Reserve Analysis Report

The Lofts at Westinghouse Condominiums

Hyde Park, Massachusetts

Version 2

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Advanced Reserve Solutions

2205 Boston Road Suite A8

Wilbraham, MA 01095

Phone (413) 519-2611

www.arsinc.com

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The Lofts at Westinghouse Condominiums

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Preface

This preface is intended to provide an introduction to the enclosed reserve analysis as well as detailed information regarding the reserve analysis report format, reserve fund goals/objectives and calculation methods. The following sections are included in this preface:

♦ ♦ ♦ ♦ INTRODUCTION TO RESERVE BUDGETING ♦ ♦ ♦ ♦

The Board of Directors of an association has a legal and fiduciary duty to maintain the community in a good state of repair. Individual unit property values are significantly impacted by the level of maintenance and upkeep provided by the association as well as the amount of the regular assessment charged to each owner.

A prudent plan must be implemented to address the issues of long-range maintenance, repair and replacement of the common areas. Additionally, the plan should recognize that the value of each unit is affected by the amount of the regular assessment charged to each unit.

There is a fine line between “not enough,” “just right” and “too much.” Each member of an association should contribute to the reserve fund for their proportionate amount of “depreciation” (or “use”) of the reserve components. Through time, if each owner contributes his “fair share” into the reserve fund for the depreciation of the reserve components, then the possibility of large increases in regular assessments or special assessments will be minimized.

An accurate reserve analysis and a “healthy” reserve fund are essential to protect and maintain the association's common areas and the property values of the individual unit owners. A comprehensive reserve analysis is one of the most significant elements of any association's long-range plan and provides the critical link between sound business judgment and good fiscal planning. The reserve analysis provides a “financial blueprint” for the future of an association.

♦ ♦ ♦ ♦ UNDERSTANDING THE RESERVE ANALYSIS ♦ ♦ ♦ ♦

In order for the reserve analysis to be useful, it must be understandable by a variety of individuals. Board members (from seasoned, experienced Board members to new Board members), property managers, accountants, attorneys and even homeowners may ultimately review the reserve analysis. The reserve analysis must be detailed enough to provide a comprehensive analysis, yet simple enough to enable less experienced individuals to understand the results.

There are four key bits of information that a comprehensive reserve analysis should provide: Budget, Percent Funded, Projections and Inventory. This information is described as follows:

Budget
Amount recommended to be transferred into the reserve account for the fiscal year for which the reserve analysis was prepared. In some cases, the reserve analysis may present two or more funding plans based on different goals/objectives. The Board should have a clear understanding of the differences among these funding goals/objectives prior to implementing one of them in the annual budget.

Percent Funded
Measure of the reserve fund “health” (expressed as a percentage) as of the beginning of the fiscal year for which the

reserve analysis was prepared. This figure is the ratio of the actual reserve fund on hand to the fully funded balance. A reserve fund that is "100% funded" means the association has accumulated the proportionately correct amount of money, to date, for the reserve components it maintains.

Projections
Indicate the "level of service" the association will provide the membership as well as a "road map" for the fiscal future of the association. The projections define the timetables for repairs and replacements, such as when the buildings will be painted or when the asphalt will be seal coated. The projections also show the financial plan for the association – when an underfunded association will "catch up" or how a properly funded association will remain fiscally "healthy."

Inventory
Complete listing of the reserve components. Key bits of information are available for each reserve component, including placed-in-service date, useful life, remaining life, replacement year, quantity, current cost of replacement, future cost of replacement and analyst's comments.

♦ ♦ ♦ ♦ RESERVE FUNDING GOALS / OBJECTIVES ♦ ♦ ♦ ♦

There are four reserve funding goals/objectives which may be used to develop a reserve funding plan that corresponds with the risk tolerance of the association: Full Funding, Baseline Funding, Threshold Funding and Statutory Funding. These goals/objectives are described as follows:

Full Funding
Describes the goal/objective to have reserves on hand equivalent to the value of the deterioration of each reserve component. The objective of this funding goal is to achieve and/or maintain a 100% percent funded reserve fund. The component calculation method or cash flow calculation method is typically used to develop a full funding plan.

Baseline Funding
Describes the goal/objective to have sufficient reserves on hand to never completely run out of money. The objective of this funding goal is to simply pay for all reserve expenses as they come due without regard to the association's percent funded. The cash flow calculation method is typically used to develop a baseline funding plan.

Threshold Funding
Describes the goal/objective other than the 100% level (full funding) or just staying cash-positive (baseline funding). This threshold goal/objective may be a specific percent funded target or a cash balance target. Threshold funding is often a value chosen between full funding and baseline funding. The cash flow calculation method is typically used to develop a threshold funding plan.

Statutory Funding
Describes the pursuit of an objective as described or required by local laws or codes. The component calculation method or cash flow calculation method is typically used to develop a statutory funding plan.

♦ ♦ ♦ ♦ RESERVE FUNDING CALCULATION METHODS ♦ ♦ ♦ ♦

There are two funding methods which can be used to develop a reserve funding plan based on a reserve funding goal/objective: Component Calculation Method and Cash Flow Calculation Method. These calculation methods are described as follows:

Component Calculation Method
This calculation method develops a funding plan for each individual reserve component. The sum of the funding plan for each component equals the total funding plan for the association. This method is often referred to as the "straight line"

method and is widely believed to be the most conservative reserve funding method. This method structures a funding plan that enables the association to pay all reserve expenditures as they come due, enables the association to achieve the ideal level of reserves in time, and then enables the association to maintain the ideal level of reserves through time. The following is a detailed description of the component calculation method:

Step 1: Calculation of fully funded balance for each component

The fully funded balance is calculated for each component based on its age, useful life and current cost. The actual formula is as follows:

$$\text{Fully Funded Balance} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Cost}$$

Step 2: Distribution of current reserve funds

The association's current reserve funds are assigned to (or distributed amongst) the reserve components based on each component's remaining life and fully funded balance as follows:

Pass 1: Components are organized in remaining life order, from least to greatest, and the current reserve funds are assigned to each component up to its fully funded balance, until reserves are exhausted.

Pass 2: If all components are assigned their fully funded balance and additional funds exist, they are assigned in a "second pass." Again, the components are organized in remaining life order, from least to greatest, and the remaining current reserve funds are assigned to each component up to its current cost, until reserves are exhausted.

Pass 3: If all components are assigned their current cost and additional funds exist, they are assigned in a "third pass." Components with a remaining life of zero years are assigned double their current cost.

Distributing, or assigning, the current reserve funds in this manner is the most efficient use of the funds on hand – it defers the make-up period of any underfunded reserves over the lives of the components with the largest remaining lives.

Step 3: Developing a funding plan

After step 2, all components have a "starting" balance. A calculation is made to determine what funding would be required to get from the starting balance to the future cost over the number of years remaining until replacement. The funding plan incorporates the annual contribution increase parameter to develop a "stair stepped" contribution.

For example, if an association needs to accumulate $100,000 in ten years, $10,000 could be contributed each year. Alternatively, the association could contribute $8,723 in the first year and increase the contribution by 3% each year thereafter until the tenth year.

In most cases, this rate should match the inflation parameter. Matching the annual contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

Using an annual contribution increase parameter that is greater than the inflation parameter will reduce the burden to the current membership at the expense of the future membership. Using an annual contribution increase parameter that is less than the inflation parameter will increase the burden to the current membership to the benefit of the future membership. The following chart shows a comparison:

	0% Increase	3% Increase	10% Increase
Year 1	$10,000.00	$8,723.05	$6,274.54
Year 2	$10,000.00	$8,984.74	$6,901.99
Year 3	$10,000.00	$9,254.28	$7,592.19
Year 4	$10,000.00	$9,531.91	$8,351.41
Year 5	$10,000.00	$9,817.87	$9,186.55
Year 6	$10,000.00	$10,112.41	$10,105.21
Year 7	$10,000.00	$10,415.78	$11,115.73
Year 8	$10,000.00	$10,728.25	$12,227.30
Year 9	$10,000.00	$11,050.10	$13,450.03
Year 10	$10,000.00	$11,381.60	$14,795.04
TOTAL	$100,000.00	$100,000.00	$100,000.00

This parameter is used to develop a funding plan only; it does not mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a total reserve contribution increase or decrease from year to year than this parameter.

One of the major benefits of using this calculation method is that for any single component (or group of components), the accumulated balance and reserve funding can be precisely calculated. For example, using this calculation method, the reserve analysis can indicate the exact amount of current reserve funds "in the bank" for the roofs and the amount of money being funded towards the roofs each month. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

The component calculation method is typically used for well-funded associations (greater that 65% funded) with a goal/ objective of full funding.

Cash Flow Calculation Method

This calculation method develops a funding plan based on current reserve funds and projected expenditures during a specific timeframe (typically 30 years). This funding method structures a funding plan that enables the association to pay for all reserve expenditures as they come due, but is not necessarily concerned with the ideal level of reserves through time.

This calculation method tests reserve contributions against reserve expenditures through time to determine the minimum contribution necessary (baseline funding) or some other defined goal/objective (full funding, threshold funding or statutory funding).

Unlike the component calculation method, this calculation method cannot precisely calculate the reserve funding for any single component (or group of components). In order to work-around this issue to provide this bookkeeping information, a formula has been applied to component method results to calculate a reasonable breakdown. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

The cash flow calculation method is typically used for under-funded associations (less than 65% funded) with a goal/ objective of full funding, threshold funding, baseline funding or statutory funding.

Preface

♦ ♦ ♦ ♦ READING THE RESERVE ANALYSIS ♦ ♦ ♦ ♦

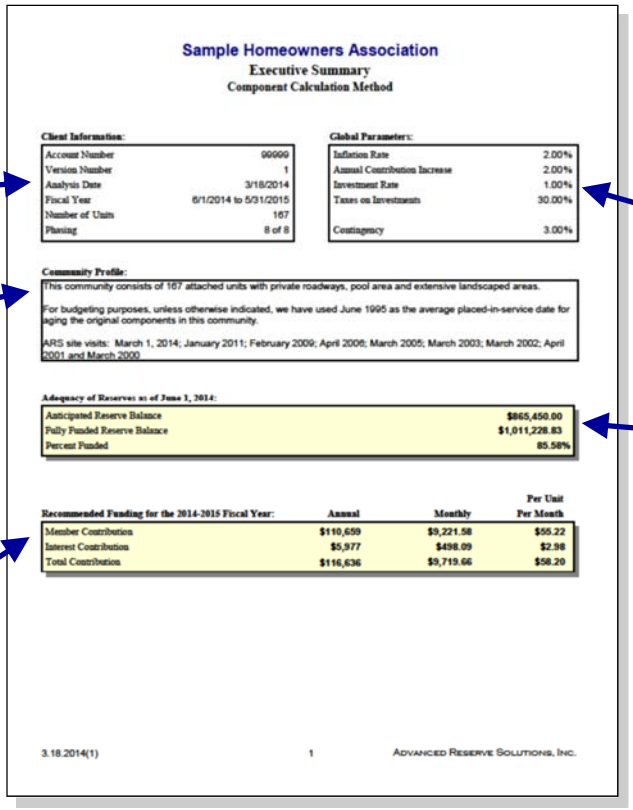
In some cases, the reserve analysis may be a lengthy document of one hundred pages or more. A complete and thorough review of the reserve analysis is always a good idea. However, if time is limited, it is suggested that a thorough review of the summary pages be made. If a "red flag" is raised in this review, the reader should then check the detail information, of the component in question, for all relevant information. In this section, a description of most of the summary or report sections is provided along with comments regarding what to look for and how to use each section.

Executive Summary

Provides general information about the client, global parameters used in the calculation of the reserve analysis as well as the core results of the reserve analysis.

Client Information
Provides various client information including fiscal year for which the reserve analysis was prepared, number of units, phasing, etc.

Global Parameters
Displays the calculation parameters that were used to calculate the reserve analysis including inflation, annual contribution increase, investment rate, tax rate and contingency.



Sample Homeowners Association
Executive Summary
Component Calculation Method

Client Information:

Account Number	99999
Version Number	1
Analysis Date	3/18/2014
Fiscal Year	6/1/2014 to 5/31/2015
Number of Units	167
Phasing	8 of 8

Global Parameters:

Inflation Rate	2.00%
Annual Contribution Increase	2.00%
Investment Rate	1.00%
Taxes on Investments	30.00%
Contingency	3.00%

Community Profile:
This community consists of 167 attached units with private roadways, pool area and extensive landscaped areas.

For budgeting purposes, unless otherwise indicated, we have used June 1995 as the average placed-in-service date for aging the original components in this community.

ARS site visits: March 1, 2014; January 2011; February 2009; April 2006; March 2005; March 2003; March 2002; April 2001 and March 2000

Adequacy of Reserves as of June 1, 2014:

Anticipated Reserve Balance	$865,450.00
Fully Funded Reserve Balance	$1,011,228.83
Percent Funded	85.58%

Recommended Funding for the 2014-2015 Fiscal Year:	Annual	Monthly	Per Unit Per Month
Member Contribution	$110,659	$9,221.58	$55.22
Interest Contribution	$5,977	$498.09	$2.98
Total Contribution	$116,636	$9,719.66	$58.20

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Community Profile
Provides brief description of the community, as well as other "global" type comments.

Budget
Provides recommended funding for the fiscal year for which the reserve analysis was prepared. Indicates the reserve funding from the membership, anticipated interest contribution and the total contribution

Adequacy of Reserves
Displays the results of calculations with regard to the "health" of the reserve fund as of the beginning of the fiscal year for which the reserve analysis was prepared. Provides the anticipated reserve balance, fully funded reserve balance and the percent funded.

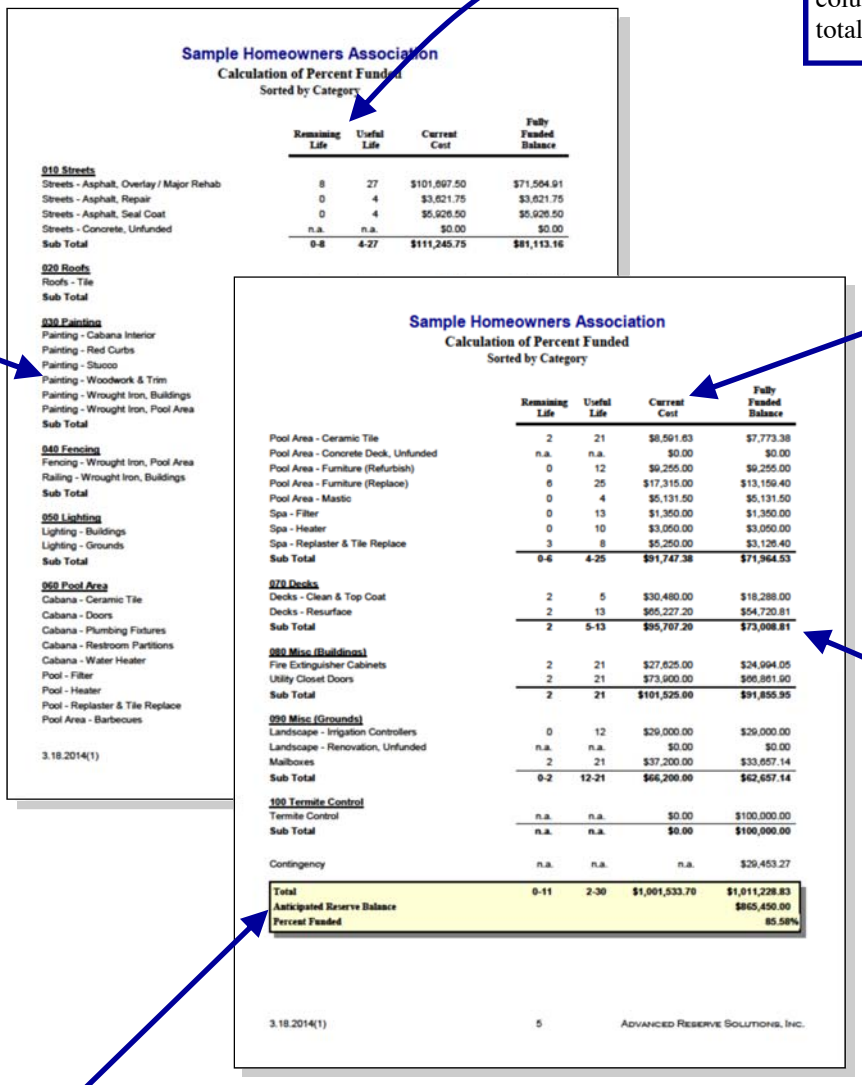
Preface

Calculation of Percent Funded

Summary displays all reserve components, shown here in "category" order. Provides the remaining life, useful life, current cost and the fully funded balance at the beginning of the fiscal year for which the reserve analysis was prepared.

Lifespans
Remaining life and useful life are displayed. And, these columns are conveniently sub totaled to show range.

Reserve Components
All components are displayed (shown here in "category" order).



Sample Homeowners Association
Calculation of Percent Funded
Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	8	27	$101,697.50	$71,564.91
Streets - Asphalt, Repair	0	4	$3,621.75	$3,621.75
Streets - Asphalt, Seal Coat	0	4	$5,926.50	$5,926.50
Streets - Concrete, Unfunded	n.a.	n.a.	$0.00	$0.00
Sub Total	**0-8**	**4-27**	**$111,245.75**	**$81,113.16**
020 Roofs				
Roofs - Tile				
Sub Total				
030 Painting				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork & Trim				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
Sub Total				
040 Fencing				
Fencing - Wrought Iron, Pool Area				
Railing - Wrought Iron, Buildings				
Sub Total				
050 Lighting				
Lighting - Buildings				
Lighting - Grounds				
Sub Total				
060 Pool Area				
Cabana - Ceramic Tile				
Cabana - Doors				
Cabana - Plumbing Fixtures				
Cabana - Restroom Partitions				
Cabana - Water Heater				
Pool - Filter				
Pool - Heater				
Pool - Replaster & Tile Replace				
Pool Area - Barbecues				

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Sample Homeowners Association
Calculation of Percent Funded
Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Pool Area - Ceramic Tile	2	21	$8,591.63	$7,773.38
Pool Area - Concrete Deck, Unfunded	n.a.	n.a.	$0.00	$0.00
Pool Area - Furniture (Refurbish)	0	12	$9,255.00	$9,255.00
Pool Area - Furniture (Replace)	6	25	$17,315.00	$13,159.40
Pool Area - Mastic	0	4	$5,131.50	$5,131.50
Spa - Filter	0	13	$1,350.00	$1,350.00
Spa - Heater	0	10	$3,050.00	$3,050.00
Spa - Replaster & Tile Replace	3	8	$5,250.00	$3,126.40
Sub Total	**0-6**	**4-25**	**$91,747.38**	**$71,964.53**
070 Decks				
Decks - Clean & Top Coat	2	5	$30,480.00	$18,288.00
Decks - Resurface	2	13	$65,227.20	$54,720.81
Sub Total	**2**	**5-13**	**$95,707.20**	**$73,008.81**
080 Misc (Buildings)				
Fire Extinguisher Cabinets	2	21	$27,625.00	$24,994.05
Utility Closet Doors	2	21	$73,900.00	$66,861.90
Sub Total	**2**	**21**	**$101,525.00**	**$91,855.95**
090 Misc (Grounds)				
Landscape - Irrigation Controllers	0	12	$29,000.00	$29,000.00
Landscape - Renovation, Unfunded	n.a.	n.a.	$0.00	$0.00
Mailboxes	2	21	$37,200.00	$33,657.14
Sub Total	**0-2**	**12-21**	**$66,200.00**	**$62,657.14**
100 Termite Control				
Termite Control	n.a.	n.a.	$0.00	$100,000.00
Sub Total	**n.a.**	**n.a.**	**$0.00**	**$100,000.00**
Contingency	n.a.	n.a.	n.a.	$29,453.27
Total	**0-11**	**2-30**	**$1,001,533.70**	**$1,011,228.83**
Anticipated Reserve Balance				**$865,450.00**
Percent Funded				**85.58%**

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Current Cost
Displays the current cost to replace or otherwise maintain each component. This column is conveniently sub totaled.

