



THE REPLACEMENT RESERVE REPORT

CONDOMINIUMS

FEDERAL
&
STATE
ASSISTED
HOUSING

SPECIAL USE
PROPERTIES

RESORT
PROPERTIES

PREPARED FOR

HOUSING AUTHORITY OF THE TOWN OF STAFFORD

AVERY PARK APARTMENTS

LOCATED IN
STAFFORD SPRINGS, CONNECTICUT

JULY 9, 2012

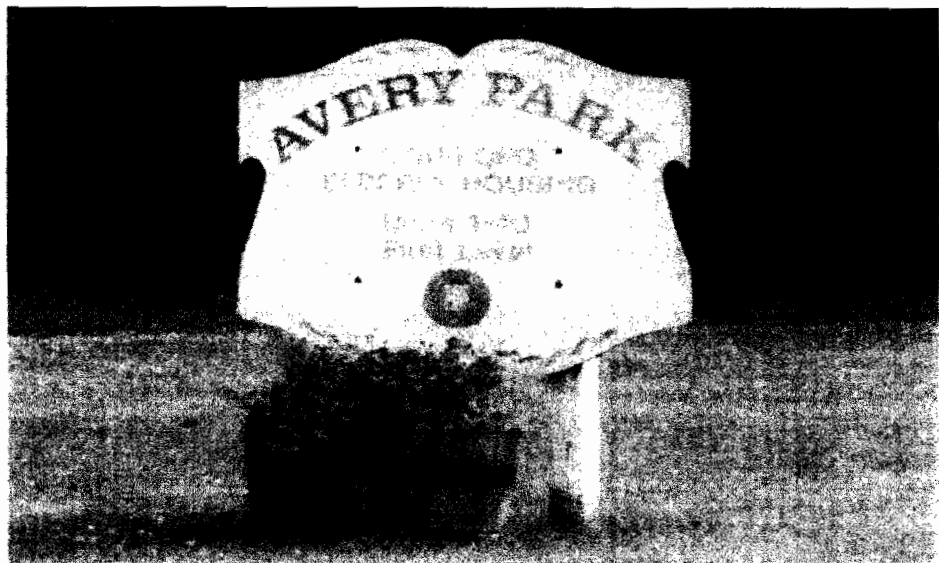


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THE REPLACEMENT RESERVE REPORT

July 9, 2012

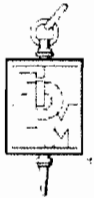
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HOUSING AUTHORITY OF THE TOWN OF STAFFORD
91 West Street
Stafford Springs, CT 06076

Dear Directors and Managers,

It is my pleasure to present you with the enclosed *updated* **REPLACEMENT RESERVE REPORT** for **THE HOUSING AUTHORITY OF THE TOWN OF STAFFORD**.

The observations and recommendations noted in the report have been made only after close inspection and evaluation of the property components.

Thank you for the opportunity to prepare this analysis for you. I trust it will become a valuable aid and assist you in your property management endeavors.

Please do not hesitate to contact me with any questions or comments.

Very truly yours,

Charles J. Stuart, CPM

EXECUTIVE SUMMARY

AVERY PARK consists of 110 units of elderly and disabled housing developed during the period of 1968-1974. Day to day business affairs are addressed by an executive director with supporting staff employed by the Authority.

The purpose of this analysis is to define the capital needs and adequate reserve funding for the next 20 years.

MISSION STATEMENT

The scope and purpose of this analysis is to provide financial conclusions that will suggest required funding levels for capital repairs and replacements to the building components and improvements. The analysis does not intend to project an engineering of the property, opinions of utility or inutility, or an opinion of value of divided or undivided interests.

The methodology used is two-fold. First, to perform an analysis regarding current physical conditions; which, through non-invasive observations and our experience in such matters, would indicate the probable remaining life of the property components. Second, the report will suggest the costs associated with capital repair and replacement over the next twenty-year period. As a product of these two functions, the report will also comment on observations made, the level of proficiency in maintaining the physical plant, deferred and preventative maintenance, and any possible life extension of the components. This scope of work does not constitute an engineering study of the subject property. The client should interpret the enclosed material and determine if such a level of investigation is necessary.

When interpreting this report, the value of time should be considered. As a twenty-year period is a probable scenario based on our experiences, it is open to influences from many sources such as maintenance levels, economics, inflation of expenses, and the environment in which the property exists. Accordingly, give particular attention to suggested capital expenses during the next five-year period. With scheduled re-evaluation of the report every three years, the recommendations will remain a working tool for the benefit of the property.

The observations made during the field inspections of **July 9, 2012** indicated that the level of service to the components is at a proficient level. A capsule of components exhibiting liabilities, obsolescence, or deferred maintenance follows.

LIABILITIES

This report is not intended as a loss or risk assessment, however, it will comment on possible liabilities that may present a financial risk to our client. During our property inspections, we did not encounter any such conditions.

OBSOLESCENCE

Within the text of the physical plant report pages the reader will note areas that indicate either functional or economic obsolescence. All obsolescence should be considered curable.

DEFERRED MAINTENANCE

It is obvious, in our professional opinion, that the property has maintained a responsible degree of maintenance. Given this history of operations, we did not observe, and would not expect to observe, intentionally deferred maintenance. This report suggests additional levels as an enhancement only.

The subject property has a chronological age of improvements of **44 years**. In our professional opinion, the *effective age* for the improvements, enmasse, is less at approximately **35 years**.

FUTURE FINANCIAL PROJECTIONS

Our process of projecting future financial needs is presented through two methods;

We see **minimum funding** requirements as meeting anticipated expenses or, dedicating cash in/cash out with inflation and interest income over the projected twenty year period. This funding rate is further identified as either the threshold or baseline rate.

Avery Park's projected annual funding to meet future expenses is **\$85,800 per year, after a special contribution of \$2,750,000** Future funding is shown with a 3% annual increase. The current rate of funding is \$6,007.

Our second method of projecting reserve funding includes long term segregating of each site component. This rate is based on funding attrition of the components as they age, encompassing all components regardless of when actual expenses may occur. This is a fully-funded rate, creating the **maximum funding** level. **Avery Park's** projected annual funding to meet a fully funded reserve is **\$85,800 per year after a year 1 contribution of \$2,750,000**. Future funding is shown with at 3% annual increase.

There are no immediate life and safety priority expenses. Capital expenses over the term are estimated at \$2,780,045. The current rate of funding is 7% of the suggested fully-funded rate, and 7% of the suggested baseline rate.

All projections are considered dependent on inflation and proficient services during the use term. The ideal time to begin the plan is January 1, 2013 although its recommendations and funding can start at any time.

We hope that this report will benefit the owners by providing ample information to make informed decisions.

CAPITAL NEEDS ASSESSMENT - STATEMENT OF WORK

The Statement of Work includes information regarding the qualifications, declarations, and property profile of this capital needs assignment.

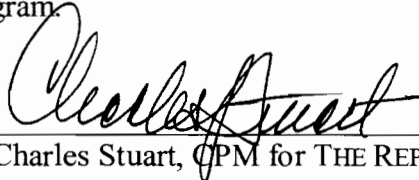
QUALIFICATIONS

THE REPLACEMENT RESERVE REPORT was the first assessor in the country to specialize in multifamily housing. Since its inception in 1980, this firm has conducted over 7,000 capital needs assessments for numerous private, State and Federal housing programs in all climates and construction types. The firm and its principals are contributing editors for the RS Means Company, a worldwide data collection and consulting company. Specific criteria regarding individual members can be found on page 30. During the processes of the analysis members draw from decades of experiences; including formal education, training, and licensing when needed. The firm supports the efforts and guidelines of the Association of Professional Reserve Advisors when applicable.

DECLARATIONS

THE REPLACEMENT RESERVE REPORT, its owners, employees, contractors, and suppliers certify that they do not have, nor have they ever had, any financial interests in the subject property, or any related properties of the owners.

THE REPLACEMENT RESERVE REPORT states that it is not, nor has ever been, debarred or suspended from participating in any State or Federally assisted program.



June 9, 2012

By Charles Stuart, CPM for THE REPLACEMENT RESERVE REPORT

ACKNOWLEDGEMENTS

THE REPLACEMENT RESERVE REPORT has been prepared by Charles Stuart, CPM and assisted by members of the firm's staff. The staff conducted site observations and interviews with the management staff. Mr. Stuart conducted interviews with and received information from representatives of the property owners. All sources were very cooperative and helpful.

PROPERTY PROFILE & GENERAL CONDITIONS

The property is known as **Avery Park**, being represented by **THE HOUSING AUTHORITY OF THE TOWN OF STAFFORD; EXECUTIVE DIRECTOR AND BOARD OF DIRECTORS**. The site was originally built for use as elderly housing.

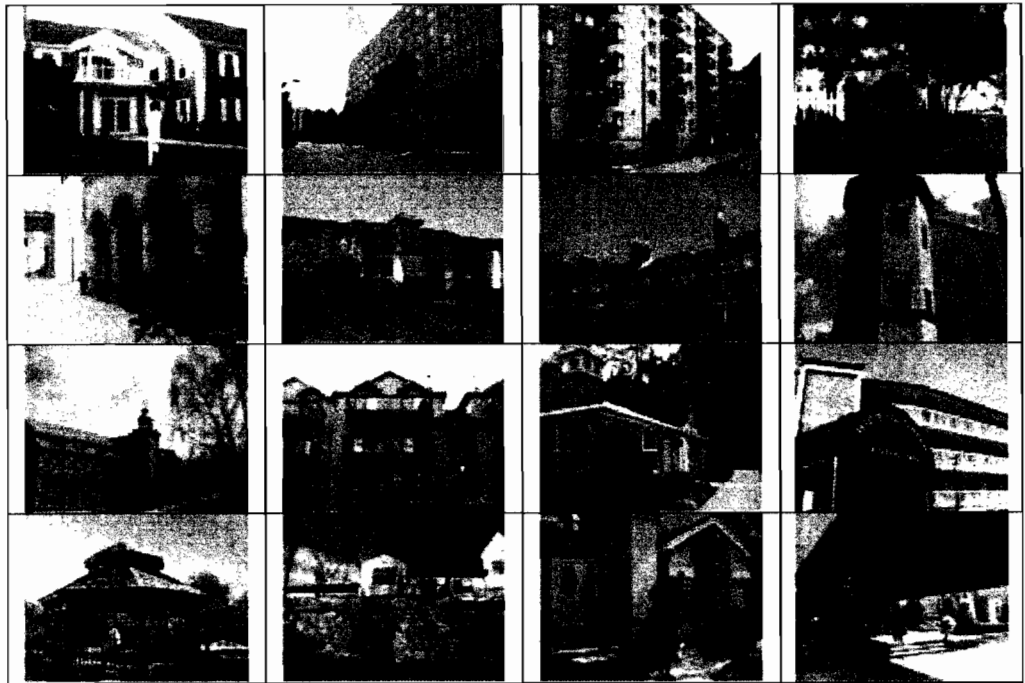
There are 110 housing units on a 15 acre parcel. Aesthetic value and curb appeal is constantly addressed by management. Physical replacements and enhancements have been reasonable and proficiently accomplished.

