

ASSOCIATION RESERVES

Est. 1986



www.ReserveStudy.com

Why should we choose Association Reserves?

Association Reserves was established in 1986 as a professional engineering consulting firm serving community associations throughout the United States and abroad. To date, our firm has completed over **30,000** Reserve Studies for properties of all types, including condominium and homeowners associations, community development districts, timeshare and resort properties, commercial facilities, worship facilities, and more. Over the years, our firm has been instrumental in defining and advocating the National Reserve Study Standards endorsed by the Community Associations Institute (CAI).

Each Reserve Study we provide is conducted with special consideration for the unique characteristics of the client property, especially age, regional weather patterns, local pricing factors, and input from the Board of Directors. Our time-tested approach involves thorough research of all key factors, especially project history, projected useful life and cost data, and aesthetic standards in the local area. Our staff members earn and maintain the Reserve Specialist® credential administered by the Community Associations Institute (CAI), the international authority on all aspects of community association living.

We don't take a one-size-fits-all approach to our work, because we know that every association is different, and we take the time and care to ensure our results will help you to make wise decisions regarding the long-term care of your physical and financial assets. From our first phone call to final delivery of your study, we hold ourselves to the highest standards of professionalism. We pride ourselves on delivering a first-rate product, because we know you're putting your trust in our hands.

We're proud to announce that in 2013 we were selected as a Platinum-level Reader's Choice Award winner in the first ever competition put on by the Florida Community Association Journal. We attribute this achievement to a combination of hard work, attention to detail and an unwavering commitment to serving our clients.



Qualifications and Key Staff Members

All of our project staff members have college degrees and many come from construction, engineering, architecture and related backgrounds. All project management staff members are trained specifically in the field of preparing Reserve Studies. As of 2014, over 20 staff members have earned the prestigious Reserve Specialist credential, more than any other firm in the country.



Robert M. Nordlund, PE, RS is the founder, owner and CEO of Association Reserves. Robert is a Professional Engineer, Reserve Specialist, and former board president of his own homeowners association. In addition, he is a past Chairman of CAI's Reserve Professionals Committee, past Chairman of the Association of Professional Reserve Analysts, past President of CAI's Greater Los Angeles Chapter, and a frequent speaker in industry-sponsored seminars and presentations throughout the United States. He obtained his Bachelor's degree from the University of Washington in Mechanical Engineering, and is a member of the prestigious engineering honors society Tau Beta Pi.



Will Simons, RS is the President of our Florida regional offices. Will has completed over 800 Reserve Studies for property types including residential developments, schools, historic buildings, commercial developments, country clubs, worship facilities, marinas and more. Will has earned the Reserve Specialist designation (#190) and is also a frequent author and speaker in the industry. He is a licensed Continuing Education Provider (#0005433) for Florida Community Association Managers, having designed and taught coursework related to Reserve funds and Reserve Studies. He currently serves as the Treasurer of his own homeowners association in South Florida, serving a community of over 600 homes and helping to oversee an annual budget of over \$1 million. Will earned a Bachelor's degree in Business Administration from the University of Southern California.



Aldo Gonzalez, PE is the Director of Operations for our Florida regional offices. Aldo holds a Bachelor's of Science Degree in Civil Engineering from Florida International University and is a Registered Licensed Engineer (#49450) in the State of Florida. Aldo's career has spanned over 30 years of civil engineering and project management roles. For over 15 years, he directed his own engineering consulting firm, providing services including: general engineering consulting, real estate asset inspection, planning and feasibility studies, engineering reports and design calculations, drainage and paving design, water, sewer and flood control system design and more to a wide variety of clients throughout Florida. Aldo has also served as Board Member for the Palm Isle at Doral Community Development District in Doral, Florida.

What can I expect to see in my Reserve Study?

Simple, concise summary of recommendations, with a clear, organized listing of Reserve components.

