

HAWAII INSPECTION GROUP



**95 E. Lipoa Street Suite A208
Kihei, HI 96753
Voice: (808) 879-6000 Fax (808) 879-9006**

Licensed General Contractors · Licensed Civil Engineers

July 26, 2014

Letter of Transmittal

Kihei Bay Surf AOA
100 Main Street
Kihei, HI 96753
Attn: Ms Janet Jones

Subject: Sample Reserve Study Fiscal Year 2015 Reserve Study Final

Ms Jones

It is our pleasure to forward to you the requested HIG Reserve Study Sample funding study. This Final Reserve Study reflects the revisions requested by the Board of Directors after the review of the Preliminary Reserve Study.

Attached you will find a copy of:

- Report Cover Sheet
- Table of Contents
- Reserve Study Summary
- Reserve Item Summary
- Present Cost Report
- Cash Flow
- Dues Summary
- Expense Report

If you have any questions concerning this matter please call.

Sincerely,

Prepared by:

A handwritten signature in blue ink, which appears to read "Thomas Douma", is positioned above a horizontal line.

Thomas Douma
CAI Certified Reserve Specialist #109

Encl
cc: File

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Funding Reserve Analysis

for

HIG Reserve Study Sample

July 26, 2014



Funding Reserve Analysis
for
HIG Reserve Study Sample

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**Ms Janet Jones
Kihei Bay Surf AOA
100 Main Street
Kihei, HI 96753**

Ms Jones,

Hawaii Inspection Group, Inc is pleased to present to Janet Jones and the HIG Reserve Study Sample the requested Reserve Funding study.

Project Description

Property is a two story garden apartment style project in Kihei, Hawaii

Date of Physical Inspection

The was physically inspected by Hawaii Inspection Group, Inc on July 21, 2014.

Governing Documents

A review was made of the CCR's (conditions,covenants and restrictions) governing documents.These were provided by the Association president. These were recorded in the state of HI.

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. In place testing, laboratory testing, and non-destructive testing of the reserve study components were not performed. Field measurements of component quantities were made to either verify improvement plan take offs or determine directly the quantities of various components. Photographs were taken of the site improvements.

Summary of Financial Assumptions

The below table contains a partial summary of information provided by Ms Janet Jones for the Proforma funding study.

<i>Reserve Study by Calendar Year Starting</i>	<i>January 1, 2015</i>
<i>Funding Study Length</i>	<i>30 Years</i>
<i>Number of Dues Paying Members</i>	<i>115</i>
<i>Reserve Balance as of January 1, 2015¹</i>	<i>\$87,000</i>
<i>Annual Inflation Rate</i>	<i>2.50%</i>
<i>Tax Rate on Reserve Interest</i>	<i>0.00%</i>
<i>Minimum Reserve Account Balance</i>	<i>\$100,000</i>
<i>Dues Change Period</i>	<i>1 Year</i>
<i>Annual Operating Budget</i>	<i>\$0</i>

¹ See "Financial Condition of Association" in this report.

Recommended Payment Schedule

The below table contains Hawaii Inspection Group, Inc recommended schedule of payments for the next five years. Failure to follow the propose schedule of payments may result in inadequate reserve funds or require the use of Special Assessments in the future.

Proposed Modified Payment Payment

Calendar Year	Member Monthly Reserve Payment	Monthly Reserve Payment	Annual Reserve Payment	Proposed Reserve Balance
2015	\$90.58	\$10,417	\$125,000	\$137,021
2016	\$83.33	\$9,583	\$115,000	\$225,320
2017	\$72.46	\$8,333	\$100,000	\$263,375
2018	\$57.97	\$6,667	\$80,000	\$332,474
2019	\$57.97	\$6,667	\$80,000	\$379,287
2020	\$57.97	\$6,667	\$80,000	\$266,855

** Annual Reserve Payments have been manually modified.*

Payments reflect Baseline funding

Reserve Study Assumptions

The below listed assumptions are implicit in this reserve study.

- 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.

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.

Inflation Estimate

Inflation for the last year has been reviewed and a best fit regression analysis for the last 12 months is 2.50 percent. An inflation multiplier of 2.50 percent per annum has been applied to all future expenses.

Initial Reserves

Initial reserves for this Reserve Study were estimated to be \$87,000 on January 1, 2015. Based upon a study start date of January 1, 2015 a total of 0 days of accrued interest at 0.05 percent per annum were compounded to yield an initial reserve balance of \$87,000.

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.