The on site inspection included identifying the inventory of property components, apartment inspections, and close observations of physical conditions throughout the development. Historical budgets and operating statements were available. There is a history of utilizing professional contractors when needed. Unusual attrition is not observed, with conditions very typical of comparable properties throughout the region.

During the process of inspection, the assessor discussed several issues with management, including its program to abate asbestos-laden products. Further, mold and mildew was sporadic throughout the site. We did not encounter or observe potential or existing hazards, including issues of 21E, soil contamination, fluid spills, and other detrimental conditions. There are no indications that would suggest hazardous conditions either exist now or are likely to exist in the future. Prudent management periodically tests and proves for these conditions. There are no indications that invasive or detailed testing is required, although all properties should maintain regular assessments of some functions; including energy audits.

Replacement components generally include like-kind products; however, the report will prudently increase the level of service when technology, obsolescence, safety and security, or increasing esthetic values warrant enhancing or protecting the viability, longevity, and income stream of the property. It is expected that adjustments will be necessary over the term of the plan to address such issues.

Pricing replacements and enhancements is generally market driven with local knowledge. Inflation of expenses is included with current known trends. Pricing is also examined against published regional statistics and the association's experiences with retrofit costs.



The Physical Plant Report



HOW TO INTERPRET THIS DATA

THE OBJECTIVE: Each of the property components receives examination until prevailing conditions are revealed. The analysis creates an opinion of “*Effective Age*” and probable remaining use life. Effective Age is determined by original product quality, maintenance and preventative maintenance (or lack thereof) received during the use period. The rate of wear and tear also impacts projections of remaining use life. The capsule continues with a checklist of conditions that may be of particular interest to the reader.

Here is a sample:

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
ASPHALT	25	15	10	15
ROOFING	20	15	17	6

SUMMARY

DEFERRED MAINTENANCE:	Conditions described planned or unintentional deferment of services. The accumulation of loss and rate of wear may be described
OBSOLESCENCE:	Economic obsolescence is used to describe worn out components. Functional obsolescence describes out-dated components or inutility.
USE LIFE EXTENSION:	Functions suggested extending component use life. Levels of service may be described.
COMMENTS OBSERVATIONS PREVENTATIVE MAINTENANCE	Describes conditions observed, component specifications and inventory, and eventual timing and cost associated with replacement. The rate of attrition is described and predicted in \$ dollars.

Each component receives a narrative of critical analysis, and a description of how funding and expenses are predicted and then recapped in the following format. This information is incorporated into the cash flow charts.

INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT VALUE	TOTAL VALUE	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR (\$)
ASPHALT	2300	LS	\$5.50	\$12,650	19	\$666 per year	\$12,650 year 2
TILE	100	SF	\$40.00	\$4,000	10	\$400 years 1-10	\$4,000 year 1

TWO TYPES OF FUNDING, AND THE CASH FLOW CHARTS:

Segregated Funding is the long-term reserve rate for each component over its useful life. Funding is established to coincide with attrition. The collective sum of all components’ segregated reserve builds the “maximum” funding level.

Dedicated or Actual Expense describes the use of existing or future funds for a planned expense. The collective sum of cash in / cash out builds the “minimum” suggested level of funding.

The Funding Methods The "Pooling Method" is the preferred process to lower the impact of annual funding. While a "Straight-life" method may also be included for reports to common interest properties, it is not a suggested process.

In both scenarios, the cash flow charts include current reserve balances, the impact of the current reserve rate, and a suggested rate to meet both levels of funding.

PHYSICAL PLANT REPORT

SITE IMPROVEMENTS I

LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
GROUNDS	100	44	30	20+
SITE DRAINAGE	50	44	49	1+

SUMMARY

DEFERRED MAINTENANCE: None; services have been provided as needed.
OBSOLESCENCE: Surface water drainage is impacted by functional and economic obsolescence. Obsolescence may not be curable.
LIFE EXTENSION: Continue lawn care through the operating budget.
ALTERNATIVES: Surface water drainage needs a revised strategy to accommodate water traveling from upper elevations.

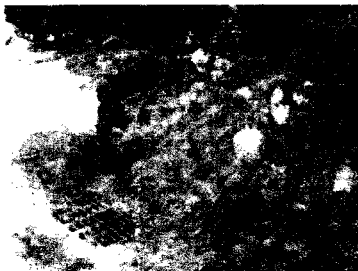
COMMENTS
OBSERVATIONS
PREVENTATIVE
MAINTENANCE
&
SUGGESTIONS:

The grounds are matured and established after receiving proficient maintenance services over the use term. The lawns and plantings are challenged without an irrigation system. Future site work that disrupts surfaces should include phased enhancement for irrigation. Observations suggest that management should consider contacting an applicator for insect control and fertilizing. There are indications that portions of the site have insect, bird, and rodent issues, needing professional exterminators. Operating services should also consider foot traffic controls to eliminate losses.

The previous annual expense and reserve rate of \$1,500 each year remains reasonable to address replacement/enhancement trees and shrubs. Deferred maintenance exists on the site's perimeters with old growth trees requiring trimming and selective removal. The grounds inventory is also at a loss as a result of erosion from surface water drainage. The reserve and expense rates increase by \$1,500 each year. The total annual reserve rate and expense is \$3,000 each year for all years.

Site drainage has become a severe issue at Avery Park. The site's storm water system is moving with settlement and pitched from frost heaves. Debris and accumulating silt are observed within chambers. Conditions are typical of an inventory approaching the end of useful life. Rehabilitation includes excavation to reset piping and rebuild the storm basins with reset foundations. The capital need of the existing system exceeds \$10,000. Needs are also found as a result of an encroachment created by entities on upper land elevations. The site receives water collected and directed by others, spilling through its grounds and impacting several components. Trenches and spillways have been created; however, none are capable of enduring 100-year rain storms. The site should discuss conditions with its surveyor and legal counsel. An expense of \$25,000 is included for year 1. The annual reserve rate is based on the current rate of attrition and damage, at \$5,000 each year.

PROPERTY PHOTOS



INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
GROUNDS	1	L/S	\$60,000	\$60,000	1-20+	\$3,000 per year	\$3,000 years 1-20
SITE DRAINAGE	1	L/S	\$100,000	\$100,000	1	\$5,000 per year	\$25,000 year 1

PHYSICAL PLANT REPORT SITE IMPROVEMENTS II

LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
ASPHALT SURFACES	25	12/44	15	10
SITE LIGHTING	40	44	38	2

SUMMARY

DEFERRED MAINTENANCE: Intentional deferment is not observed.
OBSOLESCENCE: Site lighting is approaching economic and functional obsolescence.
LIFE EXTENSION: The attrition from frost heaves, settlement, and stress will require periodic rehabilitation of the inventory.
ALTERNATIVES: Numerous architectural choices are available.

COMMENTS Management completed a phased layover application during the past several years of walkways, drives, and parking areas. An exact date is not available. Workmanship and product quality is better than average, creating good curb appeal and functional ability throughout the site. Operating services should include regular periods of emulsion cleaning to remove oil and grease spills within the stalls. Stencil is required to meet UFAS requirements for barrier free parking.
OBSERVATIONS The inventory includes 126,400 square feet of surface area improved at \$1.75 p/sq.ft.; total value \$221,200 for a layover application. Reclamation is estimated to exceed \$400,000; however, there are no indications substantial soil disruption exists.
PREVENTATIVE MAINTENANCE & SUGGESTIONS:

The layover expense is included for year 10. The annual reserve rate is based on 25-year use life, at \$8,848 per year for all years.

Site lighting is aged, remaining in service only after proficient maintenance services were provided during the use term. Pitched posts, failing hardware, and general attrition is becoming prevalent in posts and bollard lamps. Replacement includes commercial lighting with an expense of \$35,000 in year 5. Management should consider accelerating replacement. The annual reserve rate is \$1,000 per year.

PROPERTY PHOTOS



INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
ASPHALT SURFACES	124,600	SF	\$1.75	\$221,200	10	\$8,848 per year	\$221,200 year 10
SITE LIGHTING	1	L/S	\$20,000	\$20,000	5	\$1,000 per year	\$35,000 year 5

PHYSICAL PLANT REPORT SITE IMPROVEMENTS III

LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
GARAGES	75	44	45	20+
SIGNS	10	10+	10+	0
SITE MISC.	25	5-20+	5-20+	5-20+

SUMMARY

DEFERRED MAINTENANCE: None; services have attempted to address attrition.

OBSOLESCENCE: Lacking rubbish corrals; aged theme identification signs, instruction and direction signs.

LIFE EXTENSION: These components are limited in available extended use life.

ALTERNATIVES: Numerous architectural choices are available.

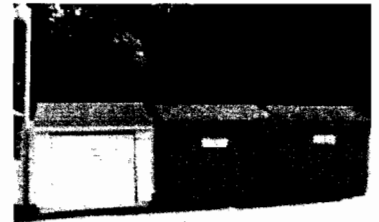
COMMENTS OBSERVATIONS PREVENTATIVE MAINTENANCE & SUGGESTIONS:

The garage needs periodic improvements such as overhead door, lighting, ventilation, and security. An annual reserve rate and expense of \$500 is included below for all years.

The site is not improved with decorative themed identification signs. The appearance should include pleasing curb appeal and the ability to carry the theme through all media and printed materials. The site's interior includes wooden signs used for direction and instruction. The inventory is observed with wood rot and failure. An expense of \$7,500 is included for year 1 to improve the entire inventory. Years 10 & 20 renew the inventory at \$7,500; reserved at \$750 per year for all years.

