

CAPITAL NEEDS ASSESSMENT

for

SAMPLE LOCATION

**MAIN STREET
SAMPLE, VT 00000**

Prepared for:

**SAMPLE LAND TRUST
Sample Street
Sample, VT 00000
802-000-0000**

Property Managed by:

**SAMPLE MANAGEMENT
Sample Street
Sample, VT 00000
802-000-0000**

Prepared by:

RIGHT-TRAK DESIGN, INC.
58 Beaver Pond Road
Weare, New Hampshire 03281- 5800
(603) 529-2022
www.rightrakdesign.com

Inspection Date: MM/DD/YYYY

TABLE OF CONTENTS

| | |
|----|---|
| 3 | SECTION I – EXECUTIVE SUMMARY |
| 4 | PROPERTY DETAILS |
| 5 | PROJECT DESCRIPTION |
| 6 | SITE AND LANDSCAPING Observations and Recommendations |
| 10 | ARCHITECTURAL EXTERIOR Observations and Recommendations |
| 14 | ARCHITECTURAL INTERIOR Observations and Recommendations |
| 17 | DWELLING UNITS Observations and Recommendations |
| 21 | MECHANICAL AND ELECTRICAL Observations and Recommendations |
| 24 | APPROXIMATE SITE AND FLOOR PLANS |
| 28 | SECTION II – SUMMARY OF RESULTS |
| | DEFERRED MAINTENANCE SUMMARY |
| | YEAR ONE BUDGET SUMMARY |
| 29 | SECTION III – FINANCIAL NEEDS AND RESOURCES |
| | CURRENT FINANCIAL NEEDS AND RESOURCES |
| | ASSESSMENT METHOD |
| | SCHEDULE OF FORECASTED EXPENSES |
| | LIMITATION OF REPORT |
| 31 | EXHIBIT I SCHEDULE OF FORECASTED EXPENSES |
| 43 | EXHIBIT II YEARLY COST EXTENSIONS AND SUMMARY |
| 61 | EXHIBIT III SUPPLEMENTAL DATA |

SAMPLE LOCATION

CAPITAL NEEDS ASSESSMENT

LOCATION: Sample, VT 00000

DRAFT DATE: DD/MM/YYYY

INSPECTION DATE: DD/MM/YYYY

REPORT DATE: DD/MM/YYYY

SECTION I – EXECUTIVE SUMMARY

PREFACE:

On DD/MM/YYYY a property inspection was conducted for the Sample Location Senior Housing and Seniors Center at Main Street in Sample, Vermont. The property contains a total of 18 apartments. The inspection was conducted to help evaluate the overall condition of the structure and site and to identify possible deficiencies involving life safety, replacement, and maintenance issues. The information obtained was used to help forecast the long-term capital needs of the property.

Sample, a town in Washington County in the central part of Vermont was chartered on February 25, 1782. It covers an area of 16,588 acres (25.92 square miles).

The chief grantee and later owner of over half the town was Benjamin Wait (sometimes Waite), one of seven brothers, all of whom were born in Sudbury, Massachusetts, and eventually became involved with the affairs of the **New Hampshire Grants**. Another brother, Joseph, is commemorated in the name of Waits River in **Bradford**.

Ancestries include Irish (21.8%), English (19.0%), German (13.7%), French (7.9%), Scottish (6.4%), and Italian (6.2%). Industries providing employment are Educational, health and social services (15.0%), Arts, entertainment, recreation, accommodation and food services (14.9%), Retail trade (13.2%), Professional, scientific, management, administrative, and waste management services (11.4%).

Population in the year 2000 was 1,659. Estimated population in July 2005 is 1,719 (+3.6% change). The nearest city with a population of 50,000+ is **Schenectady, NY** (122.2 miles, population 61,821). The nearest city with a population of 200,000+ is **Boston, MA** (175.9 miles, population 589,141). The nearest city with a population of 1,000,000+ is **New York, NY** (252.5 miles, population 8,008,278).

The following review presents work items as they relate to the current status and condition of the property. Each of the building systems is discussed with recommendations and cost estimates for system upgrade or to maintain the housing units over the 15-year period of this report. The systems include Site, Architectural, Mechanical & Electrical, and Dwelling Units.



PROPERTY DETAILS

Project: Sample Location

PROVIDER

Name: Right-Trak Design, Inc.
Addr1: 58 Beaver Pond Road
Addr2:
City: Weare
State: NH Zip Code: 03281
Phone: 603-529-2022
Email: jwuebbolt@righttrakdesign.com

OWNER

Name: Sample Land Trust
Addr1: Sample Street
Addr2:
City: Sample
State: VT Zip Code: 00000
Phone: 802-000-0000
Email: sample@sample.org

UNIT MIX

Type: Elderly
Year Built: +/- 1950
Rehab for Elderly: 1995
Last Renovated: 2005-2006
1 Bedroom Apts: 17
2 Bedroom Apts: 0
3 Bedroom Apts: 0
4 Bedroom Apts: 0
Handicap Acc. Apts: 1
Total Dwelling Units: 18

PROJECT

Name: Sample Location
Addr1: Main Street
Addr2: Route 000
City: Sample
State: VT Zip Code: 00000
County: Washington
Phone: 802-000-0000
Email: none

SITE DATA

Lot Size: 1.2 Acres
Parking: 24 Vehicles
Handicapped Parking: 4 Vehicles
Amenities: Lawn areas

BUILDING DATA

Residential Bldgs: 1
Accessory Bldgs: 0
Building Height: 2 stories
Building Size: 7446 ft² footprint
Heating: Hydronic hot water baseboard
Cooling: Air conditioning not provided

INSPECTION

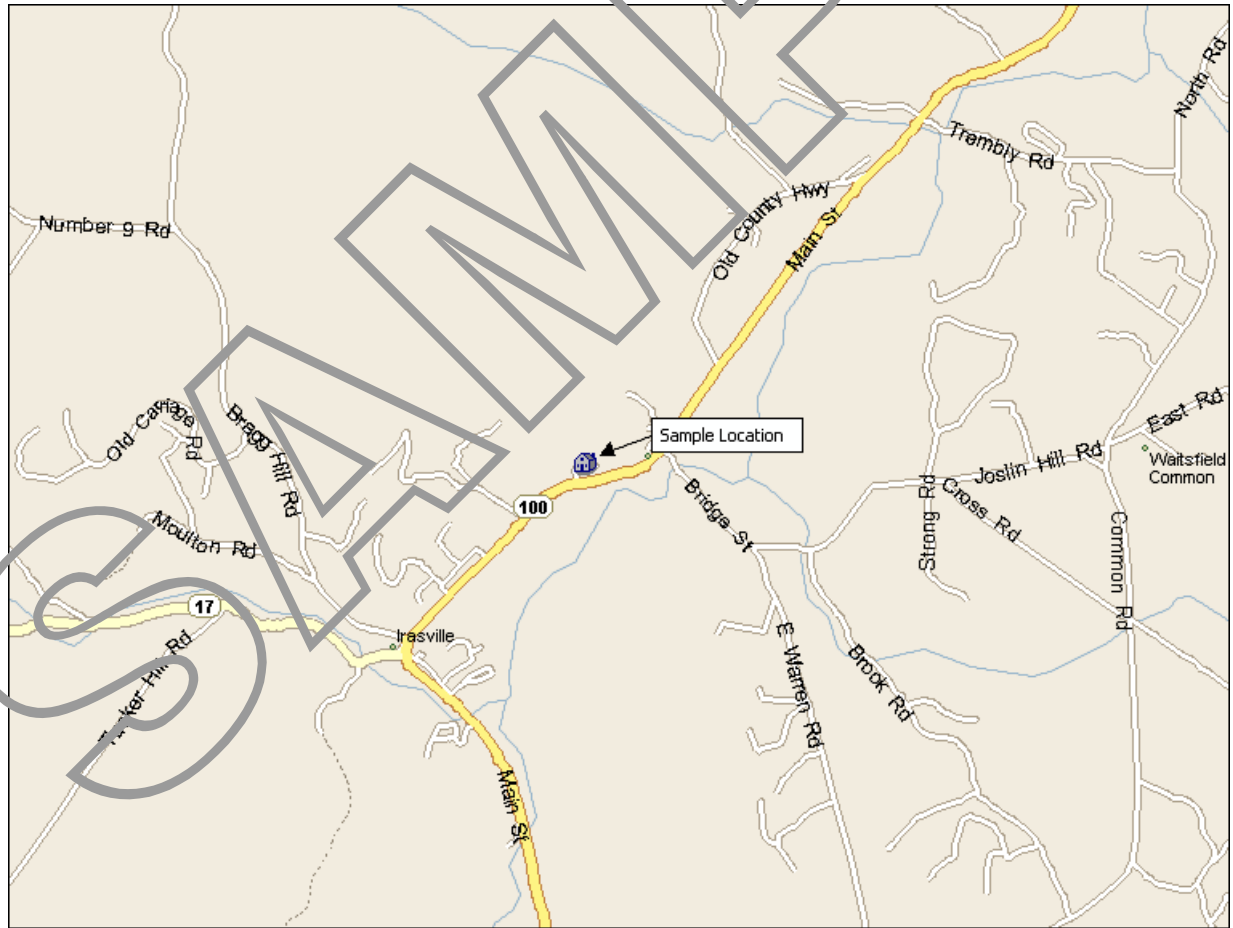
Date: DD/MM/YYYY
Inspector: Jim Foote

PROJECT DESCRIPTION:

The following table provides a breakdown for the property involved in this report.

| LOCATION | # BLDGS | # UNITS | # OF BEDROOMS | # HC |
|-------------|---------|---------|----------------------------------|------|
| Main Street | 1 | 18 | (17) 1-Bedroom (1) 2-Bedrooms | 1 |

The building is a two-story wood-framed structure with wood siding, a full basement, and an attic. The original structure was built in 1947 for use as a ski lodge. Building additions were constructed in 1957 and 1987. A 1999 renovation project included new bituminous parking lot and driveway pavements, new bituminous walkways, landscaping, new wooden decks, new wooden handicapped access ramps, partial refurbishment of wood siding, structural modifications and reinforcements, installation of building insulation, renovation of several bathrooms, renovation of common areas, refurbishment of several floor surfaces, a new elevator, new electrical fixtures, modification of heating and hot water systems, and a new water sprinkler fire suppression system with an underground water supply line. The most recent renovation took place in 2005-2006 and included a new wing on the north side and significant upgrades to existing facilities that resulted in conversion from individual dwelling units with a bedroom, bathroom and closet to fully self-contained apartments with kitchen, dining area, bathroom, bedroom and closets.



