

PREPARED FOR:

**THE PARAMOUNT CONDO
OWNERS ASSOCIATION
RALEIGH, NC**

**MANAGED BY:
CAS, INC.**

**DATE:
AUGUST 4, 2025**

**RESERVE STUDY
UPDATE with Site
Inspection**



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INTRODUCTIONS

The Paramount Condo Owners Association authorized Giles Flythe Engineers to perform a Reserve Study Update with Site Inspection for the Paramount community located in Raleigh, NC. We previously performed a full reserve study for the community dated July 24, 2019. The purpose of the reserve study is to assist the association in planning for future capital repair expenses. A reserve study is an important tool for an association to adequately fund capital reserve accounts through regular annual reserve contributions. Adequately funded capital reserve accounts reduce the need to defer capital repairs, collect special assessments or borrow funds for capital repair projects.

A community association typically has certain responsibilities as described in the association governing documents. These responsibilities often include maintaining common areas and other components. An association, as a non-profit organization, will typically have two general asset cash accounts including an operating account and a reserve account. The operating account is funded from regular budgeted assessments and is used to fund routine operating expenses that occur on a predictable cycle, typically monthly or up to annually. The reserve account is funded from regular contributions and is primarily used to fund non-annual capital repair expenses.

The focus of the reserve study is on the reserve account. We have projected capital repair expenses over a term of thirty years. The capital repair expenses are limited to those components for which the association is responsible for maintaining. Capital repair expense estimates include an expected useful life and remaining useful life of the components to develop a projected schedule for capital repairs over the term. After developing a schedule of capital repairs over the term, we completed a cash flow analysis forecasting reserve account balances over the term and provided funding recommendations as needed. Capital repair expense estimates and funding estimates are most reliable in the first portion of the term. Updating a reserve study every three to five years will mitigate the impacts of variation in repair costs, component wear, inflation and reserve funding over time.

Capital reserve funding recommendations are provided to address funding principles such as providing a sufficient amount of funds, a stable reserve contribution rate over the term, an equitable contribution rate over the term, and a fiscally responsible approach to funding. The reserve study is intended to assist the association in developing budgeted reserve contributions.

The report includes a narrative section which describes the scope of the reserve study, a discussion of observations and capital repair allocations, a general description of capital repairs and a description of our cash flow analysis and funding recommendations. The report appendices include the capital reserve analysis with tables detailing an itemized list of capital repair expenses, an itemized list of expenses by year and our cash flow analysis. A photo log is provided and includes a representative sample of our observations. The report includes multiple sections with information presented in various forms and should, therefore, be read in its entirety.

EXECUTIVE SUMMARY

The Paramount Condo Owners Association is a private residential community comprised of individual condominiums within a single building in Raleigh, NC. Based on review of Wake County Tax Records, the building was constructed in approximately 2005.

The Association has responsibility for the common area site improvements, the exterior and interior maintenance of the building, the associated mechanical systems, and the amenities. The most significant site improvements include the stormwater drainage systems and the concrete flatwork, and the most significant exterior building components are the roof, painted EIFS (exterior insulating finish system) cladding, all windows, and doors. Amenities include the fitness center and swimming pool.

The building, common areas, and site improvements are generally in good to fair condition. Note that based on our cash flow analysis, maintaining the current funding level is **not** projected to maintain a positive balance over the term. We have provided alternative recommendations for annual reserve contribution schedules that provide a healthy balance to meet capital expenditure requirements in the next thirty years, in summary as follows:

- **Alternative 1:** Beginning in 2026, increase the annual reserve contribution by \$50,000 every year for 11 years. This alternative is projected to maintain a positive balance through the term of this study.
- **Alternative 2:** Increase the annual reserve contribution by \$59,000 in 2026. Then, beginning in 2027, increase the annual reserve contribution by \$48,500 every year for 10 years. This alternative is projected to maintain a positive balance through the term of this study.

A more detailed analysis of the reserve fund has been provided in Appendix A.

Some significant expenditures are expected over the term of the study. Some of the more notable examples are listed below:

- Replace sealants, repair/recoat EIFS, rails, trim components
- Replace roof membrane
- Allocation to replace common area windows
- Allocation for elevator modernization
- Replace emergency generator and transfer switch

Additional, less significant, capital expenditures are anticipated over the term of this study. Those items that will require repair or replacement are discussed later in this report.

PURPOSE & SCOPE

We have completed this study to estimate capital repair expenses the association is responsible for over the term of the study and provide a cash flow analysis and capital reserve funding plan. This study is intended to assist the association in determining the allocation requirements into the reserve fund which are projected to meet future anticipated capital expenditures for the community.

This report estimates capital repair expenses for the community thirty years into the future. Variations in capital repair expense forecasts due to the quality of maintenance, weather and other events may occur. Over time, age, premature deterioration, or other factors may necessitate the addition of assets into the reserve study. Additionally, fluctuations in material and labor costs beyond assumed inflation rates may also affect the accuracy of the forecasts. Therefore, a reserve study should be routinely updated, typically on a three to five-year cycle to provide the most accurate assessment of needs and financial obligations of the community.

This study has been performed according to the scope as generally defined by The Paramount Condo Owners Association, Giles Flythe Engineers Inc., and the standards of the Community Associations Institute. The findings and recommendations are based on interviews with the community's management personnel; a review of available documents; and a limited visual inspection of the components maintained by the association.

The Cash Flow Method of calculating reserves has been utilized, whereby contributions to the reserve fund are designed to offset the variable annual expenditures. Funding alternates are recommended which are designed to achieve at minimum a Baseline Funding goal by maintaining a positive balance for the term of the study. We have also included a threshold funding goal which provides a minimum reserve account over the term. The minimum balance is typically calculated by determining the total over term forecasted expenses and dividing by the length of the term in years. This minimum threshold balance will help offset the risk of fluctuations in labor and material costs and component wear.

To determine which components should be included in this analysis, we used the following guidelines:

- The component must be maintained by the association.
- The component must have an estimated remaining useful life within the term of this study.
- The funding for the repair should be from the reserve account, not through an annual operating budget or other maintenance contracts.
- The cost of the capital repair must be significant enough to not be reasonably funded from an annual operating budget.

What is a reserve study?

A reserve study is a long-term capital budget planning tool which compares the current reserve fund of an organization to future capital repairs and replacements.

A reserve study is a tool to help identify and prepare for major repair and replacement projects for a community.

It is recommended that a reserve study be performed every five years to ensure that communities are saving the necessary funds for capital repairs and improvements.

Our process for completing the reserve study includes:

1. Reviewing information provided including governing documents, association financial statements, and information on previous or planned capital repairs.
2. Reviewing available information on the property as needed. This may include plat maps, tax records, historical aerial photographs, available site, and building plans.
3. Conducting a visual inspection of the property. This may include interviewing association representatives during the inspection.
4. Developing an inventory of components to be included in the reserve study.
5. Predicting their remaining service life and approximating how frequently they will require repair or replacement.
6. Estimating repair or replacement costs (in 2025 dollars) for each capital item.
7. Develop a cash flow analysis adjusting for inflation and return on invested monies to determine the adequacy of current reserve funding plans.
8. Develop funding recommendations with specific reserve contribution recommendations for each year of the term.

The statements in this report are opinions about the present condition of the areas inspected within the community. Our inspection is limited to a visual ground level inspection and we did not remove any surface materials, perform any testing, or move any furnishings. This study is not an exhaustive technical evaluation or building code compliance review. For additional limitations, see Conclusion and Limitations.

Standards of Reference

The following definitions are provided as a standard of reference:

Excellent: Component or system is in “as new” condition, requiring no rehabilitation and should perform in accordance with expected performance.

Good: Component or system is sound and performing its function, although it may show signs of normal wear and tear. Some minor rehabilitation work may be required.

Fair: Component or system falls into one or more of the following categories: a) Evidence of previous repairs not in compliance with commonly accepted practice, b) Workmanship not in compliance with commonly accepted standards, c) Component or system is obsolete, d) Component or system approaching the end of expected performance. Repair or replacement is required to prevent further deterioration or to prolong expected life.

Poor: Component or system has either failed or cannot be relied upon to continue performing its original function as a result of having exceeded its expected performance, excessive deferred maintenance, or state of disrepair. The present condition could contribute to or cause the deterioration of other adjoining elements or systems. Repair or replacement is required.

Adequate: A component or system is of a capacity that is defined as enough for what is required, sufficient, suitable, and/or conforms to standard construction practices.

SOURCES OF INFORMATION

Date of Inspection

Onsite inspection of the property occurred on March 20, 2025.

Persons Interviewed

The following persons were interviewed in connection with this study:

- Jim Herold, Community Portfolio Manager – CAS, Inc.

Documents

The following documents were made available to us and reviewed:

- Wake County Tax Records
- Association financial statements
- Association project spreadsheet
- Paramount Declarations
- Paramount General Rules and Regulations
- Historical aerial photographs

Cost Estimates

- Our internal data files on similar projects
- Local contractor estimates for similar projects
- R.S. Means Construction Cost Estimating Data

DESCRIPTION

The Paramount Condo Owners Association is a private residential community comprised of individual condominiums within a single building in Raleigh, NC. Based on review of Wake County Tax Records, the building was constructed in approximately 2005.

The Association has responsibility for the common area site improvements, the exterior and interior maintenance of the building, the associated mechanical systems, and the amenities. The most significant site improvements include the stormwater drainage systems and the concrete flatwork, and the most significant exterior building components are the roof, painted EIFS (exterior insulating finish system) cladding, all windows, and doors. Amenities include the fitness center and swimming pool.

The building footprint fills the majority of the site. Public sidewalks extend along the right-of-way at North Boylan Avenue and West Johnson Street, and common area sidewalks extend along the north and east sides of the building. Off-street parking accommodations are provided at the lower four levels of the building with driveway access at the south and west sides. Stormwater is collected at the roof level and routed to the municipality's underground piping network. The building is clad with brick veneer and accent sections of EIFS, and the roof is covered with a ballasted EPDM membrane. The common interior spaces are finished with painted gypsum drywall ceilings and walls, and the floors are finished with carpet and limited areas of luxury vinyl plank and ceramic tile. The common mechanical systems include both split and packaged systems that condition the corridors, recreation room and fitness center.

OBSERVATIONS

The following key observations were made about the current condition of the more significant and costly common elements of the property.

