

A FULL RESERVE STUDY FOR

**Harbour Isle at Hutchinson
Island East, CA, Inc.
Ft. Pierce, Florida
File # 22920-05002**

FOR PERIOD: January 1, 2019 – December 31, 2019

**PREPARED BY
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September 20, 2018

Harbour Isle at Hutchinson Island East, CA, Inc.
Attn: Mr. Jay Sizemore, President
C/o Ms. Julie Lynch, CAM
6-A Harbour Isle Drive East
Ft. Pierce, Florida 34949

Dear Mr. Sizemore,

On August 2, 2018, we completed an on-site inspection of Harbour Isle at Hutchinson Island East, CA, Inc.'s common area reserve items. The intent of this reserve study report is to show cash reserves necessary for the future repair or replacement of expendable components incorporated into the subject property. The purpose of this report is to aid Harbour Isle at Hutchinson Island East, CA, Inc. in making a determination for cash reserves that are needed to repair or replace short-lived building and/or site components.

The report identifies each component selected, it's estimated useful life, adjusted life, scheduled replacement date, and current cost to repair/replace. The useful and remaining lives of the building components in this study, as well as the current replacement costs, have been selected from market standards, cost estimating services, and consideration of actual recent costs incurred by the association for reserve upgrades. This report is classified as a full reserve study under the guidelines of the National Reserve Study Standards of the Community Associations Institute, and conforms to the Community Associations Institute Professional Reserve Specialist Code of Ethics. The Reserve Analyst/Specialist and GAB Robins have no relationships with the association that would result in actual or perceived conflicts of interest.

This report is our opinion and based upon observed conditions and state of repair. Actual determinations of the current conditions and state of repair for certain items may be beyond the scope of this analysis. Items may not last as long as projected or may exceed their estimated lives. Influences such as weather, catastrophe, improper maintenance, physical abuse, or abnormal use can affect these lives and/or replacement costs. When such occurrences happen, another inspection should be made and a new revised study prepared. While we have attempted to create a useful tool for the association to plan their needs, the actual reserves set aside are solely at the association's discretion. The findings of this study are not for use in performing an audit, quality/forensic analyses, or background checks of historical records.

In completing this report, the reserve analyst completed the physical on-site inspection of the subject property. Appropriate measurements and counts were taken to determine quantities. Blueprints were not used to aid in the determination of quantities. No destructive testing methods (i.e. roof core sampling, etc.) were utilized during the inspection. Financial data, including the estimated reserve fund balances as of the analysis date, and property histories, provided you, were utilized in the completion of this report.

GAB Robins, A Sedgwick Company

This data was not audited, and was assumed to be complete and correct. The reserve analyst estimated the repair/replacement cost taking into account contingencies inherent to this type of work. The report was prepared utilizing the information gathered in the field and the costs estimated by the reserve analyst.

Respectfully submitted,
GAB Robins, A Sedgwick Company

Patrick Conners
Reserve Analyst

Table of Contents



Project Overview.....	2
Reserve Study Funding Analysis.....	5
Executive Summary.....	7
Reserve Budget Comparison	9
Cash Flow Analysis.....	10
Item Parameter - Category - Chart.....	11
Item Parameters - Detail.....	12
Item Parameters - Full Detail	13
Expenditures - Items	16
Cash Flow - Annual	61
Cash Flow - Monthly.....	68
Supplementary Information.....	69
Component Funding Analysis - Category	79
Component Funding Analysis - Items.....	82
Addendum.....	83
Chapter 718 & 719 Florida Statutes.....	86
Terms and Definition.....	87
	93

PROJECT OVERVIEW

The subject of this reserve study report is the common areas within Harbour Isle at Hutchinson Island East, CA, Inc., a 288-unit residential development located in Ft. Pierce, Florida. Originally constructed at or near 2005, per the association representative, the common areas include twelve 4 story 24-unit residential buildings, a clubhouse, five types of garage buildings, a pool equipment building, a pool, spa, tennis courts, entry barriers, guard house, seawall, paver entryway, combination concrete and brick paver roadways with parking areas, concrete sidewalks, curbing, and landscaping and irrigation systems.