Site and Landscaping:

Earthwork

The nearly flat 1.2-acre site faces easterly on Main Street and is located between Sample Company to the south and Sample Shopping Center to the north. Route 000 bounds the property on the east.

Parking and Roadway Pavement

The paved parking lot at the south elevation contains 5 parking spaces (3 handicapped accessible) adjacent to the building and 13 parking spaces opposite the building along the south property line. 10 additional spaces are available in the extended area at the west end of the lot. The handicapped spaces share two discharge aisles and all of them have vertical signage installed on PTL posts.



Observations and Recommendations:

- The area at the curb cut is being eroded due to vehicular traffic cutting the corner too sharply. Budget to extend paving to the affected area.
- Budget for miscellaneous driveway and parking area repairs in 5-year intervals beginning in year 6.

Parking and Roadway Markings

There are no pavement markings to denote handicapped parking and the van accessible space is not identified as such. Condition of the parking surface is very good but the striping is barely visible.

Observations and Recommendations:

- Re-striping and pavement marking is reportedly included with the current remodel. Budget to refresh the striping in 5-year intervals beginning in year 1.
- Make annual spot repairs as needed.

Pedestrian Walkways

Paved walkways extend from the parking area to the east elevation entry doors. The driveway abuts the building at the south elevation wing. Paved walkways extend from the parking area to the east elevation entry doors. The driveway abuts the building at the south elevation wing. A new paved walkway extends from the driveway at the southwest corner of the building to the west elevation maintenance door, and continues across the lawn to the northwest corner of the property for pedestrian access to the adjacent shopping center. A branch extends to the west end of the new addition.



Observations and Recommendations:

- No extension to the central west elevation deck currently exists. Budget to add in year 2. Estimate 60 feet.

Pedestrian Walkways and Stairs

There is a PTL ramp and set of steps to the landings at the south elevation entry doors with a lower slope of 5.3°, an upper slope of 6.1°, and an entry section slope of 4.4°; a new set of steps and handicapped ramp to the east elevation porch and entry door with the correct slope of 4.7° (1:12), a set of steps and handicapped ramp to the large deck that joins the west and north elevations with a lower section slope of 4.4° and an upper section slope of 5.3°; and a PTL ramp to the west end of the new addition with a slope of 4.7°. Pressure treated lattice is typical.

Observations and Recommendations:

- Annual application of waterproofing sealer is recommended (operating budget).
- There is one loose board in the lower section of the south elevation entry ramp that needs to be secured properly.

Landscaping

The post and rail fence along the northerly property line belongs to the abutting neighbor. The property is nicely landscaped and includes a raised PTL planter bed on the front lawn; mulched shrub beds adjacent to the foundation that contain rhododendrons, junipers, cedars and deciduous shrubs; an apple tree at the southwest corner of the building, white birch trees at the front porches, red oak trees on either side of the curb cut, mixed ash and maple along the south edge of the parking lot, and spruce along the north elevation.



Observations and Recommendations:

- Trees and shrubs should be pruned to provide several inches of clearance from the sidewalls in order to prevent premature deterioration of the paint and siding.
- Damage to front lawn needs to be restored at completion of construction.
- The sign on a rusty frame in the front yard needs to be restored or replaced.
- The 4-tier castle wall planter in the back yard is missing two sections at the top.

Built Improvements

Occasional pieces such as chairs and benches on the porches and decks not in use at the present time due to construction. Picnic tables provided in the central deck area.

Observations and Recommendations:

- Maintain as required (operating budget).

Dumpster and Enclosure

The concrete dumpster pad is located at the west end of the parking lot. A new dumpster enclosure has been constructed and is wide enough for a small dumpster with an extension on one side, presumably for recycle containers. The enclosure is made of PTL lattice on 6x6 PTL posts. The container is provided/ maintained by the contracted vendor.



Observations and Recommendations:

- There are no bollards to protect the back wall at the present time.
- Provide annual application of waterproofing sealer to appropriate surfaces to prolong useful life (operating budget).

Architectural: Exterior:

Building Foundation

The foundation is poured concrete with the building footprint now occupying approximately 7,446 square feet, which is an increase from the 4,500 square feet occupied by the building prior to the most recent remodel. Attached decks, ramps, and stairways occupy approximately 2,533 square feet.

Observations and Recommendations:

- Visible exterior surfaces that need to be repainted in selected areas will be included with the remodel.

Exterior Walls

This building is a unique structure, mostly due to its age and unusual appearance. It features exterior walls with rough-cut pine siding on the front elevation facing the street. The siding on the rest of the building consists of wood clapboards and additional rough-cut wood. The siding and all of the trim is stained. Cementitious panel siding is installed on the new addition. All areas are in the process of being painted as part of the current expansion and remodel.



Observations and Recommendations:

- Re-staining is needed in limited areas, caulking has been completed.
- Budget to refurbish in 6-year intervals beginning in year 6.

Chimneys

A large stone chimney in the center of the main building serves the interior stone fireplace (not in service) located in the main living room at the southeast corner of the building. A second chimney serves the westerly mechanical room.

Observations and Recommendations:

- Repointing and recapping as part of the remodel has not been completed. Budget for year 1.

Exterior Canopies and Ceilings

Wood canopies with standing seam roofs are installed over the west service entrance and north elevation patio doors. All porch ceilings are open frame construction. The south porch canopy has a wood strip ceiling.

Observations and Recommendations:

- Refinish in 7-year intervals as required (operating budget).



Asphalt Roofing

The overall roof structure appears to be in good condition with no noticeable deflection. Roof coverings include asphalt shingles on the north wing and the main building west elevation roofs. New asphalt shingles are installed on the east elevation roof and entry canopy, and the new addition.

Observations and Recommendations:

- Budget for replacement of older asphalt shingles in year 7.

Appurtenant Porch Structures

There is a new entry porch on the east elevation and a larger existing porch on the south elevation. Wood decks include a large PTL deck at between the north and south wings that has been expanded to meet the south wall of the new addition. There are PTL stairs at the northwest deck, south entry, east entry, and new addition west entry. All PTL steps and ramps have PTL balusters and supplemental metal pipe safety handrails.

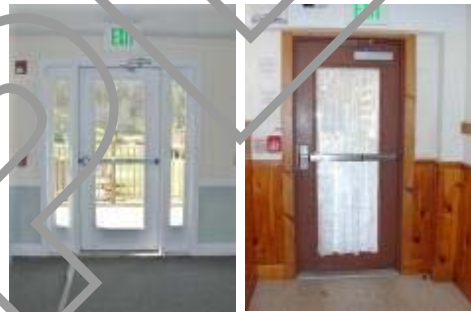


Observations and Recommendations:

- Annual application of waterproofing sealer is recommended to prolong useful life.
- Pipe handrails on the ramps and steps that need to be sanded and refinished are scheduled to be included with the remodel.

Exterior Doors

All exterior doors are solid core wood of various design. Most are fitted with heavy duty closer and panic hardware. All are refurbished existing except the south elevation door from the ramp to the dining room and the west elevation door to the kitchen. The east elevation entry and west elevation kitchen entry doors are new, as is the west exit from the new addition. Double glass CDFRS068 (Marvin?) clad wood patio doors lead from the central living area to the northwest deck. One side is fitted with a heavy-duty closer and panic hardware. An existing door at the west elevation provides access to the basement mechanical areas and also serves as a means of emergency egress.



Observations and Recommendations:

- Budget for replacement of the mechanical area door in year 14.
- Budget for replacement of older doors in year 20.

Windows, Frames and Glazing

Windows, frames and glazing include a mixture of vintage and Marvin replacement windows in fixed or double hung style. Awning windows are typical at cellar level. Seven of the windows on the east elevation have painted shutters. The building is unique, therefore windows on the front elevation facing the street have not been replaced up to now. As a result, single pane windows remain with new tracks installed. There are approximately 78 windows total, fitted with a variety of full-length screens and integral storm/screen windows. Replacement of select (not all) windows has been included in the remodel. There is also a mixture of full length screens and integral storm/screen windows.



Observations and Recommendations:

- Check the caulk around all windows and doors and caulk any voids.
- Replace glazing on windows where it is missing or cracked.

Architectural:

Interior:

The common areas include the living room, dining room, kitchen, library, classrooms, a meeting room, two laundry rooms, two lavatories (one for handicapped access), hallways, an office, storage rooms, and utility rooms. All of the basement space is utilized and much of it is fitted up for community activities. Two rooms in the basement have been adapted to tenant storage. Stairways and an elevator provide access between floors. Generally, the common area interior walls and ceilings have painted surfaces. Some of the walls have wooden paneling or wooden wainscots. The common areas typically have either finished wood strip flooring, vinyl flooring, or carpeting.

Common Area Flooring

The floor frame is wood and is in typical condition for the age of this structure. Occasional areas were noted as not being level and are attributed to age. Common halls and stairs are newly carpeted. Basement mechanical rooms have concrete floors. The public bathroom on the 1st floor has sheet vinyl flooring. Activity rooms, basement hallways, the basement bathroom, and the two laundry rooms have VCT flooring. The east end hallway and center living area have VCT flooring over underlayment. Hardwood flooring is installed in the manager's office, community dining area, and the 2nd floor central living area and hallways.



Observations and Recommendations:

- Budget for carpet replacement in year 8.
- Budget for replacement of 2630 sq ft of VCT and sheet vinyl flooring in year 12.
- Repairs are needed at the south entry (operating budget).
- Budget to refinish hardwood flooring in year 12.