Site Improvements

Stormwater drains from the site via surface flow into graded swales which direct the flow of stormwater to catch basins in the public right-of-way. The swales appear to be functioning as intended; however, we observed soil erosion and sedimentation in the riprap armored swale on the northeast side of the building. Landscaped swales tend to accumulate sediment that settles out during storm events and will need to be periodically removed and regraded. Erosion concerns are likely to develop in steeper slopes, which would require stabilization repair. Future drainage improvements would likely include retrenching swales to improve flow, stabilizing steep or bare slopes, cleaning out debris from stormwater piping, repairing erosion, or possibly installing additional drainage devices such as French drains or other small drainage systems with buried piping and small catch basins. We have allocated funds for future drainage improvements on an 8-year cycle beginning in 2028.

We observed manholes in the lower-level parking garage drive lane and assume they are part of a sand filter retention system. The stormwater captured at the roof level is likely routed to the vault that is intended to treat and slowly release the flow of water into the municipality's underground piping network. The filters and controlled release of flow helps reduce downstream clogs and improves overall water quality. The sand filter system will require periodic maintenance and cleaning in addition to the annual inspections and maintenance. We have allocated funds for this work on a 5-year schedule beginning in 2029.

The parking garage levels and associated driveways are paved in concrete. Concrete sidewalks at the main entrance and at the north and east sides of the property provide pedestrian access to the building entrances/exits. We observed areas of grinding and previous repairs where settlement has occurred near the northeast corner of the building. As cracking and displacement advance, it is likely that sections of the concrete surfaces will require periodic repairs/replacement. We have included funds every 8 years beginning in 2030 for periodic repairs and/or replacement of concrete surfaces as required.

The four lower levels of the building are reserved for parking; however, we do not anticipate significant repairs will be required for the concrete slabs during the term of this study. We assume restriping will be funded as required from a general operating budget.

Building Exteriors

The flat roof surfaces over the building are covered in a ballasted 60 mil EPDM (ethylene propylene diene monomer) roofing that was replaced after 2020. The vertical surfaces of the surrounding parapet wall appear to be covered in 90 mil EPDM roofing with metal parapet caps. Typically, this type of roofing system will last approximately 20 years. We have allocated funds to replace the roof every 20 years beginning in 2043.

We strongly recommend that any re-roofing project closely follow procedures outlined by the National Roofing Contractors Association's *Roofing and Waterproofing Manual*, Current Edition. A re-roofing sequence should include removal of the existing roofing material and ballast, replacement of any inadequate insulation or cover board, and the replacement of any damaged flashing. Note that minor repairs to flashing, vent boots and other transitions may be required in the interim. We have assumed these repairs would be funded from an operating or maintenance budget.

The building exterior is clad in brick and masonry veneer with accent sections of EIFS/Stucco. Painted steel railing are located at the roof parapets and at the building entrance. A siding project was recently completed in 2023 to recoat and repaint all EIFS/Stucco surfaces, paint metal railings, and repair/repoint masonry. We have allocated funds to replace sealants, repair/recoat EIFS surfaces, paint railings, and paint/repair trim components on a 10-year cycle beginning in 2033. We have also included an allocation of funds for periodic repair/repointing of the exterior masonry on a 10-year cycle beginning in 2033.

The elevated balconies at each condominium unit are surrounded by aluminum guardrails, and access to the parking garage is controlled by steel gates. We understand that these railings, as well as the metal railings in the parking garage, were painted at the time of the siding repair project in 2023. We anticipate the rails and gates will require periodic recoating due to their continued exposure to the elements and have assumed that work would be completed along with each siding project. We have allocated funds to replace the aluminum railings throughout the building in 2051. We have also provided an allocation of funds to replace the parking garage gates every 30 years beginning in 2036.

The common area windows are comprised of aluminum-framed storefront units. Per the community manager, the Association has taken responsibility for all common area and unit windows and doors. The Association has replaced/repared portions of the windows annually for the last 5 years and plans to continue to do so. We have allocated funds to reseal the joints along window/door frames and the surrounding masonry/EIFS and included that work in the exterior painting schedule. Generally, these types of window systems have an expected useful life of approximately 30 years, after which time, built-up sealant over the gaskets becomes ineffective and the air space between glazing panes can begin to leak. We have allocated funds to replace approximately 1/5 of the unit and common area storefront windows and doors every 5 years beginning in 2031.

The utility personnel doors at the parking garage and stairwell exits are comprised of full-slab steel units hung within hollow metal frames. Due to their continued exterior exposure, we anticipate the doors will require replacement on an approximate 40-year schedule. We have included an allocation of funds to replace the exterior personnel doors beginning in 2045.

A wood-framed pergola is located adjacent to the fifth-floor swimming pool. Per the community manager, the pergola was replaced in 2023 and appeared to be in generally good condition. Due to continued exposure to the elements, we recommend regular staining/painting of the pergola and have included funds to stain/paint the structure every 5 years beginning in 2029. We estimate the pergola will require reconstruction approximately every 15 years and have allocated funds for this work beginning in 2038.

Building Interiors

Carpet covers the floors in the common area corridors and the fitness center. The carpet appeared to be in generally good to fair condition. Per the community manager, the Association plans to replace the carpet in the near term. We have included funds to replace the common area carpet flooring on a 10-year cycle beginning in 2027.

The main entrance lobby of the building is finished with wood paneled walls and granite floor tile. We have included an allocation of funds to refresh the main entrance lobby finishes every 25 years beginning in 2032.

The flooring of the recreation room is covered in luxury vinyl plank (LVP) that we understand to have been installed after 2019. The LVP generally appeared to be in good condition with no significant damage or wear noted. We have allocated funds to replace the LVP flooring in the recreation room and kitchen area on a 15-year cycle beginning in 2038.

The common area corridors on each level of the building are finished with painted gypsum board walls and ceilings. The main entrance lobby is also finished with a painted gypsum board ceiling. Common stairwells are comprised of steel framed stairs with concrete-filled metal pan treads without additional finishes. The interior surfaces appeared to be in generally good to fair condition, with scuffs and paint deterioration noted on corridor trim in heavily trafficked areas. Generally, interior surfaces require repainting on an 8-12-year cycle. We have allocated funds to repaint the common area interior surfaces and spot paint the stairwells on a 10-year schedule beginning in 2027.

A kitchen area is located within the recreation room and is finished with granite/quartz countertops, wood cabinets, and stainless-steel appliances. The cabinetry, countertops, and appliances appeared to be in adequate condition. We have provided funds to refurbish the kitchen cabinetry and countertops and replace appliances as needed every 25 years beginning in 2030.

Men's and women's restrooms are located adjacent to the recreation room and fitness center. The restrooms include standard toilet/urinal stalls and sinks with granite/quartz countertops, tile floors, and laminate partitions. We have included funds to refurbish/upgrade the restroom fixtures, partitions, and countertops, as well as make repairs to the tile flooring, every 25 years beginning in 2030.

The building is finished with two elevators covered with wood wall panels. The cab interiors were covered with quilts at the time of the site inspection but appeared to be in generally good condition. We have allocated funds to refurbish the cab interior finishes on a 15-year schedule beginning in 2035, at the time of modernization.

Mechanical, Electrical and Plumbing Systems

The Association is responsible for maintain the HVAC equipment that serves the interior common areas of the building. The equipment includes the following packaged units and split systems:

- Rooftop unit – plate illegible (assume 3-ton, 2005)

- Carrier – 9-ton cooling capacity, 2017
- Goodman – 3-ton cooling capacity, 2019
- York – 8.5-ton cooling capacity, 2022
- York – 6-ton cooling capacity, 2023

This type of HVAC equipment generally has an expected useful life of 15-20 years if properly maintained. We have allocated funds to replace all the units 15 years after installation date and on a 15-year cycle thereafter.

Exhaust ventilation fans are located in the parking garage and at the tops of the stairwells. These types of fans can last approximately 20 years if properly maintained, and we assume that all are original to the construction of the building. We have allocated funds to replace the exhaust ventilation fans beginning in 2026.

A potable water booster pump system is located in a mechanical room on the second level of the parking garage. The system includes two 7.5 horsepower motors and a Hyfab DemandSet control system. Per the community manager, the system was replaced in 2021. We have allocated funds to replace the pump motors and control system skid on a 15-year cycle beginning in 2036.

The common area restrooms and kitchen are served by a State, 28-gallon electric water heater that was manufactured in 2018. An additional water heater is located within the third-floor custodian closet. Water heaters generally have an expected useful life of approximately 12-15 years, and we have allocated funds to replace the equipment every 15 years beginning in 2033.

A hi-lo chilled water drinking fountain is located in the common area adjacent to the fifth-floor restrooms. We have allocated funds to replace the water fountain on an 18-year cycle beginning in 2031.

The circulation pump and filtration equipment for the swimming pool are located in a fourth-floor equipment room and consist of a 1.1 horsepower pump and one sand filter. We have not been made aware of any issues with this equipment at this time. Generally, the filtration media should be replaced on a 5-year schedule; and considering the continued operation of the pump, it is likely that major components will require repair or replacement on an estimated 3-5-year cycle. These items are typically replaced as they fail, and we have included funds for replacement of components of the pump and filtration equipment every 3 years beginning in 2027. Minor repairs to piping, filtration devices, and control systems will likely be required in the interim as part of routine maintenance. We have assumed that these minor repairs would be funded from an annual operating budget

Two Otis traction elevators, each with a 3,500-pound capacity, provide vertical access to each of the building floors. The machinery includes two 26-horsepower motors and is located in a rooftop mechanical room. The control systems were installed at the time of building construction and appeared to be operating smoothly. Per NCDOL inspection reports, we understand that each elevator received new drives and door operators in approximately 2024. In anticipation of significant future repairs and life-safety code revisions, we have allocated funds for modernization of the two elevators, including equipment and controllers, on a 30-year

schedule beginning in 2035. In the interim, we have also allocated funds for mechanical and electrical repairs/replacements including motor starters, door operators, sensors, etc. every 15-years beginning in 2050.

The south parking garage entrance is equipped with motorized openers on overhead gates, and the west entrance is equipped with motorized openers on the sliding gates. The gates appeared to be operating correctly at the time of the site inspection and we are not aware of any issues. Due to the frequent cycling of the motors, we have allocated funds to replace the openers on a 15-year schedule beginning in 2027.

Access to the building interior is controlled by a keypad at the building entrance. We also noted several security cameras around the perimeter of the building. We estimate the building security and access systems will require upgrades on an approximate 10-year schedule and have allocated funds for this work beginning in 2028.

The conditioned areas of the building are protected by a wet fire suppression system, and the parking garage areas are protected by a dry fire suppression system. The main valves and associated equipment are located in a mechanical room at the second parking garage level and include a 125-horsepower booster pump as well as a 3-horsepower jockey pump. An air compressor, located in a lower-level mechanical room, connected to the dry system helps maintain pressure in the lines. The building includes an actively monitored fire alarm system, featuring a Honeywell Notifier fire alarm control panel with life safety devices located throughout the common areas. We have included funds to repair/replace the fire suppression booster every 30 years beginning in 2033 and the fire alarm control panel every 20 years beginning in 2033. Fire/life safety system components include fire pull stations, fire extinguishers, lighted exit signs, and horn/strobe annunciators. We have included funds to replace fire/life safety devices every 15 years beginning in 2026. We have also provided an allocation of funds for interim repairs to the fire suppression system on a 5-year cycle beginning in 2030.

