

RESERVE DATA ANALYSIS, INC.



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To: Board of Directors, Dunlap Condominiums

From: Reserve Data Analysis, Inc.

Date: April 23, 2008

RE: Reserve Study Funding Plan

This letter is being written as a brief explanation of the funding strategy/plan that is outlined in your reserve study.

The Association's reserves are 0% funded as of January 1, 2009 (see the "Distribution of Accumulated Reserves" section starting on page 2-2). This situation will more than likely require either a special assessment or a loan to fund the major impending projects identified in the report. The funding plan provided on the "RDA Standard Projections" page will be difficult, if not impossible, to achieve because it suggests an unfeasible monthly contribution to reserves in the first year.

Given this fact, and the fact that the reserve study can only account for regular monthly contributions as a source of funding, the funding strategy is immediately flawed. Therefore, this report will need to be revised (or updated) once the client has determined how they intend to fund the impending projects. Please see either the "Detail Report by Category" or "Annual Expenditure Detail" sections of the report for a listing of, and/or details regarding these projects.

Reserve Data Analysis will continue to work with the client to develop an appropriate funding strategy once the immediate funding issues have been addressed.

Please call us with any questions.

Reserve Data Analysis, Inc.

RDA000002

RDA REPORT

Dunlap Condominiums: Retroactive
Phoenix, Arizona
Account 3079 - Version 001
April 24, 2008

RESERVE DATA ANALYSIS, INC.

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RDA000003

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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.

(480) 473-7643

RDA000004

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PART I - INTRODUCTION

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 Slurry Coating
- 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 "Distribution of Accumulated Reserves Report" can be viewed and printed after performing the "RDA Summary Calculations," which is a "Component or Segregated Calculation Process," as opposed to the "Cash Flow Calculation Process," also available to the user in the program.

When calculating reserves based upon the component methodology, a beginning reserve balance must be allocated for each of the individual components considered in the analysis before the individual calculations can be completed. When this distribution is not available, or of sufficient detail, the following method is suggested for allocating reserves:

The first step the program performs in this process is subtracting, from the total accumulated reserves, any amounts for assets which have predetermined (fixed) reserve balances. The user can "fix" the accumulated reserve balance within the program on the individual asset's detail page. If by error these amounts total more than the amount of funds available, then the remaining assets are adjusted accordingly. A provision for a contingency reserve is then deducted by the determined percentage used, and if there are sufficient remaining funds available.

The second 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.

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 can be expected to be higher than normal. 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.

The *Asset Listing/Summary* lists all assets by category (i.e. roofing, painting, lighting, etc.) together with their remaining life, current cost, monthly reserve contribution, and net monthly allocation.

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 as well as *Charts and Graphs* 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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RDA000018

Dunlap Condominiums: Retroactive
 Phoenix, Arizona
RDA Reserve Analysis Report Summary

Report Date	April 24, 2008	Parameters:	
Version	001	Inflation	3.00%
Account Number	3079	Annual Contribution Increase	3.00%
Budget Year Beginning	1/ 1/07	Investment Yield	2.00%
Ending	12/31/07	Taxes on Yield	0.00%
Total Units Included	98	Contingency	3.00%
Phase Development	1 of 1	Reserve Fund Balance as of	
		1/ 1/07:	\$0.00

Project Profile & Introduction

We have been advised that this community was originally constructed in the mid 1970's and was converted to condominiums over the course of the past seven (7) years. Turnover to the homeowner controlled board occurred in June 2006. Therefore, we have created a retroactive report for budget year 2007. The client has advised us that the January 1, 2007 reserve account balance was \$0.00.

Calculation Method: Component
 Funding Strategy: Full
 RDA Reports: April 2008.

RDA Summary of Calculations

Monthly Contribution to Reserves Required: (\$408.01 per unit per month)	\$39,985.13
Average Net Monthly Interest Contribution This Year:	368.60
Net Monthly Allocation to Reserves 1/ 1/07 to 12/31/07: (\$411.77 per unit per month)	\$40,353.73

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RDA000019

**Dunlap Condominiums: Retroactive
Distribution of Accumulated Reserves**

REPORT DATE: April 24, 2008
VERSION: 001
ACCOUNT NUMBER: 3079

DESCRIPTION	REM LIFE	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Concrete Components - Unfunded	0	0.00	0.00
Granite Replenishment - Unfunded	0	0.00	0.00
Irrigation System - Unfunded	0	0.00	0.00
Playstructure - Unfunded	0	0.00	0.00
Roofs - Metal, Carports, Unfunded	0	0.00	0.00
Tree Trimming - Unfunded	0	0.00	0.00
Wrought Iron - Comment	0	0.00	0.00
Buildings - Carpentry Work	1	97,523.00	0.00
Gate Operator - Dunlap Ave. (East)	1	2,371.05	0.00
Gate Operator - North Alley	1	2,371.05	0.00
Lighting - Poles w/Fixtures	1	2,400.00	0.00
Paint - Community Exteriors	1	96,000.00	0.00
Pool - Deck Resurface	1	11,190.00	0.00
Pool - Furniture	1	5,290.00	0.00
Streets - Asphalt Rehabilitation	1	141,000.00	0.00
Gate Operator - Dunlap Ave. (West)	2	2,092.11	0.00
Streets - Asphalt Seal Coat	2	0.00	0.00
Card Reader - Dunlap Ave. (East)	3	776.09	0.00
Card Reader - North Alley	3	776.09	0.00
Pool - Replaster & Retile	3	8,026.50	0.00
Card Reader - Dunlap Ave. (West)	4	684.78	0.00
Roofs - Flat, Replace	4	205,440.00	0.00
BBQ Grills	5	1,050.00	0.00
Mechanical Equipment	5	51,187.50	0.00
Paint - Wrought Iron	5	0.00	0.00
Pool - Pumps & Motors	5	0.00	0.00
Irrigation Controllers	7	258.67	0.00
Pool - Deck Recoat	7	0.00	0.00
Mailboxes - Wall Mounted	8	3,352.40	0.00
Wrought Iron - Dunlap Ave. (East)	8	3,168.00	0.00
Wrought Iron - Dunlap Ave. (West)	8	3,887.40	0.00
Wrought Iron - North Alley	8	3,252.00	0.00
Wrought Iron - Perimeter	8	6,930.00	0.00
Wrought Iron - Pool	8	4,590.00	0.00
Wrought Iron - West Alley	8	3,901.80	0.00

**Dunlap Condominiums: Retroactive
Distribution of Accumulated Reserves**

DESCRIPTION	REM LIFE	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Pool - Filters	15	232.86	0.00
Streets - Asphalt Repairs	15	0.00	0.00
Total Asset Summary:		657,751.30	0.00
Contingency @ 3.00%:		19,732.54	0.00
Grand Total:		677,483.84	0.00
Excess Reserves Not Used:			0.00
Percent Fully Funded:		0%	