Common Area Walls

Walls in the common areas include painted GWB (gypsum wall board) with natural finish wood wainscot in the central living area, 1st floor corridors, and partial 2nd floor corridors. Full height natural finish wood walls are featured in the community dining room. Painted GWB is found in bathrooms, basement corridors, and the 2nd floor central living area. Storage areas have painted GWB walls with natural finish wood wainscot. Standard insulation R-values are presumed. Interior exposed foundation walls are painted. Upgrades have been applied as required with the remodel, including 1-hr rated tenant separation walls with 5/8" type X drywall on both sides, sound attenuation insulation, and 1/2" sound board on resilient channels.



Observations and Recommendations:

- Budget to refurbish common area walls in 5-year intervals as necessary, beginning in year 5.

Common Area Ceilings

Common area ceilings are either painted gypsum wall board (GWB), such as in the common halls and rooms, or 12x12 acoustical stapled tiles as found in the central living area. Some upgrades have been included with the most recent remodel. There is 3½" of fiberglass insulation installed in basement room ceilings. Densepack cellulose is included at all accessible rim joists. Standard R-values are presumed.

Observations and Recommendations:

- Budget to refinish GWB ceilings in 5 year intervals as required, beginning in year 5.
- A total 2075 ft² existing grid ceiling scheduled to be replaced with new painted GWB as part of the remodel is not yet complete. Budget for year 3.

Interior Common Area Doors

Existing fire hall doors are American Door rated 20-min. and include heavy duty closer and wired vision panel. Natural flush finish is typical. New painted metal doors with vision panel have been added as required. All have lever hardware. The front office now has a Warnock-Jersey fire rated solid core natural finish birch veneer door with lever hardware.

Stairs and Railings

Basement stairs are wood construction with non-skid tread strips. Concrete stairs at the service entrance on the north end are covered with vinyl tread caps. Wood construction stairs with carpeted treads and risers to the second floor at the east end have been removed. New stairs at west end of addition are carpeted treads and risers over ¾" plywood on 2x12 stringers. Common stairwell handrails are painted.



Observations and Recommendations:

- Refurbish handrails in 5-8 year intervals as required.

Common Area Kitchen

The common area kitchen includes commercial-type appliances, countertops, sinks, and cabinets. The kitchen includes a dishwasher, range, range hood, and refrigerators. There are 2 Watts grease interceptors installed in the basement. The community kitchen is leased space and therefore is not included in the scope of this report.

Mail Facilities

An interior multi-tenant mailbox is located in the first floor hallway. The change to a recessed installation is complete.

Laundry Facilities

Prior to remodeling there were two laundry rooms. One in the basement and one on the 2nd floor. Each had a coin-operated Speed Queen washer and a coin-operated GE dryer. The basement level laundry room has been discontinued and the equipment moved to a new laundry room on the 1st floor and includes appliances suitable for operation by the handicapped. A fiberglass mop service basin for janitorial use is located in the basement water entrance area.



Observations and Recommendations:

- Budget for laundry appliance replacement in year 8.

Dwelling Units:

The following units were inspected:

| BLDG. # | UNIT # | STATUS | REMARKS |
|---------------|--------|------------|--|
| 0000 Main St. | 1 | Occupied | 1 st Floor, 1- Bedroom, Handicap Accessible |
| 0000 Main St. | 3 | Occupied | 1 st Floor, 1- Bedroom, Handicap Adaptable |
| 0000 Main St. | 6 | Occupied | 2 nd Floor, 1-Bedroom, Handicap Adaptable |
| 0000 Main St. | 8 | Unoccupied | 2 nd Floor, 1-Bedroom, Handicap Adaptable |
| 0000 Main St. | 9 | Unoccupied | 2 nd Floor, 1-Bedroom, Handicap Adaptable |
| 0000 Main St. | 11 | Unoccupied | 2 nd Floor, 1-Bedroom |
| 0000 Main St. | 12 | Unoccupied | 2 nd Floor, 1-Bedroom, Handicap Adaptable |
| 0000 Main St. | 13 | Unoccupied | 2 nd Floor, 1-Bedroom, Handicap Adaptable |
| 0000 Main St. | 14 | Unoccupied | 2 nd Floor, 1-Bedroom |
| 0000 Main St. | 15 | Occupied | 2 nd Floor, 1-Bedroom |
| 0000 Main St. | 16 | Unoccupied | 2 nd Floor, 1-Bedroom, Handicap Adaptable |

The building contains 15 dwelling units, with 7 units located on the first floor and 11 located on the second floor. One unit on the first floor is configured to provide handicapped access and twelve are handicapped adaptable. Each dwelling unit consists of a kitchen, dining area, living room, bedroom, bathroom, and closets, with various layouts. In addition, a common area kitchen, living room, and dining room are all located on the first floor.

Dwelling Unit Entry Doors

All unit exterior doors open to interior corridors. There are no dwelling units that have direct access to the outdoors. Flush solid core Warnock-Hersey natural finish 90-minute fire rated birch doors are mounted in metal frames, and brushed chrome lever hardware, deadbolt locks, peepsights and spring loaded hinges is typical. Door number signs include characters in Braille. Low secondary peepsights are provided in handicapped units.



Interior Doors

There are existing and new 1-3/4" solid core interior doors with lever hardware. All bedrooms have new 3-0 x 6-8 doors except for a 34" bedroom door found in unit #9. Existing bathroom doors are found in #1, #8, #9, #12, and #13. Closets have existing and new 1-3/4" solid core interior doors. Long term 16 ft² tenant storage units are located in the basement.



Observations and Recommendations:

- Budget to replace the existing 28" bathroom door in unit #13 with an accessible width door.

Walls and Ceilings

Typically, the units have painted GWB walls and ceilings. The natural finish woodwork around windows and doors includes mopboards and chair rails. New demising walls are 2x4 wood studs with sound attenuating insulation, 1/2" sound board, and 5/8" type "X" GWB on both sides. Painted GWB ceilings have been installed in many rooms. However, 12" acoustical stapled tile ceilings still exist in some areas.

Observations and Recommendations:

- Refinish in 5-8 year intervals as needed at tenant turnover.

Kitchen Cabinets, Countertops and Sinks

Kitchens have new hardwood cabinets with raised panel doors and drawer fronts, wire pulls, dado and rabbit joint drawers with separate fronts, self-closing hinges and fixed shelves. Handicapped adaptable units have removable sink fronts. Handicapped accessible unit #1 has an open sink base. All units have 34" accessible height counters and 9" high toe space. JET stainless steel double bowl sinks are fitted with Symmons single lever faucet and spray attachment. Sink basins are 7 1/2" deep in handicapped units.



Observations and Recommendations:

- Average temperature at the tap is 114°. Adjust to between 120° and 140° (operating budget).

Kitchen Appliances

All kitchens are equipped with Frigidaire drop-in ranges with front controls. Range hoods are Broan and are fitted with remote switches in handicapped units. Frigidaire refrigerators are supplied in typical units and there is a Summit brand refrigerator in handicapped unit #1.

Observations and Recommendations:

- Budget for replacement of ranges in years 16-20, to be applied as needed.
- Budget for replacement of range hoods in years 16-20, to be applied as needed.
- Budget for replacement of refrigerators in years 16-20, to be applied as needed.

Mechanical and Electrical:

Hydronic Heating System

Hydronic baseboard heating is provided in dwelling units and some common areas. Two new Buderus Loganol G215 boilers located in the west end basement mechanical room are each fitted with a Riello burner, Safeguard #550 low water cutoff, Watts #1156F pressure regulator, Watts #90-MD backflow preventer, and Taco #Ac0-2F-4 air bleeder. The heating system includes a Taco #CBX84-3 expansion tank. Heating water circulating pumps are divided into 7 zones on the existing return header. Hydronic heating typically utilizes copper piping. Four pumps are existing and three are new. Pump #7 ties to a pump relay for service to two of the basement fan coil units, the dining room fan coil unit, and a new living and bedroom fan coil unit. The outdoor temperature sensor is a Tecmar #251 one stage boiler and DHW control with 3 SR501 relays.



Observations and Recommendations:

- The boiler room could use a good cleanup.

Boiler Room Accessories

All boiler room pipes are insulated with either fiberglass wrap or closed cell foam. All piping is typically copper. Combustion air is provided from a Belimo #LF-120 motorized combustion air duct. The boiler room exhaust fan operates in parallel with the oil burner outside air damper system. An isolation relay prevents backfeed to the fan when the burner is operating. Flue is exhaust via a standard Field Controls draft to the adjacent masonry chimney. Fuel oil storage consists of two 275-gallon fuel oil tanks located in a corner of the sprinkler room and are enclosed in a fire rated room with a spill containment barrier installed on the floor.

Observations and Recommendations:

- Some pipe insulation has been disturbed and needs to be restored.
- The unprotected fuel line from the oil tanks to the boiler room is pinched (near the hot water tank) and should be replaced. Budget for year 1.
- Boiler room valves are bronze. Repack gate valves in 10-year increments. Check/repack drain valves in 3-year increments. Replace drain valve stems in 8-year intervals.



Domestic Hot Water

Domestic hot water is generated by way of an exchanger in the boiler with storage of heated water in two adjacent tanks with two bronze booster pumps for hot water circulation. One older Carlin RCG-70 storage tank is connected in tandem with a newer Phase III. Storage tank. Both are approximately 70-80 gallons capacity. The Phase III tank was installed as part of the 1999 renovation project.

Observations and Recommendations:

- Replacement scheduled to take place as part of the remodel has not yet been implemented. Budget for replacement of the older hot water tank in year 1 and the newer tank in year 10 and the first one again in year 17.

Fire Suppression

The building is fully sprinkled with dry loops for porch area protection. The sprinkler system is tied to the water supply shared with the shopping center. Sprinkler pipes in the basement areas are exposed. Sprinkler heads include upright, pendant, sidewall and stickup varieties. Pipes in the hallways and living areas are concealed. Fire extinguishers are installed in the hallways and there is an AUTO SPKR Dual fire department hose connection located on the east elevation of the north wing.