Financial Condition of Association

Reserve Fund estimated balance supplied by the Association Manager

Special Assessments

Special Assessments are not required for this Reserve Study.

Reserve Funding Goal

The reserve fund goal is a minimum account balance consistent with the cash demands of maintenance and replacement of reserve items. (Baseline 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, and modified by an area cost adjustment factor. 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, Inc has estimated future projected expenses for HIG Reserve Study Sample based upon preservation of existing improvements.

The attached funding study is limited in scope to those expense items listed in the attached "HIG Reserve Study Sample 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. We have assumed a "Baseline "Funding" plan. The reserve fund goal is a minimum account balance consistent with the cash demands of maintenance and replacement of reserve items. The reserve fund minimum is currently set to zero dollars. Based upon the attached funding study, it is our professional opinion that the member monthly fees as shown in the attached "HIG Reserve Study Sample Dues Summary"" will realize the goal of a positive cash balance in reserves for the 30-year window of this study. See the Funding Study Dues Summary and the Funding Study Cash Flow Analysis for details. 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.

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. The Fully Funded value is defined as the sum of the depreciation of all reserve items in dollars.

Percent Funded is then, the current reserve balance divided by the Fully Funded value multiplied by 100 (to give a percentage).

The concept of percent funded 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.

Keeping Your Reserve Study Current

Hawaii Inspection Group, Inc believes that funding studies are an essential part of property management. People and property are constantly changing and evolving. As a result, the useful life of a funding study is at best a few years, and certainly not more than five years.

This reserve study should be updated: *At least once a year *At changes in interest rates *At changes in inflation rates *At changes in the number of dues paying members *Before starting new improvements *Before making changes to the property *After a flood or fire *After the change of ownership or management *After Annexation or Incorporation

Items Beyond the Scope of this Report

- Building or land appraisals for any purpose.
- State or local zoning ordinance violations.
- Building code violations.
- Soils conditions, soils contamination or geological stability of site.
- Engineering analysis or structural stability of site.
- Air quality, asbestos, electromagnetic radiation, formaldehyde, lead, mercury, or radon.

- Water quality or other environmental hazards.
- Invasions by termites and any or all other destroying organisms or insects.
- Damage or destruction due to birds, bats or animals to buildings or site.
- This study is not a pest inspection.
- Adequacy or efficiency of any system or component on site.
- Specifically excluded reserve items.
- Septic systems and septic tanks.
- Buried or concealed portions of swing pools, pool liners, Jacuzzis and spas or similar items.
- Items concealed by signs, carpets or other things.
- Missing or omitted information supplied by the Kihei Bay Surf AOA for the purposes of reserve study preparation.
- Hidden improvements such as sewer lines, water lines, or other buried or concealed items.

Statement of Qualifications

Hawaii Inspection Group, Inc is a professional in the business of preparing reserve studies for community associations. I am familiar with construction practices, construction costs, and contracting practices in HI. I have a State General Contractor's license and I am a CAI certified Reserve Study Specialist.

Conflict of Interest

As the preparer of this reserve study, Hawaii Inspection Group, Inc certifies that we do not have any vested interests, financial interests, or other interests that would cause a conflict of interest in the preparation of this reserve study.

Hawaii Inspection Group, Inc 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.

Prepared by:



