

Hawaii Inspection Group, Inc

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Licensed General Contractors · Licensed Civil Engineers

November 16, 2006

Funding Reserve Analysis

for

Reserve Study for HIG Webpage

Reserve Study for HIG Webpage Funding Study

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Project Description

This is a full reserve study for the Seaside AOAO

Depth of Study

Full Service Reserve Study with Field Inspection A field inspection was made to verify the existing condition of the various reserve study components, their physical condition, and to verify component quantities.

Summary of Financial Assumptions

The below table contains a partial summary of information provided by Mr. John Halley for the Reserve Study for HIG Webpage funding study.

<i>Reserve Study by Calendar Year Starting</i>	<i>January 1, 2007</i>
<i>Funding Study Length</i>	<i>30 Years</i>
<i>Number of Dues Paying Members</i>	<i>169</i>
<i>Reserve Balance as of February 13, 2005</i>	<i>\$254,571</i>
<i>Annual Inflation Rate</i>	<i>4.50%</i>
<i>Tax Rate on Reserve Interest ¹</i>	<i>30.00%</i>
<i>Minimum Reserve Account Balance</i>	<i>\$10,000</i>
<i>Dues Change Period</i>	<i>1 Year</i>
<i>Annual Operating Budget</i>	<i>\$0</i>

¹ Taxed as an IRS exempt association

Reserve Study Assumptions

- Cost estimates and financial information are accurate and current. No unforeseen circumstances will cause a significant reduction of reserves. Sufficient comprehensive property insurance exists to protect from insurable risks. The association plans to continue to maintain the existing common areas and amenities. Reserve payments occur at the end of every calendar month. Expenses occur at the end of the expense year.

Initial Reserves

Initial reserves for this Reserve Study were estimated to be \$254,544 on December 31, 2006. Based upon a study start date of January 1, 2007 a total of 1 days of accrued interest at 3.80% per annum were compounded to yield an initial reserve balance of \$254,571.

The implicit assumption has been made that the reserve accounts were not drawn down between the date of the known reserve balance and the study start date.

Reserve Funding Goal

The reserve fund is set to be at or above \$10,000. (Threshold Funding)

Study Method

Funding studies may be done in several ways, but we believe that the value of a funding study lies in the details. "Bulk" studies are quick, usually inexpensive, and almost always border on worthless. We believe that meaningful answers to funding studies lie in the details. In this study, we have used the "Component" method because it is the only method which allows scrutiny of the funding details. The method is pragmatic, and allows human judgement and experience to enter into the equation. Unless noted otherwise, the present cost of every reserve item in this report has been estimated using the "National Construction Estimator", a nationally recognized standard, or where possible, known costs have been used. In addition, every reserve item has been given an estimated remaining useful life, an estimated useful life when new, and has been cast into the future to determine the inflated cost. Equal annual payments are calculated for each reserve item based upon a payment starting year and a payment ending year using the end of period payment method. Interest earned on accumulated reserve funds and taxes on the reserve interest are also calculated. Initial reserve funds are consumed as expenses occur until fully depleted, reducing annual reserve payments to a minimum. As you review this report, we are certain that you will appreciate the level of detail provided, allowing you to review each reserve item in detail.

Summary of Findings

Hawaii Inspection Group has estimated future projected expenses for Reserve Study for HIG Webpage based upon preservation of existing improvements.

The attached funding study is limited in scope to those expense items listed in the attached "Reserve Study for HIG Webpage Reserve Study Expense Items". Expense items which have an expected life of more than 30 Years are not included in this reserve study unless payment for these long lived items occurs within the 30 Years of the reserve study envelope.

Of primary concern is the preservation of a positive funding balance with funds sufficient to meet projected expenses throughout the study life. Based upon the attached funding study, it is our professional opinion that member monthly fees as shown in the attached "Reserve Study for HIG Webpage Dues Summary" will realize this goal. Some reserve items in the "Revenue Summary Table" may not contain payments. In this analysis the initial reserves were used to make annual payments for expense items in their order of occurrence until the initial reserve was consumed. As a result reserve items without payments may be expected, particularly in the first few years of the funding study. Reserve items that have been paid with initial reserve funds are identified with a [FP] in the Expense Items Sheets. An item marked [PR] is partially paid with initial reserve funds. "Mr. John Halley represents and warrants that the information provide to Hawaii Inspection Group including but not limited to that information contained in the attached Reserve Studies Information Summary and the maintenance records, is complete and accurate, and Hawaii Inspection Group may rely upon such information and documents without further verification of corroboration. Where the age of a particular Reserve Item (as listed in the Reserve Study) is unknown, Mr. John Halley shall provide to Hawaii Inspection Group Mr. John Halley's best-estimated age of that item. If Mr. John Halley is unable to provide and estimate of a Reserve Item's age, Hawaii Inspection Group shall make its own estimate of age of the Reserve Item. The Reserve Study is created for the association's use, and is a reflection of information provided to Hawaii Inspection Group. This information is not for the purpose of performing an audit, historical records, quality or forensic analyses. Any on site inspection is not considered to be a project audit or quality inspection.

A summary of our recommended Capital Reserve payments for the next five years is shown below.