Detectors, Smoke/Fire

A Kidde combination carbon monoxide/smoke alarm detectors is installed in each living room and there is a smoke alarm in each bedroom. Strobe alarms are also provided in handicapped units.

Observations and Recommendations:

- Budget for replacement in 10-year intervals as a matter of general practice.

Central Panel, smoke & fire detection

An SPF-1024 Fire alarm control panel (FACP) is located in one of the basement mechanical rooms. The Fire-Lite Alarms, Inc. fire alarm annunciator panel is installed adjacent to the west elevation door with separate zones for 1st floor east, 1st floor west, basement boiler room, 2nd floor east, 2nd floor west, sprinkler tamper switch, sprinkler flow control, and heat detector. Fire alarm pull stations are positioned at all exit doors. Strobe alarms are typical in hallways and common activity rooms. Smoke detectors are located in typical common corridors and activity rooms. The system is tied directly to the fire department.

Observations and Recommendations:

- Budget for contingency replacement in year 10.
- Budget for replacement of smoke detectors in 10-year intervals.

Electrical Distribution and Wiring

Electrical switchgear includes a 225-amp main house panel and CT cabinet located in the southeast corner of the basement. A Challenger 200-amp branch service panel is installed in the south mechanical room and there is a smaller 100-amp panel and 50-amp breaker for the new addition also located here. Non-metallic sheathed (Romex) wiring is typical. Dual head emergency lights with battery backup are installed in all corridors and stairwells and EXIT lights are mounted at all exit doors. Dual head emergency lights with battery backup installed in all corridors and stairwells. EXIT lights are provided at all exit doors.



Observations and Recommendations:

- Budget for replacement of older emergency light units in year 13.
- Open junction boxes in the boiler room need to be covered properly.

SECTION II – SUMMARY OF RESULTS

| YEAR 1 EXPENDITURE SUMMARY | |
|-----------------------------------|-------------------|
| DESCRIPTION | COST |
| Exterior sign and planter repairs | \$250.00 |
| Refresh parking lot striping | \$268.00 |
| Re-point and recap chimneys | \$918.00 |
| Replace sump pump | \$200.00 |
| Replace hot water heater | \$2,000.00 |
| Repair pinched fuel line | \$100.00 |
| TOTAL | \$3,736.00 |

| DEFERRED MAINTENANCE ITEMS | |
|--|-------------------|
| DESCRIPTION | COST |
| Replacement of sign on rusty frame in front yard. | \$200.00 |
| Repairs to the 4-tier castlewall planter in the back yard. | \$50.00 |
| Renewal of the parking lot striping. | \$268.00 |
| Extension of paving to fill erosion area at the curb cut. | \$1,800.00 |
| Annual application of waterproofing sealer to pressure-treated surfaces. | \$1,165.00 |
| Re-pointing and recapping of chimneys. | \$918.00 |
| Repairs to flooring at the south entry. | \$100.00 |
| Annual cleaning of exhaust fans and ductwork. | \$225.00 |
| Replacement of water system expansion tanks | \$2,942.00 |
| Replacement of older Carlin RCG 70 water heater. | \$2,000.00 |
| Replacement of pinched fuel line. | \$100.00 |
| TOTAL | \$9,768.00 |

SECTION III – FINANCIAL NEEDS AND RESOURCES

CURRENT FINANCIAL NEEDS AND RESOURCES

For the Sample Location property located at Main Street in Sample, Vermont, based upon the recommended funding structure and the anticipated maintenance and replacement expenditures, Right-Trak Design, Inc. projects that a Replacement Reserve Initial Balance of \$9,000, with an annual Average Reserve Deposit of \$9,000 escalated at the rate of 3% annually will:

- Not Be adequate to fully fund the project for the entire 15-year assessment period.
- Result in a negative End-of-Period Reserve Balance for years 12 thru 20 (2018-2026).

During the fiscal years 2007 through 2026, the forecasted annual expenses (in year-2007 dollars) range between a low of \$2,607 (in 2015) and a high of \$40,071 (in 2018). The total annual expense (in year-2007 dollars) for fiscal years 2007 through 2026 is \$244,457, with an average of \$12,223 per year (\$905 per unit).

The annual contribution (Average Reserve Deposit) is understood to be \$9,000, commencing in year 2007 and escalating at the rate of 3% annually. The Reserve Deposit may or may not continue in the future at this level. The Replacement Reserve Initial Balance is projected to be \$9,000 on 1/1/2007.

At the above funding level the End-of-Period reserve balance only remains positive from 2007 through year 11 (2017). In year 20 (2026), at an annual Reserve Deposit starting at \$9,000 and escalating at the rate of 3% annually, the end-of-period balance is projected to be minus (-)\$106,125.

SUMMARY STATEMENT OF RESOURCES AND NEEDS

Right-Trak Design, Inc. concludes that under the present scenario, with the Reserve Deposit set at \$9,000 and escalating at the rate of 3% annually, the project will not be able to complete the anticipated work items in the scheduled timeframe. It is recommended that at a future date the reserve deposit be adjusted with respect to current needs and actual market conditions.

ASSESSMENT METHOD

The assessment covers the 20-year period commencing January 1, 2007 and includes major maintenance expenses as well as capital expenses for replacement and improvements. The year-end amount of the Replacement Reserve is forecast for each year based upon the recommended funding structure and expenditures.

The total anticipated expenditures for each year are calculated in constant-year 2007 dollars and the total is escalated at a rate of 3.00% per year. The anticipated annual contributions are shown in Exhibit II. The annual reserve balance is expected to earn interest at a rate of 1% annually.

Expenditures are scheduled based upon current needs and anticipated remaining lives of facilities and equipment. In determining the priority for current needs and improvements, first priority was given to those expenditures that benefit the health and safety of tenants. Second priority was given to expenditures for previously deferred maintenance or replacement. Third priority was given to those expenditures that would reduce operating expenses.

Right-Trak Design, Inc. developed the list of building components, systems, and equipment during its inspection of the property. Sample Land Trust provided information regarding development and construction. Right-Trak Design, Inc. based upon industry norms and historical data for similar properties developed estimates of cost for the various work items. The assessment assumes continuation of a thorough program of preventative and ordinary maintenance in addition to the forecast of major expenditures.

EXHIBIT I

LIST OF WORK ITEMS

Site

Architectural

Dwelling Units

Mechanical & Electrical

SAMPLE

| List of Work Items Main Street Site | | | | | | | | | | | | |
|---|---------------------------------|--------------------------------|---------------------------------|-----------|-------------------------|-------------------|----------------|-----------------|------------|------------------|-------------|---|
| Sample Location Sample, VT 00000 | | | | | | | | | | | | Inspection Date: 5/8/2006 |
| SITE ITEMS | AGE ¹ Age of Item | E.U.L. Expected Useful Life | R.U.L. Remaining Useful Life | CONDITION | ITEM SCHEDULE AND COSTS | | | | | | FIELD NOTES | |
| | | | | | UNIT QTY | UNIT ² | UNIT COST (\$) | TOTAL COST (\$) | YEAR | OPERATING BUDGET | | |
| Built Improvements (e.g., site furniture) | 7 | 20 | var. | Var. | | | | | | | X | Occasional pieces such as chairs and benches on the porches and decks not in use at the present time due to construction. Maintain as required when returned to service (operating budget). Picnic tables provided in the central deck area. |
| Dumpster Enclosures | <1 | 20 | 20 | Good | | | | | | | X | New dumpster enclosure constructed. Wide enough for small dumpster with extension on one side, presumably for recycle containers. PTL lattice on 6x6 PTL posts. No bollards to protect the back wall at the present time. Provide annual application of waterproofing sealer to appropriate surfaces to prolong useful life (operating budget). |
| Dumpster Pads, concrete | <1 | 50 + | 50 | New | | | | | | | | Concrete dumpster pad is wide enough for one container. Extension to pad added on the right side. |
| Dumpsters | E | 10 | N/A | Good | | | | | | | | Small container is provided and maintained by the contracted vendor. |
| Earthwork | E | 50 + | 50 | Good | | | | | | | | The 1.2 acres flat site faces easterly on Main Street and is located between Brothers Building Company to the south and Mad River Green Shopping Center to the north. |
| Electrical Main and Distribution | <1 | 40 | 40 | New | | | | | | | | Power comes underground from a utility pole near the northeast corner of the property to newly constructed enclosed meter room adjacent to the front entrance. |
| Electrical Transformer | E | 30 | N/A | PG | | | | | | | | The transformer is located on a nearby utility pole and is owned and maintained by the local power company. |
| Fencing, post and rail | <1 | 25+ | N/A | New | | | | | | | | The post and rail fence along the northerly property line belongs to the abutting neighbor. |
| Gas Main and Lines | <1 | 40 | 40 | PG | | | | | | | | Two propane tanks are located at the northwest corner of the new addition. They provide fuel via underground pipe to the community kitchen and the residential area laundry room. |
| Landscaping | E | 50 + | 50 | Good | 1 | LS | 250.00 | 250.00 | 1 | | X | The property is nicely landscaped and includes a raised PTL planter bed on the front lawn; mulched shrub beds adjacent to the foundation that contain rhododendrons, junipers, cedars and deciduous shrubs; an apple tree at the southwest corner of the building, white birch trees at the front porches, red oak trees on either side of the curb cut, mixed ash and maple along the south edge of the parking lot, and spruce trees along the north elevation. Trees and shrubs should be pruned to provide several inches of clearance from the sidewalls in order to prevent premature deterioration of the paint and siding. Damage to front lawns needs to be restored by contractor at completion of construction. Sign on rusty frame in front yard needs to be restored or replaced. 4-tier castlewall planter in the back yard is missing two sections at the top. |
| Parking and Roadway Pavement, asphalt | 7 | 25 | 20 | Good | 1 | LS | 268.00 | 1,072.00 | 1,6,11, 16 | | X | The paved parking lot at the south elevation contains 5 parking spaces (3 handicapped accessible) adjacent to the building and 13 parking spaces opposite the building along the south property line. 10 additional spaces are available in the extended area at the west end of the lot. The handicapped spaces share two discharge aisles and all of them have vertical signage installed on PTL posts. There are no pavement markings to denote handicapped parking and the van accessible space is not identified as such. Condition of the parking surface is very good but the striping is barely visible. Re-striping and pavement marking is reportedly included with the current remodel. Budget to refresh the striping in 5-year intervals beginning in year 1. Make annual spot repairs as needed. |
| Parking and Roadway Pavement, asphalt | 7 | 25 | 18 | Fair-Good | 1 | LS | 1,800.00 | 1,800.00 | 2 | | | The area at the curb cut is being eroded due to vehicular traffic cutting the corner too sharply. Budget to extend paving to the affected area. |

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 2) LS=Lump Sum, EA=Each, LF=Linear Foot, SF=Square Foot, SQ=Square (100 SF), SY=Square Yard, DU=per Dwelling Unit
 3) Proposed items to be completed with funds other than replacement resources, not figured in the overall costs.