Thomas Douma
CAI Certified Reserve Specialist #109

HIG Reserve Study Sample Reserve Study Expense Item Summary

Reserve Items	Current Cost When New	Estimated Remaining Life	Expected Life When New	First Replacement Cost	Raw Annual Payment	Repeating Item?
Roofs						
Composition Asphalt Roofs	\$157,210	12 Years	25 Years	\$217,510	\$16,678	Yes
Vent Hoods	\$17,100	12 Years	25 Years	\$23,659	\$1,814	Yes
Gutter Replacement	\$1,215	12 Years	20 Years	\$1,681	\$129	Yes
(1) New Gutters over lanais	\$30,000	0 Years	20 Years	\$30,759	\$30,752	Yes
Building Exteriors						
(2) Painting	\$77,268	5 Years	10 Years	\$89,759	\$14,938	Yes
Wood Damage Repair and Caulking	\$3,500	5 Years	5 Years	\$4,066	\$677	Yes
Elastomeric Deck Sealing	\$42,000	2 Years	8 Years	\$45,268	\$15,078	Yes
Termite Tenting	\$32,000	5 Years	6 Years	\$37,173	\$6,186	Yes
Paving						
Seal Coat	\$15,104	4 Years	6 Years	\$17,113	\$3,418	Yes
Crack & Curb Repair	\$1,800	4 Years	6 Years	\$2,039	\$407	Yes
1.5 Inch Overlay	\$125,080	22 Years	24 Years	\$222,151	\$9,603	Yes
Pool Area						
Swimming Pool Resurface	\$34,000	0 Years	22 Years	\$34,860	\$34,852	Yes
Pool Pump	\$1,225	5 Years	10 Years	\$1,423	\$237	Yes
Pool Filter	\$875	12 Years	18 Years	\$1,211	\$92.82	Yes
Spa Retime	\$6,750	5 Years	12 Years	\$7,841	\$1,305	Yes
Spa Pump	\$3,675	4 Years	10 Years	\$4,164	\$832	Yes
Spa Filter	\$875	4 Years	10 Years	\$991	\$198	Yes
Pool Fence	\$490	1 Years	30 Year	\$515	\$257	Yes
Bathroom Refurbish	\$7,200	1 Years	12 Year	\$7,569	\$3,783	Yes
Pool Furniture	\$6,500	5 Years	5 Years	\$7,551	\$1,257	No
Pool Furniture Allowance	\$3,800	1 Years	5 Year	\$3,995	\$1,996	Yes
Grounds						
Sports Court Resurface	\$7,600	2 Years	10 Years	\$8,191	\$2,728	Yes
Sports Court Fence	\$8,800	8 Years	25 Years	\$11,018	\$1,221	Yes
Backflow Preventer Complex	\$17,000	5 Years	5 Years	\$19,748	\$3,286	Yes
Backflow Preventer Irrigation	\$2,850	5 Years	5 Years	\$3,311	\$551	Yes
Irrigation Controller	\$1,350	5 Years	8 Years	\$1,568	\$261	Yes

HIG Reserve Study Sample Funding Study Expense Item Summary - Continued

Reserve Items	Current Cost When New	Estimated Remaining Life	Expected Life When New	First Replacement Cost	Raw Annual Payment	Repeating Item?
BBQ	\$1,700	0 Years	5 Years	\$1,743	\$1,743	Yes
Mail Boxes	\$5,000	0 Years	25 Years	\$5,126	\$5,125	Yes
Rock Wall Repair	\$2,500	0 Years	5 Years	\$2,563	\$2,563	Yes
Electrical						
Unit Disconnect Panels	\$35,000	8 Years	40 Years	\$43,821	\$4,858	Yes
Subpanels	\$5,190	5 Years	35 Years	\$6,029	\$1,003	Yes
Main 1600 amp service panel	\$32,000	10 Years	45 Years	\$42,117	\$3,818	Yes
Miscellaneous						
Contingency	\$8,000	1 Year	1 Year	\$8,410	\$4,203	Yes
Reserve Study 3 Yr Update	\$2,000	3 Years	3 Years	\$2,210	\$552	Yes
Managers Unit Remodel	\$6,000	1 Years	10 Year	\$6,307	\$3,152	Yes

Raw Annual Payments do not include earned interest, tax adjustments or salvage.

Months Remaining in Calendar Year 2015: 12

Expected annual inflation: 2.50%

Interest earned on reserve funds: 0.05%

Initial Reserve: \$87,000

Reserve Item Comments

- (1) Estimate from Board Member, not bid
- (2) Assumes buildings under repair will not need to be fully painted

HIG Reserve Study Sample Funding Study Expense Item Summary - Continued

Abbreviations

AC - Asphalt	EP - Electrical Panelboard	PNT - Paint
AQ - Average Quality	EXT - Exterior	PVMT - Pavement
BLDG - Building	FA - Fire Alarm	PWD - Plywood
BLK - Block	FLR - Floor	QT - Quarry Tile
BUR - Built up Roof	FN - Fence	R/R - Remove and Replace
C&G - Curb and Gutter	FND - Foundation	RA - Return Air
CAB - Cabinet	FPL - Fireplace	RCP - Reinforced Concrete Pipe
CB - Catch Basin	FTG - Footing	RD - Roof Drain
CEM - Cement	FY - Fiscal Year	REM - Remove
CFT - Cubic Foot	HQ - High Quality	RL - Rail
CIP - Cast-in-place Concrete	LAM - Laminate	S - South
CMU - Concrete Masonry Unit	LAV - Lavatory	SCB - Speed Control Bump
COL - Column	LC - Light Control	SHTH - Sheathing
CPT - Carpet	LW - Lightweight Concrete	SQ - Square
CT - Ceramic Tile	MAS - Masonry	ST - Steel
CTR - Counter	MFD - Metal Floor Decking	STO - Storage
CYD - Cubic Yard	MH - Manhole	SYS - System
D - Drain	MQ - Medium Quality	VB - Vapor Barrier
DEM - Demolish	MRB - Marble	W - West
DR - Door	MRD - Metal Roof Decking	WC - Water Closet
DS - Downspout	N - North	WIN - Window
DW - Dumb Waiter	PCC - Portland Cement Concrete	YD - Yard
E - East	PCC - Portland Cement Concrete	
EA - Each	PG - Plate Glass	
ELEC - Electrical	PNL - Panel	

