

RDA REPORT

East Quincy Highlands II
Aurora, Colorado
Account 616 - Version 001
August 1, 2004

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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 on an annual basis 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, annual updated may be completed quickly and inexpensively each year.

Reserve Data Analysis, Intl., 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 LLC

(303) 471-6858

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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.

A. The Reserve Budget

■ 1. Preparing the Budget

The association's budget consists of two basic parts, income and expenses. In our personal lives, most of us usually start by considering income. We take our income, pay our bills, and spend or save the remainder. While this may work well for personal finances, budget planning for a community association needs to take other factors into consideration as well.

When preparing the association's budget it is wise to begin with expenses. This allows for an objective statement of needs before determining the sources of income. After the expenses are identified and quantified, ideal expectations may then be weighed against practical considerations and a balanced budget may be prepared.

■ 2. Determining Expenses

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 an operational expense, a reserve expense, 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 effect 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.

■ 3. 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.

Certain calculations must be performed on the compiled data in order for the study to take on a practical meaning. Several methods have been developed, ranging from simple to complex. The least complicated method is the straight-line approach in which the replacement cost in today's dollars, less accumulated reserves, is divided by the estimated remaining life of the components. The most precise calculations, determine the replacement cost in future dollars and include provisions for interest on invested funds, net of taxes, and planned contribution increases each year in line with cost of living changes in addition to efficient distribution of the accumulated reserves.

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 on an annual basis 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.

■ 4. Methods for Allocating Reserves

There are two methods that are suggested for allocating reserves.

The first method is to allocate the Monthly Membership Contribution to reserves each month. 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 method 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.

■ 5. Distribution of Accumulated Reserves

The methods used to determine the ideal level of reserves and actual distributions for each asset, prior to completing calculations, are as follows:

The first step is to subtract from the total accumulated reserves the association has on hand any amounts for assets which have predetermined (fixed) reserve balances. 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.

The second step is to identify the ideal level of reserves for each asset. This is accomplished by evaluating the component's age proportionate to its estimated useful life and current replacement cost. The equation is

IDEAL LEVEL OF RESERVES =

$$\frac{\text{AGE}}{\text{USEFUL LIFE}} \times \text{CURRENT REPLACEMENT COST}$$

For example, an asset which is 3 years old, has a useful life of 5 years and current replacement cost of \$500, should have accumulated approximately \$300 in reserves.

This method of calculating the ideal level of reserves does not consider future replacement cost, nor interest earned on the accumulated reserves, as the reports do when calculating the monthly allocation requirements for future replacements. However, it is a reliable indicator of the adequacy of the Client's current reserves, based on current conditions and replacement cost.

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 adjust the remaining life to 1 year.

The next step in this process is to arrange all of the assets used in the study in ascending order by remaining life. 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 at the completion of this task there are additional monies which have not been distributed, the remaining reserves are then assigned in ascending order at a level equal to, but not exceeding, the current replacement cost for each component. If there are sufficient monies available to fund all assets at their current replacement cost levels, then any excess funds are designated as such and are not factored into any of the report 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.

If at the end of this process there are designated excess funds, they can be used to offset the monthly contribution requirements recommended, or used in any other manner the Client may desire.

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. We 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.

B. Your Reserve Analysis Study

■ 1. Users' Guide to Your Reserve Analysis Study

Part II of your 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.

■ 2. 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 1/1/9X and ending 12/31/9X.

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 who 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 their 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.

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.