Wall-mounted exterior light fixtures are located adjacent to building entrances and at each balcony. Pole mounted lights are located at the swimming pool deck. The interior corridors of the buildings include wall-mounted sconces and ceiling-mounted can lights. We have allocated funds to replace/upgrade exterior and interior common area light fixtures every 15 years beginning in 2028 and 2030, respectively. We understand that the ceiling-mounted light fixtures in the parking garage were replaced with LED units around 2019 and have included funds to replace them in 2034 and every 15 years thereafter.

A Cummins diesel powered back-up generator and automatic transfer switch are located in a mechanical room at the southeast corner of the lowest parking level. The 500 KVA generator is powered by a 6-cylinder, 605 horsepower diesel engine. This type of emergency generator typically has a useful life of approximately 30-35 years if properly maintained. We have included an allocation of funds to replace the emergency generator and transfer switch every 30 years beginning in 2036. We have also included an allocation of funds for interim repairs to the generator and associated systems on a 15-year cycle beginning in 2029.

The Association is responsible for common area plumbing and electrical systems, including wiring and piping leading to each unit. While these systems should have an expected useful life beyond the term of this study, we have allocated funds as a contingency to repair the systems every 10 years beginning in 2028 as needed.

A hydraulic trash compactor is located in a trash room in the parking garage. We understand the equipment is owned by the waste management company and assume its use is funded from the general operating budget.

Amenities

An outdoor swimming pool is located on the 5th-floor patio. The pool surface generally appeared to be in good condition with no significant cracking or deterioration noted. Typically, pools should be drained, minor cracks repaired, and recoated (possibly quartz plaster) on an approximately 10-12-year cycle. We have included funds for full resurfacing and tile repairs on a 12-year cycle beginning in 2033.

Pool and outdoor furnishings include aluminum tables, as well as aluminum-framed fabric chaise lounges and chairs. The furniture appeared to be in generally good condition and will require periodic replacement. Similarly, the pool access ladders and rails will require periodic replacement. Per the Board, all outdoor furniture was replaced in 2024. In an effort to maintain continuity, we have included an allocation of funds to replace the outdoor furnishings, pool access ladders, and rails on a 9-year cycle beginning in 2033.

Two drop-in gas grills are located in an outdoor cooking area adjacent to the swimming pool. Per the Board, repairs were made to the grills in approximately 2023 and we have allocated funds to replace them every 7 years beginning in 2029.

The fitness center includes TRUE Fitness cardiovascular and strength fitness equipment, as well as free weights and a Prism Smart Station. The strength equipment includes leg press, leg curl/extension, lat pulldown, ab crunch/back extension, arm curl/extension, and multi-press machines. The cardio equipment includes two treadmills, two ellipticals, and three stationary bikes. We understand that all fitness center equipment has been replaced since 2019. We have included funds to replace the strength equipment on a 20-year cycle beginning in 2044 and the cardio equipment on a 10-year cycle beginning in 2034.

The common interior spaces are furnished with chairs, sofas, tables, and other various pieces of artwork and furnishings in the recreation room and corridors. The expected useful life of these items varies widely depending upon use. We have allocated funds to replace portions of the common area furnishings every 10 years beginning in 2027. The recreation room also includes a billiard table, and we have included funds to repair the table every 15 years beginning in 2028.

PREVENTATIVE MAINTENANCE

Preventative maintenance is a critical aspect affecting a property's life cycle costs and structural safety. It is encouraged that every property owner have a preventative maintenance plan in place. The reserve study is not to be considered a preventative maintenance plan. A preventative maintenance plan should incorporate all applicable common elements, not just those components included within the reserve study.

Any information provided by the client regarding ongoing maintenance or repair being performed with any component has been noted within the notes for that component. We can only be aware of preventative maintenance plans or programs that have been disclosed by the client. Note that an audit or evaluation of any maintenance plan or maintenance contract is outside the scope of the services of this project.

In some states and municipalities, periodic structural inspection reports are required for certain types of buildings. This periodic inspection report is critical to assist the reserve study provider in incorporating necessary corrective maintenance costs and timing. We recommend the association complete any and all required structural inspections and reports and have assumed these reports would be made available for our review during the reserve study if necessary.

We have assumed repairs under a dollar value of approximately \$1,000 would be funded as part of an annual maintenance budget. These repairs were not included in the funding allocations of this reserve study unless otherwise noted. We have assumed other component repairs/replacements would be funded from an annual maintenance budget as noted in the report.

RESERVE FUND ANALYSIS

We have performed a cash flow analysis projecting balances in the reserve account over the term of this study. We have included estimated capital repair expenses detailed in the first several pages of Appendix A. We have included tables and graphs depicting current funding levels along with recommended funding alternatives.

The financial projections include an assumed inflation rate and an assumed average return on invested funds as noted on the Project Summary page in the Appendix. The inflation rate adjustment is noted at the bottom of the annual expense page and the return on invested funds is noted in the existing funding level and funding alternative cash flow tables.

The software utilized to analyze the reserve funds was developed by Giles Flythe Engineers, Inc. in cooperation with a technology consultancy. The software and our analysis system have been extensively reviewed by leading community association and non-profit certified public accountants.

The capital repairs listed were derived from the initial request for proposal, discussions with association representatives, our informal review of governing documents and our site inspection. The association should confirm that the items listed are, in fact, the responsibility of the association and appropriate to fund from the reserve account.

Appendix A includes the following:

1. The Project Summary page that lists pertinent details specific to the association, the terms of the analysis and summarizes total over term expenses and recommended threshold balance.
2. The Expense Projection page that itemizes the capital repairs by category, illustrates our cost estimating by unit and provides estimated useful life and remaining useful life of each item.
3. The Annual Expense Projection pages that populate the capital repairs over the term of the study. This page includes a total adjusted for inflation at the bottom of the pages.
4. The Itemized Funding Analysis page provides a summary of the capital expenditures over the term and a graph breaking down the portion of the capital repairs into each category – Site Improvements, Building Exterior, Building Interior, Mechanical/Electrical/Plumbing Systems and Amenities.
5. The Current Funding Projection page provides a table and graph illustrating our cash flow analysis assuming the association maintains the current level of reserve contributions over the term of this study. The table includes projected reserve account balances, contributions, return on invested funds and capital repair expenses for each year of the term of this study.
6. The Funding Alternative pages each provide a table and graph illustrating our cash flow analysis assuming the association implements one of our funding recommendations detailed below.

Current Reserve Funding Rate: \$183,000 per year

Current Reserve Balance: \$326,221 (projected 2025 starting balance)

Note that based on our cash flow analysis, maintaining the current funding level is **not** projected to maintain a positive/healthy balance over the term. We have included recommended funding alternatives to your current reserve-funding program and recommend that the board adopt an alternative that best reflects the objectives of the community. Our funding recommendations are as follows:

- **Alternative 1**: Beginning in 2026, increase the annual reserve contribution by \$50,000 every year for 11 years. This alternative is projected to maintain a positive balance through the term of this study.
- **Alternative 2**: Increase the annual reserve contribution by \$59,000 in 2026. Then, beginning in 2027, increase the annual reserve contribution by \$48,500 every year for 10 years. This alternative is projected to maintain a positive balance through the term of this study.

A more detailed analysis of the reserve fund has been provided in Appendix A.

The reserve study is focused on the capital reserve account and budgeted contributions to reserves. The recommendations above are solely attributed to the annual reserve contributions. The association likely has many line items in the annual operating budget that should also be periodically adjusted as part of an annual budgeting process.

The capital repair/replacement cost estimates we have developed are based on 2025 dollars. Our reserve study does include an adjustment for inflation and an assumed rate of return on invested funds.

CONCLUSION & LIMITATIONS

We have provided reserve funding recommendations based on our analysis of the association-maintained components, estimated capital repair costs over the term and the current funding levels. Further detail of the reserve fund analysis is provided in Appendix A.

The physical analysis portion of this reserve study was completed through a limited visual inspection. The visual inspection was completed from ground level unless otherwise specified. The visual inspection is generally limited to readily accessible and visible common areas that would likely require capital repair activities over the term. However, in some instances a representative sample inspection may be performed. Measurement of components is completed by a combination of field measurements, aerial imagery measuring tools and take-offs from construction drawings as available. Unless specifically noted, the components included in this study have an anticipated remaining useful life within thirty years from the time the field observations used in preparing the study were performed.

Note that this inspection does not include removing surface materials, excavation or any testing. The inspection does not include riparian buffers or other protected common areas. Buried utility components and other concealed components were not inspected as part of this analysis and we cannot be responsible for the condition of components not inspected.

The observations described in this study are valid on the date of the investigation and have been made under the conditions noted in the report. We prepared this study for the exclusive use of The Paramount Condo Owners Association. No other party should rely on the information in this report without consent. If another individual or party relies on this study, they shall indemnify and hold Giles Flythe Engineers Inc. harmless for any damages, losses, or expenses they may incur as a result of its use. This study is not to be considered a warranty of condition, and no warranty is implied. The appendices are an integral part of this report and must be included in any review. The Reserve Specialist shall incur no civil liability for performing the physical or financial portions of a reserve study performed in accordance with CAI standards.

Members of the Giles Flythe Engineers team working on this reserve study are not members of, or otherwise associated with, the association. Giles Flythe Engineers has disclosed any other involvement with the association that could result in conflicts of interest.

Information provided by the representatives of the association regarding financial, physical, quantity, or historical issues, will be deemed reliable by Giles Flythe Engineers. The reserve balance presented in the Reserve Study is based upon information provided and was not audited. Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project audit or quality inspection. Giles Flythe Engineers is not aware of any additional material issues which, if not disclosed, would cause a distortion of the association's situation.

This reserve study is partially a reflection of information provided to us. The reserve study is assembled for the association's use and is not intended to be used for the purpose of performing an audit, quality/forensic analyses or background checks of historical records. Structural integrity evaluations are not included in the

reserve study unless otherwise noted. The financial information provided, including starting balances and budgeted contribution rates are deemed reliable and have not been audited. Further, this study should not be considered a building code compliance analysis. The purpose of this study is to provide the association with a financial tool and is not to be considered an exhaustive technical or engineering evaluation which would consist of a broader scope of work. Except as noted in the report, we have not relied on the validity of prior reserve studies performed by other firms.

