

Jordan Grand Condominium Owners Association

Newry, ME • April 28, 2022

FULL RESERVE STUDY



Jordan Grand Condominium Owners Association
Newry, Maine

Dear Board of Directors of Jordan Grand Condominium Owners Association:

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of Jordan Grand Condominium Owners Association in Newry, Maine and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, April 28, 2022.

This *Full Reserve Study* exceeds the Association of Professional Reserve Analysts (APRA) standards fulfilling the requirements of a "Level I Full Reserve Study."

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. We recommend the Board budget for an Update to this Reserve Study in two- to three-years. We look forward to continuing to help Jordan Grand Condominium Owners Association plan for a successful future.

As part of our long-term thinking and everyday commitment to our clients, we are available to answer any questions you may have regarding this study.

Respectfully submitted on July 28, 2022 by

Reserve Advisors, LLC

Visual Inspection and Report by: Matthew D. Casey, RS¹

Review by: Alan M. Ebert, RS, PRA², Director of Quality Assurance



¹ RS (Reserve Specialist) is the reserve provider professional designation of the Community Associations Institute (CAI) representing America's more than 300,000 condominium, cooperative and homeowners associations.

² PRA (Professional Reserve Analyst) is the professional designation of the Association of Professional Reserve Analysts. Learn more about APRA at <http://www.apra-usa.com>.



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1. RESERVE STUDY EXECUTIVE SUMMARY

Client: Jordan Grand Condominium Owners Association (Jordan Grand Condominium Owners Association)

Location: Newry, Maine

Reference: 211578

Property Basics: Jordan Grand Condominium Owners Association is a timeshare condominium style development which consists of 186 guest rooms in a four-story building. The building was built from 1997 to 1998.

Reserve Components Identified: 62 Reserve Components.

Inspection Date: April 28, 2022.

Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes these threshold funding years in 2026 and 2046 due to renovation of the guest rooms.

Methodology: We use the Cash Flow Method to compute the Reserve Funding Plan. This method offsets future variable Reserve Expenditures with existing and future stable levels of reserve funding. Our application of this method also considers:

- Current and future local costs of replacement
- 0.7% anticipated annual rate of return on invested reserves
- 3.0% future Inflation Rate for estimating Future Replacement Costs

Sources for Local Costs of Replacement: Our proprietary database, historical costs and published sources, i.e., R.S. Means, Incorporated.

Unaudited Cash Status of Reserve Fund:

- \$2,302,835 projected by Management as of April 30, 2022
- 2021¹ budgeted Reserve Contributions of \$691,368
- 2022 budgeted Reserve Contributions of \$750,818
- A potential deficit in reserves might occur by 2026 based upon continuation of the most recent annual reserve contribution of \$750,818 and the identified Reserve Expenditures.

Project Prioritization: We note anticipated Reserve Expenditures for the next 30 years in the **Reserve Expenditures** tables and include a **Five-Year Outlook** table following the **Reserve Funding Plan** in Section 3. We recommend the Association prioritize the following projects in the next five years based on the conditions identified:

- Paint finishes at the wood siding
- Renovation of the common interior spaces
- Renovation of the guest rooms
- Repaving of the upper parking area
- Replacement of the light poles and fixtures

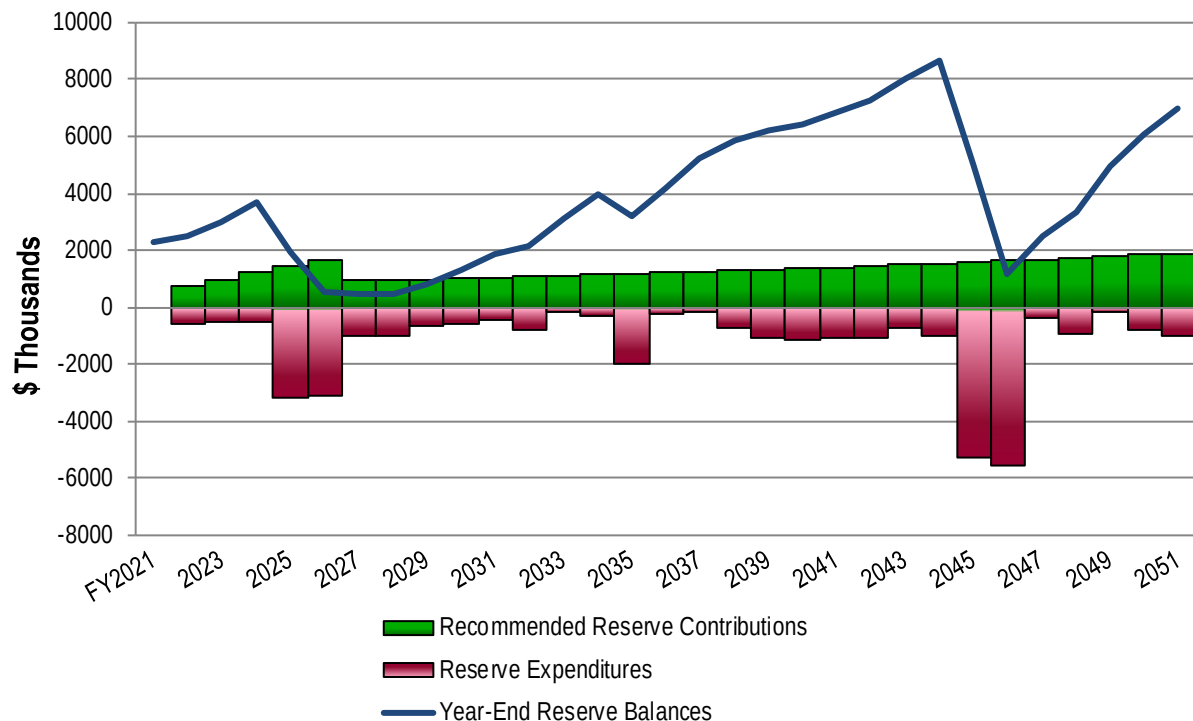
¹ The Fiscal Year (FY 2021) for Jordan Grand Condominium Owners Association begins May 1, 2021 and ends April 30, 2022. For brevity, we refer to the Fiscal Year by its beginning year, i.e. Fiscal Year 2021-2022 is FY 2021 or simply 2021.

Recommended Reserve Funding: We recommend the following in order to achieve a stable and equitable Cash Flow Methodology Funding Plan:

- Phased increases of approximately \$230,000 from 2023 through 2026
- Decrease to \$930,000 by 2027 due to fully funding for renovation of the guest rooms
- Inflationary increases through 2051, the limit of this study's Cash Flow Analysis
- Initial recommended adjustment in Reserve Contributions of \$229,982 represents about a seven percent (7.1%) adjustment in the 2022 total Operating Budget of \$3,250,237.

Jordan Grand Condominium Owners Association
Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2022	750,818 (Budgeted)	2,513,331	2032	1,078,100	2,151,945	2042	1,448,800	7,236,080
2023	980,800	2,993,496	2033	1,110,400	3,099,547	2043	1,492,300	8,058,916
2024	1,210,800	3,690,776	2034	1,143,700	3,996,306	2044	1,537,100	8,653,501
2025	1,440,800	1,958,979	2035	1,178,000	3,180,301	2045	1,583,200	5,008,273
2026	1,670,800	535,245	2036	1,213,300	4,166,835	2046	1,630,700	1,140,849
2027	930,000	484,030	2037	1,249,700	5,257,494	2047	1,679,600	2,469,388
2028	957,900	463,370	2038	1,287,200	5,884,584	2048	1,730,000	3,306,959
2029	986,600	828,100	2039	1,325,800	6,172,938	2049	1,781,900	4,973,394
2030	1,016,200	1,272,230	2040	1,365,600	6,430,052	2050	1,835,400	6,044,244
2031	1,046,700	1,878,039	2041	1,406,600	6,822,185	2051	1,890,500	7,007,886





2. RESERVE STUDY REPORT

At the direction of the Board that recognizes the need for proper reserve planning, we have conducted a *Full Reserve Study* of

Jordan Grand Condominium Owners Association

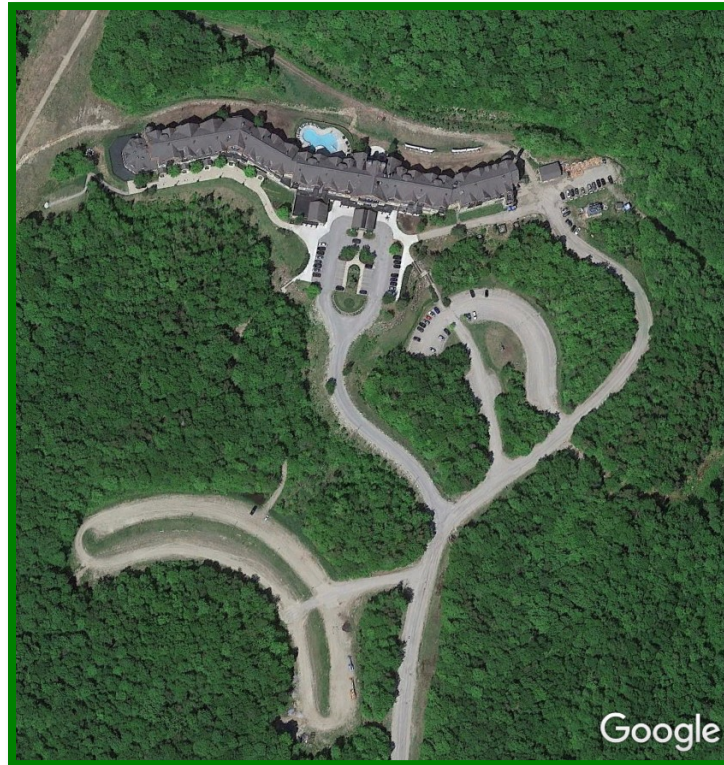
Newry, Maine

and submit our findings in this report. The effective date of this study is the date of our visual, noninvasive inspection, April 28, 2022.

We present our findings and recommendations in the following report sections and spreadsheets:

- **Identification of Property** - Segregates all property into several areas of responsibility for repair or replacement
- **Reserve Expenditures** - Identifies reserve components and related quantities, useful lives, remaining useful lives and future reserve expenditures during the next 30 years
- **Reserve Funding Plan** - Presents the recommended Reserve Contributions and year-end Reserve Balances for the next 30 years
- **Five-Year Outlook** - Identifies reserve components and anticipated reserve expenditures during the first five years
- **Reserve Component Detail** - Describes the reserve components, includes photographic documentation of the condition of various property elements, describes our recommendations for repairs or replacement, and includes detailed solutions and procedures for replacements for the benefit of current and future board members
- **Methodology** - Lists the national standards, methods and procedures used to develop the Reserve Study
- **Definitions** - Contains definitions of terms used in the Reserve Study, consistent with national standards
- **Professional Service Conditions** - Describes Assumptions and Professional Service Conditions
- **Credentials and Resources**

IDENTIFICATION OF PROPERTY



Our investigation includes Reserve Components or property elements as set forth in your Declaration. The Expenditure tables in Section 3 list the elements contained in this study. Our analysis begins by segregating the property elements into several areas of responsibility for repair and replacement.

Our process of identification helps assure that future boards and the management team understand whether reserves, the operating budget or Shareholders fund certain replacements and assists in preparation of the annual budget. We derive these segregated classes of property from our review of the information provided by the Association and through conversations with Management. These classes of property include:

- Reserve Components
- Long-Lived Property Elements
- Operating Budget Funded Repairs and Replacements
- Property Maintained by Shareholders
- Property Maintained by Others

We advise the Board conduct an annual review of these classes of property to confirm its policy concerning the manner of funding, i.e., from reserves or the operating budget. The Reserve Study identifies Reserve Components as set forth in your Declaration or which were identified as part of your request for proposed services. Reserve Components are defined by CAI as property elements with:

- Jordan Grand Condominium Owners Association responsibility
- Limited useful life expectancies
- Predictable remaining useful life expectancies
- Replacement cost above a minimum threshold

Long-Lived Property Elements may not have predictable Remaining Useful Lives or their replacement may occur beyond the 30-year scope of the study. The operating budget should fund infrequent repairs. Funding untimely or unexpected replacements from reserves will necessitate increases to Reserve Contributions. Periodic updates of this Reserve Study will help determine the merits of adjusting the Reserve Funding Plan. We identify the following Long-Lived Property Elements as excluded from the 30-year Reserve Expenditures at this time.

- Electrical Systems, Common
- Foundation
- Pipes, Interior Building, Domestic Water, Sanitary Waste, Vent, Sprinkler, Fire Standpipes, Building Heating and Cooling, Common
- Pipes, Subsurface Utilities
- Storage Lockers
- Structural Frames
- Valves, Large Diameter
- Well Casing

The operating budget provides money for the repair and replacement of certain Reserve Components. The Association may develop independent criteria for use of operating and reserve funds. For purposes of calculating appropriate Reserve Contributions, we identify the following list of Operating Budget Funded Repairs and Replacements:

- General Maintenance to the Common Elements
- Expenditures less than \$10,000 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)
- Doors, Interior and Miscellaneous Exterior
- Duct Cleaning
- Elevator Cab Finishes, Freight Elevator
- Exhaust Fans
- Expansion Tanks
- Fire Extinguishers
- Garage Doors
- Garage Interior
- Landscape
- Light Fixtures, Recessed
- Light Fixtures, Stairwells
- Motors
- Paint Finishes, Touch Up
- Pipes, Common, Interim Repairs and Waste Rodding
- Pumps Less Than Five-HP (horsepower)

- Service Driveway
- Staff, Storage and Service Areas
- Unpaved Lots and Roads, Regrading and Replenishment
- Valves, Small Diameter (We assume replacement as needed in lieu of an aggregate replacement of all small diameter valves as a single event.)



Service corridor overview

Certain items have been designated as the responsibility of others to repair or replace. Property Maintained by Others relates to:

- Access Road (Separate Entity)
- Boilers and Pool Heater (Leased)
- Coin Operated Laundry Equipment (Leased)
- Kitchens and Service Areas
- Laundry Equipment (Sunday River Resort)
- Restaurant (Sunday River Resort)



Boilers



Laundry equipment

3. RESERVE EXPENDITURES and FUNDING PLAN

The tables following this introduction present:

Reserve Expenditures

- Line item numbers
- Total quantities
- Quantities replaced per phase (in a single year)
- Reserve component inventory
- Estimated first year of event (i.e., replacement, application, etc.)
- Life analysis showing
 - useful life
 - remaining useful life
- 2021 local cost of replacement
 - Per unit
 - Per phase
 - Replacement of total quantity
- Percentage of future expenditures anticipated during the next 30 years
- Schedule of estimated future costs for each reserve component including inflation

Reserve Funding Plan

- Reserves at the beginning of each year
- Total recommended reserve contributions
- Estimated interest earned from invested reserves
- Anticipated expenditures by year
- Anticipated reserves at year end
- Predicted reserves based on current funding level

Five-Year Outlook

- Line item numbers
- Reserve component inventory of only the expenditures anticipated to occur within the first five years
- Schedule of estimated future costs for each reserve component anticipated to occur within the first five years

The purpose of a Reserve Study is to provide an opinion of reasonable annual Reserve Contributions. Prediction of exact timing and costs of minor Reserve Expenditures typically will not significantly affect the 30-year cash flow analysis. Adjustments to the times and/or costs of expenditures may not always result in an adjustment in the recommended Reserve Contributions.