Present Costs

Category	Item Name	No Units	Unit Cost	Present Cost	Net Present Value
Roofs	Composition Asphalt Roofs	29385 ft ²	\$5.35 / ft ²	\$157,209.75	\$75,460.68
	Vent Hoods	38	\$450.00 ea	\$17,100.00	\$8,208.00
	Gutter Replacement	135 lf	\$9.00 / lf	\$1,215.00	\$729.00
	New Gutters over lanais	1	\$30,000.00 ea	\$30,000.00	\$0.00
Roofs Sub Total =				\$205,524.75	\$84,397.68
Building Exteriors	Painting	41100 ft ²	\$1.88 / ft ²	\$77,268.00	\$38,634.00
	Wood Damage Repair and Caulking	1	\$3,500.00 ea	\$3,500.00	\$3,500.00
	Elastomeric Deck Sealing	1	\$42,000.00 ea	\$42,000.00	\$10,500.00
	Termite Tenting	1	\$32,000.00 ea	\$32,000.00	\$26,666.67
Building Exteriors Sub Total =				\$154,768.00	\$79,300.67
Paving	Seal Coat	47200 ft ²	\$0.32 / ft ²	\$15,104.00	\$10,069.33
	Crack & Curb Repair	1	\$1,800.00 ea	\$1,800.00	\$1,200.00
	1.5 Inch Overlay	47200 ft ²	\$2.65 / ft ²	\$125,080.00	\$114,656.67
Paving Sub Total =				\$141,984.00	\$125,926.00
Pool Area	Swimming Pool Resurface	1	\$34,000.00 ea	\$34,000.00	\$0.00
	Pool Pump	1	\$1,225.00 ea	\$1,225.00	\$612.50
	Pool Filter	1	\$875.00 ea	\$875.00	\$583.33
	Spa Retime	1	\$6,750.00 ea	\$6,750.00	\$2,812.50
	Spa Pump	3	\$1,225.00 ea	\$3,675.00	\$1,470.00
	Spa Filter	1	\$875.00 ea	\$875.00	\$350.00
	Pool Fence	35 lf	\$14.00 / lf	\$490.00	\$16.33
	Bathroom Refurbish	2	\$3,600.00 ea	\$7,200.00	\$600.00
	Pool Furniture	1	\$6,500.00 ea	\$6,500.00	\$6,500.00
	Pool Furniture Allowance	1	\$3,800.00 ea	\$3,800.00	\$760.00
Pool Area Sub Total =				\$65,390.00	\$13,704.67
Grounds	Sports Court Resurface	1	\$7,600.00 ea	\$7,600.00	\$1,520.00
	Sports Court Fence	275 lf	\$32.00 / lf	\$8,800.00	\$2,816.00
	Backflow Preventer Complex	1	\$17,000.00 ea	\$17,000.00	\$17,000.00
	Backflow Preventer Irrigation	1	\$2,850.00 ea	\$2,850.00	\$2,850.00
	Irrigation Controller	2	\$675.00 ea	\$1,350.00	\$843.75
	BBQ	2	\$850.00 ea	\$1,700.00	\$0.00

Present Costs - Continued

Category	Item Name	No Units	Unit Cost	Present Cost	Net Present Value
Grounds	Mail Boxes	2	\$2,500.00 ea	\$5,000.00	\$0.00
	Rock Wall Repair	1	\$2,500.00 ea	\$2,500.00	\$0.00
Grounds Sub Total =				\$46,800.00	\$25,029.75
Electrical	Unit Disconnect Panels	4	\$8,750.00 ea	\$35,000.00	\$7,000.00
	Subpanels	6	\$865.00 ea	\$5,190.00	\$741.43
	Main 1600 amp service panel	1	\$32,000.00 ea	\$32,000.00	\$7,111.11
Electrical Sub Total =				\$72,190.00	\$14,852.54
Miscellaneous	Contingency	1	\$8,000.00 ea	\$8,000.00	\$8,000.00
	Reserve Study 3 Yr Update	1	\$2,000.00 ea	\$2,000.00	\$2,000.00
	Managers Unit Remodel	1	\$6,000.00 ea	\$6,000.00	\$600.00
Miscellaneous Sub Total =				\$16,000.00	\$10,600.00
Totals =				\$702,656.75	\$353,811.30