The residential buildings are four-story concrete frame design with 24 residential units. The structures are built on a concrete foundation with slab. The sub-floors of the structure are concrete. The exterior walls are masonry finished with pigmented stucco. The roof deck is reinforced concrete which covers all the residential living area. On top of the concrete roof deck, for decorative purposes only, is a pre-engineered truss system which is covered with sheathing and tile. The windows in the structure are an impact resistant glass secured in frames. An elevator and covered stairwells provide access to the upper floor units. The structure is equipped with a fire suppression system.

The clubhouse is built on a concrete foundation with slab. The exterior walls are masonry finished with pigmented stucco. The roof deck is a pre-manufactured wood truss system covered with sheathing and concrete tile. The interior of the structure includes an administration office, exercise room with equipment, social room with residential style kitchen, and an outdoor barbecue grill area with picnic tables. The windows in the structure are impact resistant secured in frames. The HVAC is an individual central system.

There are five types of garage/storage buildings. The structures are built on concrete foundations with slab. The exterior walls are masonry finished with pigmented stucco. The roof deck is a manufactured wood truss system covered with sheathing and concrete tile. These buildings are a one-story concrete frame design. The structure is built on a concrete foundation with slab. The exterior walls are masonry finished with pigmented stucco. The guard house building is a one-story concrete frame design. The structure is built on a concrete foundation with slab. The exterior walls are masonry finished with pigmented stucco. The roof deck is a manufactured wood truss system covered with sheathing and concrete tile. Located at the guardhouse are typical lift barrier gates.

The pool and spa are of standard concrete/gunite construction, and are supported by paver decking, perimeter fencing and gates and inventories of equipment and pool deck furniture. The tennis courts are clay, with perimeter fencing and gates.

As of the date of our latest physical inspection, the common areas were observed to be in above average overall condition, and appear to have been well maintained. No items of significant deferred maintenance were noted.

Harbour Isle at Hutchinson Island East



RESERVE STUDY FUNDING ANALYSIS

There are two generally accepted means of estimating reserves; the Cash Flow Analysis and the Component Funding Analysis methodologies. The **Cash Flow Analysis** (or Pooling Method) is a method of calculating reserve contributions where contributions to the reserve funds are designed to offset the variable annual expenditures from the reserve fund. This analysis recognizes interest income attributable to reserve accounts over the period of the analysis. Funds from the beginning balances are pooled together and a yearly contribution rate is calculated to arrive at a positive cash flow and reserve account balance to adequately fund the future projected expenditures throughout the period of the analysis.

Prior to December 23, 2002, Florida statute mandated that condominium associations calculate reserves via the Component Funding Analysis method, on an annual basis. Funding at less than 100% of the fully funded estimate, based on the Component Funding Analysis method, could occur only after a full vote of the association membership. As of December 23, 2002, amendments to the Florida Administrative Code recognize the Cash Flow Analysis method as an approved methodology for the calculation of reserve funding for condominium associations. The fund requirement estimated by the Cash Flow Analysis method can now be provided to the membership, on an annual basis as a fully funded figure. The analysis must be completed as a portion of the association's annual budget, include the total estimated useful lives, estimated remaining useful lives, and estimated replacement cost/deferred maintenance expenses of all assets in the reserve budget (minimum roofing, painting, paving and any other item with a replacement/repair cost over \$10,000), and the estimated fund balance of the pooled reserve account as of the beginning of the period for which the budget will be in effect.

If the association maintains a pooled account for reserves, the amount of the contribution to the pooled reserve account as disclosed on the proposed budget shall be not less than that required to ensure that the balance on hand at the beginning of the period for which the budget will go into effect plus the projected annual cash inflows over the remaining estimated useful lives of all of the assets that make up the reserve pool are equal to or greater than the projected annual cash outflows over the remaining estimated useful lives of all of the assets that make up the reserve pool, based on the current reserve analysis. The projected annual cash inflows may include estimated earnings from investment of principal; the association may include annual percentage increases in costs for the reserve components, but these increases are not mandated. Fully funded reserve contributions utilizing this methodology may not include future special assessments, and the annual funding levels cannot include percentage increases.