Financial statements prepared by your association, by you or others might rely in part on information contained in this section. For your convenience, we have provided an electronic data file containing the tables of ***Reserve Expenditures*** and ***Reserve Funding Plan***.

RESERVE EXPENDITURES

Jordan Grand
Condominium Owners Association
Newry, Maine

Explanatory Notes:

- 1) 3.0% is the estimated Inflation Rate for estimating Future Replacement Costs.
2) FY2021 is Fiscal Year beginning May 1, 2021 and ending April 30, 2022.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Unit Cost, \$	Percentage Ownership	Costs, \$		Percentage of Future Expenditures	RUL = 0 FY2021	1 2022	2 2023	3 2024	4 2025	5 2026	6 2027	7 2028	8 2029	9 2030	10 2031	11 2032	12 2033	13 2034	14 2035	15 2036	
						Useful	Remaining			Per Phase (2021)	Total (2021)																		
Exterior Building Elements																													
1.115	6,300	6,300 Square Feet	Balconies, Wood, Paint Finishes and Partial Replacement		2024	4 to 6	3	9.50	100%	59,850	59,850	1.4%				65,400										87,892			
1.120	6,300	2,100 Square Feet	Balconies, Wood, Replacement, Phased		2027	to 35	6 to 8	55.00	100%	115,500	346,500	1.2%							137,913	142,050	146,312								
1.160	1	1 Each	Doors, Main Entrance, Wood		2037	to 25	16	50,400.00	72%	36,288	36,288	0.2%																	
1.181	5	5 Each	Doors, South Entrances, Replacement		2027	to 25	6	8,000.00	72%	28,800	28,800	0.1%							34,389										
1.260	90	30 Each	Light Fixtures, Phased		2029	to 20	8 to 10	150.00	72%	3,240	9,720	0.1%									4,104	4,227	4,354						
1.270	1,500	1,500 Square Feet	Portico, Refinishing and Repairs		2042	to 20	21	14.00	72%	15,120	15,120	0.1%																	
1.280	700	233 Squares	Roofs, Asphalt Shingles, Phased		2038	15 to 20	17 to 19	1,200.00	72%	201,597	604,800	2.9%																	
1.380	4,500	4,500 Square Feet	Roofs, EPDM		2028	15 to 20	7	15.75	72%	51,030	51,030	0.5%								62,760									
1.865	1	1 Allowance	Walls, Siding, Wood, Paint Finishes		2023	4 to 6	2	218,500.00	72%	157,320	157,320	5.8%			166,901				187,848			211,425					237,961		
1.870	45,900	15,300 Square Feet	Walls, Siding, Wood, Phased		2027	30 to 40	6 to 8	12.00	72%	132,192	396,576	1.4%							157,844	162,579	167,457								
1.980	11,240	3,747 Square Feet	Windows & Doors, Phased		2027	to 35	6 to 8	65.00	100%	243,534	730,600	2.5%							290,792	299,516	308,501								
Interior Building Elements																													
2.060	16,740	8,370 Square Feet	Ceilings, Acoustical Tiles, Grid and Lighting, Hallways, Phased		2023	to 30	2 to 3	12.50	72%	75,330	150,660	0.4%			79,918	82,315													
2.100	4	4 Each	Elevator Cab Finishes		2023	to 20	2	20,000.00	72%	57,600	57,600	0.5%			61,108														
2.160	1	1 Allowance	Exercise Equipment, Phased		2023	5 to 15	2	33,600.00	72%	24,192	27,000	0.6%			25,665					29,753					34,492				
2.180	1	1 Allowance	Exercise Room, Renovation		2027	to 10	6	15,700.00	72%	11,304	11,304	0.2%							13,498										
2.200	2,180	1,090 Square Yards	Floor Coverings, Carpet, Hallways, Phased		2023	8 to 12	2 to 3	77.00	72%	60,430	120,859	1.5%			64,110	66,033									86,158	88,743			
2.600	1	1 Allowance	Lobby, Renovation, Complete		2023	to 15	2	120,000.00	72%	86,400	86,400	0.7%			91,662														
2.610	1	1 Allowance	Lobby, Renovation, Partial		2030	5 to 10	9	40,000.00	72%	28,800	28,800	0.3%									37,577								
2.680	2	2 Each	Locker Rooms, Renovation		2026	to 20	5	52,000.00	72%	74,880	74,880	0.7%					86,806												
2.800	53,200	26,600 Square Feet	Paint Finishes, Hallways, Phased		2023	8 to 12	2 to 3	1.50	72%	28,728	57,456	0.7%			30,478	31,392									40,959	42,188			
2.900	2	2 Each	Rest Rooms, Renovation		2024	to 20	3	16,500.00	72%	23,760	23,760	0.2%				25,963													
Interior Building Elements - Guest Rooms																													
2.986	2	1 Allowance	Furnishings, Phased		2025	to 20	4 to 5	700,000.00	100%	700,000	1,400,000	12.4%					787,856	811,492											
2.988	186	93 Each	Guest Rooms, Renovations, Complete		2025	to 20	4 to 5	13,500.00	100%	1,255,500	2,511,000	22.3%					1,413,076	1,455,469											
2.989	186	186 Each	Guest Rooms, Renovations, Partial		2035	to 10	14	5,000.00	100%	930,000	930,000	3.9%														1,406,708			
2.994	405	203 Each	Mattresses, Phased		2025	to 5	4 to 5	800.00	100%	162,000	324,000	9.2%					182,332	187,802			211,373	217,714				245,040	252,391		
2.997	200	100 Each	Rest Rooms, Fixtures		2025	to 25	4 to 5	3,500.00	100%	350,000	700,000	6.2%					393,928	405,746											
Building Services Elements																													
3.045	319	80 Each	Air Handling Units, Heat Pumps, Phased		2039	15 to 20	18 to 21	2,700.00	100%	215,325	861,300	4.3%																	
3.050	4	4 Each	Air Handling Units, Make-up Air		2025	to 25	4	42,500.00	72%	122,400	122,400	1.2%					137,762												
3.170	1	1 Allowance	Building Automation System, Partial Replacements and Upgrades		2025	to 5	4	30,000.00	72%	21,600	21,600	0.6%					24,311				28,183					32,672			
3.260	1	1 Each	Cooling Tower, Capital Repairs		2028	10 to 15	7	31,000.00	72%	22,320	22,320	0.1%							27,451										
3.265	1	1 Each	Cooling Tower, Replacement		2042	25 to 35	21	154,000.00	72%	110,880	110,880	0.6%																	
3.320	5	5 Each	Elevators, Hydraulic, Pumps and Controls		2032	to 35	11	122,000.00	72%	439,200	439,200	1.7%											607,956						
3.330	5	5 Each	Elevators, Hydraulic, Cylinders		2042	to 45	21	59,000.00	72%	212,400	212,400	1.1%																	
3.440	1	1 Each	Generator, Emergency, 60-kW (Includes Transfer Switch)		2032	to 35	11	61,000.00	72%	43,920	43,920	0.2%											60,796						
3.460	1	1 Each	Heat Exchanger		2038	to 25	17	107,000.00	72%	77,040	77,040	0.4%																	
3.555	1	1 Allowance	Life Safety System, Control Panel		2025	to 15	4	35,000.00	72%	25,200	25,200	0.2%					28,363												
3.560	1	1 Allowance	Life Safety System, Emergency Devices		2030	to 25	9	273,500.00	72%	196,920	196,920	0.7%									256,936								
3.700	3	3 Each	Pumps, Cooling, 40-HP, Building Cooling (Incl. Controls & VFDs)		2027	to 30	6	34,000.00	72%	73,440	73,440	0.2%							87,691										

RESERVE EXPENDITURES

Jordan Grand
Condominium Owners Association
Newry, Maine

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Unit Cost, \$	Percentage Ownership	Costs, \$		Percentage of Future Expenditures	16 2037	17 2038	18 2039	19 2040	20 2041	21 2042	22 2043	23 2044	24 2045	25 2046	26 2047	27 2048	28 2049	29 2050	30 2051		
						Useful	Remaining			Per Phase (2021)	Total (2021)																		
Exterior Building Elements																													
1.115	6,300	6,300 Square Feet	Balconies, Wood, Paint Finishes and Partial Replacement		2024	4 to 6	3	9.50	100%	59,850	59,850	1.4%			101,891					118,119						136,932			
1.120	6,300	2,100 Square Feet	Balconies, Wood, Replacement, Phased		2027	to 35	6 to 8	55.00	100%	115,500	346,500	1.2%																	
1.160	1	1 Each	Doors, Main Entrance, Wood		2037	to 25	16	50,400.00	72%	36,288	36,288	0.2%	58,232																
1.181	5	5 Each	Doors, South Entrances, Replacement		2027	to 25	6	8,000.00	72%	28,800	28,800	0.1%																	
1.260	90	30 Each	Light Fixtures, Phased		2029	to 20	8 to 10	150.00	72%	3,240	9,720	0.1%													7,413	7,635	7,864		
1.270	1,500	1,500 Square Feet	Portico, Refinishing and Repairs		2042	to 20	21	14.00	72%	15,120	15,120	0.1%						28,128											
1.280	700	233 Squares	Roofs, Asphalt Shingles, Phased		2038	15 to 20	17 to 19	1,200.00	72%	201,597	604,800	2.9%		333,209	343,206	353,502													
1.380	4,500	4,500 Square Feet	Roofs, EPDM		2028	15 to 20	7	15.75	72%	51,030	51,030	0.5%									106,845								
1.865	1	1 Allowance	Walls, Siding, Wood, Paint Finishes		2023	4 to 6	2	218,500.00	72%	157,320	157,320	5.8%			267,827				301,441				339,275				381,857		
1.870	45,900	15,300 Square Feet	Walls, Siding, Wood, Phased		2027	30 to 40	6 to 8	12.00	72%	132,192	396,576	1.4%																	
1.980	11,240	3,747 Square Feet	Windows & Doors, Phased		2027	to 35	6 to 8	65.00	100%	243,534	730,600	2.5%																	
Interior Building Elements																													
2.060	16,740	8,370 Square Feet	Ceilings, Acoustical Tiles, Grid and Lighting, Hallways, Phased		2023	to 30	2 to 3	12.50	72%	75,330	150,660	0.4%																	
2.100	4	4 Each	Elevator Cab Finishes		2023	to 20	2	20,000.00	72%	57,600	57,600	0.5%							110,368										
2.160	1	1 Allowance	Exercise Equipment, Phased		2023	5 to 15	2	33,600.00	72%	24,192	27,000	0.6%		39,986					46,354					53,737					
2.180	1	1 Allowance	Exercise Room, Renovation		2027	to 10	6	15,700.00	72%	11,304	11,304	0.2%	18,140										24,378						
2.200	2,180	1,090 Square Yards	Floor Coverings, Carpet, Hallways, Phased		2023	8 to 12	2 to 3	77.00	72%	60,430	120,859	1.5%							115,789	119,263									
2.600	1	1 Allowance	Lobby, Renovation, Complete		2023	to 15	2	120,000.00	72%	86,400	86,400	0.7%		142,806															
2.610	1	1 Allowance	Lobby, Renovation, Partial		2030	5 to 10	9	40,000.00	72%	28,800	28,800	0.3%								58,544									
2.680	2	2 Each	Locker Rooms, Renovation		2026	to 20	5	52,000.00	72%	74,880	74,880	0.7%									156,782								
2.800	53,200	26,600 Square Feet	Paint Finishes, Hallways, Phased		2023	8 to 12	2 to 3	1.50	72%	28,728	57,456	0.7%							55,046	56,697									
2.900	2	2 Each	Rest Rooms, Renovation		2024	to 20	3	16,500.00	72%	23,760	23,760	0.2%						44,201											
Interior Building Elements - Guest Rooms																													
2.986	2	1 Allowance	Furnishings, Phased		2025	to 20	4 to 5	700,000.00	100%	700,000	1,400,000	12.4%								1,422,956	1,465,645								
2.988	186	93 Each	Guest Rooms, Renovations, Complete		2025	to 20	4 to 5	13,500.00	100%	1,255,500	2,511,000	22.3%								2,552,173	2,628,738								
2.989	186	186 Each	Guest Rooms, Renovations, Partial		2035	to 10	14	5,000.00	100%	930,000	930,000	3.9%																	
2.994	405	203 Each	Mattresses, Phased		2025	to 5	4 to 5	800.00	100%	162,000	324,000	9.2%				284,068	292,590				329,313	339,192				381,764	393,217		
2.997	200	100 Each	Rest Rooms, Fixtures		2025	to 25	4 to 5	3,500.00	100%	350,000	700,000	6.2%								711,478	732,822								
Building Services Elements																													
3.045	319	80 Each	Air Handling Units, Heat Pumps, Phased		2039	15 to 20	18 to 21	2,700.00	100%	215,325	861,300	4.3%			366,576	377,574	388,901	400,568											
3.050	4	4 Each	Air Handling Units, Make-up Air		2025	to 25	4	42,500.00	72%	122,400	122,400	1.2%														288,444			
3.170	1	1 Allowance	Building Automation System, Partial Replacements and Upgrades		2025	to 5	4	30,000.00	72%	21,600	21,600	0.6%				37,876					43,908					50,902			
3.260	1	1 Each	Cooling Tower, Capital Repairs		2028	10 to 15	7	31,000.00	72%	22,320	22,320	0.1%																	
3.265	1	1 Each	Cooling Tower, Replacement		2042	25 to 35	21	154,000.00	72%	110,880	110,880	0.6%						206,269											
3.320	5	5 Each	Elevators, Hydraulic, Pumps and Controls		2032	to 35	11	122,000.00	72%	439,200	439,200	1.7%																	
3.330	5	5 Each	Elevators, Hydraulic, Cylinders		2042	to 45	21	59,000.00	72%	212,400	212,400	1.1%						395,127											
3.440	1	1 Each	Generator, Emergency, 60-kW (Includes Transfer Switch)		2032	to 35	11	61,000.00	72%	43,920	43,920	0.2%																	
3.460	1	1 Each	Heat Exchanger		2038	to 25	17	107,000.00	72%	77,040	77,040	0.4%		127,335															
3.555	1	1 Allowance	Life Safety System, Control Panel		2025	to 15	4	35,000.00	72%	25,200	25,200	0.2%				44,188													
3.560	1	1 Allowance	Life Safety System, Emergency Devices		2030	to 25	9	273,500.00	72%	196,920	196,920	0.7%																	
3.700	3	3 Each	Pumps, Cooling, 40-HP, Building Cooling (Incl. Controls & VFDs)		2027	to 30	6	34,000.00	72%	73,440	73,440	0.2%																	

RESERVE EXPENDITURES

Jordan Grand
Condominium Owners Association
Newry, Maine

Explanatory Notes:

- 1) 3.0% is the estimated Inflation Rate for estimating Future Replacement Costs.
2) FY2021 is Fiscal Year beginning May 1, 2021 and ending April 30, 2022.