Based on the Study Start date of, January 1, 2015, Initial Reserves = \$87,000 and Depreciation = \$348,845, the Percent Funded on Study Start date is 25%

HIG Reserve Study Sample Funding Study Modified Cash Flow Analysis

Calendar Year	Annual Dues	Annual Interest	Salvage	Annual Expenses	Annual Income Tax	Net Reserve Funds	% Funded
2015	\$125,000	\$72		\$75,051		\$137,021	43.9%
2016	\$115,000	\$95		\$26,796		\$225,320	65.2%
2017	\$100,000	\$136		\$62,081		\$263,375	75.2%
2018	\$80,000	\$150		\$11,051		\$332,474	81.4%
2019	\$80,000	\$185		\$33,371		\$379,287	84.8%
2020	\$80,000	\$208		\$192,640		\$266,855	80.8%
2021	\$80,000	\$152		\$16,436		\$330,570	84.9%
2022	\$80,000	\$184		\$9,769		\$400,985	87.5%
2023	\$80,000	\$219		\$64,855		\$416,349	87.5%
2024	\$80,000	\$227		\$12,837		\$483,738	88.4%
2025	\$80,000	\$260		\$166,433		\$397,565	84.7%
2026	\$80,000	\$217		\$67,202		\$410,581	83.8%
2027	\$90,000	\$226		\$268,411		\$232,396	74.4%
2028	\$90,000	\$137		\$23,477		\$299,055	79.3%
2029	\$90,000	\$170		\$18,253		\$370,973	82.2%
2030	\$90,000	\$206		\$173,044		\$288,135	77.0%
2031	\$100,000	\$167		\$43,886		\$344,416	80.8%
2032	\$100,000	\$195		\$73,284		\$371,327	82.0%
2033	\$100,000	\$209		\$83,575		\$387,960	82.2%
2034	\$100,000	\$217		\$13,183		\$474,994	84.2%
2035	\$100,000	\$260		\$110,749		\$464,505	82.4%
2036	\$100,000	\$255		\$36,637		\$528,123	82.6%
2037	\$120,000	\$292		\$340,266		\$308,148	74.0%
2038	\$120,000	\$182		\$72,839		\$355,491	77.6%
2039	\$120,000	\$205		\$27,165		\$448,531	81.7%
2040	\$120,000	\$252		\$241,660		\$327,122	76.1%
2041	\$120,000	\$191		\$105,591		\$341,723	76.4%
2042	\$120,000	\$198		\$20,123		\$441,798	79.9%
2043	\$120,000	\$248		\$51,381		\$510,665	80.7%
2044	\$120,000	\$283		\$101,748		\$529,200	79.2%
2045	\$120,000	\$292		\$83,338		\$566,154	79.5%
Totals :	\$3,100,000	\$6,288	\$0	\$2,627,134	\$0		