Fully Funded Balance
Displays the fully funded balance for each component. This column is conveniently sub totaled.

The total current cost to replace or otherwise maintain all components, total fully funded balance, anticipated reserve balance and percent funded are provided at the bottom of this summary. Also shown is the range of reserve component remaining lives and useful lives.

Preface

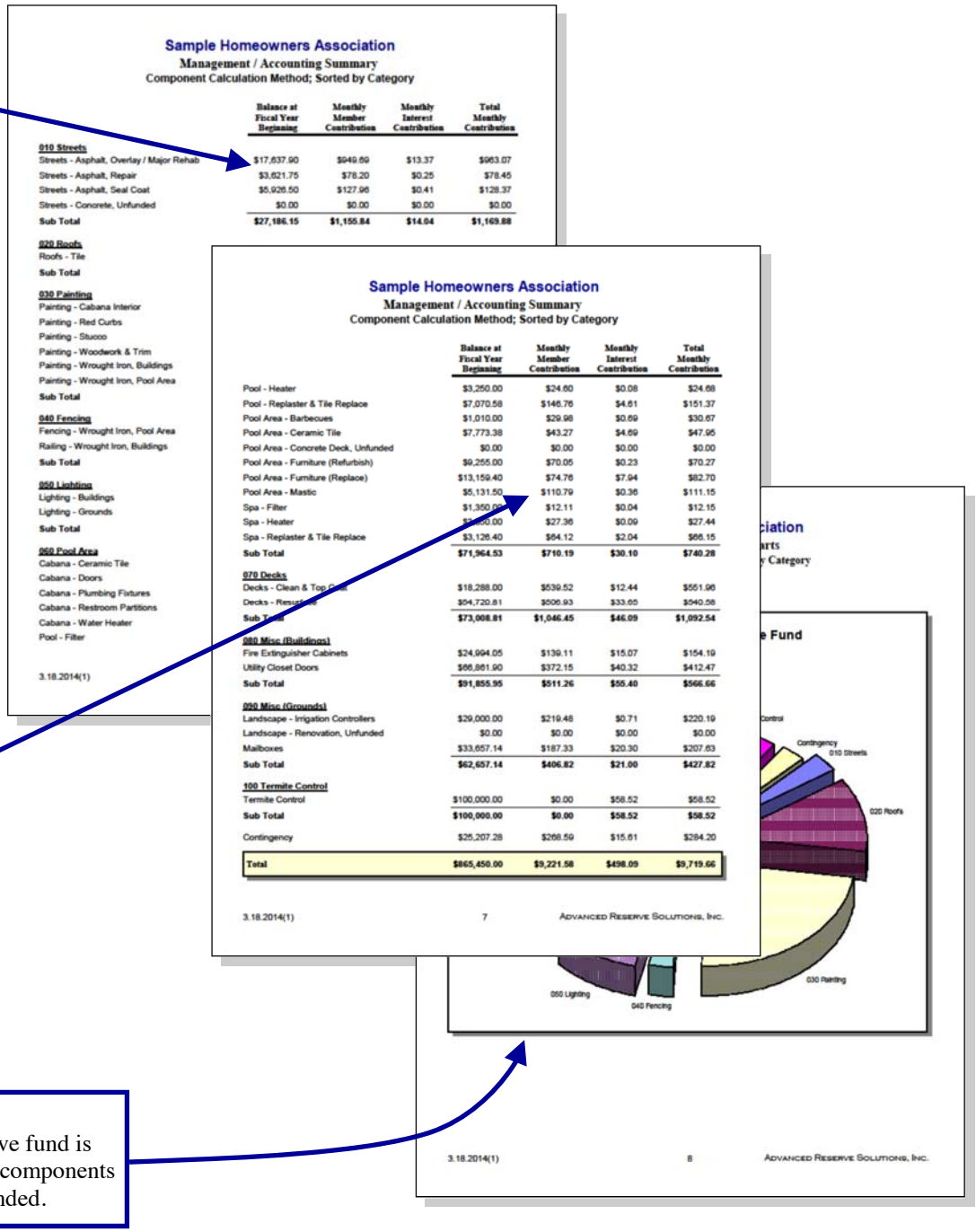
Management / Accounting Summary and Charts

Summary displays all reserve components, shown here in "category" order. Provides the assigned reserve funds at the beginning of the fiscal year for which the reserve analysis was prepared along with the monthly member contribution, interest contribution and total contribution for each component and category. Pie charts show graphically how the total reserve fund is distributed amongst the reserve component categories and how each category is funded on a monthly basis.

Balance at FYB
Shows the amount of reserve funds assigned to each reserve component. And, this column is conveniently sub totaled.

Monthly Funding
Displays the monthly funding for each component from the members and interest. Total monthly funding is also indicated. And, these columns are conveniently sub totaled.

Pie Charts
Show graphically how the reserve fund is distributed amongst the reserve components and how the components are funded.



Sample Homeowners Association
Management / Accounting Summary
Component Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	$17,637.90	$949.69	$13.37	$963.07
Streets - Asphalt, Repair	$3,621.75	$78.20	$0.25	$78.45
Streets - Asphalt, Seal Coat	$5,926.50	$127.96	$0.41	$128.37
Streets - Concrete, Unfunded	$0.00	$0.00	$0.00	$0.00
Sub Total	$27,186.15	$1,155.84	$14.04	$1,169.88
020 Roofs				
Roofs - Tile				
Sub Total				
030 Painting				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork & Trim				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
Sub Total				
040 Fencing				
Fencing - Wrought Iron, Pool Area				
Railing - Wrought Iron, Buildings				
Sub Total				
050 Lighting				
Lighting - Buildings				
Lighting - Grounds				
Sub Total				
060 Pool Area				
Cabana - Ceramic Tile				
Cabana - Doors				
Cabana - Plumbing Fixtures				
Cabana - Restroom Partitions				
Cabana - Water Heater				
Pool - Filter				

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Sample Homeowners Association
Management / Accounting Summary
Component Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
Pool - Heater	$3,250.00	$24.60	$0.08	$24.68
Pool - Replaster & Tile Replace	$7,070.58	$146.76	$4.61	$151.37
Pool Area - Barbecues	$1,010.00	$29.98	$0.69	$30.67
Pool Area - Ceramic Tile	$7,773.38	$43.27	$4.69	$47.95
Pool Area - Concrete Deck, Unfunded	$0.00	$0.00	$0.00	$0.00
Pool Area - Furniture (Refurbish)	$9,255.00	$70.05	$0.23	$70.27
Pool Area - Furniture (Replace)	$13,159.40	$74.76	$7.94	$82.70
Pool Area - Mastic	$5,131.50	$110.79	$0.36	$111.15
Spa - Filter	$1,350.00	$12.11	$0.04	$12.15
Spa - Heater	$3,060.00	$27.36	$0.09	$27.44
Spa - Replaster & Tile Replace	$3,126.40	$64.12	$2.04	$66.15
Sub Total	$71,964.53	$710.19	$30.10	$740.28
070 Decks				
Decks - Clean & Top Coat	$18,288.00	$539.52	$12.44	$551.96
Decks - Resurface	$54,720.81	$506.93	$33.65	$540.58
Sub Total	$73,008.81	$1,046.45	$46.09	$1,092.54
080 Misc (Buildings)				
Fire Extinguisher Cabinets	$24,994.05	$139.11	$15.07	$154.19
Utility Closet Doors	$66,861.90	$372.15	$40.32	$412.47
Sub Total	$91,855.95	$511.26	$55.40	$566.66
090 Misc (Grounds)				
Landscape - Irrigation Controllers	$29,000.00	$219.48	$0.71	$220.19
Landscape - Renovation, Unfunded	$0.00	$0.00	$0.00	$0.00
Mailboxes	$33,657.14	$187.33	$20.30	$207.63
Sub Total	$62,657.14	$406.82	$21.00	$427.82
100 Termite Control				
Termite Control	$100,000.00	$0.00	$58.52	$58.52
Sub Total	$100,000.00	$0.00	$58.52	$58.52
Contingency	$25,207.28	$268.59	$15.61	$284.20
Total	$865,450.00	$9,221.58	$498.09	$9,719.66

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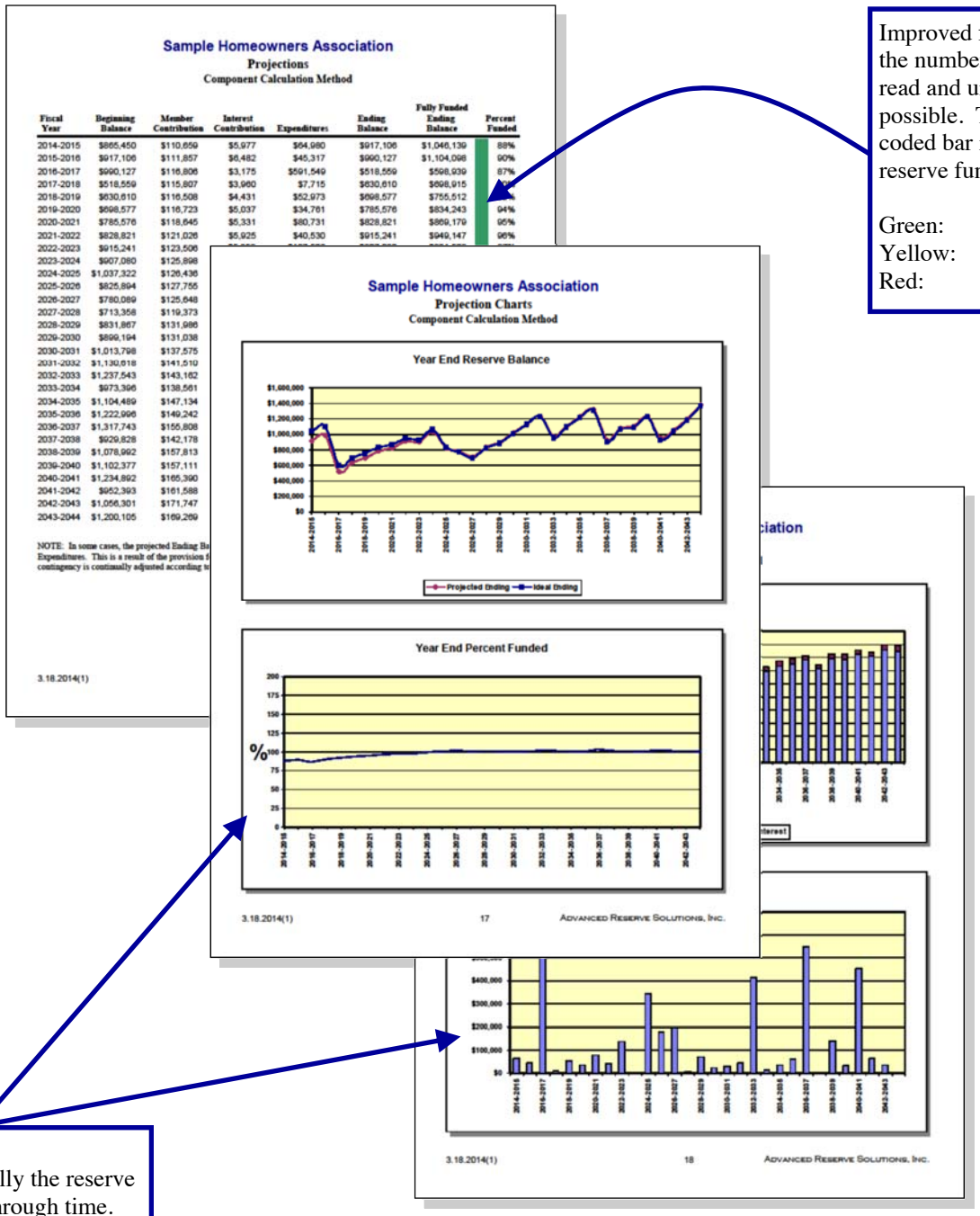
Projections and Charts

Summary displays projections of beginning reserve balance, member contribution, interest contribution, expenditures and ending reserve balance for each year of the projection period (shown here for 30 years). The two columns on the right-hand side provide the fully funded ending balance and the percent funded for each year. Charts show the same information in an easy-to-understand graphic format.



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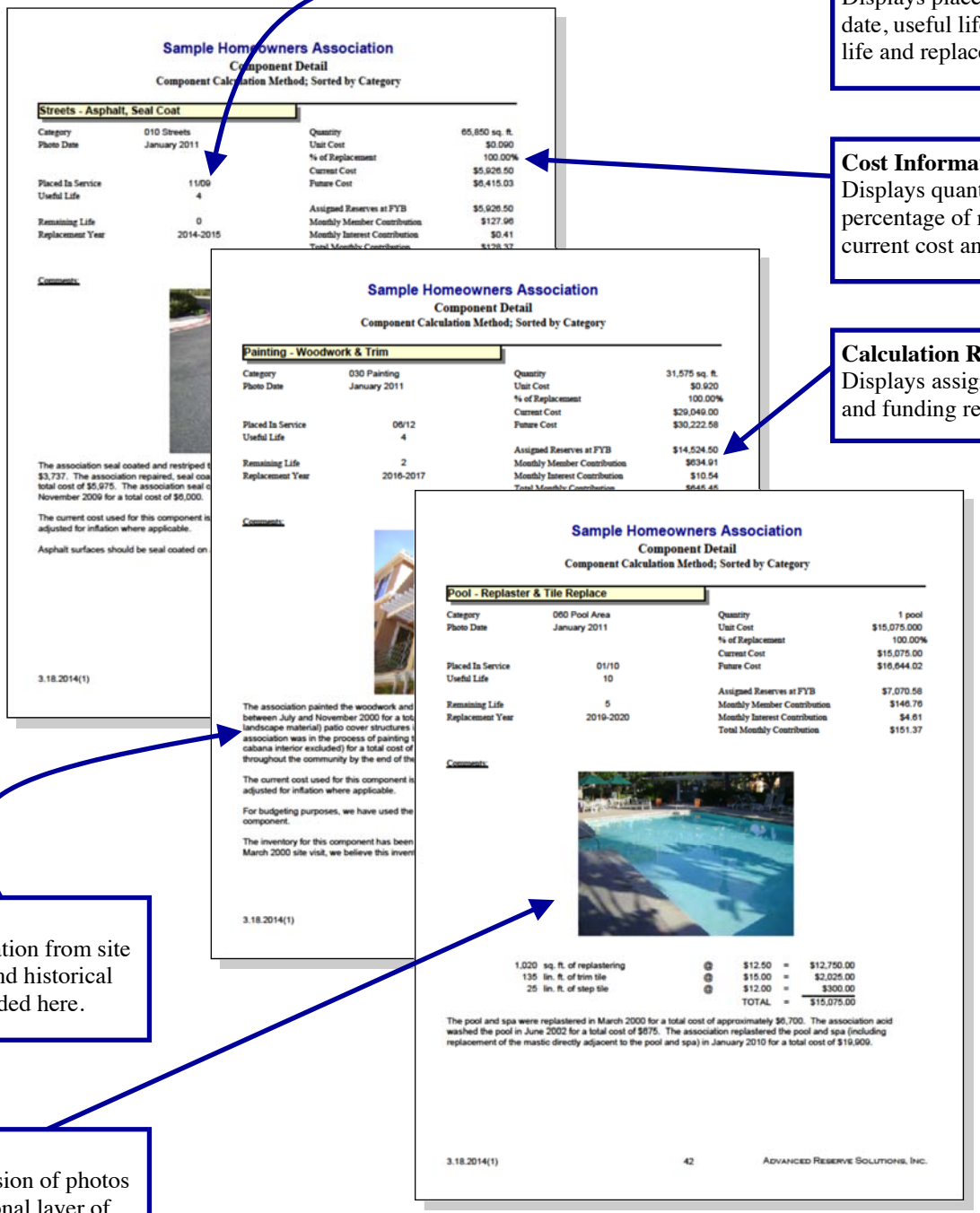
Component Detail

Summary provides detailed information about each reserve component. These pages display all information about each reserve component as well as comments from site observations and historical information regarding replacement or other maintenance.



Lifespan Information
Displays placed-in-service date, useful life, remaining life and replacement year.

Cost Information
Displays quantity, unit cost, percentage of replacement, current cost and future cost.

Calculation Results
Displays assigned reserves and funding requirements.

Comments
Useful information from site observations and historical expenses included here.

Photos
Optional inclusion of photos adds an additional layer of detail to the reserve analysis.

Preface

♦ ♦ ♦ ♦ GLOSSARY OF KEY TERMS ♦ ♦ ♦ ♦

Annual Contribution Increase Parameter
The rate used in the calculation of the funding plan. This rate is used on an annual compounding basis. This rate represents, in theory, the rate the association expects to increase contributions each year.

In most cases, this rate should match the inflation parameter. Matching the annual contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

This parameter is used to develop a funding plan only; it does not mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a total reserve contribution increase or decrease from year to year than this parameter. See the description of "reserve funding calculation methods" in this preface for more detail on this parameter.