**Dunlap Condominiums: Retroactive
Asset Listing - Summary by Category**

REPORT DATE: April 24, 2008
VERSION: 001
ACCOUNT NUMBER: 3079

DESCRIPTION	REM LIFE	CURRENT COST	MONTHLY CONTRIBUTION	NET MONTHLY ALLOCATION
Concrete Components - Unfunded	0	0	0.00	0.00
Streets - Asphalt Rehabilitation	1	141,000	11,991.96	12,102.50
Streets - Asphalt Repairs	15	7,050	42.71	43.10
Streets - Asphalt Seal Coat	2	5,993	256.05	258.41
*** CATEGORY SUMMARY:		154,043	12,290.72	12,404.01
Roofs - Flat, Replace	4	256,800	5,538.84	5,589.90
Roofs - Metal, Carports, Unfunded	0	0	0.00	0.00
*** CATEGORY SUMMARY:		256,800	5,538.84	5,589.90
Buildings - Carpentry Work	1	97,523	8,294.27	8,370.72
Paint - Community Exteriors	1	96,000	8,164.74	8,240.00
Paint - Wrought Iron	5	7,670	132.98	134.21
*** CATEGORY SUMMARY:		201,193	16,591.99	16,744.93
Wrought Iron - Comment	0	0	0.00	0.00
Wrought Iron - Dunlap Ave. (East)	8	5,280	58.03	58.56
Wrought Iron - Dunlap Ave. (West)	8	6,479	71.21	71.87
Wrought Iron - North Alley	8	5,420	59.57	60.12
Wrought Iron - Perimeter	8	11,550	126.94	128.11
Wrought Iron - Pool	8	7,650	84.08	84.86
Wrought Iron - West Alley	8	6,503	71.47	72.13
*** CATEGORY SUMMARY:		42,882	471.30	475.65
Lighting - Poles w/Fixtures	1	2,400	204.12	206.00
*** CATEGORY SUMMARY:		2,400	204.12	206.00
Pool - Deck Recoat	7	4,663	58.29	58.83
Pool - Deck Resurface	1	11,190	951.70	960.47
Pool - Filters	15	1,630	9.87	9.96
Pool - Furniture	1	5,290	449.91	454.06
Pool - Pumps & Motors	5	1,500	26.01	26.25
Pool - Replaster & Retile	3	10,702	306.31	309.13
*** CATEGORY SUMMARY:		34,975	1,802.09	1,818.70
BBQ Grills	5	1,800	31.21	31.50
Playstructure - Unfunded	0	0	0.00	0.00
*** CATEGORY SUMMARY:		1,800	31.21	31.50
Card Reader - Dunlap Ave. (East)	3	1,050	30.05	30.33
Gate Operator - Dunlap Ave. (East)	1	2,650	225.38	227.46
*** CATEGORY SUMMARY:		3,700	255.43	257.79

**Dunlap Condominiums: Retroactive
Asset Listing - Summary by Category**

DESCRIPTION	REM LIFE	CURRENT COST	MONTHLY CONTRIBUTION	NET MONTHLY ALLOCATION
Card Reader - Dunlap Ave. (West)	4	1,050	22.65	22.86
Gate Operator - Dunlap Ave. (West)	2	2,650	113.23	114.27
*** CATEGORY SUMMARY:		3,700	135.88	137.13
Card Reader - North Alley	3	1,050	30.05	30.33
Gate Operator - North Alley	1	2,650	225.38	227.46
*** CATEGORY SUMMARY:		3,700	255.43	257.79
Mechanical Equipment	5	68,250	1,183.26	1,194.17
*** CATEGORY SUMMARY:		68,250	1,183.26	1,194.17
Granite Replenishment - Unfunded	0	0	0.00	0.00
Irrigation Controllers	7	485	6.06	6.12
Irrigation System - Unfunded	0	0	0.00	0.00
Mailboxes - Wall Mounted	8	4,930	54.18	54.68
Tree Trimming - Unfunded	0	0	0.00	0.00
*** CATEGORY SUMMARY:		5,415	60.24	60.80
TOTAL ASSET SUMMARY:		778,857	38,820.51	39,178.37
CONTINGENCY @ 3.00%:			1,164.62	1,175.36
GRAND TOTAL:			39,985.13	40,353.73

Dunlap Condominiums: Retroactive
RDA Standard Projections

REPORT DATE: April 24, 2008
VERSION: 001
ACCOUNT NUMBER: 3079

Beginning Accumulated Reserves: \$0

YEAR	CURRENT REPLACEMENT COST	ANNUAL CONTRBTN	ANNUAL INTEREST CONTRBTN	ANNUAL EXPENDTRS	PROJECTED ENDING RESERVES	FULLY FUNDED RESERVES	PERCENT FULLY FUNDED
'07	778,857	479,822	4,423	0	484,245	726,281	67%
'08	802,223	126,450	3,483	369,464	244,714	408,758	60%
'09	826,289	105,384	5,726	9,169	346,655	463,825	75%
'10	851,078	85,075	7,499	13,989	425,240	516,997	82%
'11	876,610	73,600	3,404	290,212	212,031	280,337	76%
'12	902,909	65,190	3,027	91,838	188,410	247,998	76%
'13	929,996	65,799	4,265	7,155	251,319	306,228	82%
'14	957,896	67,289	5,565	6,331	317,841	368,396	86%
'15	986,633	69,161	5,831	60,567	332,266	376,682	88%
'16	1,016,232	70,690	4,830	125,258	282,529	318,429	89%
'17	1,046,719	72,725	6,170	10,069	351,354	382,533	92%
'18	1,078,120	74,961	7,487	14,659	419,143	445,648	94%
'19	1,110,464	77,317	9,097	3,778	501,778	524,216	96%
'20	1,143,778	79,734	10,636	11,264	580,884	599,275	97%
'21	1,178,091	82,231	12,300	9,064	666,351	681,058	98%
'22	1,213,434	84,599	13,155	53,239	710,865	720,628	99%
'23	1,249,837	87,206	15,118	1,685	811,504	818,347	99%
'24	1,287,332	89,216	13,939	161,649	753,011	751,630	100%
'25	1,325,952	91,136	15,833	10,202	849,778	845,987	100%
'26	1,365,730	92,738	18,007	0	960,523	956,477	100%
'27	1,406,702	94,070	20,200	2,709	1,072,084	1,069,960	100%
'28	1,448,903	99,167	21,693	42,643	1,150,301	1,147,113	100%
'29	1,492,371	103,095	23,816	17,489	1,259,723	1,255,975	100%
'30	1,537,142	104,497	26,390	0	1,390,610	1,389,446	100%
'31	1,583,256	108,288	18,530	522,022	995,407	975,983	102%
'32	1,630,754	101,925	14,026	347,044	764,315	738,710	103%
'33	1,679,676	103,473	16,016	18,099	865,704	846,345	102%
'34	1,730,066	107,664	17,892	28,437	962,823	949,382	101%
'35	1,781,968	113,610	18,452	100,513	994,372	982,278	101%
'36	1,835,428	117,741	20,173	48,687	1,083,600	1,074,476	101%

NOTE: In some cases, the projected ending reserves may exceed the fully funded reserves during years following high expenditures. This is a result of the provision for a contingency in the report, which in the projections, is never expended. The contingency is continually adjusted according to present needs and any excess is redistributed among all assets considered.

