

RESERVE STUDY UPDATE

THE GAYLE
516 East Thomas Street
Seattle, Washington
Number of Units: 14

February 27, 2012



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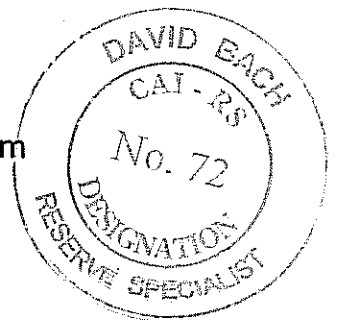


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Executive Summary

Executive Summary

February 27, 2012

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Proper Name of Association: The Gayle Condominium Association

Physical Location: 516 East Thomas Street, Seattle, WA

Nonprofit – Date of Incorporation: 5/21/2010

Number of Buildings: 1 Number of Units: 14

Year of Construction: 1912 / Condominium Conversion 1978

2012 Starting Reserve Balance: \$16,403

Current Monthly Reserve Contribution: \$521.70

A \$5,200 special assessment was due February 1, 2012, No other special assessments are currently planned for 2012.

<u>CURRENT 2012 CONTRIBUTION</u>	
<u>\$65.21</u>	Average Monthly per Unit (based on 14 units)
<u>\$782.57</u>	Average Annual per Unit (based on 14 units)
<u>\$913.00</u>	Association Monthly
<u>\$10,956.00</u>	Association Annual

Based on funding requirements for the future repair and/or replacement of common area components, the Fully Funded, or "Ideal Balance," of the Reserve Fund for the beginning of year 2012 is \$115,705. The actual starting balance is \$16,403, which is 14% of the ideal. No reserve expenditures are currently scheduled or anticipated for 2012. Interior hall and stair carpet and painting; intercom repair; and plumbing piping and boiler work are currently scheduled for 2013 at an estimated cost of \$26,952.

With a 2012 starting balance of \$16,403 and an annual contribution of \$10,956, the reserve account may be depleted by 2019 increasing the risk of supplementing repairs and replacements through ongoing special assessments.

In January 2012, the Washington State Legislature enacted changes to RCW 64.34.380 requiring a reserve study to include:

1. A contribution rate for a fully funded plan to achieve 100% fully funded reserves by the end of the thirty year study period

FULLY FUNDED CONTRIBUTION RATE with a 1% annual rate increase

\$122.02	Average monthly per unit
\$1,464.29	Average annually per unit
\$1,708.33	Association monthly
\$20,500.00	Association annual

2. A baseline funding plan to maintain the reserve balance above zero throughout the thirty year study plan without special assessments

BASELINE FUNDING PLAN

\$125.10	Average monthly per unit
\$1,501.14	Average annually per unit
\$1,751.33	Association monthly
\$21,016.00	Association annual

3. A contribution rate recommended by a reserve study professional

RECOMMENDED CONTRIBUTION RATE

\$130.84	Average monthly per unit
\$1,570.07	Average annually per unit
\$1,831.75	Association monthly
\$21,981.00	Association annual

RECOMMENDATION:

Contribute \$21,981 to Reserves annually, through the study term. The recommended increase will provide for a fair and stable contribution, insure that adequate funds are available as needed, and reduce the risk of special assessments.

Introduction
Description of Property
Methodology
Assumptions & Clarifications
Reserve Study Terms

INTRODUCTION

The Community Associations Institute, CAI, a non-profit association created in 1973 to educate and represent the nation's growing number of community associations, condominium associations, homeowner associations and cooperatives, defines a reserve study as a combination of:

(1) The information about the physical status and the repair/replacement cost of the major common area components the association is obligated to maintain (Physical Analysis), and

(2) The evaluation and analysis of the association's Reserve balance, income, and expenses (Financial Analysis)

In June 2008, the Washington State Legislature enacted RCW 64.34.380, requiring all condominium associations have reserve studies prepared and establish reserve accounts. Specifically, this law:

- Encourages associations to establish a reserve account with a financial institution to fund major maintenance, repair, and replacement of common elements, including limited common elements that will require major maintenance, repair, or replacement within thirty years. If the association establishes a reserve account, the account must be in the name of the association. The board of directors is responsible for administering the reserve account.
- Provides that associations shall prepare and update a reserve study. The initial reserve study must be based upon a visual site inspection conducted by a reserve study professional.
- Provides that associations shall update the reserve study annually. At least every three years, an updated reserve study must be prepared and based upon a visual site inspection conducted by a reserve study professional.

There are three levels of Reserve Funding Analysis and Plans available:

LEVEL 1: FULL RESERVE STUDY FUNDING ANALYSIS & PLAN

A Reserve Study in which the following five Reserve Study tasks are performed:

- Component Inventory
- Condition Assessment (based on visual site observations)
- Life and Valuation Estimates
- Funding Status
- Funding Plan

LEVEL 2: UPDATE WITH VISUAL SITE INSPECTION

A Reserve Study update in which the following five Reserve Study tasks are performed:

- Component Inventory (verification only, no quantification)
- Condition Assessment (based on visual site observations)
- Life and Valuation Estimates
- Funding Status
- Funding Plan

LEVEL 3: UPDATE WITH NO VISUAL SITE INSPECTION

A Reserve Study update with no site visual observations in which the following three Reserve Study tasks are performed:

- Life and Valuation Estimates
- Funding Status
- Funding Plan

This **LEVEL 3: UPDATE WITH NO VISUAL SITE INSPECTION** was conducted at the request of the Association's Board of Directors The Gayle Condominium Association, Seattle, Washington. The Association's Board of Directors has a fiduciary responsibility to maintain the community in a good state of repair and to protect the Association from financial hardship. A long range-plan should be initiated to provide adequate funding for maintenance repairs and/or replacements of common area components. This reserve analysis will help the Association:

- Comply with RCW 64.34.380.
- Ensure adequate funds are available for future major repair and replacements.
- Maintain the community in a good state of repair.
- Reduce special assessments or borrowing.
- Protect property value and enhance your ability to obtain loans or sell.
- Establish a fair contribution for current and future owners.
- Comply with the American Institute of Certified Public Accountants (AICPA) disclosure requirements for reserves.

GENERAL DESCRIPTION OF PROPERTY

The following description is general in nature. A detailed description of the property is not included as a part of this report. The Gayle is a small common interest development that was originally built as an apartment building in 1912 and converted to a condominium in 1978. The property is located at 516 East Thomas Street, Seattle, Washington. A single, four-story building houses a total of fourteen individual residences. Exterior finishes include brick cladding, wood framed windows, and torch down asphalt composition roof.

METHODOLOGY

This Reserve Study was prepared with the assistance of a Reserve Study Professional. In preparation for this Reserve Study, a review was made of:

- 2011 / 2012 financial information provided by Board of Directors
- Additional reserve expenditure information provided by the Board

The actual and projected Reserve Balance totals presented in the study are based upon information provided and was not audited.

No onsite visit was made or inspection of common elements performed in preparation of this Level III Reserve Study Update. Any component with a remaining useful life of over thirty years, or a replacement cost of less than \$300.00, was not included in the study.

Adjusted Useful Life, Remaining Useful Life, and Current Replacement Cost of each component appropriate for reserve funding were established using information entered into a Commercial Cost & Useful Life Database. The data is based upon industry standards, manufacturer's specifications, and/or the actual repair and replacement costs to similar residential and commercial properties. Costs of repairing or replacing components can vary greatly depending on current labor costs, material costs, and the conditions of the component. Wherever possible, actual quotes from local contractors were used as a comparison.