The site miscellaneous inventory includes storage lockers placed throughout the site for resident use. The inventory is very limited. The site is not improved with rubbish corrals. Years 1, 5, 10, 15, & 20 include an expense of \$6,600; reserved over the typical use life of 10 years at \$660 per year for all years. Management will be able to accommodate drying yards, additional lockers, and cyclic needs of rubbish corrals. There is a limited inventory of fence. Mail stanchions are open to the weather and will incur accelerated obsolescence.

PROPERTY PHOTOS



INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
GARAGES	1	L/S	\$10,000	\$10,000	1-20	\$500 per year	\$500 years 1-20
SIGNS	1	L/S	\$15,000	\$15,000	0	\$750 per year	\$7,500 yrs. 1, 10, 20
SITE MISC.	1	L/S	\$5,860	\$5,860	0	\$660 per year	\$6,600 yrs. 1,5,10,15,20

PHYSICAL PLANT REPORT BUILDING ENVELOPE & IMPROVEMENTS I

LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
SIDING SYSTEMS	75	44	40	20+
SIDING MISC.	50	44	46+	4

SUMMARY

DEFERRED MAINTENANCE:	None; services have been performed as needed; intentional deferment is not observed.
OBSOLESCENCE:	There is sporadic economic obsolescence throughout the siding components. Fastening hardware is in need of renewal.
LIFE EXTENSION:	Most of the inventory can achieve additional use years. Detailed services can renew the inventory for additional 15+ years.
ALTERNATIVES:	Numerous architectural choices are available for retrofit; consider phased improvements on sporadic elevations.
COMMENTS	The main siding component includes a brick façade. Conditions are exceptional for the inventory's age, exhibiting only sporadic breaks or locations requiring repointing of a thin mortar joint. Several splash back locations were the only areas
OBSERVATIONS	indicating surface spalling. With minimal services, the inventory is capable of continued long term use. Consider assuring all
PREVENTATIVE	weep holes are present and open. An annual reserve rate of \$5,000 funds improvement periods of \$15,000 in years 3, 6, 9, 12,
MAINTENANCE	15, & 18.
&	
SUGGESTIONS:	Siding miscellaneous components include vinyl accents with infill panels for vents on gables and mansards. Related components include recent window frames. All transitions to all products are observed with a need for caulking. The initial service performed at window frames is not uniform, relying on a judgment call to caulk or not. Vinyl products in general are aging. Most surfaces have some degree of surface mold and mildew, fastener failure, and signs of bird or rodent entry. To coincide with brick services, years 3, 6, 9, 12, 15, & 18 include caulking and sectional replacements of \$15,000 each phase. The annual reserve rate is also \$5,000 each year.

PROPERTY PHOTOS



INVENTORY & COST ANALYSIS

	QTY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
SIDING SYSTEMS	1	L/S	\$100,000	\$100,000	3+	\$5,000 per year	\$15,000 yrs 3,6,9,12,15, 18
SIDING MISC	1	L/S	\$100,000	\$100,000	3+	\$5,000 per year	\$15,000 yrs 3,6,9,12,15, 18

PHYSICAL PLANT REPORT BUILDING ENVELOPE & IMPROVEMENTS II

LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
ROOFING	20	12	18	2
GUTTERS/CONDUCTORS	40	40+	38	2

SUMMARY

DEFERRED MAINTENANCE: None; intentional deferment is not observed.
OBSOLESCENCE: The gutter and conductor downspout inventory includes economic obsolescence.
LIFE EXTENSION: Consider an annual service contract with a qualified roofing professional.
ALTERNATIVES: The gutters and conductors require an improved strategy for outfall.

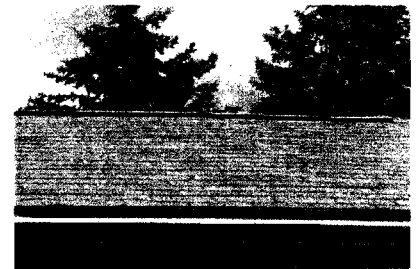
COMMENTS
OBSERVATIONS
PREVENTATIVE
MAINTENANCE
&
SUGGESTIONS:

The roof inventory is 12+ years of age. The architectural shingle appears to be approaching the end of useful life. Conditions include failed wind seal, surface spalling, and movement. Management should assess roof trusses for proper placement and attachment. Recent weather events have caused severe damages throughout the region. Previous discussions conducted after the 2001 report included strategies for improving ventilation of the attic spaces. Remaining unaddressed, the next roof retrofit should include working ridge vents; increased eave vents, and close off the gable end vents. The current inventory is achieving only half-life before failures occur.

The inventory includes 73,350 square feet of surface area improved at \$6.50 per square foot; \$476,775 total expense being retrofit with ice and water shield throughout, finished with an architectural shingle of 345-360 lbs/sq. The annual reserve rate is \$23,839 each year for all years. The expense is included below for year 3.

The gutter and conductor inventory is observed in various conditions of attrition. Typical conditions include failed gutter pins, ice damages, and pitched trays. An inventory value of \$31,000 includes all downspout outfalling to subsurface systems. Current conditions can be extended to the next roof cycle in year 3. The annual reserve rate is based on typical use life of 40 years, at \$775 per year. During the use term, proficient services will be needed to achieve continued use.

PROPERTY PHOTOS



INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
ROOFING	73,350	SF	\$6.50	\$476,775	2	\$23,839 per year	\$476,775 year 3
GUTTERS/CONDUCTORS	1	L/S	\$15,500	\$15,500	2	\$775 per year	\$31,000 year 3

PHYSICAL PLANT REPORT BUILDING ENVELOPE & IMPROVEMENTS III

LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
WINDOWS & DOORS	40/40	5/44	3/35+	20+/5
ENVELOPE MISC.	40	40+	35	5

SUMMARY

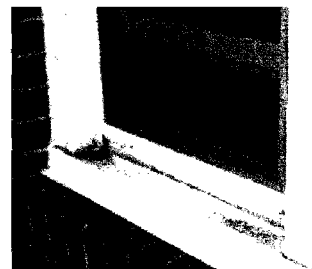
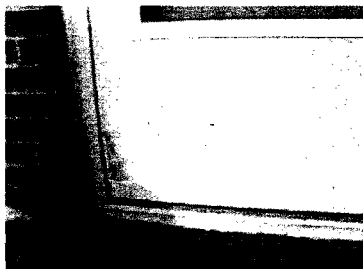
DEFERRED MAINTENANCE: None; services have been performed as needed to keep the inventory in service.
OBSOLESCENCE: Expect economic obsolescence throughout all of the passage doors and storm doors.
LIFE EXTENSION: Continue to inspect and service the inventory.
ALTERNATIVES: Numerous architectural choices are available for retrofit.

COMMENTS Windows were replaced during the past several years with a modern vinyl thermal unit. Doors are original at 44 years in service; however, passage set entry is now upgraded to quality lever entry. Storm doors are also present with quality units located at front and rear entries.
OBSERVATIONS
PREVENTATIVE MAINTENANCE
&
SUGGESTIONS: The inventory value is estimated at \$112,500 for windows; \$162,000 for two hundred twenty insulated metal entry doors with passage sets, and \$33,000 for 220 storm doors. Total inventory value is \$307,500, creating an annual reserve rate of \$7,688 each year. Expenses include phased replacement of entry doors, at \$14,727 each year for 10 units, 20 entry doors. Storm doors are typically cyclic at 10 years, adding \$3,300 of expense.

The envelope miscellaneous category includes louvered vents, outdated building mounted lighting, utility panels, and small items of detail. Most items are replaced upon failure as an operating expense. Modernization of the lighting inventory would improve curb appeal. An expense of \$8,000 is included for year 3.
 Utility boxes and meter troughs are observed with metal rot; replaced in year 3 with an expense of \$25,000.

The annual reserve rate is based on typical use life of 40 years, at \$825 per year for all years.

PROPERTY PHOTOS



INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
WINDOWS & DOORS	1	L/S	\$153,760	\$153,760	1-10+	\$7,688 per year	\$18,027 years 1-10
ENVELOPE MISC.	1	L/S	\$16,500	\$16,500	3	\$825 per year	\$33,000 year 3

PHYSICAL PLANT REPORT APARTMENT INTERIORS

LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
KITCHENS & BATHS	40	44	40+	0
APPLIANCES	12	1-12	1-12	0-11
DÉCOR	7	1-7	1-7	0-6
INTERIOR MISC.	15	1-15	1-15	0-14

SUMMARY

DEFERRED MAINTENANCE: None; services are constantly provided by the site staff.
OBSOLESCENCE: Economic obsolescence is cyclic throughout the components.
LIFE EXTENSION: The cabinets, appliances, and décor categories are achieving extended use life well beyond typical periods.
ALTERNATIVES: Product quality may need to change in future years as marketing demands change.

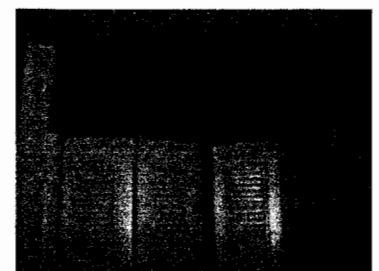
COMMENTS The kitchen cabinets have been refinished by the site staff to continue use. Bathrooms are spartan with a wall-hung porcelain sink and commode. Wood surfaces have been renewed when possible, resulting in replacement once hardware becomes difficult to correct. Unit inspections indicate several periods of enhancements. Ground fault protection is in place for kitchens and bathrooms.
OBSERVATIONS The inventory is capable of continued use as long as material surfaces can be refinished. Replacement value is estimated at \$605,000 for all kitchens and baths; reserved over 30-year typical use life at \$20,167 each year. Fatigue is expected at mid term or sooner; included for year 10. Management should consider accelerating the retrofit if marketing/retention efforts are impeded. Maximum use life is ten years.
PREVENTATIVE MAINTENANCE & SUGGESTIONS:

The appliance inventory includes an efficiency range and self-defrosting refrigerator. Per unit inventory value is \$930; \$102,300 total value reserved over 12 years average use life at \$8,525 per year. It should be noted that the range inventory is mostly original; appear in better than average condition with few signs of attrition. Actual timing and expenses will vary each year.

Décor within the units includes painted sheetrock walls and vinyl flooring throughout kitchens and baths, living and sleeping areas, and items of detail. The site is currently experiencing a vacancy factor of 4%; and a fluctuating turnover rate of 32%. Typical turnover averages 3-5 units each month, with an additional 4 units redecorated for long term tenants. Average costs are estimated at \$1,400 each; \$15,400 total annual expense and reserve rate.