List of Work Items
Main Street Architectural Exterior

Sample Location
Sample, VT 00000

Inspection Date: 5/8/2006

| ARCHITECTURAL EXTERIOR ITEMS | AGE ¹ Age of Item | E.U.L. Expected Useful Life | R.U.L. Remaining Useful Life | CONDITION | ITEM SCHEDULE AND COSTS | | | | | | FIELD NOTES | |
|--|---------------------------------|--------------------------------|---------------------------------|-----------|-------------------------|-------------------|----------------|-----------------|----------|------------------|-------------|---|
| | | | | | UNIT QTY | UNIT ² | UNIT COST (\$) | TOTAL COST (\$) | YEAR | OPERATING BUDGET | | |
| Railings, common area, exterior | 7 | 50 + | 50 | Fair | | | | | | | | Pipe handrails on the ramps and stairs that need to be sanded and refinished are scheduled to be included with the remodel. All PTL steps and ramps have PTL balusters. Annual application of waterproofing sealer is recommended. Two damaged balusters on the south ramp need to be repaired. |
| Railings, roof | 7 | 20 | 13 | Good | | | | | | X | | Ice breakers are installed on the north elevation above the northwest deck and over the basement entry door. Replace as required (operating budget). |
| Roof Covering, asphalt shingles | <1-E | 30 | Varies | Varies | 17 | SQ | 190.00 | 3,230.00 | 7 | | | Asphalt shingles are found on the north wing, main building west elevation roofs. Budget for replacement in year 7. New asphalt shingles are installed on the east elevation roof, east elevation entry canopy, and the new addition. |
| Roof Covering, metal (preformed) | <1-E | 40 | 15 | Good | 1 | LS | 2,200.00 | 2,200.00 | 7 | | | Standing seam metal roofing on the north, south and west elevations, and the east elevation of the south wing. Recoat as required in year 7. |
| Roof Covering, metal (preformed) | <1-E | 40 | 15 | Good | 39 | SQ | 341.81 | 13,430.59 | 15 | | | Standing seam metal roofing on the north, south and west elevations, and the east elevation of the south wing. Budget for replacement in year 15. Estimate 3900 ft ² . |
| Roof Drainage Exterior (gutter and fascia) | 7 | 25 | <15 | Good | | | | | | X | | The west elevation entry to the south porch could use a small section of gutter to prevent the steps from icing up. Additional gutters needed in front, side and back areas, and the east gutter needs to be repositioned over the new entry. Provide/repair as needed (operating budget). |
| Roof Structure | E | 50 + | 50 | Good | | | | | | | | No noticeable deflection apparent. |
| Soffits, wood/stucco/concrete | E | 25+ | >20 | Good | | | | | | X | | Full length soffit ventilation strips installed in selected areas. Refinish soffits and fascia as required. |
| Stairs, exterior, wood | <1-7 | 30 | Varies | Good | | | | | | X | | PTL stairs at the northwest deck, south entry, east entry, and new addition west entry. Annual application of waterproofing sealer is recommended to extend useful life. |
| Walls, exterior, precast concrete panel | <1 | 15 | 15 | New | | | | 0.00 | | | | Cementitious panel siding on the new addition. |
| Walls, exterior, wood shingle/clapboard | E | 25 | 15 | Good | 1 | LS | 66,000.00 | 66,000.00 | 6,12, 18 | | | Rough sawn board siding on the original building. Wood clapboards on the south elevation and all added wings stained to match. Restaining needed in limited areas; caulking has been completed. All areas to be painted as part of current expansion and remodel. Budget to refurbish in 6-year intervals beginning in year 6. |
| Windows, frames and glazing | <1-E | 30 | >20 | Good | | | | | | X | | Mixture of vintage and Marvin replacement windows in fixed or double hung style. Awning windows at cellar level. Seven of the windows on the east elevation have painted shutters. Single pane windows remain with new tracks installed. Replacement of select (not all) windows is included in the remodel. Check the caulk around all windows and doors and caulk any voids. Replace glazing on windows where it is missing or cracked and replace broken window panes. |
| Windows, storm/screen | <1-E | 20-25 | Varies | Varies | | | | | | X | | Mixture of full length screens and integral storm/screen windows. Include with window replacement. Repair/replace as required. |

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List of Work Items
Main Street Architectural Interior

Sample Location
Sample, VT 00000

Inspection Date: 5/8/2006

| ARCHITECTURAL INTERIOR ITEMS | AGE ¹ Age of Item | E.U.L. Expected Useful Life | R.U.L. Remaining Useful Life | CONDITION | ITEM SCHEDULE AND COSTS | | | | | | FIELD NOTES |
|--|---------------------------------|--------------------------------|---------------------------------|-----------|-------------------------|-------------------|----------------|-----------------|-----------|------------------|---|
| | | | | | UNIT QTY | UNIT ² | UNIT COST (\$) | TOTAL COST (\$) | YEAR | OPERATING BUDGET | |
| Ceilings, common area, acoustic tile | E | 20 | <15 | Fair | 21 | CSF | 270.00 | 5,670.00 | 3 | | 12x12 acoustical staple tile in the central living area. Total 2075 ft ² existing ceiling to be replaced with new painted GWB as part of the remodel not yet complete. Budget for year 3. |
| Ceilings, common area, drywall/plaster | <1-7 | 50 + | 50 | Good | 3441 | SF | 0.33 | 4,542.12 | 10,15, 20 | | Painted gypsum wall board (GWB) in common halls and rooms. Upgrades included with the remodel. Budget to refinish in 5 year intervals as required, beginning in year 5. |
| Common Area Countertop & Sink | E | 20 | N/A | Fair | | | | | | | Fiberglass top service basin in the basement water entrance area. |
| Common Area Kitchen Accessories | X | 20 | N/A | N/A | | | | | | | 2 Watts grease interceptors installed in the basement have been abandoned. |
| Common Area Kitchen Cabinets | E | 20 | N/A | Good | | | | | | | Community kitchen is leased space and not included in the scope of this report. |
| Common Area Laundry Appliances | 7 | 15 | 8 | Fair-Good | 4 | EA | 1,000.00 | 4,000.00 | 8 | | Prior to remodeling there were two laundry rooms. One in the basement and one on the 2nd floor. Each had a coin-operated Speed Queen washer and a coin-operated GE dryer. The basement level laundry room will be discontinued and the equipment moved to a new laundry room on the 1st floor. Budget for appliance replacement in year 8. |
| Doors, common area (fire/hall, etc.) | <1-7 | 50 + | 50 | Good | | | | | | | Existing fire hall doors are American Door rated 20-min. and include heavy duty closer and wired vision panel. Natural flush finish is typical. New painted metal doors with vision panel have been added as required. All have lever hardware. Front office now has Warnock-Hersey fire rated solid core natural finish birch veneer door with lever hardware. |
| Fire Walls | <1 | 50+ | 50 | Good | | | | 0.00 | | | 1-hr rated tenant separation walls with 5/8" type X drywall on both sides, sound attenuation insulation, and 1/2" sound board on resilient channel. |
| Floor Frame, wood | <1-E | 50 + | 50 | Fair-Good | | | | | | | Typical condition for age of structure. Occasional areas not level attributed to age. |
| Floor, common area, carpet | <1 | 7 | Varies | Good | 211 | SY | 25.00 | 5,225.00 | 8 | | Common halls and stairs are carpeted. Budget for replacement in year 8. |
| Floor, common area, concrete | E | 50 + | 50 | Good | | | | | | | Basement mechanical rooms have concrete floors. |
| Floor, common area, resilient tile/sheet | <1-7 | 18 | 11-18 | Good | 2630 | SF | 4.88 | 12,834.40 | 12 | X | Public bathroom on 1st floor has sheet vinyl. Activity rooms, exercise room, basement hallways, basement bathroom, laundry rooms have VCT flooring. East end hallway, center living area have VCT flooring over new underlayment. Budget for replacement ± 2630 ft ² in year 12. Repairs needed at south entry (operating budget). |
| Floor, common area, wood strip/parquet | E | 30 | >20 | Good | 910 | SF | 2.89 | 2,629.90 | 12 | | Hardwood flooring in the manager's office, community dining area. Budget to refinish in year 12 |
| Foundations | E | 50 + | 50 | Good | | | | | | | Interior exposed foundation walls are painted. |
| Insulation, ceiling | E | 20 to 30 | >20 | PG | | | | | | | 3½" FG (fiberglass) insulation in basement room ceilings. Densepack cellulose at all accessible rim joists. Standard R-values are presumed. |
| Insulation, wall | E | 50 + | 50 | PG | | | | | | | Standard R-values are presumed. |

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**List of Work Items
Main Street Dwelling Units**