In addition, the following information was compiled. The information was used to assist in developing the parameters for Reserve Study calculations:

- Thirty year analysis to be covered in the study.
- A Reserve Component list, including roofing, painting, paving, decks, siding, plumbing, windows, and any other reserve component that would cost more than one percent of the annual budget for major maintenance, repair, or replacement; quantities and estimates for the Useful Life of each Reserve Component, Remaining Useful Life of each

Reserve Component, and Current Repair and Replacement Cost for each Component.

- The association's Current Reserve Balance.
- Current rate of investment on Reserve Fund.
- The Percentage of the Fully Funded Balance that the Reserve Account is funded.
- Special Assessments already implemented or planned.
- Tax rate applied to interest or dividends earned on the invested reserve funds.
- Interest and Inflation assumptions.
- Current Reserve Account Contribution Rate.
- Recommended reserve account contribution rate the association can reasonably adopt, a contribution rate for a full funding plan to achieve one hundred percent fully funded reserves by the end of the thirty-year study period, a baseline funding plan to maintain the reserve balance above zero throughout the thirty-year study period without special assessments, and David Bach & Associates recommended reserve account contribution rate.
- Projected Reserve Account Balance for thirty years and a funding plan to pay for projected costs from those reserves without reliance on future unplanned Special Assessments.
- Date of Fiscal Year End (FYE).

The year 2012 Starting Reserve Balance was provided by the Board of Directors and not audited.

Current and projected inflation rates for construction costs were based on average inflation rates over the past twenty year period.

This information, including data from the component inventory, was then entered into a Reserve Study Funding Plan computer program. The program calculates the necessary monthly and annual reserve contribution, projected annual expenditures for repair and replacement of identified components, percent funded, and reserve account balances for the analysis period.

All applicable spreadsheets, expenditure graph, and funding charts were developed. In addition, Supplementary Information on Future Major Repairs and Replacement, (AICPA) accountant's summary report was prepared.

ASSUMPTION & CONSIDERATIONS

Assumptions were made based on the following information used to develop the parameters for the Reserve Study calculations:

Number of analysis years to be covered in the study:	30
Number of Units:	14
Year 2012 Starting Reserve Balance:	\$16,403
Current rate of investment on reserve fund:	0.00%
Tax rate applied to interest or dividends earned on the invested funds:	0%
Current and projected inflation rate for construction costs:	3%
Contribution increase the Association can reasonably adopt:	_____

No relationship exists between David Bach & Associates, LLC and the client which could result in a conflict of interest.

Every reasonable effort has been made to insure that the data obtained in this report is based on accurate information. The nature of this study requires assumptions be made about future events which may or may not occur as predicted. The study must be viewed in light of circumstances existing at the actual time of the study. In addition, the cost of repairing or replacing components can vary greatly depending on current labor costs, material costs, and the conditions of the component. This Reserve Study Funding Plan is a **budgeting tool to be used for general planning purposes only**. As the component nears the end of its useful life, estimates from qualified contractors should be obtained.

In conclusion, this study should be regarded as a guideline for developing sound business decisions to insure that adequate funds will be accumulated in anticipation of major repair and/or replacement projects. It is recommended that you review your reserve plan on an annual basis and make adjustments as necessary.

DISCLOSURE PER RCW 64.34.382(3):

This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair, or replacement of a reserve component.

David Bach & Associates, LLC has earned the Community Association Institute's **Reserve Specialist Designation**, the only national credential for community association reserve study providers. The **RS** designation is awarded to experienced, qualified professionals who help condominium, co-operative, and homeowner associations plan for long-term repair and replacement of major components. The Reserve Specialist Designation Review Board recognizes David Bach's professionalism and dedication to the highest standard of reserve study preparation. **RS** designees must adhere to CAI's Professional Reserve Specialist Code of Ethics. David Bach is also an Honored Member in good standing with the Association of Professional Reserve Analysts.

RESERVE STUDY TERMS

ACCUMULATED RESERVE BALANCE:	The anticipated reserve balance on the first day of the fiscal year for which the report has been prepared.
ALLOCATION (Net Monthly)	The sum of the monthly contribution and interest contribution figures.
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 item is replaced.
BASELINE FUNDING PLAN:	Establishing a reserve funding goal of maintaining a reserve account balance above zero dollars throughout the thirty-year study period described under RCW 64.34.380.
CASH FLOW FUNDING PLAN SUMMARY:	An alternative funding method (vs. the one proposed from the funding plan computation). In general, it examines and projects the reserving needs (ie., contributions and expenditures) over many years, combining funds from all components, in order to establish a stable annual contribution. The advantage of performing a cash flow analysis is that it allows you to customize your funding plan and it usually generates a lower starting contribution. However, you must monitor your reserve balance as it may drop to a very low level. Your risk of being under funded generally increases when using this type of funding computation.
CONTRIBUTION RATE:	The amount contributed to the reserve account so that the association will have cash reserves to pay major maintenance, repair, or replacement costs without the need of a special assessment.
CURRENT RESERVE FUNDS:	The amount currently held in reserve for repair and replacement of components, with funds being allocated to projects with the shortest remaining useful life first.
EFFECTIVE AGE:	The difference between the estimated useful life and remaining useful life.

EXPENDITURES:

Disbursement of reserve funds for repair or replacement of reserve study identified components.

FISCAL YEAR ENDING (FYE):

The Budgetary year for which the report is prepared. For Associations with fiscal years ending December 31st, the monthly contribution figures indicated are for the twelve-month period beginning 1/1/XX and ending 12/31/XX.

FULL FUNDING PLAN:

Setting a reserve funding goal of achieving one hundred percent fully funded reserves by the end of the thirty-year study period described under RCW 64.34.380, in which the reserve account balance equals the sum of the deteriorated portion of all reserve components.

FULLY FUNDED BALANCE:

The current value of the deteriorated portion, not the total replacement value, of all the reserve components. The fully funded balance for each reserve component is calculated by multiplying the current replacement cost of that reserve component by its effective age, then dividing the result by that reserve component's useful life. The sum total of all reserve components' fully funded balance is the association's fully funded balance.

IDEAL BALANCE:

The basis to any reserve funding plan first starts with computing the ideal balance. The ideal balance is the benchmark against which the standard or cash flow calculations can be compared. The formula for the ideal balance is:

$$\text{Ideal Balance} = (\text{Current Age} / \text{Useful Life}) \times \text{Current Cost}$$

Inflation and interest are also calculated into the basic formula.

INFLATION:

Cost factors are adjusted for inflation at the rate defined in the Funding Plan Summary, compounded annually.

MONTHLY CONTRIBUTION:

The assessment for reserves required by the association each month.

PERCENT FUNDED:	This ratio tells you how your reserve fund compares to the ideal balance. For example, if the ideal balance is \$1,000 and your reserve fund has \$500, you are 50% funded.
REMAINING USEFUL LIFE:	The estimated time, in years, before a reserve component will require major maintenance, repair, or replacement to perform its intended function.
REPLACEMENT COST:	The current cost of replacing, repairing, or restoring a reserve component to its original functional condition.
RESERVE COMPONENTS:	Common elements whose cost of maintenance, repair, or replacement is infrequent, significant, and impractical to include in an annual budget.
RESERVE STUDY PROFESSIONAL:	An independent person suitably qualified by knowledge, skill, experience, training, or education to prepare a reserve study in accordance with RCW 64.34.380 and 64.34.382.
SIGNIFICANT ASSETS:	The current total cost of major maintenance, repair, and replacement of the reserve components is fifty percent or more of the gross budget of the association, excluding reserve account funds.
STARTING BALANCE FUNDS DISTRIBUTION:	A listing of how the starting balance is distributed to each reserve item. The first year's contribution for each item is listed.
STRAIGHT LINE CALCULATIONS & FUNDING MODEL:	The most conservative method for Reserve Funding. It assures that the association will achieve and maintain an ideal level of reserves for the analysis period.
TAXES LIABILITY:	The estimated percentage of interest income which will be set-aside for taxes.
USEFUL LIFE:	The estimated time, between years, that major maintenance, repair, or replacement is estimated to occur.

