUTURE COST	4,370.91
	SALVAGE VALUE	0.00
PLACED IN SERVICE 7/10		
10 YEAR USEFUL LIFE		
-5 YEAR ADJUSTMENT		
REPLACEMENT YEAR 2015		
3 YEAR REM LIFE		

REMARKS:

This component includes a provision to paint the following wrought iron surfaces every 5th year after all building exteriors are painted (all of the building exterior surfaces were painted in mid-2010):

- fencing and gates at the east end of the property
- fencing and gates at the west end of the property
- view fencing and gates around the front patio areas
- courtyard entry gates

**Artisan Parkview Condominium**  
Cash Flow Detail Report by Category

Fencing - Wrought Iron		QUANTITY	1 total
ASSET ID	1012	UNIT COST	15,492.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	40	CURRENT COST	15,492.00
		FUTURE COST	28,819.68
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/03		
30 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2033		
21 YEAR REM LIFE			

REMARKS:

34 - lin. ft. of 2'0" fencing (west end)	@	\$ 22.00	=	\$ 748.00
627 - lin. ft. of 2'0" fencing (patios)	@	22.00	=	13,794.00
4 - lin. ft. of 2'8" fencing (Bldg. 4)	@	23.00	=	92.00
7 - lin. ft. of 2'11" fencing (Bldgs. 1 & 6)	@	24.00	=	168.00
12 - lin. ft. of 5'7" fencing (Bldgs. 2,5,7)	@	30.00	=	360.00
11 - lin. ft. of 5'10" fencing (east end)	@	30.00	=	330.00
				-----
		TOTAL	=	\$ 15,492.00

Gates - Wrought Iron		QUANTITY	1 total
ASSET ID	1013	UNIT COST	18,350.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	40	CURRENT COST	18,350.00
		FUTURE COST	34,136.41
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/03		
30 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2033		
21 YEAR REM LIFE			

REMARKS:

28 - 5'3" x 3'0" gates (patio entry)	@	\$ 400.00	=	\$ 11,200.00
1 - 5'4" x 2'4" gate (west end)	@	300.00	=	300.00
1 - 5'10" x 4'0" gate (east end)	@	550.00	=	550.00
14 - 6'0" x 3'0" gates (courtyard entry)	@	450.00	=	6,300.00
				-----
		TOTAL	=	\$ 18,350.00

**Artisan Parkview Condominium**  
Cash Flow Detail Report by Category

Light Fixture (Pole Mounted)		QUANTITY	1 fixture
		UNIT COST	750.000
ASSET ID	1008	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	750.00
CATEGORY	50	FUTURE COST	1,203.53
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/03		
25 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2028		
16 YEAR REM LIFE			

REMARKS:

This component is to replace the pole mounted, box style light fixture on the west side of the community. The cost does not include the pole or mounting bracket.

Light Fixtures (Wall Mounted)		QUANTITY	1 total
		UNIT COST	15,000.000
ASSET ID	1019	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	15,000.00
CATEGORY	50	FUTURE COST	24,070.60
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/03		
25 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2028		
16 YEAR REM LIFE			

REMARKS:

This component includes a provision to replace the various wall mounted light fixtures on the seven buildings (at garages, sides of buildings, stairways, front doors, patios, balconies, etc.).

There is a total of 175 wall mounted light fixtures.

**Artisan Parkview Condominium**  
Cash Flow Detail Report by Category

Garage Doors	QUANTITY	1 total
ASSET ID 1017	UNIT COST	31,500.000
GROUP/FACILITY 0	PERCENT REPL	100.00%
CATEGORY 90	CURRENT COST	31,500.00
	FUTURE COST	58,599.28
	SALVAGE VALUE	0.00
PLACED IN SERVICE 1/03		
30 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT		
REPLACEMENT YEAR 2033		
21 YEAR REM LIFE		

REMARKS:

35 - 8' x 8' metal sectional garage doors @ \$ 900.00 = \$ 31,500.00  
-----  
TOTAL = \$ 31,500.00