Interior miscellaneous components include lighting, ventilation, interior doors, and items of detail. Most of the inventory varies in age from phased replacement. Most of the inventory is capable of extended use life. An annual reserve rate and expense of \$500 is included below for all years.

PROPERTY PHOTOS



INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
KITCHENS & BATHS	1	L/S	\$403,340	\$403,340	<10	\$20,167 per year	\$605,000 year 10
APPLIANCES	1	L/S	\$170,500	\$170,500	1-20	\$8,525 per year	\$8,525 years 1-20
DÉCOR	1	L/S	\$308,000	\$308,000	1-20	\$15,400 per year	\$15,400 years 1-20
INTERIOR MISC.	1	L/S	\$10,000	\$10,000	1-20	\$500 per year	\$500 years 1-20

PHYSICAL PLANT REPORT MECHANICAL SYSTEMS I

LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
DOMESTIC HOT WATER	10	1-10	1-10	0-9
HEATING SYSTEMS	25	1	1	20
GENERATOR	-	-	-	-
FIRE SAFETY	5	1-5	1-5	0-4

SUMMARY

DEFERRED MAINTENANCE: Deferred services are not observed. Systems have been maintained to achieve long term use.
OBSOLESCENCE: Expect economic and functional obsolescence throughout all topics.
LIFE EXTENSION: Continue to enhance fire safety systems with modern systems.
ALTERNATIVES: Modernization is required for domestic hot water, generator, and fire safety. Consider security intrusion systems.

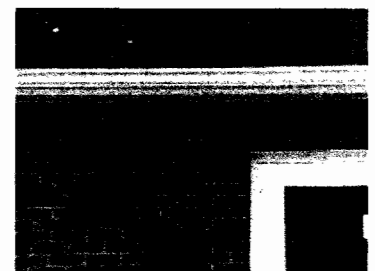
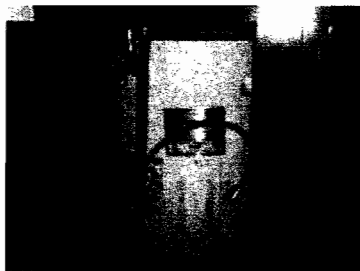
COMMENTS
OBSERVATIONS
PREVENTATIVE
MAINTENANCE
&
SUGGESTIONS:
Domestic hot water is provided by individual 20 to 30 gallon electric hot water heaters. Typical use life is 10 years, with sudden unexpected losses occurring beyond that time. Observations within residential units include several hot water heaters of 10+ years that should be removed to prevent damages. The inventory is replaced with similar glass-lined 45 gallon hot water heaters at \$565 each; \$62,150 total replacement value over ten years. The annual reserve rate and expense is \$6,215; however, expect early years to have an increased rate of expenses.

Modernization occurred as part of an agreement with Connecticut Light & Power Energy Efficiency Services. Management installed split and dual zone ductless heat pumps. Replacement value is \$208,340 (\$1,894 each) at the reduced rate with an estimated use life of 18 years. The annual reserve rate is \$11,574 each year for all years. Cyclic replacement should be expected during the term of the plan.

There is no permanent stand-by generator located at the property. Management has the ability to supply portable generator power to the community center. An adequately sized, dependable system should be considered. An annual reserve rate and expense of \$250 addresses existing portable equipment.

The fire safety has a history of meeting local code requirements. The system includes smoke detectors responding to an annunciation and location lamp. Automatic call-forwarding is in place as is battery back-up.
Years 5, 10, 15, & 20 include an expense of \$2,500 each cycle to continue replacements and modernization for code changes.
The reserve rate is \$500 per year.

PROPERTY PHOTOS



INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
DOMESTIC HOT WATER	1	L/S	\$124,300	\$124,300	1-20	\$6,215 per year	\$6,215 years 1-20
HEATING SYSTEMS	1	L/S	\$231,480	\$231,480	18+	\$11,574 per year	\$0.00
GENERATOR	1	L/S	\$5,000	\$5,000	1-20	\$250 per year	\$250 years 1-20
FIRE SAFETY	1	L/S	\$10,000	\$10,000	5	\$500 per year	\$2,500 yrs 5, 10, 15, 20

PHYSICAL PLANT REPORT MECHANICAL SYSTEMS II

LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
SECURITY				
MECHANICAL MISC.				

SUMMARY

DEFERRED MAINTENANCE: None; services are performed as needed.

OBSOLESCENCE: Security systems are minimal, representing functional obsolescence.

LIFE EXTENSION: Increase systems to include closed circuit cameras with recorders, motion detectors.

ALTERNATIVES: Consider improved door locks, FOB's, cameras, etc. modernizing the capabilities.

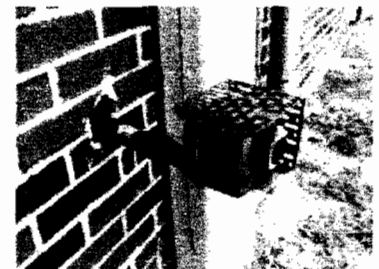
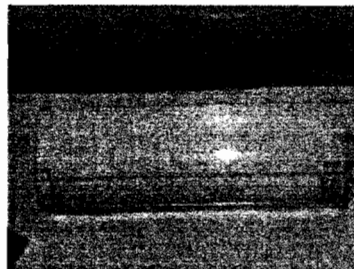
COMMENTS There are no elevators located at the site.

OBSERVATIONS Security includes passage door locks and panic pull stations in bathrooms that remain local. Modernization is needed to provide a safer atmosphere for retention and marketing. Security within the laundry and community center is somewhat enhanced with touch-pad entry. The current limited inventory receives and annual reserve rate and expense of \$200 each year.

PREVENTATIVE MAINTENANCE & SUGGESTIONS: There are no additional items of cooling, make up air, or mechanical miscellaneous.

The site owns an inventory of plow truck, resident bus, tractors, golf cart, snow blowers, and hand equipment. Many of the components appear worn. The previous rate of \$2,500 is doubled to \$5,000 each year to assure quality retrofit.

PROPERTY PHOTOS



INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
SECURITY	1	L/S	\$4,000	\$4,000	1-20	\$200 per year	\$200 years 1-20
MECHANICAL MISC.	1	L/S	\$100,000	\$100,000	1-20	\$5,000 per year	\$5,000 years 1-20

PHYSICAL PLANT REPORT COMMON SPACE

LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
COMMUNITY CENTER				
OFFICE				
COMMON MISC.				

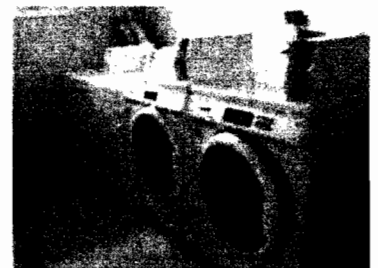
SUMMARY

DEFERRED MAINTENANCE: None; services have been performed as needed.
OBSOLESCENCE: Expect cyclic obsolescence for all improvements of the community center.
LIFE EXTENSION: Continue inspections and services.
ALTERNATIVES: Numerous choices are available to meet resident desires.

COMMENTS The two community centers are active focal point for residents. Observations included an active game of bingo and use of the kitchen by the residents. Furniture is miss-matched, equipment is minimal. The kitchen appears well-used.
OBSERVATIONS
PREVENTATIVE MAINTENANCE & SUGGESTIONS: An annual reserve rate and expense of \$500 is included for all years.
 The office requirements are many; including space to conduct private meetings with residents, both for tenancy issues as well as social services. Space is limited to what would have been a garage if not converted to the "office".
 Year 1 includes an expense to build a free-standing professional office; adapt the current location with an additional 1,000 square feet of surface area, or, adapt a residential apartment with easy access.
 An expense of \$50,000 is included below for year one. The constant reserve rate addresses continued expenses of computer, décor, and office equipment; at \$1,000 each year.

There are no additional items of inventory; no reserve rate or capital expense is identified for this line.

PROPERTY PHOTOS



INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
COMMUNITY CENTER	1	L/S	\$10,000	\$10,000	1-20	\$500 per year	\$500 years 1-20
OFFICE	1	L/S	\$20,000	\$20,000	1-20	\$1,000 per year	\$50,000 year 1 \$1,000 years 1-20
COMMON MISC.	-	-	-	-	-	-	-

PHYSICAL PLANT REPORT MISCELLANEOUS IMPROVEMENTS

LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
SECTION 504	-	-	-	-
MODERNIZATION	-	-	-	-

SUMMARY

DEFERRED MAINTENANCE:
OBSOLESCENCE:
LIFE EXTENSION:
ALTERNATIVES:

Various degrees of complying with Section 504 exist, based primarily on improvement costs, rehab programs, new government loans or insured loans by the government, with all relative as a percentage of overall property value. At this time, we do not project that the site will require a significant expense or government loan triggering a compliance level higher than local code or reasonable accommodations. The property is considered a non-conforming use, having been built before UFAS guidelines were established. Year 1 includes an expense of \$5,500 for professional assistance in completing a Section 504 Self-Evaluation and Transition Plan.

COMMENTS
OBSERVATIONS
PREVENTATIVE
MAINTENANCE
&
SUGGESTIONS:

No additional expense is projected to address Section 504. Reasonable accommodation is not expected to result in a financial burden for the operating accounts of the subject property.

During the next twenty years and to the period when the mortgage is retired, the components will represent functional obsolescence to varying degrees. Most of the conditions should be considered curable. Enhancements expected include:

Safety:

Fire and safety issues should take priority in modernization, with more sophisticated systems available to the individual unit, sounding directly to authorities. Intrusion systems should be included. Consider Detex Stations when using security. Hand held walkie-talkies should be employed. Equip and replace with advanced systems as they become available.

Barrier free:

Over time, the subject property will require spending of capital dollars, which enable trigger points of Section 504 compliance. Eventually, total modernization is likely to be required, although such modernization may be beyond the current assisted mortgage.

Computerized Intelligence:

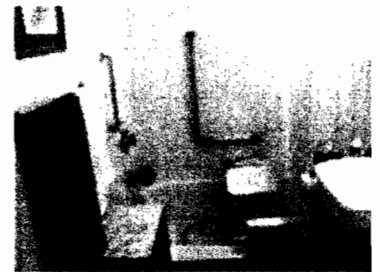
Modern buildings are relying on computerization of mechanical systems for energy controls, increased comfort levels, and improved performance of operating systems.