Proposed Payment Schedule

Calendar Year	Member Monthly Reserve Payment	Monthly Reserve Payment	Annual Reserve Payment
2007	\$139.85	\$23,635.32	\$283,623.81
2008	\$141.43	\$23,900.86	\$286,810.35
2009	\$156.39	\$26,429.85	\$317,158.23
2010	\$153.43	\$25,929.94	\$311,159.27
2011	\$151.30	\$25,570.49	\$306,845.91
2012	\$146.64	\$24,782.38	\$297,388.56

Percent Funded

Many reserve studies use the concept of "Percent Funded" to measure the reserve account balance against a theoretically perfect value. Percent Funded is often used as a measure of the "Financial Health" of an association. The assumption is, the higher the percentage, the greater the "Financial Health". The question of substance is simply: How much is enough? To answer the question, some understanding of Percent Funded is required. Percent Funded is the ratio of current cash reserves divided by the Fully Funded value at any instant in time. Fully Funded is defined as the present value of the sum of all reserve items divided by the expected life of each item. In essence, Fully Funded is simply the total of the average net present value of the association improvements. Reserve items with a remaining life greater than the study life are not included in the calculation. For example; building framing, foundations, water lines, and other long-lived items that fall outside the envelope of the reserve study are excluded from the calculation. Percent Funded is then, the current reserve balance divided by the Fully Funded value multiplied by 100 (to give a percentage). The concept is useful when the reserve study is comprehensive, but misleading when the reserve study is superficial or constrained. As a result, we recommend that the statement "Percent Funded" be used with caution.

Statement of Qualifications

I am a professional and in the business of preparing reserve studies for community associations. I have inspected the association improvements, and have made a complete review of all components required to complete a reserve study. I have completed a physical inspection of the components listed in this reserve study. My inspection included a review of current condition, economic and remaining life and replacement cost of all components included in this reserve study.

Hawaii Inspection Group would like to thank you for the opportunity to be of service in the preparation of the attached Funding Study. Again, please feel free to write or call at our letterhead address if you have any questions.

Mr. John Halley - Property Managing Agent
Seaside Hawaii AOAO
1441 Seaside Road
Honolulu, HI 96673

Subject: Reserve Study for HIG Webpage

Mr.. Halley,

Impact of Component Life

The projected life expectancy of the major components and the reserve funding needs of the association are closely tied. Performing the appropriate routine maintenance for each major component generally increases the component useful life, effectively moving the component expense into the future which reduces the reserve funding payments of the association. Failure to perform such maintenance can shorten the remaining useful life of the major components, bringing the replacement expense closer to the present which increases the reserve funding payments of the association.

Reserve Study for HIG Webpage Reserve Study Expense Item Summary

Reserve Items	Current Cost When New	Expected Life When New	Estimated Remaining Life	First Replacement Cost	Repeating Item?
Building Exterior					
Paint Stucco KHM	\$46,980	8 Years	3 Years	\$56,226	Yes
Paint Stucco VBS	\$40,020	8 Years	1 Year	\$43,781	Yes
Railings Aluminum KHM	\$201,600	25 Years	7 Years	\$288,765	Yes
Railings Aluminum VBS	\$190,400	25 Years	8 Years	\$285,251	Yes
Walkway Resurfacing KHM	\$32,000	5 Years	5 Years	\$41,898	Yes
Walkway Resurfacing VBS	\$26,000	5 Years	5 Years	\$34,042	Yes
Spalling Repair KHM	\$12,000	10 Years	1 Year	\$13,128	Yes
Spalling Repair VBS	\$14,000	10 Years	1 Year	\$15,316	Yes
Wash and Seal Block Walls	\$80,000	10 Years	5 Years	\$104,744	Yes
Plumbing					
Chill Water System KHM	\$98,000	15 Years	4 Years	\$122,676	Yes
Chill Water System VBS	\$98,000	15 Years	14 Years	\$192,232	Yes
Water Heater Gas Fired KHM	\$12,000	12 Years	5 Years	\$15,712	Yes
Water Heater Gas Fired VBS	\$12,000	12 Years	11 Years	\$20,571	Yes
Drain Lines Cast Iron Fiber Optic Inspection	\$8,000	5 Years	2 Years	\$9,154	Yes
Drain Lines Cast Iron VBS	\$7,500	5 Years	5 Years	\$9,820	Yes
Water Lines Insulation KHM	\$8,000	10 Years	0 Years	\$8,368	Yes
Water Line Insulation VBS	\$8,000	10 Years	0 Years	\$8,368	Yes
Water Storage Tank KHM	\$26,000	25 Years	10 Years	\$42,613	Yes
Water Storage Tank VBS	\$24,000	25 Years	10 Years	\$39,336	Yes
Roof Exhaust Fans	\$15,600	15 Years	2 Years	\$17,850	Yes
Water Line Insulation Remove	\$2,000	10 Years	0 Years	\$2,092	Yes
Exhaust Vent Cleaning	\$13,000	6 Years	2 Years	\$14,875	Yes
Backflow Preventer	\$18,000	20 Years	20 Years	\$46,229	Yes
Electrical					
Main Electrical Panel KHM	\$8,500	30 Years	7 Years	\$12,175	Yes
Main Electrical Panel VBS	\$11,200	30 Years	8 Years	\$16,779	Yes