We have provided estimated costs of capital repairs. These costs are based on our general knowledge of the construction industry. We have relied on standard sources as needed, such as Means Building Construction Cost Data and estimates reviewed by Giles Flythe Engineers on similar projects. We have performed no design work or other engineering analysis as part of this study, nor have we obtained competitive quotations or estimates from contractors. Actual repair costs can vary due to a variety of factors. We cannot be responsible for the specific cost estimates provided.

This report has been prepared and reviewed by a professional engineer (PE) and reserve specialist (RS) on our staff.

If you have any questions about this reserve study, please feel free to contact us. Thank you for the opportunity to serve you.

Respectfully submitted,



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APPENDIX A: RESERVE FUND PROJECTIONS

2025 Reserve Study Update

Client Name:	The Paramount
Service:	2025 Reserve Study Update
Number of Units:	81
Location:	Raleigh, NC
Date of Inspection:	March 20, 2025
Term of Study in Years:	30
Beginning Year:	2026
Estimated Starting Reserve:	\$326,221
Current Annual Contribution:	\$183,000
Annual Inflation Rate:	4.00%
Assumed Rate of Return on Reserve Funds:	1.50%
Total Over Term Capital Expenditure with Inflation:	\$18,570,731
Recommended Threshold Reserve Balance: (Average Annual Capital Expenditure with Inflation)	\$619,024



GILES Φ FLYTHE
ENGINEERS

Expense Estimates

Description	Quantity	Unit of Measure	Unit Cost	Total Cost per Cycle	Years of Useful Life	Years Remaining	Notes
Site Improvements							
Common area drainage improvements	1	LS	\$10,000.00	\$10,000	8	2	
Maintain stormwater retention/sand filter system	1	LS	\$10,000.00	\$10,000	5	3	
Concrete flatwork repairs	30	SY	\$150.00	\$4,500	8	4	
Building Exteriors							
Replace roof membrane	225	SQ	\$1,700.00	\$382,500	20	17	
Replace sealants, repair/recoat EIFS, rails, trim components	1	LS	\$1,200,000.00	\$1,200,000	10	7	
Repair/repoint exterior masonry	1	LS	\$25,000.00	\$25,000	10	7	
Allocation to replace aluminum railings	1	LS	\$350,000.00	\$350,000	40	25	
Replace garage gates	4	EA	\$10,000.00	\$40,000	30	10	
Allocation to replace common area & unit windows & doors	1	LS	\$400,000.00	\$400,000	5	5	Approx. 1/5 every 5 years
Replace common exterior personnel doors	1	LS	\$50,000.00	\$50,000	40	19	
Stain/repair wood pergolas	1	LS	\$1,200.00	\$1,200	5	3	
Replace wood pergolas	1	LS	\$12,000.00	\$12,000	15	12	
Building Interiors							
Replace common area carpet	12,500	SF	\$8.00	\$100,000	10	1	
Allocation to refresh main entrance lobby finishes	1	LS	\$75,000.00	\$75,000	25	6	
Replace LVP flooring in recreation room	825	SF	\$6.00	\$4,950	15	12	
Paint common area interior walls & spot paint stairwells	1	LS	\$75,000.00	\$75,000	10	1	
Refurbish common area kitchen	1	LS	\$30,000.00	\$30,000	25	4	
Refurbish common area restrooms	2	EA	\$16,000.00	\$32,000	25	4	
Refurbish elevator cabs	2	EA	\$15,000.00	\$30,000	15	9	

Description	Quantity	Unit of Measure	Unit Cost	Total Cost per Cycle	Years of Useful Life	Years Remaining	Notes
Mechanical/Electrical/Plumbing Systems							
Replace common area HVAC	1	LS	\$6,000.00	\$6,000	15	0	Label illegible - 3 ton
Replace common area HVAC	1	LS	\$18,000.00	\$18,000	15	6	Carrier - 9 tons
Replace common area HVAC	1	LS	\$6,000.00	\$6,000	15	8	Goodman - 3 ton
Replace common area HVAC	1	LS	\$17,000.00	\$17,000	15	11	York - 8.5 ton
Replace common area HVAC	1	LS	\$12,000.00	\$12,000	15	12	York - 6 ton
Replace garage & stair ventilation fans	9	EA	\$3,000.00	\$27,000	20	0	
Replace potable water booster pump	1	LS	\$35,000.00	\$35,000	15	10	
Replace common area water heaters	2	EA	\$2,000.00	\$4,000	15	7	
Replace drinking water fountains	1	LS	\$2,200.00	\$2,200	18	5	
Replace components of outdoor pool pump & filtration equipment	1	LS	\$3,500.00	\$3,500	3	1	
Allocation for elevator modernization	2	EA	\$250,000.00	\$500,000	30	9	
Allocation for interim elevator components repair	2	EA	\$50,000.00	\$100,000	15	24	
Repair/replace parking garage entrance gate operators	4	EA	\$4,000.00	\$16,000	15	1	
Upgrade security and access control systems	1	LS	\$15,000.00	\$15,000	10	2	
Repair/replace fire suppression booster pump	1	LS	\$125,000.00	\$125,000	30	7	
Replace fire alarm control panel/annunciator	1	LS	\$20,000.00	\$20,000	20	7	
Replace fire alarm/life safety devices	275	EA	\$250.00	\$68,750	15	0	
Interim repairs to fire suppression system	1	LS	\$15,000.00	\$15,000	5	4	
Replace exterior light fixtures	120	EA	\$350.00	\$42,000	15	2	
Replace/upgrade interior wall mounted light fixtures	100	EA	\$200.00	\$20,000	15	4	
Replace parking garage light fixtures	80	EA	\$350.00	\$28,000	15	8	
Replace emergency generator and transfer switch	1	LS	\$150,000.00	\$150,000	30	10	
Interim repairs to emergency generator	1	LS	\$15,000.00	\$15,000	15	3	
Contingency to repair plumbing/electrical systems	1	LS	\$65,000.00	\$65,000	10	2	
Amenities							
Resurface outdoor swimming pool	600	SF	\$22.00	\$13,200	12	7	Includes waterline tile
Repair/replace pool and outdoor furnishings (include railings)	1	LS	\$15,000.00	\$15,000	9	7	
Replace gas grills	2	EA	\$6,500.00	\$13,000	7	3	
Replace cardio fitness equipment	1	LS	\$35,000.00	\$35,000	10	8	
Replace strength fitness equipment	1	LS	\$33,000.00	\$33,000	20	18	
Allocation to replace portions of common area furnishings	1	LS	\$25,000.00	\$25,000	10	1	
Repair billiard table	1	LS	\$3,500.00	\$3,500	15	2	

SY: Square Yard, **SF:** Square Feet, **LF:** Linear Feet, **SQ:** Roofing Square, **EA:** Each, **LS:** Lump Sum, **SYS:** System

Annual Expense By Year With Inflation

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Site Improvements										
Common area drainage improvements			\$10,816							
Maintain stormwater retention/sand filter system				\$11,249					\$13,686	
Concrete flatwork repairs					\$5,264					
Building Exteriors										
Replace roof membrane										
Replace sealants, repair/recoat EIFS, rails, trim components								\$1,579,118		
Repair/repoint exterior masonry								\$32,898		
Allocation to replace aluminum railings										
Replace garage gates										
Allocation to replace common area & unit windows & doors						\$486,661				
Replace common exterior personnel doors										
Stain/repair wood pergolas				\$1,350					\$1,642	
Replace wood pergolas										
Building Interiors										
Replace common area carpet		\$104,000								
Allocation to refresh main entrance lobby finishes							\$94,899			
Replace LVP flooring in recreation room										
Paint common area interior walls & spot paint stairwells		\$78,000								
Refurbish common area kitchen					\$35,096					
Refurbish common area restrooms					\$37,435					
Refurbish elevator cabs										\$42,699

Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Mechanical/Electrical/Plumbing Systems										
Replace common area HVAC	\$6,000									
Replace common area HVAC							\$22,776			
Replace common area HVAC									\$8,211	
Replace common area HVAC										
Replace common area HVAC										
Replace garage & stair ventilation fans	\$27,000									
Replace potable water booster pump										
Replace common area water heaters								\$5,264		
Replace drinking water fountains						\$2,677				
Replace components of outdoor pool pump & filtration equipment		\$3,640			\$4,095			\$4,606		
Allocation for elevator modernization										\$711,656
Allocation for interim elevator components repair										
Repair/replace parking garage entrance gate operators		\$16,640								
Upgrade security and access control systems			\$16,224							
Repair/replace fire suppression booster pump								\$164,491		
Replace fire alarm control panel/annunciator								\$26,319		
Replace fire alarm/life safety devices	\$68,750									
Interim repairs to fire suppression system					\$17,548					\$21,350
Replace exterior light fixtures			\$45,427							
Replace/upgrade interior wall mounted light fixtures					\$23,397					
Replace parking garage light fixtures									\$38,320	
Replace emergency generator and transfer switch										
Interim repairs to emergency generator				\$16,873						
Contingency to repair plumbing/electrical systems			\$70,304							
Amenities										
Resurface outdoor swimming pool								\$17,370		
Repair/replace pool and outdoor furnishings (include railings)								\$19,739		
Replace gas grills					\$14,623					
Replace cardio fitness equipment									\$47,900	
Replace strength fitness equipment										
Allocation to replace portions of common area furnishings		\$26,000								
Repair billiard table			\$3,786							
Total	\$101,750	\$228,280	\$146,557	\$44,095	\$122,835	\$489,338	\$117,675	\$1,849,805	\$109,759	\$775,705

Annual Expense By Year With Inflation

Description	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Site Improvements										
Common area drainage improvements	\$14,802								\$20,258	
Maintain stormwater retention/sand filter system				\$16,651					\$20,258	
Concrete flatwork repairs			\$7,205							
Building Exteriors										
Replace roof membrane								\$745,072		
Replace sealants, repair/recoat EIFS, rails, trim components								\$2,337,481		
Repair/repoint exterior masonry								\$48,698		
Allocation to replace aluminum railings										
Replace garage gates	\$59,210									
Allocation to replace common area & unit windows & doors	\$592,098					\$720,377				
Replace common exterior personnel doors										\$105,342
Stain/repair wood pergolas				\$1,998					\$2,431	
Replace wood pergolas			\$19,212							
Building Interiors										
Replace common area carpet		\$153,945								
Allocation to refresh main entrance lobby finishes										
Replace LVP flooring in recreation room			\$7,925							
Paint common area interior walls & spot paint stairwells		\$115,459								
Refurbish common area kitchen										
Refurbish common area restrooms										
Refurbish elevator cabs										