Sample Location
Sample, VT 00000

Inspection Date: 5/8/2006

| DWELLING UNIT ITEMS | AGE ¹ Age of Item | E.U.L. Expected Useful Life | R.U.L. Remaining Useful Life | CONDITION | ITEM SCHEDULE AND COSTS | | | | | | FIELD NOTES | |
|--|---------------------------------|--------------------------------|---------------------------------|-----------|-------------------------|-------------------|----------------|-----------------|-------|------------------|-------------|--|
| | | | | | UNIT QTY | UNIT ² | UNIT COST (\$) | TOTAL COST (\$) | YEAR | OPERATING BUDGET | | |
| Electrical Fixtures | <1-7 | 20+ | 20 | Good | | | | | | | | Mixture of 220V circline ceiling mounted saucer lights and 13w CFL mushroom lights in bedrooms and bathrooms. F1718 vanity light. Living rooms fitted with ceiling fan. 2x13w compact fluorescent ceiling fixtures and F1718 undercabinet fixtures in the kitchens. #13 has a 9w CFL sconce at the living room door. Maintenance as required. No vanity light in unit #9. |
| Electrical Wiring | <1-E | 99 | 95 | Good | 2 | EA | 200.00 | 400.00 | 16-20 | | | Bathrooms have GFCI outlets. Only one kitchen light switch in #13. There should be two 3-way switches due to the walk-thru layout. In handicapped units the outlets are mounted at 18" and switches are mounted at 40". Not all outlets are 18" away from the corners in handicapped unit #1. There is 1 @ 5", 1 @ 12", 1 @ 20" and 1 @ 25". Budget to relocate two outlets. |
| Kitchen Appliances, ranges | <1 | 15 | 15 | Good | 18 | EA | 450.00 | 8,100.00 | 16-20 | | | Frigidaire. Drop in range with front controls in all units. Budget for replacement in years 16-20, to be applied as needed. |
| Kitchen Appliances, range hoods | <1 | 15 | 15 | Good | 18 | EA | 300.00 | 5,400.00 | 16-20 | | | Broan. Fitted with remote switches in handicapped units. Budget for replacement in years 16-20, to be applied as needed. |
| Kitchen Appliances, refrigerators | <1 | 15 | 15 | Good | 18 | EA | 700.00 | 12,600.00 | 16-20 | | | Frigidaire in typical units. Summit brand in handicapped unit #1. Budget for replacement in years 16-20, to be applied as needed. |
| Kitchen Cabinets | <1 | 20 to 25 | 20 to 25 | Good | | | | | | | | Kitchens have new hardwood cabinets with raised panel doors and drawer fronts, wire pulls, dado and rabbet joint drawers with separate fronts, self-closing hinges and fixed shelves. Handicapped adaptable units have removable sink fronts. Handicapped accessible unit #1 has an open sink base. All units have 34" accessible height counters and 9" high toe space. |
| Kitchen Countertop | <1 | 10 to 20 | 10 to 20 | Good | | | | | | | | Countertops are at 34" in all units. |
| Kitchen Sink | <1 | 10 to 20 | 10 to 20 | Good | | | | | | | X | JUST stainless steel double bowl sink with Symmons single lever faucet and spray attachment. 7 1/2" deep in handicapped units #1, #8. Average temperature at the tap is 114°. Adjust to between 120° and 140° (operating budget). |
| Living Area Ceilings, acoustic tile | E | 20 | 20 | Good | | | | | | | | Prior 12" acoustical stapled tile ceilings in many areas. Replacement of ±2210 ft² with GWB included in the remodel. |
| Living Area Ceilings, concrete/drywall/plaster | <1-7 | 50 + | 50 | Good | | | | | | | X | Painted GWB ceilings in many areas. Refurbish in 5-8 year intervals as needed or at tenant turnover. |
| Living Area Floors, carpet | <1 | 7 to 10 | <10 | Fair/Good | 730 | SY | 25.00 | 18,250.00 | 9-15 | | | Carpet in living rooms, hallways and bedrooms. Replacement was included in the remodel. Budget for follow-up replacement beginning in year 9 to be applied as needed at tenant turnover. |
| Living Area Floors, resilient (sheet/tile) | <1-7 | 18 | >15 | Good | 2500 | SF | 3.51 | 8,073.00 | 16-20 | | | Existing sheet vinyl in unit #1 bathroom, new sheet vinyl in units #8,9,10,12, new VCT in units #2,3,4,5,6,7,11,13,14,15,16,17,18. VCT in Units #1-18 kitchens. Budget for replacement beginning in year 16 to be applied as needed at tenant turnover. |
| Living Area Walls | <1-7 | 50 + | 50 | Good | | | | | | | X | Painted GWB with natural finish wood door and window trim. New demising walls are 2x4 wood studs with sound attenuating insulation, 1/2" sound board, and 5/8" type "X" GWB on both sides. Refinish in 5-8 year intervals as needed at tenant turnover. |
| Unit Radiation, hydronic, baseboard | E | 50 | >20 | Good | | | | | | | | Existing Sterling KomPak or new Sterling Senior #SR-3/4-60 hydronic baseboard heat convectors. Robertshaw digital thermostat. T-stat mounted at 48" accessible height in handicapped unit #1. |

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List of Work Items
Main Street Mechanical & Electrical

Sample Location
Sample, VT 00000

Inspection Date: 5/8/2006

| MECHANICAL & ELECTRICAL ITEMS | AGE ¹ Age of Item | E.U.L. Expected Useful Life | R.U.L. Remaining Useful Life | CONDITION | ITEM SCHEDULE AND COSTS | | | | | | FIELD NOTES | |
|----------------------------------|---------------------------------|--------------------------------|---------------------------------|-----------|-------------------------|-------------------|----------------|-----------------|------|------------------|-------------|--|
| | | | | | UNIT QTY | UNIT ² | UNIT COST (\$) | TOTAL COST (\$) | YEAR | OPERATING BUDGET | | |
| HVAC, heating and cooling | 7 | 25-30 | >20 | Fair-Good | | | | | | | | Heating and ventilation is provided to common areas via air handlers and ducts. Three hot air furnaces located in the basement serve various areas of the building. Two are fairly large (First Co. #30 MBXR-3HW) and one is small (McQuay #TSH061F in the food storage room). Unit #1 serves the 1st floor public bathroom, living room, kitchen, front hall, office, library & halls. Duct tape holding the insulation in place is coming loose and needs to be replaced with a better quality tape and stapled at the end. The #2 air exchanger serves the dining room. The third air exchanger serves the Food Shelf Room. Hot water is circulated through the air handler coils via piping from a heat exchanger associated with a boiler. Exhaust air from some common areas. Exhaust fans are located in exhaust ducts. Two wall fans handle the kitchen exhaust. |
| Master TV System | <1-E | 50+ | 50 | Good | | | | | | | | Standard CATV and telephone service with outlets in typical locations. Telephone and CATV distribution panels located in closet in 1st floor hallway. |
| Sanitary Waste and Vent System | <1-E | 50 + | 50 | Good | | | | | | | | Schedule 40 PVC tied to existing cast iron service. |
| Sewage Ejectors | <1-E | 50 | >20 | Good | | | | | | | | One Ejectomatic sewage ejector pump is located in the basement in a small closet area adjacent to the W/D room. Appears to service the basement level 1/2 bath and was installed in the late 90's. Two Goulds #3885 effluent pumps contained in the new 1000 gallon pumping station. |
| Sump Pump, commercial | E | 15 | <15 | Good | 1 | LS | 200.00 | 400.00 | 1,16 | | | One sump pump is installed in the floor in the main building mechanical room. Overflow of backwash from filter system goes into the sump pump hole. This item was scheduled to be replaced as part of the remodel. Budget for replacement in year 1, repeat in year 16. |
| Water Distribution, cold and DHW | <1-E | 50+ | 50 | Good | 2 | EA | 1,411.00 | 2,822.00 | 4 | | | Water is brought in from the exterior source to new DJ3C1P18M pumps fitted with a backflow preventer tied to a Burke #30GA7-1-1/4 pump and transferred to an existing Clear Water filter and purification tank piped in tandem with two existing Amtrol Well-X-Trol #WX302 pressurized diaphragm expansion tanks. From there it passes through a water meter and branches out to the 5 new Chemtainer #TC3581W 300 gallon storage tanks. Replacement of submersible pumps took place as part of the remodel and includes a Tecmar #132 pump sequencer. The pump selection control panel and the Liquitron #FS5000 flow control are new. Hose bibb on west elevation. Amtrol Well-X-Trol warranty is 5 years. Replacement of expansion tanks was scheduled to take place as part of the remodel. Budget for replacement in year 4. |
| Water Distribution, cold and DHW | E | 50+ | Varies | Varies | | | | | | | X | A second filter and expansion tank are located in the north wing mechanical room where it feeds the hydronic boiler and hot water storage tanks. This system was existing prior to the renovations. The pressure tank has apparently been disconnected from the system. The filter may still be online and should be removed from the system (operating budget). |
| Water Softening and Filtration | 7 | 15 | 3 | Good | 2 | YR | 1,000.00 | 2,000.00 | 4,13 | | | Clear Water softening and filtration tanks located in each of the two major mechanical rooms. The MLI #AA171-450HI 10-gallon chlorinator is new. Maintain as required. Budget contingency replacement of water softening resin in year 4 and 13. |

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**List of Work Items
Main Street Boiler Room Equipment**