Reserve Study for HIG Webpage Funding Study Expense Item Summary - Continued

Reserve Items	Current Cost When New	Expected Life When New	Estimated Remaining Life	First Replacement Cost	Repeating Item?
Subpanels KHM	\$18,700	30 Years	10 Years	\$30,649	Yes
Electrical Subpanels VBS	\$15,300	30 Years	10 Years	\$25,076	Yes
Hallway lights	\$12,740	20 Years	8 Years	\$19,087	Yes
Security System	\$17,000	10 Years	5 Years	\$22,258	Yes
Submetering Individual Units	\$76,050	25 Years	5 Years	\$99,573	No
Roofing					
Builtup Roof KHM	\$100,100	15 Years	5 Years	\$131,061	Yes
Builtup Roof VBS	\$95,480	15 Years	2 Years	\$109,253	Yes
Roof sealing	\$10,000	5 Years	5 Years	\$13,093	Yes
Roads					
2" Asphalt Overlay	\$33,471	15 Years	2 Years	\$38,299	Yes
Slurry Seal	\$14,595	7 Years	2 Years	\$16,700	Yes
Cut and Patch Asphalt	\$7,500	7 Years	1 Year	\$8,205	Yes
Parking Area Sump Pump	\$17,000	15 Years	2 Years	\$19,452	Yes
Pool Area					
Pool Resurface Large	\$22,000	15 Years	10 Years	\$36,058	Yes
Pool Resurface Small	\$11,200	18 Years	10 Years	\$18,357	Yes
Pool Decking Large	\$24,000	15 Years	6 Years	\$32,867	Yes
Pool Equipment	\$8,500	8 Years	3 Years	\$10,173	Yes
Pool Fence	\$9,800	25 Years	0 Years	\$10,250	Yes
Grounds					
Landscapping Upgrade	\$15,000	15 Years	5 Years	\$19,640	Yes
Pole Lights	\$3,750	15 Years	5 Years	\$4,910	Yes
BBQ	\$3,500	8 Years	2 Years	\$4,005	Yes
Well Repairs	\$8,500	15 Years	12 Years	\$15,241	Yes
Elevator					
Interior Cab Remodel	\$48,000	15 Years	6 Years	\$65,734	Yes
Elevator Upgrade	\$80,000	20 Years	19 Years	\$196,437	Yes
Building Interior					
Lobby Flooring	\$1,875	10 Years	8 Years	\$2,809	Yes
Meeting Room Flooring	\$1,875	10 Years	8 Years	\$2,809	Yes
Office Equipment	\$8,000	5 Years	2 Years	\$9,154	Yes

Reserve Study for HIG Webpage Funding Study Expense Item Summary - Continued

Reserve Items	Current Cost When New	Expected Life When New	Estimated Remaining Life	First Replacement Cost	Repeating Item?
Contingency					
General Contingency	\$6,500	1 Year	1 Year	\$7,111	Yes
Insurance Deductible	\$5,000	1 Year	1 Year	\$5,470	Yes
Mold Contingency	\$5,000	1 Year	1 Year	\$5,470	Yes
Fire Equipment					
Alarm Annunciator	\$13,000	15 Years	2 Years	\$14,875	Yes
Standpipe Valves	\$11,700	25 Years	7 Years	\$16,759	Yes
Hose Replacement	\$23,400	15 Years	12 Years	\$41,957	Yes
Alarm System Upgrade	\$9,500	15 Years	5 Years	\$12,438	Yes

Missing table information is identical to the first printed information above.

Months Remaining in Calendar Year 2007: 12

Expected annual inflation: 4.50%

Interest earned on reserve funds: 3.80%

Initial Reserve: \$254,571

Present Costs

Category	Item Name	No Units	Unit Cost	Present Cost
Building Exterior	Paint Stucco KHM	27000 • ft	\$1.74 / • ft	\$46,980.00
	Paint Stucco VBS	23000 • ft	\$1.74 / • ft	\$40,020.00
	Railings Aluminum KHM	7200 lf	\$28.00 / lf	\$201,600.00
	Railings Aluminum VBS	6800 lf	\$28.00 / lf	\$190,400.00
	Walkway Resurfacing KHM	1600 lf	\$20.00 / lf	\$32,000.00
	Walkway Resurfacing VBS	1300 lf	\$20.00 / lf	\$26,000.00
	Spalling Repair KHM	1	\$12,000.00 ea	\$12,000.00
	Spalling Repair VBS	1	\$14,000.00 ea	\$14,000.00
	Wash and Seal Block Walls	2	\$40,000.00 ea	\$80,000.00
Building Exterior Sub Total =				\$643,000.00
Plumbing	Chill Water System KHM	1	\$98,000.00 ea	\$98,000.00
	Chill Water System VBS	1	\$98,000.00 ea	\$98,000.00
	Water Heater Gas Fired KHM	1	\$12,000.00 ea	\$12,000.00
	Water Heater Gas Fired VBS	1	\$12,000.00 ea	\$12,000.00
	Drain Lines Cast Iron Fiber Optic Inspection	1	\$8,000.00 ea	\$8,000.00
	Drain Lines Cast Iron VBS	1	\$7,500.00 ea	\$7,500.00