**Artisan Parkview Condominium**  
Cash Flow Detail Report by Category

<b>Granite Replenishment - Unfunded</b>		QUANTITY	1 comment
		UNIT COST	0.000
ASSET ID	1002	PERCENT REPL	0.00%
GROUP/FACILITY	0	CURRENT COST	0.00
CATEGORY	100	FUTURE COST	0.00
		SALVAGE VALUE	0.00
PLACED IN SERVICE	0 / 0		
	0 YEAR USEFUL LIFE		
	+0 YEAR ADJUSTMENT		
	REPLACEMENT YEAR 2012		
	0 YEAR REM LIFE		

REMARKS:

There are substantial quantities of granite located throughout the community. We are not budgeting to replenish this granite because the cost to do so is most often considered an operating expense. We recommend that a line item be set up in the operating budget to account for this asset, that it be monitored over time, and adjusted as experience dictates.

Should the client wish to have granite replenishment included in the reserve study, we will do so at their request. However, the client will need to provide the sq. ft. of the common area granite. Otherwise, there would be an additional charge to have Reserve Data Analysis, Inc. provide the measurement.

<b>Irrigation Controllers</b>		QUANTITY	1 total
		UNIT COST	725.000
ASSET ID	1009	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	725.00
CATEGORY	100	FUTURE COST	840.47
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1 / 03		
	14 YEAR USEFUL LIFE		
	+0 YEAR ADJUSTMENT		
	REPLACEMENT YEAR 2017		
	5 YEAR REM LIFE		

REMARKS:

1 - Rain Dial, RD600 controller (Bldg 7)	@	\$ 175.00	=	\$ 175.00
1 - KwikDial, KD6 controller (Bldg 6)	@	225.00	=	225.00
1 - Hunter ICC, 8 station (Bldg 1)	@	325.00	=	325.00
				-----
		TOTAL	=	\$ 725.00

**Artisan Parkview Condominium**  
Cash Flow Detail Report by Category

Irrigation System - Unfunded		QUANTITY	1 comment
		UNIT COST	0.000
ASSET ID	1018	PERCENT REPL	0.00%
GROUP/FACILITY	0	CURRENT COST	0.00
CATEGORY	100	FUTURE COST	0.00
		SALVAGE VALUE	0.00
PLACED IN SERVICE	0/ 0		
0 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2012		
0 YEAR REM LIFE			

REMARKS:

We have been advised that irrigation systems (pvc piping, sprinkler heads, valves, etc.) have a useful life of approximately 20 years, and should be included as a reserve component. However, budgeting for the replacement of the irrigation system requires evaluating the present condition (remaining useful life) and replacement cost - both of which call for expert evaluation, but fall outside the scope of a reserve study. Therefore, we recommend that the client have the system evaluated to determine these two factors so that budgeting can be included in a revision or future update of this report.

Mailboxes - Pedestal Sets		QUANTITY	1 total
		UNIT COST	4,650.000
ASSET ID	1006	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	4,650.00
CATEGORY	100	FUTURE COST	7,461.88
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/03		
25 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2028		
16 YEAR REM LIFE			

REMARKS:

3 - 12 box sets w/1 parcel locker @ \$ 1,550.00 = \$ 4,650.00  
-----  
TOTAL = \$ 4,650.00

**Artisan Parkview Condominium**  
Cash Flow Detail Report by Category

Monument Signs - Letters, Unfunded

ASSET ID 1007  
 GROUP/FACILITY 0  
 CATEGORY 100

QUANTITY	1 comment
UNIT COST	0.000
PERCENT REPL	0.00%
CURRENT COST	0.00
FUTURE COST	0.00
SALVAGE VALUE	0.00

PLACED IN SERVICE 0/ 0  
 0 YEAR USEFUL LIFE  
 +0 YEAR ADJUSTMENT  
 REPLACEMENT YEAR 2012  
 0 YEAR REM LIFE

REMARKS:

There are two monument signs that indicate, "706 WASHINGTON ST." and one that indicates, "ARTISAN PARKVIEW".

We are not budgeting to replace the solid steel letters making up the monument sign(s) because they have an indefinite life, and should last for the life of the community if properly maintained. Any repairs and/or replacements should be handled on an "as needed" basis, and the expense paid for out of the operating budget.

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TOTAL ASSET LINES INCLUDED:            19