

**Knightsbridge Arms Condominium Association**  
**BOARD MEETING VIA ZOOM**  
**May 24, 2023**

Called to order on ZOOM MEETING @ 4:11pm

**Board Members:**

Russ Woolbright, Steve Vallier, Peter Dolloff, Barry Warhola, Kristen Fearon

**Sequel Development & Management, Inc.**

**Managing Agents:** Jan Hammond

**NEW BUSINESS:**

- **Review Previous BOD Meeting Minutes:** Feb 24, 2023 (not completed) will be approved at next meeting.
- **Peter started off the meeting addressing water leaks in three units and giving the homeowners of each unit an opportunity to share their concerns to the board:**

Water Leaks – utility closets at 5N103, 5N203 and 4K102-- Each unit owner attended the BOD meeting to discuss a utility closet leak affecting each of their units as described in an email sent to Sequel Management. Each homeowner appreciated having the opportunity to express their concerns and share ideas to resolve this type of issue in the community and left the zoom meeting after the discussion.

In summary, the board thanked each unit owner for their time and feedback. The location of the utility closets has caused some issues during extreme cold temperatures. All units that caused the leak have appropriately dealt with the issue and repairs. All insurance claims are underway for each unit impacted by water leaks.

The board will discuss the possibility of implementing new rules & regulations to prevent these events from happening again. In the coming meetings ahead, the board will also discuss more ways to educate unit owners to be more mindful of the care and maintenance of the water heaters not only during the winter months but throughout the year.

- **Review Financial Statements – Reviewed Statements – April 30, 2023**
  - ✓ Balance Sheet
  - ✓ Income Statement
  - ✓ Account Reconciliation
  - ✓ Checking account statements
  - ✓ Money market statement
  - ✓ Aged Payables
  - ✓ Cash Disbursement Journal
  - ✓ Receivables/Delinquencies

➤ **MANAGING AGENT ACTIVITIES (See attached Report)**

1. Reserve Study Analysis – Executive Summary Review (attached)
2. Maintenance / Grounds - Next buildings (randomly) lined up for updated fire alarm installation: 3N, 5N, 2N, 4R.

➤ **ACTION ITEMS/OPEN SESSION:**

1. Discuss Dog Policy to next BOD meeting agenda.

➤ **NEXT MEETING DATE: August 23, 2023 – Annual Meeting**

Notices will be emailed via Appfolio and sent through the postal service. The meeting will be held again at the DoubleTree hotel in Nashua in the Amphitheater room as done in past years.

This year, two seats are open for the election. Both Peter Dolloff and Russ Woolbright will not be running again. We thank them for their dedication and time of service throughout the years.

Meeting adjourned at 5:20pm

Respectfully submitted by  
Jan Hammond

KNIGHTSBRIDGE ARMS CONDOMINIUM ASSOCIATION

MANAGING AGENTS REPORT

MAY 24, 2023

Activities of the Managing agent,

1. Based on the survey of the home owners, which overwhelmingly wanted to keep the current machines, we are staying with our contract. The laundry company has been out and carefully checked every machine in every building. They are all fully operational.  
We have had some issues with folks turning water off to the machines, however this seems to have stopped.  
We can take one more action to improve the laundry service. Automatic Coin has quoted us \$4850.00 to do an internal clean, with bleach and other products. As well they would check all operating parts within the machines and replace anything they feel is near failure. The parts are extra. We will vote on this.
2. Garage roofs on New Haven drive are fully rebuilt and roofing has been replaced. All roofs in the complex have now been replaced once!
3. Fire Alarm systems, we have completed 4NH, 2K,4K, 5K and Friday 3K will be done this Friday. That leaves seven more buildings to receive new fire alarm systems. Each building has gone smoothly to date. The BK Systems crew is doing an excellent job. Also, they are working very hard to keep all residents happy with the scheduling. I don't anticipate any issues as we move through the final 7 buildings. Nashua Fire has inspected and signed off on all but 5K and soon 3K.
4. Spring carpet cleaning of all common hallways has been completed by Service Experts.
5. Swimming Pools, both pools are up and running. We have hired a resident of KBA, Rogerio, to handle the pool maintenance this summer. He will open close each day. As well he will handle all vacuuming, skimming, chemical measuring and recording and general pool area maintenance. We purchased two new awnings at \$800.00 total cost. We are reusing existing pool furniture this year.  
Sue, from 4 New Haven, has again installed floors in the pool area in the whiskey barrels. We do reimburse Sue for the cost of the materials.  
Claudia, is coming back again this summer to handle pool house bathroom cleaning each day. Everything is up and running and the pools look great. I am hopeful it will be a smooth operating summer.
6. Landscaping, spring cleanup, edging, mulching, cutting and fertilizing have all been completed and/or in progress. The irrigation system is now up and running. It is currently running only a few minutes each day. As a reminder, we did a great deal of work to the system last summer. Steve spearheaded this effort with Shane. This year there were the usual few broken heads in winter but not much work required to start.
7. EV auto charging, we have our second resident purchasing an EV here at KBA. He has requested a charger in his garage. The garages are of course not wired for this. I have informed him of the challenges.