Sample Location
Sample, VT 00000

Inspection Date: 5/8/2006

| BOILER ROOM ITEMS | AGE ¹ Age of Item | E.U.L. Expected Useful Life | R.U.L. Remaining Useful Life | CONDITION | ITEM SCHEDULE AND COSTS | | | | | | FIELD NOTES | |
|--|---------------------------------|--------------------------------|---------------------------------|-----------|-------------------------|-------------------|----------------|-----------------|-----------|------------------|-------------|---|
| | | | | | UNIT QTY | UNIT ² | UNIT COST (\$) | TOTAL COST (\$) | YEAR | OPERATING BUDGET | | |
| Boiler Room Pipe Insulation | <1-E | w/boiler | >20 | Good | | | | | | | X | All pipe is insulated with either fiberglass wrap or closed cell foam. Some insulation has been disturbed and needs to be restored. |
| Boiler Room Piping | <1-E | w/boiler | >20 | Good | | | | | | | | All piping is typically copper. |
| Boiler Room Valves | <1-E | 15 | >20 | Good | | | | | | | X | Bronze. Repack gate valves in 10-year increments. Check/repack drain valves in 3-year increments. Replace drain valve stems in 8-year intervals. |
| Boiler, HWBB system Expansion Tank | <1 | 20 | >20 | Good | | | | | | | | Taco #CBX84-3 expansion tank. |
| Boiler, oil-fired, sectional | <1 | 22-30 | 30 | Good | | | | | | | | Two new Buderus Loganol G215 boilers with Riello burner and Safeguard #550 low water cutoff, Watts #1156F pressure regulator, Watts #90-MD backflow preventer, Taco #Ac0-2F-4 air bleeder have been installed. The boiler room could use a good cleanup. |
| Boiler Temperature Controls | 7 | w/boiler | >20 | Good | | | | 0.00 | | | | Tecmar #251 one stage boiler and DHW control with 3 SR501 relays. |
| Combustion Air Motorized Louver & Duct | 7 | 25 | >18 | Good | | | | | | | | Belimo #LF-120 motorized combustion air duct . |
| DHW Circulating Pumps | 7 | by size | >20 | Good | | | | | | | X | Two bronze booster pumps for hot water circulation. Maintain/replace as required. |
| DHW Generation, exchanger in boiler | 7-E | 15 | <10 | Fair-Good | 2 | EA | 2,000.00 | 6,000.00 | 1, 10, 17 | | | One older Carlin RCG-70 in tandem with newer Phase III. Replacement scheduled to take place as part of the remodel has not yet been implemented. Budget for replacement of the older hot water tank in year 1 and the newer tank in year 10 and the first one again in year 17. |
| Flue Exhaust | E | w/boiler | >20 | Good | | | | | | | | Standard Field Controls draft to adjacent masonry chimney. |
| Fuel Oil Storage | E | 25-30 | >20 | Good | | | | | | | | (2) 275-gallon fuel oil tanks are located in the sprinkler room. Enclosed in fire rated room. Shallow spill containment barrier installed. |
| Fuel Transfer System | E | 25 | <5 | Poor | 1 | LS | 100.00 | 100.00 | 1 | | | The unprotected fuel line from the oil tanks to the boiler room is pinched (near the hot water tank) and should be replaced. |
| Heating Water Circulating Pumps | 7-E | by size | Varies | Good | | | | | | | X | 7 zones on the existing return header. 4 pumps are existing, 3 are newer. Pump #7 ties to a pump relay for service to 2 basement fan coil units, the dining room fan coil unit, and a new living and bedroom fan coil unit. Maintain as required. |
| Ventilation | 7 | 20+ | >15 | Good | | | | | | | | Boiler room exhaust fan operates in parallel with oil burner outside air damper system. Isolation relay prevents backfeed to the fan when burner is operating. |

1) >=More Than, <=Less Than, UC=Under Construction
 2) LS=Lump Sum, EA=Each, LF=Linear Foot, SF=Square Foot, SQ=Square (100 SF), SY=Square Yard, DU=per Dwelling Unit
 3) Proposed items to be completed with funds other than replacement resources, not figured in the overall costs.

EXHIBIT II

YEARLY COST FORM - SUMMARY

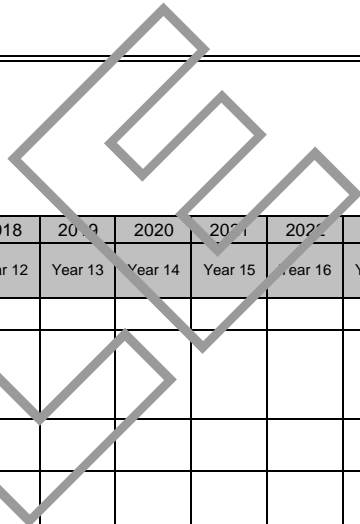
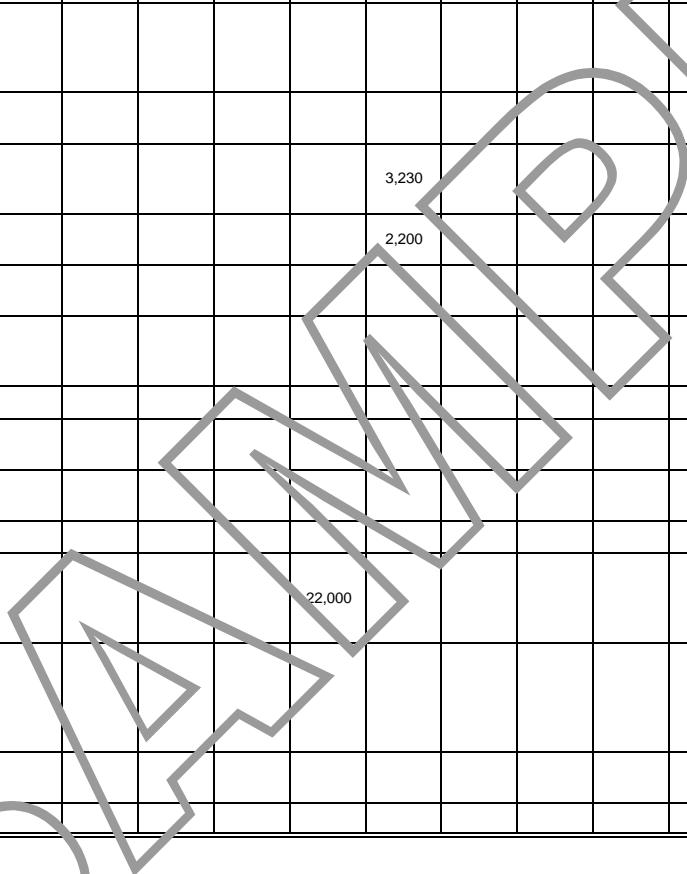
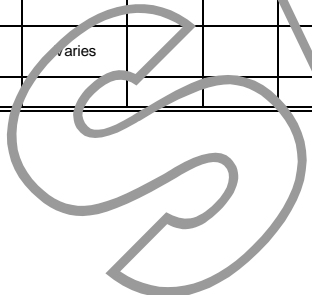
SAMPLE

Yearly Cost Extensions
Forecast of Maintenance and Capital Replacement Expenditures
Year 2007 - 2026

Sample Location
Sample, VT 00000

Inspection Date: 5/8/2006

| CALENDAR YEAR | | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|--|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Main Street Architectural Exterior | Prior Replacement | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 |
| | | | | | | | | | | | | | | | | | | | | | |
| Railings, common area, exterior | 1999 | | | | | | | | | | | | | | | | | | | | |
| Railings, roof | 1999 | | | | | | | | | | | | | | | | | | | | |
| Roof Covering, asphalt shingles | Varies | | | | | | | 3,230 | | | | | | | | | | | | | |
| Roof Covering, metal (preformed) | Varies | | | | | | | 2,200 | | | | | | | | | | | | | |
| Roof Covering, metal (preformed) | Varies | | | | | | | | | | | | | | | 13,331 | | | | | |
| Roof Drainage Exterior (gutter and fascia) | 1999 | | | | | | | | | | | | | | | | | | | | |
| Roof Structure | | | | | | | | | | | | | | | | | | | | | |
| Soffits, wood/stucco/concrete | | | | | | | | | | | | | | | | | | | | | |
| Stairs, exterior, wood | Varies | | | | | | | | | | | | | | | | | | | | |
| Walls, exterior, precast concrete panel | | | | | | | | | | | | | | | | | | | | | |
| Walls, exterior, wood shingle/clapboard | | | | | | | | 22,000 | | | | | 22,000 | | | | | | | 22,000 | |
| Windows, frames and glazing | Varies | | | | | | | | | | | | | | | | | | | | |
| Windows, storm/screen | varies | | | | | | | | | | | | | | | | | | | | |



Yearly Cost Extensions
Forecast of Maintenance and Capital Replacement Expenditures
Year 2007 - 2026

Sample Location
Sample, VT 00000

Inspection Date: 5/8/2006

| CALENDAR YEAR | | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|--|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Main Street Architectural Interior | Prior Replacement | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 |
| Ceilings, common area, acoustic tile | | | | 5,670 | | | | | | | | | | | | | | | | | |
| Ceilings, common area, drywall/plaster | Varies | | | | | 1,136 | | | | | 1,136 | | | | | 1,136 | | | | | 1,136 |
| Common Area Countertop & Sink | | | | | | | | | | | | | | | | | | | | | |
| Common Area Kitchen Accessories | | | | | | | | | | | | | | | | | | | | | |
| Common Area Kitchen Cabinets | | | | | | | | | | | | | | | | | | | | | |
| Common Area Laundry Appliances | 1999 | | | | | | | | | 1,000 | | | | | | | | | | | |
| Doors, common area (fire/hall, etc.) | Varies | | | | | | | | | | | | | | | | | | | | |
| Fire Walls | 2006 | | | | | | | | | | | | | | | | | | | | |
| Floor Frame, wood | Varies | | | | | | | | | | | | | | | | | | | | |
| Floor, common area, carpet | 2006 | | | | | | | | 5,525 | | | | | | | | | | | | |
| Floor, common area, concrete | | | | | | | | | | | | | | | | | | | | | |
| Floor, common area, resilient tile/sheet | Varies | | | | | | | | | | | | 12,834 | | | | | | | | |
| Floor, common area, wood strip/parquet | | | | | | | | | | | | | 2,630 | | | | | | | | |
| Foundations | | | | | | | | | | | | | | | | | | | | | |
| Insulation, ceiling | | | | | | | | | | | | | | | | | | | | | |
| Insulation, wall | | | | | | | | | | | | | | | | | | | | | |

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Yearly Cost Extensions
Forecast of Maintenance and Capital Replacement Expenditures
Year 2007 - 2026