**Dunlap Condominiums: Retroactive
Annual Expenditure Detail**

REPORT DATE: April 24, 2008
VERSION: 001
ACCOUNT NUMBER: 3079

DESCRIPTION	EXPENDITURES
REPLACEMENT YEAR 2007	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2008	
Buildings - Carpentry Work	100,448.69
Gate Operator - Dunlap Ave. (East)	2,729.50
Gate Operator - North Alley	2,729.50
Lighting - Poles w/Fixtures	2,472.00
Paint - Community Exteriors	98,880.00
Pool - Deck Resurface	11,525.70
Pool - Furniture	5,448.70
Streets - Asphalt Rehabilitation	145,230.00
*** ANNUAL TOTAL:	369,464.09
REPLACEMENT YEAR 2009	
Gate Operator - Dunlap Ave. (West)	2,811.39
Streets - Asphalt Seal Coat	6,357.45
*** ANNUAL TOTAL:	9,168.84
REPLACEMENT YEAR 2010	
Card Reader - Dunlap Ave. (East)	1,147.37
Card Reader - North Alley	1,147.37
Pool - Replaster & Retile	11,694.36
*** ANNUAL TOTAL:	13,989.10
REPLACEMENT YEAR 2011	
Card Reader - Dunlap Ave. (West)	1,181.79
Roofs - Flat, Replace	289,030.66
*** ANNUAL TOTAL:	290,212.45
REPLACEMENT YEAR 2012	
BBQ Grills	2,086.70
Mechanical Equipment	79,120.46
Paint - Wrought Iron	8,891.63
Pool - Pumps & Motors	1,738.91

**Dunlap Condominiums: Retroactive
Annual Expenditure Detail**

DESCRIPTION	EXPENDITURES
*** ANNUAL TOTAL:	91,837.70
REPLACEMENT YEAR 2013	
Streets - Asphalt Seal Coat	7,155.37
*** ANNUAL TOTAL:	7,155.37
REPLACEMENT YEAR 2014	
Irrigation Controllers	596.50
Pool - Deck Recoat	5,734.29
*** ANNUAL TOTAL:	6,330.79
REPLACEMENT YEAR 2015	
Mailboxes - Wall Mounted	6,245.18
Wrought Iron - Dunlap Ave. (East)	6,688.55
Wrought Iron - Dunlap Ave. (West)	8,207.41
Wrought Iron - North Alley	6,865.90
Wrought Iron - Perimeter	14,631.20
Wrought Iron - Pool	9,690.80
Wrought Iron - West Alley	8,237.81
*** ANNUAL TOTAL:	60,566.85
REPLACEMENT YEAR 2016	
Paint - Community Exteriors	125,258.23
*** ANNUAL TOTAL:	125,258.23
REPLACEMENT YEAR 2017	
Pool - Pumps & Motors	2,015.86
Streets - Asphalt Seal Coat	8,053.43
*** ANNUAL TOTAL:	10,069.29
REPLACEMENT YEAR 2018	
Gate Operator - Dunlap Ave. (East)	3,668.23
Gate Operator - North Alley	3,668.23
Pool - Furniture	7,322.61
*** ANNUAL TOTAL:	14,659.07

**Dunlap Condominiums: Retroactive
Annual Expenditure Detail**

DESCRIPTION	EXPENDITURES
REPLACEMENT YEAR 2019	
Gate Operator - Dunlap Ave. (West)	3,778.28
*** ANNUAL TOTAL:	3,778.28
REPLACEMENT YEAR 2020	
Paint - Wrought Iron	11,263.64
*** ANNUAL TOTAL:	11,263.64
REPLACEMENT YEAR 2021	
Streets - Asphalt Seal Coat	9,064.21
*** ANNUAL TOTAL:	9,064.21
REPLACEMENT YEAR 2022	
Card Reader - Dunlap Ave. (East)	1,635.86
Card Reader - North Alley	1,635.86
Pool - Deck Resurface	17,433.65
Pool - Filters	2,539.50
Pool - Pumps & Motors	2,336.94
Pool - Replaster & Retile	16,673.36
Streets - Asphalt Repairs	10,983.69
*** ANNUAL TOTAL:	53,238.86
REPLACEMENT YEAR 2023	
Card Reader - Dunlap Ave. (West)	1,684.94
*** ANNUAL TOTAL:	1,684.94
REPLACEMENT YEAR 2024	
BBQ Grills	2,975.13
Paint - Community Exteriors	158,673.38
*** ANNUAL TOTAL:	161,648.51
REPLACEMENT YEAR 2025	
Streets - Asphalt Seal Coat	10,201.85
*** ANNUAL TOTAL:	10,201.85

**Dunlap Condominiums: Retroactive
Annual Expenditure Detail**

DESCRIPTION	EXPENDITURES
REPLACEMENT YEAR 2026	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2027	
Pool - Pumps & Motors	2,709.16
*** ANNUAL TOTAL:	2,709.16
REPLACEMENT YEAR 2028	
Gate Operator - Dunlap Ave. (East)	4,929.79
Gate Operator - North Alley	4,929.79
Paint - Wrought Iron	14,268.45
Pool - Deck Recoat	8,673.63
Pool - Furniture	9,840.99
*** ANNUAL TOTAL:	42,642.65
REPLACEMENT YEAR 2029	
Gate Operator - Dunlap Ave. (West)	5,077.68
Irrigation Controllers	929.33
Streets - Asphalt Seal Coat	11,482.28
*** ANNUAL TOTAL:	17,489.29
REPLACEMENT YEAR 2030	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2031	
Roofs - Flat, Replace	522,021.52
*** ANNUAL TOTAL:	522,021.52
REPLACEMENT YEAR 2032	
Mechanical Equipment	142,900.35
Paint - Community Exteriors	201,002.70
Pool - Pumps & Motors	3,140.65
*** ANNUAL TOTAL:	347,043.70
REPLACEMENT YEAR 2033	
Lighting - Poles w/Fixtures	5,175.79
Streets - Asphalt Seal Coat	12,923.41

**Dunlap Condominiums: Retroactive
Annual Expenditure Detail**

DESCRIPTION	EXPENDITURES
*** ANNUAL TOTAL:	<u>18,099.20</u>
REPLACEMENT YEAR 2034	
Card Reader - Dunlap Ave. (East)	2,332.35
Card Reader - North Alley	2,332.35
Pool - Replaster & Retile	23,772.22
*** ANNUAL TOTAL:	<u>28,436.92</u>
REPLACEMENT YEAR 2035	
Card Reader - Dunlap Ave. (West)	2,402.32
Wrought Iron - Dunlap Ave. (East)	12,080.30
Wrought Iron - Dunlap Ave. (West)	14,823.49
Wrought Iron - North Alley	12,400.59
Wrought Iron - Perimeter	26,425.58
Wrought Iron - Pool	17,502.67
Wrought Iron - West Alley	14,878.37
*** ANNUAL TOTAL:	<u>100,513.32</u>
REPLACEMENT YEAR 2036	
BBQ Grills	4,241.82
Paint - Wrought Iron	18,074.85
Pool - Deck Resurface	26,369.97
*** ANNUAL TOTAL:	<u>48,686.64</u>