Present Costs - Continued

Category	Item Name	No Units	Unit Cost	Present Cost
Plumbing	Water Lines Insulation KHM	1	\$8,000.00 ea	\$8,000.00
	Water Line Insulation VBS	1	\$8,000.00 ea	\$8,000.00
	Water Storage Tank KHM	1	\$26,000.00 ea	\$26,000.00
	Water Storage Tank VBS	1	\$24,000.00 ea	\$24,000.00
	Roof Exhaust Fans	24	\$650.00 ea	\$15,600.00
	Water Line Insulation Remove	2	\$1,000.00 ea	\$2,000.00
	Exhaust Vent Cleaning	2	\$6,500.00 ea	\$13,000.00
	Backflow Preventer	1	\$18,000.00 ea	\$18,000.00
Plumbing Sub Total =				\$350,100.00
Electrical	Main Electrical Panel KHM	1	\$8,500.00 ea	\$8,500.00
	Main Electrical Panel VBS	1	\$11,200.00 ea	\$11,200.00
	Subpanels KHM	22	\$850.00 ea	\$18,700.00
	Electrical Subpanels VBS	18	\$850.00 ea	\$15,300.00
	Hallway lights	364	\$35.00 ea	\$12,740.00
	Security System	1	\$17,000.00 ea	\$17,000.00
	Submetering Individual Units	169	\$450.00 ea	\$76,050.00
Electrical Sub Total =				\$159,490.00

Present Costs - Continued

Category	Item Name	No Units	Unit Cost	Present Cost
Roofing	Builtup Roof KHM	26000	\$3.85 ea	\$100,100.00
	Builtup Roof VBS	24800	\$3.85 ea	\$95,480.00
	Roof sealing	2	\$5,000.00 ea	\$10,000.00
Roofing Sub Total =				\$205,580.00
Roads	2" Asphalt Overlay	19460 • ft	\$1.72 / • ft	\$33,471.20
	Slurry Seal	19460	\$0.75 ea	\$14,595.00
	Cut and Patch Asphalt	1	\$7,500.00 ea	\$7,500.00
	Parking Area Sump Pump	2	\$8,500.00 ea	\$17,000.00
Roads Sub Total =				\$72,566.20
Pool Area	Pool Resurface Large	1	\$22,000.00 ea	\$22,000.00
	Pool Resurface Small	1	\$11,200.00 ea	\$11,200.00
	Pool Decking Large	1	\$24,000.00 ea	\$24,000.00
	Pool Equipment	1	\$8,500.00 ea	\$8,500.00
	Pool Fence	280 lf	\$35.00 / lf	\$9,800.00
Pool Area Sub Total =				\$75,500.00
Grounds	Landscapping Upgrade	1	\$15,000.00 ea	\$15,000.00
	Pole Lights	30	\$125.00 ea	\$3,750.00
	BBQ	1	\$3,500.00 ea	\$3,500.00

Present Costs - Continued

Category	Item Name	No Units	Unit Cost	Present Cost
Grounds	Well Repairs	1	\$8,500.00 ea	\$8,500.00
Grounds Sub Total =				\$30,750.00
Elevator	Interior Cab Remodel	4	\$12,000.00 ea	\$48,000.00
	Elevator Upgrade	4	\$20,000.00 ea	\$80,000.00
Elevator Sub Total =				\$128,000.00
Building Interior	Lobby Flooring	750 • ft	\$2.50 / • ft	\$1,875.00
	Meeting Room Flooring	750	\$2.50 ea	\$1,875.00
	Office Equipment	1	\$8,000.00 ea	\$8,000.00
Building Interior Sub Total =				\$11,750.00
Contingency	General Contingency	1	\$6,500.00 ea	\$6,500.00
	Insurance Deductible	1	\$5,000.00 ea	\$5,000.00
	Mold Contingency	1	\$5,000.00 ea	\$5,000.00
Contingency Sub Total =				\$16,500.00
Fire Equipment	Alarm Annunciator	2	\$6,500.00 ea	\$13,000.00
	Standpipe Valves	18	\$650.00 ea	\$11,700.00
	Hose Replacement	36	\$650.00 ea	\$23,400.00
	Alarm System Upgrade	1	\$9,500.00 ea	\$9,500.00

Present Costs - Continued

Category	Item Name	No Units	Unit Cost	Present Cost
Fire Equipment Sub Total =				\$57,600.00
Total of All Costs Above =				\$1,750,836. 20