3- Minute Executive Summary

Association: Sample Condo Association Assoc. #: 9999-0
 Location: Anywhere, FL
 # of Units: 311
 Report Period: January 1, 2011 through December 31, 2011

Results as-of 1/1/2011:

Projected Starting Reserve Balance:	\$176,000
Fully Funded Reserve Balance:	\$332,480
Average Reserve Deficit (Surplus) Per Unit:	\$503
Percent Funded:	52.9%
Recommended 2011 monthly Reserve Contribution:	\$29,000
Recommended 2011 Special Assessment for Reserves:	\$0
Most Recent Reserve Contribution Rate:	\$26,435

Economic Assumptions:
 Net Annual "After Tax" Interest Earnings Accruing to Reserves..... 1.00%
 Annual Inflation Rate 3.00%

- This is a "Full" Reserve Study (original, created "from scratch"). The information in this Reserve Study is based on our site inspection on July 16, 2010. This Reserve Study was prepared by a credentialed Reserve Specialist (RS).
- Because your Reserve Fund is between 30% and 70% at 52.9% Funded, this represents a fair position. In perspective, associations funded at this level face a moderate risk of special assessments and other cash flow problems. Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or "Fully Funded".
- Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase in the upcoming fiscal year.
- The monthly Reserve contribution amount recommended here should be increased by 4% in each of the next 14 years, followed thereafter by annual increases of 3%. No assets appropriate for Reserve designation were excluded.