**Dunlap Condominiums: Retroactive
Detail Report by Category**

REPORT DATE: April 24, 2008
 VERSION: 001
 ACCOUNT NUMBER: 3079

Concrete Components - Unfunded		QUANTITY	1 comment
ASSET ID	1004	UNIT COST	0.000
GROUP/FACILITY	0	PERCENT REPL	0.00%
CATEGORY	10	CURRENT COST	0.00
		FUTURE COST	0.00
PLACED IN SERVICE	0/ 0	ASSIGNED RESERVES	0.00
0 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	0.00
REPLACEMENT YEAR	2007	INTEREST	0.00
0 YEAR REM LIFE		MONTHLY ALLOCTN	0.00

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 Rehabilitation		QUANTITY	1 total
ASSET ID	1001	UNIT COST	141,000.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	10	CURRENT COST	141,000.00
		FUTURE COST	145,230.00
PLACED IN SERVICE	1/75	ASSIGNED RESERVES	0.00
30 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	11,991.96
REPLACEMENT YEAR	2008	INTEREST	110.54
1 YEAR REM LIFE		MONTHLY ALLOCTN	12,102.50

**Dunlap Condominiums: Retroactive
Detail Report by Category**

Streets - Asphalt Rehabilitation, Continued ...

REMARKS:

70,500 - sq. ft. of rehabilitation @ \$ 2.00 = \$ 141,000.00
 TOTAL = \$ 141,000.00

This component includes a provision to pulverize, remove excess materials, grade and compact pulverized material, and repave.

The asphalt measurement above includes only those areas identified on the map provided by the client.

Streets - Asphalt Repairs	QUANTITY	70,500 sq. ft.
	UNIT COST	2.500
ASSET ID 1002	PERCENT REPL	4.00%
GROUP/FACILITY 0	CURRENT COST	7,050.00
CATEGORY 10	FUTURE COST	10,983.67
	ASSIGNED RESERVES	0.00
PLACED IN SERVICE 1/07	SALVAGE VALUE	0.00
15 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	42.71
REPLACEMENT YEAR 2022	INTEREST	0.39
15 YEAR REM LIFE	MONTHLY ALLOCTN	43.10

REMARKS:

This component includes a provision for asphalt repairs. The accumulated funds should be used as needed for repairs in conjunction with the street sealing applications.

Streets - Asphalt Seal Coat	QUANTITY	70,500 sq. ft.
	UNIT COST	0.085
ASSET ID 1003	PERCENT REPL	100.00%
GROUP/FACILITY 0	CURRENT COST	5,992.50
CATEGORY 10	FUTURE COST	6,357.44
	ASSIGNED RESERVES	0.00
PLACED IN SERVICE 1/07	SALVAGE VALUE	0.00
4 YEAR USEFUL LIFE		
-2 YEAR ADJUSTMENT	MONTHLY CNTRBTN	256.05
REPLACEMENT YEAR 2009	INTEREST	2.36
2 YEAR REM LIFE	MONTHLY ALLOCTN	258.41

Dunlap Condominiums: Retroactive
Detail Report by Category

Streets - Asphalt Seal Coat, Continued ...

REMARKS:

This component is for a continuous four year seal coating cycle beginning in 2009. This component assumes that the asphalt has been pulverized and replaced in 2007.

CATEGORY SUMMARY:	ASSIGNED RESERVES	0.00
	MONTHLY CNTRBTN	12,290.72
	INTEREST	113.29
	MONTHLY ALLOCTN	12,404.01

**Dunlap Condominiums: Retroactive
Detail Report by Category**

Roofs - Flat, Replace		QUANTITY	1 total
ASSET ID	1031	UNIT COST	256,800.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	20	CURRENT COST	256,800.00
		FUTURE COST	289,030.66
		ASSIGNED RESERVES	0.00
PLACED IN SERVICE	1/91	SALVAGE VALUE	0.00
20 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	5,538.84
REPLACEMENT YEAR 2011		INTEREST	51.06
4 YEAR REM LIFE		MONTHLY ALLOCTN	5,589.90

REMARKS:

In May 2007, the client obtained a proposal from T.E.I. to replace the flat roofs with a modified bitumen (built-up) at a cost of \$256,800. We were advised by the property manager during the reserve study bid process that the client was advised the roofs have a few years of life left. For budgeting purposes, we are budgeting to replace the flat roofs in 2011. It is recommended that the client have a roof evaluation completed by a roof consultant to determine whether the existing foam roofs can continue to be repaired and recoated. Once a roof evaluation has been completed, we can make any necessary changes to the roof maintenance/replacement plan.

Roofs - Metal, Carports, Unfunded		QUANTITY	1 comment
ASSET ID	1032	UNIT COST	0.000
GROUP/FACILITY	0	PERCENT REPL	0.00%
CATEGORY	20	CURRENT COST	0.00
		FUTURE COST	0.00
		ASSIGNED RESERVES	0.00
PLACED IN SERVICE	0/ 0	SALVAGE VALUE	0.00
0 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	0.00
REPLACEMENT YEAR 2007		INTEREST	0.00
0 YEAR REM LIFE		MONTHLY ALLOCTN	0.00

REMARKS:

We are not budgeting to replace the corrugated metal carport roofs because they have an extremely long useful life. However, the condition of these roofs should be monitored over time, and if future replacements are anticipated, we will include them in a future update to this report. Should the client want a reserve planned for this asset, we will revise the report to include these roofs. We have listed for informational purposes only.

Any minor repairs should be handled on an "as needed" basis, and the expense paid for out of the operating budget, the operating contingency, or the reserve contingency.

Dunlap Condominiums: Retroactive
Detail Report by Category

CATEGORY SUMMARY:	ASSIGNED RESERVES	0.00
	MONTHLY CNTRBTN	5,538.84
	INTEREST	51.06
	MONTHLY ALLOCTN	5,589.90

**Dunlap Condominiums: Retroactive
Detail Report by Category**

Buildings - Carpentry Work		QUANTITY	1 total
ASSET ID	1042	UNIT COST	97,523.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	30	CURRENT COST	97,523.00
		FUTURE COST	100,448.69
PLACED IN SERVICE	1/75	ASSIGNED RESERVES	0.00
30 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	8,294.27
REPLACEMENT YEAR 2008		INTEREST	76.45
1 YEAR REM LIFE		MONTHLY ALLOCTN	8,370.72

REMARKS:

In May 2007, the client obtained a proposal from C.L.C. Enterprises to repair/replace the damaged and rotted wood siding and trim at a cost of \$97,523. This component budgets to replace this wood in 2007 and then on a 30 year cycle thereafter.