Component List
Annual Expenditures
Funding Plan Summaries

Worksheet

February 27, 2012

Sorted Alphabetically
THE GAYLE

Item Description	Sub-Group	Number Of Items	Item Type	Item Cost	%	Item Cost Built	Total Year Useful Life	Life Adj	Year Life	One Replace Left	Time?
Balcony/Landing/Railing Allowance	75	0	1 Allowance	10,300.000	100	10,300 2010	15	0	2025	13	no
Boiler	80	0	1 Allowance	7,725.000	100	7,725 1978	35	0	2013	1	no
Electrical Service & Wiring Allowance	80	0	1 Allowance	30,900.000	100	30,900 1918	99	1	2018	6	no
Fire Extinguisher Cabinets	70	0	1 Allowance	824.000	100	824 1998	20	0	2018	6	no
Flooring - Hallway Carpet	70	0	100 Square Yard	43,260	100	4,326 2003	8	2	2013	1	no
Flooring - Stair Carpet	70	0	35 Square Yard	44,290	100	1,550 2003	8	2	2013	1	no
Lighting - Emergency Backup & Exit	50	0	1 Allowance	1,236.000	100	1,236 2000	30	0	2030	18	no
Lighting - Exterior Fixtures	50	0	1 Allowance	515.000	100	515 1998	22	0	2020	8	no
Lighting - Interior Common Fixtures	50	0	1 Allowance	1,390.500	100	1,391 2000	25	0	2025	13	no
Mailboxes - Apartment Style, Wall Units	100	0	1 Allowance	772.500	100	773 1998	25	0	2023	11	no
Paint - Exterior Entryway & Stairway	30	0	1 Allowance	2,369.000	100	2,369 2009	7	0	2016	4	no
Paint - Exterior Wood Window Frames/Trim	30	0	1 Allowance	8,755.000	100	8,755 2003	10	0	2013	1	no
Paint - Exterior, Concrete Wall	30	0	1 Allowance	1,648.000	100	1,648 2004	10	0	2014	2	no
Paint - Interior Common Areas	30	0	1 Allowance	9,270.000	100	9,270 2009	7	0	2016	4	no
Plumbing - Hot Water Tank	80	0	1 Allowance	7,004.000	100	7,004 2010	16	0	2026	14	no
Plumbing - Piping Retrofit Allowance	80	0	1 Allowance	2,575.000	100	2,575 2007	4	2	2013	1	no
Roofing Replacement	20	0	1 Allowance	15,862.000	100	15,862 2008	18	0	2026	14	no
Security - Intercom System Remote Station	70	0	1 Allowance	1,236.000	100	1,236 1997	16	0	2013	1	no
Skylights	100	0	1 Allowance	463.500	100	464 2000	15	0	2015	3	no
Tuck Point & Refurbish Brick Wall	75	0	1 Allowance	51,500.000	100	51,500 1978	30	10	2018	6	no
Window Replacement Allowance	70	0	1 Allowance	7,914.520	100	7,915 2010	4	0	2014	2	no
Total	21 items										

Annual Expenditures

February 27, 2012

THE GAYLE

Year	Amount	Item Description
2013	7,957	Boiler
	4,456	Flooring - Hallway Carpet
	1,597	Flooring - Stair Carpet
	9,018	Paint - Exterior Wood Window Frames/Trim
	2,652	Plumbing - Piping Retrofit Allowance
	1,273	Security - Intercom System Remote Station
	<u>26,952</u>	
2014	1,748	Paint - Exterior, Concrete Wall
	8,397	Window Replacement Allowance
	<u>10,145</u>	
2015	506	Skylights
	<u>506</u>	
2016	2,666	Paint - Exterior Entryway & Stairway
	10,433	Paint - Interior Common Areas
	<u>13,100</u>	
2017	2,985	Plumbing - Piping Retrofit Allowance
	<u>2,985</u>	
2018	984	Fire Extinguisher Cabinets
	61,494	Tuck Point & Refurbish Brick Wall
	9,450	Window Replacement Allowance
	36,896	Electrical Service & Wiring Allowance
	<u>108,824</u>	
2020	652	Lighting - Exterior Fixtures
	<u>652</u>	

Annual Expenditures

February 27, 2012

THE GAYLE

Year	Amount	Item Description
2021	5,644	Flooring - Hallway Carpet
	2,023	Flooring - Stair Carpet
	3,360	Plumbing - Piping Retrofit Allowance
	<u>11,027</u>	
2022	10,636	Window Replacement Allowance
	<u>10,636</u>	
2023	1,069	Mailboxes - Apartment Style, Wall Units
	3,279	Paint - Exterior Entryway & Stairway
	12,119	Paint - Exterior Wood Window Frames/Trim
	12,832	Paint - Interior Common Areas
	<u>29,299</u>	
2024	2,350	Paint - Exterior, Concrete Wall
	<u>2,350</u>	
2025	15,126	Balcony/Landing/Railing Allowance
	2,042	Lighting - Interior Common Fixtures
	3,781	Plumbing - Piping Retrofit Allowance
	<u>20,949</u>	
2026	10,594	Plumbing - Hot Water Tank
	23,993	Roofing Replacement
	11,971	Window Replacement Allowance
	<u>46,558</u>	
2029	7,150	Flooring - Hallway Carpet
	2,562	Flooring - Stair Carpet
	4,256	Plumbing - Piping Retrofit Allowance
	2,043	Security - Intercom System Remote Station
	<u>16,011</u>	

Annual Expenditures

February 27, 2012

THE GAYLE

Year	Amount	Item Description
2030	2,104	Lighting - Emergency Backup & Exit
	4,033	Paint - Exterior Entryway & Stairway
	15,782	Paint - Interior Common Areas
	789	Skylights
	13,474	Window Replacement Allowance
	<u>36,182</u>	
2033	16,287	Paint - Exterior Wood Window Frames/Trim
	4,790	Plumbing - Piping Retrofit Allowance
	<u>21,077</u>	
2034	3,158	Paint - Exterior, Concrete Wall
	15,165	Window Replacement Allowance
	<u>18,323</u>	
2037	9,058	Flooring - Hallway Carpet
	3,246	Flooring - Stair Carpet
	4,960	Paint - Exterior Entryway & Stairway
	19,409	Paint - Interior Common Areas
	5,391	Plumbing - Piping Retrofit Allowance
	<u>42,064</u>	
2038	1,777	Fire Extinguisher Cabinets
	17,068	Window Replacement Allowance
	<u>18,845</u>	
2040	23,566	Balcony/Landing/Railing Allowance
	<u>23,566</u>	
2041	6,068	Plumbing - Piping Retrofit Allowance
	<u>6,068</u>	

Annual Expenditures*February 27, 2012***THE GAYLE**

Year	Amount	Item Description
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Total:		466,122
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CURRENT FUNDING PLAN

Funding Plan Summary (Cash Flow)