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

Basis of Funding Study - Modified Cash Flow

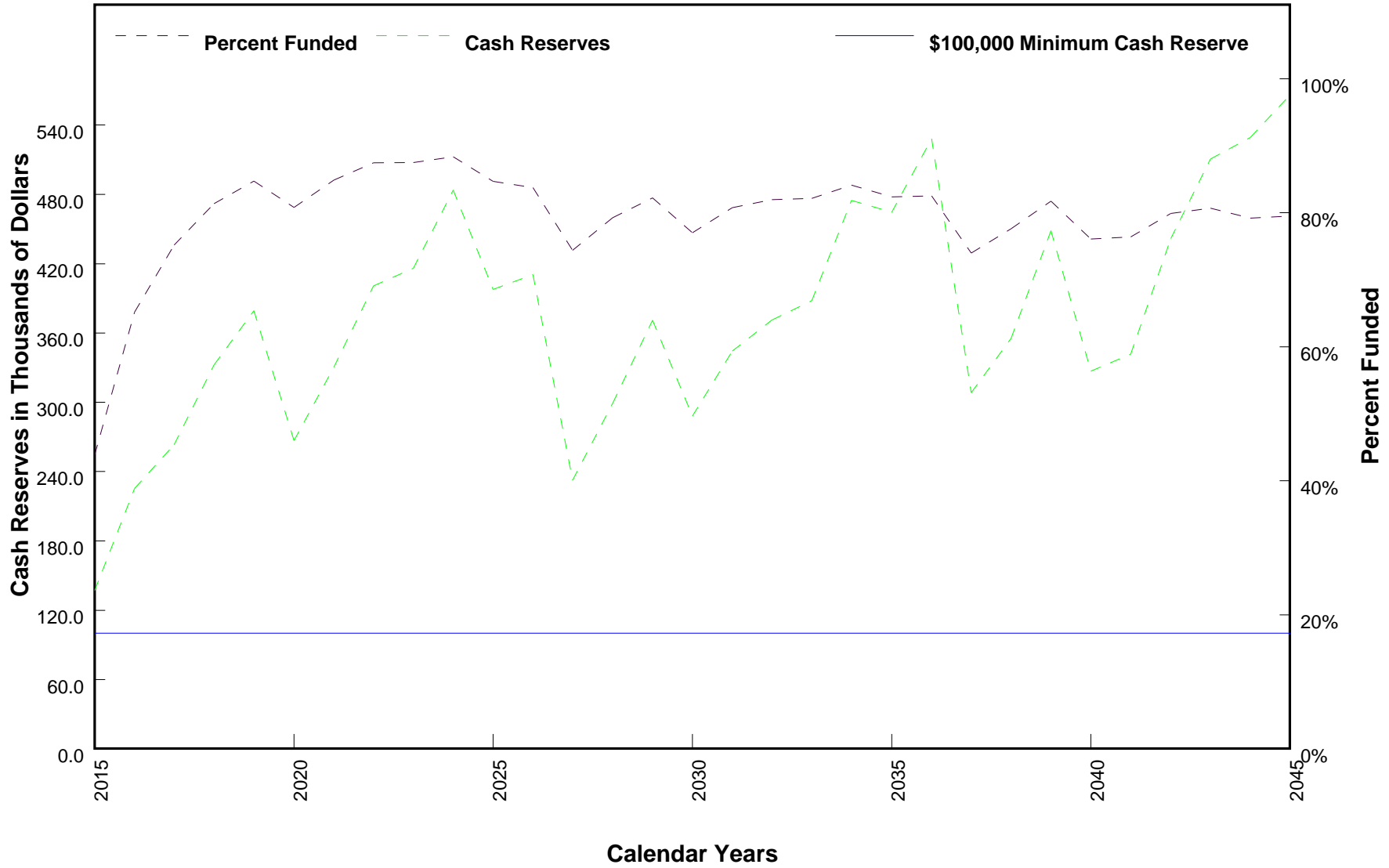
Cash reserves have been set to a minimum of \$100,000

Cash Flow has been modified with the forced Fixed Payments.

Months Remaining in Calendar Year 2015: 12 Inflation = 2.50 % Interest = 0.05 %

Study Life = 30 years Initial Reserve Funds = \$87,000.00 Final Reserve Value = \$566,153.99