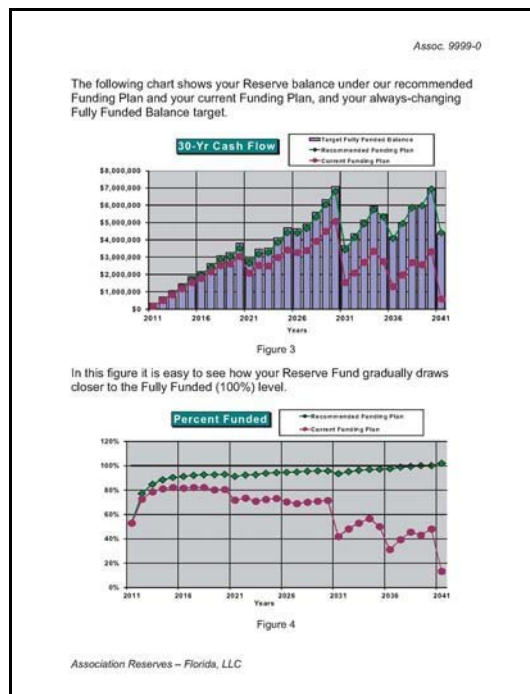
Association Reserves - Florida, LLC

Table 1: Executive Summary

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
Sample Condo - Exterior/Garage				
104 Balcony Decks - Re-coat	5	4	\$99,000	\$111,425
105 Balcony Decks - Resurface	28	27	\$346,500	\$769,677
201 Asphalt - Resurface	24	23	\$7,000	\$14,999
202 Asphalt - Seal/Repair	4	3	\$693	\$757
324 Exterior Lighting - Replace	20	19	\$33,613	\$58,940
326 Garage Lights - Replace	30	29	\$4,200	\$9,898
701 Main Entrance Doors - Replace	15	14	\$3,900	\$5,899
702 Garage Gates - Replace	25	24	\$17,500	\$35,574
903 Exterior Furniture - Replace	8	7	\$160,000	\$196,760
1111 Garage Interior - Repaint	14	13	\$19,125	\$28,086
1115 Stucco - Repair	10	9	\$7,925	\$10,340
1118 Parking Spaces - Restripe	7	6	\$17,200	\$20,538
1130 Helipad - Re-coat	5	4	\$3,125	\$3,517
1202 Pool - Resurface	10	9	\$28,000	\$36,534
1203 Spa - Resurface	5	4	\$8,000	\$9,004
1304 Deck Underlayment - Replace	20	19	\$88,200	\$154,659
1307 Torch-Down Modified Roof - Replace	20	19	\$138,450	\$242,773
1765 Exterior Planters - Waterproof	15	14	\$265,000	\$400,836
1980 Building Envelope - Seal/Waterproof	10	9	\$460,000	\$600,196
Sample Condo - Interior Areas				
328 Exit Signs - Replace	30	29	\$32,000	\$75,410
403 Mailboxes - Replace	25	24	\$26,613	\$54,098
601 Corridor Carpet - Replace	10	9	\$116,000	\$151,354
902 Gym Equip. Accessories - Replace	8	7	\$115,425	\$137,039
903 Lobby Furniture/Artwork - Replace	12	11	\$150,663	\$208,552
903 Office Furniture/Equip - Replace	12	11	\$13,850	\$18,895
904 Kitchensettes - Refurbish	10	9	\$10,000	\$13,048
910 240 Lounge - Remodel	12	11	\$125,000	\$173,029
910 Common Area Bathrooms - Remodel	12	11	\$12,000	\$16,611
910 Gym - Remodel	10	9	\$15,000	\$19,572
910 Lobby/Offices - Refurbish	12	11	\$9,000	\$12,458
1110 Corridor Interiors - Repaint	10	9	\$61,200	\$79,852
1110 Stairwell Interiors - Repaint	15	14	\$43,000	\$65,949
1802 Elevator Cabs - Remodel	10	9	\$70,000	\$91,334
Sample Condo - Mechanical/Systems				
302 Emergency Generator - Overhaul	50	49	\$200,000	\$451,244
303 AC Condensing Units - Replace	20	19	\$9,500	\$16,658
303 Fan Coil Units - Replace	25	24	\$18,500	\$37,607
303 Heat Pumps - Replace (Common)	20	19	\$84,000	\$147,295
303 Packaged AC Units - Replace	20	19	\$13,500	\$23,672
304 Variable Frequency Drives - Replace	10	9	\$50,000	\$65,239
305 Stairwell Pressure Fans - Replace	20	19	\$16,500	\$38,933
306 Emergency Supply Fans - Replace	20	19	\$16,500	\$28,933
306 Garage Exhaust Fans - Replace	20	19	\$9,000	\$15,782
306 Garage Supply Fans - Replace	20	19	\$19,000	\$33,317

Association Reserves - Florida, LLC

Large, color-coded charts and tables to illustrate long-term implications



Here's a sample of our Inventory Appendix pages. We devote a half-page summary to every single component included in your Reserve Study.

Association Reserves

Inventory Appendix

Client: 9999FB Sample Condo - Interior Areas

Comp #: 902 Gym Equip, Accessories - Replace

Quantity: (15) Large Machines

Location: 24th Floor

Evaluation: (6) treadmills, (3) Stairmasters, (2) stationary bikes, (4) resistant weight machines, (20) lockers, misc. small pieces. Modern, high quality equipment in good condition. No unusual signs of wear or age



Useful Life:
8 years

Remaining Life:
7 years

Full Color
Photographs

Best Case: \$100,300.00
Lower estimate to replace

Worst Case: \$122,550.00
Higher estimate

Cost Source: Client Cost History, plus Inflation

Comp #: 903 Lobby Furniture/Artwork - Replace

Quantity: Approx (14) Pieces

Location: Lobby interior

Evaluation: All attractive and modern pieces. Expect to replace periodically to maintain contemporary style. Costs taken from purchase schedule provided by client. Security guard's desk is included here.



Useful Life:
12 years

Remaining Life:
11 years

Descriptive, detailed
commentary

Best Case: \$135,600.00
Lower estimate to replace

Worst Case: \$165,725.00
Higher estimate

Cost Source: Client Cost History, plus Inflation

Accurate cost estimates, and
description of information source

Useful Life &
Remaining Useful
Life Estimates