Reserve Study for HIG Webpage Funding Study Cash Flow Analysis

Calendar Year	Annual Payment	Annual Interest	Total Salvage	Annual Expenses	Annual Income Tax	Net Reserve Funds	% Funded
2007	\$283,624	\$14,836		\$29,077	\$4,451	\$519,503	36.0 %
2008	\$286,810	\$25,137		\$98,481	\$7,541	\$725,428	45.9 %
2009	\$317,158	\$33,634		\$272,498	\$10,090	\$793,632	47.6 %
2010	\$311,159	\$36,166		\$86,147	\$10,850	\$1,043,96	65.4 %
2011	\$306,846	\$45,770		\$143,331	\$13,731	\$1,239,51	72.1 %
2012	\$297,389	\$53,165		\$530,791	\$15,950	\$1,043,32	58.2 %
2013	\$279,687	\$45,267		\$121,197	\$13,580	\$1,233,50	82.0 %
2014	\$277,976	\$52,591		\$364,250	\$15,777	\$1,184,04	72.4 %
2015	\$269,448	\$50,528		\$382,167	\$15,159	\$1,106,69	71.3 %
2016	\$265,985	\$47,476		\$111,437	\$14,243	\$1,294,47	87.5 %
2017	\$271,113	\$54,828		\$378,113	\$16,448	\$1,225,85	72.7 %
2018	\$280,548	\$52,341		\$188,536	\$15,702	\$1,354,50	82.1 %
2019	\$289,281	\$57,469		\$115,471	\$17,241	\$1,568,54	86.5 %
2020	\$294,083	\$65,830		\$30,944	\$19,749	\$1,877,76	91.3 %
2021	\$295,479	\$77,812		\$250,098	\$23,344	\$1,977,61	82.9 %
2022	\$307,275	\$81,881		\$403,153	\$24,564	\$1,939,05	77.2 %
2023	\$325,902	\$80,717		\$66,727	\$24,215	\$2,254,72	89.9 %
2024	\$328,946	\$92,978		\$581,487	\$27,893	\$2,067,27	72.7 %
2025	\$356,364	\$86,212		\$55,756	\$25,864	\$2,428,22	90.0 %
2026	\$358,904	\$100,214		\$613,817	\$30,064	\$2,243,46	72.8 %
2027	\$388,080	\$93,583		\$691,764	\$28,075	\$2,005,28	68.1 %
2028	\$420,635	\$84,946		\$307,576	\$25,484	\$2,177,81	78.6 %
2029	\$435,115	\$91,872		\$112,386	\$27,562	\$2,564,85	85.4 %
2030	\$440,240	\$106,929		\$126,645	\$32,079	\$2,953,29	86.0 %
2031	\$446,069	\$122,052		\$50,717	\$36,616	\$3,434,08	89.1 %
2032	\$448,358	\$140,684		\$838,523	\$42,205	\$3,142,39	72.1 %
2033	\$487,335	\$130,091		\$110,967	\$39,027	\$3,609,82	87.7 %
2034	\$492,395	\$148,255		\$421,633	\$44,477	\$3,784,36	82.1 %
2035	\$511,980	\$155,349		\$162,562	\$46,605	\$4,242,53	88.1 %
2036	\$519,636	\$173,200		\$515,592	\$51,960	\$4,367,81	82.6 %
2037	\$543,978	\$178,474		\$501,428	\$53,542	\$4,535,29	83.3 %
Totals :	\$11,137,7	\$2,580,28	\$0	\$8,663,27	\$774,087		

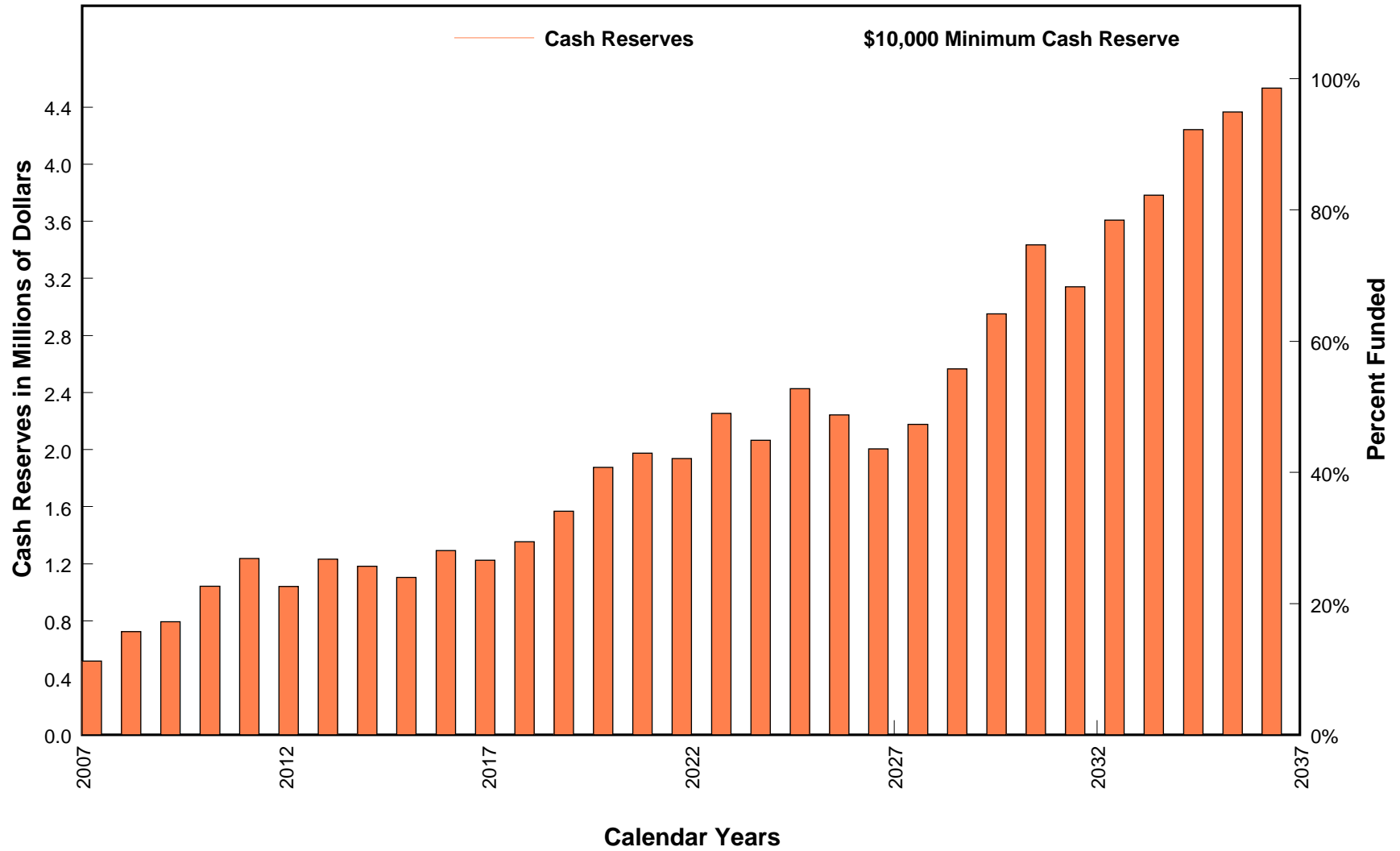
The cash distribution shown in this table applies to repair and replacement cash reserves only.