HIG Reserve Study Sample Funding Study Cash Flow by Calendar Year - Continued



HIG Reserve Study Sample Modified Reserve Dues Summary

Projected Dues 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
2015	NA	\$90.58	\$90.58	\$1,086.96	\$10,417	\$125,000
2016	NA	\$83.33	\$83.33	\$1,000.00	\$9,583	\$115,000
2017	NA	\$72.46	\$72.46	\$869.57	\$8,333	\$100,000
2018	NA	\$57.97	\$57.97	\$695.65	\$6,667	\$80,000
2019	NA	\$57.97	\$57.97	\$695.65	\$6,667	\$80,000
2020	NA	\$57.97	\$57.97	\$695.65	\$6,667	\$80,000
2021	NA	\$57.97	\$57.97	\$695.65	\$6,667	\$80,000
2022	NA	\$57.97	\$57.97	\$695.65	\$6,667	\$80,000
2023	NA	\$57.97	\$57.97	\$695.65	\$6,667	\$80,000
2024	NA	\$57.97	\$57.97	\$695.65	\$6,667	\$80,000
2025	NA	\$57.97	\$57.97	\$695.65	\$6,667	\$80,000
2026	NA	\$57.97	\$57.97	\$695.65	\$6,667	\$80,000
2027	NA	\$65.22	\$65.22	\$782.61	\$7,500	\$90,000
2028	NA	\$65.22	\$65.22	\$782.61	\$7,500	\$90,000
2029	NA	\$65.22	\$65.22	\$782.61	\$7,500	\$90,000
2030	NA	\$65.22	\$65.22	\$782.61	\$7,500	\$90,000
2031	NA	\$72.46	\$72.46	\$869.57	\$8,333	\$100,000
2032	NA	\$72.46	\$72.46	\$869.57	\$8,333	\$100,000
2033	NA	\$72.46	\$72.46	\$869.57	\$8,333	\$100,000
2034	NA	\$72.46	\$72.46	\$869.57	\$8,333	\$100,000
2035	NA	\$72.46	\$72.46	\$869.57	\$8,333	\$100,000
2036	NA	\$72.46	\$72.46	\$869.57	\$8,333	\$100,000
2037	NA	\$86.96	\$86.96	\$1,043.48	\$10,000	\$120,000
2038	NA	\$86.96	\$86.96	\$1,043.48	\$10,000	\$120,000
2039	NA	\$86.96	\$86.96	\$1,043.48	\$10,000	\$120,000
2040	NA	\$86.96	\$86.96	\$1,043.48	\$10,000	\$120,000
2041	NA	\$86.96	\$86.96	\$1,043.48	\$10,000	\$120,000
2042	NA	\$86.96	\$86.96	\$1,043.48	\$10,000	\$120,000
2043	NA	\$86.96	\$86.96	\$1,043.48	\$10,000	\$120,000
2044	NA	\$86.96	\$86.96	\$1,043.48	\$10,000	\$120,000
2045	NA	\$86.96	\$86.96	\$1,043.48	\$10,000	\$120,000

Dues Summary has been modified with forced Fixed Payments.

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 2015: 12

Number of Years of Constant Payments: 1

HIG Reserve Study Sample Funding Study Payment Summary by Calendar Year - Continued

No of Dues Paying Members: 115

HIG Reserve Study Sample Funding Study - Expenses by Item and by Calendar Year

Item Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Reserve Category : Roofs																				
Composition Asphalt Roofs																			\$217,510	
Vent Hoods																			\$23,659	
Gutter Replacement																			\$1,681	
New Gutters over lanais	\$30,759																			
Category Subtotal :	\$30,759																		\$242,850	
Reserve Category : Building Exteriors																				
Painting						\$89,759													\$115,222	
Wood Damage Repair and Caulking						\$4,066					\$4,607								\$5,219	
Elastomeric Deck Sealing			\$45,268								\$55,278								\$67,503	
Termite Tenting						\$37,173						\$43,182							\$50,163	
Category Subtotal :			\$45,268			\$130,998					\$59,885	\$43,182						\$120,441	\$50,163	\$67,503
Reserve Category : Paving																				
Seal Coat					\$17,113						\$19,879								\$23,093	
Crack & Curb Repair					\$2,039						\$2,369								\$2,752	
1.5 Inch Overlay																				
Category Subtotal :					\$19,152						\$22,248								\$25,845	
Reserve Category : Pool Area																				
Swimming Pool Resurface	\$34,860																			
Pool Pump						\$1,423													\$1,827	
Pool Filter														\$1,211						
Spa Retile							\$7,841												\$10,581	
Spa Pump					\$4,164											\$5,345				
Spa Filter					\$991											\$1,273				
Pool Fence		\$515																		
Bathroom Refurbish		\$7,569												\$10,214						
Pool Furniture						\$7,551														
Pool Furniture Allowance		\$3,995					\$4,526						\$5,128						\$5,810	
Category Subtotal :	\$34,860	\$12,079			\$5,155	\$16,815	\$4,526					\$5,128	\$1,211	\$10,214	\$6,618	\$1,827	\$5,810	\$10,581		
Reserve Category : Grounds																				
Sports Court Resurface			\$8,191											\$10,515						
Sports Court Fence									\$11,018											