Paint - Community Exteriors		QUANTITY	1 total
ASSET ID	1033	UNIT COST	96,000.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	30	CURRENT COST	96,000.00
		FUTURE COST	98,880.00
PLACED IN SERVICE	1/95	ASSIGNED RESERVES	0.00
8 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	8,164.74
REPLACEMENT YEAR 2008		INTEREST	75.26
1 YEAR REM LIFE		MONTHLY ALLOCTN	8,240.00

REMARKS:

This component includes a provision to paint the complete exterior of the community, which includes the following components:

- building exteriors (stucco, wood)
- site walls (stucco: perimeter, pool, trash enclosures)
- wrought iron fencing and gates (perimeter, entrances, pool)
- carport support structures
- metal light poles

In May 2007 the client obtained a proposal from C.L.C. Enterprises to paint the buildings at a cost of \$84,124. We have used this cost as a basis and then added the cost to paint the other common amenities listed above.

The actual date this item was placed-in-service was not available. For budgeting purposes, we have estimated this date based upon its present condition.

**Dunlap Condominiums: Retroactive
Detail Report by Category**

Paint - Wrought Iron	
ASSET ID 1035	QUANTITY 1 total
GROUP/FACILITY 0	UNIT COST 7,670.000
CATEGORY 30	PERCENT REPL 100.00%
	CURRENT COST 7,670.00
	FUTURE COST 8,891.63
PLACED IN SERVICE 1/07	ASSIGNED RESERVES 0.00
8 YEAR USEFUL LIFE	SALVAGE VALUE 0.00
-3 YEAR ADJUSTMENT	MONTHLY CNTRBTN 132.98
REPLACEMENT YEAR 2012	INTEREST 1.23
5 YEAR REM LIFE	MONTHLY ALLOCTN 134.21

REMARKS:

This component budgets to paint the community wrought iron in between complete exterior painting cycles.

CATEGORY SUMMARY:	ASSIGNED RESERVES 0.00
	MONTHLY CNTRBTN 16,591.99
	INTEREST 152.94
	MONTHLY ALLOCTN 16,744.93

**Dunlap Condominiums: Retroactive
Detail Report by Category**

Wrought Iron - Comment		QUANTITY	1 comment
ASSET ID	1014	UNIT COST	0.000
GROUP/FACILITY	0	PERCENT REPL	0.00%
CATEGORY	40	CURRENT COST	0.00
		FUTURE COST	0.00
PLACED IN SERVICE	0/ 0	ASSIGNED RESERVES	0.00
0 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	0.00
REPLACEMENT YEAR 2007		INTEREST	0.00
0 YEAR REM LIFE		MONTHLY ALLOCTN	0.00

REMARKS:

The placed in service date of the wrought iron fencing and gates located throughout the community is unknown. Based on its condition, we estimate that it was 10 - 12 years old in 2007. There are a number of wr. iron fence panels in the pool equipment enclosure, indicating that damaged or rusted areas are being replaced as needed. For budgeting purposes we have used a placed in service date of 1995 and a useful life of 20 years for all wrought iron fencing and gates.

Wrought Iron - Dunlap Ave. (East)		QUANTITY	1 total
ASSET ID	1008	UNIT COST	5,280.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	40	CURRENT COST	5,280.00
		FUTURE COST	6,688.55
PLACED IN SERVICE	1/95	ASSIGNED RESERVES	0.00
20 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	58.03
REPLACEMENT YEAR 2015		INTEREST	0.53
8 YEAR REM LIFE		MONTHLY ALLOCTN	58.56

REMARKS:

1 - 6'8" x 24'3" vehicle gate	@ \$ 3,250.00	= \$ 3,250.00
58 - lin. ft. of 6'8" fencing	@ 35.00	= 2,030.00

	TOTAL	= \$ 5,280.00

**Dunlap Condominiums: Retroactive
Detail Report by Category**

Wrought Iron - Dunlap Ave. (West)		QUANTITY	1 total
ASSET ID	1009	UNIT COST	6,479.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	40	CURRENT COST	6,479.00
		FUTURE COST	8,207.40
		ASSIGNED RESERVES	0.00
PLACED IN SERVICE	1/95	SALVAGE VALUE	0.00
20 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	71.21
REPLACEMENT YEAR	2015	INTEREST	0.66
8 YEAR REM LIFE		MONTHLY ALLOCTN	71.87

REMARKS:

1 - 6'8" x 24'3" vehicle gate	@	\$ 3,250.00	=	\$ 3,250.00
61 - lin. ft. of 3'2" fencing	@	18.50	=	1,129.00
60 - lin. ft. of 6'8" fencing	@	35.00	=	2,100.00

		TOTAL	=	\$ 6,479.00

Wrought Iron - North Alley		QUANTITY	1 total
ASSET ID	1011	UNIT COST	5,420.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	40	CURRENT COST	5,420.00
		FUTURE COST	6,865.89
		ASSIGNED RESERVES	0.00
PLACED IN SERVICE	1/95	SALVAGE VALUE	0.00
20 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	59.57
REPLACEMENT YEAR	2015	INTEREST	0.55
8 YEAR REM LIFE		MONTHLY ALLOCTN	60.12

REMARKS:

1 - 6'8" x 24'3" vehicle gate	@	\$ 3,250.00	=	\$ 3,250.00
62 - lin. ft. of 6'8" fencing	@	35.00	=	2,170.00

		TOTAL	=	\$ 5,420.00

**Dunlap Condominiums: Retroactive
Detail Report by Category**

Wrought Iron - Perimeter		QUANTITY	1 total
ASSET ID	1012	UNIT COST	11,550.00
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	40	CURRENT COST	11,550.00
		FUTURE COST	14,631.19
PLACED IN SERVICE	1/95	ASSIGNED RESERVES	0.00
20 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	126.94
REPLACEMENT YEAR	2015	INTEREST	1.17
8 YEAR REM LIFE		MONTHLY ALLOCTN	128.11

REMARKS:

10 - 6'8" x 4'4" pedestrian gates	@	\$ 490.00	=	\$ 4,900.00
190 - lin. ft. of 6'8" fencing	@	35.00	=	6,650.00

			TOTAL =	\$ 11,550.00

This wrought iron is located at various pedestrian entrances along the west and north perimeters of the community between buildings.