Description	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Mechanical/Electrical/Plumbing Systems										
Replace common area HVAC						\$10,806				
Replace common area HVAC										
Replace common area HVAC										
Replace common area HVAC		\$26,171								
Replace common area HVAC			\$19,212							
Replace garage & stair ventilation fans										
Replace potable water booster pump	\$51,809									
Replace common area water heaters										
Replace drinking water fountains										
Replace components of outdoor pool pump & filtration equipment	\$5,181			\$5,828			\$6,555			\$7,374
Allocation for elevator modernization										
Allocation for interim elevator components repair										
Repair/replace parking garage entrance gate operators							\$29,968			
Upgrade security and access control systems			\$24,015							
Repair/replace fire suppression booster pump										
Replace fire alarm control panel/annunciator										
Replace fire alarm/life safety devices						\$123,815				
Interim repairs to fire suppression system					\$25,975					\$31,603
Replace exterior light fixtures								\$81,812		
Replace/upgrade interior wall mounted light fixtures										\$42,137
Replace parking garage light fixtures										
Replace emergency generator and transfer switch	\$222,037									
Interim repairs to emergency generator									\$30,387	
Contingency to repair plumbing/electrical systems			\$104,067							
Amenities										
Resurface outdoor swimming pool										\$27,810
Repair/replace pool and outdoor furnishings (include railings)							\$28,095			
Replace gas grills	\$19,243							\$25,323		
Replace cardio fitness equipment									\$70,904	
Replace strength fitness equipment									\$66,852	
Allocation to replace portions of common area furnishings		\$38,486								
Repair billiard table								\$6,818		
Total	\$964,379	\$334,062	\$181,637	\$24,477	\$25,975	\$854,998	\$64,618	\$3,245,202	\$211,090	\$214,267

Annual Expense By Year With Inflation

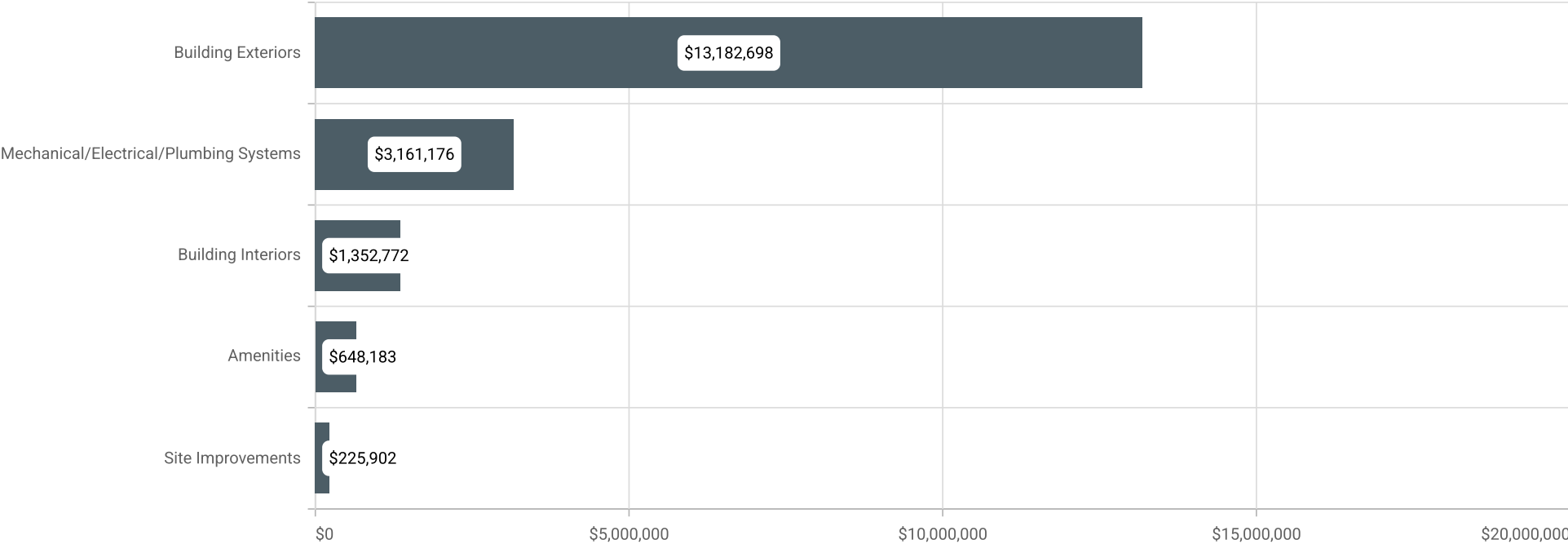
Description	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Site Improvements										
Common area drainage improvements							\$27,725			
Maintain stormwater retention/sand filter system				\$24,647					\$29,987	
Concrete flatwork repairs	\$9,860								\$13,494	
Building Exteriors										
Replace roof membrane										
Replace sealants, repair/recoat EIFS, rails, trim components								\$3,460,042		
Repair/repoint exterior masonry								\$72,084		
Allocation to replace aluminum railings						\$933,043				
Replace garage gates										
Allocation to replace common area & unit windows & doors	\$876,449					\$1,066,335				
Replace common exterior personnel doors										
Stain/repair wood pergolas				\$2,958					\$3,598	
Replace wood pergolas								\$34,600		
Building Interiors										
Replace common area carpet		\$227,877								
Allocation to refresh main entrance lobby finishes										
Replace LVP flooring in recreation room								\$14,273		
Paint common area interior walls & spot paint stairwells		\$170,908								
Refurbish common area kitchen										\$93,560
Refurbish common area restrooms										\$99,797
Refurbish elevator cabs					\$76,899					

Description	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Mechanical/Electrical/Plumbing Systems										
Replace common area HVAC										
Replace common area HVAC		\$41,018								
Replace common area HVAC				\$14,788						
Replace common area HVAC							\$47,132			
Replace common area HVAC								\$34,600		
Replace garage & stair ventilation fans	\$59,160									
Replace potable water booster pump						\$93,304				
Replace common area water heaters			\$9,480							
Replace drinking water fountains				\$5,422						
Replace components of outdoor pool pump & filtration equipment			\$8,295			\$9,330			\$10,495	
Allocation for elevator modernization										
Allocation for interim elevator components repair					\$256,330					
Repair/replace parking garage entrance gate operators										
Upgrade security and access control systems			\$35,549							
Repair/replace fire suppression booster pump										
Replace fire alarm control panel/annunciator								\$57,667		
Replace fire alarm/life safety devices										
Interim repairs to fire suppression system					\$38,450					\$46,780
Replace exterior light fixtures										
Replace/upgrade interior wall mounted light fixtures										
Replace parking garage light fixtures				\$69,012						
Replace emergency generator and transfer switch										
Interim repairs to emergency generator										
Contingency to repair plumbing/electrical systems			\$154,045							
Amenities										
Resurface outdoor swimming pool										
Repair/replace pool and outdoor furnishings (include railings)						\$39,988				
Replace gas grills					\$33,323					
Replace cardio fitness equipment									\$104,955	
Replace strength fitness equipment										
Allocation to replace portions of common area furnishings		\$56,969								
Repair billiard table										
Total	\$945,470	\$496,771	\$207,368	\$116,828	\$405,002	\$2,141,999	\$74,857	\$3,673,267	\$162,530	\$240,136

Expense Summary

Total Over Term Capital Expenditure with Inflation:	\$18,570,731
Average Estimated Annual Capital Expenditure with Inflation:	\$619,024
Current Reserve Account Balance:	\$326,221
Full Funding Balance:	\$1,814,242
Percent Funded:	17.98%