East Quincy Highlands II
Aurora, Colorado
RDA Reserve Analysis Report Summary

<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Report Date</td> <td style="width: 70%;">August 1, 2004</td> </tr> <tr> <td>Version</td> <td>001</td> </tr> <tr> <td>Account Number</td> <td>616</td> </tr> <tr> <td>Budget Year Beginning</td> <td>1/ 1/05</td> </tr> <tr> <td style="padding-left: 20px;">Ending</td> <td>12/31/05</td> </tr> <tr> <td>Total Units Included</td> <td>531</td> </tr> <tr> <td>Phase Development</td> <td>1 of 1</td> </tr> </table>	Report Date	August 1, 2004	Version	001	Account Number	616	Budget Year Beginning	1/ 1/05	Ending	12/31/05	Total Units Included	531	Phase Development	1 of 1	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Parameters:</td> </tr> <tr> <td style="width: 70%;">Inflation</td> <td style="text-align: right;">3.00%</td> </tr> <tr> <td>Annual Contribution Increase</td> <td style="text-align: right;">3.00%</td> </tr> <tr> <td>Investment Yield</td> <td style="text-align: right;">3.00%</td> </tr> <tr> <td>Taxes on Yield</td> <td style="text-align: right;">28.00%</td> </tr> <tr> <td>Contingency</td> <td style="text-align: right;">3.00%</td> </tr> <tr> <td colspan="2">Reserve Fund Balance as of</td> </tr> <tr> <td>1/ 1/05:</td> <td style="text-align: right;">\$97,216.00</td> </tr> </table>	Parameters:		Inflation	3.00%	Annual Contribution Increase	3.00%	Investment Yield	3.00%	Taxes on Yield	28.00%	Contingency	3.00%	Reserve Fund Balance as of		1/ 1/05:	\$97,216.00
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1/ 1/05:	\$97,216.00																														

Project Profile & Introduction

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

The inspected property is a 531-unit, single family home community, located in Aurora, Colorado with primary assets consisting of Playground equipment, concrete, and irrigation time clocks.

Calculation Method: Component
Funding Strategy: Full
A full field inspection for this project was conducted July 3, 2004.

RDA Summary of Calculations

Monthly Contribution to Reserves Required:	\$33.88
(\$0.06 per unit per month)	
Average Net Monthly Interest Contribution This Year:	94.02
Net Monthly Allocation to Reserves 1/ 1/05 to 12/31/05:	\$127.90
(\$0.24 per unit per month)	

RDA Reserve Management Software
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East Quincy Highlands II
Distribution of Accumulated Reserves

REPORT DATE: August 1, 2004
 VERSION: 001
 ACCOUNT NUMBER: 616

DESCRIPTION	REM LIFE	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Monument Sign - Unfunded	0	0.00	0.00
Mulch Replenishment - Unfunded	0	0.00	0.00
Retaining Walls, Block - Unfunded	0	0.00	0.00
Concrete Walkways - Cyclical Repair	1	333.33	500.00
Irrigation Time Clocks - Replace	10	266.67	1,600.00
Park Furniture - Replace	14	825.00	6,600.00
Playground Equipment - Replace	18	4,000.00	40,000.00
Total Asset Summary:		5,425.00	48,700.00
Contingency @ 3.00%:		162.75	2,831.53
Grand Total:		5,587.75	51,531.53
Excess Reserves Not Used:			45,684.47
Percent Fully Funded:	922%		

East Quincy Highlands II
Asset Listing - Summary by Category

REPORT DATE: August 1, 2004
 VERSION: 001
 ACCOUNT NUMBER: 616

DESCRIPTION	REM LIFE	CURRENT COST	MONTHLY CONTRIBUTION	NET MONTHLY ALLOCATION
Concrete Walkways - Cyclical Repair	1	500	0.34	1.25
*** CATEGORY SUMMARY:		500	0.34	1.25
Park Furniture - Replace	14	6,600	4.46	16.50
Playground Equipment - Replace	18	40,000	27.01	100.00
*** CATEGORY SUMMARY:		46,600	31.47	116.50
Irrigation Time Clocks - Replace	10	1,600	1.08	4.00
Monument Sign - Unfunded	0	0	0.00	0.00
Mulch Replenishment - Unfunded	0	0	0.00	0.00
Retaining Walls, Block - Unfunded	0	0	0.00	0.00
*** CATEGORY SUMMARY:		1,600	1.08	4.00
TOTAL ASSET SUMMARY:		48,700	32.89	121.75
CONTINGENCY @ 3.00%:			0.99	6.15
GRAND TOTAL:			33.88	127.90