In our Cash Flow Analysis calculations, we do not include increases in construction costs/inflation. While future costs are expected to be higher than today's costs, which is supported by our analysis of past indexes/trends, increases in costs should be recognized as the association estimates current repair/replacement costs during their annual calculations of full reserve funding. A current cost estimate during the current fiscal year would theoretically be lower than a current cost for future fiscal years. That way the estimates of current cost moving forward will eventually represent current cost as of the date of forecast expenditure. Funding the reserves annually on that basis should ensure that adequate monies are available as of the date of expense, assuming that the current cost estimate is appropriate and that the reserve was fully funded since its last repair/replacement project was completed.

The **Component Funding Analysis** (or Straight Line Method) calculates the annual contribution amount for each individual line item component by dividing the component's unfunded balance by its

remaining useful life. A component's unfunded balance is its replacement cost less the reserve balance in the component at the beginning of the analysis period. The annual contribution rate for each individual line item component is then summed to calculate the total annual contribution rate for this analysis.

EXECUTIVE SUMMARY

PROPERTY DATA

Property Name: Harbour Isle at Hutchinson Island East, CA, Inc.

Property Location: Ft. Pierce, Florida

Property Type: CA

Total Units: 288

Report Run Date: September 20, 2018

Budget Year Begins: January 1, 2019

Budget Year Ends: December 31, 2019

PROJECTED COMPONENT CATEGORIES AND PARAMETERS

1. Buildings
2. Common Area Interiors
3. Mechanical/Electrical
4. Painting & Waterproofing
5. Pavement
6. Pool & Spa
7. Roofs
8. Seawall
9. Site Improvements
10. Tennis
11. Tennis Courts

Total current cost of all reserve components in reserve analysis:	\$	8,446,839
Estimated beginning reserve fund balance for reserve analysis:	\$	1,200,000
Total number of components scheduled for replacement in the 2019 budget year:		4
Total cost of components scheduled for replacement in the 2019 budget year:	\$	57,780

ANALYSIS RESULTS –CASH FLOW ANALYSIS

Current annual reserve funding contribution amount (2018 Budget):	\$	194,796
Our recommended annual reserve funding contribution amount:	\$	394,200
Increase (decrease) between current and recommended annual contribution amounts:	\$	199,404
Increase (decrease) between current and recommended annual contribution amounts:		102%

ANALYSIS RESULTS – COMPONENT FUNDING ANALYSIS

Current annual reserve funding contribution amount (2018 Budget):	\$	194,796
Our recommended annual reserve funding contribution amount:	\$	570,859
Increase (decrease) between current and recommended annual contribution amounts:	\$	376,063
Increase (decrease) between current and recommended annual contribution amounts:		193%

RESERVE BUDGET COMPARISON

The previous page provides a comparison of the association's approved fiscal year 2018 reserve contribution level and our estimates for full reserve funding for fiscal year 2019. The funding requirement estimated for fiscal year 2019 via the Cash Flow Analysis is significantly higher than the association's approved fiscal year 2018 contribution level, while the recommendation based on the Component Funding Analysis methodology is also significantly higher than the association's approved fiscal year 2018 contribution level.

Based on the Cash Flow Analysis methodology, the association can fully fund the reserves as analyzed in this report at \$394,200 in fiscal year 2019. This level of annual funding could remain stable over the remainder of the study period, provide adequate funds to offset planned reserve expenditures, and maintain a positive reserve fund balance over the entirety of the study period. In this analysis, we have utilized a 1.25% rate of return on reserve funds invested over the study period (assuming safe investment in CDs, money market accounts, etc.). The Cash Flow Analysis utilizes a pooling effect with reserve funds by pooling all funds together and distributing these funds to individual components as their replacement comes due. Funds that are pooled together in the cash flow analysis include the beginning balance, contributions to the reserve funds and interest earned on reserve funds. These pooled funds are matched against reserve expenditures throughout the period of the analysis by using our reserve analysis software program to ensure that the available funds are always greater than expenditures.