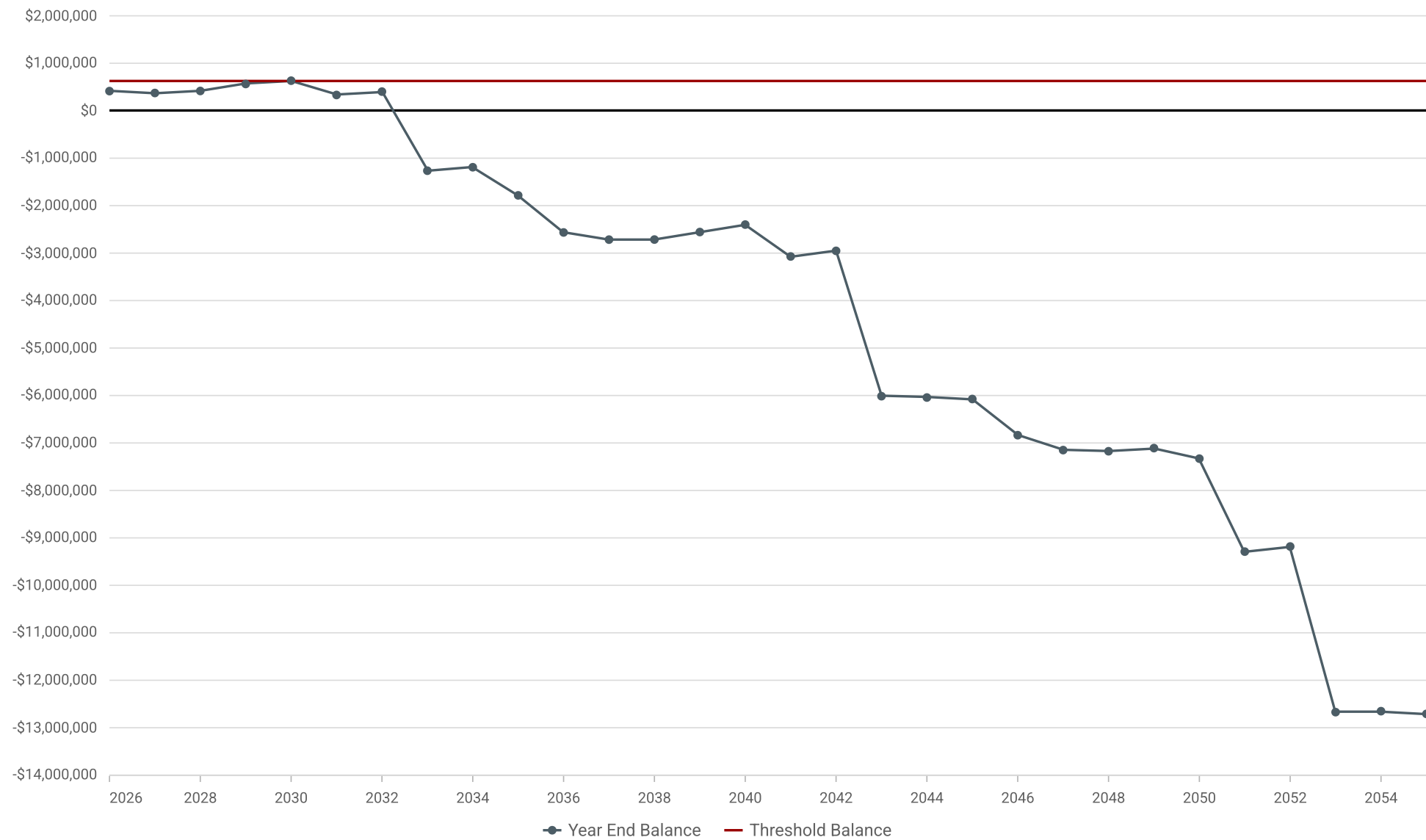
Breakdown of Total Costs by Type



Current Funding: Year End Balance Projection

Year	Starting Balance	Reserve Contribution	Average Per Unit Per Month	Return on Investment	Repair Expenses	Special Assessments	Year End Balance
2026	\$326,221	\$183,000	\$188.27	\$6,112	\$101,750		\$413,583
2027	\$413,583	\$183,000	\$188.27	\$5,525	\$228,280		\$373,828
2028	\$373,828	\$183,000	\$188.27	\$6,154	\$146,557		\$416,425
2029	\$416,425	\$183,000	\$188.27	\$8,330	\$44,095		\$563,660
2030	\$563,660	\$183,000	\$188.27	\$9,357	\$122,835		\$633,183
2031	\$633,183	\$183,000	\$188.27	\$4,903	\$489,338		\$331,747
2032	\$331,747	\$183,000	\$188.27	\$5,956	\$117,675		\$403,029
2033	\$403,029	\$183,000	\$188.27	\$0	\$1,849,805		-\$1,263,776
2034	-\$1,263,776	\$183,000	\$188.27	\$0	\$109,759		-\$1,190,536
2035	-\$1,190,536	\$183,000	\$188.27	\$0	\$775,705		-\$1,783,241
2036	-\$1,783,241	\$183,000	\$188.27	\$0	\$964,379		-\$2,564,620
2037	-\$2,564,620	\$183,000	\$188.27	\$0	\$334,062		-\$2,715,681
2038	-\$2,715,681	\$183,000	\$188.27	\$0	\$181,637		-\$2,714,318
2039	-\$2,714,318	\$183,000	\$188.27	\$0	\$24,477		-\$2,555,795
2040	-\$2,555,795	\$183,000	\$188.27	\$0	\$25,975		-\$2,398,770
2041	-\$2,398,770	\$183,000	\$188.27	\$0	\$854,998		-\$3,070,768
2042	-\$3,070,768	\$183,000	\$188.27	\$0	\$64,618		-\$2,952,386
2043	-\$2,952,386	\$183,000	\$188.27	\$0	\$3,245,202		-\$6,014,588
2044	-\$6,014,588	\$183,000	\$188.27	\$0	\$211,090		-\$6,042,678
2045	-\$6,042,678	\$183,000	\$188.27	\$0	\$214,267		-\$6,073,945
2046	-\$6,073,945	\$183,000	\$188.27	\$0	\$945,470		-\$6,836,414
2047	-\$6,836,414	\$183,000	\$188.27	\$0	\$496,771		-\$7,150,186
2048	-\$7,150,186	\$183,000	\$188.27	\$0	\$207,368		-\$7,174,554
2049	-\$7,174,554	\$183,000	\$188.27	\$0	\$116,828		-\$7,108,381
2050	-\$7,108,381	\$183,000	\$188.27	\$0	\$405,002		-\$7,330,383
2051	-\$7,330,383	\$183,000	\$188.27	\$0	\$2,141,999		-\$9,289,383
2052	-\$9,289,383	\$183,000	\$188.27	\$0	\$74,857		-\$9,181,239
2053	-\$9,181,239	\$183,000	\$188.27	\$0	\$3,673,267		-\$12,671,507
2054	-\$12,671,507	\$183,000	\$188.27	\$0	\$162,530		-\$12,651,037
2055	-\$12,651,037	\$183,000	\$188.27	\$0	\$240,136		-\$12,708,173

Current Funding: Year End Balance Projection

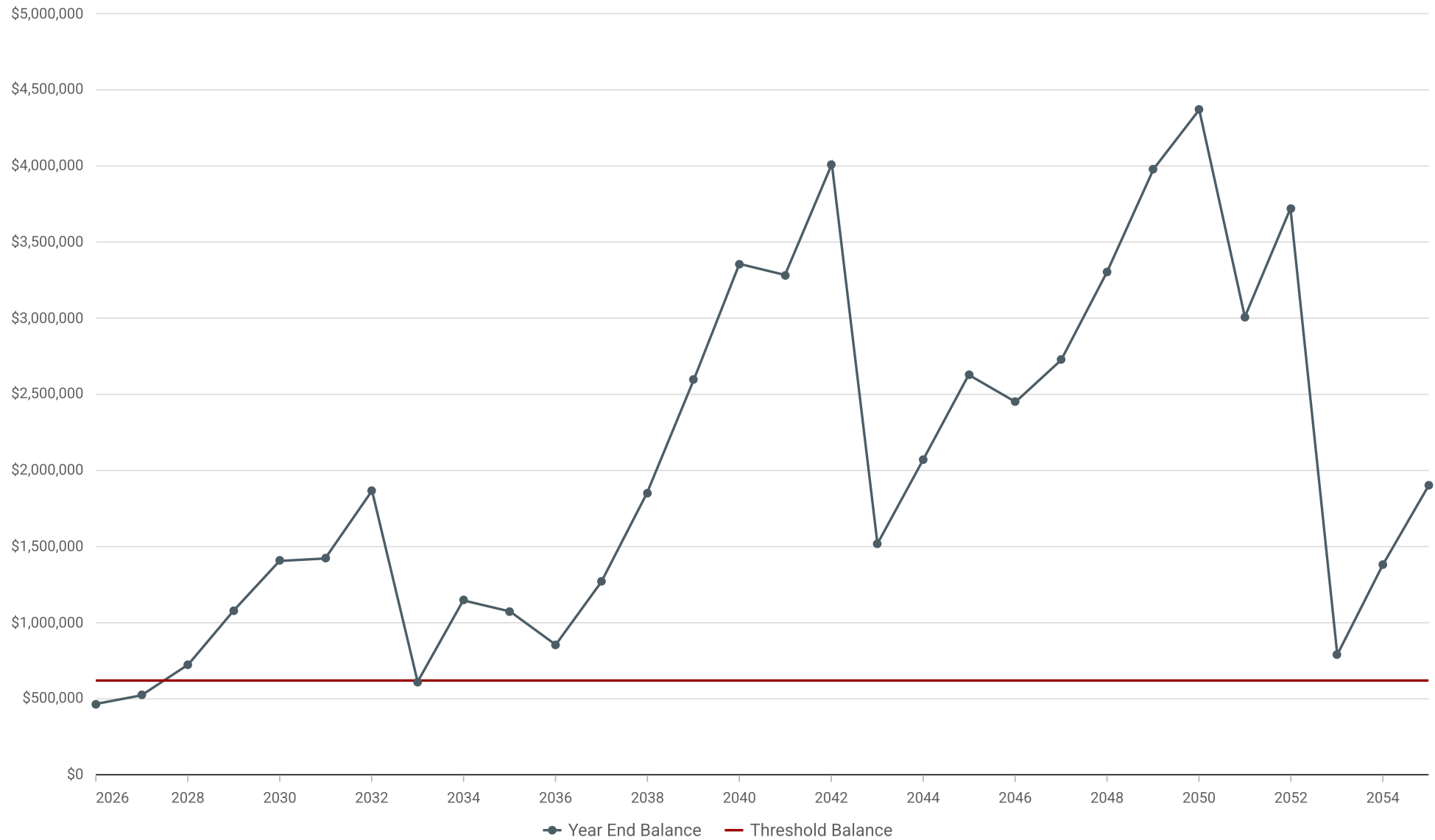


Funding Alternative 1: Year End Balance Projection

Beginning in 2026, increase by \$50,000 every year for 11 years.

Year	Starting Balance	Reserve Contribution	Average Per Unit Per Month	Return on Investment	Repair Expenses	Special Assessments	Year End Balance
2026	\$326,221	\$233,000	\$239.71	\$6,862	\$101,750		\$464,333
2027	\$464,333	\$283,000	\$291.15	\$7,786	\$228,280		\$526,839
2028	\$526,839	\$333,000	\$342.59	\$10,699	\$146,557		\$723,981
2029	\$723,981	\$383,000	\$394.03	\$15,943	\$44,095		\$1,078,830
2030	\$1,078,830	\$433,000	\$445.47	\$20,835	\$122,835		\$1,409,830
2031	\$1,409,830	\$483,000	\$496.91	\$21,052	\$489,338		\$1,424,544
2032	\$1,424,544	\$533,000	\$548.35	\$27,598	\$117,675		\$1,867,468
2033	\$1,867,468	\$583,000	\$599.79	\$9,010	\$1,849,805		\$609,672
2034	\$609,672	\$633,000	\$651.23	\$16,994	\$109,759		\$1,149,907
2035	\$1,149,907	\$683,000	\$702.67	\$15,858	\$775,705		\$1,073,060
2036	\$1,073,060	\$733,000	\$754.12	\$12,625	\$964,379		\$854,306
2037	\$854,306	\$733,000	\$754.12	\$18,799	\$334,062		\$1,272,043
2038	\$1,272,043	\$733,000	\$754.12	\$27,351	\$181,637		\$1,850,757
2039	\$1,850,757	\$733,000	\$754.12	\$38,389	\$24,477		\$2,597,670
2040	\$2,597,670	\$733,000	\$754.12	\$49,570	\$25,975		\$3,354,265
2041	\$3,354,265	\$733,000	\$754.12	\$48,484	\$854,998		\$3,280,751
2042	\$3,280,751	\$733,000	\$754.12	\$59,237	\$64,618		\$4,008,370
2043	\$4,008,370	\$733,000	\$754.12	\$22,443	\$3,245,202		\$1,518,611
2044	\$1,518,611	\$733,000	\$754.12	\$30,608	\$211,090		\$2,071,128
2045	\$2,071,128	\$733,000	\$754.12	\$38,848	\$214,267		\$2,628,710
2046	\$2,628,710	\$733,000	\$754.12	\$36,244	\$945,470		\$2,452,484
2047	\$2,452,484	\$733,000	\$754.12	\$40,331	\$496,771		\$2,729,043
2048	\$2,729,043	\$733,000	\$754.12	\$48,820	\$207,368		\$3,303,495
2049	\$3,303,495	\$733,000	\$754.12	\$58,795	\$116,828		\$3,978,463
2050	\$3,978,463	\$733,000	\$754.12	\$64,597	\$405,002		\$4,371,058
2051	\$4,371,058	\$733,000	\$754.12	\$44,431	\$2,141,999		\$3,006,489
2052	\$3,006,489	\$733,000	\$754.12	\$54,969	\$74,857		\$3,719,602
2053	\$3,719,602	\$733,000	\$754.12	\$11,690	\$3,673,267		\$791,024
2054	\$791,024	\$733,000	\$754.12	\$20,422	\$162,530		\$1,381,917
2055	\$1,381,917	\$733,000	\$754.12	\$28,122	\$240,136		\$1,902,903

Funding Alternative 1: Year End Balance Projection



Funding Alternative 2: Year End Balance Projection

Increase by \$59,000 in 2026. Then, beginning in 2027, increase by \$48,500 every year for 10 years.