I am meeting with Albee Electric next week to discuss a public level 2 charge station for the property. The cost of the equipment is about \$3500.00. I have a quote from EVGO. We have the necessary internet capabilities in place already.

The property was originally developed with large fire suppression pumps located on-site in the basement of the office. These became obsolete years ago with the construction of the water tower above Kessler Farms condominiums. The pumps have sat in the basement since then. The office was wired with a fairly large electric supply to accommodate these pumps. My intention is to use this excess capacity for several public level two charging stations located near the office. Figuring out the site work costs is the final challenge.

Side note, during the winter when time allows, I am going to look into selling the fire pumps. It is possibly an avenue to make some money for the association and simplify the plumbing maintenance for the association.

Installing a level two public charger will reduce the amount of electricity lost to EV owners plugging into their garage outlet. As well it adds value to the condominiums here at KBA as it expands the market segment of potential buyers.

8. Guardian Water and Power, our sub-metering, is up and going. The start up was relatively smooth. We have had only one meter reversal in the development. Hopefully there are no more. There have been many questions handled very smoothly by either Guardian or our own Sarah Juza.

I believe we are starting to see a small reduction in consumption. It is taking time as investors, such as myself, have only recently started charging their tenants for water/sewer. The tenants are now requesting repairs and adjusting their behaviors accordingly. We will do a more thorough analysis as we near the budget preparation and again at the close of the first year.

9. Reserve analysis, discussion/questions.

Budget 2023-24. Given that we just received the reserve analysis, we are doing a great deal of reserve work, we just implemented the sub-metering of water/sewer, etc. We are not going to have the new budget ready for next week to allow 30 days notice to the homeowners of any change.

Sequel will internally be working on the new budget through June. We as a board will need to discuss this again in late June or early July. I suspect we will be increasing reserves and perhaps several line items. I would recommend we leave the budget the same for July and August of 2023 with an adjustment in September. As well we can discuss any budget adjustments at the annual meeting this summer.

**Balance Sheet**

Properties: KBA - 2 Knightsbridge Drive Nashua, NH 03063

As of: 04/30/2023

Accounting Basis: Accrual

Level of Detail: Detail View

Include Zero Balance GL Accounts: No

| Account Name                             | Balance            |
|--|--------------------|
| <b>ASSETS</b>                            |                    |
| <b>Cash</b>                              |                    |
| Cash-Operating                           | 43,086.08          |
| Savings/Reserves                         | 50.00              |
| Cash-Reserves                            | 6,923.76           |
| <b>Total Cash</b>                        | <b>50,069.84</b>   |
| Accounts Receivable                      | 13,126.50          |
| Due from Operating                       | -117.00            |
| Accounts Receivable-Misc                 | 26,198.88          |
| Equipment                                | 3,230.00           |
| Accum Depreciation                       | -3,230.00          |
| Deposits w/ Vendors                      | 4,989.00           |
| Prepaid Insurance                        | 12,090.50          |
| Prepaid Monitoring Exp                   | 595.00             |
| Loan Costs                               | 6,135.00           |
| Loan origination fees                    | 9,533.11           |
| <b>TOTAL ASSETS</b>                      | <b>122,810.81</b>  |
| <b>LIABILITIES &amp; CAPITAL</b>         |                    |
| <b>Liabilities</b>                       |                    |
| Accounts Payable                         | 51,709.06          |
| Prepaid Fees                             | 21,782.52          |
| Account Payable Adj Acct                 | 24,072.00          |
| Accrued Taxes                            | -200.00            |
| Granite Bank Master Loan                 | 422,018.45         |
| Due to Reserves                          | -117.00            |
| AP Accrual-Replacement Fund              | 34,280.00          |
| <b>Total Liabilities</b>                 | <b>553,505.02</b>  |
| <b>Capital</b>                           |                    |
| Retained Earnings                        | -489,851.51        |
| Calculated Retained Earnings             | -303,774.18        |
| Calculated Prior Years Retained Earnings | 362,731.48         |
| <b>Total Capital</b>                     | <b>-430,894.21</b> |
| <b>TOTAL LIABILITIES &amp; CAPITAL</b>   | <b>122,810.81</b>  |