Communications

Electronic billboard systems are available for installation into existing matv or CCTV home runs. The billboards, similar to those now found in hotels, allow instant communication to the residential unit. The systems have unlimited applications for social and operating issues.

Actual expenses are not shown for these possible functions. Management should evaluate and consider which ones, if any, are applicable.

PROPERTY PHOTOS



INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
SECTION 504	-	-	-	-	-	-	\$5,500 year 1
MODERNIZATION	-	-	-	-	-	-	\$0.00

CONTINGENCY REPORT

This section of the report describes the basis for establishing a funding level for unknown conditions. Typically, these items would include components of the improvements that are unavailable for inspection and evaluation of condition. It is not based on a percentage or other factor that forms a simple cushion.

The WATER SUPPLY LINES, PLUMBING, and SANITARY FACILITIES, FLUES, CHASES, DRAINS, ELECTRICAL SUPPLY, CONDUITS, ETC., have a history of only sporadic failure and can be expected to attain a normal life span well in excess of an additional 20 years. During the term of this plan these components will achieve the age typically associated with problematic conditions. The degree of failure and service can only be determined over time. The initial funding rate is suggested at **\$2,500.00 per year**.

Expect an annual expense of \$2,500 as conditions deteriorate.

Some existing line items within the report are capable of excessive expenses as conditions deteriorate further; including, SITE STORM WATER, MOLD AND MILDEW, LACKING SHUT-OFF'S ON PLUMBING, DETERIORATING WASTE LINES, AND POSSIBLE ROOF TRUSS MOVEMENT. An annual reserve rate of **\$3,000 per year** is included.

The limited common area also includes the STRUCTURE AND FOUNDATION. Water penetration and related damages is likely to have an influence on capital costs. The physical plant report includes funding to address sealants and caulking, however, not the actual deterioration of substructures. Observations include sporadic locations of infiltration. Conditions will eventually deteriorate infrastructure, load bearing beams and walls, and other supporting elements. We suggest an annual funding rate of **\$1,000.00 per year**.

Management should consider any possible needs associated with

TOTAL RECOMMENDED FUNDING:	\$6,500.00 PER YEAR
	\$2,500 ANNUAL EXPENSES

Although this amount may be arbitrary in scope, it creates funding that can be adjusted in future updates after the performance history is reviewed.

CONCLUSION, PART A
SEGREGATED FUNDING AND RATE OF ATTRITION

Avery Park Apartments
July 9, 2012

SEGREGATED FUNDING PRIOR TO APPLICATION OF EXISTING RESERVE ACCOUNT BALANCES

COMPONENT	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Grounds Retainage	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Site Drainage	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Asphalt Surfaces	8,848	8,848	8,848	8,848	8,848	8,848	8,848	8,848	8,848	8,848	8,848	8,848	8,848	8,848	8,848	8,848	8,848	8,848	8,848	8,848
Site Lighting	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Garages	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Signs	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750	750
Site Misc	660	660	660	660	660	660	660	660	660	660	660	660	660	660	660	660	660	660	660	660
Sliding Systems	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Sliding Misc	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Roofing	23,839	23,839	23,839	23,839	23,839	23,839	23,839	23,839	23,839	23,839	23,839	23,839	23,839	23,839	23,839	23,839	23,839	23,839	23,839	23,839
Gutters	775	775	775	775	775	775	775	775	775	775	775	775	775	775	775	775	775	775	775	775
Windows & Doors	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688	7,688
Envelope Misc	825	825	825	825	825	825	825	825	825	825	825	825	825	825	825	825	825	825	825	825
Kitchens & Baths	20,167	20,167	20,167	20,167	20,167	20,167	20,167	20,167	20,167	20,167	20,167	20,167	20,167	20,167	20,167	20,167	20,167	20,167	20,167	20,167
Appliances	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525
Décor	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400
Interior Misc.	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Domestic Hot Water	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215
Heating Systems	11,574	11,574	11,574	11,574	11,574	11,574	11,574	11,574	11,574	11,574	11,574	11,574	11,574	11,574	11,574	11,574	11,574	11,574	11,574	11,574
Fire Safety	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Generator	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250
Security	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
Mechanical Misc.	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Community Center	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Office	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Section 504	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Modernization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contingency	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Reserve	139,216	139,216	139,216	139,216	139,216	139,216	139,216	139,216	139,216	139,216	139,216	139,216	139,216	139,216	139,216	139,216	139,216	139,216	139,216	139,216
Cash Expense	156,217	61,617	632,392	61,617	105,717	91,617	61,617	61,617	91,617	904,417	43,590	73,590	43,590	43,590	82,690	43,590	43,590	73,590	43,590	60,190
Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032

CONCLUSION, PART B
CURRENT FUNDING VS. A FULLY-FUNDED RESERVE

Avery Park Apartments
July 9, 2012

THE CURRENT LEVEL OF FUNDING IS SHOWN vs. A FULLY FUNDED RESERVE

Year	Cash Balance Forwarded	Annual Funding	Actual Cash Expense	Cash Shortfall	Cash Balance with 2% interest	Reserve Required	Coverage Shortfall
2013	\$345,607	\$6,007	\$156,217	\$0	\$199,305	\$139,216	\$0
2014	\$199,305	\$6,007	\$61,617	\$0	\$146,569	\$278,432	(\$131,863)
2015	\$146,569	\$6,007	\$632,392	(\$479,816)	(\$479,816)	\$417,648	(\$897,464)
2016	(\$479,816)	\$6,007	\$61,617	(\$335,426)	(\$535,426)	\$556,864	(\$1,092,290)
2017	(\$535,426)	\$6,007	\$105,717	(\$635,136)	(\$635,136)	\$696,080	(\$1,331,216)
2018	(\$635,136)	\$6,007	\$91,617	(\$720,746)	(\$720,746)	\$835,296	(\$1,556,042)
2019	(\$720,746)	\$6,007	\$61,617	(\$776,356)	(\$776,356)	\$974,512	(\$1,750,868)
2020	(\$776,356)	\$6,007	\$61,617	(\$831,966)	(\$831,966)	\$1,113,728	(\$1,945,694)
2021	(\$831,966)	\$6,007	\$91,617	(\$917,576)	(\$917,576)	\$1,252,944	(\$2,170,520)
2022	(\$917,576)	\$6,007	\$904,417	(\$1,815,986)	(\$1,815,986)	\$1,392,160	(\$3,208,146)
2023	(\$1,815,986)	\$6,007	\$43,590	(\$1,853,569)	(\$1,853,569)	\$1,531,376	(\$3,384,945)
2024	(\$1,853,569)	\$6,007	\$73,590	(\$1,921,152)	(\$1,921,152)	\$1,670,592	(\$3,591,744)
2025	(\$1,921,152)	\$6,007	\$43,590	(\$1,958,735)	(\$1,958,735)	\$1,809,808	(\$3,768,543)
2026	(\$1,958,735)	\$6,007	\$43,590	(\$1,996,318)	(\$1,996,318)	\$1,949,024	(\$3,945,342)
2027	(\$1,996,318)	\$6,007	\$82,690	(\$2,073,001)	(\$2,073,001)	\$2,088,240	(\$4,161,241)
2028	(\$2,073,001)	\$6,007	\$43,590	(\$2,110,584)	(\$2,110,584)	\$2,227,456	(\$4,338,040)
2029	(\$2,110,584)	\$6,007	\$43,590	(\$2,148,167)	(\$2,148,167)	\$2,366,672	(\$4,514,839)
2030	(\$2,148,167)	\$6,007	\$73,590	(\$2,215,750)	(\$2,215,750)	\$2,505,888	(\$4,721,638)
2031	(\$2,215,750)	\$6,007	\$43,590	(\$2,253,333)	(\$2,253,333)	\$2,645,104	(\$4,898,437)
2032	(\$2,253,333)	\$6,007	\$60,190	(\$2,307,516)	(\$2,307,516)	\$2,784,320	(\$5,091,836)
CYCLE END TOTALS:		\$120,140	\$2,780,045				

Net interest is compounded at 2% per year, allowing three percent to be allocated for inflation of expenses. See appendix for information regarding inflation. This scenario is good for a limited time of approximately three years. All projections require regular updates.

CONCLUSION, PART C
SUGGESTED LEVEL OF FUNDING FOR A FULLY-FUNDED RESERVE W/ 3% FUNDING INCREASE EACH YEAR

Avery Park Apartments
 July 9, 2012
THE SUGGESTED LEVEL OF FUNDING IS SHOWN vs. A FULLY FUNDED RESERVE

Year	Cash Balance Forwarded	Annual Funding (3% compound fund)	Actual Cash Expense	Cash Shortfall	Cash Balance with 2% interest	Reserve Required	Coverage Shortfall
2013	\$345,607	\$2,750,000	\$156,217	\$0	\$2,998,178	\$139,216	\$0
2014	\$2,998,178	\$85,800	\$61,617	\$0	\$3,082,808	\$278,432	\$0
2015	\$3,082,808	\$88,374	\$632,392	\$0	\$2,589,566	\$417,648	\$0
2016	\$2,589,566	\$91,025	\$61,617	\$0	\$2,671,354	\$556,864	\$0
2017	\$2,671,354	\$93,756	\$105,717	\$0	\$2,712,580	\$696,080	\$0
2018	\$2,712,580	\$96,569	\$91,617	\$0	\$2,771,883	\$835,296	\$0
2019	\$2,771,883	\$99,466	\$61,617	\$0	\$2,865,926	\$974,512	\$0
2020	\$2,865,926	\$102,450	\$61,617	\$0	\$2,964,894	\$1,113,728	\$0
2021	\$2,964,894	\$105,523	\$91,617	\$0	\$3,038,376	\$1,252,944	\$0
2022	\$3,038,376	\$108,689	\$904,417	\$0	\$2,287,501	\$1,392,160	\$0
2023	\$2,287,501	\$111,950	\$43,590	\$0	\$2,402,978	\$1,531,376	\$0
2024	\$2,402,978	\$115,308	\$73,590	\$0	\$2,493,590	\$1,670,592	\$0
2025	\$2,493,590	\$118,767	\$43,590	\$0	\$2,620,142	\$1,809,808	\$0
2026	\$2,620,142	\$122,330	\$43,590	\$0	\$2,752,860	\$1,949,024	\$0
2027	\$2,752,860	\$126,000	\$82,690	\$0	\$2,852,094	\$2,088,240	\$0
2028	\$2,852,094	\$129,780	\$43,590	\$0	\$2,997,050	\$2,227,456	\$0
2029	\$2,997,050	\$133,674	\$43,590	\$0	\$3,148,876	\$2,366,672	\$0
2030	\$3,148,876	\$137,684	\$73,590	\$0	\$3,277,229	\$2,505,888	\$0
2031	\$3,277,229	\$141,814	\$43,590	\$0	\$3,442,962	\$2,645,104	\$0
2032	\$3,442,962	\$146,069	\$60,190	\$0	\$3,599,418	\$2,784,320	\$0
CYCLE END TOTALS:		\$4,905,027	\$2,780,045				

Net interest is compounded at 2% per year, allowing three percent to be allocated for inflation of expenses. See appendix for information regarding inflation. This scenario is good for a limited time of approximately three years. All projections require regular up-dates.