Anticipated Reserve Balance (or Reserve Funds)
The amount of money, as of a certain point in time, held by the association to be used for the repair or replacement of reserve components. This figure is "anticipated" because it is calculated based on the most current financial information available as of the analysis date, which is almost always prior to the fiscal year beginning date for which the reserve analysis is prepared.

Assigned Funds (and "Fixed" Assigned Funds)
The amount of money, as of the fiscal year beginning date for which the reserve analysis is prepared, that a reserve component has been assigned.

The assigned funds are considered "fixed" when the normal calculation process is bypassed and a specific amount of money is assigned to a reserve component. For example, if the normal calculation process assigns $10,000 to the roofs, but the association would like to show $20,000 assigned to roofs, "fixed" funds of $20,000 can be assigned.

Cash Flow Calculation Method
Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the "reserve funding calculation methods" section of the preface.

Component Calculation Method
Reserve funding calculation method developed based on each individual component. A more detailed description of the actual calculation process is included in the "reserve funding calculation methods" section of the preface.

Contingency Parameter
The rate used as a built-in buffer in the calculation of the funding plan. This rate will assign a percentage of the reserve funds, as of the fiscal year beginning, as contingency funds and will also determine the level of funding toward the contingency each month.

Current Replacement Cost
The amount of money, as of the fiscal year beginning date for which the reserve analysis is prepared, that a reserve component is expected to cost to replace.

Fiscal Year
Indicates the budget year for the association for which the reserve analysis was prepared. The fiscal year beginning (FYB) is the first day of the budget year; the fiscal year end (FYE) is the last day of the budget year.

Fully Funded Reserve Balance (or Ideal Reserves)
The amount of money that should theoretically have accumulated in the reserve fund as of a certain point in time. Fully funded reserves are calculated for each reserve component based on the current replacement cost, age and useful life:

$$\text{Fully Funded Reserves} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Replacement Cost}$$

The fully funded reserve balance is the sum of the fully funded reserves for each reserve component.

An association that has accumulated the fully funded reserve balance does not have all of the funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve components it maintains, based on each component's current replacement cost, age and useful life.

Future Replacement Cost
The amount of money, as of the fiscal year during which replacement of a reserve component is scheduled, that a reserve component is expected to cost to replace. This cost is calculated using the current replacement cost compounded annually by the inflation parameter.

Global Parameters
The financial parameters used to calculate the reserve analysis. See also "inflation parameter," "annual contribution increase parameter," "investment rate parameter" and "taxes on investments parameter."

Inflation Parameter
The rate used in the calculation of future costs for reserve components. This rate is used on an annual compounding basis. This rate represents the rate the association expects the cost of goods and services relating to their reserve components to increase each year.

Interest Contribution
The amount of money contributed to the reserve fund by the interest earned on the reserve fund and member contributions.

Investment Rate Parameter
The gross rate used in the calculation of interest contribution (interest earned) from the reserve balance and member contributions. This rate (net of the taxes on investments parameter) is used on a monthly compounding basis. This parameter represents the weighted average interest rate the association expects to earn on their reserve fund investments.

Membership Contribution
The amount of money contributed to the reserve fund by the association's membership.

Monthly Contribution (and "Fixed" Monthly Contribution)
The amount of money, for the fiscal year which the reserve analysis is prepared, that a reserve component will be funded.

The monthly contribution is considered "fixed" when the normal calculation process is bypassed and a specific amount of money is funded to a reserve component. For example, if the normal calculation process funds $1,000 to the roofs each month, but the association would like to show $500 funded to roofs each month, a "fixed" contribution of $500 can be assigned.

Number of Units (or other assessment basis)
Indicates the number of units for which the reserve analysis was prepared. In "phased" developments (see phasing), this number represents the number of units, and corresponding common area components, that existed as of a certain point in time.

For some associations, assessments and reserve contributions are based on a unit of measure other than the number of units. Examples include time-interval weeks for timeshare resorts or lot acreage for commercial/industrial developments.

One-Time Replacement
Used for components that will be budgeted for only once.

Percent Funded
A measure, expressed as a percentage, of the association's reserve fund "health" as of a certain point in time. This number is the ratio of the anticipated reserve fund balance to the fully funded reserve balance:

$$\text{Percent Funded} = \frac{\text{Anticipated Reserve Fund Balance}}{\text{Fully Funded Reserve Balance}}$$

An association that is 100% funded does not have all of the reserve funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve components it maintains, based on each component's current replacement cost, age and useful life.

Percentage of Replacement
The percentage of the reserve component that is expected to be replaced.

For most reserve components, this percentage should be 100%. In some cases, this percentage may be more or less than 100%. For example, fencing which is shared with a neighboring community may be set at 50%.

Phasing
Indicates the number of phases for which the reserve analysis was prepared and the total number of phases expected at build-out (i.e. Phase 4 of 7). In phased developments, the first number represents the number of phases, and corresponding common area components, that existed as of a certain point in time. The second number represents the number of phases that are expected to exist at build-out.

Placed-In-Service Date
The date (month and year) that the reserve component was originally put into service or last replaced.

Remaining Life
The length of time, in years, until a reserve component is scheduled to be replaced.

Remaining Life Adjustment
The length of time, in years, that a reserve component is expected to last in excess (or deficiency) of its useful life for the current cycle of replacement.

If the current cycle of replacement for a reserve component is expected to be greater than or less than the "normal" life expectancy, the reserve component's life should be adjusted using a remaining life adjustment.

For example, if wood trim is painted normally on a 4 year cycle, the useful life should be 4 years. However, when it comes time to paint the wood trim and it is determined that it can be deferred for an additional year, the useful life should remain at 4 years and a remaining life adjustment of +1 year should be used.

Replacement Year
The fiscal year that a reserve component is scheduled to be replaced.

Reserve Components
Line items included in the reserve analysis.

Taxes on Investments Parameter
The rate used to offset the investment rate parameter in the calculation of the interest contribution. This parameter represents the marginal tax rate the association expects to pay on interest earned by the reserve funds and member contributions.

Total Contribution
The sum of the membership contribution and interest contribution.

Useful Life
The length of time, in years, that a reserve component is expected to last each time it is replaced. See also "remaining life adjustment."

♦ ♦ ♦ ♦ LIMITATIONS OF RESERVE ANALYSIS ♦ ♦ ♦ ♦

This reserve analysis is intended as a tool for the association's Board of Directors to be used in evaluating the association's current physical and financial condition with regard to reserve components. The results of this reserve analysis represent the independent opinion of the preparer. There is no implied warranty or guarantee of this work product.

For the purposes of this reserve analysis, it has been assumed that all components have been installed properly, no construction defects exist and all components are operational. Additionally, it has been assumed that all components will be maintained properly in the future.

The representations set forth in this reserve analysis are based on the best information and estimates of the preparer as of the date of this analysis. These estimates are subject to change. This reserve analysis includes estimates of replacement costs and life expectancies as well as assumptions regarding future events. Some estimates are projections of future events based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility or error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the preparation of this reserve analysis. Therefore, the actual replacement costs and remaining lives may vary from this reserve analysis and the variation may be significant. Additionally, inflation and other economic events may impact this reserve analysis, particularly over an extended period of time and those events could have a significant and negative impact on the accuracy of this reserve analysis and, further, the funds available to meet the association's obligation for repair, replacement or other maintenance of major components during their estimated useful life. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods, acts of nature or other unforeseen events cannot be predicted and/or accounted for and are excluded when assessing life expectancy, repair and/or replacement costs of the components.

The Lofts at Westinghouse Condominiums

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	20003
Version Number	2
Analysis Date	03/10/2017
Fiscal Year	1/1/2017 to 12/31/2017
Number of Units	78
Phasing	1 of 1

Global Parameters:

Inflation Rate	2.00%
Annual Contribution Increase	5.84%
Investment Rate	0.50%
Taxes on Investments	30.00%
Contingency	3.00%

Community Profile:

The Lofts at Westinghouse is a condominium community located in an industrial park in the Hyde Park section of Boston. Building "C" was constructed in about 1908. The building was converted to condominiums in 2010 per property manager. The community consists of (1) three-story building with 78-units. First floor consists of entrance lobby and (4) commercial units. Second and third floors have (62) residential units. Second floor also has (12) art studio units. The association is only responsible for its building. A master association responsible for the site/grounds.

Many of the components within this community were replaced or refurbished in 2010 during the condominium conversion. For the purposes of this analysis, we have used the actual date of last replacement, refurbishment or other maintenance as the placed-in-service date for each component where this date is known; when unknown, the remaining service life has been estimated based on condition at our most recent site visit. For original components, we have used a placed-in-service date of original construction.

ARS site visit: January 26, 2017

Adequacy of Reserves as of January 1, 2017:

Anticipated Reserve Balance	**$200,672.00**
Fully Funded Reserve Balance	**$332,479.26**
Percent Funded	**60.36%**

Recommended Funding for the 2017 Fiscal Year:	Annual	Monthly	Per Unit Per Month
Member Contribution	**$46,320**	**$3,860.00**	**$49.49**
Interest Contribution	**$760**	**$63.36**	**$0.81**
Total Contribution	**$47,080**	**$3,923.36**	**$50.30**

The Lofts at Westinghouse Condominiums

Preparer's Disclosure Statement

Paul Huijing, P.E. completed this reserve study. Consultant certifies that:

1) Consultant has no other involvement with association which could result in actual or perceived conflicts of interest.

2) Consultant made a site visit of this community on January 26, 2017. Component inventories were developed by actual field inventory, representative sampling, or by making "take-offs" of scaled plans/maps from community's developer.

3) Component conditional assessments were developed by actual field observation and representative sampling.

4) Financial assumptions used in this analysis are listed on the Executive Summary and further explained in the Preface of this report.

5) This is a "Level 1" reserve study with a site visit.

6) Windows within units and doors to exterior or common hallway are responsibility of unit owners per property manager.

7) There are no other material issues known to consultant at this time which would cause a distortion of the association's situation.

The Lofts at Westinghouse Condominiums

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
010 Roof				
Roof	12	20	$261,700.00	$104,680.00
Roof - Access Hatch	17	25	$6,490.00	$2,076.80
Roof - Gutters & Downspouts	17	25	$10,800.00	$3,456.00
Sub Total	**12-17**	**20-25**	**$278,990.00**	**$110,212.80**
020 Windows				
Windows - Common Areas	22	30	$30,500.00	$8,133.33
Windows - Glass Block, Unfunded	n.a.	n.a.	$0.00	$0.00
Sub Total	**22**	**30**	**$30,500.00**	**$8,133.33**
030 Doors				
Doors - Interior	23	30	$50,870.00	$11,869.67
Doors - Main Entry	23	30	$10,000.00	$2,333.33
Sub Total	**23**	**30**	**$60,870.00**	**$14,203.00**
040 Lighting				
Lighting - Exterior	13	20	$9,400.00	$3,290.00
Lighting - Interior	19	20	$37,150.00	$1,857.50
Sub Total	**13-19**	**20**	**$46,550.00**	**$5,147.50**
050 Painting				
Painting - Doors	1	8	$6,000.00	$5,250.00
Painting - Exterior	7	14	$12,460.00	$6,230.00
Painting - Interior	13	20	$43,030.00	$15,060.50
Painting - Interior, Stairwells	13	20	$9,280.00	$3,248.00
Painting - Interior, Touch Up	4	5	$5,500.00	$1,100.00
Painting - Interior, Wood Ceilings	33	40	$24,850.00	$4,348.75
Sub Total	**1-33**	**5-40**	**$101,120.00**	**$35,237.25**
060 Building Interior				
Flooring - Polished Concrete, Unfunded	n.a.	n.a.	$0.00	$0.00
Flooring - Tile	23	30	$12,620.00	$2,944.67
Flooring - Vinyl Base	8	15	$11,217.50	$5,234.83
Flooring - Wood Refinish	8	15	$36,416.25	$16,994.25
Interior - Furniture	3	10	$5,000.00	$3,500.00
Interior - Mailboxes	23	30	$7,000.00	$1,633.33
Interior - Restrooms, 1st Floor	13	20	$20,000.00	$7,000.00
Interior - Restrooms, 2nd Floor	13	20	$4,000.00	$1,400.00

The Lofts at Westinghouse Condominiums

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Sub Total	**3-23**	**10-30**	**$96,253.75**	**$38,707.08**
070 Equipment				
Cleanup Rooms - Sinks	8	15	$900.00	$420.00
Elevator - AC Drive	8	15	$8,000.00	$3,733.33
Elevator - Cab Refurbish	8	15	$5,000.00	$2,333.33
Elevator - Modernization	23	30	$126,130.00	$29,430.33
Fire Alarm - Devices	3	10	$16,450.00	$11,515.00
Fire Alarm - Panel	13	20	$6,500.00	$2,275.00
Fire Sprinkler	2	2	$5,000.00	$0.00
HVAC - General Ventilation	8	15	$6,402.00	$2,987.60
HVAC - Heat Recovery Ventilation	13	20	$27,200.00	$9,520.00
HVAC - Other	13	20	$6,350.00	$2,222.50
HVAC - Rooftop Units	13	20	$34,000.00	$11,900.00
Laundry Room - Dryer Boost Fan	3	10	$1,200.00	$840.00
Main Entry Access Control	13	20	$1,500.00	$525.00
Recreation - Equipment, Exterior	24	25	$4,100.00	$164.00
Recreation - Equipment, Gym	8	15	$5,000.00	$2,333.33
Solar - Inverters	14	15	$35,000.00	$2,333.33
Solar - Photovoltaic Panels	29	30	$324,000.00	$10,800.00
Surveillance System	6	10	$10,500.00	$4,200.00
Water Heaters	3	10	$2,750.00	$1,925.00
Sub Total	**2-29**	**2-30**	**$625,982.00**	**$99,457.77**
080 Building Exterior				
Siding - Brick, Major Repairs	24	25	$100,000.00	$4,000.00
Siding - Brick, Minor Repairs	0	1	$5,000.00	$5,000.00
Siding - Steel	29	30	$51,500.00	$1,716.67
Signs	18	25	$3,500.00	$980.00
Sub Total	**0-29**	**1-30**	**$160,000.00**	**$11,696.67**
Contingency	n.a.	n.a.	n.a.	$9,683.86
Total	**0-33**	**1-40**	**$1,400,265.75**	**$332,479.26**
Anticipated Reserve Balance				**$200,672.00**
Percent Funded				**60.36%**

The Lofts at Westinghouse Condominiums

Management / Accounting Summary

Directed Cash Flow Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
010 Roof				
Roof	$104,680.00	$721.31	$30.79	$752.10
Roof - Access Hatch	$0.00	$17.57	$0.04	$17.61
Roof - Gutters & Downspouts	$0.00	$29.24	$0.07	$29.30
Sub Total	**$104,680.00**	**$768.12**	**$30.89**	**$799.01**
020 Windows				
Windows - Common Areas	$0.00	$59.23	$0.13	$59.37
Windows - Glass Block, Unfunded	$0.00	$0.00	$0.00	$0.00
Sub Total	**$0.00**	**$59.23**	**$0.13**	**$59.37**
030 Doors				
Doors - Interior	$0.00	$93.04	$0.22	$93.26
Doors - Main Entry	$0.00	$18.29	$0.04	$18.33
Sub Total	**$0.00**	**$111.33**	**$0.26**	**$111.59**
040 Lighting				
Lighting - Exterior	$3,290.00	$25.21	$0.97	$26.18
Lighting - Interior	$0.00	$87.40	$0.20	$87.60
Sub Total	**$3,290.00**	**$112.62**	**$1.17**	**$113.79**
050 Painting				
Painting - Doors	$5,250.00	$46.88	$1.57	$48.45
Painting - Exterior	$6,230.00	$51.75	$1.86	$53.60
Painting - Interior	$0.00	$160.99	$0.37	$161.36
Painting - Interior, Stairwells	$3,248.00	$24.89	$0.96	$25.85
Painting - Interior, Touch Up	$1,100.00	$60.72	$0.45	$61.17
Painting - Interior, Wood Ceilings	$0.00	$26.80	$0.06	$26.86
Sub Total	**$15,828.00**	**$372.03**	**$5.27**	**$377.30**
060 Building Interior				
Flooring - Polished Concrete, Unfunded	$0.00	$0.00	$0.00	$0.00
Flooring - Tile	$0.00	$23.08	$0.06	$23.14
Flooring - Vinyl Base	$5,234.83	$42.92	$1.55	$44.48
Flooring - Wood Refinish	$16,994.25	$139.35	$5.05	$144.40
Interior - Furniture	$3,500.00	$30.54	$1.05	$31.58
Interior - Mailboxes	$0.00	$12.80	$0.03	$12.83
Interior - Restrooms, 1st Floor	$3,590.00	$63.96	$1.14	$65.10