East Quincy Highlands II
RDA Standard Projections

REPORT DATE: August 1, 2004
VERSION: 001
ACCOUNT NUMBER: 616

Beginning Accumulated Reserves: \$97,216

YEAR	CURRENT REPLACEMENT COST	ANNUAL CONTRBTN	ANNUAL INTEREST CONTRBTN	ANNUAL EXPENDTRS	PROJECTED ENDING RESERVES	FULLY FUNDED RESERVES	PERCENT FULLY FUNDED
'05	48,700	407	2,125	0	99,747	8,633	1155%
'06	50,161	419	2,169	515	101,820	11,310	900%
'07	51,666	431	2,226	0	104,477	14,702	711%
'08	53,216	444	2,284	0	107,205	18,288	586%
'09	54,812	458	2,331	563	109,431	21,478	510%
'10	56,457	471	2,392	0	112,294	25,458	441%
'11	58,150	485	2,455	0	115,234	29,658	389%
'12	59,895	500	2,505	615	117,624	33,435	352%
'13	61,692	515	2,571	0	120,711	38,083	317%
'14	63,542	531	2,639	0	123,880	42,980	288%
'15	65,449	546	2,646	2,822	124,250	45,143	275%
'16	67,412	563	2,716	0	127,529	50,481	253%
'17	69,435	580	2,788	0	130,896	56,098	233%
'18	71,518	597	2,846	734	133,605	61,228	218%
'19	73,663	615	2,703	9,983	126,939	56,827	223%
'20	75,873	633	2,776	0	130,348	63,015	207%
'21	78,149	652	2,833	802	133,031	68,672	194%
'22	80,494	672	2,909	0	136,612	75,488	181%
'23	82,908	1,578	1,510	68,097	71,603	10,408	688%
'24	85,396	1,825	1,561	877	74,112	14,836	500%
'25	87,958	1,599	1,633	0	77,344	20,478	378%
'26	90,596	1,647	1,704	0	80,695	26,446	305%
'27	93,314	2,282	1,695	4,024	80,648	28,485	283%
'28	96,114	1,972	1,779	0	84,399	35,018	241%
'29	98,997	2,031	1,861	0	88,292	41,919	211%
'30	101,967	2,453	1,928	1,047	91,625	48,091	191%
'31	105,026	2,212	2,021	0	95,858	55,740	172%
'32	108,177	2,278	2,114	0	100,250	63,804	157%
'33	111,422	2,741	2,189	1,144	104,036	71,088	146%
'34	114,765	2,501	2,295	0	108,831	80,003	136%

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.

East Quincy Highlands II
Annual Expenditure Detail

REPORT DATE: August 1, 2004
VERSION: 001
ACCOUNT NUMBER: 616

DESCRIPTION	EXPENDITURES
REPLACEMENT YEAR 2005	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2006	
Concrete Walkways - Cyclical Repair	515.00
*** ANNUAL TOTAL:	<hr/> 515.00
REPLACEMENT YEAR 2007	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2008	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2009	
Concrete Walkways - Cyclical Repair	562.75
*** ANNUAL TOTAL:	<hr/> 562.75
REPLACEMENT YEAR 2010	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2011	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2012	
Concrete Walkways - Cyclical Repair	614.93
*** ANNUAL TOTAL:	<hr/> 614.93
REPLACEMENT YEAR 2013	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2014	
*** ANNUAL TOTAL:	0.00