Basis of Funding Study

Cash reserves have been set to a minimum of \$10,000

Months Remaining in Calendar Year 2007: 12 Inflation = 4.50 % Interest = 3.80 %
 Study Life = 30 years Initial Reserve Funds = \$254,570.50 Final Reserve Value = \$0.00

Reserve Study for HIG Webpage Funding Study Cash Flow by Calendar Year - Continued



Reserve Study for HIG Webpage Reserve Payment Summary

Projected Payments by Month and by Calendar Year

Calendar Year	Member Monthly Operations Payment	Member Monthly Reserve Payment	Member Total Monthly Payment	Member Total Annual Payment	Monthly Reserve Payment	Annual Reserve Payment
2007	NA	\$139.85	NA	NA	\$23,635	\$283,624
2008	NA	\$141.43	NA	NA	\$23,901	\$286,810
2009	NA	\$156.39	NA	NA	\$26,430	\$317,158
2010	NA	\$153.43	NA	NA	\$25,930	\$311,159
2011	NA	\$151.30	NA	NA	\$25,570	\$306,846
2012	NA	\$146.64	NA	NA	\$24,782	\$297,389
2013	NA	\$137.91	NA	NA	\$23,307	\$279,687
2014	NA	\$137.07	NA	NA	\$23,165	\$277,976
2015	NA	\$132.86	NA	NA	\$22,454	\$269,448
2016	NA	\$131.16	NA	NA	\$22,165	\$265,985
2017	NA	\$133.68	NA	NA	\$22,593	\$271,113
2018	NA	\$138.34	NA	NA	\$23,379	\$280,548
2019	NA	\$142.64	NA	NA	\$24,107	\$289,281
2020	NA	\$145.01	NA	NA	\$24,507	\$294,083
2021	NA	\$145.70	NA	NA	\$24,623	\$295,479
2022	NA	\$151.52	NA	NA	\$25,606	\$307,275
2023	NA	\$160.70	NA	NA	\$27,158	\$325,902
2024	NA	\$162.20	NA	NA	\$27,412	\$328,946
2025	NA	\$175.72	NA	NA	\$29,697	\$356,364
2026	NA	\$176.97	NA	NA	\$29,909	\$358,904
2027	NA	\$191.36	NA	NA	\$32,340	\$388,080
2028	NA	\$207.41	NA	NA	\$35,053	\$420,635
2029	NA	\$214.55	NA	NA	\$36,260	\$435,115
2030	NA	\$217.08	NA	NA	\$36,687	\$440,240
2031	NA	\$219.95	NA	NA	\$37,172	\$446,069
2032	NA	\$221.08	NA	NA	\$37,363	\$448,358
2033	NA	\$240.30	NA	NA	\$40,611	\$487,335
2034	NA	\$242.80	NA	NA	\$41,033	\$492,395
2035	NA	\$252.46	NA	NA	\$42,665	\$511,980
2036	NA	\$256.23	NA	NA	\$43,303	\$519,636
2037	NA	\$268.23	NA	NA	\$45,332	\$543,978

In the context of the Reserve Payment Summary, the "Annual Reserve Payment" corresponds with the "Annual Revenue" in the Cash Flow report.

Number of Payment Months in Calendar Year 2007: 12

Number of Years of Constant Payments: 1

Number of Dues Paying Members: 169

Reserve Study for HIG Webpage Funding Study - Expenses by Item and by Calendar Year