Year	Starting Balance	Reserve Contribution	Average Per Unit Per Month	Return on Investment	Repair Expenses	Special Assessments	Year End Balance
2026	\$326,221	\$242,000	\$248.97	\$6,997	\$101,750		\$473,468
2027	\$473,468	\$290,500	\$298.87	\$8,035	\$228,280		\$543,724
2028	\$543,724	\$339,000	\$348.77	\$11,043	\$146,557		\$747,209
2029	\$747,209	\$387,500	\$398.66	\$16,359	\$44,095		\$1,106,974
2030	\$1,106,974	\$436,000	\$448.56	\$21,302	\$122,835		\$1,441,441
2031	\$1,441,441	\$484,500	\$498.46	\$21,549	\$489,338		\$1,458,152
2032	\$1,458,152	\$533,000	\$548.35	\$28,102	\$117,675		\$1,901,579
2033	\$1,901,579	\$581,500	\$598.25	\$9,499	\$1,849,805		\$642,773
2034	\$642,773	\$630,000	\$648.15	\$17,445	\$109,759		\$1,180,459
2035	\$1,180,459	\$678,500	\$698.05	\$16,249	\$775,705		\$1,099,503
2036	\$1,099,503	\$727,000	\$747.94	\$12,932	\$964,379		\$875,056
2037	\$875,056	\$727,000	\$747.94	\$19,020	\$334,062		\$1,287,014
2038	\$1,287,014	\$727,000	\$747.94	\$27,486	\$181,637		\$1,859,863
2039	\$1,859,863	\$727,000	\$747.94	\$38,436	\$24,477		\$2,600,822
2040	\$2,600,822	\$727,000	\$747.94	\$49,528	\$25,975		\$3,351,375
2041	\$3,351,375	\$727,000	\$747.94	\$48,351	\$854,998		\$3,271,727
2042	\$3,271,727	\$727,000	\$747.94	\$59,012	\$64,618		\$3,993,121
2043	\$3,993,121	\$727,000	\$747.94	\$22,124	\$3,245,202		\$1,497,043
2044	\$1,497,043	\$727,000	\$747.94	\$30,194	\$211,090		\$2,043,147
2045	\$2,043,147	\$727,000	\$747.94	\$38,338	\$214,267		\$2,594,218
2046	\$2,594,218	\$727,000	\$747.94	\$35,636	\$945,470		\$2,411,385
2047	\$2,411,385	\$727,000	\$747.94	\$39,624	\$496,771		\$2,681,238
2048	\$2,681,238	\$727,000	\$747.94	\$48,013	\$207,368		\$3,248,883
2049	\$3,248,883	\$727,000	\$747.94	\$57,886	\$116,828		\$3,916,941
2050	\$3,916,941	\$727,000	\$747.94	\$63,584	\$405,002		\$4,302,523
2051	\$4,302,523	\$727,000	\$747.94	\$43,313	\$2,141,999		\$2,930,837
2052	\$2,930,837	\$727,000	\$747.94	\$53,745	\$74,857		\$3,636,725
2053	\$3,636,725	\$727,000	\$747.94	\$10,357	\$3,673,267		\$700,814
2054	\$700,814	\$727,000	\$747.94	\$18,979	\$162,530		\$1,284,264
2055	\$1,284,264	\$727,000	\$747.94	\$26,567	\$240,136		\$1,797,694

Funding Alternative 2: Year End Balance Projection



APPENDIX B: PROJECT PHOTOGRAPHS

Description

Erosion and
sedimentation in swale
adjacent to the building

Photo No.
1



Description

Section of previous
concrete repair, slight
undermining still present

Photo No.
2



Description

General view of
ballasted roof membrane

Photo No.
3



Description

Ballasted roof membrane

Photo No.
4



Description

Vertical roof membrane



Photo No.
5

Description

General view of building
exterior



Photo No.
6

Description

General view of building exterior (EIFS and masonry)