The Lofts at Westinghouse Condominiums

Management / Accounting Summary

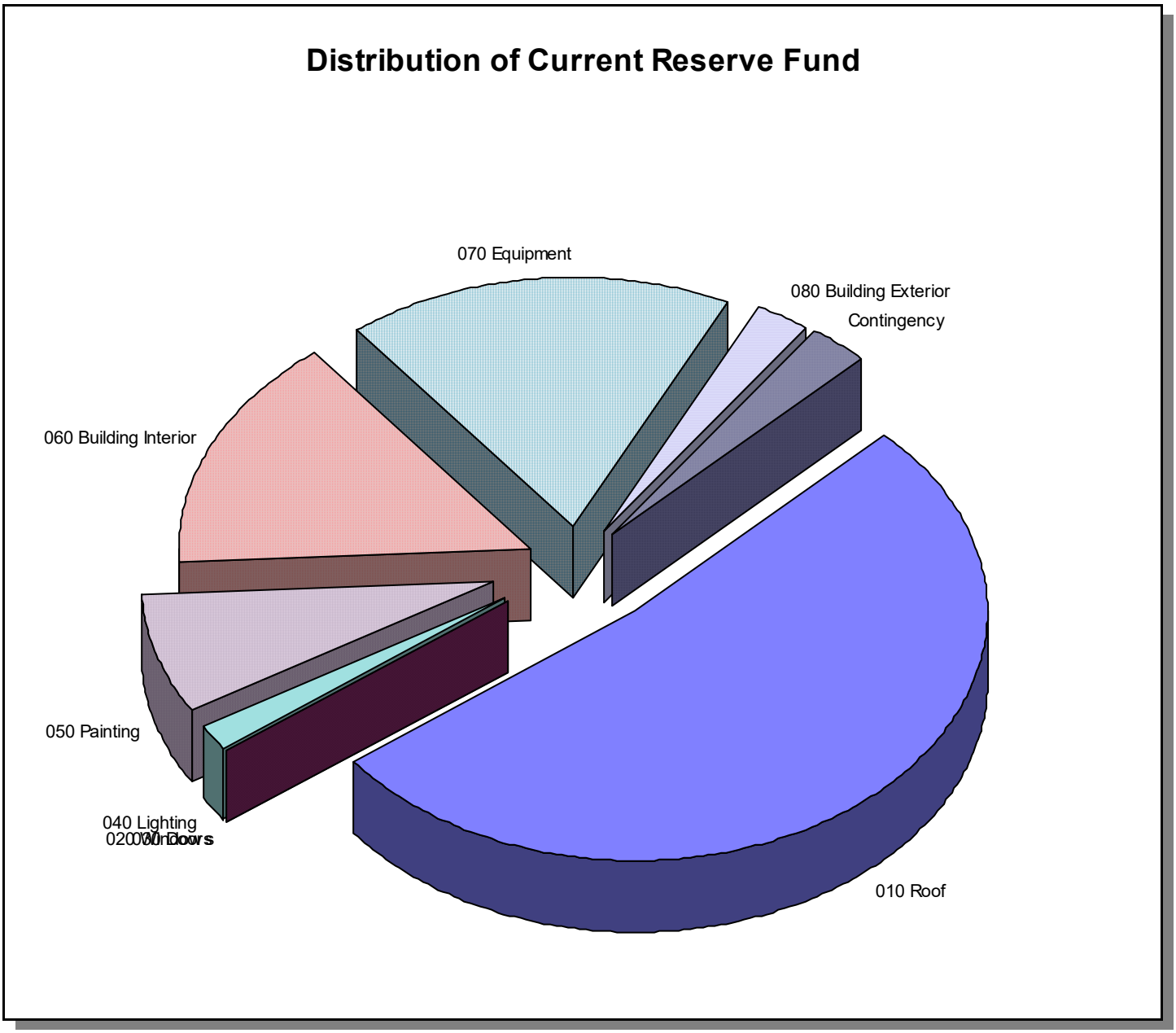
Directed Cash Flow Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
Interior - Restrooms, 2nd Floor	$1,400.00	$10.73	$0.42	$11.15
Sub Total	**$30,719.08**	**$323.38**	**$9.29**	**$332.68**
070 Equipment				
Cleanup Rooms - Sinks	$420.00	$3.44	$0.12	$3.57
Elevator - AC Drive	$3,733.33	$30.61	$1.10	$31.72
Elevator - Cab Refurbish	$2,333.33	$19.13	$0.70	$19.83
Elevator - Modernization	$0.00	$230.69	$0.53	$231.23
Fire Alarm - Devices	$11,515.00	$100.47	$3.44	$103.91
Fire Alarm - Panel	$2,275.00	$17.43	$0.68	$18.11
Fire Sprinkler	$0.00	$138.89	$0.32	$139.22
HVAC - General Ventilation	$2,987.60	$24.50	$0.89	$25.38
HVAC - Heat Recovery Ventilation	$0.00	$101.76	$0.24	$102.00
HVAC - Other	$2,222.50	$17.03	$0.66	$17.69
HVAC - Rooftop Units	$0.00	$127.21	$0.30	$127.50
Laundry Room - Dryer Boost Fan	$840.00	$7.33	$0.25	$7.58
Main Entry Access Control	$525.00	$4.02	$0.15	$4.18
Recreation - Equipment, Exterior	$0.00	$7.07	$0.02	$7.09
Recreation - Equipment, Gym	$2,333.33	$19.13	$0.70	$19.83
Solar - Inverters	$0.00	$119.96	$0.28	$120.24
Solar - Photovoltaic Panels	$0.00	$426.25	$0.98	$427.23
Surveillance System	$4,200.00	$59.23	$1.30	$60.53
Water Heaters	$1,925.00	$16.80	$0.57	$17.37
Sub Total	**$35,310.10**	**$1,470.97**	**$13.22**	**$1,484.19**
080 Building Exterior				
Siding - Brick, Major Repairs	$0.00	$172.54	$0.40	$172.94
Siding - Brick, Minor Repairs	$5,000.00	$280.77	$0.65	$281.42
Siding - Steel	$0.00	$67.75	$0.15	$67.91
Signs	$0.00	$8.82	$0.02	$8.84
Sub Total	**$5,000.00**	**$529.88**	**$1.22**	**$531.10**
Contingency	$5,844.82	$112.43	$1.89	$114.31
Total	**$200,672.00**	**$3,860.00**	**$63.36**	**$3,923.36**

The Lofts at Westinghouse Condominiums

Management / Accounting Charts

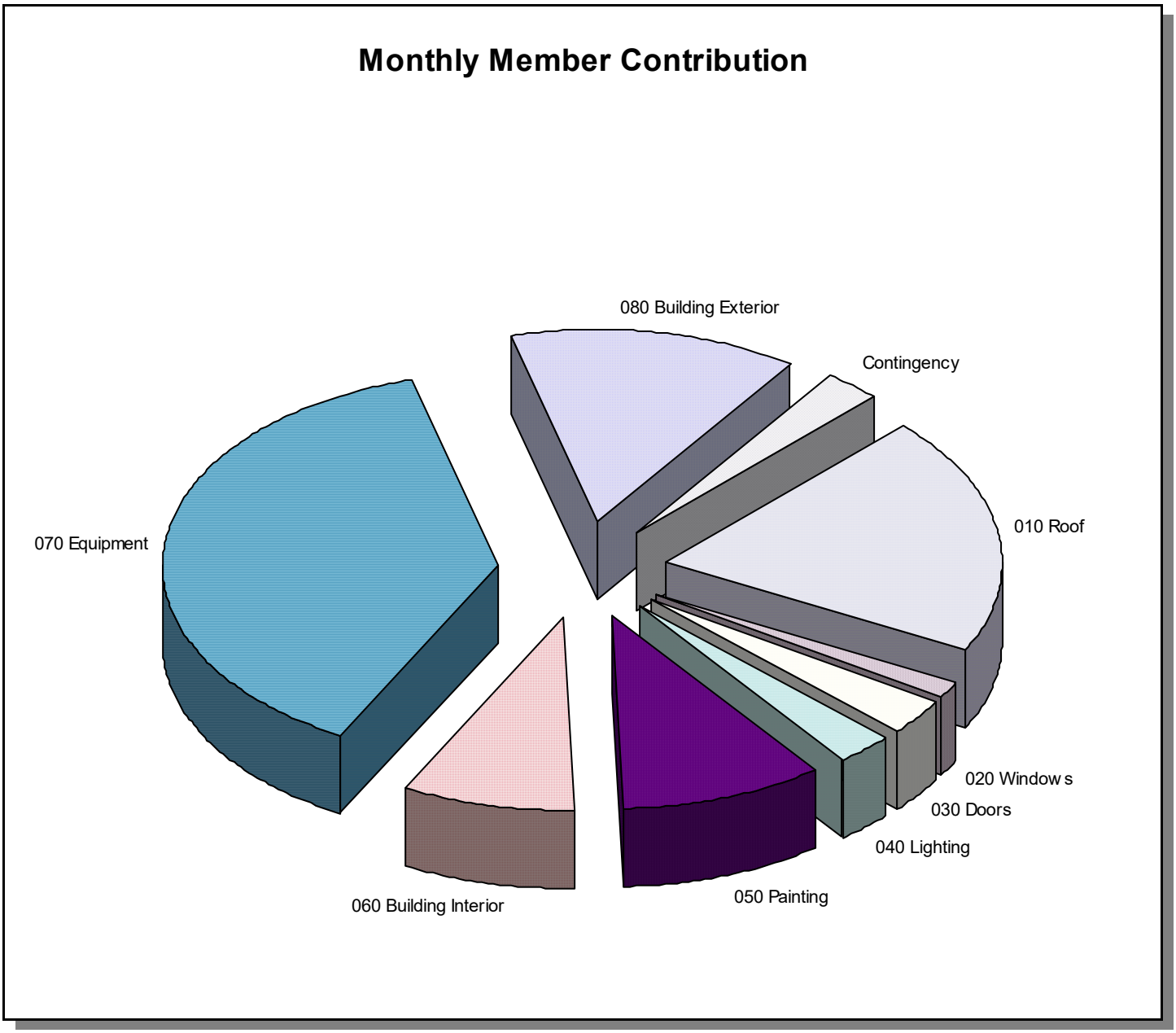
Directed Cash Flow Calculation Method; Sorted by Category



The Lofts at Westinghouse Condominiums

Management / Accounting Charts

Directed Cash Flow Calculation Method; Sorted by Category



The Lofts at Westinghouse Condominiums

Annual Expenditure Detail

Sorted by Description

2017 Fiscal Year	
Siding - Brick, Minor Repairs	$5,000.00
Sub Total	**$5,000.00**
2018 Fiscal Year	
Painting - Doors	$6,120.00
Siding - Brick, Minor Repairs	$5,100.00
Sub Total	**$11,220.00**
2019 Fiscal Year	
Fire Sprinkler	$5,202.00
Siding - Brick, Minor Repairs	$5,202.00
Sub Total	**$10,404.00**
2020 Fiscal Year	
Fire Alarm - Devices	$17,456.87
Interior - Furniture	$5,306.04
Laundry Room - Dryer Boost Fan	$1,273.45
Siding - Brick, Minor Repairs	$5,306.04
Water Heaters	$2,918.32
Sub Total	**$32,260.72**
2021 Fiscal Year	
Fire Sprinkler	$5,412.16
Painting - Interior, Touch Up	$5,953.38
Siding - Brick, Minor Repairs	$5,412.16
Sub Total	**$16,777.70**
2022 Fiscal Year	
Siding - Brick, Minor Repairs	$5,520.40
Sub Total	**$5,520.40**
2023 Fiscal Year	
Fire Sprinkler	$5,630.81
Siding - Brick, Minor Repairs	$5,630.81
Surveillance System	$11,824.71
Sub Total	**$23,086.33**
2024 Fiscal Year	
Painting - Exterior	$14,312.62
Siding - Brick, Minor Repairs	$5,743.43

The Lofts at Westinghouse Condominiums

Annual Expenditure Detail

Sorted by Description

Sub Total	**$20,056.05**
2025 Fiscal Year	
Cleanup Rooms - Sinks	$1,054.49
Elevator - AC Drive	$9,373.28
Elevator - Cab Refurbish	$5,858.30
Fire Sprinkler	$5,858.30
Flooring - Vinyl Base	$13,143.09
Flooring - Wood Refinish	$42,667.44
HVAC - General Ventilation	$7,500.96
Recreation - Equipment, Gym	$5,858.30
Siding - Brick, Minor Repairs	$5,858.30
Sub Total	**$97,172.45**
2026 Fiscal Year	
Painting - Doors	$7,170.56
Painting - Interior, Touch Up	$6,573.01
Siding - Brick, Minor Repairs	$5,975.46
Sub Total	**$19,719.03**
2027 Fiscal Year	
Fire Sprinkler	$6,094.97
Siding - Brick, Minor Repairs	$6,094.97
Sub Total	**$12,189.94**
2028 Fiscal Year	
Siding - Brick, Minor Repairs	$6,216.87
Sub Total	**$6,216.87**
2029 Fiscal Year	
Fire Sprinkler	$6,341.21
Roof	$331,898.88
Siding - Brick, Minor Repairs	$6,341.21
Sub Total	**$344,581.30**
2030 Fiscal Year	
Fire Alarm - Devices	$21,279.83
Fire Alarm - Panel	$8,408.44
HVAC - Heat Recovery Ventilation	$35,186.10
HVAC - Other	$8,214.40
HVAC - Rooftop Units	$43,982.63

The Lofts at Westinghouse Condominiums

Annual Expenditure Detail

Sorted by Description

Interior - Furniture	$6,468.03
Interior - Restrooms, 1st Floor	$25,872.13
Interior - Restrooms, 2nd Floor	$5,174.43
Laundry Room - Dryer Boost Fan	$1,552.33
Lighting - Exterior	$12,159.90
Main Entry Access Control	$1,940.41
Painting - Interior	$55,663.89
Painting - Interior, Stairwells	$12,004.67
Siding - Brick, Minor Repairs	$6,468.03
Water Heaters	$3,557.42
Sub Total	**$247,932.65**
2031 Fiscal Year	
Fire Sprinkler	$6,597.39
Painting - Interior, Touch Up	$7,257.13
Siding - Brick, Minor Repairs	$6,597.39
Solar - Inverters	$46,181.76
Sub Total	**$66,633.68**
2032 Fiscal Year	
Siding - Brick, Minor Repairs	$6,729.34
Sub Total	**$6,729.34**
2033 Fiscal Year	
Fire Sprinkler	$6,863.93
Siding - Brick, Minor Repairs	$6,863.93
Surveillance System	$14,414.25
Sub Total	**$28,142.11**
2034 Fiscal Year	
Painting - Doors	$8,401.45
Painting - Exterior	$17,447.01
Roof - Access Hatch	$9,087.57
Roof - Gutters & Downspouts	$15,122.61
Siding - Brick, Minor Repairs	$7,001.21
Sub Total	**$57,059.84**
2035 Fiscal Year	
Fire Sprinkler	$7,141.23
Recreation - Equipment, Gym	$7,141.23

The Lofts at Westinghouse Condominiums

Annual Expenditure Detail

Sorted by Description

Siding - Brick, Minor Repairs	$7,141.23
Signs	$4,998.86
Sub Total	**$26,422.56**
2036 Fiscal Year	
Lighting - Interior	$54,120.54
Painting - Interior, Touch Up	$8,012.46
Siding - Brick, Minor Repairs	$7,284.06
Sub Total	**$69,417.05**
2037 Fiscal Year	
Fire Sprinkler	$7,429.74
Siding - Brick, Minor Repairs	$7,429.74
Sub Total	**$14,859.47**
2038 Fiscal Year	
Siding - Brick, Minor Repairs	$7,578.33
Sub Total	**$7,578.33**
2039 Fiscal Year	
Fire Sprinkler	$7,729.90
Siding - Brick, Minor Repairs	$7,729.90
Windows - Common Areas	$47,152.38
Sub Total	**$62,612.18**
2040 Fiscal Year	
Cleanup Rooms - Sinks	$1,419.21
Doors - Interior	$80,216.87
Doors - Main Entry	$15,768.99
Elevator - AC Drive	$12,615.19
Elevator - Cab Refurbish	$7,884.50
Elevator - Modernization	$198,894.30
Fire Alarm - Devices	$25,939.99
Flooring - Tile	$19,900.47
Flooring - Vinyl Base	$17,688.87
Flooring - Wood Refinish	$57,424.76
HVAC - General Ventilation	$10,095.31
Interior - Furniture	$7,884.50
Interior - Mailboxes	$11,038.29
Laundry Room - Dryer Boost Fan	$1,892.28

The Lofts at Westinghouse Condominiums

Annual Expenditure Detail

Sorted by Description

Siding - Brick, Minor Repairs	$7,884.50
Water Heaters	$4,336.47
Sub Total	**$480,884.50**
2041 Fiscal Year	
Fire Sprinkler	$8,042.19
Painting - Interior, Touch Up	$8,846.40
Recreation - Equipment, Exterior	$6,594.59
Siding - Brick, Major Repairs	$160,843.72
Siding - Brick, Minor Repairs	$8,042.19
Sub Total	**$192,369.09**
2042 Fiscal Year	
Painting - Doors	$9,843.64
Siding - Brick, Minor Repairs	$8,203.03
Sub Total	**$18,046.67**
2043 Fiscal Year	
Fire Sprinkler	$8,367.09
Siding - Brick, Minor Repairs	$8,367.09
Surveillance System	$17,570.89
Sub Total	**$34,305.07**
2044 Fiscal Year	
Painting - Exterior	$21,267.81
Siding - Brick, Minor Repairs	$8,534.43
Sub Total	**$29,802.24**
2045 Fiscal Year	
Fire Sprinkler	$8,705.12
Recreation - Equipment, Gym	$8,705.12
Siding - Brick, Minor Repairs	$8,705.12
Sub Total	**$26,115.36**
2046 Fiscal Year	
Painting - Interior, Touch Up	$9,767.15
Siding - Brick, Minor Repairs	$8,879.22
Siding - Steel	$91,456.00
Solar - Inverters	$62,154.56
Solar - Photovoltaic Panels	$575,373.68