Item Description	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Reserve Category : Building Exterior																		
Paint Stucco KHM				\$56,226								\$80,537						
Paint Stucco VBS		\$43,781								\$62,711								\$89,825
Railings Aluminum KHM								\$288,765										
Railings Aluminum VBS									\$285,251									
Walkway Resurfacing KHM						\$41,898					\$52,447					\$65,653		
Walkway Resurfacing VBS						\$34,042					\$42,613					\$53,343		
Spalling Repair KHM		\$13,128										\$20,571						
Spalling Repair VBS		\$15,316										\$24,000						
Wash and Seal Block Walls						\$104,744										\$164,133		
Category Subtotal :		\$72,225		\$56,226		\$180,684		\$288,765	\$285,251	\$62,711	\$95,060	\$125,108				\$283,129		\$89,825
Reserve Category : Plumbing																		
Chill Water System KHM					\$122,676													
Chill Water System VBS															\$192,232			
Water Heater Gas Fired KHM						\$15,712												\$26,934
Water Heater Gas Fired VBS												\$20,571						
Drain Lines Cast Iron Fiber Optic Inspection			\$9,154					\$11,459					\$14,344					\$17,956
Drain Lines Cast Iron VBS						\$9,820					\$12,292					\$15,388		
Water Lines Insulation KHM	\$8,368										\$13,112							
Water Line Insulation VBS	\$8,368										\$13,112							
Water Storage Tank KHM											\$42,613							
Water Storage Tank VBS											\$39,336							
Roof Exhaust Fans			\$17,850															\$35,014
Water Line Insulation Remove	\$2,092										\$3,278							
Exhaust Vent Cleaning			\$14,875						\$19,476							\$25,500		
Backflow Preventer																		
Category Subtotal :	\$18,828		\$41,879		\$122,676	\$25,532		\$11,459	\$19,476		\$123,743	\$20,571	\$14,344		\$217,732	\$15,388		\$79,904
Reserve Category : Electrical																		
Main Electrical Panel KHM								\$12,175										
Main Electrical Panel VBS									\$16,779									
Subpanels KHM											\$30,649							
Electrical Subpanels VBS											\$25,076							
Hallway lights									\$19,087									

Reserve Study for HIG Webpage Funding Study Expenses by Calendar Year - Continued

Item Description	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Security System						\$22,258										\$34,878		
Submetering Individual Units						\$99,573												
Category Subtotal :						\$121,831		\$12,175	\$35,866		\$55,725					\$34,878		
Reserve Category : Roofing																		
Builtup Roof KHM						\$131,061												
Builtup Roof VBS			\$109,253															\$214,305
Roof sealing						\$13,093					\$16,390					\$20,517		
Category Subtotal :			\$109,253			\$144,154					\$16,390					\$20,517		\$214,305
Reserve Category : Roads																		
2" Asphalt Overlay			\$38,299															\$75,126
Slurry Seal			\$16,700							\$22,870							\$31,320	
Cut and Patch Asphalt		\$8,205							\$11,236							\$15,388		
Parking Area Sump Pump			\$19,452															\$38,157
Category Subtotal :		\$8,205	\$74,451						\$11,236	\$22,870						\$15,388	\$31,320	\$113,283
Reserve Category : Pool Area																		
Pool Resurface Large											\$36,058							
Pool Resurface Small											\$18,357							
Pool Decking Large							\$32,867											
Pool Equipment				\$10,173									\$14,571					
Pool Fence	\$10,250																	
Category Subtotal :	\$10,250			\$10,173			\$32,867				\$54,415	\$14,571						
Reserve Category : Grounds																		
Landscapping Upgrade						\$19,640												
Pole Lights						\$4,910												
BBQ			\$4,005								\$5,736							
Well Repairs													\$15,241					
Category Subtotal :			\$4,005			\$24,550					\$5,736		\$15,241					
Reserve Category : Elevator																		
Interior Cab Remodel						\$65,734												
Elevator Upgrade																		
Category Subtotal :						\$65,734												

Reserve Study for HIG Webpage Funding Study Expenses by Calendar Year - Continued

Item Description	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Reserve Category : Building Interior																		
Lobby Flooring									\$2,809									
Meeting Room Flooring									\$2,809									
Office Equipment			\$9,154					\$11,459					\$14,344					\$17,956
Category Subtotal :			\$9,154					\$11,459	\$5,618				\$14,344					\$17,956
Reserve Category : Contingency																		
General Contingency		\$7,111	\$7,438	\$7,779	\$8,137	\$8,510	\$8,901	\$9,310	\$9,738	\$10,185	\$10,653	\$11,143	\$11,655	\$12,190	\$12,750	\$13,336	\$13,948	\$14,589
Insurance Deductible		\$5,470	\$5,721	\$5,984	\$6,259	\$6,547	\$6,847	\$7,162	\$7,491	\$7,835	\$8,195	\$8,571	\$8,965	\$9,377	\$9,808	\$10,258	\$10,730	\$11,223
Mold Contingency		\$5,470	\$5,721	\$5,984	\$6,259	\$6,547	\$6,847	\$7,162	\$7,491	\$7,835	\$8,195	\$8,571	\$8,965	\$9,377	\$9,808	\$10,258	\$10,730	\$11,223
Category Subtotal :		\$18,051	\$18,880	\$19,747	\$20,655	\$21,604	\$22,595	\$23,634	\$24,720	\$25,855	\$27,043	\$28,285	\$29,585	\$30,944	\$32,366	\$33,852	\$35,408	\$37,035
Reserve Category : Fire Equipment																		
Alarm Annunciator			\$14,875															\$29,179
Standpipe Valves								\$16,759										
Hose Replacement													\$41,957					
Alarm System Upgrade						\$12,438												
Category Subtotal :			\$14,875			\$12,438		\$16,759					\$41,957					\$29,179
Expense Totals :	\$29,077	\$98,481	\$272,498	\$86,147	\$143,331	\$530,791	\$121,197	\$364,250	\$382,167	\$111,437	\$378,113	\$188,536	\$115,471	\$30,944	\$250,098	\$403,153	\$66,727	\$581,487