February 27, 2012

THE GAYLE

Year	Percent Funded	Unadjusted Ideal Balance	Inflation Adjusted Ideal Bal	Contrib Increase Rate	Starting Balance	Annual Contribution	Interest Income	Tax Liability	Inflation Adjusted Expenditures	Unadjusted Expenditures
2012	14%	115,705	115,705	0.00%	16,403	10,956	2	0	0	0
2013	21%	125,527	129,293	0.00%	27,361	10,956	1	0	(26,952)	(26,167)
2014	10%	109,543	116,214	0.00%	11,366	10,956	1	0	(10,145)	(9,563)
2015	10%	110,164	120,379	0.00%	12,177	10,956	2	0	(506)	(464)
2016	17%	119,884	134,930	0.00%	22,629	10,956	2	0	(13,100)	(11,639)
2017	15%	118,428	137,290	0.00%	20,486	10,956	2	0	(2,985)	(2,575)
2018	19%	126,036	150,494	0.00%	28,460	10,956	-7	0	(108,824)	(91,138)
2019	-124%	45,513	55,975	0.00%	-69,416	10,956	-6	0	0	0
2020	-82%	56,129	71,102	0.00%	-58,467	10,956	-5	0	(652)	(515)
2021	-56%	66,229	86,414	0.00%	-48,168	10,956	-5	0	(11,027)	(8,451)
2022	-52%	68,393	91,915	0.00%	-48,244	10,956	-5	0	(10,636)	(7,915)
2023	-49%	71,094	98,411	0.00%	-47,930	10,956	-7	0	(29,299)	(21,167)
2024	-77%	60,544	86,321	0.00%	-66,281	10,956	-6	0	(2,350)	(1,648)
2025	-57%	69,511	102,079	0.00%	-57,681	10,956	-7	0	(20,949)	(14,266)
2026	-68%	65,861	99,621	0.00%	-67,681	10,956	-11	0	(46,558)	(30,781)
2027	-145%	45,696	71,193	0.00%	-103,295	10,956	-10	0	0	0
2028	-102%	56,312	90,364	0.00%	-92,348	10,956	-9	0	0	0
2029	-74%	66,927	110,620	0.00%	-81,401	10,956	-9	0	(16,011)	(9,687)
2030	-75%	67,856	115,520	0.00%	-86,466	10,956	-12	0	(36,182)	(21,253)
2031	-111%	57,218	100,332	0.00%	-111,703	10,956	-11	0	0	0
2032	-82%	67,834	122,515	0.00%	-100,758	10,956	-10	0	0	0
2033	-62%	78,449	145,939	0.00%	-89,811	10,956	-11	0	(21,077)	(11,330)
2034	-67%	77,735	148,948	0.00%	-99,943	10,956	-11	0	(18,323)	(9,563)
2035	-69%	78,788	155,494	0.00%	-107,321	10,956	-10	0	0	0
2036	-53%	89,403	181,738	0.00%	-96,375	10,956	-9	0	0	0
2037	-41%	100,019	209,417	0.00%	-85,428	10,956	-12	0	(42,064)	(20,090)
2038	-60%	90,544	195,267	0.00%	-116,549	10,956	-13	0	(18,845)	(8,739)
2039	-61%	92,421	205,294	0.00%	-124,451	10,956	-12	0	0	0
2040	-48%	103,037	235,740	0.00%	-113,507	10,956	-13	0	(23,566)	(10,300)
2041	-52%	103,352	243,556	0.00%	-126,130	10,956	-13	0	(6,068)	(2,575)
Total						328,680	-216	0	(466,122)	(319,823)
Average					-62,016	10,956	-7	0	(15,537)	(10,661)
Maximum			243,556		28,460		2	0	(108,824)	(91,138)
Minimum			55,975		-126,130		-13	0	0	0

0.01% Investment Rate

0.00% Tax Rate

3.00% Inflation Rate

2012 Contributions

65.21 Monthly Per Unit
782.57 Annually Per Unit
913.00 Association Monthly

FULLY FUNDED AT END OF 30 YR TERM

Funding Plan Summary (Cash Flow)

February 27, 2012

THE GAYLE

Year	Percent Funded	Unadjusted Ideal Balance	Inflation Adjusted Ideal Bal	Contrib Increase Rate	Starting Balance	Annual Contribution	Interest Income	Tax Liability	Inflation Adjusted Expenditures	Unadjusted Expenditures
2012	14%	115,705	115,705	1.00%	16,403	20,500	3	0	0	0
2013	29%	125,527	129,293	1.00%	36,906	20,705	2	0	(26,952)	(26,167)
2014	26%	109,543	116,214	1.00%	30,661	20,912	3	0	(10,145)	(9,563)
2015	34%	110,164	120,379	1.00%	41,431	21,121	5	0	(506)	(464)
2016	46%	119,884	134,930	1.00%	62,051	21,332	6	0	(13,100)	(11,639)
2017	51%	118,428	137,290	1.00%	70,289	21,546	8	0	(2,985)	(2,575)
2018	59%	126,036	150,494	1.00%	88,858	21,761	-1	0	(108,824)	(91,138)
2019	3%	45,513	55,975	1.00%	1,794	21,979	1	0	0	0
2020	33%	56,129	71,102	1.00%	23,774	22,199	3	0	(652)	(515)
2021	52%	66,229	86,414	1.00%	45,323	22,421	5	0	(11,027)	(8,451)
2022	62%	68,393	91,915	1.00%	56,722	22,645	6	0	(10,636)	(7,915)
2023	70%	71,094	98,411	1.00%	68,736	22,871	5	0	(29,299)	(21,167)
2024	72%	60,544	86,321	1.00%	62,313	23,100	7	0	(2,350)	(1,648)
2025	81%	69,511	102,079	1.00%	83,070	23,331	7	0	(20,949)	(14,266)
2026	86%	65,861	99,621	1.00%	85,459	23,564	5	0	(46,558)	(30,781)
2027	88%	45,696	71,193	1.00%	62,470	23,800	7	0	0	0
2028	95%	56,312	90,364	1.00%	86,277	24,038	10	0	0	0
2029	100%	66,927	110,620	1.00%	110,325	24,278	11	0	(16,011)	(9,687)
2030	103%	67,856	115,520	1.00%	118,602	24,521	9	0	(36,182)	(21,253)
2031	107%	57,218	100,332	1.00%	106,951	24,766	12	0	0	0
2032	108%	67,834	122,515	1.00%	131,729	25,014	14	0	0	0
2033	107%	78,449	145,939	1.00%	156,757	25,264	15	0	(21,077)	(11,330)
2034	108%	77,735	148,948	1.00%	160,959	25,517	16	0	(18,323)	(9,563)
2035	108%	78,788	155,494	1.00%	168,169	25,772	18	0	0	0
2036	107%	89,403	181,738	1.00%	193,959	26,030	21	0	0	0
2037	105%	100,019	209,417	1.00%	220,009	26,290	19	0	(42,064)	(20,090)
2038	105%	90,544	195,267	1.00%	204,254	26,553	20	0	(18,845)	(8,739)
2039	103%	92,421	205,294	1.00%	211,981	26,818	23	0	0	0
2040	101%	103,037	235,740	1.00%	238,822	27,086	23	0	(23,566)	(10,300)
2041	100%	103,352	243,556	1.00%	242,365	27,357	25	0	(6,068)	(2,575)
Total						713,090	308	0	(466,122)	(319,823)
Average						106,247	23,770	10	0	(15,537)
Maximum			243,556		242,365		25	0	(108,824)	(91,138)
Minimum			55,975		1,794		-1	0	0	0

0.01% Investment Rate

0.00% Tax Rate

3.00% Inflation Rate

2012 Contributions

122.02 Monthly Per Unit

1,464.29 Annually Per Unit

1,708.33 Association Monthly

BASELINE FUNDING PLAN

Funding Plan Summary (Cash Flow)