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Unit Cost, \$	Percentage Ownership	Costs, \$		Percentage of Future Expenditures	RUL = 0 FY2021	1 2022	2 2023	3 2024	4 2025	5 2026	6 2027	7 2028	8 2029	9 2030	10 2031	11 2032	12 2033	13 2034	14 2035	15 2036	
						Useful	Remaining			Per Phase (2021)	Total (2021)																		
3.701	2	2 Each	Pumps, Cooling Tower, 40-HP, Cooling Tower (Incl. Controls & VFDs)	2043	to 30	22	34,000.00	72%	48,960	48,960	0.3%																		
3.702	3	3 Each	Pumps, Heating, 30-HP, Building Heating (Incl. Controls & VFDs)	2027	to 30	6	29,000.00	72%	62,640	62,640	0.2%								74,795										
3.820	1	1 Allowance	Security System, Room Access	2024	10 to 15	3	229,500.00	100%	229,500	229,500	2.0%					250,781													
3.821	2	1 Allowance	Security System, Surveillance System, Phased	2026	10 to 15	5 to 12	12,000.00	72%	8,640	17,280	0.2%							10,016							12,319				
3.860	1	1 Each	Storage Tank, Domestic Hot Water, Common	2032	to 40	11	116,500.00	72%	83,880	83,880	0.3%													116,110					
3.861	1	1 Each	Storage Tank, Domestic Hot Water, Shooters	2032	to 30	11	33,500.00	72%	24,120	24,120	0.1%													33,388					
3.862	7	4 Each	Storage Tanks, Expansion Tanks, Phased	2026	to 15	5 to 12	2,000.00	72%	5,040	10,080	0.1%							5,843							7,186				
3.960	1	1 Allowance	Water Filtration System	2037	to 15	16	100,000.00	72%	72,000	72,000	0.3%																		
Property Site Elements																													
4.040	3,800	3,800 Square Yards	Asphalt Pavement, Mill and Overlay, Driveway and Entrance Parking Area	2028	15 to 20	7	14.50	72%	39,672	39,672	0.4%									48,792									
4.041	5,800	5,800 Square Yards	Asphalt Pavement, Mill and Overlay, Upper Parking Area	2041	15 to 20	20	14.50	72%	60,552	60,552	0.3%																		
4.045	3,800	3,800 Square Yards	Asphalt Pavement, Total Replacement, Driveway and Entrance Parking Area	2044	15 to 20	23	32.50	72%	88,920	88,920	0.5%																		
4.046	5,800	5,800 Square Yards	Asphalt Pavement, Total Replacement, Upper Parking Area	2025	15 to 20	4	32.50	72%	135,720	135,720	1.1%						152,754												
4.140	21,000	3,500 Square Feet	Concrete Sidewalks, Phased	2025	to 35	4 to 4	12.50	72%	31,500	189,000	0.9%						35,454					41,100					47,647		
4.560	26	26 Each	Light Poles and Fixtures, Parking Areas	2026	to 25	5	3,400.00	72%	63,648	63,648	0.6%							73,785											
4.600	1	1 Allowance	Maintenance Vehicles, Skid Steer, CASE TR270	2034	to 20	13	50,000.00	72%	36,000	36,000	0.1%															52,867			
4.601	1	1 Allowance	Maintenance Vehicles, Truck, 2500HD	2025	to 10	4	45,000.00	72%	32,400	32,400	0.4%						36,466										49,008		
4.800	1	1 Allowance	Signage, Entrance Monument	2026	to 25	5	20,000.00	72%	14,400	14,400	0.1%							16,694											
4.810	3	3 Each	Staircases, Wood, Replacement	2026	to 20	5	19,800.00	72%	42,768	42,768	0.4%							49,580											
Pool Elements																													
6.200	3,950	3,950 Square Feet	Concrete Deck, Replacement (Includes Heating System)	2028	to 30	7	50.00	72%	142,200	142,200	0.5%									174,888									
6.400	200	200 Linear Feet	Fence, Wood	2042	15 to 20	21	36.00	72%	5,184	5,184	0.0%																		
6.600	2	1 Allowance	Mechanical Equipment, Phased	2024	to 15	3 to 10	19,000.00	72%	13,680	27,360	0.2%					14,949							18,385						
6.800	1,850	1,850 Square Feet	Pool Finish, Plaster	2028	8 to 12	7	15.00	72%	19,980	19,980	0.2%									24,573									
6.801	290	290 Linear Feet	Pool Finish, Tile	2028	15 to 25	7	37.00	72%	7,726	7,726	0.0%									9,502									
6.900	1,850	1,850 Square Feet	Structure and Deck, Total Replacement	2048	to 60	27	280.00	72%	372,960	372,960	2.3%																		
		1 Allowance	2022 Reserve Expenditures	2022	N/A	1	557,120	100%	557,120	557,120	1.5%		557,120																
			Anticipated Expenditures, By Year (\$36,058,737 over 30 years)										0	557,120	519,842	536,833	3,192,302	3,103,233	984,770	981,864	626,374	579,396	451,878	818,250	181,114	271,690	2,019,036	252,391	

RESERVE EXPENDITURES

Jordan Grand
Condominium Owners Association
Newry, Maine

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Unit Cost, \$	Percentage Ownership	Costs, \$		Percentage of Future Expenditures	16 2037	17 2038	18 2039	19 2040	20 2041	21 2042	22 2043	23 2044	24 2045	25 2046	26 2047	27 2048	28 2049	29 2050	30 2051			
						Useful	Remaining			Per Phase (2021)	Total (2021)																			
3.701	2	2 Each		Pumps, Cooling Tower, 40-HP, Cooling Tower (Incl. Controls & VFDs)	2043	to 30	22	34,000.00	72%	48,960	48,960	0.3%							93,812											
3.702	3	3 Each		Pumps, Heating, 30-HP, Building Heating (Incl. Controls & VFDs)	2027	to 30	6	29,000.00	72%	62,640	62,640	0.2%																		
3.820	1	1 Allowance		Security System, Room Access	2024	10 to 15	3	229,500.00	100%	229,500	229,500	2.0%								452,938										
3.821	2	1 Allowance		Security System, Surveillance System, Phased	2026	10 to 15	5 to 12	12,000.00	72%	8,640	17,280	0.2%					15,605							19,192						
3.860	1	1 Each		Storage Tank, Domestic Hot Water, Common	2032	to 40	11	116,500.00	72%	83,880	83,880	0.3%																		
3.861	1	1 Each		Storage Tank, Domestic Hot Water, Shooters	2032	to 30	11	33,500.00	72%	24,120	24,120	0.1%																		
3.862	7	4 Each		Storage Tanks, Expansion Tanks, Phased	2026	to 15	5 to 12	2,000.00	72%	5,040	10,080	0.1%					9,103							11,195						
3.960	1	1 Allowance		Water Filtration System	2037	to 15	16	100,000.00	72%	72,000	72,000	0.3%	115,539																	
				Property Site Elements																										
4.040	3,800	3,800 Square Yards		Asphalt Pavement, Mill and Overlay, Driveway and Entrance Parking Area	2028	15 to 20	7	14.50	72%	39,672	39,672	0.4%								78,296										
4.041	5,800	5,800 Square Yards		Asphalt Pavement, Mill and Overlay, Upper Parking Area	2041	15 to 20	20	14.50	72%	60,552	60,552	0.3%					109,364													
4.045	3,800	3,800 Square Yards		Asphalt Pavement, Total Replacement, Driveway and Entrance Parking Area	2044	15 to 20	23	32.50	72%	88,920	88,920	0.5%								175,491										
4.046	5,800	5,800 Square Yards		Asphalt Pavement, Total Replacement, Upper Parking Area	2025	15 to 20	4	32.50	72%	135,720	135,720	1.1%					245,125													
4.140	21,000	3,500 Square Feet		Concrete Sidewalks, Phased	2025	to 35	4 to 4	12.50	72%	31,500	189,000	0.9%				55,235				64,033					74,232					
4.560	26	26 Each		Light Poles and Fixtures, Parking Areas	2026	to 25	5	3,400.00	72%	63,648	63,648	0.6%															154,490			
4.600	1	1 Allowance		Maintenance Vehicles, Skid Steer, CASE TR270	2034	to 20	13	50,000.00	72%	36,000	36,000	0.1%																		
4.601	1	1 Allowance		Maintenance Vehicles, Truck, 2500HD	2025	to 10	4	45,000.00	72%	32,400	32,400	0.4%								65,863										
4.800	1	1 Allowance		Signage, Entrance Monument	2026	to 25	5	20,000.00	72%	14,400	14,400	0.1%															34,953			
4.810	3	3 Each		Staircases, Wood, Replacement	2026	to 20	5	19,800.00	72%	42,768	42,768	0.4%								89,547										
				Pool Elements																										
6.200	3,950	3,950 Square Feet		Concrete Deck, Replacement (Includes Heating System)	2028	to 30	7	50.00	72%	142,200	142,200	0.5%																		
6.400	200	200 Linear Feet		Fence, Wood	2042	15 to 20	21	36.00	72%	5,184	5,184	0.0%						9,644												
6.600	2	1 Allowance		Mechanical Equipment, Phased	2024	to 15	3 to 10	19,000.00	72%	13,680	27,360	0.2%		22,611						27,809										
6.800	1,850	1,850 Square Feet		Pool Finish, Plaster	2028	8 to 12	7	15.00	72%	19,980	19,980	0.2%		33,024																
6.801	290	290 Linear Feet		Pool Finish, Tile	2028	15 to 25	7	37.00	72%	7,726	7,726	0.0%																		
6.900	1,850	1,850 Square Feet		Structure and Deck, Total Replacement	2048	to 60	27	280.00	72%	372,960	372,960	2.3%												828,452						
				1 Allowance	2022 Reserve Expenditures	2022	N/A	1	557,120	100%	557,120	557,120	1.5%																	
				Anticipated Expenditures, By Year (\$36,058,737 over 30 years)												191,911	698,971	1,079,500	1,152,443	1,060,688	1,083,937	722,810	1,000,804	5,276,077	5,519,571	363,653	912,576	144,345	802,977	972,381

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS		Individual Reserve Budgets & Cash Flows for the Next 30 Years															
Jordan Grand																	
Condominium Owners Association																	
Newry, Maine		FY2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Reserves at Beginning of Year	(Note 1)	N/A	2,302,835	2,513,331	2,993,496	3,690,776	1,958,979	535,245	484,030	463,370	828,100	1,272,230	1,878,039	2,151,945	3,099,547	3,996,306	3,180,301
Total Recommended Reserve Contributions	(Note 2)	N/A	750,818	980,800	1,210,800	1,440,800	1,670,800	930,000	957,900	986,600	1,016,200	1,046,700	1,078,100	1,110,400	1,143,700	1,178,000	1,213,300
Estimated Interest Earned, During Year	(Note 3)	N/A	16,798	19,207	23,313	19,705	8,699	3,555	3,304	4,504	7,326	10,987	14,056	18,316	24,749	25,031	25,625
Anticipated Expenditures, By Year		N/A	(557,120)	(519,842)	(536,833)	(3,192,302)	(3,103,233)	(984,770)	(981,864)	(626,374)	(579,396)	(451,878)	(818,250)	(181,114)	(271,690)	(2,019,036)	(252,391)
Anticipated Reserves at Year End		\$2,302,835	\$2,513,331	\$2,993,496	\$3,690,776	\$1,958,979	\$535,245	\$484,030	\$463,370	\$828,100	\$1,272,230	\$1,878,039	\$2,151,945	\$3,099,547	\$3,996,306	\$3,180,301	\$4,166,835
Predicted Reserves based on 2022 funding level of:		\$750,818	2,302,835	2,513,331	2,762,709	2,996,782	567,730	(1,788,944)	(2,036,237)								

(continued)		Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued															
		2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	
Reserves at Beginning of Year		4,166,835	5,257,494	5,884,584	6,172,938	6,430,052	6,822,185	7,236,080	8,058,916	8,653,501	5,008,273	1,140,849	2,469,388	3,306,959	4,973,394	6,044,244	
Total Recommended Reserve Contributions		1,249,700	1,287,200	1,325,800	1,365,600	1,406,600	1,448,800	1,492,300	1,537,100	1,583,200	1,630,700	1,679,600	1,730,000	1,781,900	1,835,400	1,890,500	
Estimated Interest Earned, During Year		32,870	38,861	42,054	43,957	46,221	49,032	53,346	58,289	47,649	21,447	12,592	20,147	28,880	38,427	45,523	
Anticipated Expenditures, By Year		(191,911)	(698,971)	(1,079,500)	(1,152,443)	(1,060,688)	(1,083,937)	(722,810)	(1,000,804)	(5,276,077)	(5,519,571)	(363,653)	(912,576)	(144,345)	(802,977)	(972,381)	
Anticipated Reserves at Year End		\$5,257,494	\$5,884,584	\$6,172,938	\$6,430,052	\$6,822,185	\$7,236,080	\$8,058,916	\$8,653,501	\$5,008,273	\$1,140,849	\$2,469,388	\$3,306,959	\$4,973,394	\$6,044,244	\$7,007,886	
												(Note 5)					(Note 4)

Explanatory Notes:

- 1) Year 2021 ending reserves are projected by Management as of April 30, 2022; FY2021 starts May 1, 2021 and ends April 30, 2022.
- 2) 2023 is the first year of recommended contributions.
- 3) 0.7% is the estimated annual rate of return on invested reserves
- 4) Accumulated year 2051 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Years (reserve balance at critical point).