The Lofts at Westinghouse Condominiums

Annual Expenditure Detail

Sorted by Description

Sub Total	**$747,630.61**

The Lofts at Westinghouse Condominiums

Projections

Directed Cash Flow Calculation Method

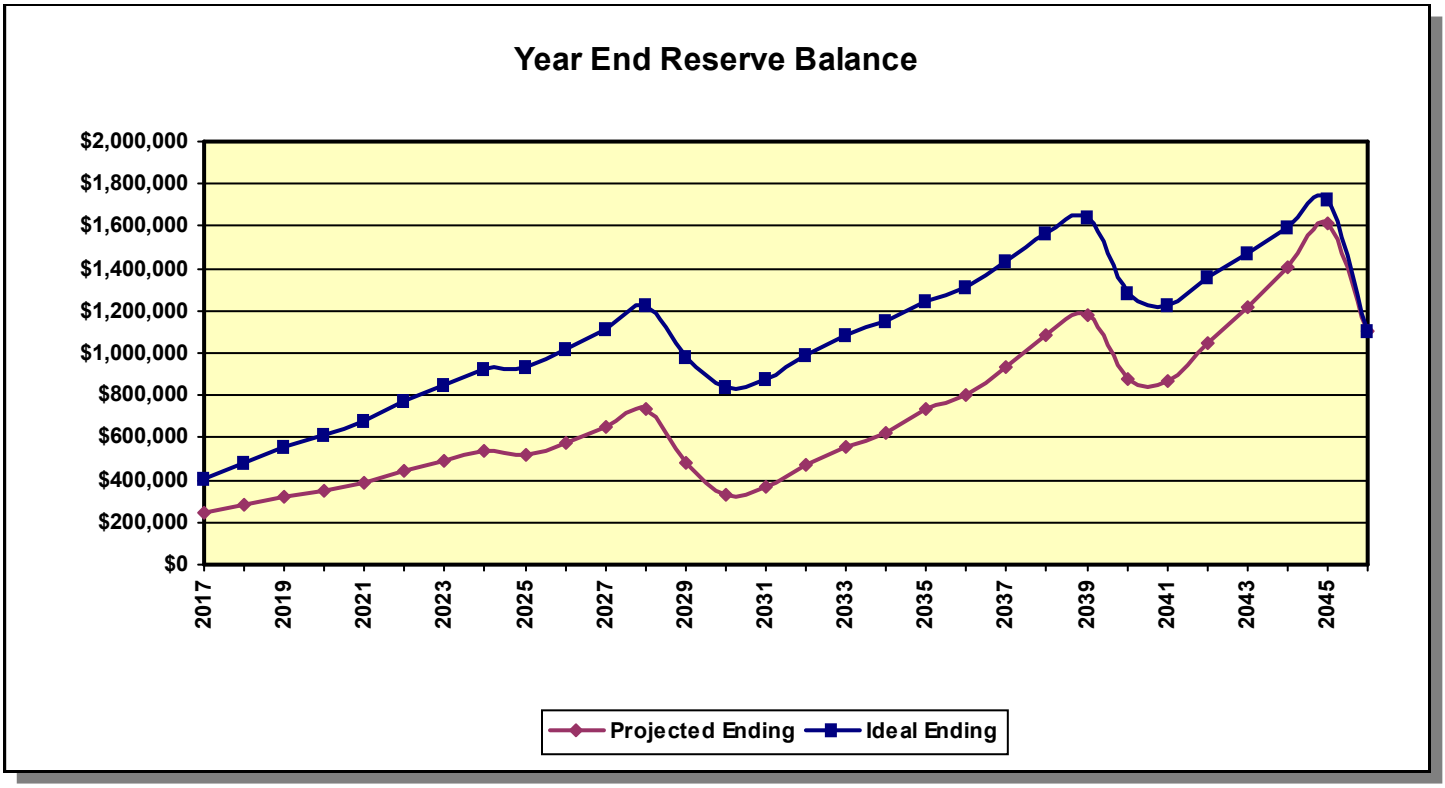
Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2017	$200,672	$46,320	$760	$5,000	$242,752	$407,490	60%
2018	$242,752	$49,025	$890	$11,220	$281,448	$478,939	59%
2019	$281,448	$51,888	$1,033	$10,404	$323,965	$554,175	58%
2020	$323,965	$54,918	$1,111	$32,261	$347,734	$609,486	57%
2021	$347,734	$58,126	$1,254	$16,778	$390,335	$683,731	57%
2022	$390,335	$61,520	$1,448	$5,520	$447,783	$772,882	58%
2023	$447,783	$65,113	$1,593	$23,086	$491,403	$846,987	58%
2024	$491,403	$68,916	$1,763	$20,056	$542,026	$927,845	58%
2025	$542,026	$72,940	$1,677	$97,172	$519,470	$931,206	56%
2026	$519,470	$77,200	$1,876	$19,719	$578,827	$1,017,746	57%
2027	$578,827	$81,708	$2,118	$12,190	$650,463	$1,115,699	58%
2028	$650,463	$86,480	$2,397	$6,217	$733,124	$1,223,694	60%
2029	$733,124	$91,531	$1,509	$344,581	$481,582	$980,208	49%
2030	$481,582	$96,876	$975	$247,933	$331,500	$835,272	40%
2031	$331,500	$102,534	$1,093	$66,634	$368,493	$879,829	42%
2032	$368,493	$108,522	$1,442	$6,729	$471,728	$990,170	48%
2033	$471,728	$114,859	$1,739	$28,142	$560,184	$1,082,217	52%
2034	$560,184	$121,567	$1,959	$57,060	$626,651	$1,147,761	55%
2035	$626,651	$128,667	$2,311	$26,423	$731,205	$1,248,880	59%
2036	$731,205	$136,181	$2,539	$69,417	$800,507	$1,308,970	61%
2037	$800,507	$144,134	$2,986	$14,859	$932,767	$1,429,741	65%
2038	$932,767	$152,551	$3,488	$7,578	$1,081,228	$1,562,781	69%
2039	$1,081,228	$161,460	$3,830	$62,612	$1,183,906	$1,642,499	72%
2040	$1,183,906	$170,889	$2,739	$480,884	$876,650	$1,286,658	68%
2041	$876,650	$180,869	$2,689	$192,369	$867,839	$1,229,146	71%
2042	$867,839	$191,432	$3,286	$18,047	$1,044,511	$1,356,004	77%
2043	$1,044,511	$202,612	$3,867	$34,305	$1,216,684	$1,470,742	83%
2044	$1,216,684	$214,444	$4,505	$29,802	$1,405,831	$1,594,980	88%
2045	$1,405,831	$226,968	$5,201	$26,115	$1,611,884	$1,728,098	93%
2046	$1,611,884	$240,222	$3,415	$747,631	$1,107,892	$1,108,427	100%

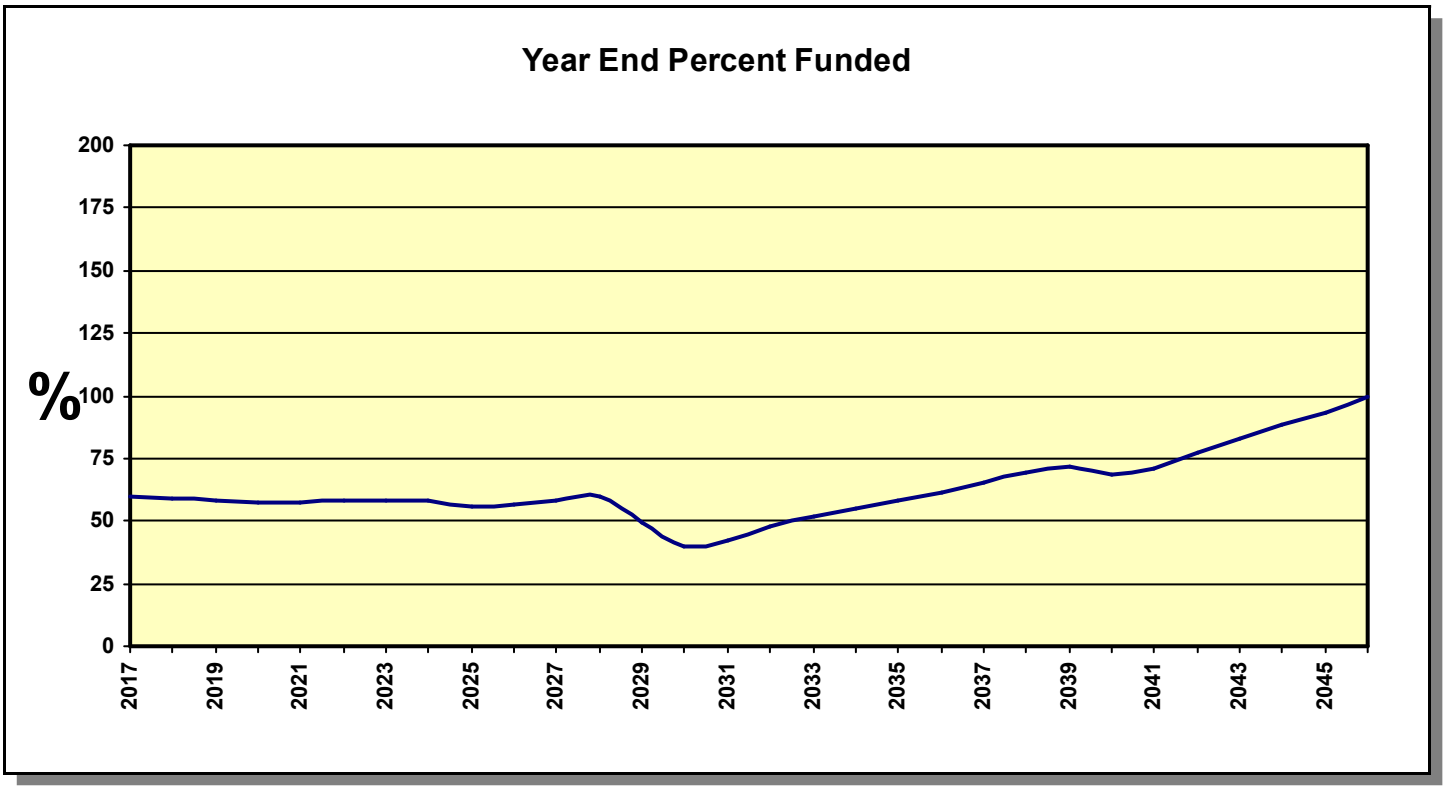
NOTE: In some cases, the projected Ending Balance may exceed the Fully Funded Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need and any excess is redistributed among all components included.

The Lofts at Westinghouse Condominiums

Projection Charts

Directed Cash Flow Calculation Method

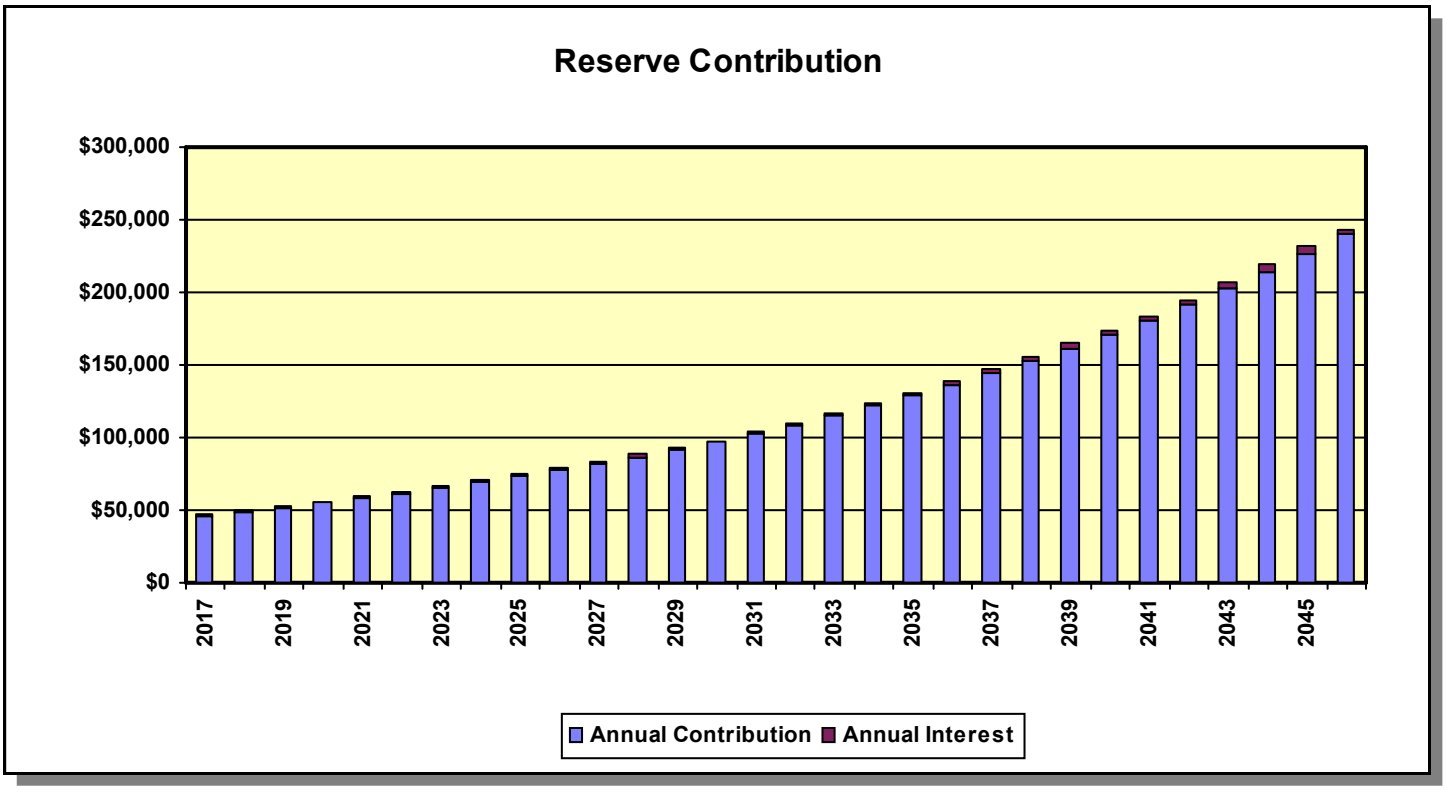


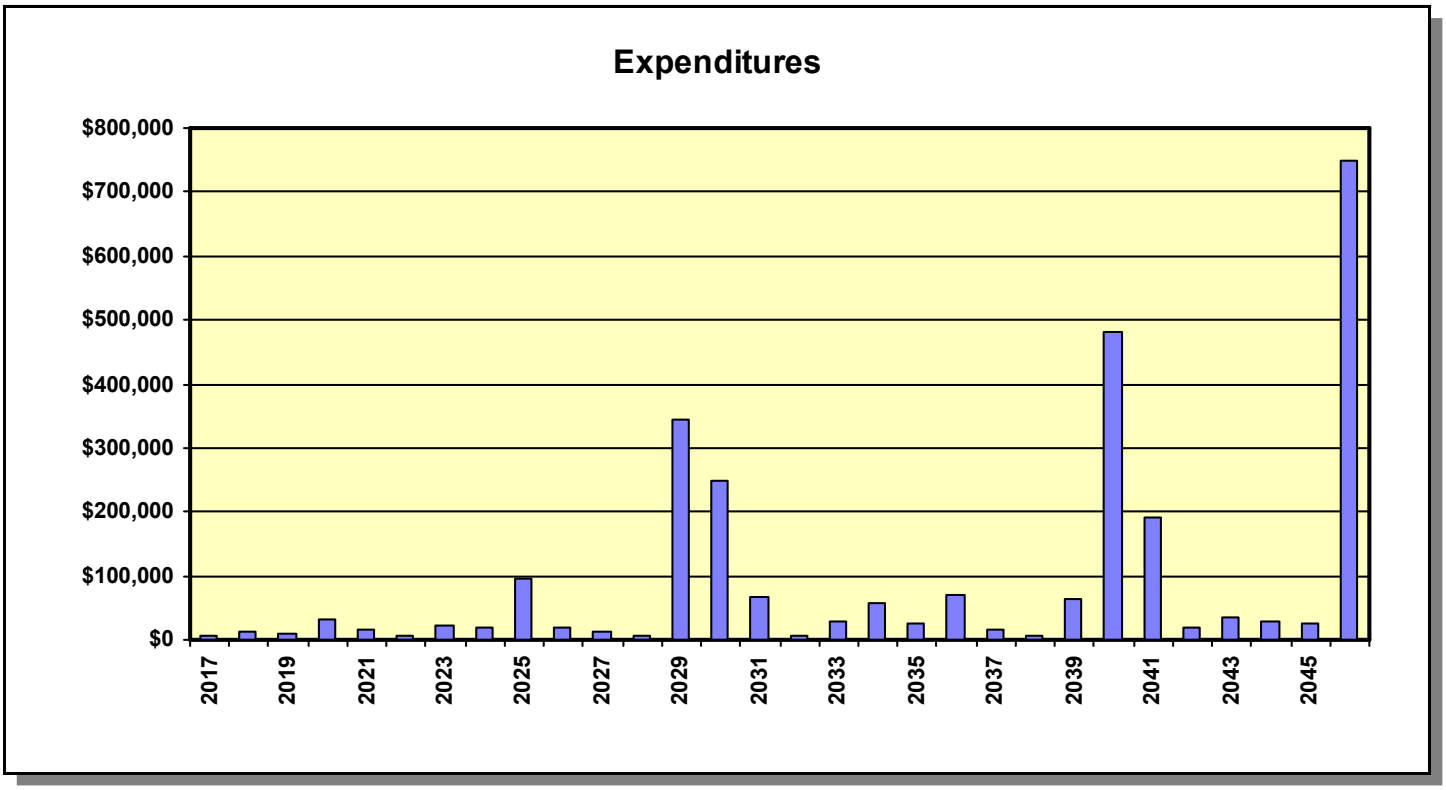


The Lofts at Westinghouse Condominiums

Projection Charts

Directed Cash Flow Calculation Method





The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Roof

Category	010 Roof	Quantity	1 reroof
Photo Date	January 2017	Unit Cost	$261,700.000
		% of Replacement	100.00%
		Current Cost	$261,700.00
Placed In Service	01/09	Future Cost	$331,898.88
Useful Life	20		
		Assigned Reserves at FYB	$104,680.00
Remaining Life	12	Monthly Member Contribution	$721.31
Replacement Year	2029	Monthly Interest Contribution	$30.79
		Total Monthly Contribution	$752.10

Comments:

Roofing quantity 44,000 sq. ft. from Firestone Certificate of Warranty
Warranty was transferred to association on December 15, 2014.
J & S Roofing, Joe Smith 774-229-6916
Steve 774-229-6945
Firestone TPO roof installed in 2007 with 18 year warranty per Steve
Current roof assembly:
3" structural wood planking
Pre-existing built up roof left in place as vapor barrier
2" polyiso insulation and 3" polyiso insulation
1/4" DensDeck roof cover board
$4.50 per sq. ft. price includes all penetrations

Re-Roof Obstacles:
Solar panel installation added significant obstacles to re-roofing in future.
System disassembly/reassembly will be needed.
Cost approximately $20,000-$25,000 per Richard Kane of SunBug Solar.

Unit air conditioning condenser equipment needs to be removed/restalled for re-roofing under equipment.
(74) units. John Guglielmi of G&G Mechanical estimates cost will be $550 per unit.

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

In order to ensure a high quality installation, the client may wish to obtain the services of an independent roofing consultant to work with the client and the roofing contractor providing installation. Consultants are available for the preparation of installation specifications and, if desired, to work with the contractor during the installation process. Fees for these services vary based on the size of the project and detail required by the client, and have not been included in the cost used for this component. Should the client desire, a provision for a consultant can be incorporated into this analysis.

44,000	replace membrane roof	@	$4.50	=	$198,000.00
1	remove and reinstall solar PV system	@	$23,000.00	=	$23,000.00
74	remove/reinstall unit condensers	@	$550.00	=	$40,700.00
			TOTAL	=	$261,700.00

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Roof - Access Hatch

Category	010 Roof	Quantity	1 total
Photo Date	January 2017	Unit Cost	$6,490.000
		% of Replacement	100.00%
		Current Cost	$6,490.00
Placed In Service	01/09	Future Cost	$9,087.57
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	17	Monthly Member Contribution	$17.57
Replacement Year	2034	Monthly Interest Contribution	$0.04
		Total Monthly Contribution	$17.61

Comments:

Pricing basis:
(2) Bilco Type S50 TB hatch $1090 incl shipping
(1) Bilco Type NB50 TB hatch $1310 incl shipping
Installation per hatch: $1000

2	Bilco S50 TB	@	$2,090.00	=	$4,180.00
1	Bilco NB50 TB	@	$2,310.00	=	$2,310.00
			TOTAL	=	$6,490.00

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Roof - Gutters & Downspouts

Category	010 Roof	Quantity	240 lin. ft.
Photo Date	January 2017	Unit Cost	$45.000
		% of Replacement	100.00%
		Current Cost	$10,800.00
Placed In Service	01/09	Future Cost	$15,122.61
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	17	Monthly Member Contribution	$29.24
Replacement Year	2034	Monthly Interest Contribution	$0.07
		Total Monthly Contribution	$29.30

Comments:

Gutters: 200'
Downspouts: 40'
Total: 240 linear ft

Replacement cost is $40-$50 per ln. ft.