February 27, 2012

THE GAYLE

Year	Percent Funded	Unadjusted Ideal Balance	Inflation Adjusted Ideal Bal	Contrib Increase Rate	Starting Balance	Annual Contribution	Interest Income	Tax Liability	Inflation Adjusted Expenditures	Unadjusted Expenditures
2012	14%	115,705	115,705	0.00%	16,403	21,016	3	0	0	0
2013	29%	125,527	129,293	0.00%	37,422	21,016	2	0	(26,952)	(26,167)
2014	27%	109,543	116,214	0.00%	31,488	21,016	3	0	(10,145)	(9,563)
2015	35%	110,164	120,379	0.00%	42,362	21,016	5	0	(506)	(464)
2016	47%	119,884	134,930	0.00%	62,877	21,016	6	0	(13,100)	(11,639)
2017	52%	118,428	137,290	0.00%	70,799	21,016	8	0	(2,985)	(2,575)
2018	59%	126,036	150,494	0.00%	88,838	21,016	-1	0	(108,824)	(91,138)
2019	2%	45,513	55,975	0.00%	1,029	21,016	1	0	0	0
2020	31%	56,129	71,102	0.00%	22,046	21,016	3	0	(652)	(515)
2021	49%	66,229	86,414	0.00%	42,412	21,016	4	0	(11,027)	(8,451)
2022	57%	68,393	91,915	0.00%	52,406	21,016	5	0	(10,636)	(7,915)
2023	64%	71,094	98,411	0.00%	62,791	21,016	4	0	(29,299)	(21,167)
2024	63%	60,544	86,321	0.00%	54,512	21,016	6	0	(2,350)	(1,648)
2025	72%	69,511	102,079	0.00%	73,184	21,016	6	0	(20,949)	(14,266)
2026	74%	65,861	99,621	0.00%	73,257	21,016	4	0	(46,558)	(30,781)
2027	67%	45,696	71,193	0.00%	47,719	21,016	6	0	0	0
2028	76%	56,312	90,364	0.00%	68,740	21,016	8	0	0	0
2029	81%	66,927	110,620	0.00%	89,764	21,016	8	0	(16,011)	(9,687)
2030	82%	67,856	115,520	0.00%	94,777	21,016	7	0	(36,182)	(21,253)
2031	79%	57,218	100,332	0.00%	79,618	21,016	9	0	0	0
2032	82%	67,834	122,515	0.00%	100,643	21,016	11	0	0	0
2033	83%	78,449	145,939	0.00%	121,671	21,016	11	0	(21,077)	(11,330)
2034	82%	77,735	148,948	0.00%	121,621	21,016	11	0	(18,323)	(9,563)
2035	80%	78,788	155,494	0.00%	124,325	21,016	13	0	0	0
2036	80%	89,403	181,738	0.00%	145,355	21,016	16	0	0	0
2037	79%	100,019	209,417	0.00%	166,386	21,016	13	0	(42,064)	(20,090)
2038	74%	90,544	195,267	0.00%	145,351	21,016	14	0	(18,845)	(8,739)
2039	72%	92,421	205,294	0.00%	147,536	21,016	16	0	0	0
2040	72%	103,037	235,740	0.00%	168,567	21,016	16	0	(23,566)	(10,300)
2041	68%	103,352	243,556	0.00%	166,033	21,016	17	0	(6,068)	(2,575)
Total						630,480	237	0	(466,122)	(319,823)
Average						83,998	21,016	8	0	(15,537)
Maximum			243,556		168,567		17	0	(108,824)	(91,138)
Minimum			55,975		1,029		-1	0	0	0

0.01% Investment Rate

0.00% Tax Rate

3.00% Inflation Rate

2012 Contributions

125.10 Monthly Per Unit

1,501.14 Annually Per Unit

1,751.33 Association Monthly

RECOMMENDED FUNDING PLAN

Funding Plan Summary (Cash Flow)

February 27, 2012

THE GAYLE

Year	Percent Funded	Unadjusted Ideal Balance	Inflation Adjusted Ideal Bal	Contrib Increase Rate	Starting Balance	Annual Contribution	Interest Income	Tax Liability	Inflation Adjusted Expenditures	Unadjusted Expenditures
2012	14%	115,705	115,705	0.00%	16,403	21,981	3	0	0	0
2013	30%	125,527	129,293	0.00%	38,387	21,981	2	0	(26,952)	(26,167)
2014	29%	109,543	116,214	0.00%	33,418	21,981	3	0	(10,145)	(9,563)
2015	38%	110,164	120,379	0.00%	45,257	21,981	6	0	(506)	(464)
2016	49%	119,884	134,930	0.00%	66,737	21,981	6	0	(13,100)	(11,639)
2017	55%	118,428	137,290	0.00%	75,625	21,981	8	0	(2,985)	(2,575)
2018	63%	126,036	150,494	0.00%	94,629	21,981	0	0	(108,824)	(91,138)
2019	14%	45,513	55,975	0.00%	7,786	21,981	2	0	0	0
2020	42%	56,129	71,102	0.00%	29,769	21,981	4	0	(652)	(515)
2021	59%	66,229	86,414	0.00%	51,101	21,981	5	0	(11,027)	(8,451)
2022	68%	68,393	91,915	0.00%	62,061	21,981	6	0	(10,636)	(7,915)
2023	75%	71,094	98,411	0.00%	73,411	21,981	6	0	(29,299)	(21,167)
2024	77%	60,544	86,321	0.00%	66,099	21,981	7	0	(2,350)	(1,648)
2025	84%	69,511	102,079	0.00%	85,737	21,981	8	0	(20,949)	(14,266)
2026	87%	65,861	99,621	0.00%	86,777	21,981	5	0	(46,558)	(30,781)
2027	87%	45,696	71,193	0.00%	62,204	21,981	7	0	0	0
2028	93%	56,312	90,364	0.00%	84,193	21,981	10	0	0	0
2029	96%	66,927	110,620	0.00%	106,183	21,981	10	0	(16,011)	(9,687)
2030	97%	67,856	115,520	0.00%	112,163	21,981	9	0	(36,182)	(21,253)
2031	98%	57,218	100,332	0.00%	97,971	21,981	11	0	0	0
2032	98%	67,834	122,515	0.00%	119,963	21,981	13	0	0	0
2033	97%	78,449	145,939	0.00%	141,957	21,981	13	0	(21,077)	(11,330)
2034	96%	77,735	148,948	0.00%	142,874	21,981	14	0	(18,323)	(9,563)
2035	94%	78,788	155,494	0.00%	146,546	21,981	16	0	0	0
2036	93%	89,403	181,738	0.00%	168,542	21,981	18	0	0	0
2037	91%	100,019	209,417	0.00%	190,541	21,981	16	0	(42,064)	(20,090)
2038	87%	90,544	195,267	0.00%	170,474	21,981	16	0	(18,845)	(8,739)
2039	85%	92,421	205,294	0.00%	173,626	21,981	18	0	0	0
2040	83%	103,037	235,740	0.00%	195,625	21,981	18	0	(23,566)	(10,300)
2041	80%	103,352	243,556	0.00%	194,059	21,981	20	0	(6,068)	(2,575)
Total						659,430	280	0	(466,122)	(319,823)
Average					98,004	21,981	9	0	(15,537)	(10,661)
Maximum			243,556		195,625		20	0	(108,824)	(91,138)
Minimum			55,975		7,786		0	0	0	0

0.01% Investment Rate
0.00% Tax Rate
3.00% Inflation Rate

2012 Contributions
130.84 Monthly Per Unit
1,570.07 Annually Per Unit
1,831.75 Association Monthly

Starting Fund Balance Distribution

AICPA Report

Graph – Ideal vs. Cash Flow Balances

Graph – Expenditures

Starting Balance Funds Distribution (Cash Flow)