FIVE-YEAR OUTLOOK

Jordan Grand
Condominium Owners Association
Newry, Maine

Line Item	Reserve Component Inventory	RUL = 0 FY2021	1 2022	2 2023	3 2024	4 2025	5 2026
<u>Exterior Building Elements</u>							
1.115	Balconies, Wood, Paint Finishes and Partial Replacement				65,400		
1.865	Walls, Siding, Wood, Paint Finishes			166,901			
<u>Interior Building Elements</u>							
2.060	Ceilings, Acoustical Tiles, Grid and Lighting, Hallways, Phased			79,918	82,315		
2.100	Elevator Cab Finishes			61,108			
2.160	Exercise Equipment, Phased			25,665			
2.200	Floor Coverings, Carpet, Hallways, Phased			64,110	66,033		
2.600	Lobby, Renovation, Complete			91,662			
2.680	Locker Rooms, Renovation						86,806
2.800	Paint Finishes, Hallways, Phased			30,478	31,392		
2.900	Rest Rooms, Renovation				25,963		
<u>Interior Building Elements - Guest Rooms</u>							
2.986	Furnishings, Phased					787,856	811,492
2.988	Guest Rooms, Renovations, Complete					1,413,076	1,455,469
2.994	Mattresses, Phased					182,332	187,802
2.997	Rest Rooms, Fixtures					393,928	405,746
<u>Building Services Elements</u>							
3.050	Air Handling Units, Make-up Air					137,762	
3.170	Building Automation System, Partial Replacements and Upgrades					24,311	
3.555	Life Safety System, Control Panel					28,363	
3.820	Security System, Room Access				250,781		
3.821	Security System, Surveillance System, Phased						10,016
3.862	Storage Tanks, Expansion Tanks, Phased						5,843
<u>Property Site Elements</u>							
4.046	Asphalt Pavement, Total Replacement, Upper Parking Area					152,754	
4.140	Concrete Sidewalks, Phased					35,454	
4.560	Light Poles and Fixtures, Parking Areas						73,785
4.601	Maintenance Vehicles, Truck, 2500HD					36,466	
4.800	Signage, Entrance Monument						16,694

FIVE-YEAR OUTLOOK

Jordan Grand
Condominium Owners Association
Newry, Maine

Line Item	Reserve Component Inventory	RUL = 0 FY2021	1 2022	2 2023	3 2024	4 2025	5 2026
4.810	Staircases, Wood, Replacement						49,580
<u>Pool Elements</u>							
6.600	Mechanical Equipment, Phased					14,949	
2022 Reserve Expenditures			557,120				
Anticipated Expenditures, By Year (\$36,058,737 over 30 years)		0	557,120	519,842	536,833	3,192,302	3,103,233

4. RESERVE COMPONENT DETAIL

The Reserve Component Detail of this *Full Reserve Study* includes enhanced solutions and procedures for select significant components. This section describes the Reserve Components, documents specific problems and condition assessments, and may include detailed solutions and procedures for necessary capital repairs and replacements for the benefit of current and future board members. We advise the Board use this information to help define the scope and procedures for repair or replacement when soliciting bids or proposals from contractors. *However, the Report in whole or part is not and should not be used as a design specification or design engineering service.*

Exterior Building Elements



Front elevation overview



Front elevation overview



Side elevation



Side elevation



Rear elevation overview



Rear elevation overview

Balconies, Wood

Line Item: 1.120

Quantity: 90 wood balconies comprise a total of 6,300 square feet

History: Original with a history of partial replacements and repairs

Condition: Reported satisfactory. Management inform us the balconies were professionally inspected in 2022 and are in satisfactory and sound condition.



Balconies



Balcony at flat roof



Balcony

Wood and finish deterioration

Useful Life: Up to 35 years with paint finishes and repairs every four- to six-years.

Component Detail Notes: Balcony construction includes the following:

- Deck boards fastened with screws
- Wood railings with vertical pickets
- Column and roof supported frames
- Metal joist hanger fasteners
- Flat roofs at some balconies

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - o Inspect to identify and correct any unsafe conditions
 - o Secure loose fasteners and replace deteriorated fasteners
 - o Replace deteriorated wood components
 - o Check railing stability and fasteners
- Every three years:
 - o Power wash with algaecide and application of sealer/stain if applicable

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our cost for paint finishes and repairs includes paint finishes, replacement of up to twenty percent (20.0%) of the deck boards and replacement of up to one percent (1.0%) of the railings and frames. Our cost for replacement includes replacement of the flat roofs at the balconies supported by roofs.

Doors, Entrances

Line Items: 1.160 and 1.181

Quantity: One entrance door system at the lobby and five entrance door systems at the various entrances south of the main entrance.

History: Original

Condition: Reported satisfactory



Main entrance doors

Useful Life: Up to 25 years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - o Inspect and repair any damage, base corrosion or alignment issues
 - o Replace deteriorated hardware and loose weather stripping
 - o Periodic touch-up paint finish applications as needed

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association is responsible for seventy-two percent (72.0%) of this component, Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Light Fixtures

Line Item: 1.260

Quantity: Approximately 90 exterior light fixtures at the balconies

History: Original

Condition: Reported satisfactory



Balcony light fixture

Useful Life: Up to 20 years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- As-needed:
 - o Replace burned out bulbs at common fixtures as needed
 - o Inspect and repair broken or dislodged fixtures
 - o Ensure a waterproof seal between the fixture and building exists

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Portico Refinishing and Repairs

Line Item: 1.270

Quantity: 1,500 square feet

History: Original; the Portico will be refinished and repaired in 2022.

Condition: Poor overall with wood split and rot evident



Portico overview



Wood split and rot and portico beams

Useful Life: Indefinite with refinishing and repairs up to every 20 years.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association is responsible for seventy-two percent (72.0%) of this component. Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Roofs, Asphalt Shingles

Line Item: 1.280

Quantity: Approximately 700 squares¹

History: The roofs are currently undergoing the final phase of replacement. Roof replacement began in 2018. The final sections of remaining original asphalt shingle roofs will be replaced in 2022.

Condition: We assume the roofs will be in satisfactory condition upon completion of the ongoing roof replacement project.

¹ We quantify the roof area in squares where one square is equal to 100 square feet of surface area.



Replaced roof overview



Replaced roof overview



Replaced roof overview



Remaining original roof section

Useful Life: 15- to 20-years

Component Detail Notes: The existing roof assembly comprises the following:

- Laminate shingles
- Boston style ridge caps
- Rubber seal with metal base boot flashing at waste pipes
- Soffit and ridge vents
- Metal drip edge
- Open valleys with metal W flashing at the replaced roof sections
- Enclosed half weaved valleys at the original roof sections
- Standing seam metal roofs at the eaves at the replaced roof sections

Insulation and ventilation are two major components of a sloped roof system. Together, proper insulation and ventilation help to control attic moisture and maintain an energy efficient building. Both insulation and ventilation prevent moisture buildup which can cause wood rot, mold and mildew growth, warp sheathing, deteriorate shingles, and eventually damage building interiors. Sufficient insulation helps to minimize the quantity

of moisture that enters the attic spaces and adequate ventilation helps to remove any moisture that enters the attic spaces. These two roof system components also help to reduce the amount of energy that is required to heat and cool a building. Proper attic insulation minimizes heat gain and heat loss between the residential living spaces and attic spaces. This reduces energy consumption year-round. Proper attic ventilation removes excessive heat from attic spaces that can radiate into residential living spaces and cause air conditioners to work harder. Properly installed attic insulation and ventilation work together to maximize the useful life of sloped roof systems.

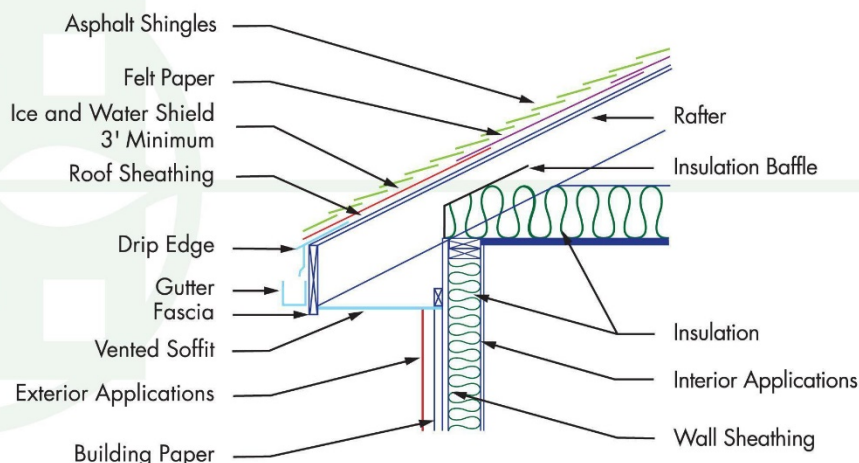
The vents should be clear of debris and not blocked from above by attic insulation. If the soffit vents are blocked from above, installation of polystyrene vent spaces or baffles between the roof joists at these locations can ensure proper ventilation.

Certain characteristics of condition govern the times of replacement. Replacement of an asphalt shingle roof becomes necessary when there are multiple or recurring leaks and when the shingles begin to cup, curl and lift. These conditions are indications that the asphalt shingle roof is near the end of its useful life. Even if the shingles are largely watertight, the infiltration of water in one area can lead to permanent damage to the underlying roof sheathing. This type of deterioration requires replacement of saturated sections of sheathing and greatly increases the cost of roof replacement. Roof leaks may occur from interrelated roof system components, i.e., flashings. Therefore, the warranty period, if any, on the asphalt shingles, may exceed the useful life of the roof system.

Warranties are an indication of product quality and are not a product guarantee. Asphalt shingle product warranties vary from 20- to 50-years and beyond. However, the scope is usually limited to only the material cost of the shingles as caused by manufacturing defects. Warranties may cover defects such as thermal splitting, granule loss, cupping, and curling. Labor cost is rarely included in the remedy so if roof materials fail, the labor to tear off and install new shingles is extra. Other limitations of warranties are exclusions for "incidental and consequential" damages resulting from age, hurricanes, hail storms, ice dams, severe winds, tornadoes, earthquakes, etc. There are some warranties which offer no dollar limit for replacement at an additional cost (effectively an insurance policy) but again these warranties also have limits and may not cover all damages other than a product defect. We recommend a review of the manufacturers' warranties as part of the evaluation of competing proposals to replace a roof system. This evaluation should identify the current costs of remedy if the roof were to fail in the near future. A comparison of the costs of remedy to the total replacement cost will assist in judging the merits of the warranties.

The following cross-sectional schematic illustrates a typical asphalt shingle roof system although it may not reflect the actual configuration at Jordan Grand Condominium Owners Association:

ROOF SCHEMATIC



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Contractors use one of two methods for replacement of sloped roofs, either an overlayment or a tear-off. Overlayment is the application of new shingles over an existing roof. However, there are many disadvantages to overlayment including hidden defects of the underlying roof system, absorption of more heat resulting in accelerated deterioration of the new and old shingles, and an uneven visual appearance. Therefore, we recommend only the tear-off method of replacement. The tear-off method of replacement includes removal of the existing shingles, flashings if required and underlayments.

Preventative Maintenance Notes: We recommend the Association maintain a service and inspection contract with a qualified professional and record all documentation of repairs conducted. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - o Record any areas of water infiltration, flashing deterioration, damage or loose shingles
 - o Implement repairs as needed if issues are reoccurring
 - o Trim tree branches that are near or in contact with roof
- As-needed:
 - o Ensure proper ventilation and verify vents are clear of debris and not blocked from attic insulation

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The estimate of cost is based on the cost of the remaining 2022 roof replacement contract. The Association is responsible for seventy-two percent (72.0%) of this component. Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Roofs, EPDM

Line Item: 1.380

Quantity: Approximately 4,500 square feet of ethylene propylene diene monomer (EPDM) roofing at the lower roofs at the front elevation of the building.

History: Unknown

Condition: Reported satisfactory without leaks. We were unable to inspect the flat roofs due to snow cover.



Flat roof overview

Useful Life: 15- to 20-years

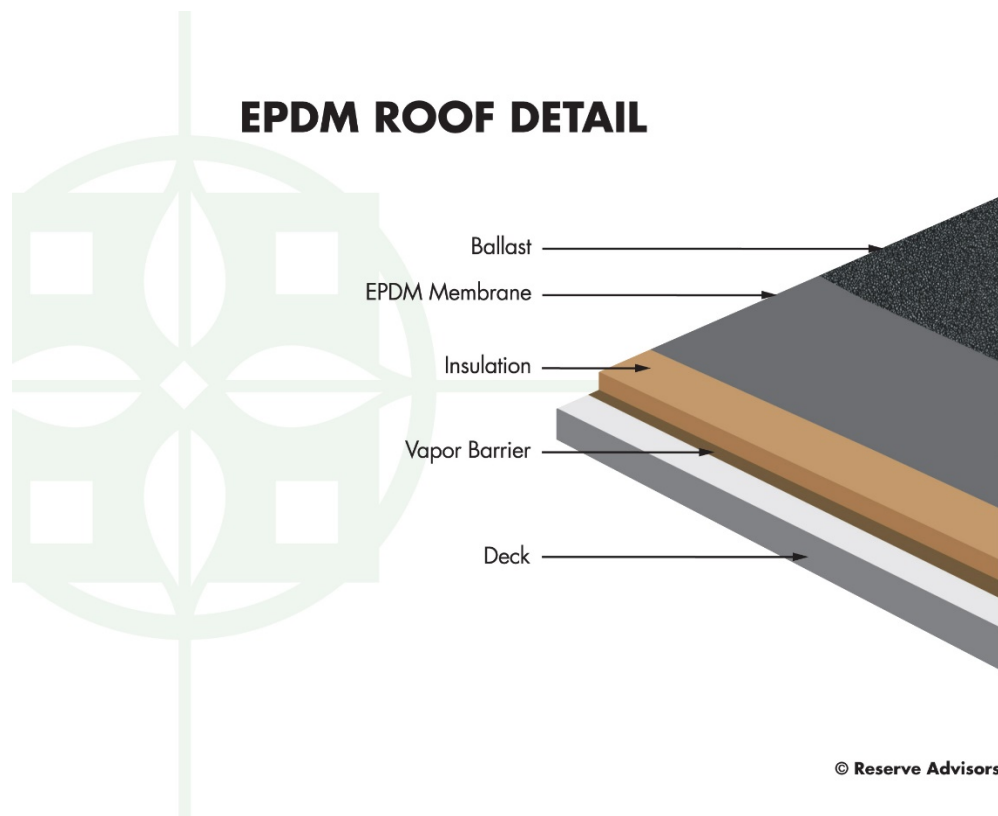
Component Detail Notes: EPDM membrane roofing is a synthetic-rubber compound that provides outstanding physical performance properties and weathering characteristics. EPDM is a single-ply roof membrane which is used on flat and low-pitch roofs. Unlike built-up roofing systems, EPDM roofs require a less labor intensive installation.

Over time, exposure to ultraviolet light, heat and weather degrade the membrane. This degradation results in membrane damage from thermal expansion and contraction, adverse weather and pedestrian traffic. The aging process makes the membrane less pliable and more difficult to maintain. Ponding water on the roof can increase the effects of ultraviolet light on the membrane and contaminants in ponded water can cause the membrane to deteriorate prematurely.

Contractors can install a new EPDM roof in one of two ways: *tear-off* or an *overlay*. An *overlay* is the application of a new roof membrane over an existing roof. This method, although initially more economical, often covers up problems with the deck, flashing and saturated insulation. The *tear-off* method of replacement includes removal of the existing roofing, flashings and insulation, and installation of a new roofing system.

The contractor should follow the manufacturer's directions and specifications upon installation of the roof. The contractor should remove the original insulation if saturated or compacted and apply a new layer of insulation per the manufacturer's instructions. The insulation should fit loosely with gaps no greater than ¼ inch. Gaps will cause failure of the membrane later. Mechanical fastening of the insulation is the best manner of installation. The contractor should start the installation of a roof membrane from the lowest points of the roof. The exposed top of an EPDM membrane (synthetic rubber) roof system ranges in thickness from 45- to 120-mils but 60 mils is most common. Seams overlap one another with a chemical or thermoset heat weld.