Wrought Iron Pool		QUANTITY	1 total
ASSET ID	1013	UNIT COST	7,650.00
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	40	CURRENT COST	7,650.00
		FUTURE COST	9,690.79
PLACED IN SERVICE	1/95	ASSIGNED RESERVES	0.00
20 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	84.08
REPLACEMENT YEAR	2015	INTEREST	0.78
8 YEAR REM LIFE		MONTHLY ALLOCTN	84.86

REMARKS:

270 - lin. ft. of 4'10" fencing	@	\$ 25.00	=	\$ 6,750.00
3 - 4'8" x 3'9" gates	@	300.00	=	900.00

			TOTAL =	\$ 7,650.00

**Dunlap Condominiums: Retroactive
Detail Report by Category**

Wrought Iron - West Alley		QUANTITY	1 total
ASSET ID	1010	UNIT COST	6,503.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	40	CURRENT COST	6,503.00
		FUTURE COST	8,237.81
PLACED IN SERVICE	1/95	ASSIGNED RESERVES	0.00
20 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	71.47
REPLACEMENT YEAR	2015	INTEREST	0.66
8 YEAR REM LIFE		MONTHLY ALLOCTN	72.13

REMARKS:

1 - 6'8" x 4'1" pedestrian gate	@	\$ 460.00	=	\$ 460.00
1 - 6'8" x 24'3" vehicle gate	@	3,250.00	=	3,250.00
10 - lin. ft. of 2'7" fencing	@	16.75	=	168.00
75 - lin. ft. of 6'8" fencing	@	35.00	=	2,625.00

		TOTAL	=	\$ 6,503.00

Note: The vehicle gate at this location is manually operated.

CATEGORY SUMMARY:	ASSIGNED RESERVES	0.00
	MONTHLY CNTRBTN	471.30
	INTEREST	4.35
	MONTHLY ALLOCTN	475.65

**Dunlap Condominiums: Retroactive
Detail Report by Category**

Lighting - Poles w/Fixtures		QUANTITY	1 total
		UNIT COST	2,400.00
ASSET ID	1037	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	2,400.00
CATEGORY	50	FUTURE COST	2,472.00
		ASSIGNED RESERVES	0.00
PLACED IN SERVICE	1/75	SALVAGE VALUE	0.00
25 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	204.12
REPLACEMENT YEAR 2008		INTEREST	1.88
1 YEAR REM LIFE		MONTHLY ALLOCTN	206.00

REMARKS:

8 - 6' poles w/fixtures @ \$ 300.00 = \$ 2,400.00
 TOTAL = \$ 2,400.00

The majority of the light fixtures are either broken or missing. Therefore, we are budgeting to replace the pole and fixture now with a uniform fixture and new pole.

CATEGORY SUMMARY:	ASSIGNED RESERVES	0.00
	MONTHLY CNTRBTN	204.12
	INTEREST	1.88
	MONTHLY ALLOCTN	206.00

**Dunlap Condominiums: Retroactive
Detail Report by Category**

Pool - Deck Recoat		QUANTITY	3,730 sq. ft.
		UNIT COST	1.250
ASSET ID	1025	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	4,662.50
CATEGORY	60	FUTURE COST	5,734.29
		ASSIGNED RESERVES	0.00
PLACED IN SERVICE	1/07	SALVAGE VALUE	0.00
14 YEAR USEFUL LIFE			
-7 YEAR ADJUSTMENT		MONTHLY CNTRBTN	58.29
REPLACEMENT YEAR 2014		INTEREST	0.54
7 YEAR REM LIFE		MONTHLY ALLOCTN	58.83

REMARKS:

This component includes a provision to repair and recoat (repaint) the pool deck in between resurfacing cycles, and assumes that the pool deck is re-surfaced in 2007.

Pool - Deck Resurface		QUANTITY	3,730 sq. ft.
		UNIT COST	3.000
ASSET ID	1024	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	11,190.00
CATEGORY	60	FUTURE COST	11,525.70
		ASSIGNED RESERVES	0.00
PLACED IN SERVICE	1/90	SALVAGE VALUE	0.00
14 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	951.70
REPLACEMENT YEAR 2008		INTEREST	8.77
1 YEAR REM LIFE		MONTHLY ALLOCTN	960.47

REMARKS:

This component is for a normal resurfacing of the pool deck, and does not include a provision for any concrete crack repairs that may be required. Once a licensed contractor has determined the extent, corrective measures, and costs associated with such repairs, if any, we will incorporate the recommendations into this report.

The actual date this item was placed-in-service was not available. For budgeting purposes, we have estimated this date based upon its present condition.

**Dunlap Condominiums: Retroactive
Detail Report by Category**

Pool - Filters		QUANTITY	2 filters
ASSET ID	1027	UNIT COST	815.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	60	CURRENT COST	1,630.00
		FUTURE COST	2,539.49
		ASSIGNED RESERVES	0.00
PLACED IN SERVICE	7/04	SALVAGE VALUE	0.00
18 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	9.87
REPLACEMENT YEAR	2022	INTEREST	0.09
15 YEAR REM LIFE		MONTHLY ALLOCTN	9.96

REMARKS:

These are Triton II, 3.14 sq. ft. sand filters.

The actual date this item was placed-in-service was not available. For budgeting purposes, we have estimated this date based upon its present condition.

Pool - Furniture		QUANTITY	1 total
ASSET ID	1029	UNIT COST	5,290.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	60	CURRENT COST	5,290.00
		FUTURE COST	5,448.70
		ASSIGNED RESERVES	0.00
PLACED IN SERVICE	1/95	SALVAGE VALUE	0.00
10 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	449.91
REPLACEMENT YEAR	2008	INTEREST	4.15
1 YEAR REM LIFE		MONTHLY ALLOCTN	454.06

REMARKS:

17 - chaise lounges	@	\$ 170.00	=	\$ 2,890.00
3 - tables	@	235.00	=	705.00
3 - metal umbrellas	@	565.00	=	1,695.00

		TOTAL	=	\$ 5,290.00

**Dunlap Condominiums: Retroactive
Detail Report by Category**

Pool - Pumps & Motors		QUANTITY	1 total
ASSET ID	1028	UNIT COST	1,500.00
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	60	CURRENT COST	1,500.00
		FUTURE COST	1,738.91
PLACED IN SERVICE	1/07	ASSIGNED RESERVES	0.00
5 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	26.01
REPLACEMENT YEAR 2012		INTEREST	0.24
5 YEAR REM LIFE		MONTHLY ALLOCTN	26.25

REMARKS:

This component will accumulate funds for the major repair/replacement of the pool pumps and motors.

The actual date this item was placed-in-service was not available. For budgeting purposes, we have estimated this date based upon its present condition.

Pool - Replaster & Retile		QUANTITY	1 total
ASSET ID	1026	UNIT COST	10,702.00
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	60	CURRENT COST	10,702.00
		FUTURE COST	11,694.36
PLACED IN SERVICE	1/98	ASSIGNED RESERVES	0.00
12 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	306.31
REPLACEMENT YEAR 2010		INTEREST	2.82
3 YEAR REM LIFE		MONTHLY ALLOCTN	309.13

REMARKS:

2,540 - sq. ft. (IA) of replastering	@ \$ 3.00	= \$ 7,620.00
186 - lin. ft. of trim tile	@ 12.00	= 2,232.00
1 - dual drain installation (estimate)	@ 850.00	= 850.00

	TOTAL	= \$ 10,702.00

The actual date this item was placed-in-service was not available. For budgeting purposes, we have estimated this date based upon its present condition.