HIG Reserve Study Sample Funding Study Expenses by Calendar Year - Continued

Item Description	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Backflow Preventer Complex						\$19,748					\$22,375					\$25,350			
Backflow Preventer Irrigation						\$3,311					\$3,751					\$4,250			
Irrigation Controller						\$1,568								\$1,915					
BBQ	\$1,743					\$1,975					\$2,237					\$2,535			
Mail Boxes	\$5,126																		
Rock Wall Repair	\$2,563					\$2,904					\$3,290					\$3,728			
Category Subtotal :	\$9,432		\$8,191			\$29,506			\$11,018		\$31,653		\$10,515	\$1,915		\$35,863			
Reserve Category : Electrical																			
Unit Disconnect Panels									\$43,821										
Subpanels						\$6,029													
Main 1600 amp service panel											\$42,117								
Category Subtotal :						\$6,029			\$43,821		\$42,117								
Reserve Category : Miscellaneous																			
Contingency		\$8,410	\$8,622	\$8,840	\$9,064	\$9,293	\$9,528	\$9,769	\$10,016	\$10,270	\$10,529	\$10,796	\$11,069	\$11,348	\$11,635	\$11,930	\$12,231	\$12,541	\$12,858
Reserve Study 3 Yr Update				\$2,210			\$2,382			\$2,567			\$2,767			\$2,982			\$3,214
Managers Unit Remodel		\$6,307										\$8,097							
Category Subtotal :		\$14,717	\$8,622	\$11,050	\$9,064	\$9,293	\$11,910	\$9,769	\$10,016	\$12,837	\$10,529	\$18,893	\$13,836	\$11,348	\$11,635	\$14,912	\$12,231	\$12,541	\$16,072
Expense Totals :	\$75,051	\$26,796	\$62,081	\$11,051	\$33,371	\$192,640	\$16,436	\$9,769	\$64,855	\$12,837	\$166,433	\$67,202	\$268,411	\$23,477	\$18,253	\$173,044	\$43,886	\$73,284	\$83,575

HIG Reserve Study Sample Funding Study Expenses by Calendar Year - Continued

Item Description	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Reserve Category : Roofs												
Composition Asphalt Roofs												
Vent Hoods												
Gutter Replacement												
New Gutters over lanais		\$50,686										
Category Subtotal :		\$50,686										
Reserve Category : Building Exteriors												
Painting							\$147,910					
Wood Damage Repair and Caulking		\$5,913					\$6,700					\$7,591
Elastomeric Deck Sealing								\$82,431				
Termite Tenting					\$58,271						\$67,691	
Category Subtotal :		\$5,913			\$58,271		\$154,610	\$82,431			\$67,691	\$7,591
Reserve Category : Paving												
Seal Coat				\$26,826						\$31,162		
Crack & Curb Repair				\$3,197						\$3,714		
1.5 Inch Overlay				\$222,151								
Category Subtotal :				\$252,174						\$34,876		
Reserve Category : Pool Area												
Swimming Pool Resurface				\$60,386								
Pool Pump							\$2,345					
Pool Filter												\$1,898
Spa Retile											\$14,279	
Spa Pump						\$6,861						
Spa Filter						\$1,634						
Pool Fence												
Bathroom Refurbish							\$13,783					
Pool Furniture												
Pool Furniture Allowance			\$6,583					\$7,458				
Category Subtotal :			\$6,583	\$60,386		\$8,495	\$16,128	\$7,458			\$14,279	\$1,898
Reserve Category : Grounds												
Sports Court Resurface				\$13,498								
Sports Court Fence												

HIG Reserve Study Sample Funding Study Expenses by Calendar Year - Continued

Item Description	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Backflow Preventer Complex		\$28,722					\$32,542					\$36,870
Backflow Preventer Irrigation		\$4,815					\$5,456					\$6,181
Irrigation Controller			\$2,339								\$2,856	
BBQ		\$2,872					\$3,254					\$3,687
Mail Boxes							\$9,571					
Rock Wall Repair		\$4,224					\$4,786					\$5,422
Category Subtotal :		\$40,633	\$2,339	\$13,498			\$55,609				\$2,856	\$52,160
Reserve Category : Electrical												
Unit Disconnect Panels												
Subpanels												
Main 1600 amp service panel												
Category Subtotal :												
Reserve Category : Miscellaneous												
Contingency	\$13,183	\$13,516	\$13,858	\$14,209	\$14,568	\$14,936	\$15,314	\$15,701	\$16,098	\$16,505	\$16,923	\$17,351
Reserve Study 3 Yr Update			\$3,465			\$3,734			\$4,025			\$4,338
Managers Unit Remodel			\$10,394									
Category Subtotal :	\$13,183	\$13,516	\$27,717	\$14,209	\$14,568	\$18,670	\$15,314	\$15,701	\$20,123	\$16,505	\$16,923	\$21,689
Expense Totals :	\$13,183	\$110,749	\$36,637	\$340,266	\$72,839	\$27,165	\$241,660	\$105,591	\$20,123	\$51,381	\$101,748	\$83,338