The following detail depicts a typical EPDM roof although it may not reflect the actual configuration at Jordan Grand Condominium Owners Association:



Preventative Maintenance Notes: We recommend the Association maintain a service and inspection contract with a qualified professional and record all documentation of repairs conducted. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:

- o Note drainage issues with water ponding after 48 hours of rainfall event. Verify scuppers and drains are free of debris. Replace damaged or missing drain covers.
- o Inspect perimeter flashing for loose fasteners, deflections, and sealant damage
- o Verify membrane surface is free of ruptures or damage, and areas of extensive blistering or bubbling
- o Remove oil spills or contaminants from mechanical equipment
- o In areas of possible foot traffic, remove any sharp debris or trash and note areas of crushed insulation
- o If frequency of leaks increase or location of water infiltration is unknown, we recommend the consideration of a thermal image inspection

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association is responsible for seventy-two percent (72.0%) of this component, Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Walls, Siding, Wood

Line Items: 1.865 and 1.870

Quantity: Approximately 45,900 square feet of the exterior walls.

History:

- Siding: Original
- Paint Finishes: Unknown

Condition: The siding is in fair overall condition and the paint finishes are in fair overall condition with finish and wood deterioration evident.



Wood siding overview



Finish deterioration



Siding overview with finish deterioration and displaced shakes



Siding finish deterioration and warp



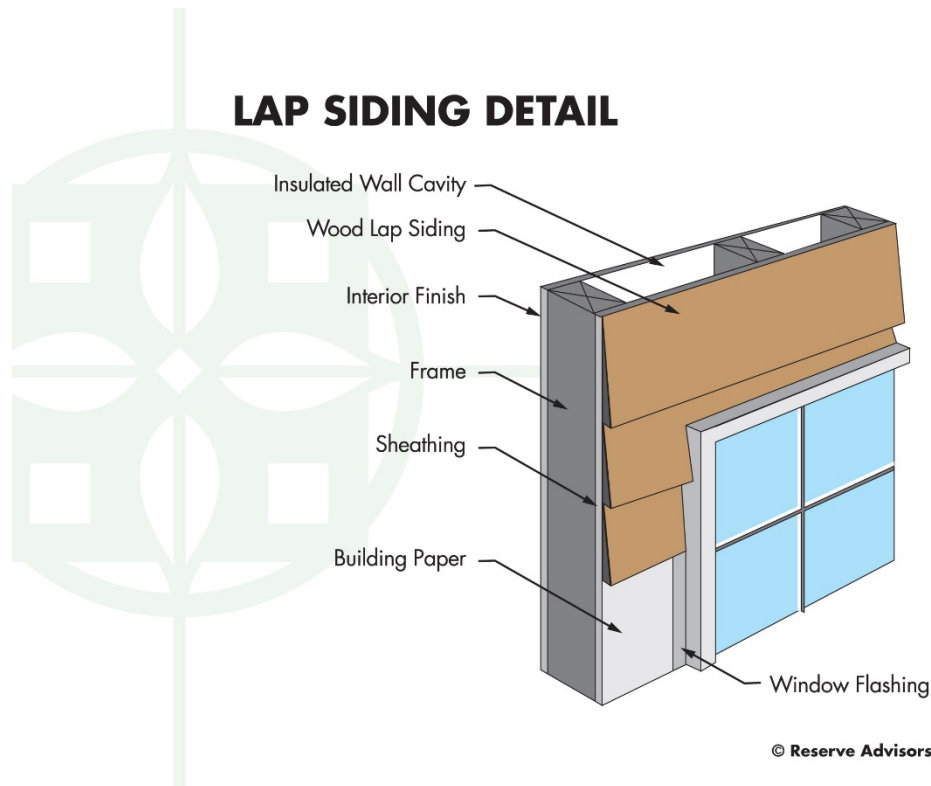
Siding rot and finish deterioration



Siding deterioration and finish deterioration at chimney chase

Useful Life: With the benefit of periodic maintenance, applications of this type of material can have a useful life of 30- to 40-years. This useful life is dependent upon timely paint applications and partial replacements of deteriorated siding up to every four- to six-years.

Component Detail Notes: Wood siding is not watertight and is especially prone to water penetration at joints and knots. Therefore, wood siding should be installed over a continuous weather resistant barrier. The weather resistant barrier should include water-vapor permeable building paper and properly integrated flashing around all penetrations. The following graphic details the typical components of a wood siding system:



Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - o Inspect and repair loose siding, warping, wildlife damage and sealant deterioration
 - o Inspect and repair finish deterioration, peeling and chipping
 - o Touch-up paint finishes as necessary to ensure a uniform finish in between complete finish applications

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Additionally, the Association should consider replacement of the siding with fiber cement siding. While the installation cost of fiber

cement is greater, the annual cost of ownership is less than that of wood siding as illustrated in the following cost analysis table:

Siding Material	Wood	Fiber Cement
Cost in 2022 Dollars	\$550,800	\$918,000
Divided by its Useful Life (Years)	35	50
Equals Cost of Ownership ¹ Relating to Eventual Replacement, in 2022 Dollars	\$15,737	\$18,360
Total Life-Cycle Maintenance Costs, in 2022 Dollars	\$218,500	\$160,000
Divided by Life-Cycle of Each Maintenance Event (Years)	5	10
Cost of Ownership for Maintenance During Remaining Useful Life, in 2022 Dollars	\$43,700	\$16,000
Total Annual Cost of Ownership (2022 dollars)	\$59,437	\$34,360

¹ Cost of Ownership is a method to describe the direct and indirect costs to purchase and maintain an element through its entire useful life.

The Association is responsible for seventy-two percent (72.0%) of this component, Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Windows & Doors

Line Item: 1.980

Quantity: 11,240 square feet

History: Original

Condition: Reported generally satisfactory with a limited history of operational deficiencies.



Windows

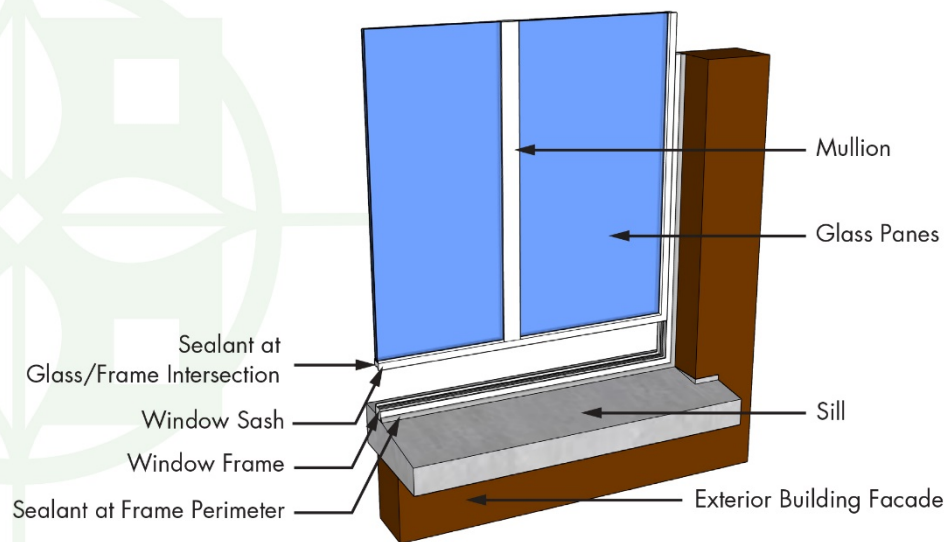


Windows

Useful Life: Up to 35 years

Component Detail Notes: The following schematic depicts the typical components of a window system although it may not reflect the actual configuration at Jordan Grand Condominium Owners Association:

WINDOW DETAIL



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Properly designed window and door assemblies anticipate the penetration of some storm water beyond the gaskets. This infiltrated storm water collects in an internal drainage system and drains, or exits, the frames through weep holes. These weep holes can become clogged with dirt or if a sealant is applied, resulting in trapped storm water.

However, as window frames, gaskets and sealants deteriorate, leaks into the interior can result. The windows and doors will eventually need replacement or major capital repairs to prevent water infiltration and damage from wind driven rain.

The thermal efficiencies of the window and door assemblies are affected by their design and construction components. These components include glazings, thickness of air space between glazings, low-conductivity gas, tinted coatings, low-e coatings and thermal barriers. The Association should thoroughly investigate these component options at the time of replacement. Some manufacturers may include these components as part of the standard product and other manufacturers may consider these components as options for an additional cost. Jordan Grand Condominium Owners Association should review the specifications provided by the manufacturers to understand the thermal design and construction components of the proposed assemblies.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - o Inspect and repair loose weather stripping and/or lock damage
 - o Inspect for broken glass and damaged screens
 - o Record instances of water infiltration, trapped moisture or leaks
- As-needed:
 - o Verify weep holes are unobstructed and not blocked with dirt or sealant, if applicable
 - o Replace damaged or deteriorated sliding glass rollers, if applicable

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Interior Building Elements

Ceilings, Acoustical Tiles, Grid and Lighting, Hallways

Line Item: 2.060

Quantity: 16,740 square feet at the hallways

History: Original

Condition: Fair overall with stains and deterioration evident



Acoustical tile deterioration



Stains

Useful Life: Up to 30 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association is responsible for seventy-two percent (72.0%) of this component, Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Elevator Cab Finishes

Line Item: 2.100

Quantity: Four elevator; the cab finishes consist of:

- Carpet floor coverings
- Laminate wall coverings
- Metal ceiling finishes

History: Original

Condition: Fair to poor overall with deterioration and damage evident



Elevator cab finishes
Note: Carpet stains and wall damage.

Useful Life: Up to 20 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association is responsible for seventy-two percent (72.0%) of this component, Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Exercise Equipment

Line Item: 2.160

Quantity: The exercise room contains the following types of cardiovascular aerobic training equipment:

- Ellipticals (2)
- Stationary cycles (2)
- Steppers (2)
- Television
- Treadmills (2)

The exercise room contains the following types of strength training equipment:

- Benches
- Weight training machines (2)

History: Original

Conditions: Reported unsatisfactory



Cardiovascular exercise equipment



Exercise room



Strength training exercise equipment

Useful Life: The useful life of cardiovascular equipment is up to five years. The useful life of strength training equipment is up to 15 years.

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The estimate of cost includes replacement of the cardiovascular equipment and replacement of up to fifty percent of the strength training equipment. The Association is responsible for seventy-two percent (72.0%) of this component, Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Exercise Room

Line Item: 2.180

Quantity: The exercise room components include:

- Rubber floor coverings
- Paint finishes at the walls
- Paint finishes at the ceilings
- Light fixtures
- Furnishings

History: Original; Floor replaced at some point

Condition: Good to fair overall with no significant deterioration evident.



Exercise room finishes

Useful Life: Renovation up to every 10 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association is responsible for seventy-two percent (72.0%) of this component, Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Floor Coverings, Carpet, Hallways

Line Item: 2.200

Quantity: Approximately 2,180 square yards at the hallways (Contractor measurements will vary from the actual floor area due to standard roll lengths, patterns and installation waste.)

History: Original

Condition: Fair to poor overall with general deterioration evident.



Hallway overview



Stairwell carpet deterioration

Useful Life: 8- to 12-years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association is responsible for seventy-two percent (72.0%) of this component, Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Lobby

Line Item: 2.600

Quantity: The lobby components include:

- Artwork
- Carpet floor coverings
- Fireplace and chimney
- Vinyl wall coverings and paint finishes
- Paint finishes at the ceilings
- Reception desk
- Furnishings
- Light fixtures

History: Original

Condition: Fair overall with general deterioration evident



Lobby



Lobby



Lobby carpet deterioration

Useful Life: Renovation up to every 15 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association is responsible for seventy-two percent (72.0%) of this component, Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Locker Rooms

Line Item: 2.680

Quantity: Two each. The locker room components include:

- Paint finishes on the walls and ceilings
- Tile floor and wall coverings

- Lockers
- Light fixtures
- Plumbing fixtures

History: Original

Condition: Fair overall with general deterioration evident



Locker room overview



Metal lockers



Locker room showers



Sauna finishes
Note: General wood deterioration.



Steam room

Useful Life: Renovation up to every 20 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association is responsible for seventy-two percent (72.0%) of this component, Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Paint Finishes, Hallways

Line Item: 2.800

Quantity: Approximately 53,200 square feet at the hallways

History: Unknown

Condition: Reported unsatisfactory



Hallway paint finishes

Useful Life: 8- to 12-years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Rest Rooms

Line Item: 2.900

Quantity: The rest room components include:

- Tile floor coverings
- Paint finishes at the walls
- Acoustical ceiling tiles and grid
- Light fixtures
- Plumbing fixtures

History: Original

Condition: Fair overall with general deterioration evident



Rest room overview

Useful Life: Renovation up to every 20 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association is responsible for seventy-two percent (72.0%) of this component, Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Interior Building Elements – Guest Rooms



Standard guest room



Guest room living room



Guest room kitchen



Guest room kitchen



Guest room kitchen



Guest room rest room

Furnishings

Line Item: 2.986

Quantity: Furnishings and components in the guest rooms include but are not limited to the following elements:

- Artwork
- Beds
- Chairs
- Desks
- Dressers
- Lamps
- Murphy beds
- Sofas
- Tables

- Televisions
- Window treatments

History: Various ages

Condition: Varies from good to fair overall

Useful Life: Varies significantly up to 20 years

Criticality: Per Management discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Guest Rooms

Line Items: 2.988 and 2.989

Quantity: The guest room components include:

- Appliances
- Carpet floor coverings
- Tile floor coverings at the rest rooms and kitchens
- Cabinets and countertops at the kitchens
- Paint finishes at the walls
- Paint finishes at the ceilings
- Light fixtures

History: Primarily original; the carpet floor coverings were replaced in 2011

Condition: Fair overall with general wear and deterioration evident.

Useful Life: Complete renovation up to every 20 years and partial renovation up to every 10 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The complete renovation should include replacement of all components listed above and the partial renovations should include the following:

- Application of paint finishes and carpet replacement
- Replacement of up to fifty percent (50%) of the appliances

Mattresses

Line Item: 2.994



Quantity: Approximately 405 mattresses at the guest rooms

History: Original

Condition: Reported satisfactory

Useful Life: Up to five years

Priority/Criticality: Per Management discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Rest Rooms, Fixtures

Line Item: 2.997

Quantity: The rest room fixtures include:

- Bathtubs
- Showers
- Sinks
- Toilets

History: Original

Condition: Reported satisfactory

Useful Life: Renovation up to every 25 years

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Building Services Elements

Air Handling Unit, Heat Pumps

Line Item: 3.030

Quantity: 319 heat pumps comprising 271 at the guest rooms and 48 throughout the common areas.

History: Replaced 2019-2022

Condition: Reported satisfactory



Guest room heat pump

Useful Life: 15- to 20-years

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - Lubricate motors and bearings
 - Change or clean air filters as needed
 - Inspect base pan, cabinet and clear obstructions as necessary
 - Check for unusual noise or vibration
- Annually:
 - Clean drain pans, clean fan assembly, inspect fan drive system and controls
 - Inspect and clean accessible ductwork as needed
 - Check fan belt alignment and tension

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association should fund capital repairs, including replacement of the heating and cooling coils, fan or fan motor and the drain pan, through the operating budget.