Reserve Study for HIG Webpage Funding Study Expenses by Calendar Year - Continued

Item Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Reserve Category : Building Exterior													
Paint Stucco KHM		\$115,358								\$165,234			
Paint Stucco VBS								\$128,662					
Railings Aluminum KHM													
Railings Aluminum VBS													
Walkway Resurfacing KHM			\$82,185					\$102,878					\$128,783
Walkway Resurfacing VBS			\$66,775					\$83,589					\$104,636
Spalling Repair KHM				\$32,235									
Spalling Repair VBS				\$37,608									
Wash and Seal Block Walls								\$257,196					
Category Subtotal :		\$115,358	\$148,960	\$69,843				\$572,325		\$165,234			\$233,419
Reserve Category : Plumbing													
Chill Water System KHM		\$240,636											
Chill Water System VBS												\$377,074	
Water Heater Gas Fired KHM												\$46,172	
Water Heater Gas Fired VBS						\$35,265							
Drain Lines Cast Iron Fiber Optic Inspection					\$22,477					\$28,137			
Drain Lines Cast Iron VBS			\$19,262					\$24,112					\$30,183
Water Lines Insulation KHM			\$20,546										\$32,196
Water Line Insulation VBS			\$20,546										\$32,196
Water Storage Tank KHM													
Water Storage Tank VBS													
Roof Exhaust Fans													
Water Line Insulation Remove			\$5,137										\$8,049
Exhaust Vent Cleaning			\$33,388						\$43,714				
Backflow Preventer			\$46,229										
Category Subtotal :		\$240,636	\$145,108		\$22,477	\$35,265		\$24,112	\$43,714	\$28,137		\$423,246	\$102,624
Reserve Category : Electrical													
Main Electrical Panel KHM													
Main Electrical Panel VBS													
Subpanels KHM													
Electrical Subpanels VBS													

Reserve Study for HIG Webpage Funding Study Expenses by Calendar Year - Continued

Item Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Hallway lights											\$46,867		
Security System								\$54,654					
Submetering Individual Units													
Category Subtotal :								\$54,654			\$46,867		
Reserve Category : Roofing													
Builtup Roof KHM			\$257,084										
Builtup Roof VBS													
Roof sealing			\$25,683					\$32,149					\$40,245
Category Subtotal :			\$282,767					\$32,149					\$40,245
Reserve Category : Roads													
2" Asphalt Overlay													
Slurry Seal						\$42,891							\$58,737
Cut and Patch Asphalt				\$21,072								\$28,858	
Parking Area Sump Pump													
Category Subtotal :				\$21,072		\$42,891						\$28,858	\$58,737
Reserve Category : Pool Area													
Pool Resurface Large								\$70,729					
Pool Resurface Small											\$41,201		
Pool Decking Large				\$64,470									
Pool Equipment		\$20,871								\$29,896			
Pool Fence								\$31,507					
Category Subtotal :		\$20,871		\$64,470				\$102,236		\$29,896	\$41,201		
Reserve Category : Grounds													
Landscapping Upgrade			\$38,524										
Pole Lights			\$9,631										
BBQ	\$8,217								\$11,769				
Well Repairs										\$29,896			
Category Subtotal :	\$8,217		\$48,155						\$11,769	\$29,896			
Reserve Category : Elevator													
Interior Cab Remodel				\$128,940									
Elevator Upgrade		\$196,437											

Reserve Study for HIG Webpage Funding Study Expenses by Calendar Year - Continued

Item Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Category Subtotal :		\$196,437		\$128,940									
Reserve Category : Building Interior													
Lobby Flooring	\$4,402										\$6,898		
Meeting Room Flooring	\$4,402										\$6,898		
Office Equipment					\$22,477					\$28,137			
Category Subtotal :	\$8,804				\$22,477					\$28,137	\$13,796		
Reserve Category : Contingency													
General Contingency	\$15,260	\$15,961	\$16,694	\$17,461	\$18,263	\$19,102	\$19,979	\$20,897	\$21,857	\$22,861	\$23,912	\$25,010	\$26,159
Insurance Deductible	\$11,738	\$12,277	\$12,841	\$13,431	\$14,048	\$14,694	\$15,369	\$16,075	\$16,813	\$17,586	\$18,393	\$19,238	\$20,122
Mold Contingency	\$11,738	\$12,277	\$12,841	\$13,431	\$14,048	\$14,694	\$15,369	\$16,075	\$16,813	\$17,586	\$18,393	\$19,238	\$20,122
Category Subtotal :	\$38,736	\$40,515	\$42,376	\$44,323	\$46,359	\$48,490	\$50,717	\$53,047	\$55,483	\$58,033	\$60,698	\$63,486	\$66,403
Reserve Category : Fire Equipment													
Alarm Annunciator													
Standpipe Valves													
Hose Replacement										\$82,301			
Alarm System Upgrade			\$24,399										
Category Subtotal :			\$24,399							\$82,301			
Expense Totals :	\$55,756	\$613,817	\$691,764	\$307,576	\$112,386	\$126,645	\$50,717	\$838,523	\$110,967	\$421,633	\$162,562	\$515,592	\$501,428