# KBA Income Statement

Properties: KBA - 2 Knightsbridge Drive Nashua, NH 03063

As of: Apr 2023

Additional Account Types: None

Accounting Basis: Accrual

Level of Detail: Detail View

| Account Name                  | MTD Actual       | MTD Budget       | MTD \$ Var.     | MTD % Var.    | YTD Actual        | YTD Budget        | YTD \$ Var.       | YTD % Var.    | Annual Budget     |
|-------------------------------|------------------|------------------|-----------------|---------------|-------------------|-------------------|-------------------|---------------|-------------------|
| <b>Income</b>                 |                  |                  |                 |               |                   |                   |                   |               |                   |
| Condo Fees                    | 60,552.00        | 60,552.00        | 0.00            | 0.00%         | 631,440.00        | 631,440.00        | 0.00              | 0.00%         | 752,544.00        |
| Late Fees                     | 45.00            | 291.67           | -246.67         | -84.57%       | 1,158.50          | 2,916.70          | -1,758.20         | -60.28%       | 3,500.04          |
| Repair work to units          | 193.75           | 0.00             | 193.75          | 0.00%         | 193.75            | 0.00              | 193.75            | 0.00%         | 0.00              |
| Laundry Income                | 3,657.00         | 5,000.00         | -1,343.00       | -26.86%       | 43,014.00         | 50,000.00         | -6,986.00         | -13.97%       | 60,000.00         |
| Rental Income                 | 725.00           | 725.00           | 0.00            | 0.00%         | 7,250.00          | 7,250.00          | 0.00              | 0.00%         | 8,700.00          |
| Garage Rental                 | 100.00           | 100.00           | 0.00            | 0.00%         | 1,000.00          | 1,000.00          | 0.00              | 0.00%         | 1,200.00          |
| Water/Sewer Usage             | 0.00             | 0.00             | 0.00            | 0.00%         | 32,564.86         | 0.00              | 32,564.86         | 0.00%         | 0.00              |
| Insurance Claim Income        | 0.00             | 0.00             | 0.00            | 0.00%         | 42,217.66         | 0.00              | 42,217.66         | 0.00%         | 0.00              |
| Legal Fees Charged Back       | 0.00             | 0.00             | 0.00            | 0.00%         | 4,229.44          | 0.00              | 4,229.44          | 0.00%         | 0.00              |
| Misc. Fines & Fees            | 0.00             | 0.00             | 0.00            | 0.00%         | 60.00             | 0.00              | 60.00             | 0.00%         | 0.00              |
| Pool Income (passes)          | 0.00             | 0.00             | 0.00            | 0.00%         | 164.00            | 0.00              | 164.00            | 0.00%         | 0.00              |
| Misc Income                   | 0.00             | 0.00             | 0.00            | 0.00%         | 27.35             | 0.00              | 27.35             | 0.00%         | 0.00              |
| Reserve Funding-Income        | 9,000.00         | 0.00             | 9,000.00        | 0.00%         | 83,292.00         | 0.00              | 83,292.00         | 0.00%         | 0.00              |
| Interest Income - Reserves    | 1.19             | 0.00             | 1.19            | 0.00%         | 44.61             | 0.00              | 44.61             | 0.00%         | 0.00              |
| <b>Total Operating Income</b> | <b>74,273.94</b> | <b>66,668.67</b> | <b>7,605.27</b> | <b>11.41%</b> | <b>846,656.17</b> | <b>692,606.70</b> | <b>154,049.47</b> | <b>22.24%</b> | <b>825,944.04</b> |
| <b>Expense</b>                |                  |                  |                 |               |                   |                   |                   |               |                   |
| Management Fee                | 7,230.83         | 7,230.83         | 0.00            | 0.00%         | 72,308.30         | 72,308.30         | 0.00              | 0.00%         | 86,769.96         |
| Charitable Contributions      | 0.00             | 0.00             | 0.00            | 0.00%         | 1,379.80          | 0.00              | -1,379.80         | 0.00%         | 0.00              |
| Administration                | 241.60           | 408.00           | 166.40          | 40.78%        | 5,414.93          | 3,432.00          | -1,982.93         | -57.78%       | 4,248.00          |
| KBA- Loan Interest            | 1,559.52         | 7,257.00         | 5,697.48        | 78.51%        | 9,594.95          | 42,777.06         | 33,182.11         | 77.57%        | 57,291.06         |
| Loan Principal                | 0.00             | 0.00             | 0.00            | 0.00%         | 0.00              | 26,862.12         | 26,862.12         | 100.00%       | 26,862.12         |
| Bank Charges                  | 575.00           | 0.00             | -575.00         | 0.00%         | 577.45            | 0.00              | -577.45           | 0.00%         | 0.00              |
| Legal Exp                     | 0.00             | 500.00           | 500.00          | 100.00%       | 4,035.79          | 2,600.00          | -1,435.79         | -55.22%       | 3,600.00          |
| Accounting Fees               | 0.00             | 183.34           | 183.34          | 100.00%       | 0.00              | 1,693.36          | 1,693.36          | 100.00%       | 2,060.04          |
| Landscaping Exp               | 5,292.86         | 3,067.50         | -2,205.36       | -71.43%       | 26,464.30         | 33,521.44         | 7,057.14          | 21.05%        | 39,696.44         |
| Land Improvements             | 0.00             | 666.67           | 666.67          | 100.00%       | 450.00            | 8,666.68          | 8,216.68          | 94.81%        | 10,000.02         |
| Irrigation System             | 197.09           | 583.33           | 386.24          | 66.21%        | 4,007.17          | 6,333.32          | 2,326.15          | 36.73%        | 7,499.98          |