East Quincy Highlands II
Annual Expenditure Detail

DESCRIPTION	EXPENDITURES
REPLACEMENT YEAR 2015	
Concrete Walkways - Cyclical Repair	671.95
Irrigation Time Clocks - Replace	2,150.24
*** ANNUAL TOTAL:	<hr/> 2,822.19
REPLACEMENT YEAR 2016	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2017	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2018	
Concrete Walkways - Cyclical Repair	734.26
*** ANNUAL TOTAL:	<hr/> 734.26
REPLACEMENT YEAR 2019	
Park Furniture - Replace	9,983.11
*** ANNUAL TOTAL:	<hr/> 9,983.11
REPLACEMENT YEAR 2020	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2021	
Concrete Walkways - Cyclical Repair	802.35
*** ANNUAL TOTAL:	<hr/> 802.35
REPLACEMENT YEAR 2022	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2023	
Playground Equipment - Replace	68,097.32
*** ANNUAL TOTAL:	<hr/> 68,097.32
REPLACEMENT YEAR 2024	
Concrete Walkways - Cyclical Repair	876.75

East Quincy Highlands II
Annual Expenditure Detail

DESCRIPTION	EXPENDITURES
*** ANNUAL TOTAL:	876.75
REPLACEMENT YEAR 2025	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2026	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2027	
Concrete Walkways - Cyclical Repair	958.04
Irrigation Time Clocks - Replace	3,065.74
*** ANNUAL TOTAL:	4,023.78
REPLACEMENT YEAR 2028	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2029	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2030	
Concrete Walkways - Cyclical Repair	1,046.87
*** ANNUAL TOTAL:	1,046.87
REPLACEMENT YEAR 2031	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2032	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2033	
Concrete Walkways - Cyclical Repair	1,143.95
*** ANNUAL TOTAL:	1,143.95
REPLACEMENT YEAR 2034	
*** ANNUAL TOTAL:	0.00

East Quincy Highlands II
Annual Expenditure Detail

DESCRIPTION

EXPENDITURES

East Quincy Highlands II
Detail Report by Category

REPORT DATE: August 1, 2004
 VERSION: 001
 ACCOUNT NUMBER: 616

Concrete Walkways - Cyclical Repair		QUANTITY	1 total
		UNIT COST	500.000
ASSET ID	1005	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	500.00
CATEGORY	10	FUTURE COST	515.00
		ASSIGNED RESERVES	500.00
PLACED IN SERVICE	1/03	SALVAGE VALUE	0.00
3 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	0.34
REPLACEMENT YEAR 2006		INTEREST	0.91
1 YEAR REM LIFE		MONTHLY ALLOCTN	1.25

REMARKS:

It is normally a standard policy not to fund for the complete replacement of concrete walkways, decks, or patios. However, the association should anticipate the need to repair or replace concrete surfaces on a cyclical basis. Therefore, we are estimating that the association will spend approximately \$500 every three years on concrete repairs. Going forward we can adjust the frequency and the cost in a future update to this study.

CATEGORY SUMMARY:	ASSIGNED RESERVES	500.00
	MONTHLY CNTRBTN	0.34
	INTEREST	0.91
	MONTHLY ALLOCTN	1.25

East Quincy Highlands II
Detail Report by Category

Park Furniture - Replace		QUANTITY	1 total
		UNIT COST	6,600.000
ASSET ID	1006	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	6,600.00
CATEGORY	60	FUTURE COST	9,983.09
		ASSIGNED RESERVES	6,600.00
PLACED IN SERVICE	1/03	SALVAGE VALUE	0.00
16 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	4.46
REPLACEMENT YEAR	2019	INTEREST	12.04
14 YEAR REM LIFE		MONTHLY ALLOCTN	16.50

REMARKS:

2 - 8' vinyl coated table/bench combos	@	\$ 1,300.00	=	\$ 2,600.00
2 - vinyl coated square table/bench combos	@	1,150.00	=	2,300.00
2 - 6' vinyl coated benches	@	850.00	=	1,700.00

			TOTAL =	\$ 6,600.00

This component reserves to replace the park furniture located in both play parks.