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Windows - Common Areas

Category	020 Windows	Quantity	1 total
Photo Date	January 2017	Unit Cost	$30,500.000
		% of Replacement	100.00%
		Current Cost	$30,500.00
Placed In Service	01/09	Future Cost	$47,152.38
Useful Life	40		
Adjustment	-10	Assigned Reserves at FYB	$0.00
Remaining Life	22	Monthly Member Contribution	$59.23
Replacement Year	2039	Monthly Interest Contribution	$0.13
		Total Monthly Contribution	$59.37

Comments:

Building aluminum window units consist of (2) double hung windows mulled together with fixed archtop transom above.
Total window area is about 60 sq. ft. per combination on floors 2 and 3.
Total window area is about 80 sq. ft. per combination on 1st floor.

Window locations:
(2) adjacent to north stairwell in common hall (floor 2 and 3)
(2) adjacent to center stairwell in common hall (floor 2 and 3)
(1) adjacent to entrance lobby mailbox area (floor 1)
(1) adjacent to entrance lobby in electrical room (floor 1)

Service life has been reduced because some windows are experiencing premature seal failures. Property manager indicates that window company ER Lewin, Inc. will not be honoring warranty.

Non-standard windows
(1) over main front entry door
(1) surrounding interior vestibule door

Other windows are unit owner responsibilities per property manager.

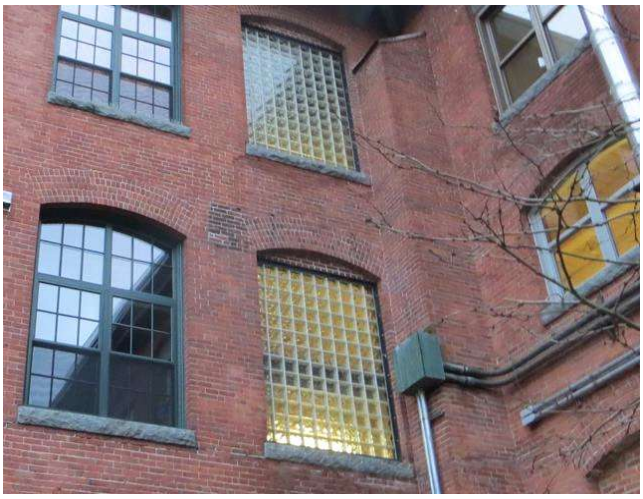
4	aluminum window combination 60 sq. ft.	@	$4,000.00	=	$16,000.00
2	aluminum window combination 80 sq. ft.	@	$4,500.00	=	$9,000.00
1	vestibule aluminum storefront window	@	$3,500.00	=	$3,500.00
1	transom window over main entry	@	$2,000.00	=	$2,000.00
			TOTAL	=	$30,500.00

Windows within units are responsibility of unit owners per property manager.

Windows - Glass Block, Unfunded

Category	020 Windows	Quantity	6 windows
Photo Date	January 2017	Unit Cost	$0.000
		% of Replacement	100.00%
		Current Cost	$0.00
Placed In Service	01/50	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:



Installation date for glass block window is uncertain.
FannieMae estimated useful life tables indicate 40 years.
Maintaining mortar between glass block units will be critical to life span.

There are (2) glass block windows in each of the (3) stairwells.
The bottom window in the north stairwell is truncated due to adjacent Building K.
Each window is about 60 sq. ft.

Glass block windows are in generally good condition during 1/2017 site inspection.

Doors - Interior

Category	030 Doors	Quantity	1 door group
Photo Date	January 2017	Unit Cost	$50,870.000
		% of Replacement	100.00%
		Current Cost	$50,870.00
Placed In Service	01/10	Future Cost	$80,216.87
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	23	Monthly Member Contribution	$93.04
Replacement Year	2040	Monthly Interest Contribution	$0.22
		Total Monthly Contribution	$93.26

Comments:

All doors with the exception of double door from lobby hallway and bottom stairwell doors are interior doors.

1st floor:
Sprinkler control, hallway from lobby to exterior, and electrical rooms
(4) solid steel 36" x 80" door
(1) solid steel 72" x 84" double door with exit device, closer (door to exterior)
All other doors in lobby/hall lead to commercial units and are not association responsibility

2nd and 3rd floor:
Center fire door:
(2) solid steel 60" x 84" double door with exit device, closer

Utility closet: (2) solid steel 36" x 80" door

Trash room and gym:
(4) solid steel 72" x 80" double door

2nd floor only:
(1) gym closet wood 64" x 78" double door

(1) hall common bathroom wood 36" x 80" door
(2) cleanup room wood 36" x 80" door
(1) laundry room solid steel 36" x 80" door

3rd floor only:
Gym closet wood 32" x 80" door

Stairwell doors:
South stairwell:
(3) steel 36" x 80" doors with fire glass window, exit device, closer leading to interior common hallway
Door $1050 incl delivery; Installation $500; Painting $250
Total $1800

(1) solid steel 36" x 80" door to exterior with exit device, closer
Door $800 incl delivery; Installation $500; Painting $250
Total $1550

Center stairwell:
(4) steel 36" x 80" doors with fire glass window, exit device, closer leading to interior common hallway
(1) solid steel 36" x 80" door to exterior with exit device, closer

North stairwell:
(2) steel 36" x 80" doors with fire glass window, exit device, closer leading to interior common hallway
(1) solid steel 72" x 80" double door to exterior with exit device, closer
Door $1350 incl delivery; Installation $600; Painting $350
Total $2300

With proper maintenance, doors could last indefinitely. Proper painting will be critical to avoiding corrosion. May need to replace parts: hinges, handles

2	steel 60"x84" dbl fire door,closer,exit device	@	$2,650.00	=	$5,300.00
7	steel 36"x80" door	@	$1,180.00	=	$8,260.00
4	steel 72"x80" dbl door,closer	@	$2,000.00	=	$8,000.00
9	steel 36"x80" fire door, glass,closer,exit device	@	$1,800.00	=	$16,200.00
2	steel 36"x80" fire door,closer,exit device	@	$1,550.00	=	$3,100.00
1	steel 72"x80" dbl fire door,closer,exit device	@	$2,300.00	=	$2,300.00
1	steel 72"x80" dbl door,closer,exit device	@	$2,300.00	=	$2,300.00
3	wood 36"x80" door, prefinished	@	$905.00	=	$2,715.00
1	wood 32"x80" door, prefinished	@	$945.00	=	$945.00
1	wood 64"x78" dbl door, prefinished	@	$1,750.00	=	$1,750.00
			TOTAL	=	$50,870.00

Unit doors to common hallways or exterior are responsibility of unit owners per condo documents.

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Doors - Main Entry

Category	030 Doors	Quantity	2 door sets
Photo Date	January 2017	Unit Cost	$5,000.000
		% of Replacement	100.00%
		Current Cost	$10,000.00
Placed In Service	01/10	Future Cost	$15,768.99
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	23	Monthly Member Contribution	$18.29
Replacement Year	2040	Monthly Interest Contribution	$0.04
		Total Monthly Contribution	$18.33

Comments:

Aluminum frame entry door unit is a 6' wide double door measuring 74" x 96".
Building entry has two sets of doors. Outside doors are protected under overhang. Inside doors form vestibule to lobby and are not subject to weather.

With proper maintenance, doors could last indefinitely. Hinges, actuators, etc will need to be replaced as maintenance items.

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Lighting - Exterior

Category	040 Lighting	Quantity	1 total
Photo Date	January 2017	Unit Cost	$9,400.000
		% of Replacement	100.00%
		Current Cost	$9,400.00
Placed In Service	01/10	Future Cost	$12,159.90
Useful Life	20		
		Assigned Reserves at FYB	$3,290.00
Remaining Life	13	Monthly Member Contribution	$25.21
Replacement Year	2030	Monthly Interest Contribution	$0.97
		Total Monthly Contribution	$26.18

Comments:

Large canopy lights:
Fixture $500
Installation $300

RAB Floodinator:
Fixture $500
Installation $200

RAB wall floodlight:
Fixture $250
Installation $150

Small floodlight under north stairwell canopy and south stairwell exit:
Fixture $100
Installation $100

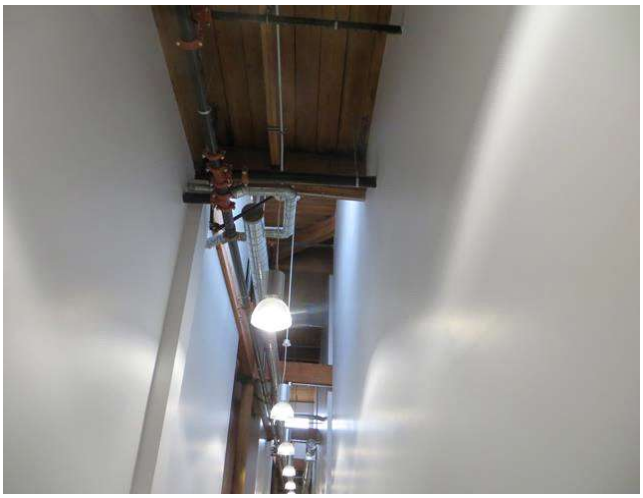
9	large canopy light	@	$800.00	=	$7,200.00
2	RAB Floodinator floodlight	@	$700.00	=	$1,400.00

1	rectangular floodlight	@	$400.00	=	$400.00
2	exterior spotlight stairwell	@	$200.00	=	$400.00
			TOTAL	=	$9,400.00

Lighting - Interior

Category	040 Lighting	Quantity	1 total
Photo Date	January 2017	Unit Cost	$37,150.000
		% of Replacement	100.00%
		Current Cost	$37,150.00
Placed In Service	01/16	Future Cost	$54,120.54
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	19	Monthly Member Contribution	$87.40
Replacement Year	2036	Monthly Interest Contribution	$0.20
		Total Monthly Contribution	$87.60

Comments:



1st floor lobby/entry:
(12) 6" recessed lights
(24) track lights
(3) motion sensors to control lighting

2nd floor hallway:
(45) 6" recessed lights
(9) motion sensors to control lighting
(7) dual head emergency lights

3rd floor hallway:
(48) canopy lights
(10) motion sensors to control lighting
(8) dual head emergency lights

1st floor bathrooms:
(6) 6" recessed lights

1st floor, other:

Fire sprinkler control room: (2) 4' fluorescent strip w/ motion sensor
Electrical room off lobby: (2) 4' fluorescent strip w/ motion sensor
Electrical room north end: (2) 4' fluorescent strip w/ motion sensor

2nd floor:
Gym: (2) 4' fluorescent strip w/ motion sensor
Trash room: (1) 4' fluorescent strip w/ motion sensor
Cleanup rooms: (2) 4' fluorescent strip w/ motion sensor
Bathroom: (1) 4' fluorescent strip w/ motion sensor

3rd floor:
Gym: (2) 4' fluorescent strip w/ motion sensor
Trash room: (1) 4' fluorescent strip w/ motion sensor

Exit signs:
Stairwells: (4) exit signs
Entrance/lobby: (5) exit signs
2nd floor: (9) exit signs
3rd floor: (10) exit signs

Stairwell lighting:
(18) 4' strip light w/battery emergencbackup
(4) 4' fluorescent lig (stairwell #3)
(6) additional emergency lighting (stairwell #3)
(10) motion sensor lighting control

Lighting guts updated in 2016 per property manager.

18	- 4' strip light w/battery backup	@	$225.00	=	$4,050.00
4	- 4' fluorescent light	@	$125.00	=	$500.00
6	- additional emergency lighting	@	$150.00	=	$900.00
28	- exit signs	@	$75.00	=	$2,100.00
15	- 4' strip light w/motion sensor	@	$200.00	=	$3,000.00
63	- 6" recessed lights	@	$100.00	=	$6,300.00
48	- decorative canopy lights, 3rd floor	@	$300.00	=	$14,400.00
24	- track lights	@	$50.00	=	$1,200.00
32	- motion sensor control for lighting	@	$100.00	=	$3,200.00
15	- dual head emergency lights	@	$100.00	=	$1,500.00
			TOTAL	=	$37,150.00

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Painting - Doors

Category	050 Painting	Quantity	40 doors
Photo Date	January 2017	Unit Cost	$150.000
		% of Replacement	100.00%
		Current Cost	$6,000.00
Placed In Service	01/10	Future Cost	$6,120.00
Useful Life	8		
		Assigned Reserves at FYB	$5,250.00
Remaining Life	1	Monthly Member Contribution	$46.88
Replacement Year	2018	Monthly Interest Contribution	$1.57
		Total Monthly Contribution	$48.45

Comments:

Steel and wood doors in hallways, stairwells, and miscellaneous common areas.
Steel doors painted. Wood doors clear polyurethane.

Cost detail per door:
1/2 hr per door side per coat, two coats needed, total 1 hour labor per door side
Estimate labor $50 per hour
Materials = $25
Setup/cleanup labor 1/2 hour
Total per door = $150

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Painting - Exterior

Category	050 Painting	Quantity	1 total
Photo Date	January 2017	Unit Cost	$12,460.000
		% of Replacement	100.00%
		Current Cost	$12,460.00
Placed In Service	01/10	Future Cost	$14,312.62
Useful Life	10		
Adjustment	+4	Assigned Reserves at FYB	$6,230.00
Remaining Life	7	Monthly Member Contribution	$51.75
Replacement Year	2024	Monthly Interest Contribution	$1.86
		Total Monthly Contribution	$53.60

Comments:

Sheet steel infill in former window locations:
Includes exterior door painted surfaces.
Each former window location is approximately 80 sq. ft.
(42) on west elevation
(2.5) on north elevation
Steel siding on elevator equipment rooms: 640 sq. ft.

Cost detail:
4200 sq. ft. walls
Materials: gallon coverage 350 sq. ft. = 12 gallons per coat
Labor: 1 hour = 100 sq. ft. = 42 hours per coat
Infill and elevator room areas are accessible with ladders and rolling staging.

Exterior walls of loft bump up area:
5' height x 200' length = 1000 sq. ft.
Mostly windows and steel trim
Location is not easily visible from ground. Painting interval increased.

Cost detail:

Materials: gallon coverage 350 sq. ft. = 3 gallons per coat
Labor: 1 hour = 65 sq. ft. = 16 hours per coat
Two coats likely required at interval indicated.

Building soffit overhangs and fascia:
3' x 1176' perimeter = 3528 sq. ft.
Additional area for rafter tails
Fascia is painted steel or aluminum
Soffit is wood.

Cost detail:
3528 sq. ft.
Materials: gallon coverage 350 sq. ft. = 11 gallons per coat
Labor: 1 hour = 50 sq. ft. = 36 hours per coat

Labor rate: $50 per hour
Painting interval is lengthened due to steel facia and wood in shaded/protected location.
Aerial lift will be needed to access painting work in high areas.
Ladders and rolling scaffold can be set up on east side if roof is protected.

84	steel siding labor	@	$50.00	=	$4,200.00
24	steel siding paint gallons	@	$30.00	=	$720.00
32	loft bump up area labor	@	$50.00	=	$1,600.00
6	loft bump up area paint gallons	@	$30.00	=	$180.00
72	fascia and soffit labor	@	$50.00	=	$3,600.00
22	fascia and soffit paint gallons	@	$30.00	=	$660.00
1	aerial lift per week	@	$1,500.00	=	$1,500.00
			TOTAL	=	$12,460.00

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Painting - Interior

Category	050 Painting	Quantity	1 total
Photo Date	January 2017	Unit Cost	$43,030.000
		% of Replacement	100.00%
		Current Cost	$43,030.00
Placed In Service	01/10	Future Cost	$55,663.89
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	13	Monthly Member Contribution	$160.99
Replacement Year	2030	Monthly Interest Contribution	$0.37
		Total Monthly Contribution	$161.36

Comments:

Wall areas:
1st floor: Lobby, vestibule, hallway, bathrooms: 4300 sq. ft.
2nd floor: Hallway areas, trash room, gym, laundry, cleanup rooms, bathroom: 14,710 sq. ft
3rd floor: Hallway areas, trash room, gym: 22,510 sq. ft.
Stairwell areas: 500 sq. ft.
Total wall area: 42,000 sq. ft.

Wall areas cost detail:
42,000 sq. ft. walls
Materials: gallon coverage 350 sq. ft. = 120 gallons per coat = 240 gallons total
Labor: 1 hour = 150 sq. ft. = 280 hours first coat, 200 hours second coat = 480 hours total
Labor rate: $50 per hour
Wall upper areas can be painted using rolling scissor lift.
Two coats likely required at interval indicated.

Smooth drywall ceiling areas:
2nd floor hallway and common rooms: 4800 sq. ft
1st floor vestibule, lobby, hallway, bathrooms: 2330 sq. ft.
Total 7130 sq. ft

Ceiling cost detail:
7130 sq. ft. ceiling
Materials: gallon coverage 350 sq. ft. = 21 gallons
Labor: 1 hour = 150 sq. ft. = 48 hours
Set up and clean up hours 32 hours
Labor rate: $50 per hour
Ceilings can be painted using rolling scissor lift.
One coat should be sufficient at interval indicated.

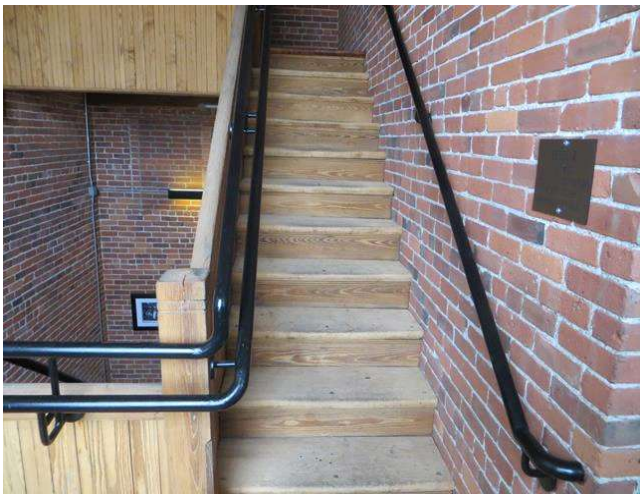
Service life of painting extended to 20 years due to addition of a interior paint touch up component.