# KBA Income Statement

| Account Name                  | MTD Actual | MTD Budget | MTD \$ Var. | MTD % Var. | YTD Actual | YTD Budget | YTD \$ Var. | YTD % Var. | Annual Budget |
|-------------------------------|------------|------------|-------------|------------|------------|------------|-------------|------------|---------------|
| Snow Removal Exp              | 0.00       | 2,664.38   | 2,664.38    | 100.00%    | 31,972.55  | 23,446.54  | -8,526.01   | -36.36%    | 28,775.30     |
| Snow Removal - Extra          | 0.00       | 166.66     | 166.66      | 100.00%    | 312.50     | 1,666.68   | 1,354.18    | 81.25%     | 2,000.00      |
| R&M Exp                       | 8,046.96   | 6,166.67   | -1,880.29   | -30.49%    | 43,713.14  | 57,666.68  | 13,953.54   | 24.20%     | 70,000.02     |
| Exterminator/Pest             | 125.00     | 375.00     | 250.00      | 66.67%     | 3,315.00   | 3,500.02   | 185.02      | 5.29%      | 4,208.35      |
| Maintenance Supplies          | 480.00     | 416.67     | -63.33      | -15.20%    | 5,257.80   | 5,566.68   | 308.88      | 5.55%      | 6,400.02      |
| Electricity                   | 2,423.45   | 3,300.00   | 876.55      | 26.56%     | 25,906.92  | 29,700.00  | 3,793.08    | 12.77%     | 36,300.00     |
| Trash Removal                 | 5,248.44   | 5,005.00   | -243.44     | -4.86%     | 50,974.54  | 38,920.00  | -12,054.54  | -30.97%    | 48,930.00     |
| Trash Removal Labor           | 0.00       | 300.00     | 300.00      | 100.00%    | 2,887.50   | 3,000.00   | 112.50      | 3.75%      | 3,600.00      |
| Water                         | 5,543.81   | 768.00     | -4,775.81   | -621.85%   | 60,951.85  | 35,571.96  | -25,379.89  | -71.35%    | 37,107.96     |
| Water Mgt fees                | 0.00       | 0.00       | 0.00        | 0.00%      | 6,366.00   | 0.00       | -6,366.00   | 0.00%      | 0.00          |
| Sewer                         | 0.00       | 618.00     | 618.00      | 100.00%    | 57,514.93  | 32,472.00  | -25,042.93  | -77.12%    | 33,708.00     |
| Gas                           | 943.24     | 1,250.00   | 306.76      | 24.54%     | 10,714.75  | 11,300.00  | 585.25      | 5.18%      | 13,800.00     |
| Janitorial                    | 2,760.00   | 2,759.60   | -0.40       | -0.01%     | 28,742.40  | 27,596.00  | -1,146.40   | -4.15%     | 33,115.20     |
| Carpet Cleaning Exp           | 0.00       | 470.42     | 470.42      | 100.00%    | 300.00     | 4,041.68   | 3,741.68    | 92.58%     | 4,982.52      |
| Insurance                     | 6,045.25   | 6,083.33   | 38.08       | 0.63%      | 60,580.50  | 60,604.82  | 24.32       | 0.04%      | 72,771.48     |