Playground Equipment - Replace		QUANTITY	1 total
		UNIT COST	40,000.000
ASSET ID	1007	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	40,000.00
CATEGORY	60	FUTURE COST	68,097.32
		ASSIGNED RESERVES	40,000.00
PLACED IN SERVICE	1/03	SALVAGE VALUE	0.00
20 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	27.01
REPLACEMENT YEAR	2023	INTEREST	72.99
18 YEAR REM LIFE		MONTHLY ALLOCTN	100.00

REMARKS:

This component provides for a lump sum of \$40,000 to replace the playground equipment located at both parks over the next 20 years. Funds will be accumulated each year for the next 20 years, to allow the association to replace specific components as needed. If the association can provide us with the exact installation cost for this equipment, we will adjust the unit cost shown above in our revision to this study.

One park is located at Quemo~~y~~ and the other is located at Kent.

East Quincy Highlands II
Detail Report by Category

CATEGORY SUMMARY:	ASSIGNED RESERVES	46,600.00
	MONTHLY CNTRBTN	31.47
	INTEREST	85.03
	MONTHLY ALLOCTN	116.50

East Quincy Highlands II
Detail Report by Category

Irrigation Time Clocks - Replace		QUANTITY	4 clocks
ASSET ID	1002	UNIT COST	400.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	100	CURRENT COST	1,600.00
		FUTURE COST	2,150.27
PLACED IN SERVICE	1/03	ASSIGNED RESERVES	1,600.00
12 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	1.08
REPLACEMENT YEAR	2015	INTEREST	2.92
10 YEAR REM LIFE		MONTHLY ALLOCTN	4.00

REMARKS:

This component reserves to replace the Irritrol irrigation time clocks on a recurring 12 year cycle. We were able to locate one clock at each play park, and 2 clocks along Plains Parkway.

Monument Sign - Unfunded		QUANTITY	1 comment
ASSET ID	1001	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	2005	INTEREST	0.00
0 YEAR REM LIFE		MONTHLY ALLOCTN	0.00

REMARKS:

This component is listed for informational purposes only. The monument sign is composed of brick with metal lettering. Due to the indefinite life of these materials, we are not reserving to repair or replace this sign. Any expense to repair the brick wall or replace broken or missing letters should be handled on an "as needed" basis, with funds from the operating budget.

East Quincy Highlands II
Detail Report by Category

Mulch Replenishment - Unfunded		QUANTITY	1 comment
		UNIT COST	0.000
ASSET ID	1004	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	2005	INTEREST	0.00
0 YEAR REM LIFE		MONTHLY ALLOCTN	0.00

REMARKS:

This component is listed for informational purposes only. We are not reserving to replace the mulch located at the Play Parks. The mulch should be replenished on an "as needed" basis with funds from the operating budget.

Retaining Walls, Block - Unfunded		QUANTITY	1 comment
		UNIT COST	0.000
ASSET ID	1003	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	2005	INTEREST	0.00
0 YEAR REM LIFE		MONTHLY ALLOCTN	0.00

REMARKS:

This component is listed for informational purposes only. The retaining walls are constructed of pavestone block which should last for the life of the community. Any expense to repair these retaining walls should be handled on an "as needed" basis, with funds from the operating budget.

CATEGORY SUMMARY:	ASSIGNED RESERVES	1,600.00
	MONTHLY CNTRBTN	1.08
	INTEREST	2.92
	MONTHLY ALLOCTN	4.00

East Quincy Highlands II
Detail Report by Category

TOTAL ALL ASSETS:	ASSIGNED RESERVES	48,700.00
	MONTHLY CNTRBTN	32.89
	INTEREST	88.86
	MONTHLY ALLOCTN	121.75
CONTINGENCY @ 3.00%:	ASSIGNED RESERVES	2,831.53
	MONTHLY CNTRBTN	0.99
	INTEREST	5.16
	MONTHLY ALLOCTN	6.15
GRAND TOTALS:	ASSIGNED RESERVES	51,531.53
	MONTHLY CNTRBTN	33.88
	INTEREST	94.02
	MONTHLY ALLOCTN	127.90

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TOTAL ASSET LINES INCLUDED: 7