February 27, 2012

Sorted by Group

THE GAYLE

<u>Item Description</u>	<u>Useful Life</u>	<u>Year</u>	<u>Total</u>	<u>Ideal</u>	<u>Actual</u>	<u>2012</u>
	<u>Life Left</u>	<u>Replace</u>	<u>Item Cost</u>	<u>Balance</u>	<u>Balance</u>	<u>Contribution</u>
<u>20 - Roofs</u>						
Roofing Replacement	18	14	2026	15,862	3,525	0 363
SubTotal	1 items			15,862	3,525	0 363
<u>30 - Painting</u>						
Paint - Exterior, Concrete Wall	10	2	2014	1,648	1,318	0 264
Paint - Exterior Entryway & Stairway	7	4	2016	2,369	1,015	0 190
Paint - Exterior Wood Window Frames/Trim	10	1	2013	8,755	7,880	306 2,705
Paint - Interior Common Areas	7	4	2016	9,270	3,973	0 742
SubTotal	4 items			22,042	14,186	306 3,901
<u>50 - Lights</u>						
Lighting - Exterior Fixtures	22	8	2020	515	328	0 21
Lighting - Interior Common Fixtures	25	13	2025	1,391	667	0 34
Lighting - Emergency Backup & Exit	30	18	2030	1,236	494	0 22
SubTotal	3 items			3,142	1,490	0 77
<u>70 - Buildings - Interior</u>						
Fire Extinguisher Cabinets	20	6	2018	824	577	0 44
Flooring - Hallway Carpet	8	1	2013	4,326	3,893	3,893 139
Flooring - Stair Carpet	8	1	2013	1,550	1,395	1,395 50
Security - Intercom System Remote Station	16	1	2013	1,236	1,159	1,159 25
Window Replacement Allowance	4	2	2014	7,915	3,957	0 1,267
SubTotal	5 items			15,851	10,981	6,447 1,524
<u>75 - Buildings - Exterior</u>						
Balcony/Landing/Railing Allowance	15	13	2025	10,300	1,373	0 254
Tuck Point & Refurbish Brick Wall	30	6	2018	51,500	43,775	0 2,748
SubTotal	2 items			61,800	45,148	0 3,002
<u>80 - Equipment</u>						
Boiler	35	1	2013	7,725	7,504	7,504 71
Plumbing - Piping Retrofit Allowance	4	1	2013	2,575	2,146	2,146 137
Plumbing - Hot Water Tank	16	14	2026	7,004	876	0 160
Electrical Service & Wiring Allowance	99	6	2018	30,900	29,046	0 1,649
SubTotal	4 items			48,204	39,572	9,650 2,017

Starting Balance Funds Distribution (Cash Flow)

February 27, 2012

Sorted by Group

THE GAYLE

<u>Item Description</u>	<u>Useful Life</u>	<u>Year</u>	<u>Total</u>	<u>Ideal</u>	<u>Actual</u>	<u>2012</u>	
	<u>Life Left</u>	<u>Replace</u>	<u>Item Cost</u>	<u>Balance</u>	<u>Balance</u>	<u>Contribution</u>	
<u>100 - Grounds</u>							
Mailboxes - Apartment Style, Wall Units	25	11	2023	773	433	0	22
Skylights	15	3	2015	464	371	0	49
SubTotal	2 items			1,236	803	0	72
Total	21 items			168,136	115,705	16,403	10,956

0.01% Investment Rate

0.00% Tax Rate

3.00% Inflation Rate

Ideally Funded - 14%

Supplementary Information on Future Major Repairs & Replacements (Cash Flow)

AICPA Report

February 27, 2012

THE GAYLE

<u>Components</u>	<u>Remaining Estimated Useful Lives (Years)</u>	<u>Current Estimated Replacement Costs</u>	<u>FY12 Funding Requirement</u>	<u>Components of Fund Balance End of FY11</u>
Roofs	14 to 14	15,862	363	0
Painting	1 to 4	22,042	3,901	306
Lights	8 to 18	3,142	77	0
Buildings - Interior	1 to 6	15,851	1,524	6,447
Buildings - Exterior	6 to 13	61,800	3,002	0
Equipment	1 to 14	48,204	2,017	9,650
Grounds	3 to 11	1,236	72	0
Total	<i>21 items</i>	168,136	10,956	16,403

Supplementary Information on Future Major Repairs & Replacements (Cash Flow)

AICPA Report

February 27, 2012

THE GAYLE

<u>Components</u>	<u>Remaining Estimated Useful Lives (Years)</u>	<u>Current Estimated Replacement Costs</u>	<u>FY12 Funding Requirement</u>	<u>Components of Fund Balance End of FY11</u>
<u>20 - Roofs</u>				
Roofing Replacement	14	15,862	363	0
SubTotal 1 items	14 to 14	15,862	363	0
<u>30 - Painting</u>				
Paint - Exterior Entryway & Stairway	4	2,369	190	0
Paint - Exterior Wood Window Frames/Trim	1	8,755	2,705	306
Paint - Exterior, Concrete Wall	2	1,648	264	0
Paint - Interior Common Areas	4	9,270	742	0
SubTotal 4 items	1 to 4	22,042	3,901	306
<u>50 - Lights</u>				
Lighting - Emergency Backup & Exit	18	1,236	22	0
Lighting - Exterior Fixtures	8	515	21	0
Lighting - Interior Common Fixtures	13	1,391	34	0
SubTotal 3 items	8 to 18	3,142	77	0
<u>70 - Buildings - Interior</u>				
Fire Extinguisher Cabinets	6	824	44	0
Flooring - Hallway Carpet	1	4,326	139	3,893
Flooring - Stair Carpet	1	1,550	50	1,395
Security - Intercom System Remote Station	1	1,236	25	1,159
Window Replacement Allowance	2	7,915	1,267	0
SubTotal 5 items	1 to 6	15,851	1,524	6,447
<u>75 - Buildings - Exterior</u>				
Balcony/Landing/Railing Allowance	13	10,300	254	0
Tuck Point & Refurbish Brick Wall	6	51,500	2,748	0
SubTotal 2 items	6 to 13	61,800	3,002	0
<u>80 - Equipment</u>				
Boiler	1	7,725	71	7,504
Electrical Service & Wiring Allowance	6	30,900	1,649	0

Supplementary Information on Future Major Repairs & Replacements (Cash Flow)