| Whoop Subscription            | 0.00       | 720.00     | 720.00      | 100.00%    | 6,480.00   | 7,200.00   | 720.00      | 10.00%     | 8,640.00      |
| SPM buzzer mgt fee            | 576.00     | 576.00     | 0.00        | 0.00%      | 5,760.00   | 5,760.00   | 0.00        | 0.00%      | 6,912.00      |
| Fire Alarm System             | 0.00       | 250.00     | 250.00      | 100.00%    | 5,894.00   | 4,000.00   | -1,894.00   | -47.35%    | 4,500.00      |
| Fire Alarm Monitoring Expense | 595.00     | 766.67     | 171.67      | 22.39%     | 5,950.00   | 6,666.68   | 716.68      | 10.75%     | 8,200.02      |
| Comcast Internet Blast        | 329.82     | 375.00     | 45.18       | 12.05%     | 3,298.20   | 3,750.00   | 451.80      | 12.05%     | 4,500.00      |
| Pool                          | 550.00     | 572.00     | 22.00       | 3.85%      | 3,134.04   | 4,388.00   | 1,253.96    | 28.58%     | 5,532.00      |
| Pool Labor                    | 0.00       | 915.00     | 915.00      | 100.00%    | 8,362.50   | 7,020.00   | -1,342.50   | -19.12%    | 8,850.00      |
| Laundry                       | 2,337.70   | 2,340.00   | 2.30        | 0.10%      | 23,377.00  | 23,400.00  | 23.00       | 0.10%      | 28,080.00     |
| Pool House Cleaning           | 0.00       | 416.66     | 416.66      | 100.00%    | 2,640.00   | 4,166.68   | 1,526.68    | 36.64%     | 5,000.00      |
| Maintenance Labor             | 0.00       | 0.00       | 0.00        | 0.00%      | 1,953.75   | 4,000.02   | 2,046.27    | 51.16%     | 4,900.02      |
| Contingency Expense           | 0.00       | 476.26     | 476.26      | 100.00%    | 0.00       | 5,362.60   | 5,362.60    | 100.00%    | 6,315.12      |
| Bad Debt Expense              | 0.00       | 0.00       | 0.00        | 0.00%      | 0.00       | 300.00     | 300.00      | 100.00%    | 350.00        |
| Insurance Claim Expense       | 4,246.79   | 0.00       | -4,246.79   | 0.00%      | 41,955.66  | 0.00       | -41,955.66  | 0.00%      | 0.00          |
| Reserve Funding-Exp           | 9,000.00   | 9,000.00   | 0.00        | 0.00%      | 83,292.00  | 83,292.00  | 0.00        | 0.00%      | 101,292.00    |
| Boiler/heating System         | 0.00       | 0.00       | 0.00        | 0.00%      | 2,005.42   | 0.00       | -2,005.42   | 0.00%      | 0.00          |
| Reserve Study                 | 0.00       | 0.00       | 0.00        | 0.00%      | 5,688.00   | 0.00       | -5,688.00   | 0.00%      | 0.00          |
| Parking Lot Repairs           | 0.00       | 0.00       | 0.00        | 0.00%      | 18,500.00  | 0.00       | -18,500.00  | 0.00%      | 0.00          |
| Garage-Reserve Exp            | 0.00       | 0.00       | 0.00        | 0.00%      | 8,884.13   | 0.00       | -8,884.13   | 0.00%      | 0.00          |