48	labor to apply ceiling paint	@	$50.00	=	$2,400.00
32	labor to set up/cleanup ceilings	@	$50.00	=	$1,600.00
21	ceiling paint gallons	@	$30.00	=	$630.00
1	ceiling scissor lift (per week)	@	$550.00	=	$550.00
480	labor to apply wall paint	@	$50.00	=	$24,000.00
100	labor to set up/cleanup walls	@	$50.00	=	$5,000.00
240	wall paint gallons	@	$30.00	=	$7,200.00
3	wall scissor lift (per week)	@	$550.00	=	$1,650.00
			TOTAL	=	$43,030.00

Painting - Interior, Stairwells

Category	050 Painting	Quantity	1 total
Photo Date	January 2017	Unit Cost	$9,280.000
		% of Replacement	100.00%
		Current Cost	$9,280.00
Placed In Service	01/10	Future Cost	$12,004.67
Useful Life	20		
		Assigned Reserves at FYB	$3,248.00
Remaining Life	13	Monthly Member Contribution	$24.89
Replacement Year	2030	Monthly Interest Contribution	$0.96
		Total Monthly Contribution	$25.85

Comments:



Main/Center #2 stairwell had best finished appearance. Treads, 1/2 walls, and ceilings are clear wood with minimal finish. Cast iron tread covers will wear indefinitely. Decision may be made to let current finish age without further attention. Brick in stairwell will only need periodic cleaning.

North #1 stairwell has intermediate finished appearance. Treads, 1/2 walls, and ceilings are clear wood with minimal finish. Decision may be made to let current finish age without further attention. Brick in stairwell will only need periodic cleaning.

Stairwell wood ceiling areas:
Include areas under stair flights and landings.
2340 sq. ft.

Stairwell wood half walls:
1300 sq. ft.

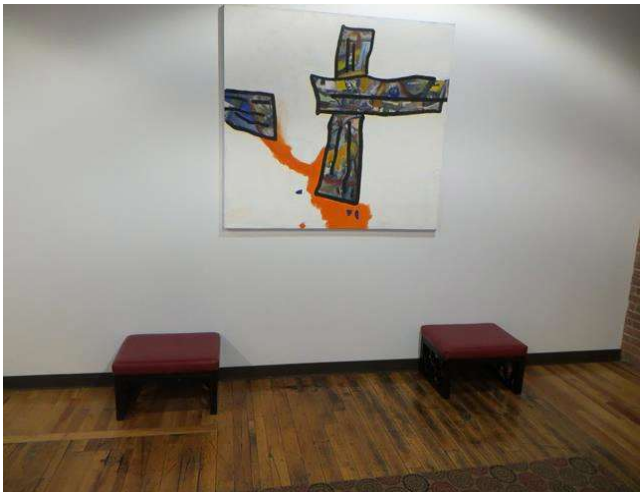
Unfunded:
South #3 stairwell is rustic with all surfaces painted.Stairwell will likely not need painting to maintain an acceptable appearance. Periodic cleaning will likely suffice.

700	tubular steel stair rail stair	@	$5.00	=	$3,500.00
150	drywall infill wall area paint stair #2	@	$2.00	=	$300.00
2,740	clear wood finish stair #1 and #2	@	$2.00	=	$5,480.00
			TOTAL	=	$9,280.00

Painting - Interior, Touch Up

Category	050 Painting	Quantity	1 total
Photo Date	January 2017	Unit Cost	$5,500.000
		% of Replacement	100.00%
		Current Cost	$5,500.00
Placed In Service	01/16	Future Cost	$5,953.38
Useful Life	5		
		Assigned Reserves at FYB	$1,100.00
Remaining Life	4	Monthly Member Contribution	$60.72
Replacement Year	2021	Monthly Interest Contribution	$0.45
		Total Monthly Contribution	$61.17

Comments:



Interior wall minor maintenance touchups on easily accessible areas of walls.
$2300 for one floor per property manager.
Frequency will be every 5 years.

2	residential floor minor paint touch up	@	$2,300.00	=	$4,600.00
1	1st floor common area paint touch up	@	$900.00	=	$900.00
			TOTAL	=	$5,500.00

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Painting - Interior, Wood Ceilings

Category	050 Painting	Quantity	1 total
Photo Date	January 2017	Unit Cost	$24,850.000
		% of Replacement	100.00%
		Current Cost	$24,850.00
Placed In Service	01/10	Future Cost	$47,767.45
Useful Life	40		
		Assigned Reserves at FYB	$0.00
Remaining Life	33	Monthly Member Contribution	$26.80
Replacement Year	2050	Monthly Interest Contribution	$0.06
		Total Monthly Contribution	$26.86

Comments:

Ceilings will need occasional cleaning and periodic clear polyurethane finish.

3rd floor hallway areas, trash room, and gym have wood ceiling.
Include (14) wood support posts.

Cost:
Prepare and clean $1.00 sq. ft.
Apply clear finish $2.00 sq. ft. per coat
Staging needed for stairwells: $500
Scissor lift for 3rd floor hallway (up to 24' ceiling height): $550/week

3rd floor hallway area	3,715	sq. ft.
trash & gym room ceiling area	320	sq. ft.
wood support posts (14)	725	sq. ft.
	4,760	sq. ft.

4,760	prepare and clean	@	$1.00	=	$4,760.00

4,760	clear finish (2) coats	@	$4.00	=	$19,040.00
1	scissor lift rental	@	$550.00	=	$550.00
1	misc. scaffold stairwells	@	$500.00	=	$500.00
			TOTAL	=	$24,850.00

Flooring - Polished Concrete, Unfunded

Category	060 Building Interior	Quantity	2,010 sq. ft.
Photo Date	January 2017	Unit Cost	$0.000
		% of Replacement	100.00%
		Current Cost	$0.00
Placed In Service	01/10	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

1st floor lobby/entry area is polished concrete.
Total area: 2010 sq. ft.

Polished concrete is a very long-lived material that needs periodic maintenance. If maintained properly, it will have a 99 year service life.

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Flooring - Tile

Category	060 Building Interior	Quantity	631 sq. ft.
Photo Date	January 2017	Unit Cost	$20.000
		% of Replacement	100.00%
		Current Cost	$12,620.00
Placed In Service	01/10	Future Cost	$19,900.47
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	23	Monthly Member Contribution	$23.08
Replacement Year	2040	Monthly Interest Contribution	$0.06
		Total Monthly Contribution	$23.14

Comments:

1st floor bathrooms:
160 sq. ft per bathroom
Include wall tile 68 sq. ft. per bathroom

Stairwell areas:
Stair #1 (north) first floor entry area 175 sq. ft.

Replacement cost: $20 sq. ft. labor and materials
includes demolition and replacement

bathroom floor tile	320	sq. ft.
bathroom wall tile	136	sq. ft.
1st floor stairwell #1 north	175	sq. ft.
	631	sq. ft.

The Lofts at Westinghouse Condominiums

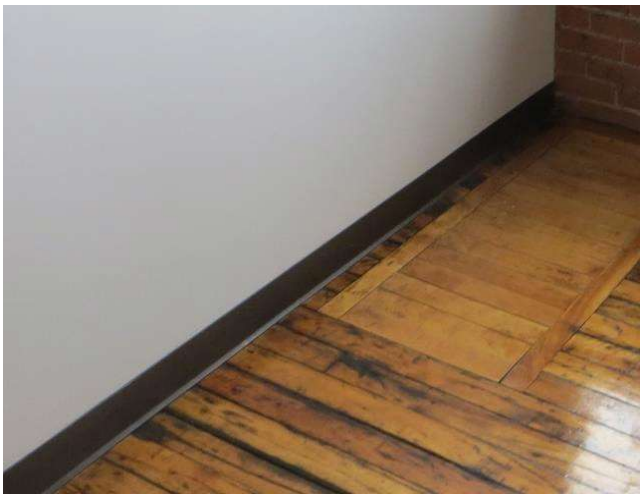
Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Flooring - Vinyl Base

Category	060 Building Interior	Quantity	3,205 lin. ft.
Photo Date	January 2017	Unit Cost	$3.500
		% of Replacement	100.00%
		Current Cost	$11,217.50
Placed In Service	01/10	Future Cost	$13,143.09
Useful Life	15		
		Assigned Reserves at FYB	$5,234.83
Remaining Life	8	Monthly Member Contribution	$42.92
Replacement Year	2025	Monthly Interest Contribution	$1.55
		Total Monthly Contribution	$44.48

Comments:



For more rustic building, assumed greater tolerance for floor defects before need to be refinished. Increased typical refinishing interval to 15 years.
When floor is refinished, vinyl baseboard may need replacement depending on level of care taken by flooring contractor.

1st floor lobby/entry area: 385 lin. ft.

2nd floor: 1455 lin. ft.

3rd floor: 1365 lin. ft.

Total length: 3205 lin. ft.
Typical cost: $3.50 lin. ft. labor and materials per R.S Means

Flooring - Wood Refinish

Category	060 Building Interior	Quantity	11,205 sq. ft.
Photo Date	January 2017	Unit Cost	$3.250
		% of Replacement	100.00%
		Current Cost	$36,416.25
Placed In Service	01/10	Future Cost	$42,667.44
Useful Life	15		
		Assigned Reserves at FYB	$16,994.25
Remaining Life	8	Monthly Member Contribution	$139.35
Replacement Year	2025	Monthly Interest Contribution	$5.05
		Total Monthly Contribution	$144.40

Comments:

For rustic building, assumed greater tolerance for floor defects before need to be refinished. Increased typical refinishing interval to 15 years. Spot finishing higher traffic areas may extend this interval.

2nd floor:
Hallway areas 4800 sq. ft.
Trash, laundry, cleanup, bathroom, and gym areas 670 sq. ft.

3rd floor hallway areas:
Hallway areas 3715 sq. ft.
Trash and gym areas 320 sq. ft

Stairwell areas:
Stair #1 (north) 525 sq. ft.
Stair #2 (center) 375 sq. ft.
Stair #3 (south) 800 sq. ft.

Total area: 11,205 sq. ft.
Typical cost: $2.25 sq. ft. labor and materials
Add $1.00 sq. ft. due to inability to do entire sections because building can not be vacant for several days.

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Interior - Furniture

Category	060 Building Interior	Quantity	1 total
Photo Date	January 2017	Unit Cost	$5,000.000
		% of Replacement	100.00%
		Current Cost	$5,000.00
Placed In Service	01/10	Future Cost	$5,306.04
Useful Life	10		
		Assigned Reserves at FYB	$3,500.00
Remaining Life	3	Monthly Member Contribution	$30.54
Replacement Year	2020	Monthly Interest Contribution	$1.05
		Total Monthly Contribution	$31.58

Comments:

1st floor lobby/entry:
(2) upholstered chairs
(3) upholstered couches 72"
(2) low coffee tables 40" x 40"
(1) table large 36" x 72"
(1) table small 16" x 48"
(2) lamps
(2) 10' x 12' area rug
(1) 8' x 10' area rug
(2) furniture carts

Electrical room off lobby:
(31) stacked chairs
(2) upholstered chairs

2nd floor hallway:
(2) upholstered chairs
8' x 12' area rug
(2) table

3rd floor hallway:
(3) small benches
8' x 12' area rug
(1) table
Mirror, hanging

The cost estimate for this component has been calculated based on the inventory identified herein. It is likely that future replacements will vary and, therefore, the cost used should be considered as a general indication of budgetary needs rather than specific to this inventory. Budget for partial replacement only.

Interior - Mailboxes

Category	060 Building Interior	Quantity	4 mailbox units
Photo Date	January 2017	Unit Cost	$1,750.000
		% of Replacement	100.00%
		Current Cost	$7,000.00
Placed In Service	01/10	Future Cost	$11,038.29
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	23	Monthly Member Contribution	$12.80
Replacement Year	2040	Monthly Interest Contribution	$0.03
		Total Monthly Contribution	$12.83

Comments:

(4) double column mailbox units with front access for USPS
Each mailbox unit is $1500 delivered (globalindustrial.com), $250 for installation

Interior - Restrooms, 1st Floor

Category	060 Building Interior	Quantity	2 bathroom
Photo Date	January 2017	Unit Cost	$10,000.000
		% of Replacement	100.00%
		Current Cost	$20,000.00
Placed In Service	01/10	Future Cost	$25,872.13
Useful Life	20		
		Assigned Reserves at FYB	$3,590.00
Remaining Life	13	Monthly Member Contribution	$63.96
Replacement Year	2030	Monthly Interest Contribution	$1.14
		Total Monthly Contribution	$65.10

Comments:

Mens room:
60" x 24" laminate counter with back splash
(2) oval porcelain sink
(2) chrome single hole faucet
Soap dispenser
(2) Wall mirror
(1) large stainless steel paper towel dispenser
(2) white toilet with seat
(2) toilet paper holders
(1) white urinal
(2) stall dividers, baked enamel
(1) urinal divider, baked enamel

Womens room:
60" x 24" laminate counter with back splash
(2) oval porcelain sink
(2) chrome single hole faucet
Soap dispenser
(2) Wall mirror

(1) large stainless steel paper towel dispenser
(1) large stainless steel sanitary napkin dispenser
(3) white toilet with seat
(3) toilet paper holders
(3) stall dividers, baked enamel

Door, lighting, flooring, painting, baseboard included with other components

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Interior - Restrooms, 2nd Floor

Category	060 Building Interior	Quantity	1 bathroom
Photo Date	January 2017	Unit Cost	$4,000.000
		% of Replacement	100.00%
		Current Cost	$4,000.00
Placed In Service	01/10	Future Cost	$5,174.43
Useful Life	20		
		Assigned Reserves at FYB	$1,400.00
Remaining Life	13	Monthly Member Contribution	$10.73
Replacement Year	2030	Monthly Interest Contribution	$0.42
		Total Monthly Contribution	$11.15

Comments:

2nd floor common bathroom:

Inventory:
36" white laminate vanity cabinet
White laminate counter top
Oval porcelain sink
Chrome single hole faucet
Soap dispenser
Wall mirror
Paper towel dispenser
White toilet with seat

Door, lighting, flooring, painting, baseboard included with other components

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Cleanup Rooms - Sinks

Category	070 Equipment	Quantity	3 sinks
Photo Date	January 2017	Unit Cost	$300.000
		% of Replacement	100.00%
		Current Cost	$900.00
Placed In Service	01/10	Future Cost	$1,054.49
Useful Life	15		
		Assigned Reserves at FYB	$420.00
Remaining Life	8	Monthly Member Contribution	$3.44
Replacement Year	2025	Monthly Interest Contribution	$0.12
		Total Monthly Contribution	$3.57

Comments:

North clean up room on second floor has one laundry sink.
South clean up room on second floor has two laundry sinks.

1	Mustee sink and faucet	@	$150.00	=	$150.00
1	labor to install	@	$150.00	=	$150.00
			TOTAL	=	$300.00

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Elevator - AC Drive

Category	070 Equipment	Quantity	1 unit
Photo Date	January 2017	Unit Cost	$8,000.000
		% of Replacement	100.00%
		Current Cost	$8,000.00
Placed In Service	01/10	Future Cost	$9,373.28
Useful Life	15		
		Assigned Reserves at FYB	$3,733.33
Remaining Life	8	Monthly Member Contribution	$30.61
Replacement Year	2025	Monthly Interest Contribution	$1.10
		Total Monthly Contribution	$31.72

Comments:

Single traction elevator serves 2nd and 3rd floor. No basement.

The elevator was installed with completely new equipment in 2010 per Mike Boyce of Commonwealth Elevator 617-593-4661. Service life is expected to be 30 years for major equipment and is listed as a separate component.

Service life for solid state AC drive units is expected to be 15-20 years with a replacement cost of $8000.

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Elevator - Cab Refurbish

Category	070 Equipment	Quantity	1 unit
Photo Date	January 2017	Unit Cost	$5,000.000
		% of Replacement	100.00%
		Current Cost	$5,000.00
Placed In Service	01/10	Future Cost	$5,858.30
Useful Life	15		
		Assigned Reserves at FYB	$2,333.33
Remaining Life	8	Monthly Member Contribution	$19.13
Replacement Year	2025	Monthly Interest Contribution	$0.70
		Total Monthly Contribution	$19.83

Comments:

9' x 9' x 9' interior height elevator cab
This component is for basic refurbishment of elevator cab finishes. If elevator controls are included cost will be higher.

Interior inventory:
Carpet squares flooring, 81 sq. ft.
Painted walls
Stainless steel ceiling with (8) recessed lights
Vent fan in ceiling
Stainless steel 4' x 8' double entrance door

Elevator - Modernization

Category	070 Equipment	Quantity	1 unit
Photo Date	January 2017	Unit Cost	$126,130.000
		% of Replacement	100.00%
		Current Cost	$126,130.00
Placed In Service	01/10	Future Cost	$198,894.30
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	23	Monthly Member Contribution	$230.69
Replacement Year	2040	Monthly Interest Contribution	$0.53
		Total Monthly Contribution	$231.23

Comments:

Single traction elevator serves 2nd and 3rd floor. No basement.

The elevator was installed with completely new equipment in 2010 for a total cost of $112,000 per Mike Boyce of Commonwealth Elevator 617-593-4661. With 2% inflation, price increases to $126,130 in 2016.

All new motor, controls, wiring, cab, doors installed. Equipment was oversized for the 6500 lb elevator operating at 125 feet per minute. Motorized vent damper in equipment room will open if temperature exceeds 90 degrees F or in event of fire or power failure. Service life is expected to be 30 years for major equipment. Service life for solid state AC drive units is expected to be 15-20 years with a replacement cost of $8000. These are listed as a separate component.

The current cost used for this component is based on actual expenditures incurred and has been adjusted for inflation where applicable.