Air Handling Units, Make-up Air

Line Item: 3.050

Quantity: Four make-up air units which serve the hallways and lobby

History: Original

Condition: Reported satisfactory without operational deficiencies



Make-up air unit



Make-up air unit

Useful Life: Up to 25 years

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Monthly:
 - Change or clean air filters as needed
- Semi-annually:
 - Lubricate motors and bearings
 - Inspect base pan, cabinet and clear obstructions as necessary
 - Check belt tension and alignment
- Annually:
 - Clean drain pans, clean fan assembly, inspect fan drive system and controls
 - Inspect and clean accessible ductwork as needed
 - Replace belts
 - Clear burners of debris if applicable

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association is responsible for seventy-two percent (72.0%) of this component, Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Building Automation System

Line Item: 3.170

History: Original

Condition: Reported satisfactory

Useful Life: Partial replacements and upgrades up to every five years

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan and maintain a maintenance contract with a qualified professional. We recommend the Association periodically inspect for loose wiring and verify controls and sensors are operational to maximize the remaining useful life.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association is responsible for seventy-two percent (72.0%) of this component, Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Cooling Tower

Line Items: 3.260 and 3.265

Quantity: One two-cell *Evapco* cooling tower

History: Installed in 2012

Condition: Reported satisfactory



Cooling tower

Useful Life: Replacement every 25- to 35-years with capital repairs every 10- to 15-years

Component Detail Notes: Proper maintenance includes the following:

- Keeping all areas free of debris and build-up
- Effective water treatment program
- Seasonal testing of valves and controls for proper operation
- Inspection, adjustment and repairs of mechanical components as recommended by the manufacturer
- Annual inspection of components for corrosion or decay
- Capital repairs every 10- to 15-years

Capital repairs include a complete inspection of the cooling tower, pumps, motor drives and controls, replacement of the fill media, spray nozzles and any corroded areas, application of an internal protective coating and structural repairs. In addition, capital repairs may include partial or complete replacement of the motors, pumps, controls and valves.

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Daily:
 - o Routine visual and audial assessments to determine if any unusual noises or vibrations are coming from the unit
 - o Check basin water and operating oil levels and adjust as needed
 - o Check surroundings and ensure paths to the cooling tower are clear of obstructions and trip hazards
- Weekly:
 - o Inspect air inlet louvers/shields for blockages
 - o Check for water leakage
- Monthly:
 - o Inspect for fill media for displacement, damage, dry spots and obstructions. Dry spots may indicate cracks or clogs with the spray nozzles.
 - o Check oil seals and oil static levels
 - o Check make-up valve, bleed rate and belt condition
 - o Conduct water treatment analysis
- Quarterly:
 - o Inspect cold water basin and spray nozzles
 - o Inspect the fill media for scale buildups. Descaling will increase energy conservations.
 - o Flush water distribution system, drain basin and piping

- o Adjust belt tension
- o Lubricate fan shaft bearings and motor base
- o Check motor voltage and current
- o Clean fan motor exterior
- o Check fan drain holes for obstructions
- o Check fan clearance and balance
- Annually:
 - o Complete inspection of components for corrosion or decay
 - o Check drive alignment
 - o Coat steel shafts with corrosion inhibitor as needed
 - o Pressure wash components including fill and basin
- Seasonal
 - o Drain and sanitize

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association is responsible for seventy-two percent (72.0%) of this component, Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Elevators, Hydraulic

Line Items: 3.320 and 3.330

Quantity: Five hydraulic elevators

History: Original

Condition: Reported satisfactory and service interruptions are reportedly infrequent



Hydraulic elevator equipment



Hydraulic elevator equipment

Useful Life: Pumps and controls have a useful life of up to 35 years. Cylinders have a useful life of up to 45 years.

Component Detail Notes: Major components in a hydraulic elevator system include the pump, controls, cylinder, fluid reservoir and a valve between the cylinder and reservoir. Once activated by the elevator controls, the pump forces hydraulic fluid from the reservoir into the cylinder. The piston within the cylinder rises lifting the elevator cab. The elevator cab lowers at a controlled rate when the controls open the valve.

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. The Association has a current preventative maintenance contract in place. We also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Ongoing:
 - Maintain a maintenance contract with a qualified professional for the elevator(s) and follow the manufacturer's specific recommended maintenance plan adhering to local, state, and/or federal inspection guidelines
- As-needed:
 - Keep an accurate log of all repairs and inspection dates
 - Inspect and adjust misaligned door operators
 - Check for oil leaks or stains near the pump housing and confirm oil levels are adequate
 - Clear and remove any items located in the elevator machine room(s) not associated with the elevator components (These rooms should never be used for storage)
 - Lubricate the hydraulic cylinders
 - Inspect electrical components for signs of overheating or failure
 - Inspect spring buffers in elevator pit for signs of corrosion or loose attachments
 - Ensure air temperature and humidity of machine/pump housing room meets the designated specified range for proper operation
 - Ensure all call buttons are in working condition
 - Check elevator cabs for leveling accuracy to prevent tripping hazards

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We anticipate the following hydraulic elevator system components will require replacement:

- Cab control panels
- Door operators
- Hallway panels/buttons

- Microprocessor based controllers
- Pumps (Power Unit)

These costs may vary based on the desired scope of the actual replacements, changes in technology and requirements of local codes or ordinances at the actual times of replacements. However, we judge our estimated costs sufficient to budget appropriate reserves at this time. The Association should require the contractor to verify that elevator component replacements include all of the necessary features for the latest in elevator code compliance. The Association is responsible for seventy-two percent (72.0%) of this component, Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Generator, Emergency

Line Item: 3.440

Quantity: One 60-kW (kilowatt) diesel generator

History: Original

Condition: Reported satisfactory without operational deficiencies



Generator

Useful Life: Up to 35 years

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. The Association conducts weekly load tests. We also recommend the Association maintain a maintenance contract with a qualified professional. As a reference, the Association may consult the following document: *NFPA 110, Standard for Emergency and Standby Power Systems*. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Weekly:

- o Check fuel and oil levels
- o Inspect cooling and exhaust systems
- o Check battery, electrical components and transfer switches
- o Run generator without load and look for unusual conditions such as leaks
- Monthly:
 - o Exercise generator under load test for minimum of 30 minutes
 - o Check oil levels before running and after 10 minutes of run time
- Annually:
 - o Complete full inspection and necessary repairs
 - o Change fuel and air filters
 - o Change oil and replace oil filter
 - o Change spark plugs
 - o Flush cooling system

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our estimate of cost includes replacement of the transfer switch. We recognize that the transfer switch may require replacement prior to the replacement of the generator. For purposes of this Reserve Study, we assume coordination of replacement with the generator. The Association is responsible for seventy-two percent (72.0%) of this component, Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Heat Exchanger

Line Items: 3.460 and 3.465

Quantity: One plate style heat exchanger

History: Installed in 2013.

Condition: Reported satisfactory without operational deficiencies



Heat exchanger

Useful Life: Up to 25 years

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the type of heat exchanger, unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to conduct on an annual basis to maximize the remaining useful life:

- Remove, inspect and clean plates or tube bundles
- Inspect tubes for leaks or splits
- Replace plates exhibiting corrosion, pinholes or any other damage
- If sacrificial anodes are used, inspect and replace as needed
- Inspect and replace damaged or worn gaskets and port rings

Component Detail Notes: The Association may choose to rebuild the heat exchangers prior to complete replacement. However, this activity becomes less desirable as heat exchangers age due to the scarcity of parts. We regard interim replacements of exchanger platers or tubes as normal maintenance and base our estimates on complete replacements.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association is responsible for seventy-two percent (72.0%) of this component, Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Life Safety System

Line Items: 3.555 and 3.560

Quantity: The life safety system at Jordan Grand Condominium Owners Association includes the following components:

- Audio/visual fixtures
- Control panel
- Detectors
- Emergency light fixtures
- Exit light fixtures
- Magnetic door holders
- Pull stations
- Wiring

History: Original

Conditions: Reported satisfactory



Control panel



Emergency devices

Useful Life: Up to 25 years for the devices and up to 15 years for the control panel

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. In accordance with *NFPA 72* (National Fire Alarm and Signaling Code) we also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the age of the components, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - Inspect and test all components and devices, including, but not limited to, control panels, annunciators, detectors, audio/visual fixtures, signal transmitters and magnetic door holders
 - Test backup batteries
- As-needed:
 - Ensure clear line of access to components such as pull stations
 - Ensure detectors are properly positioned and clean of debris

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Changes in technology or building codes may make a replacement desirable prior to the end of the functional life. Our estimate of future cost considers only that amount necessary to duplicate the same functionality. Local codes or ordinances at the actual time of replacement may require a betterment as compared to the existing system. A betterment could result in a higher, but at this time unknown, cost of replacement. The Association is responsible for seventy-two percent (72.0%) of this component, Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Pumps

Line Items: 3.700 through 3.702

Quantity, History and Conditions:

- Cooling - 40-HP, three each, reported satisfactory; Installed in 1997.
- Cooling Tower - 40-HP, two each, reported satisfactory; Installed in 2013.
- Heating - 30-HP, three each, reported satisfactory; Installed in 1997.



Building heating pumps



Building cooling pumps



Cooling pump VFDs



Cooling tower pumps

Useful Lives: Up to 30 years

Component Detail Notes: Major pumps included in this Reserve Study are those with a motor drive of at least five-HP. The Association should replace or repair all pumps with motor drives less than five-HP as needed and fund this ongoing maintenance activity through the operating budget. The Association may choose to rebuild pumps prior to complete replacement. However, this activity becomes less desirable as pumps age due to the scarcity of parts. We regard interim replacements of motors and component parts as normal maintenance and base our estimates on complete replacements. An exact replacement time for each individual pump is difficult, if not impossible, to estimate.

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. Valuable motor information to note in a preventative maintenance plan or schedule includes age of unit and last time of repair, horsepower and rpm (revolutions per minute), bearing type and conditions surrounding motor/pump. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Weekly:
 - Check/adjust controls
 - Check/adjust pressure levels
 - Check for leaks
 - Conduct churn tests
- Quarterly:
 - Inspect/clean motors
 - Inspect mountings and connections for proper alignment, torque and condition
 - Inspect/replace pump packing as needed, consider replacement with mechanical seals
 - Check for appropriate oil levels
- Semi-annually:

- o Lubricate pumps, motors and motor bearings
- Annually:
 - o Inspect belts for wear and/or replace belts
 - o Clean filters if present
 - o Assess proper internal component performance and replace damaged or malfunction components as necessary, and tighten fittings
 - o Access temperature and vibration performance of motors in accordance with the intended design

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Our costs include an allowance for replacement of the variable frequency drives (VFD) and controls. The Association is responsible for seventy-two percent (72.0%) of this component, Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Security System

Line Items: 3.820 and 3.821

Quantity: Jordan Grand Condominium Owners Association utilizes the following security system components:

- Automated proximity reader system at the guest room and other access controlled amenity and service spaces(Approximately 230 access points)
- Cameras
- Multiplexer
- Recorder

History:

- Access system: Original
- Surveillance system: Unknown

Condition: Reported satisfactory



Guest room access control system

Useful Life: 10- to 15-years

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Weekly:
 - Clean card readers and other frequently used equipment of dust and other materials that may prevent proper operation
- Monthly:
 - Check access points for proper operation
 - Check cameras for proper focus, fields of view are unobstructed and camera and lenses are clean and dust-free
 - Check recording equipment for proper operation
 - Verify monitors are free from distortion with correct brightness and contrast
- Annually:
 - Check exposed wiring and cables for wear, proper connections and signal transmission
 - Check power connections, and if applicable, functionality of battery power supply systems

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association should anticipate replacement of all of the access system components and up to fifty percent (50%) of the surveillance system components per event, respectively.

Storage Tanks

Line Item: 3.860

Quantity: One storage tanks

History: Original

Condition: Reported satisfactory with operational deficiencies



Common storage tank



Expansion tanks



Shooters storage tank

Useful Life: Up to 15 years for the expansion tanks and up to 40 years for the hot water storage tanks

Preventative Maintenance Notes: The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to conduct on an annual basis to maximize the remaining useful life:

- Inspect for leakage and corrosion
- Inspect and repair/replace valves including any pressure relief valves

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association is responsible for seventy-two percent (72.0%) of this component, Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Water Filtration System

Line Item: 3.960

History: The water filtration system will be replaced in 2022.

Condition: We assume the water filtration system will be in satisfactory operational condition upon completion of the 2022 replacement project.

Useful Life: Up to 15 years

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Preventative Maintenance Notes: We recommend the Association obtain and adhere to the manufacturer's recommended maintenance plan. We also recommend the Association maintain a maintenance contract with a qualified professional. The required preventative maintenance may vary in frequency and scope based on the unit's age, operational condition, or changes in technology. We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Weekly:
 - Inspect for leaking water and verify area around water softener is free from obstruction
- Monthly:
 - Check water connections are secure and filters for debris accumulation
 - Verify brine tank is maintaining proper salt levels
- Quarterly:
 - Clean filters and spray heads
 - Inspect valves, gauges and tank for evidence of salt build-up or bridging
- Annually:
 - Drain and clean out tank

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. The Association is responsible for seventy-two percent (72.0%) of this component, Sunday River Resort is responsible for the remaining twenty-eight percent (28.0%).

Property Site Elements

Asphalt Pavement, Repaving

Line Items: 4.040 through 4.046

Quantity: Approximately 3,800 square yards at the entrance driveway and parking area and 5,800 square yards at the upper parking area.

History: The age of the entrance driveway and parking area is unknown. The upper parking area pavement is original.

Condition: The entrance driveway and parking area is in good to fair overall condition. The upper parking area is in fair to poor overall condition with cracks, edge deterioration and alligator cracks evident.