**CONCLUSION, PART D
DEDICATED EXPENSE BY YEAR**

**Avery Park Apartments
July 9, 2012**

DEDICATED EXPENSES PRIOR TO APPLICATION OF EXISTING RESERVE ACCOUNT BALANCES

COMPONENT	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Grounds Retainage	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Site Drainage	25,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Asphalt Surfaces	0	0	0	0	0	0	0	0	0	221,200	0	0	0	0	0	0	0	0	0	0
Site Lighting	0	0	0	0	35,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Garages	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Signs	7,500	0	0	0	0	0	0	0	0	7,500	0	0	0	0	0	0	0	0	0	7,500
Site Misc	6,600	0	0	0	6,600	0	0	0	0	6,600	0	0	0	0	6,600	0	0	0	0	6,600
Siding Systems	0	0	15,000	0	0	15,000	0	0	15,000	0	0	15,000	0	0	15,000	0	0	15,000	0	0
Siding Misc	0	0	15,000	0	0	15,000	0	0	15,000	0	0	15,000	0	0	15,000	0	0	15,000	0	0
Roofing	0	0	476,775	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gutters	0	0	31,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Windows & Doors	18,027	18,027	18,027	18,027	18,027	18,027	18,027	18,027	18,027	18,027	18,027	0	0	0	0	0	0	0	0	0
Envelope Misc	0	0	33,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kitchens & Baths	0	0	0	0	0	0	0	0	0	605,000	0	0	0	0	0	0	0	0	0	0
Appliances	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525	8,525
Décor	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400	15,400
Interior Misc,	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Domestic Hot Water	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215	6,215
Heating Systems	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fire Safety	0	0	0	0	2,500	0	0	0	0	2,500	0	0	0	0	2,500	0	0	0	0	2,500
Generator	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250
Security	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200	200
Mechanical Misc.	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Community Center	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
Office	51,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Section 504	5,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Modernization	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contingency	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Cash Expense	156,217	61,617	632,392	61,617	105,717	91,617	61,617	61,617	91,617	904,417	43,590	73,590	43,590	43,590	82,690	43,590	43,590	73,590	43,590	60,190
Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20

CONCLUSION, PART E
CURRENT FUNDING VS. BASELINE FUNDING TO MEET EXPENSES

Avery Park Apartments
July 9, 2012
THE CURRENT LEVEL OF FUNDING IS SHOWN vs. TIMING OF DEDICATED EXPENSES

Year	Cash Balance Forwarded	Annual Funding	Actual Cash Expense	Cash Shortfall	Cash Balance with 2% interest	
2013	\$345,607	\$6,007	\$156,217	\$0	\$199,305	
2014	\$199,305	\$6,007	\$61,617	\$0	\$146,569	
2015	\$146,569	\$6,007	\$632,392	(\$479,816)	(\$479,816)	
2016	(\$479,816)	\$6,007	\$61,617	(\$535,426)	(\$535,426)	
2017	(\$535,426)	\$6,007	\$105,717	(\$635,136)	(\$635,136)	
2018	(\$635,136)	\$6,007	\$91,617	(\$720,746)	(\$720,746)	
2019	(\$720,746)	\$6,007	\$61,617	(\$776,356)	(\$776,356)	
2020	(\$776,356)	\$6,007	\$61,617	(\$831,966)	(\$831,966)	
2021	(\$831,966)	\$6,007	\$91,617	(\$917,576)	(\$917,576)	
2022	(\$917,576)	\$6,007	\$904,417	(\$1,815,986)	(\$1,815,986)	
2023	(\$1,815,986)	\$6,007	\$43,590	(\$1,853,569)	(\$1,853,569)	
2024	(\$1,853,569)	\$6,007	\$73,590	(\$1,921,152)	(\$1,921,152)	
2025	(\$1,921,152)	\$6,007	\$43,590	(\$1,958,735)	(\$1,958,735)	
2026	(\$1,958,735)	\$6,007	\$43,590	(\$1,996,318)	(\$1,996,318)	
2027	(\$1,996,318)	\$6,007	\$82,690	(\$2,073,001)	(\$2,073,001)	
2028	(\$2,073,001)	\$6,007	\$43,590	(\$2,110,584)	(\$2,110,584)	
2029	(\$2,110,584)	\$6,007	\$43,590	(\$2,148,167)	(\$2,148,167)	
2030	(\$2,148,167)	\$6,007	\$73,590	(\$2,215,750)	(\$2,215,750)	
2031	(\$2,215,750)	\$6,007	\$43,590	(\$2,253,333)	(\$2,253,333)	
2032	(\$2,253,333)	\$6,007	\$60,190	(\$2,307,516)	(\$2,307,516)	
CYCLE END TOTALS:		\$120,140	\$2,780,045			

Net interest is compounded at 2% per year, allowing three percent to be allocated for inflation of expenses. See appendix for information regarding inflation. This scenario is good for a limited time of approximately three years. All projections require regular updates.

SUGGESTED FUNDING LEVEL TO MEET THE BASELINE EXPENSES W/ 3% FUNDING INCREASE EACH YEAR
CONCLUSION, PART F

Avery Park Apartments
 July 9, 2012

SUGGESTED FUNDING LEVEL TO MEET DEDICATED EXPENSES

Year	Cash Balance Forwarded	Annual Funding (3% compound fund)	Actual Cash Expense	Cash Shortfall	Cash Balance with 2% interest	
2013	\$345,607	\$1,650,000	\$156,217	\$0	\$1,876,178	
2014	\$1,876,178	\$85,800	\$61,617	\$0	\$1,938,368	
2015	\$1,938,368	\$88,374	\$632,392	\$0	\$1,422,237	
2016	\$1,422,237	\$91,025	\$61,617	\$0	\$1,480,678	
2017	\$1,480,678	\$93,756	\$105,717	\$0	\$1,498,091	
2018	\$1,498,091	\$96,569	\$91,617	\$0	\$1,533,104	
2019	\$1,533,104	\$99,466	\$61,617	\$0	\$1,602,372	
2020	\$1,602,372	\$102,450	\$61,617	\$0	\$1,676,069	
2021	\$1,676,069	\$105,523	\$91,617	\$0	\$1,723,774	
2022	\$1,723,774	\$108,689	\$904,417	\$0	\$946,607	
2023	\$946,607	\$111,950	\$43,590	\$0	\$1,035,266	
2024	\$1,035,266	\$115,308	\$73,590	\$0	\$1,098,524	
2025	\$1,098,524	\$118,767	\$43,590	\$0	\$1,197,175	
2026	\$1,197,175	\$122,330	\$43,590	\$0	\$1,301,433	
2027	\$1,301,433	\$126,000	\$82,690	\$0	\$1,371,638	
2028	\$1,371,638	\$129,780	\$43,590	\$0	\$1,486,985	
2029	\$1,486,985	\$133,674	\$43,590	\$0	\$1,608,610	
2030	\$1,608,610	\$137,684	\$73,590	\$0	\$1,706,158	
2031	\$1,706,158	\$141,814	\$43,590	\$0	\$1,840,470	
2032	\$1,840,470	\$146,069	\$60,190	\$0	\$1,964,876	
CYCLE END TOTALS:		\$3,805,027	\$2,780,045	\$0		

Net interest is compounded at 2% per year, allowing three percent to be allocated for inflation of expenses. See appendix for information regarding inflation. This scenario is good for a limited time of approximately three years. All projections require regular updates.

SUMMARY OF INFLUENCE FACTORS

OPERATING POLICIES AND PROCEDURES

The property has benefited from the services of management that is aware of proficient practices and policies. The site has good curb appeal and image. Overall attention to detail is good, especially at maintenance and service levels. Modernization is present for fire and safety systems. Modernization is needed for security systems; enhancing security and curb appeal.

UNUSUAL CONDITIONS AND EVENTS

The property is approaching the age typically associated with recommissioning, or, renewing the property sufficiently that would allow for an additional 50 years of use. While the components of the site can be renewed sufficiently enough, the site cannot overcome its unit size representing functional obsolescence. As a new generation approaches massive numbers of potential residents, the property will be discounted as a desirable location due to apartment size, apartment amenities, and site amenities.

PREVENTATIVE MAINTENANCE AND LIFE EXTENSION

The property should maintain a service request and delivery system that records the failures, service levels, complaints, etc. of each component listed in this report. This system should also be utilized to record preventative maintenance efforts. Consider Peachtree or Safeguard work order systems.

OPERATING BUDGET ANALYSIS

As a client of **THE REPLACEMENT RESERVE REPORT**, the agent or owner will receive annual information for a custom analysis by the Experience Exchange Division of the Institute of Real Estate Management. The service is free and confidential.

HISTORICAL OPERATIONS

The history of the property is fairly straightforward with no remarkable uses that would present a risk. Typical use

LOSS & RISK HISTORY

No history was available.

MAXIMUM INCOME POTENTIAL

We did not conduct an analysis; income is apparently sufficient to support debt and reserves. We strongly suggest that the association conduct a formal market analysis; via best of type, built up pricing method of area comparable projects.