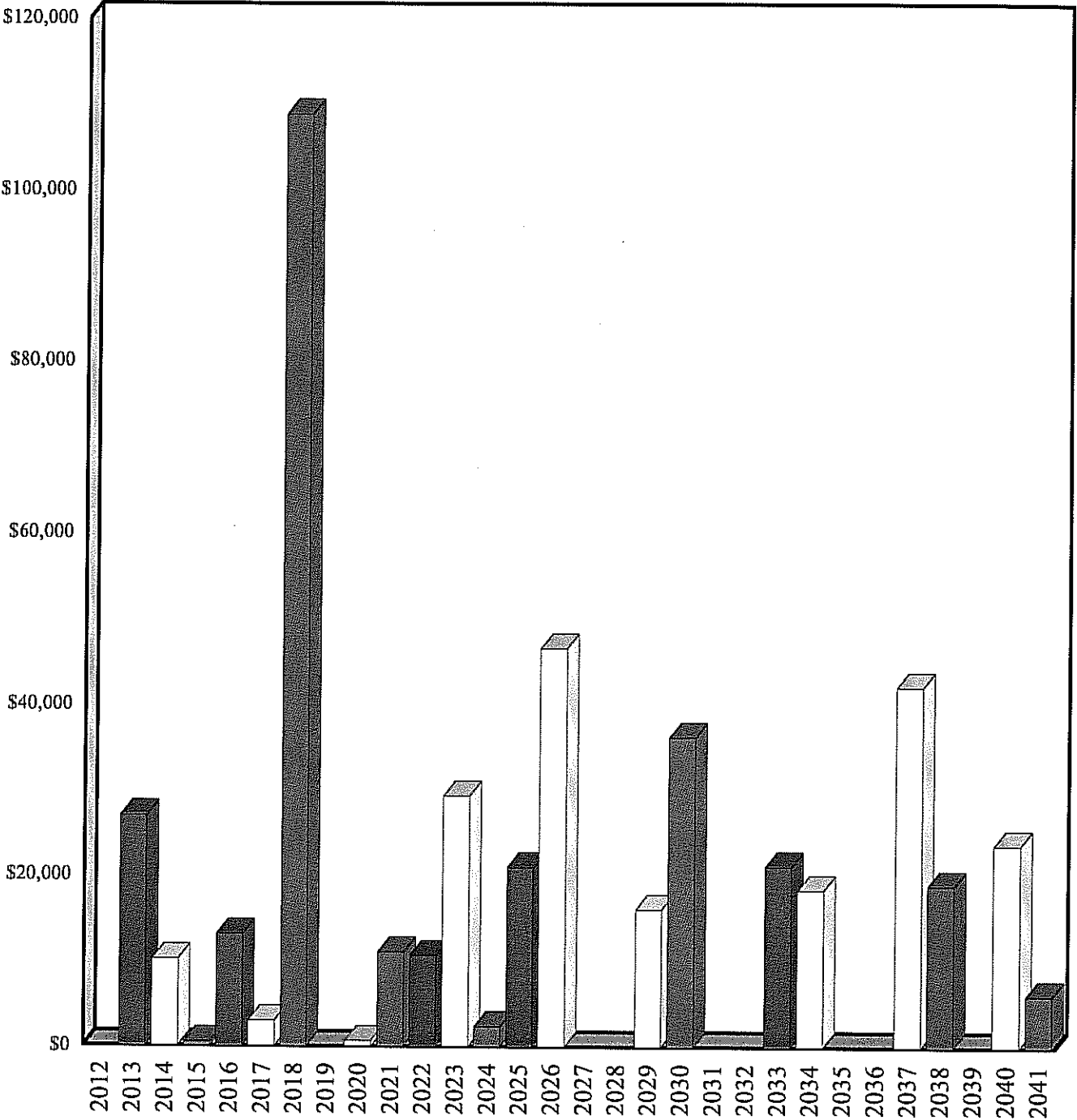
AICPA Report

February 27, 2012

THE GAYLE

		Remaining Estimated Useful <u>Lives (Years)</u>	Current Estimated Replacement <u>Costs</u>	FY12 Funding <u>Requirement</u>	Components of Fund Balance <u>End of FY11</u>
<u>Components</u>					
Plumbing - Hot Water Tank		14	7,004	160	0
Plumbing - Piping Retrofit Allowance		1	2,575	137	2,146
<hr/> SubTotal		1 to 14	48,204	2,017	9,650
 <u>100 - Grounds</u>					
Mailboxes - Apartment Style, Wall Units		11	773	22	0
Skylights		3	464	49	0
<hr/> SubTotal		3 to 11	1,236	72	0
<hr/> Total		21 items	168,136	10,956	16,403

Expenditures



 **Expenditures**

Ideal vs. Cash Flow Balances

February 27, 2012

THE GAYLE

The basis to any reserve funding plan first starts with computing the ideal balance. The ideal balance is a benchmark against which the cash flow calculations can be compared. The formula for the ideal balance is:

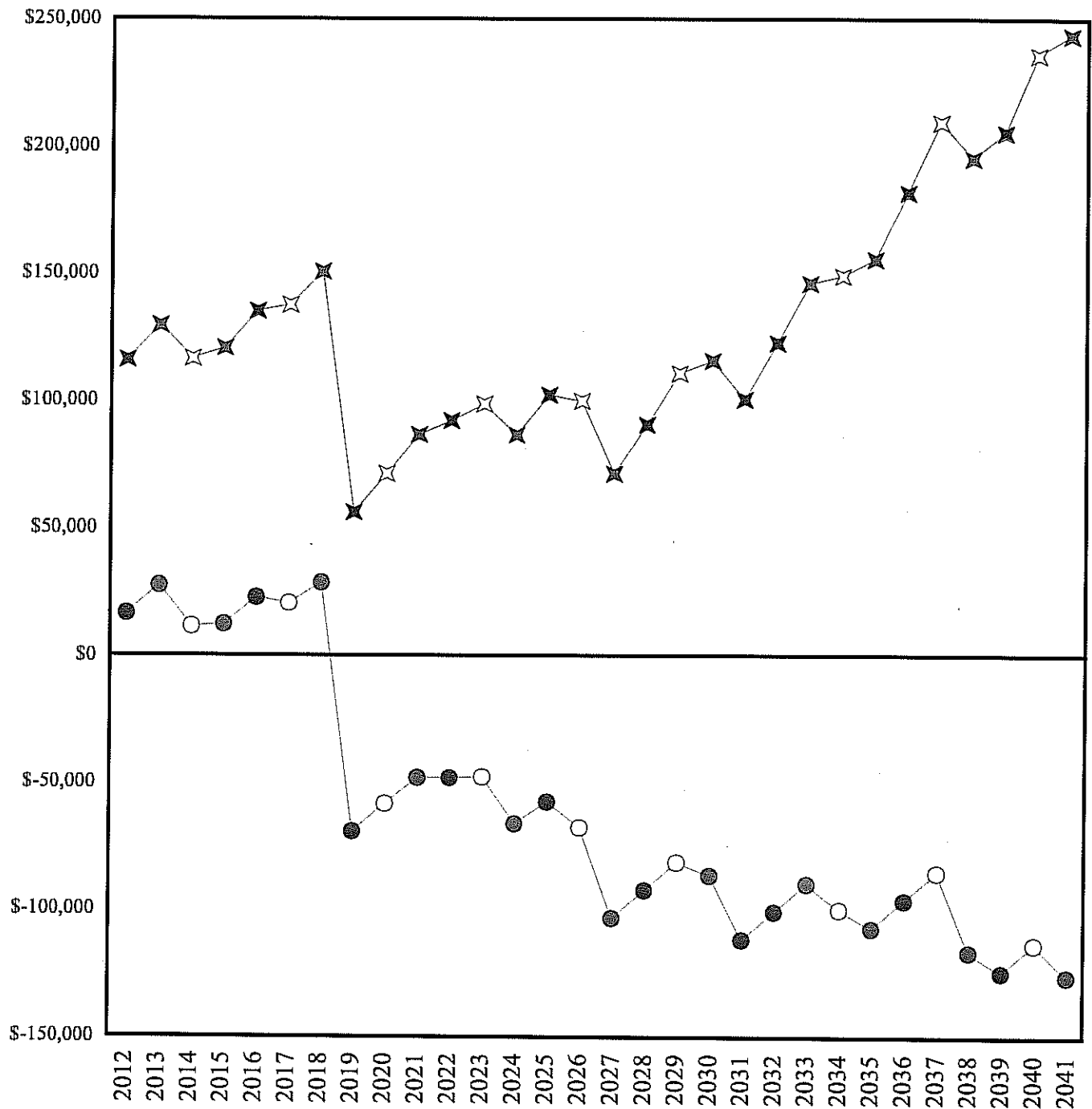
$$\text{Ideal Balance} = (\text{Current Age} / \text{Useful Life}) \times \text{Current Cost}$$

Inflation and interest are also incorporated into this formula.

The Ideal vs. Cash Flow Balances Graph on the next page shows the cash flow balance in relationship to the “Ideal” balance. The spread between the annual cash flow and the “Ideal” is consistent.

This information is also presented in spread sheet form on the Funding Plan Summary page.