# KBA Income Statement

| Account Name                      | MTD Actual         | MTD Budget       | MTD \$ Var.        | MTD % Var.             | YTD Actual          | YTD Budget        | YTD \$ Var.        | YTD % Var.          | Annual Budget     |
|-----------------------------------|--------------------|------------------|--------------------|------------------------|---------------------|-------------------|--------------------|---------------------|-------------------|
| Roof                              | 98,390.00          | 0.00             | -98,390.00         | 0.00%                  | 125,860.00          | 0.00              | -125,860.00        | 0.00%               | 0.00              |
| Meter Project Reserve Expense     | 0.00               | 0.00             | 0.00               | 0.00%                  | 228,152.31          | 0.00              | -228,152.31        | 0.00%               | 0.00              |
| Fire Alarms-Reserve Exp           | 49,008.00          | 0.00             | -49,008.00         | 0.00%                  | 55,286.00           | 0.00              | -55,286.00         | 0.00%               | 0.00              |
| Misc expense                      | 193.75             | 0.00             | -193.75            | 0.00%                  | 194.25              | 0.00              | -194.25            | 0.00%               | 0.00              |
| <b>Total Operating Expense</b>    | <b>211,958.11</b>  | <b>68,667.99</b> | <b>-145,290.12</b> | <b>-217.93%</b>        | <b>1,150,430.33</b> | <b>682,553.32</b> | <b>-457,877.01</b> | <b>-66.11%</b>      | <b>825,897.63</b> |
| Total Operating Income            | 74,273.94          | 66,668.67        | 7,605.27           | 11.41%                 | 846,656.17          | 692,606.70        | 154,049.47         | 22.24%              | 825,944.04        |
| Total Operating Expense           | 211,958.11         | 68,667.99        | -145,290.12        | -217.93%               | 1,150,430.33        | 692,553.32        | -457,877.01        | -66.11%             | 825,897.63        |
| <b>NOI - Net Operating Income</b> | <b>-137,684.17</b> | <b>0.68</b>      | <b>-137,684.85</b> | <b>-20,247,772.06%</b> | <b>-303,774.16</b>  | <b>53.38</b>      | <b>-303,827.54</b> | <b>-569,178.61%</b> | <b>46.41</b>      |
| Total Income                      | 74,273.94          | 66,668.67        | 7,605.27           | 11.41%                 | 846,656.17          | 692,606.70        | 154,049.47         | 22.24%              | 825,944.04        |
| Total Expense                     | 211,958.11         | 68,667.99        | -145,290.12        | -217.93%               | 1,150,430.33        | 692,553.32        | -457,877.01        | -66.11%             | 825,897.63        |
| <b>Net Income</b>                 | <b>-137,684.17</b> | <b>0.68</b>      | <b>-137,684.85</b> | <b>-20,247,772.06%</b> | <b>-303,774.16</b>  | <b>53.38</b>      | <b>-303,827.54</b> | <b>-569,178.61%</b> | <b>46.41</b>      |





**Knightsbridge Arms Condominium Assoc**

Nashua, NH

Level of Service: "Full"

Report #: 46958-0

# of Units: 288

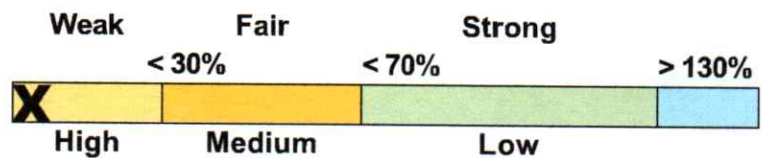
January 1, 2024 through December 31, 2024

**Findings & Recommendations**

as of January 1, 2024

|   |             |
|---|-------------|
| Starting Reserve Balance .....                          | \$76,110    |
| Currently Fully Funded Reserve Balance .....            | \$3,542,872 |
| Average Reserve Deficit (Surplus) Per Unit .....        | \$12,037    |
| Percent Funded .....                                    | 2.1 %       |
| Recommended 2024 Monthly "Full Funding" Amount .....    | \$37,110    |
| Recommended 2024 Special Assessments for Reserves ..... | \$145,000   |
| Budgeted 2023 Reserve Funding .....                     | \$9,000     |

Reserve Fund Strength: 2.1%



Risk of Special Assessment:

**Economic Assumptions:**

|   |        |
|---|--------|
| Net Annual "After Tax" Interest Earnings Accruing to Reserves ..... | 2.00 % |
| Annual Inflation Rate .....   | 3.00 % |

This is a(n) "Full", Reserve Study (original, created "from scratch"), based on our site inspection on 4/17/2023.

This Reserve Study was prepared by a credentialed Reserve Specialist (RS).

Your Reserve Fund is currently at 2.1 % Funded. Being below 5% Funded represents a weak Reserve position. Associations in this range have a High risk of Reserve cash-flow problems (such as special assessments and/or deferred maintenance) in the near future.

Based on this starting point, your anticipated future expenses, and your historical Reserve funding rate, our recommendation is to increase your Reserve funding from \$9,000 annually to \$37,110 annually and to implement a special assessment of \$145,000 which equals \$500 per home.

Your multi-year Funding Plan is designed so you can perform your Reserve projects in a timely manner and gradually bring your association closer to the "Fully Funded" (100%) level.