SUGGESTIONS FOR IMMEDIATE ATTENTION

1. Immediately address all liability issues noted in this report. Obtain an opinion from your legal counsel. Provide your attorney with a copy of this report.
2. Forward a copy of this report to your accounting professionals.
3. We suggest the following procedure:
 - a. Utilize a tracking system for failure and service levels required by the components identified in this report.
 - b. Increase awareness of possible liabilities such as toeholds, railings, etc. that exist within the common areas.
 - c. Increase the scope of line items in your operating budget to coincide with the identified titles/inventory in this report. It is important to track all expenses, of a capital and operating allocation, between up-dates and reviews.
4. Management may elect to use all, some, or none of our suggestions and predicted scenarios.

LIMITATIONS OF THE REPORT

During our investigation and observations, we encountered the following conditions that limited our presentation or resulted in assumptions:

1. No invasive testing was performed on any component.
2. Property perimeters were not observed for accuracy.
3. An engineering of the property has not been conducted.

THE REPLACEMENT RESERVE REPORT is not intended to give advice of a legal nature, and, accordingly, should not be used as such advice. An engineering of the property has not been performed, and no assessment of code compliance, any form of 21E, asbestos, or lead paint conditions offered. This **REPORT** does not warrant expressing an opinion of utility or inutility.

Many of the observations made in the **REPORT** are a result of random sampling of property components. This process would not allow for discovery of all potential defects or hazards associated with the physical plant. The report should not be used for the purpose of loss prevention or risk assessment.

Much of the information made available to the author is a result of personnel interviews, such as with managing agents, maintenance personnel, contractors, etc. While these sources are deemed reliable, they cannot be guaranteed authoritative.

The financial projections are supported for only the time frame in which they were compiled. Use of this information cannot be supported beyond that period, which would require regular review and amendments to the **REPORT**.

This information is intended for the sole use of **AVERY PARK**, its owners, managers, trade professionals, and others with a bonafide interest in the property. Use by any other entity is prohibited. All rights reserved under copyright laws of the United States (**RRR2012**).

Any single error within the text of the report does not void the entire report finding. Possession of the report does not necessarily constitute ownership.

QUALIFICATIONS OF THE ANALYST

THE REPLACEMENT RESERVE REPORT has been prepared for numerous government-assisted housing complexes, condominium associations, developers, institutions, and other facilities throughout New England since 1984. In the spring of 1993, we opened our Cape Canaveral office to serve North and South Carolina, Georgia and Florida. In 1996, our Virginia Beach branch opened to serve the mid-Atlantic region.

CHARLES J. STUART, CPM is the **REPORT's** author and founder. A Certified Property Manager of the Institute of Real Estate Management, Mr. Stuart has over thirty years of industry experience and is an author and speaker regarding the subject of capital planning and replacement reserves for the Community Associations Institute (CAI). Mr. Stuart is also a past course instructor of ten years for the Institute of Real Estate Management (IREM), and a contributing editor and author for the RS Means Company, a worldwide construction consulting and estimating company. Two books are currently available, *"Facilities Maintenance and Repair Cost Data"*, now in its 7th printing, and *"Costs Planning & Estimating for Facilities Maintenance"*.

VINCENT L. STELLA, AIA, NCARB is a Registered Architect in Connecticut and Rhode Island with National Accreditation. Principally involved with projects of varied scope and character with values ranging from \$50,000 to \$50,000,000 for private industry, commercial, residential, and recreational uses. Extensive experience conducting inspections and assessments for HUD, CHFA, and numerous State Housing Finance Agencies.

DUKE MOORE, AIA, LEED-AP is a licensed Architect in the states of Connecticut, Massachusetts, and New York. Mr. Moore has extensive experience in historic preservation and commercial property inspection. The LEED-AP designation from Green Building Certification Institute signifies advanced knowledge in green building practices with the ability to bring our clients through the LEED rating system.

STEPHEN SALA, CIVIL ENGINEER brings twenty years of diverse experience, in the design and construction areas of engineering, from projects that span both domestic and international markets. Mr. Sala has been involved with projects varying in value from five to two million dollars. An author on the subject of construction management, Mr. Sala is also regarded as a specialist in "expert testimony" on this subject.

JAMES A. DOHRMAN, PE - CIVIL is registered in five states as a Professional Engineer with a specialty in *Forensic Engineering*. Mr. Dohrman has extensive international and domestic experience in solid waste and related water resource subjects as well as being an accomplished author and speaker in these areas.

RAYLENE HULS-STRICKLER COE - ATTORNEY. Ms. Coe worked for the Department of Business and Professional Regulation's Division of Land Sales Condominiums and Mobile Homes and has extensive experience with condominium and community association law. Ms. Coe graduated from Florida State University's College of Law in 2001 after graduating from the University of Central Florida in 1998. In the early 90's, Ms. Coe (as Mrs. Bill Strickler) was involved in the reform of property rights and community association law.

Our staff also includes experienced personnel that conduct measurements and inventory of the physical plants, and an administrative team that is experienced with AutoCad and architectural costs software systems.

DISCLAIMER

It is assumed that the property known as **EVERY PARK** is in compliance with all federal, state, and local laws, codes, regulations, and statutes.

THE REPLACEMENT RESERVE REPORT or its authors are not responsible for defects known or unknown, and reject all liability for such defects, known, or unknown, which may effect or cause harm or damage to the association or its residents.

All subsequent reviews and amendments to this **REPORT** are an expense beyond the invoice associated with this **REPORT**. **THE REPLACEMENT RESERVE REPORT** is not responsible to perform future reviews and amendments.

Any adjustments, changes, alterations, additions or deletions to this **REPORT** by anyone other than the author voids the entire report. Possession of this report does not constitute authorized ownership.

Competent management of the entity is assumed.

All values and projections are open to influences from the economy, the environment, the level of service, and the degree of actual wear and tear through use. Accordingly, all opinions expressed are subject to change.

APPENDIX

ADDITIONAL PROPERTY PHOTOS

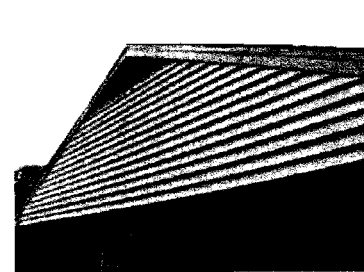
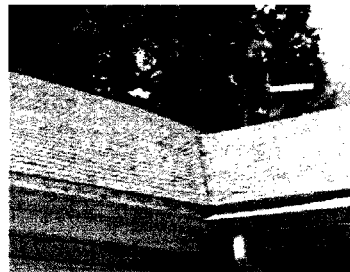
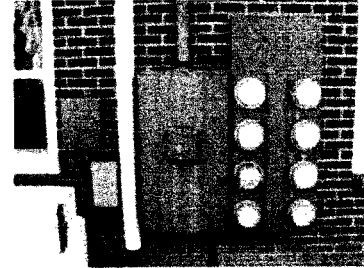
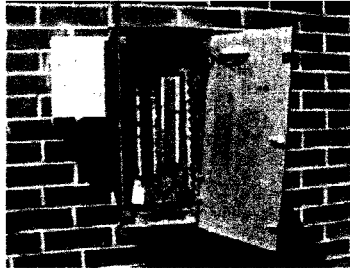
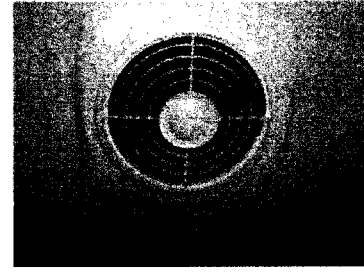
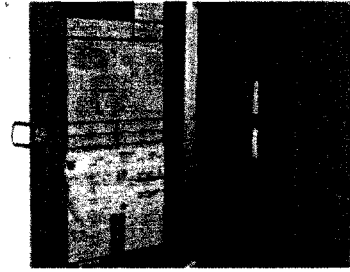
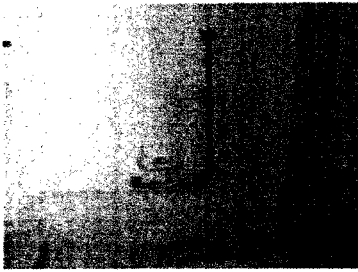
GLOSSARY OF TERMS

SAMPLE ANNUAL OPERATING CALENDAR

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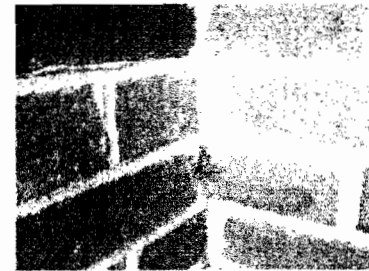
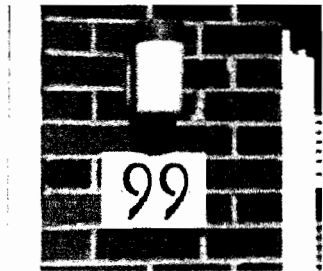
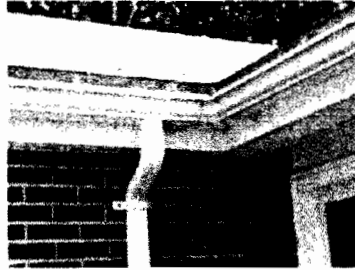
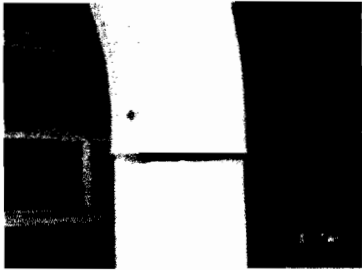
CONNECTICUT HOUSING FINANCE AUTHORITY DIGITAL SUBMISSION VER.1

APPENDIX MATERIAL
ADDITIONAL PHOTOGRAPHS



NOTES:

APPENDIX MATERIAL **ADDITIONAL PHOTOGRAPHS**



NOTES:

Glossary of Terms

Cash Flow Method: A method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Component Inventory: The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s).

Component Method: A method of developing a reserve funding plan where the total contribution is based on the sum of contributions for individual components. See “cash-flow method.”

Condition Assessment: The task of evaluating the current condition of the component based on observed or reported characteristics.

Current Replacement Cost: See “replacement cost.”

Deficit: An actual or projected reserve balance less than the fully funded balance. The opposite would be a surplus.

Effective Age: The difference between useful life and remaining useful life. Not always equivalent to chronological age, since some components age irregularly used primarily in computations.

Financial Analysis: The portion of a reserve study where the current status of the reserves (measured as cash or percent funded) and a recommended reserve contribution rate (reserve funding plan) are derived, and the projected reserve income and expense over time is presented. The financial analysis is one of the two parts of a reserve study.