Ideal vs. Cash Flow Balances



Ideal Balance



**Cash Flow
Balance**

Component Inventory
Worksheets/Photographs

Worksheet

February 27, 2012

Sorted by Group
THE GAYLE

Item Description	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Year Useful Life	Life Adj	Year Life	One Replace Left	Time?
20 - Roofs										
Roofing Replacement	20	0	1 Allowance	15,862,000	100	15,862	2008	18	0	2026 14 no

Comments: Roofing Replacement

Useful Life Range 10 - 20 years

Budget to replace the roofing on an eighteen year cycle.

Sub-Total 1 items

30 - Painting

Paint - Exterior, Concrete Wall	30	0	1 Allowance	1,648,000	100	1,648	2004	10	0	2014 2 no
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Comments: Paint - Exterior, Concrete Wall

Useful Life Range 5 - 12 years

Budget to paint the exterior concrete on a ten year cycle.

Paint - Exterior Entryway & Stairway	30	0	1 Allowance	2,369,000	100	2,369	2009	7	0	2016 4 no
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Comments: Paint - Exterior Entryway & Stairway

Useful Life Range 5 - 12 years

Budget to paint the exterior entryway and stairway on a seven year cycle.

Paint - Exterior Wood Window Frames/Trim	30	0	1 Allowance	8,755,000	100	8,755	2003	10	0	2013 1 no
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Comments: Paint - Exterior Wood Window Frames/Trim

Allowance for necessary repairs, refurbishing, painting, caulking on a ten year cycle.

Paint - Interior Common Areas	30	0	1 Allowance	9,270,000	100	9,270	2009	7	0	2016 4 no
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Comments: Paint - Interior Common Areas

Worksheet

February 27, 2012

Sorted by Group
THE GAYLE

<u>Item Description</u>	<u>Sub-Group</u>	<u>Number Of Items</u>	<u>Item Type</u>	<u>Item Cost</u>	<u>%</u>	<u>Total Year Useful Life</u>	<u>Life Adj</u>	<u>Year Life</u>	<u>One Replace Left Time?</u>
Useful Life Range 4 - 10 years									
Budget to paint the interior common areas on a seven year cycle.									
Sub-Total		4 items							
50 - Lights									
Lighting - Exterior Fixtures	50	0	1 Allowance	515.000	100	515 1998	22 0	2020 8	no
Comments: Lighting - Exterior Fixtures									
Useful Life Range 15 - 25 years									
Allowance to replace exterior lighting fixtures on a twenty-two year cycle.									
Lighting - Interior Common Fixtures	50	0	1 Allowance	1,390.500	100	1,391 2000	25 0	2025 13	no
Comments: Lighting - Interior Common Fixtures									
Useful Life Range 15 - 30 years									
Allowance to replace interior common area lighting fixtures on a twenty-five year cycle.									
Lighting - Emergency Backup & Exit	50	0	1 Allowance	1,236.000	100	1,236 2000	30 0	2030 18	no
Comments: Lighting - Emergency Backup & Exit									
Useful Life Range 15 - 30+ years									
Allowance to replace emergency backup lighting fixtures and exit signage on a thirty year cycle.									
Sub-Total		3 items							

Worksheet

February 27, 2012

Sorted by Group
THE GAYLE

Item Description	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Year Useful Life	Life Adj	Year Life	One
70 - Buildings - Interior									
Fire Extinguisher Cabinets	70	0	1 Allowance	824,000	100	824 1998	20 0	2018	6 no
Comments: Fire Extinguisher Cabinets									
*Useful Life Range 15 - 30+ years									
Allowance to replace fire extinguisher cabinets on a twenty year cycle.									
Flooring - Hallway Carpet	70	0	100 Square Yard	43,260	100	4,326 2003	8 2	2013	1 no
Comments: Flooring - Hallway Carpet									
Useful Life Range 5 - 12 years									
Budget to replace the hallway carpeting on an eight year cycle.									
Flooring - Stair Carpet	70	0	35 Square Yard	44,290	100	1,550 2003	8 2	2013	1 no
Comments: Flooring - Stair Carpet									
Useful Life Range 5 - 12 years									
Budget to replace the stair carpeting on an eight year cycle.									
Security - Intercom System Remote Station	70	0	1 Allowance	1,236,000	100	1,236 1997	16 0	2013	1 no
Comments: Security - Intercom System Remote Station									
Useful Life Range 8 - 20 years									
Budget to replace the intercom system remote station on a sixteen year cycle.									
Window Replacement Allowance	70	0	1 Allowance	7,914,520	100	7,915 2010	4 0	2014	2 no
Comments: Window Replacement Allowance									
Windows are at the end of their useful life. Allowance to replace the windows as necessary/desired, scheduled on a four year cycle.									

Worksheet

February 27, 2012

Sorted by Group

THE GAYLE

Item Description	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Year Useful Life	Year Life	One
						Life Adj	Replace	Time?

Sub-Total 5 items

75 - Buildings - Exterior

Balcony/Landing/Railing Allowance	75	0	1 Allowance	10,300.000	100	10,300 2010	15 0	2025 13 no
Comments: Balcony/Landing/Railing Allowance								

Allowance to repair/refurbish the balcony/landing and wood railings as necessary, scheduled on a fifteen year cycle.

Tuck Point & Refurbish Brick Wall	75	0	1 Allowance	51,500.000	100	51,500 1978	30 10	2018 6 no
Comments: Tuck Point & Refurbish Brick Wall								

Useful Life Range The typical range is 25+ years.

Budget to tuck point and refurbish the exterior brick walls on a thirty year cycle.

Sub-Total 2 items

80 - Equipment

Boiler	80	0	1 Allowance	7,725.000	100	7,725 1978	35 0	2013 1 no
Comments: Boiler								

Useful Life Range 25 - 40 years

Budget to replace/refurbish the boiler at thirty-five years.

Plumbing - Piping Retrofit Allowance	80	0	1 Allowance	2,575.000	100	2,575 2007	4 2	2013 1 no
Comments: Plumbing - Piping Retrofit Allowance								

Allowance for plumbing/piping repairs and replacements as necessary, scheduled on a four year cycle.

Worksheet

February 27, 2012

Sorted by Group
THE GAYLE

Item Description	Sub-Group	Number Of Items	Item Type	Item Cost	%	Item Cost Built	Year Useful Life	Life Adj	Replace Left	One Time?
Plumbing - Hot Water Tank	80	0	1 Allowance	7,004.000	100	7,004 2010	16	0	2026	no
Comments: Plumbing - Hot Water Tank										
Useful Life Range 10 - 18 years										
Budget to replace the common hot water tank on a sixteen year cycle.										
Electrical Service & Wiring Allowance	80	0	1 Allowance	30,900.000	100	30,900 1918	99	1	2018	no
Comments: Electrical Service & Wiring Allowance										
Allowance for electrical service and wiring upgrades.										
Sub-Total	4 items									
<u>100 - Grounds</u>										
Mailboxes - Apartment Style, Wall Units	100	0	1 Allowance	772.500	100	773 1998	25	0	2023	no
Comments: Mailboxes - Apartment Style, Wall Units										
*Useful Life Range 14 - 30 years										
Budget to replace the mailboxes on a twenty-five year cycle.										
Skylights	100	0	1 Allowance	463.500	100	464 2000	15	0	2015	no
Comments: Skylights										
Useful Life Range 10 - 25 years										
Budget to replace the skylights on a fifteen year cycle.										
Sub-Total	2 items									

Worksheet

February 27, 2012

Sorted by Group
THE GAYLE

<u>Item Description</u>	<u>Sub-Group</u>	<u>Number Of Items</u>	<u>Item Type</u>	<u>Item Cost</u>	<u>%</u>	<u>Total Cost</u>	<u>Year Built</u>	<u>Useful Life</u>	<u>Life Adj</u>	<u>Year Replace</u>	<u>One Left Time?</u>
Total		21 items									