| #                           | Component                          | Useful Life<br>(yrs) | Rem.<br>Useful Life<br>(yrs) | Current<br>Average<br>Cost |
|-----------------------------|------------------------------------|----------------------|------------------------------|----------------------------|
| <b>Asphalt</b>              |                                    |                      |                              |                            |
| 2220                        | Asphalt - Resurface                | 28                   | 1                            | \$963,000                  |
| 2230                        | Asphalt - Repair/Seal              | 4                    | 0                            | \$40,550                   |
| <b>Roof &amp; Exterior</b>  |                                    |                      |                              |                            |
| 2125                        | Tuck Pointing - Repair             | 10                   | 9                            | \$269,000                  |
| 2410                        | Building Mansard Roof -Rpr/Replace | 30                   | 12                           | \$327,536                  |
| 2410                        | Garage Mansard Roof - Rpr/Replace  | 30                   | 12                           | \$117,000                  |
| 2420                        | Building Rubber Roof - Replace     | 20                   | 7                            | \$940,000                  |
| 2425                        | Garage Rubber Roof - Replace       | 20                   | 10                           | \$674,500                  |
| 2450                        | Office Shingle Roof - Replace      | 25                   | 17                           | \$12,250                   |
| 2490                        | Chimney Caps - Replace             | 25                   | 5                            | \$72,000                   |
| 2525                        | Wood Siding - Repair               | 5                    | 2                            | \$147,788                  |
| 2530                        | Vinyl Siding A - Replace           | 30                   | 15                           | \$186,500                  |
| 2530                        | Vinyl Siding B - Replace           | 30                   | 16                           | \$186,500                  |
| 2530                        | Vinyl Siding C - Replace           | 30                   | 17                           | \$186,500                  |
| <b>Fence &amp; Railings</b> |                                    |                      |                              |                            |
| 2570                        | Railing Exterior - Replace         | 30                   | 14                           | \$87,050                   |
| 2570                        | Railing Interior - Replace         | 30                   | 20                           | \$65,850                   |
| 5552                        | Split Rail Fencing - Replace       | 15                   | 1                            | \$5,650                    |
| 5570                        | Basketball Court Fence - Replace   | 30                   | 1                            | \$3,750                    |
| 5570                        | Chain Link Fence - Replace         | 30                   | 1                            | \$13,500                   |
| 5570                        | Playground Fence - Replace         | 30                   | 3                            | \$2,100                    |
| 5570                        | Pool Fence - Replace               | 30                   | 9                            | \$9,000                    |
| 5570                        | Tennis Court Fence - Replace       | 30                   | 1                            | \$11,000                   |
| <b>Pool &amp; Equipment</b> |                                    |                      |                              |                            |
| 3050                        | Main Pool Vinyl Liners - Replace   | 7                    | 0                            | \$4,400                    |
| 3050                        | Wading Pool Vinyl Liners - Replace | 7                    | 0                            | \$4,400                    |
| 5812                        | Pool Filter - Replace              | 10                   | 5                            | \$2,400                    |
| 5817                        | Pool Pump - Replace                | 10                   | 1                            | \$2,000                    |
| 5850                        | Salt Water Generator               | 10                   | 1                            | \$3,250                    |
| 5930                        | Main Pool Cover - Replace          | 10                   | 1                            | \$4,000                    |
| 5930                        | Wading Pool Cover - Replace        | 10                   | 1                            | \$4,000                    |
| <b>Doors &amp; Windows</b>  |                                    |                      |                              |                            |
| 2317                        | Garage Doors - Repaint             | 25                   | 14                           | \$172,500                  |
| 2600                        | Laundry Doors - Replace            | 25                   | 17                           | \$10,050                   |
| 2600                        | Side Doors - Replace               | 25                   | 8                            | \$14,700                   |
| 2600                        | Water Heater Doors - Replace       | 25                   | 10                           | \$15,650                   |
| 2605                        | Entry Doors - Replace              | 25                   | 11                           | \$32,400                   |