Dunlap Condominiums: Retroactive
Detail Report by Category

CATEGORY SUMMARY:	ASSIGNED RESERVES	0.00
	MONTHLY CNTRBTN	1,802.09
	INTEREST	16.61
	MONTHLY ALLOCTN	1,818.70

**Dunlap Condominiums: Retroactive
Detail Report by Category**

BBQ Grills		QUANTITY	1 total
ASSET ID	1036	UNIT COST	1,800.00
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	65	CURRENT COST	1,800.00
		FUTURE COST	2,086.69
PLACED IN SERVICE	1/00	ASSIGNED RESERVES	0.00
12 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	31.21
REPLACEMENT YEAR 2012		INTEREST	0.29
5 YEAR REM LIFE		MONTHLY ALLOCTN	31.50

REMARKS:

6 - BBQ grills, pedestal mounted @ \$ 300.00 = \$ 1,800.00

TOTAL = \$ 1,800.00

The cost includes an estimate for installation.

The actual date this item was placed-in-service was not available. For budgeting purposes, we have estimated this date based upon its present condition.

Playstructure Unfunded		QUANTITY	1 comment
ASSET ID	1030	UNIT COST	0.000
GROUP/FACILITY	0	PERCENT REPL	0.00%
CATEGORY	65	CURRENT COST	0.00
		FUTURE COST	0.00
PLACED IN SERVICE	0/ 0	ASSIGNED RESERVES	0.00
0 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	0.00
REPLACEMENT YEAR 2007		INTEREST	0.00
0 YEAR REM LIFE		MONTHLY ALLOCTN	0.00

REMARKS:

We are not budgeting to replace the steel playstructure/swing set because it has an indefinite life. Any rubber seat, chain or wood platform replacements should be handled on an "as needed" basis out of the operating budget.

Dunlap Condominiums: Retroactive
Detail Report by Category

CATEGORY SUMMARY:	ASSIGNED RESERVES	0.00
	MONTHLY CNTRBTN	31.21
	INTEREST	0.29
	MONTHLY ALLOCTN	31.50

**Dunlap Condominiums: Retroactive
Detail Report by Category**

Card Reader - Dunlap Ave. (East)		QUANTITY	1 reader
ASSET ID	1016	UNIT COST	1,050.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	80	CURRENT COST	1,050.00
		FUTURE COST	1,147.36
PLACED IN SERVICE	7/98	ASSIGNED RESERVES	0.00
12 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	30.05
REPLACEMENT YEAR 2010		INTEREST	0.28
3 YEAR REM LIFE		MONTHLY ALLOCTN	30.33

REMARKS:

There were no identifying label or marks on this card reader. For budgeting purposes we have assumed that this card reader is the same age as the gate operator.

Gate Operator - Dunlap Ave. (East)		QUANTITY	1 operator
ASSET ID	1015	UNIT COST	2,650.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	80	CURRENT COST	2,650.00
		FUTURE COST	2,729.50
PLACED IN SERVICE	7/98	ASSIGNED RESERVES	0.00
10 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	225.38
REPLACEMENT YEAR 2008		INTEREST	2.08
1 YEAR REM LIFE		MONTHLY ALLOCTN	227.46

REMARKS:

This is an Elite, model #SL-3000-UL, sliding gate operator. The manufactured date listed on the unit is 2/2/98. The gate operator was not operational at the time of our site visit on 4/21/08. The chain was rusted and broken.

CATEGORY SUMMARY:	ASSIGNED RESERVES	0.00
	MONTHLY CNTRBTN	255.43
	INTEREST	2.36
	MONTHLY ALLOCTN	257.79

**Dunlap Condominiums: Retroactive
Detail Report by Category**

Card Reader - Dunlap Ave. (West)		QUANTITY	1 reader
ASSET ID	1017	UNIT COST	1,050.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	81	CURRENT COST	1,050.00
		FUTURE COST	1,181.78
PLACED IN SERVICE	7/99	ASSIGNED RESERVES	0.00
12 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	22.65
REPLACEMENT YEAR 2011		INTEREST	0.21
4 YEAR REM LIFE		MONTHLY ALLOCTN	22.86

REMARKS:

There were no identifying label or marks on this card reader. For budgeting purposes we have assumed that this card reader is the same age as the gate operator.

Gate Operator - Dunlap Ave. (West)		QUANTITY	1 operator
ASSET ID	1018	UNIT COST	2,650.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	81	CURRENT COST	2,650.00
		FUTURE COST	2,811.39
PLACED IN SERVICE	7/99	ASSIGNED RESERVES	0.00
10 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	113.23
REPLACEMENT YEAR 2009		INTEREST	1.04
2 YEAR REM LIFE		MONTHLY ALLOCTN	114.27

REMARKS:

This is an Elite, model #SL-3000-UL, sliding gate operator. The manufactured date listed on the unit is ?/12/99. Since the month was unreadable we have used an estimate of July 1999 as the placed in service date. The gate operator was not operational at the time of our site visit on 4/21/08. The chain was rusted and broken.

CATEGORY SUMMARY:	ASSIGNED RESERVES	0.00
	MONTHLY CNTRBTN	135.88
	INTEREST	1.25
	MONTHLY ALLOCTN	137.13

**Dunlap Condominiums: Retroactive
Detail Report by Category**

Card Reader - North Alley		QUANTITY	1 reader
ASSET ID	1020	UNIT COST	1,050.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	82	CURRENT COST	1,050.00
		FUTURE COST	1,147.36
PLACED IN SERVICE	7/98	ASSIGNED RESERVES	0.00
12 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	30.05
REPLACEMENT YEAR	2010	INTEREST	0.28
3 YEAR REM LIFE		MONTHLY ALLOCTN	30.33

REMARKS:

There were no identifying label or marks on this card reader. For budgeting purposes we have assumed that this card reader is the same age as the gate operator.

Gate Operator - North Alley		QUANTITY	1 operator
ASSET ID	1019	UNIT COST	2,650.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	82	CURRENT COST	2,650.00
		FUTURE COST	2,729.50
PLACED IN SERVICE	7/98	ASSIGNED RESERVES	0.00
10 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	225.38
REPLACEMENT YEAR	2008	INTEREST	2.08
1 YEAR REM LIFE		MONTHLY ALLOCTN	227.46

REMARKS:

This is an Elite, model #SL-3000-UL, sliding gate operator. The manufacture date listed on the unit is 1/29/98. The gate operator was not operational at the time of our site visit on 4/21/08. The chain was rusted and broken and the outside cover of the operator was destroyed.