Entrance driveway and parking area overview



Upper parking area overview



Alligator cracks at upper parking area

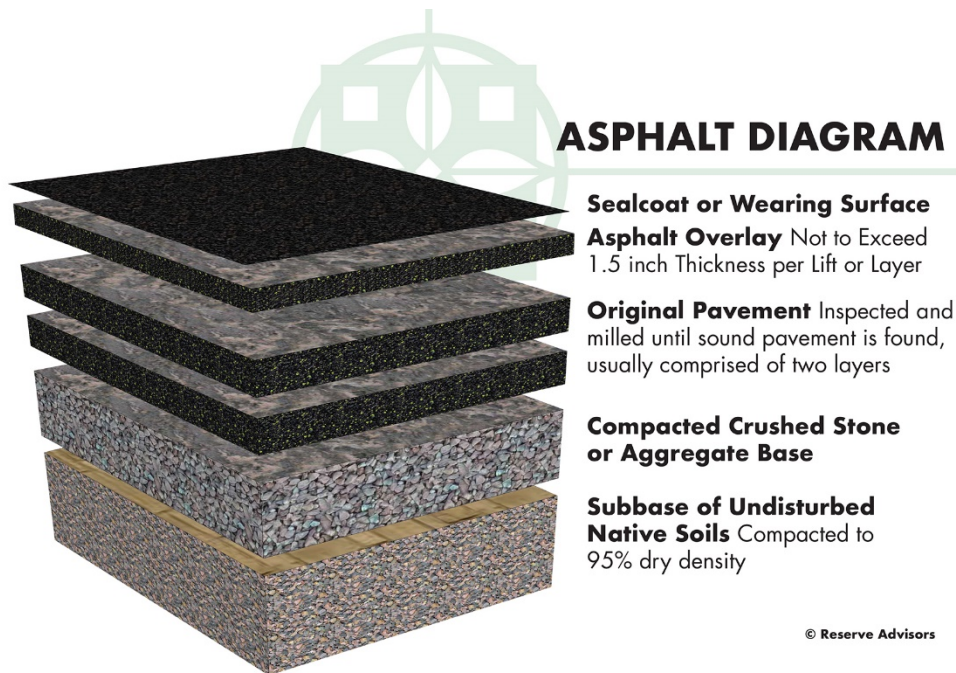


Edge deterioration and alligator cracks at upper parking area

Useful Life: 15- to 20-years with the benefit of timely crack repairs and patching

Component Detail Notes: The initial installation of asphalt uses at least two lifts, or two separate applications of asphalt, over the base course. The first lift is the binder course. The second lift is the wearing course. The wearing course comprises a finer aggregate

for a smoother more watertight finish. The following diagram depicts the typical components although it may not reflect the actual configuration at Jordan Grand:



The manner of repaving is either a mill and overlay or total replacement. A mill and overlay is a method of repaving where cracked, worn and failed pavement is mechanically removed or milled until sound pavement is found. A new layer of asphalt is overlaid atop the remaining base course of pavement. Total replacement includes the removal of all existing asphalt down to the base course of aggregate and native soil followed by the application of two or more new lifts of asphalt. We recommend mill and overlayment on asphalt pavement that exhibits normal deterioration and wear. We recommend total replacement of asphalt pavement that exhibits severe deterioration, inadequate drainage, pavement that has been overlaid multiple times in the past or where the configuration makes overlayment not possible. Based on the apparent visual condition and configuration of the asphalt pavement, we recommend the milling and overlayment method of repaving followed by the total replacement method of repaving for the entrance driveway and parking area at Jordan Grand Condominium Owners Association. We recommend the total replacement method of repaving followed by the milling and overlayment method of repaving for the upper parking area.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - o Inspect for settlement, large cracks and trip hazards, and ensure proper drainage
 - o Repair areas which could cause vehicular damage such as potholes
- As needed:

- o Perform crack repairs and patching

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Concrete Sidewalks

Line Item: 4.140

Quantity: Approximately 21,000 square feet

Condition: Fair overall with cracks and spalls evident



Sidewalk overview



Sidewalk overview with cracks and spalls



Sidewalk cracks



Sidewalk overview with cracks and settlement

Useful Life: Up to 65 years although interim deterioration of areas is common

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - o Inspect and repair major cracks, spalls and trip hazards
 - o Mark with orange safety paint prior to replacement or repair
 - o Repair or perform concrete leveling in areas in immediate need of repair or possible safety hazard

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Light Poles and Fixtures

Line Item: 4.560

Quantity: 26 poles with light fixtures

History: Fixtures will be replaced with LED in 2022

Condition: Fair overall with leaning posts evident



Light pole and fixture



Leaning light pole and fixture



Leaning light pole and fixture

Useful Life: Up to 25 years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- As-needed:
 - o Inspect and repair broken or dislodged fixtures, and leaning or damaged poles
 - o Replaced burned out bulbs as needed

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Maintenance Vehicles

Line Items: 4.600 and 4.601

Quantity: One CASE TR270 skid steer and one 2500HD truck

History: Purchased in 2016

Condition: Reported satisfactory



Skid steer



Truck

Useful Life: Up to 20 years for the skid steer and up to 10 years for the truck

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Signage, Entrance Monument

Line Item: 4.800

Quantity: The property identification signage includes the following elements:

- Landscaping
- Light fixtures
- Fences
- Letters

History: Replaced in 2020

Condition: Good overall



Entrance monument

Useful Life: 15- to 20-years

Component Detail Notes: Community signage contributes to the overall aesthetic appearance of the property to owners and potential buyers. Renovation or replacement of community signs is often predicated upon the desire to "update" the perceived identity of the community rather than for utilitarian concerns. Therefore, the specific times for replacement or renovation are discretionary.

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - o Inspect and repair damage, vandalism and loose components
 - o Verify lighting is working properly
 - o Touch-up paint finish applications if applicable

Priority/Criticality: Per Board discretion

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Staircases

Line Item: 4.810

Quantity: Three staircases comprise approximately 530 square feet of surface area with 270 linear feet of railings. The staircases are located between parking areas and a the north entrance to the building.

History: Unknown

Condition: Fair overall



Staircase overview



Staircase overview

Useful Life: Up to 20 years

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Pool Elements



Pool overview

Concrete Deck

Line Item: 6.200

Quantity: 3,950 square feet of heated pool deck

History: Original

Condition: Good to fair overall with cracks evident



Deck heat exchange system



Concrete pool deck overview



Concrete cracks

Useful Life: The useful life of a heated concrete pool deck is up to 30 years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - o Inspect and repair large cracks, trip hazards, and possible safety hazards
 - o Inspect and repair pool coping for cracks, settlement, heaves or sealant deterioration
 - o Repair concrete spalling
 - o Schedule periodic pressure cleanings as needed

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association budget for the following per event:

- Selective cut out and replacements of up to ten percent (10%) of concrete including deck heating pipes
- Crack repairs as needed
- Mortar joint repairs
- Caulk replacement

Fence, Wood

Line Item: 6.400

Quantity: 200 linear feet

History: Original; Will be replaced in 2022 with a vinyl fence.

Condition: Reported unsatisfactory



Fence overview



Fence leaning section

Useful Life: 15- to 20-years

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Annually:
 - o Inspect and repair loose fasteners or sections, and damage
 - o Repair leaning sections and clear vegetation from fence areas which could cause damage

Priority/Criticality: Not recommended to defer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Mechanical Equipment

Line Item: 6.600

Quantity: The mechanical equipment includes the following:

- Automatic chlorinator and controls
- Electrical panel
- Heat exchangers
- Interconnected pipe, fittings and valves
- Pump and filters

History: Primarily original with limited replacements

Condition: Reported satisfactory without operational deficiencies



Pool mechanical equipment



Filters



Pumps



Heat exchangers

Useful Life: Up to 15 years

Preventative Maintenance Notes: We recommend the Association maintain a maintenance contract with a qualified professional and follow the manufacturer's specific recommended maintenance and local, state and/or federal inspection guidelines.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. Failure of the pool mechanical equipment as a single event is unlikely. Therefore, we include replacement of up to fifty percent (50%) of the equipment per event. We consider interim replacement of motors and minor repairs as normal maintenance.

Pool Finishes, Plaster and Tile

Line Items: 6.800 and 6.801

Quantity: 1,850 square feet of plaster based on the horizontal surface area and approximately 290 linear feet of tile

History:

- Plaster finish: Replaced in 2018.
- Tile: Original

Condition: Good to fair overall



Pool plaster overview



Pool plaster finish with tile perimeter

Useful Life: 8- to 12-years for the plaster and 15- to 25-years for the tile

Preventative Maintenance Notes: We note the following select recommended preventative maintenance activities to maximize the remaining useful life:

- Semi-annually:
 - o Inspect and patch areas of significant plaster delamination, coping damage and structure cracks
 - o Inspect main drain connection and anti-entrapment covers, pressure test circulation piping and valves
 - o Test handrails and safety features for proper operation

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We recommend the Association budget for full tile replacement every other plaster replacement event. Removal and replacement of the finish provides the opportunity to inspect the pool structure and to allow for partial repairs of the underlying concrete surfaces as needed. To maintain the integrity of the pool structure, we recommend the Association budget for the following:

- Removal and replacement of the plaster finish
- Partial replacements of the scuppers and coping as needed
- Replacement of tiles as needed
- Replacement of joint sealants as needed
- Concrete structure repairs as needed

Structure and Deck

Line Item: 6.900

Quantity: 1,850 square feet of horizontal surface area

History: Original

Conditions: Visually appears in good condition. The concrete floors and walls have a plaster finish. This finish makes it difficult to thoroughly inspect the concrete structure during a noninvasive visual inspection.

Useful Life: Up to 60 years

Component Detail Notes: The need to replace a pool structure depends on the condition of the concrete structure, the condition of the embedded or concealed water circulation piping, possible long term uneven settlement of the structure, and the increasing cost of repair and maintenance. Deterioration of any one of these component systems could result in complete replacement of the pool. For example, deferral of a deteriorated piping system could result in settlement and cracks in the pool structure. This mode of failure is more common as the system ages and deterioration of the piping system goes undetected. For reserve budgeting purposes, we recommend Jordan Grand Condominium Owners Association plan to replace the following components:

- Concrete deck
- Pool structure
- Subsurface piping

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

2022 Reserve Expenditures

Line Item: Last

Component Detail Notes: Jordan Grand Condominium Owners Association will expend \$557,120 in reserve expenditures in 2022. These expenditures relate to the following:

- \$275,760: Remaining roof replacement (72% responsibility)
- \$14,400: Window sash replacement (Common) (72% responsibility)
- \$10,000: Window sash replacement (Residential)
- \$14,400: Portico beams replacement (72% responsibility)
- \$4,320: Light pole and fixture LED conversion (72% responsibility)
- \$72,000: Water filtration system (72% responsibility)
- \$36,000: Attic insulation (72% responsibility)
- \$14,200: Mechanical and sprinkler upgrades (72% responsibility)
- \$39,000: TV system upgrade
- \$23,040: Landscaping and signage (72% responsibility)
- \$54,000: Interior renovation (72% responsibility)

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3.

Reserve Study Update

An ongoing review by the Board and an Update of this Reserve Study are necessary to ensure an equitable funding plan since a Reserve Study is a snapshot in time. Many variables change after the study is conducted that may result in significant overfunding or underfunding the reserve account. Variables that may affect the Reserve Funding Plan include, but are not limited to:

- Deferred or accelerated capital projects based on Board discretion
- Changes in the interest rates on reserve investments
- Changes in the *local* construction inflation rate
- Additions and deletions to the Reserve Component Inventory
- The presence or absence of maintenance programs
- Unusually mild or extreme weather conditions
- Technological advancements

Periodic updates incorporate these variable changes since the last Reserve Study or Update. We recommend the Board budget for an Update to this Reserve Study in two-to three-years. Budgeting for an Update demonstrates the Board's objective to continue fulfilling its fiduciary responsibility to maintain the commonly owned property and to fund reserves appropriately.

5.METHODOLOGY

Reserves for replacement are the amounts of money required for future expenditures to repair or replace Reserve Components that wear out before the entire facility or project wears out. Reserving funds for future repair or replacement of the Reserve Components is also one of the most reliable ways of protecting the value of the property's infrastructure and marketability.

Jordan Grand Condominium Owners Association can fund capital repairs and replacements in any combination of the following:

1. Increases in the operating budget during years when the shortages occur
2. Loans using borrowed capital for major replacement projects
3. Level monthly reserve assessments annually adjusted upward for inflation to increase reserves to fund the expected major future expenditures
4. Special assessments

We do not advocate special assessments or loans unless near term circumstances dictate otherwise. Although loans provide a gradual method of funding a replacement, the costs are higher than if the Association were to accumulate reserves ahead of the actual replacement. Interest earnings on reserves also accumulate in this process of saving or reserving for future replacements, thereby defraying the amount of gradual reserve collections. We advocate the third method of *Level Monthly Reserve Assessments* with relatively minor annual adjustments. The method ensures that Shareholders pay their "fair share" of the weathering and aging of the commonly owned property each year. Level reserve assessments preserve the property and enhance the resale value of the homes.

This Reserve Study is in compliance with and exceeds the National standards¹ set forth by the Association of Professional Reserve Analysts (APRA) fulfilling the requirements of a "Level I Full Reserve Study." These standards require a Reserve Component to have a "predictable remaining Useful Life." Estimating Remaining Useful Lives and Reserve Expenditures beyond 30 years is often indeterminate. Long-Lived Property Elements are necessarily excluded from this analysis. We considered the following factors in our analysis:

- The Cash Flow Method to compute, project and illustrate the 30-year Reserve Funding Plan
- Local² costs of material, equipment and labor
- Current and future costs of replacement for the Reserve Components
- Costs of demolition as part of the cost of replacement
- Local economic conditions and a historical perspective to arrive at our estimate of long-term future inflation for construction costs in Newry, Maine at an annual inflation rate³. Isolated or regional markets of greater

¹ Identified in the APRA "Standards - Terms and Definitions".

² See Credentials for additional information on our use of published sources of cost data.

³ Derived from Marshall & Swift, historical costs and the Bureau of Labor Statistics.

construction (development) activity may experience slightly greater rates of inflation for both construction materials and labor.

- The past and current maintenance practices of Jordan Grand Condominium Owners Association and their effects on remaining useful lives
- Financial information provided by the Association pertaining to the cash status of the reserve fund and budgeted reserve contribution
- The anticipated effects of appreciation of the reserves over time in accord with a return or yield on investment of your cash equivalent assets. (We did not consider the costs, if any, of Federal and State Taxes on income derived from interest and/or dividend income).
- The Funding Plan excludes necessary operating budget expenditures. It is our understanding that future operating budgets will provide for the ongoing normal maintenance of Reserve Components.

Updates to this Reserve Study will continue to monitor historical facts and trends concerning the external market conditions.



6. CREDENTIALS

HISTORY AND DEPTH OF SERVICE

Founded in 1991, Reserve Advisors is the leading provider of reserve studies, insurance appraisals, developer turnover transition studies, expert witness services, and other engineering consulting services. Clients include community associations, resort properties, hotels, clubs, non-profit organizations, apartment building owners, religious and educational institutions, and office/commercial building owners in 48 states, Canada and throughout the world.

The **architectural engineering consulting firm** was formed to take a leadership role in helping fiduciaries, boards, and property managers manage their property like a business with a long-range master plan known as a Reserve Study.

Reserve Advisors employs the **largest staff of Reserve Specialists** with bachelor's degrees in engineering dedicated to Reserve Study services. Our founders are also founders of Community Associations Institute's (CAI) Reserve Committee that developed national standards for reserve study providers. One of our founders is a Past President of the Association of Professional Reserve Analysts (APRA). Our vast experience with a variety of building types and ages, on-site examination and historical analyses are keys to determining accurate remaining useful life estimates of building components.

No Conflict of Interest - As consulting specialists, our **independent opinion** eliminates any real or perceived conflict of interest because we do not conduct or manage capital projects.

TOTAL STAFF INVOLVEMENT

Several staff members participate in each assignment. The responsible advisor involves the staff through a Team Review, exclusive to Reserve Advisors, and by utilizing the experience of other staff members, each of whom has served hundreds of clients. We conduct Team Reviews, an internal quality assurance review of each assignment, including: the inspection; building component costing; lifing; and technical report phases of the assignment. Due to our extensive experience with building components, we do not have a need to utilize subcontractors.