Photo No.
7



Description

EIFS coating on building exterior

Photo No.
8



Description

Parking garage railings

Photo No.
9



Description

General view of building
exterior

Photo No.
10



Description

Painted railings in
parking garage

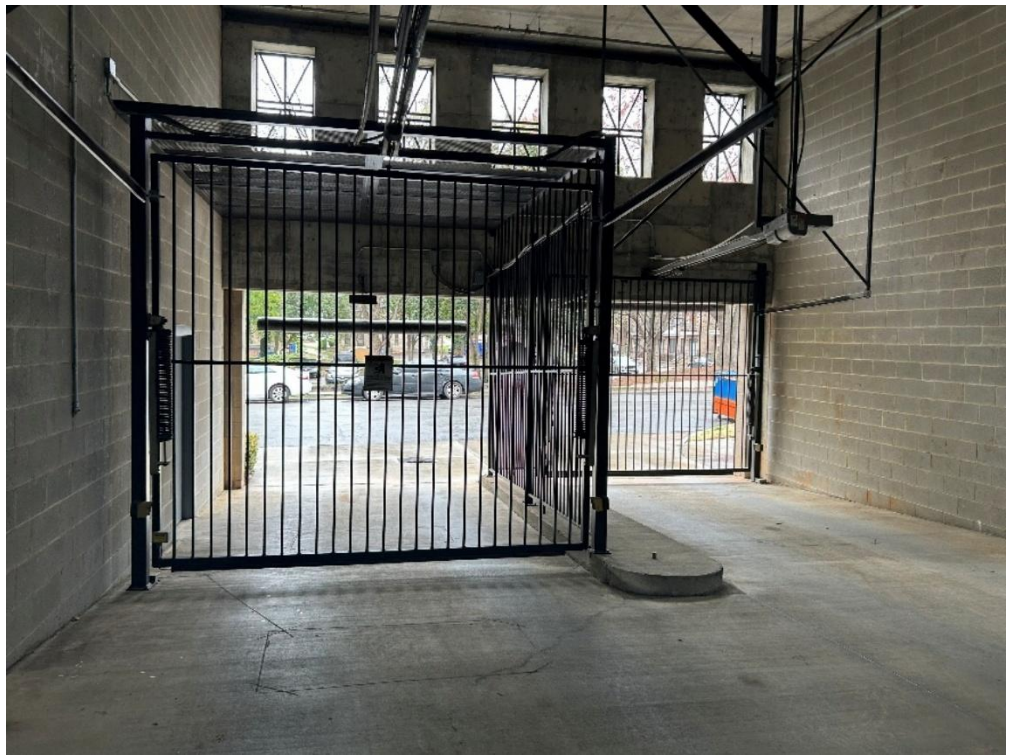
Photo No.
11



Description

Parking garage gates and
operators

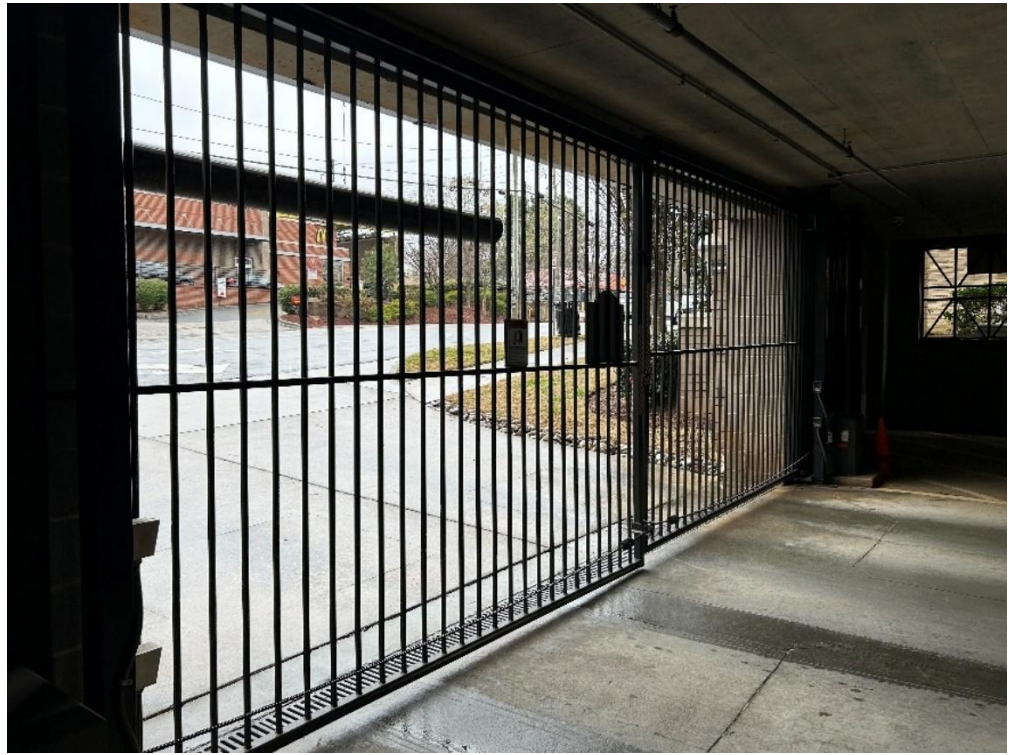
Photo No.
12



Description

Parking garage gate

Photo No.
13



Description

Exterior door and light fixtures

Photo No.
14



Description

Typical aluminum-framed storefront windows in the common areas

Photo No.
15



Description

Wood pergola structure on the pool deck

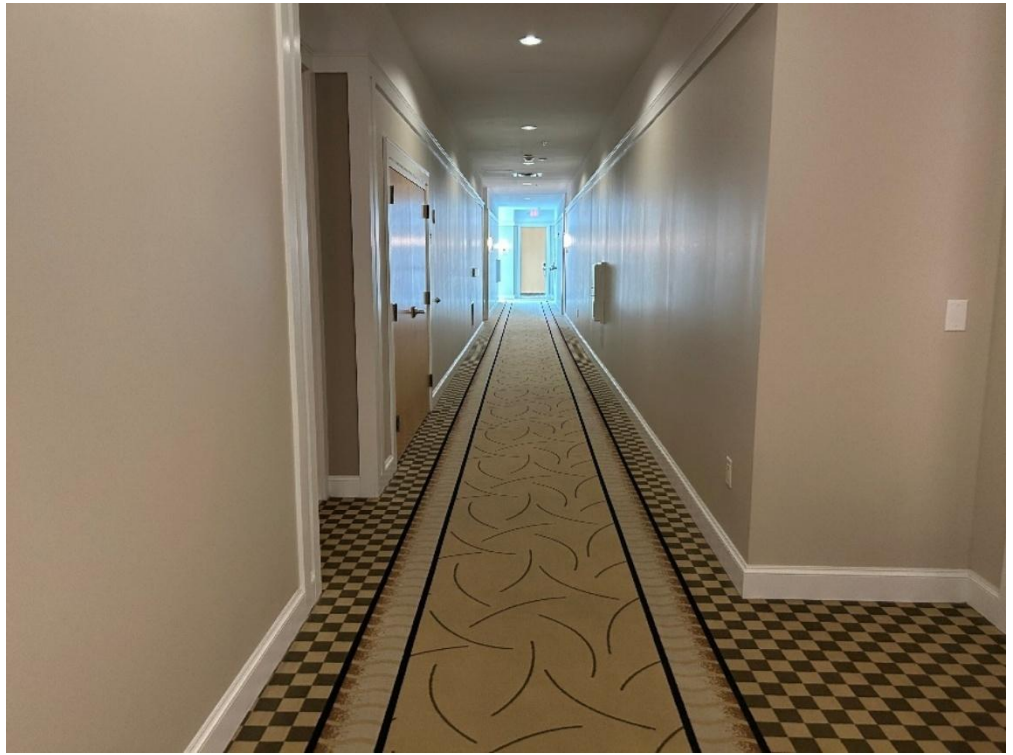
Photo No.
16



Description

Typical common area
corridor

Photo No.
17



Description

Typical corridor and
common area
furnishings

Photo No.
18



Description

General view of main
lobby finishes

Photo No.
19



Description

LVP flooring and
furnishing in the
recreation room

Photo No.
20



Description

Paint scuffing and
deterioration in common
area corridor

Photo No.
21



Description

Paint scuffing and
deterioration in common
area corridor

Photo No.
22



Description

Common area kitchen

Photo No.
23



Description

Typical common area
restroom finishes

Photo No.
24



Description

Rooftop HVAC and
exhaust fan

Photo No.
25



Description

Typical exhaust fan in
the parking garage

Photo No.
26



Description

Potable water booster
pump

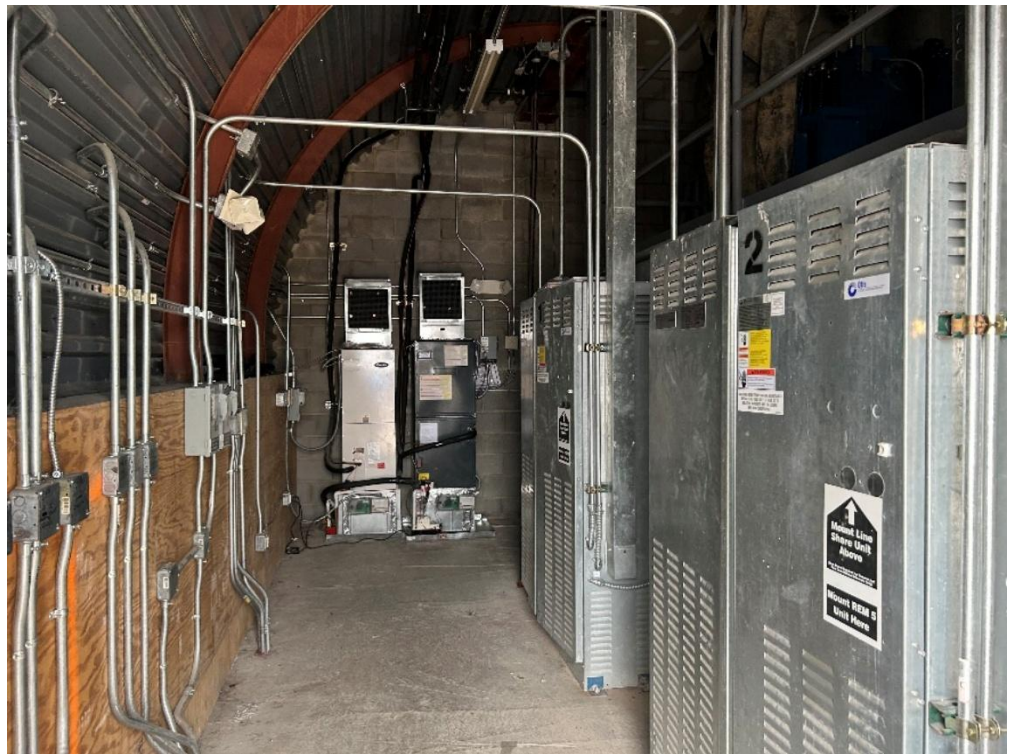
Photo No.
27



Description

Elevator equipment
room

Photo No.
28



Description

Fire suppression booster pump

Photo No.
29



Description

Fire Alarm Control
Panel located off of the
main lobby

Photo No.
30



Description

General view of parking garage

Photo No.
31



Description

LED lighting in parking garage

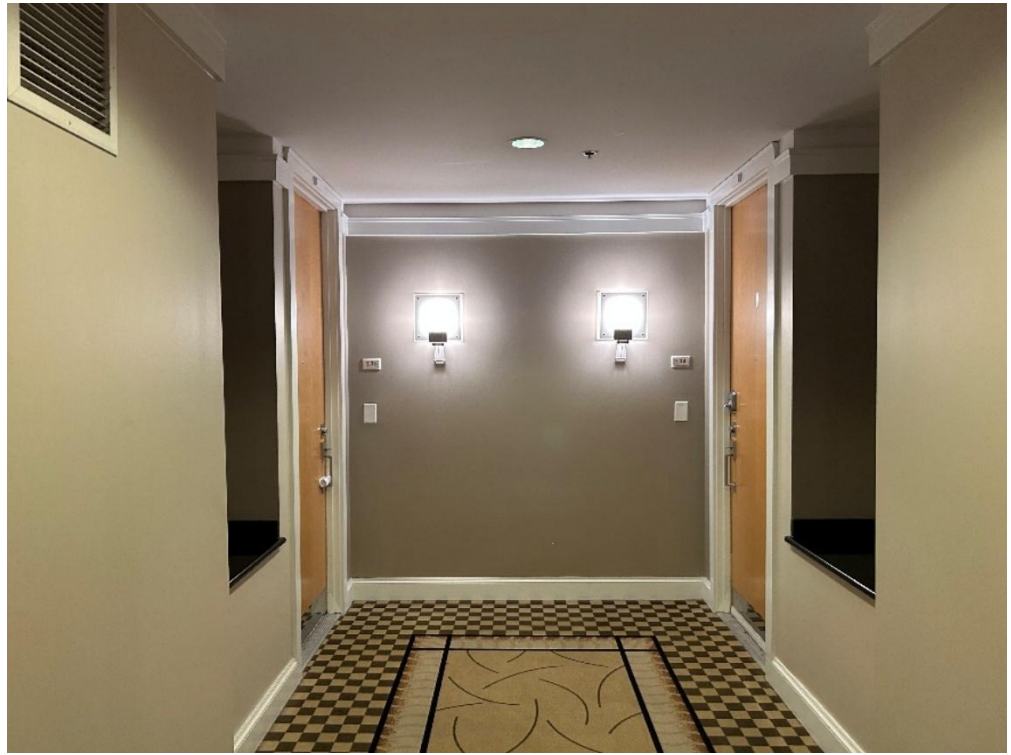
Photo No.
32



Description

Typical interior light fixtures in corridors

Photo No.
33



Description

Deisel emergency generator

Photo No.
34



Description

General view of pool deck area



Photo No.
35

Description

Concrete patching and
pool railings

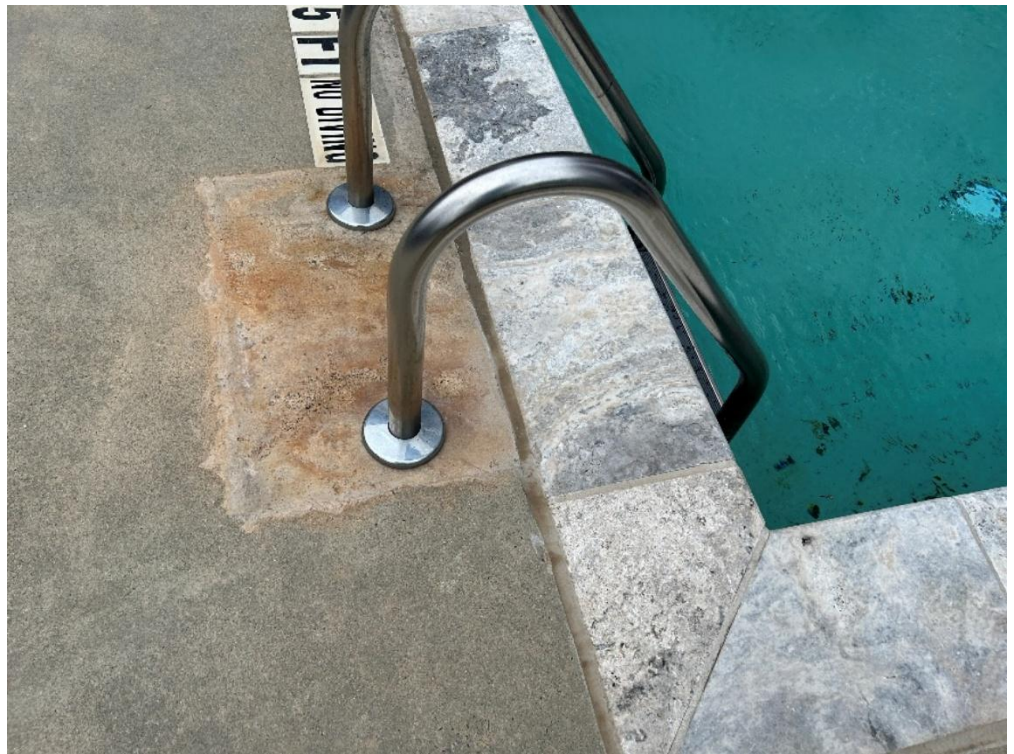


Photo No.
36

Description

Drop-in gas grills and
outdoor furniture on
pool deck

Photo No.
37



Description

Cardio equipment in the
fitness center

Photo No.
38



Description

Free weights in the
fitness center

Photo No.
39



Description

Billiard table in the
recreation room

Photo No.
40