CATEGORY SUMMARY:	ASSIGNED RESERVES	0.00
	MONTHLY CNTRBTN	255.43
	INTEREST	2.36
	MONTHLY ALLOCTN	257.79

**Dunlap Condominiums: Retroactive
Detail Report by Category**

Mechanical Equipment		QUANTITY	1 total
ASSET ID	1038	UNIT COST	136,500.00
GROUP/FACILITY	0	PERCENT REPL	50.00%
CATEGORY	85	CURRENT COST	68,250.00
		FUTURE COST	79,120.46
		ASSIGNED RESERVES	0.00
PLACED IN SERVICE	1/92	SALVAGE VALUE	0.00
20 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	1,183.26
REPLACEMENT YEAR 2012		INTEREST	10.91
5 YEAR REM LIFE		MONTHLY ALLOCTN	1,194.17

REMARKS:

Dunlap Condominiums has a shared maintenance responsibility for the mechanical equipment located in the building located to the east of the condos. The property manager advised RDA that the Condo Association does not have access to the mechanical room, and that RDA would not have access to this room at the time of our site visit to inventory the equipment, or to obtain information about the size, type or condition of this equipment. RDA was also advised that no information regarding the age or condition of this equipment would be available from the past owner/developer. Therefore, RDA has estimated the inventory of equipment and has assumed (based on the condition of the rest of the community) that the mechanical equipment is nearing the end of its useful life. The following inventory has been estimated and included for replacement every 20 years. The costs used below are based on actual bids/replacements that have occurred at other communities.

Cooling Tower - This is a Baltimore Aircoil Company cooling tower that is located on the mechanical room roof. Based upon its size we have estimated it to be a 300 ton unit with a replacement cost of approximately \$35,000.

Chiller - RDA observed what appeared to be a chiller and chiller control panel by looking through the chicken wire above the door on the east side of the building. We have estimated the replacement cost to be \$70,000.

Boilers - We have estimated that there are at least two (2) boilers based on the vent stacks penetrating through the mechanical room roof. We are estimating these to be approximately 1,000,000 BTU input boilers with a cost of \$15,000 each to replace. Hot water storage tanks are most likely in this room as well.

Pumps - We are estimating that there are circulation pumps associated with this system with a replacement cost of \$10,000.

RDA has been advised that the Dunlap Condominiums is responsible for 50% of the replacement cost for this equipment.

Dunlap Condominiums: Retroactive
Detail Report by Category

CATEGORY SUMMARY:	ASSIGNED RESERVES	0.00
	MONTHLY CNTRBTN	1,183.26
	INTEREST	10.91
	MONTHLY ALLOCTN	1,194.17

**Dunlap Condominiums: Retroactive
Detail Report by Category**

Granite Replenishment - Unfunded		QUANTITY	1 comment
		UNIT COST	0.000
ASSET ID	1006	PERCENT REPL	0.00%
GROUP/FACILITY	0	CURRENT COST	0.00
CATEGORY	100	FUTURE COST	0.00
		ASSIGNED RESERVES	0.00
PLACED IN SERVICE	0/ 0	SALVAGE VALUE	0.00
0 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	0.00
REPLACEMENT YEAR	2007	INTEREST	0.00
0 YEAR REM LIFE		MONTHLY ALLOCTN	0.00

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.

Irrigation Controllers		QUANTITY	1 total
		UNIT COST	485.000
ASSET ID	1021	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	485.00
CATEGORY	100	FUTURE COST	596.49
		ASSIGNED RESERVES	0.00
PLACED IN SERVICE	1/99	SALVAGE VALUE	0.00
15 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	6.06
REPLACEMENT YEAR	2014	INTEREST	0.06
7 YEAR REM LIFE		MONTHLY ALLOCTN	6.12

REMARKS:

1 - RD600 (unit 198)	@	\$ 185.00	=	\$ 185.00
1 - Watermaster 12 station (pool equip. encl.)	@	300.00	=	300.00

		TOTAL	=	\$ 485.00

The costs include an estimate for installation.

**Dunlap Condominiums: Retroactive
Detail Report by Category**

Irrigation System - Unfunded		QUANTITY	1 comment
ASSET ID	1007	UNIT COST	0.000
GROUP/FACILITY	0	PERCENT REPL	0.00%
CATEGORY	100	CURRENT COST	0.00
		FUTURE COST	0.00
PLACED IN SERVICE	0 / 0	ASSIGNED RESERVES	0.00
0 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	0.00
REPLACEMENT YEAR	2007	INTEREST	0.00
0 YEAR REM LIFE		MONTHLY ALLOCTN	0.00

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 - Wall Mounted		QUANTITY	1 total
ASSET ID	1022	UNIT COST	4,930.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	100	CURRENT COST	4,930.00
		FUTURE COST	6,245.18
PLACED IN SERVICE	1 / 90	ASSIGNED RESERVES	0.00
25 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	54.18
REPLACEMENT YEAR	2015	INTEREST	0.50
8 YEAR REM LIFE		MONTHLY ALLOCTN	54.68

REMARKS:

1 - 4 box set	@	\$ 190.00	=	\$ 190.00
2 - 5 box sets	@	215.00	=	430.00
8 - 6 box sets	@	245.00	=	1,960.00
8 - 7 box sets	@	270.00	=	2,160.00
1 - letter box	@	190.00	=	190.00

TOTAL				= \$ 4,930.00

These are apartment tumbler style boxes.

The actual date this item was placed-in-service was not available. For

**Dunlap Condominiums: Retroactive
Detail Report by Category**

Mailboxes - Wall Mounted, Continued ...

budgeting purposes, we have estimated this date based upon its present condition.

Tree Trimming - Unfunded		QUANTITY	1 comment
		UNIT COST	0.000
ASSET ID	1005	PERCENT REPL	0.00%
GROUP/FACILITY	0	CURRENT COST	0.00
CATEGORY	100	FUTURE COST	0.00
		ASSIGNED RESERVES	0.00
PLACED IN SERVICE	0/ 0	SALVAGE VALUE	0.00
0 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	0.00
REPLACEMENT YEAR	2007	INTEREST	0.00
0 YEAR REM LIFE		MONTHLY ALLOCTN	0.00

REMARKS:

We have been advised that major tree trimming is usually required every 3 - 5 years and should be included as a reserve component. However, the cost for such a project depends on the size, type, maturity, and number of trees at the community - all of which call for expert evaluation, but fall outside the scope of a reserve study. Once the client obtains a cost and schedule we will include budgeting for this component in a revision or future update of this report.

CATEGORY SUMMARY:	ASSIGNED RESERVES	0.00
	MONTHLY CNTRBTN	60.24
	INTEREST	0.56
	MONTHLY ALLOCTN	60.80

**Dunlap Condominiums: Retroactive
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TOTAL ALL ASSETS:	ASSIGNED RESERVES	0.00
	MONTHLY CNTRBTN	38,820.51
	INTEREST	357.86
	MONTHLY ALLOCTN	39,178.37

CONTINGENCY @ 3.00%:	ASSIGNED RESERVES	0.00
	MONTHLY CNTRBTN	1,164.62
	INTEREST	10.74
	MONTHLY ALLOCTN	1,175.36

GRAND TOTALS:	ASSIGNED RESERVES	0.00
	MONTHLY CNTRBTN	39,985.13
	INTEREST	368.60
	MONTHLY ALLOCTN	40,353.73

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TOTAL ASSET LINES INCLUDED: 37