Fire Alarm - Devices

Category	070 Equipment	Quantity	1 total
Photo Date	January 2017	Unit Cost	$16,450.000
		% of Replacement	100.00%
		Current Cost	$16,450.00
Placed In Service	01/10	Future Cost	$17,456.87
Useful Life	10		
		Assigned Reserves at FYB	$11,515.00
Remaining Life	3	Monthly Member Contribution	$100.47
Replacement Year	2020	Monthly Interest Contribution	$3.44
		Total Monthly Contribution	$103.91

Comments:

Entrance lobby and restrooms:
(4) fire alarm wall light
(2) fire alarm pull station
(6) smoke detector alarm

2nd floor hall:
(16) fire alarm wall light
(6) fire alarm pull station
(20) smoke detector alarm
(6) fire extinguishers in recessed wall cabinet
(1) magnetic automatic door stop/hold open

3rd floor hall:
(13) fire alarm wall light
(6) fire alarm pull station
(20) smoke detector alarm
(7) fire extinguishers in recessed wall cabinet
(1) magnetic automatic door stop/hold open

Each stairwell:
(3) fire alarm wall light
(1) fire alarm pull station at bottom
(3) smoke alarm

Elevator equipment room:
(1) fire alarm pull station inside equipment room

42	fire alarm wall light	@	$100.00	=	$4,200.00
24	fire alarm pull station	@	$100.00	=	$2,400.00
55	smoke detector alarm	@	$150.00	=	$8,250.00
13	wall cabinet, fire extinguisher	@	$100.00	=	$1,300.00
2	magnetic automatic door stop	@	$150.00	=	$300.00
			TOTAL	=	$16,450.00

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Fire Alarm - Panel

Category	070 Equipment	Quantity	1 system
Photo Date	January 2017	Unit Cost	$6,500.000
		% of Replacement	100.00%
		Current Cost	$6,500.00
Placed In Service	01/10	Future Cost	$8,408.44
Useful Life	20		
		Assigned Reserves at FYB	$2,275.00
Remaining Life	13	Monthly Member Contribution	$17.43
Replacement Year	2030	Monthly Interest Contribution	$0.68
		Total Monthly Contribution	$18.11

Comments:

GE ES-3 main control panel
Main panels have useful life of 20 years
(5) fire alarm booster power supply

Fire alarm system is cleaned, inspected, and tested quarterly or annually as part of operating budget.
Out of date components or failed components are replaced at that time.

1	GE ES-3 main control panel	@	$3,500.00	=	$3,500.00
5	GE alarm booster power supply	@	$600.00	=	$3,000.00
			TOTAL	=	$6,500.00

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Fire Sprinkler

Category	070 Equipment	Quantity	1 system
Photo Date	January 2017	Unit Cost	$5,000.000
		% of Replacement	100.00%
		Current Cost	$5,000.00
Placed In Service	01/17	Future Cost	$5,202.00
Useful Life	2		
		Assigned Reserves at FYB	$0.00
Remaining Life	2	Monthly Member Contribution	$138.89
Replacement Year	2019	Monthly Interest Contribution	$0.32
		Total Monthly Contribution	$139.22

Comments:

System is serviced by Clarion Fire Protection, Inc. 617-903-3191
Tom Kennedy 781-640-9116 stated that system will typically have a long life due to benign environment.
Sprinkler heads will have to be tested and replaced if needed after 50 years
Typical component cost to replace is $1500 - $2500.
Pressure gages were recently replaced after 5 years as required.
Repairs are typically done on an as needed basis.

Sprinkler system configuration:
(2) 6" wet systems
(1) 3" dry system
Riser stand pipe
Fire pump is not listed so part of Master Association for site.

Budget $5000 every 3 years for internal inspection and replacement expenses.

Fire sprinkler system is inspected, and tested yearly as part of operating budget.
Out of date components or failed components are replaced at that time.

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

HVAC - General Ventilation

Category	070 Equipment	Quantity	11 fans
Photo Date	January 2017	Unit Cost	$582.000
		% of Replacement	100.00%
		Current Cost	$6,402.00
Placed In Service	01/10	Future Cost	$7,500.96
Useful Life	15		
		Assigned Reserves at FYB	$2,987.60
Remaining Life	8	Monthly Member Contribution	$24.50
Replacement Year	2025	Monthly Interest Contribution	$0.89
		Total Monthly Contribution	$25.38

Comments:

Soler and Palau LPD081AS ventilation fans
$382 material cost with delivery per Ferguson Enterprises
Installation $200 per John Guglielmi of G&G Mechanical

HVAC - Heat Recovery Ventilation

Category	070 Equipment	Quantity	4 heat exchangers
Photo Date	January 2017	Unit Cost	$6,800.000
		% of Replacement	100.00%
		Current Cost	$27,200.00
Placed In Service	01/10	Future Cost	$35,186.10
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	13	Monthly Member Contribution	$101.76
Replacement Year	2030	Monthly Interest Contribution	$0.24
		Total Monthly Contribution	$102.00

Comments:

RenewAire energy recovery ventilation fans
Model HE1X-INH
Recover heat and humidity from exhaust air
(4) units per John Guglielmi of G&G Mechanical
$5000 material cost per Renewaire representative

Installation: John Guglielmi estimates installation cost for (3) technicians for 1 day will be about $1800.

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

HVAC - Other

Category	070 Equipment	Quantity	1 total
Photo Date	January 2017	Unit Cost	$6,350.000
		% of Replacement	100.00%
		Current Cost	$6,350.00
Placed In Service	01/10	Future Cost	$8,214.40
Useful Life	20		
		Assigned Reserves at FYB	$2,222.50
Remaining Life	13	Monthly Member Contribution	$17.03
Replacement Year	2030	Monthly Interest Contribution	$0.66
		Total Monthly Contribution	$17.69

Comments:

Elevator control room mini-split heat pump:
Sanyo unit to control equipment room temperature
$5000

Stairwell heaters:
Berko small room fan forced wall heater
$250 material
$200 installation

1	Sanyo mini-split heat pump	@	$5,000.00	=	$5,000.00
3	Berko heaters	@	$450.00	=	$1,350.00
			TOTAL	=	$6,350.00

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

HVAC - Rooftop Units

Category	070 Equipment	Quantity	4 units
Photo Date	January 2017	Unit Cost	$8,500.000
		% of Replacement	100.00%
		Current Cost	$34,000.00
Placed In Service	01/10	Future Cost	$43,982.63
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	13	Monthly Member Contribution	$127.21
Replacement Year	2030	Monthly Interest Contribution	$0.30
		Total Monthly Contribution	$127.50

Comments:

Packaged gas furnace/air conditioner system
With approximately 73,000 Btu furnace output and 3-1/2 tons cooling
Carrier model # 48vl-0422905

John Guglielmi of G&G Mechanical estimates cost to replace rooftop unit is $8500 per unit including crane to lift and remove unit.

(4) thermostats 3rd floor

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Laundry Room - Dryer Boost Fan

Category	070 Equipment	Quantity	3 fans
Photo Date	January 2017	Unit Cost	$400.000
		% of Replacement	100.00%
		Current Cost	$1,200.00
Placed In Service	01/10	Future Cost	$1,273.45
Useful Life	10		
		Assigned Reserves at FYB	$840.00
Remaining Life	3	Monthly Member Contribution	$7.33
Replacement Year	2020	Monthly Interest Contribution	$0.25
		Total Monthly Contribution	$7.58

Comments:

(3) dryer exhaust duct booster fans are installed
(4) ducts/dryer hookup positions are available

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Main Entry Access Control

Category	070 Equipment	Quantity	1 access control
Photo Date	January 2017	Unit Cost	$1,500.000
		% of Replacement	100.00%
		Current Cost	$1,500.00
Placed In Service	01/10	Future Cost	$1,940.41
Useful Life	20		
		Assigned Reserves at FYB	$525.00
Remaining Life	13	Monthly Member Contribution	$4.02
Replacement Year	2030	Monthly Interest Contribution	$0.15
		Total Monthly Contribution	$4.18

Comments:

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Recreation - Equipment, Exterior

Category	070 Equipment	Quantity	1 total
Photo Date	January 2017	Unit Cost	$4,100.000
		% of Replacement	100.00%
		Current Cost	$4,100.00
Placed In Service	01/16	Future Cost	$6,594.59
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	24	Monthly Member Contribution	$7.07
Replacement Year	2041	Monthly Interest Contribution	$0.02
		Total Monthly Contribution	$7.09

Comments:

2	plastic-coated table with benches	@	$1,100.00	=	$2,200.00
2	charcoal grills	@	$550.00	=	$1,100.00
1	painted wooden picnic table	@	$250.00	=	$250.00
1	painted wooden bench w/side planters	@	$300.00	=	$300.00
1	composite storage trunk	@	$250.00	=	$250.00
			TOTAL	=	$4,100.00

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Recreation - Equipment, Gym

Category	070 Equipment	Quantity	1 total
Photo Date	January 2017	Unit Cost	$5,000.000
		% of Replacement	100.00%
		Current Cost	$5,000.00
Placed In Service	01/10	Future Cost	$5,858.30
Useful Life	10		
Adjustment	+5	Assigned Reserves at FYB	$2,333.33
Remaining Life	8	Monthly Member Contribution	$19.13
Replacement Year	2025	Monthly Interest Contribution	$0.70
		Total Monthly Contribution	$19.83

Comments:

Service life of gym equipment is heavily influenced by amount of use.
Equipment should be evaluated anually.

2nd floor gym:
free weights
weight bench
squat rack
Everlast boxing heavy bag
() rubber mats
Inline exhaust fan

3rd floor gym:
(1) spin bike
(1) fan wind resistance bike
(2) eliptical machines
(1) treadmill
() rubber mats
(1) flat screen TV
(1) DVD player

(1) speaker system
Inline exhaust fan

The cost estimate for this component has been calculated based on the inventory identified herein. It is likely that future replacements will vary and, therefore, the cost used should be considered as a general indication of budgetary needs rather than specific to this inventory. Budget for partial replacement only.

Solar - Inverters

Category	070 Equipment	Quantity	7 units
Photo Date	January 2017	Unit Cost	$5,000.000
		% of Replacement	100.00%
		Current Cost	$35,000.00
Placed In Service	01/16	Future Cost	$46,181.76
Useful Life	15		
		Assigned Reserves at FYB	$0.00
Remaining Life	14	Monthly Member Contribution	$119.96
Replacement Year	2031	Monthly Interest Contribution	$0.28
		Total Monthly Contribution	$120.24

Comments:

SMA America Sunny Tripower 24000TL-US central inverters
Very difficult to predict future cost due to evolving technology and declining cost.

Current inverter cost is 20-25 cents per watt (including shipping).
Single 24,000-watt inverter cost is about $5,500.
$750 installaton labor.
Per Richard Kane of Sunbug Solar.

Budget figure for panel replacement $5000 materials and labor.

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Solar - Photovoltaic Panels

Category	070 Equipment	Quantity	648 units
Photo Date	January 2017	Unit Cost	$500.000
		% of Replacement	100.00%
		Current Cost	$324,000.00
Placed In Service	01/16	Future Cost	$575,373.68
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	29	Monthly Member Contribution	$426.25
Replacement Year	2046	Monthly Interest Contribution	$0.98
		Total Monthly Contribution	$427.23

Comments:

(648) Sunpower SPR-E20-327-COM panels
Very difficult to predict future cost due to evolving technology and cost declines.

Current cost to replace a single panel is $1000 per Richard Kane of Sunbug Solar.
Total system cost is $675,000.

Budget figure for panel replacement $500 materials and labor. Panels will not all need to be replaced concurrently.

The Lofts at Westinghouse Condominiums

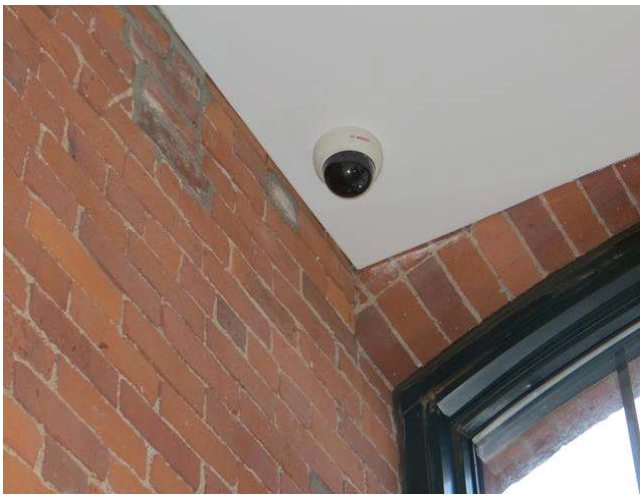
Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Surveillance System

Category	070 Equipment	Quantity	7 cameras
Photo Date	January 2017	Unit Cost	$1,500.000
		% of Replacement	100.00%
		Current Cost	$10,500.00
Placed In Service	01/13	Future Cost	$11,824.71
Useful Life	10		
		Assigned Reserves at FYB	$4,200.00
Remaining Life	6	Monthly Member Contribution	$59.23
Replacement Year	2023	Monthly Interest Contribution	$1.30
		Total Monthly Contribution	$60.53

Comments:



Surveillance system control panel and associated equipment is a master condo association responsibility per property manager. Cameras within association building are responsibility of The Lofts at Westinghouse. Exact specifications for cameras is unknown. An average cost per camera is specified. Pricing can vary considerably.

Bosch camera locations:
(2) exterior at main entry and SW stairwell exterior
(3) bottom of stair wells
(2) main entrance lobby

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Water Heaters

Category	070 Equipment	Quantity	1 total
Photo Date	January 2017	Unit Cost	$2,750.000
		% of Replacement	100.00%
		Current Cost	$2,750.00
Placed In Service	01/10	Future Cost	$2,918.32
Useful Life	10		
		Assigned Reserves at FYB	$1,925.00
Remaining Life	3	Monthly Member Contribution	$16.80
Replacement Year	2020	Monthly Interest Contribution	$0.57
		Total Monthly Contribution	$17.37

Comments:

South common cleanup room on second floor
(1) Ruud 85 gallon commercial electric water heater located in gym closet

North common cleanup room on second floor
(1) Ruud 6 gallon electric water heater hanging from ceiling

Service life is about 10 years, but may be less if water quality is poor and use is high.

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Siding - Brick, Major Repairs

Category	080 Building Exterior	Quantity	1 total
Photo Date	January 2017	Unit Cost	$100,000.000
		% of Replacement	100.00%
		Current Cost	$100,000.00
Placed In Service	01/16	Future Cost	$160,843.72
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	24	Monthly Member Contribution	$172.54
Replacement Year	2041	Monthly Interest Contribution	$0.40
		Total Monthly Contribution	$172.94

Comments:

Building originally constructed in 1908.

Brick has experienced little need for repair in recent years per property manager and is in good condition per mason Ritchie O'Gryzek 508-962-0582.

Repointing entire building would be approximately $25 sq. ft. including staging.
Total cost to repoint building at $25/sq. ft. is $838,000.

Mr. O'Gryzek recommends annual maintenance component and major inspection/repair every 25 years.
In 50 years, some repointing may be required, but not likely the entire building.

This component covers the recommended inspection and major repairs on 25 years cycle.

Brick repointing represent a significant potential liability to a client. As the extent and nature of this liability are largely indeterminable, full budgeting for this component has been excluded at this time.

In the past, our firm has coordinated the evaluation of exteriors by a licensed professionals. Typically, these firms can provide inspections, testing, calculations and documentation of brick. The client may wish to pursue this type of evaluation.

west elevation	20,160	sq. ft.
north elevation	3,280	sq. ft.
east elevation	10,080	sq. ft.
	33,520	sq. ft.

The Lofts at Westinghouse Condominiums

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Siding - Brick, Minor Repairs

Category	080 Building Exterior	Quantity	1 total
Photo Date	January 2017	Unit Cost	$5,000.000
		% of Replacement	100.00%
		Current Cost	$5,000.00
Placed In Service	01/16	Future Cost	$5,100.00
Useful Life	1		
		Assigned Reserves at FYB	$5,000.00
Remaining Life	0	Monthly Member Contribution	$280.77
Replacement Year	2017	Monthly Interest Contribution	$0.65
		Total Monthly Contribution	$281.42

Comments:

Brick has experienced little need for repair in recent years per property manager and is in good condition per mason Ritchie O'Gryzek 508-962-0582.

Inspections and minor repairs recommended on yearly basis by Mr. O'Gryzek.
$5000 per year recommended for minor repair of cracks and caulking windows.
This component covers the recommended inspection and minor repairs on annual cycle.

Brick repointing represent a significant potential liability to a client. As the extent and nature of this liability are largely indeterminable, full budgeting for this component has been excluded at this time.

In the past, our firm has coordinated the evaluation of exteriors by a licensed professionals. Typically, these firms can provide inspections, testing, calculations and documentation of brick. The client may wish to pursue this type of evaluation.

Siding - Steel

Category	080 Building Exterior	Quantity	1 total
Photo Date	January 2017	Unit Cost	$51,500.000
		% of Replacement	100.00%
		Current Cost	$51,500.00
Placed In Service	01/16	Future Cost	$91,456.00
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	29	Monthly Member Contribution	$67.75
Replacement Year	2046	Monthly Interest Contribution	$0.15
		Total Monthly Contribution	$67.91

Comments:

(2) elevator equipment/control rooms have perimeter of approximately 64' and wall height of 10' = 640 sq ft
New steel siding installed in 2016 by J&S Building Exteriors, Inc.
Steve Harvey 774-229-6945
Replacement cost after 30 year service life $20,000 or $15.63 per sq. ft.

Steel siding infill for 1st floor former windows is in good condition.
Each former window location is approximately 80 sq. ft.
(42) on west elevation
(2.5) on north elevation
J&S Building Exteriors, Inc. estimates (2) men replace (2) windows per day plus materials
Cost per window: $700 or $8.75 per sq. ft.

Placed in service date set to 2016 for all steel siding.

With proper painting, steel siding can last indefinitely. Painting cost in Painting - Exterior component.

elevator control head rooms (standing seam steel)	1,280	sq. ft.

	1st floor former window infill (corrugated steel)		3,600	sq. ft.	
			4,880	sq. ft.	
1,280	elevator control head rooms (standing seam steel)	@	$15.63	=	$20,000.00
3,600	1st floor former window infill (corrugated steel)	@	$8.75	=	$31,500.00
			TOTAL	=	$51,500.00

Signs

Category	080 Building Exterior	Quantity	1 total
Photo Date	January 2017	Unit Cost	$3,500.000
		% of Replacement	100.00%
		Current Cost	$3,500.00
Placed In Service	01/10	Future Cost	$4,998.86
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	18	Monthly Member Contribution	$8.82
Replacement Year	2035	Monthly Interest Contribution	$0.02
		Total Monthly Contribution	$8.84

Comments:

Major sign Inventory:
Large condo association name sign at north corner $2500
Condo association sign at main entry $1500

The Lofts at Westinghouse Condominiums

Detail Report Index

The Lofts at Westinghouse Condominiums

Detail Report Index

Number of components included in this reserve analysis is 46.