| #                                      | Component                           | Useful Life<br>(yrs) | Rem.<br>Useful Life<br>(yrs) | Current<br>Average<br>Cost |
|--|-------------------------------------|----------------------|------------------------------|----------------------------|
| 2740                                   | Windows - Repair/Replace            | 35                   | 4                            | \$27,500                   |
| 2740                                   | Windows - Repair/Replace            | 35                   | 34                           | \$27,500                   |
| 3125                                   | Fire Doors - Replace                | 30                   | 10                           | \$100,000                  |
| <b>Lighting Fixtures</b>               |                                     |                      |                              |                            |
| 5015                                   | Lamp Posts - Replace                | 20                   | 5                            | \$57,500                   |
| 5032                                   | Entry Light Sconces - Replace       | 20                   | 17                           | \$11,250                   |
| 5040                                   | Wall Pack Lights - Replace          | 20                   | 18                           | \$29,250                   |
| 5050                                   | Ceiling Lights - Replace            | 20                   | 12                           | \$27,000                   |
| 5050                                   | Garage Lights - Replace             | 20                   | 8                            | \$16,900                   |
| 5054                                   | Balcony Lights - Replace            | 20                   | 7                            | \$54,000                   |
| 5060                                   | Exit Lights - Replace               | 20                   | 13                           | \$20,250                   |
| <b>Clubhouse/Office</b>                |                                     |                      |                              |                            |
| 2740                                   | Clubhouse Windows - Repair/Replace  | 35                   | 13                           | \$5,000                    |
| 4600                                   | Clubhouse HVAC Systems - Replace    | 20                   | 11                           | \$3,500                    |
| 5555                                   | Clubhouse Deck Railings - Replace   | 20                   | 1                            | \$1,350                    |
| 5700                                   | Restrooms - Major Refurbish         | 20                   | 1                            | \$12,500                   |
| 6340                                   | Clubhouse Deck (Rear) - Replace     | 9                    | 1                            | \$4,000                    |
| 6350                                   | Clubhouse Deck (Front) - Replace    | 30                   | 16                           | \$4,000                    |
| <b>Interior</b>                        |                                     |                      |                              |                            |
| 2330                                   | Painting - Repaint                  | 10                   | 2                            | \$174,000                  |
| 3020                                   | Carpet - Replace                    | 10                   | 4                            | \$200,000                  |
| 3170                                   | Drop Ceiling - Repair               | 20                   | 15                           | \$133,500                  |
| 3710                                   | Laundry Room Flooring - Replace     | 15                   | 10                           | \$11,900                   |
| <b>Common Area &amp; Miscellaneous</b> |                                     |                      |                              |                            |
| 2720                                   | Address Signs - Replace             | 20                   | 15                           | \$5,000                    |
| 3349                                   | Whirley Bird Vents - Replace        | 20                   | 8                            | \$38,400                   |
| 4695                                   | Sub-Meters - Replace                | 15                   | 14                           | \$129,700                  |
| 4800                                   | Fire Control Panel - Replace        | 20                   | 19                           | \$55,000                   |
| 4820                                   | Fire Extinguisher Cabinet - Replace | 20                   | 12                           | \$26,500                   |
| 5370                                   | Entry Intercom System - Replace     | 15                   | 14                           | \$30,500                   |
| 6000                                   | Play Structure - Replace            | 20                   | 3                            | \$30,000                   |
| 6010                                   | Swing Set - Replace                 | 20                   | 1                            | \$5,750                    |
| 6280                                   | Mailboxes - Replace                 | 20                   | 19                           | \$42,950                   |
| 6500                                   | Tennis Court - Refurbish            | 6                    | 1                            | \$12,000                   |
| 6520                                   | Basketball Court - Refurbish        | 10                   | 1                            | \$40,000                   |
| 6805                                   | Monument Sign - Replace/Refurbish   | 20                   | 16                           | \$6,250                    |
| 6900                                   | Constant Pressure Controller        | 12                   | 7                            | \$9,600                    |
| 6900                                   | Irrigation Controllers - Replace    | 12                   | 6                            | \$7,000                    |
| 7100                                   | Well with 2 Pumps - Rehab           | 30                   | 15                           | \$5,000                    |
| <b>Water Heaters</b>                   |                                     |                      |                              |                            |
| 4570                                   | AO Smith Water Heater - Replace     | 20                   | 0                            | \$1,750                    |
| 4570                                   | GE Smart Water Heater - Replace     | 20                   | 3                            | \$1,750                    |

| #    | Component                       | Useful Life<br>(yrs) | Rem.<br>Useful Life<br>(yrs) | Current<br>Average<br>Cost |
|------|---------------------------------|----------------------|------------------------------|----------------------------|
| 4570 | GE Smart Water Heater - Replace | 20                   | 3                            | \$1,750                    |
| 4570 | GE Smart Water Heater - Replace | 20                   | 3                            | \$1,750                    |
| 4570 | GE Smart Water Heater - Replace | 20                   | 3                            | \$1,750                    |
| 4570 | GE Smart Water Heater - Replace | 20                   | 4                            | \$1,750                    |
| 4570 | Rheem Water Heater - Replace    | 20                   | 13                           | \$1,750                    |
| 4570 | Rheem Water Heater - Replace    | 20                   | 14                           | \$1,750                    |
| 4570 | Rheem Water Heater - Replace    | 20                   | 14                           | \$1,750                    |
| 4570 | Rheem Water Heater - Replace    | 20                   | 15                           | \$1,750                    |
| 4570 | State Water Heater - Replace    | 20                   | 17                           | \$1,750                    |
| 4570 | State Water Heater - Replace    | 20                   | 18                           | \$1,750                    |

**80 Total Funded Components**

Note 1: Yellow highlighted line items are expected to require attention in this initial year.