Sample Location
Sample, VT 00000

Inspection Date: 5/8/2006

| CALENDAR YEAR | | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|-------------------------------------|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Main Street Mechanical & Electrical | Prior Replacement | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 |
| | | | | | | | | | | | | | | | | | | | | | |
| HVAC, heating and cooling | 1999 | | | | | | | | | | | | | | | | | | | | |
| Master TV System | Varies | | | | | | | | | | | | | | | | | | | | |
| Sanitary Waste and Vent System | Varies | | | | | | | | | | | | | | | | | | | | |
| Sewage Ejectors | Varies | | | | | | | | | | | | | | | | | | | | |
| Sump Pump, commercial | | 200 | | | | | | | | | | | | | | | 200 | | | | |
| Water Distribution, cold and DHW | Varies | | | | 2,942 | | | | | | | | | | | | | | | | |
| Water Distribution, cold and DHW | Varies | | | | | | | | | | | | | | | | | | | | |
| Water Softening and Filtration | Varies | | | | 1,000 | | | | | | | | | 1,000 | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | |

Sample

Yearly Cost Extensions
Forecast of Maintenance and Capital Replacement Expenditures
Year 2007 - 2026

Sample Location
Sample, VT 00000

Inspection Date: 5/8/2006

| CALENDAR YEAR | | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | | |
|--|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--|--|
| Main Street Boiler Room Equipment | Prior Replacement | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 | | |
| Boiler Room Pipe Insulation | Varies | | | | | | | | | | | | | | | | | | | | | | |
| Boiler Room Piping | Varies | | | | | | | | | | | | | | | | | | | | | | |
| Boiler Room Valves | Varies | | | | | | | | | | | | | | | | | | | | | | |
| Boiler, HWBB system Expansion Tank | 2006 | | | | | | | | | | | | | | | | | | | | | | |
| Boiler, oil-fired, sectional | 2006 | | | | | | | | | | | | | | | | | | | | | | |
| Boiler Temperature Controls | | | | | | | | | | | | | | | | | | | | | | | |
| Combustion Air Motorized Louver & Duct | 1999 | | | | | | | | | | | | | | | | | | | | | | |
| DHW Circulating Pumps | 1999 | | | | | | | | | | | | | | | | | | | | | | |
| DHW Generation, exchanger in boiler | Varies | 2,000 | | | | | | | | | 2,000 | | | | | | | | 2,000 | | | | |
| Flue Exhaust | | | | | | | | | | | | | | | | | | | | | | | |
| Fuel Oil Storage | | | | | | | | | | | | | | | | | | | | | | | |
| Fuel Transfer System | | 100 | | | | | | | | | | | | | | | | | | | | | |
| Heating Water Circulating Pumps | Varies | | | | | | | | | | | | | | | | | | | | | | |
| Ventilation | 1999 | | | | | | | | | | | | | | | | | | | | | | |

SAMPLE

Yearly Cost Form - Summary
Forecast of Maintenance and Capital Replacement Expenditures
Year 2007 - 2026

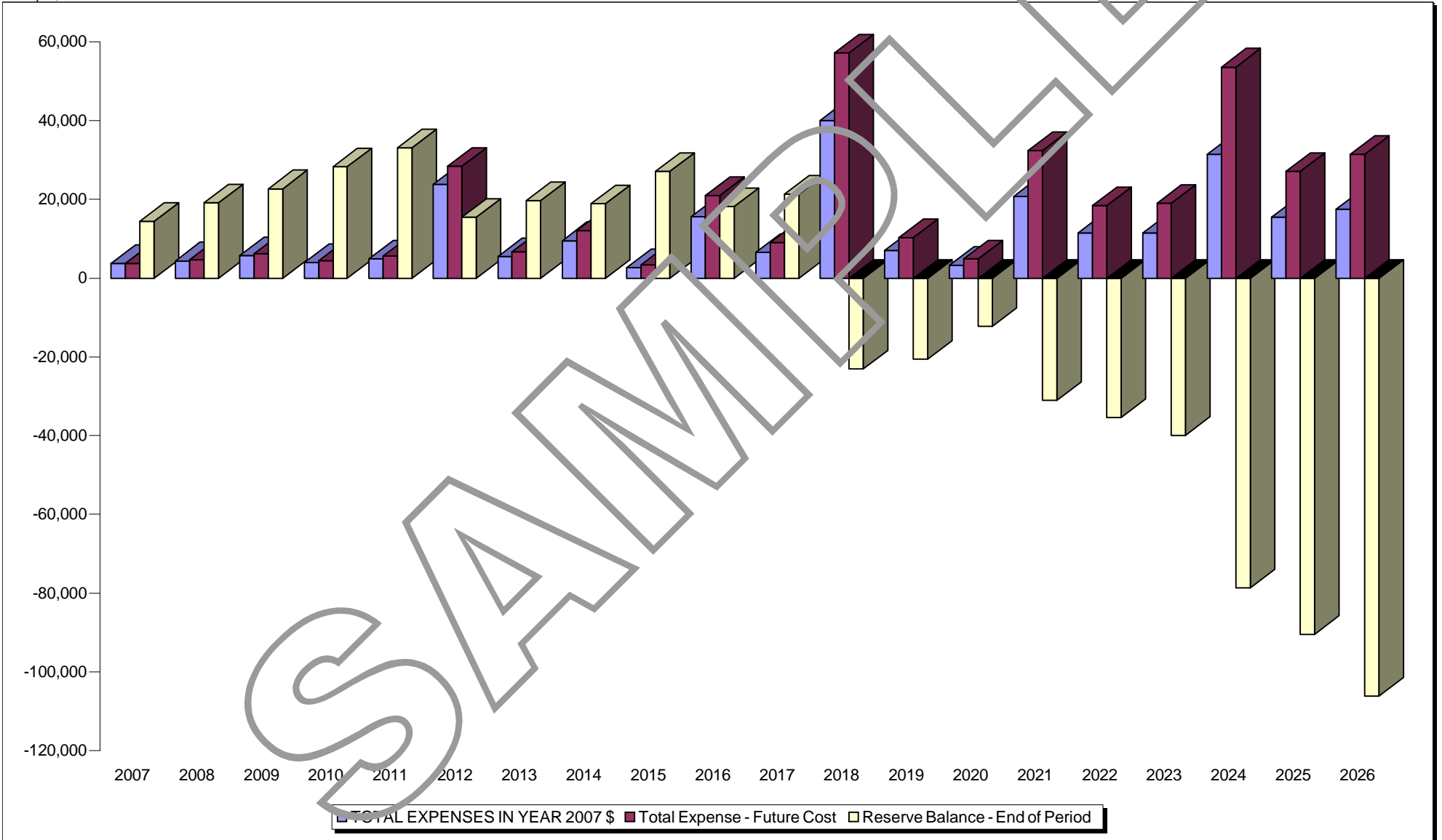
Sample Location
Sample, VT 00000

Inspection Date: 5/8/2006

| CALENDAR YEAR | | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | |
|--|-------------------|----------|-----------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|--|
| Main Street | Prior Replacement | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 | |
| TOTAL EXPENSES IN YEAR 2007 \$ | | 3,736 | 4,360 | 5,670 | 3,942 | 4,872 | 23,768 | 5,430 | 9,525 | 2,607 | 15,584 | 6,525 | 40,071 | 7,652 | 3,240 | 20,810 | 11,441 | 11,473 | 31,473 | 15,473 | 17,425 | |
| RESERVE BALANCE DATA | | | | | | | | | | | | | | | | | | | | | | |
| Total Expense - Future Cost | 3.00% | 3,736 | 4,626 | 6,196 | 4,437 | 5,648 | 28,380 | 6,678 | 12,066 | 402 | 20,944 | 9,032 | 57,132 | 10,327 | 4,901 | 32,421 | 18,359 | 18,962 | 53,580 | 27,131 | 31,471 | |
| Interest on Reserve Balance | 1.00% | 90 | 144 | 191 | 227 | 283 | 331 | 155 | 197 | 189 | 27 | 181 | 214 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Average Reserve Deposits | 3.00% | 9,000 | 9,270 | 9,548 | 9,835 | 10,130 | 10,430 | 10,746 | 11,069 | 11,401 | 11,743 | 12,095 | 12,458 | 12,832 | 13,217 | 13,613 | 14,022 | 14,442 | 14,876 | 15,322 | 15,782 | |
| Reserve Balance - Period Change | | 5,354 | 4,788 | 3,544 | 5,625 | 4,765 | -1,616 | 4,223 | -800 | 8,188 | -8,500 | 3,244 | -44,460 | 2,505 | 8,316 | -18,808 | -4,337 | -4,520 | -38,704 | -11,809 | -15,690 | |
| Reserve Balance - Beginning of Period | | 9,000 | 14,354 | 19,142 | 22,686 | 28,310 | 33,075 | 15,459 | 11,682 | 18,881 | 27,069 | 18,139 | 21,383 | -23,077 | -20,572 | -12,256 | -31,064 | -35,401 | -39,921 | -78,626 | -90,435 | |
| Reserve Balance - End of Period | | 14,354 | 19,142 | 22,686 | 28,310 | 33,075 | 15,459 | 11,682 | 18,881 | 27,069 | 18,139 | 21,383 | -23,077 | -20,572 | -12,256 | -31,064 | -35,401 | -39,921 | -78,626 | -90,435 | -106,125 | |
| SELECTED DATA | | | | | | | | | | | | | | | | | | | | | | |
| | | Per Unit | All Units | | | | | | | | | | | | | | | | | | | |
| Total Expense in Year 2007 \$s | | 13,581 | 244,457 | | | | | | | | | | | | | | | | | | | |
| Average Annual Expense in Year 2007 \$s | | 905 | 12,223 | | | | | | | | | | | | | | | | | | | |
| Replacement Reserve Initial Balance | | 500 | 9,000 | | | | | | | | | | | | | | | | | | | |
| Replacement Reserve Contribution in 2007 | | 500 | 9,000 | | | | | | | | | | | | | | | | | | | |
| Replacement Reserve Minimum Balance | | -5,896 | -106,125 | | | | | | | | | | | | | | | | | | | |
| Replacement Reserve Balance at Year 2021 | | -5,896 | -106,125 | | | | | | | | | | | | | | | | | | | |
| NUMBER OF UNITS | | | | | | | | | | | | | | | | | | | | | | |
| | | 18 | | | | | | | | | | | | | | | | | | | | |

Sample Location
Sample, VT 00000

Inspection Date: 5/8/2006



END OF REPORT

SAMPLE