Component Full Funding: When the actual or projected cumulative reserve balance for all components is equal to the fully funded balance.

Accrued Fund Balance (AFB): The total accrued depreciation. It's an indicator against which the actual or projected reserve balance can be compared to identify the direct proportion of the “used up” life of the current repair or replacement cost. This number is calculated for each component, and then summed together for an association total. The following formula can be utilized. $AFB = \text{Current Cost} \times \text{Effective Age/Useful Life}$

Fund Status: The status of the reserve fund as compared to an established benchmark such as percent funding.

Funding Goals: Independent of methodology utilized, the following represent the basic categories of funding plan goals:

- **Baseline Funding:** Establishing a reserve funding goal of keeping the reserve cash balance above zero.
- **Component Full Funding:** Setting a reserve funding goal of attaining and maintaining cumulative reserves at or near 100% funded.
- **Statutory Funding:** Establishing a reserve funding goal of setting aside the specific minimum amount of reserves of component required by local statutes.
- **Threshold Funding:** Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold, this may be more or less conservative than component full funding.

Funding Plan: An association's plan to provide income to a reserve fund to offset anticipated expenditures from that fund.

Funding Principles:

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

Life and Valuation Estimates: The task of estimating useful life, remaining useful life, and repair or replacement costs for the reserve components.

Percent Funded: The ratio, at a particular point of time (typically the beginning of the fiscal year), of the actual (or projected) reserve balance to the accrued fund balance, expressed as a percentage.

Physical Analysis: The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve study.

Remaining Useful Life (RUL): Also referred to as remaining life (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Projects anticipated to occur in the initial year have “zero” remaining useful life.

Replacement Cost: The cost of replacing, repairing, or restoring a reserve component to its original functional condition. The current replacement cost would be the cost to replace, repair, or restore the component during that particular year.

Reserve Balance: Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as reserves, reserve accounts, cash reserves. Based upon information provided and not audited.

Reserve Component: The individual line items in the reserve study developed or updated in the physical analysis. These elements form the building blocks for the reserve study. Components typically are the association responsibility, have limited useful life expectancies, have predictable remaining useful life expectancies, are above a minimum threshold cost, and are as required by local codes.

Reserve Provider: An individual that prepares reserve studies.

Special Assessment: An assessment levied on the members of an association in addition to regular assessments. Governing documents or local statutes often regulate special assessments.

Surplus: An actual or projected reserve balance greater than the fully funded balance.

Useful Life (UL): Total useful life or depreciable life is the estimated number of years that a reserve component can be expected to serve its intended function if it is properly constructed in its present application and/or installation.

3000 INCOME

3100 RENTAL INCOME - BASE

Unit Size	Monthly Rent	No. Units		Total Rent Per Year
0BR	55	20	x 12	13,200
1BR-Sngl	59	54	x 12	38,232
1BR-DbI	67	36	x 12	28,944
3BR			x 12	
4BR			x 12	
5BR			x 12	

TOTAL DWELLING RENTAL SCHEDULE \$80,376

3100 **Rental Income - Tenant Payments** 80,376

2811 **Rental Income - State Subsidy (RAP)**

3100.1 Rental Income - Excess of Base \$299,500

3110 Excess Utilities (From Separate Schedule)

3120 Surcharges (From Separate Schedule)

TOTAL RENTAL INCOME \$379,876

3210 Less: Dwelling Vacancy Loss 1,045

NET RENTAL INCOME \$378,831

3300 Non-Dwelling Rentals

3510 Sales/Services to Tenants (including Cable TV fees)

3610 Interest Earned 783

3620 Other Income 3,600

TOTAL OTHER INCOME \$4,383

TOTAL INCOME \$383,214

NOTE: CLICK RED LINK AT END OF LINE - It will bring you to Page 4 - Insert the necessary itemized information

[Go to Page 4](#)

4000 EXPENSE

4100 ADMINISTRATIVE

4120 Salaries - Office (See Page 4) 55,080

4120.1 Compensated Absences - Administrative Salaries

4130 Other Outside Services (See Page 4) 1,580

4130.1 Less: Legal Costs to Tenants

4131 Fiscal and Other Fees (See Page 4) 6,500

4132 Management Fees

4151 Office Supplies 2,575

4152 Rents

4153 Travel

4159 Other Office Expense (See Page 4) 13,429

4160 Pensions & Other Funds 9,115

4161 Payroll Taxes 13,124

TOTAL ADMINISTRATIVE \$101,403

4300 UTILITIES

4310 Water 23,560

4320 Electricity 22,593

4330 Gas

4340 Fuel 600

4350 Cable Television

4360 Sewer

TOTAL UTILITIES 46,753

4120 SALARIES - OFFICE

Position	No. Positions	Annual Salary	Total Salaries	% Charged
Executive Director	1.00	45,000	45,000	100.00%
				100.00%
Bus Driver	1.00	10,080	10,080	100.00%
				100.00%
Total Salaries			\$55,080.00	

TOTAL SALARIES - CENTRAL OFFICE\$55,080**4130 OTHER OUTSIDE SERVICES**

Legal	1,580
Other(identify) _____	

TOTAL OTHER OUTSIDE SERVICES\$1,580**4131 FISCAL & OTHER FEES**

Accounting	
Annual Audit	6,500
Other(identify) _____	

TOTAL FISCAL AND OTHER FEES\$6,500**4159 OTHER OFFICE EXPENSES**

Advertising	4,301
Computer & Software Expense	250
Telephone / Cell Phones / Pagers / Answering Service / Internet	3,120
Copier / Fax Service	780
Credit / Criminal History Reports	1,000
Meetings & Conferences	1,250
Membership Fees (ConnNAHRO, NAHRO, PHADA, IREM, etc.)	350
Misc.(identify) Continuing Education - Staff	1,350
Misc.(identify) Postage, Bnak Fee	1,028

TOTAL OTHER OFFICE EXPENSES\$13,429**4410 PERSONAL SERVICES:**

Position	No. Positions	Annual Salary	Total Salaries	% Charged
Maintenance Lead	1.00	55,702	55,702	100.00%
Maintenance Lead-Overtime	1.00	4,056	4,056	100.00%
F/T Maintenance	1.00	41,600	41,600	100.00%
F/T Maintenance-Overtime	1.00	3,120	3,120	100.00%
P/T Maintenance	1.00	12,000	12,000	100.00%
Total Salaries			\$116,478.00	

TOTAL SALARIES - Maintenance\$116,478**4430 CONTRACTUAL SERVICES**

Elevator	
Exterminating	350
Fire Alarm & Sprinkler (service, tests & phones)	500
Heating System	1,250
Landscaping	750
Misc. Electrical, Plumbing & Other	3,500
Painting	2,500
Snow Removal	2,350
Other(identify) Gas- Truck, Bus, Maint Equip	5,200
Other(identify) Clean Halls & Vacant Units	3,224

TOTAL CONTRACTUAL SERVICES\$19,624

AUTHORITY/SPONSOR'S CONSTRUCTION AND MANAGEMENT ACTIVITIES

Name of Project	Project No.	Owned or Acting as Agent	Base Rent Range	No. of Rooms	No. of Units
Avery Park (Level 1)	E41	Owned	55 - 67	60	40
Avery Park (Level 2)	E64	Owned	57 - 67	80	40
Avery Park (Level 3)	E117	Owned	57 - 67	60	30
Total of All Rooms and Units Managed by Sponsor/Authority				200	110
Total Number of Rooms for This Management Plan				200	
Percent of Total for This Management Plan				100.00%	100.00%
(Note: This Percent is to be applied to shared expenses based room count only.)					

Reserve Accounting (STIF Account)

355,356.71 Balance as of 6/30/2012

3,000.00 1 Hazmat Floor Replacements (3000 each)

2,450.00 7 H/W Heaters (350 each)

2,500.00 5 Unit Turns Base Turn (Paint, Clean, Misc Repairs) \$500 each

1,800.00 2 Cut Tubs

345,606.71 Estimated Balance at 12/31/2012

110,000.00 1000 per unit 110 required balance

CONCLUSION, PART F
SUGGESTED FUNDING LEVEL TO MEET THE BASELINE EXPENSES W/ 3% FUNDING INCREASE EACH YEAR

Avery Park Apartments
 July 9, 2012
SUGGESTED FUNDING LEVEL TO MEET DEDICATED EXPENSES

Year	Cash Balance Forwarded	Annual Funding (3% compound fund)	Actual Cash Expense	Cash Shortfall	Cash Balance with 2% interest	
2013	\$345,607	\$170,000	\$156,217	\$0	\$366,578	
2014	\$366,578	\$175,100	\$61,617	\$0	\$489,662	
2015	\$489,662	\$180,353	\$632,392	\$0	\$38,375	
2016	\$38,375	\$185,764	\$61,617	\$0	\$165,773	
2017	\$165,773	\$191,336	\$105,717	\$0	\$256,420	
2018	\$256,420	\$197,077	\$91,617	\$0	\$369,117	
2019	\$369,117	\$202,989	\$61,617	\$0	\$520,699	
2020	\$520,699	\$209,079	\$61,617	\$0	\$681,523	
2021	\$681,523	\$215,351	\$91,617	\$0	\$821,363	
2022	\$821,363	\$221,811	\$904,417	\$0	\$141,532	
2023	\$141,532	\$228,466	\$43,590	\$0	\$332,936	
2024	\$332,936	\$235,320	\$73,590	\$0	\$504,559	
2025	\$504,559	\$242,379	\$43,590	\$0	\$717,415	
2026	\$717,415	\$249,651	\$43,590	\$0	\$941,946	
2027	\$941,946	\$257,140	\$82,690	\$0	\$1,138,724	
2028	\$1,138,724	\$264,854	\$43,590	\$0	\$1,387,188	
2029	\$1,387,188	\$272,800	\$43,590	\$0	\$1,648,726	
2030	\$1,648,726	\$280,984	\$73,590	\$0	\$1,893,243	
2031	\$1,893,243	\$289,414	\$43,590	\$0	\$2,181,848	
2032	\$2,181,848	\$298,096	\$60,190	\$0	\$2,468,149	
CYCLE END TOTALS:		\$4,567,964	\$2,780,045	\$0		

Net interest is compounded at 2% per year, allowing three percent to be allocated for inflation of expenses. See appendix for information regarding inflation. This scenario is good for a limited time of approximately three years. All projections require regular updates.