OUR GOAL

To help our clients fulfill their fiduciary responsibilities to maintain property in good condition.

VAST EXPERIENCE WITH A VARIETY OF BUILDINGS

Reserve Advisors has conducted reserve studies for a multitude of different communities and building types. We've analyzed thousands of buildings, from as small as a 3,500-square foot day care center to a 2,600,000-square foot 98-story highrise. We also routinely inspect buildings with various types of mechanical systems such as simple electric heat, to complex systems with air handlers, chillers, boilers, elevators, and life safety and security systems.

We're familiar with all types of building exteriors as well. Our well-versed staff regularly identifies optimal repair and replacement solutions for such building exterior surfaces such as adobe, brick, stone, concrete, stucco, EIFS, wood products, stained glass and aluminum siding, and window wall systems.

OLD TO NEW

Reserve Advisors' experience includes ornate and vintage buildings as well as modern structures. Our specialists are no strangers to older buildings. We're accustomed to addressing the unique challenges posed by buildings that date to the 1800's. We recognize and consider the methods of construction employed into our analysis. We recommend appropriate replacement programs that apply cost effective technologies while maintaining a building's character and appeal.

MATTHEW D. CASEY, RS
Responsible Advisor

CURRENT CLIENT SERVICES

Matthew D. Casey, a Civil Engineer, is an Advisor for Reserve Advisors. Mr. Casey is responsible for the inspection and analysis of the condition of clients' property, and recommending engineering solutions to prolong the lives of the components. He also forecasts capital expenditures for the repair and/or replacement of the property components and prepares technical reports on assignments. He is responsible for conducting Life Cycle Cost Analysis and Capital Replacement Forecast services and the preparation of Reserve Study Reports for condominiums, townhomes and homeowner associations.



The following is a partial list of clients served by Matthew Casey demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.

Cameron Station Community Association Cameron Station Community Association is a planned unit development in Alexandria, Virginia which maintains common elements shared by 1,769 homeowners. The development contains over five miles of private roads and an extensive network of masonry paver walkways.

Hudson Harbor I Condominium Located along the Hudson River in Tarrytown, New York, this community was built in 2009 and contains a three-story midrise building comprising 20 residential units and three commercial units as well as 36 townhome style units in five buildings. Residents of the midrise enjoy terraces and covered balconies. Each of the townhomes has a large rooftop terrace.

Old Farm Condominium, Inc. A condominium style development in Frederick, Maryland, this community includes 144 units in 12 three story buildings. This complex includes private balconies and shared stairwells at the entrances to the units.

Bay Crossing Homeowners Association An upscale homeowners association located in Lewes, Delaware comprised of 241 townhomes and single family homes. Residents enjoy amenities such as a bocce court, pool and clubhouse. The site contains asphalt pavement streets and parking areas as well as four ponds.

Palmer Landing This gated condominium community contains 78 units in seven buildings and is located on Long Island Sound in Stamford, Connecticut. The development features hardwood balconies and detached garages. The site is supported by extensive seawalls.

Ronald McDonald House Charities of Southern West Virginia Located on the Elk River in Charleston, West Virginia, this Ronald McDonald House was constructed in 2016 and contains 14 guest suites, an office area, a manager's apartment and common areas.

PRIOR RELEVANT EXPERIENCE

Before joining Reserve Advisors, Mr. Casey attended the University of Connecticut in Storrs, Connecticut where he attained his Bachelor of Science degree in Civil Engineering. His studies focused on transportation engineering and environmental engineering. Mr. Casey also worked as an intern for Fay, Spofford and Thorndike Engineers where he took part in design of small municipal infrastructure projects in Connecticut and Massachusetts.

EDUCATION

University of Connecticut - B.S. Civil Engineering

PROFESSIONAL AFFILIATIONS

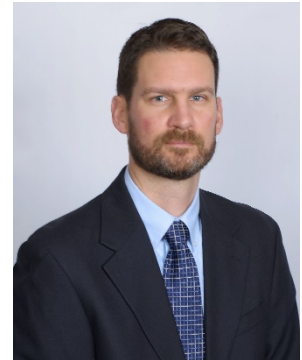
Intern Engineer (I.E.) – New York State Education Department

ALAN M. EBERT, P.E., PRA, RS
Director of Quality Assurance

CURRENT CLIENT SERVICES

Alan M. Ebert, a Professional Engineer, is the Director of Quality Assurance for Reserve Advisors. Mr. Ebert is responsible for the management, review and quality assurance of reserve studies. In this role, he assumes the responsibility of stringent report review analysis to assure report accuracy and the best solution for Reserve Advisors' clients.

Mr. Ebert has been involved with thousands of Reserve Study assignments. The following is a partial list of clients served by Alan Ebert demonstrating his breadth of experiential knowledge of community associations in construction and related buildings systems.



Brownsville Winter Haven Located in Brownsville, Texas, this unique homeowners association contains 525 units. The Association maintains three pools and pool houses, a community and management office, landscape and maintenance equipment, and nine irrigation canals with associated infrastructure.

Rosemont Condominiums This unique condominium is located in Alexandria, Virginia and dates to the 1940's. The two mid-rise buildings utilize decorative stone and brick masonry. The development features common interior spaces, multi-level wood balconies and common asphalt parking areas.

Stillwater Homeowners Association Located in Naperville, Illinois, Stillwater Homeowners Association maintains four tennis courts, an Olympic sized pool and an upscale ballroom with commercial-grade kitchen. The community also maintains three storm water retention ponds and a detention basin.

Birchfield Community Services Association This extensive Association comprises seven separate parcels which include 505 townhome and single family homes. This Community Services Association is located in Mt. Laurel, New Jersey. Three lakes, a pool, a clubhouse and management office, wood carports, aluminum siding, and asphalt shingle roofs are a few of the elements maintained by the Association.

Oakridge Manor Condominium Association Located in Londonderry, New Hampshire, this Association includes 104 units at 13 buildings. In addition to extensive roads and parking areas, the Association maintains a large septic system and significant concrete retaining walls.

Memorial Lofts Homeowners Association This upscale high rise is located in Houston, Texas. The 20 luxury units include large balconies and decorative interior hallways. The 10-story building utilizes a painted stucco facade and TPO roof, while an on-grade garage serves residents and guests.

PRIOR RELEVANT EXPERIENCE

Mr. Ebert earned his Bachelor of Science degree in Geological Engineering from the University of Wisconsin-Madison. His relevant course work includes foundations, retaining walls, and slope stability. Before joining Reserve Advisors, Mr. Ebert was an oilfield engineer and tested and evaluated hundreds of oil and gas wells throughout North America.

EDUCATION

University of Wisconsin-Madison - B.S. Geological Engineering

PROFESSIONAL AFFILIATIONS/DESIGNATIONS

Professional Engineering License – Wisconsin, North Carolina, Illinois, Colorado

Reserve Specialist (RS) - Community Associations Institute

Professional Reserve Analyst (PRA) - Association of Professional Reserve Analysts

RESOURCES

Reserve Advisors utilizes numerous resources of national and local data to conduct its Professional Services. A concise list of several of these resources follows:

Association of Construction Inspectors, (ACI) the largest professional organization for those involved in construction inspection and construction project management. ACI is also the leading association providing standards, guidelines, regulations, education, training, and professional recognition in a field that has quickly become important procedure for both residential and commercial construction, found on the web at www.iami.org.

American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., (ASHRAE) the American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., devoted to the arts and sciences of heating, ventilation, air conditioning and refrigeration; recognized as the foremost, authoritative, timely and responsive source of technical and educational information, standards and guidelines, found on the web at www.ashrae.org. Reserve Advisors actively participates in its local chapter and holds individual memberships.

Community Associations Institute, (CAI) America's leading advocate for responsible communities noted as the only national organization dedicated to fostering vibrant, responsive, competent community associations. Their mission is to assist community associations in promoting harmony, community, and responsible leadership.

Marshall & Swift / Boeckh, (MS/B) the worldwide provider of building cost data, co-sourcing solutions, and estimating technology for the property and casualty insurance industry found on the web at www.marshallswift.com.

R.S. Means CostWorks, North America's leading supplier of construction cost information. As a member of the Construction Market Data Group, Means provides accurate and up-to-date cost information that helps owners, developers, architects, engineers, contractors and others to carefully and precisely project and control the cost of both new building construction and renovation projects found on the web at www.rsmeans.com.

Reserve Advisors' library of numerous periodicals relating to reserve studies, condition analyses, chapter community associations, and historical costs from thousands of capital repair and replacement projects, and product literature from manufacturers of building products and building systems.

7. DEFINITIONS

Definitions are derived from the standards set forth by the Community Associations Institute (CAI) representing America's 305,000 condominium and homeowners associations and cooperatives, and the Association of Professional Reserve Analysts, setting the standards of care for reserve study practitioners.

Cash Flow Method - A method of calculating Reserve Contributions where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Component Method - A method of developing a Reserve Funding Plan with the total contribution is based on the sum of the contributions for individual components.

Current Cost of Replacement - That amount required today derived from the quantity of a *Reserve Component* and its unit cost to replace or repair a Reserve Component using the most current technology and construction materials, duplicating the productive utility of the existing property at current *local* market prices for *materials*, *labor* and manufactured equipment, contractors' overhead, profit and fees, but without provisions for building permits, overtime, bonuses for labor or premiums for material and equipment. We include removal and disposal costs where applicable.

Fully Funded Balance - The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost similar to Total Accrued Depreciation.

Funding Goal (Threshold) - The stated purpose of this Reserve Study is to determine the adequate, not excessive, minimal threshold reserve balances.

Future Cost of Replacement - *Reserve Expenditure* derived from the inflated current cost of replacement or current cost of replacement as defined above, with consideration given to the effects of inflation on local market rates for materials, labor and equipment.

Long-Lived Property Component - Property component of Jordan Grand Condominium Owners Association responsibility not likely to require capital repair or replacement during the next 30 years with an unpredictable remaining Useful Life beyond the next 30 years.

Percent Funded - The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life - The estimated remaining functional or useful time in years of a *Reserve Component* based on its age, condition and maintenance.

Reserve Component - Property elements with: 1) Jordan Grand Condominium Owners Association responsibility; 2) limited Useful Life expectancies; 3) predictable Remaining Useful Life expectancies; and 4) a replacement cost above a minimum threshold.

Reserve Component Inventory - Line Items in ***Reserve Expenditures*** that identify a *Reserve Component*.

Reserve Contribution - An amount of money set aside or *Reserve Assessment* contributed to a *Reserve Fund* for future *Reserve Expenditures* to repair or replace *Reserve Components*.

Reserve Expenditure - Future Cost of Replacement of a Reserve Component.

Reserve Fund Status - The accumulated amount of reserves in dollars at a given point in time, i.e., at year end.

Reserve Funding Plan - The portion of the Reserve Study identifying the *Cash Flow Analysis* and containing the recommended Reserve Contributions and projected annual expenditures, interest earned and reserve balances.

Reserve Study - A budget planning tool that identifies the current status of the reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.

Useful Life - The anticipated total time in years that a *Reserve Component* is expected to serve its intended function in its present application or installation.



8. PROFESSIONAL SERVICE CONDITIONS

Our Services - Reserve Advisors, LLC (RA) performs its services as an independent contractor in accordance with our professional practice standards and its compensation is not contingent upon our conclusions. The purpose of our reserve study is to provide a budget planning tool that identifies the current status of the reserve fund, and an opinion recommending an annual funding plan to create reserves for anticipated future replacement expenditures of the property.

Our inspection and analysis of the subject property is limited to visual observations, is noninvasive and is not meant to nor does it include investigation into statutory, regulatory or code compliance. RA inspects sloped roofs from the ground and inspects flat roofs where safe access (stairs or ladder permanently attached to the structure) is available. The report is based upon a "snapshot in time" at the moment of inspection. RA may note visible physical defects in our report. The inspection is made by employees generally familiar with real estate and building construction but in the absence of invasive testing RA cannot opine on, nor is RA responsible for, the structural integrity of the property including its conformity to specific governmental code requirements for fire, building, earthquake, and occupancy, or any physical defects that were not readily apparent during the inspection.

RA is not responsible for conditions that have changed between the time of inspection and the issuance of the report. RA does not investigate, nor assume any responsibility for any existence or impact of any hazardous materials, such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, environmental mold or other potentially hazardous materials or structural defects that are latent or hidden defects which may or may not be present on or within the property. RA does not make any soil analysis or geological study as part of its services; nor does RA investigate water, oil, gas, coal, or other subsurface mineral and use rights or such hidden conditions. RA assumes no responsibility for any such conditions. The Report contains opinions of estimated costs and remaining useful lives which are neither a guarantee of the actual costs of replacement nor a guarantee of remaining useful lives of any property element.

RA assumes, without independent verification, the accuracy of all data provided to it. You agree to indemnify and hold RA harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which we have relied upon supplied by you or others under your direction, or which may result from any improper use or reliance on the Report by you or third parties under your control or direction. Your obligation for indemnification and reimbursement shall extend to any director, officer, employee, affiliate, or agent of RA. Liability of RA and its employees, affiliates, and agents for errors and omissions, if any, in this work is limited to the amount of its compensation for the work performed in this engagement.

Report - RA completes the services in accordance with the Proposal. The Report represents a valid opinion of RA's findings and recommendations and is deemed complete. RA, however, considers any additional information made available to us within 6 months of issuing the Report if a timely request for a revised Report is made. RA retains the right to withhold a revised Report if payment for services was not tendered in a timely manner. All information received by RA and all files, work papers or documents developed by RA during the course of the engagement shall remain the property of RA and may be used for whatever purpose it sees fit.

Your Obligations - You agree to provide us access to the subject property for an on-site visual inspection. You agree to provide RA all available, historical and budgetary information, the governing documents, and other information that we request and deem necessary to complete the Report. You agree to pay actual attorneys' fees and any other costs incurred to collect on any unpaid balance for RA's services.

Use of Our Report and Your Name - Use of this Report is limited to only the purpose stated herein. You hereby acknowledge that any use or reliance by you on the Report for any unauthorized purpose is at your own risk and you shall hold RA harmless from any consequences of such use. Use by any unauthorized third party is unlawful. The Report in whole or in part **is not and cannot be used as a design specification for design engineering purposes or as an appraisal**. You may show our Report in its entirety to the following third parties: members of your organization, your accountant, attorney, financial institution and property manager who need to review the information contained herein. Without the written consent of RA, you shall not disclose the Report to any other third party. The Report contains intellectual property developed by RA and **shall not be reproduced or distributed to any party that conducts reserve studies without the written consent of RA**.

RA will include your name in our client lists. RA reserves the right to use property information to obtain estimates of replacement costs, useful life of property elements or otherwise as RA, in its sole discretion, deems appropriate.

Payment Terms, Due Dates and Interest Charges - Retainer payment is due upon authorization and prior to inspection. The balance is due net 30 days from the report shipment date. Any balance remaining 30 days after delivery of the Report shall accrue an interest charge of 1.5% per month. Any litigation necessary to collect an unpaid balance shall be venued in Milwaukee County Circuit Court for the State of Wisconsin.