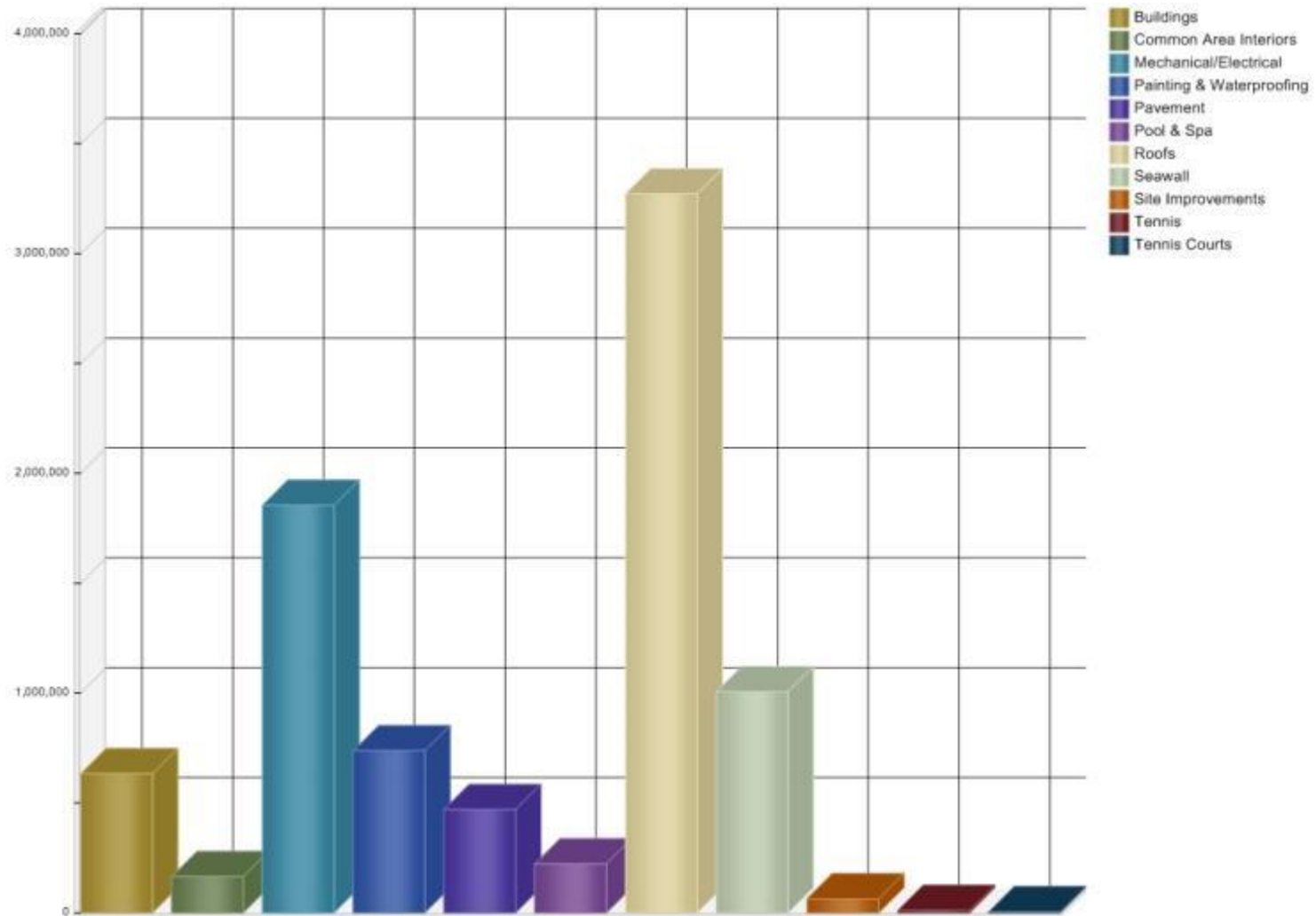
Based on our Component Funding Analysis model, the reserves as analyzed in this report suggest that in order to fully fund in fiscal year 2019, the contribution should be \$570,859. The Component Funding Analysis is a straight-line accounting procedure that was previously mandated by the State of Florida. Until December 2002, funding at less than this amount was considered partial funding by the state and required approval by the association members. As stated previously in this report, changes to the administrative code now allow the implementation/use of a pooling, or cash flow method of reserve analysis.

CASH FLOW ANALYSIS

Harbour Isle at Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameter - Category - Chart



Harbour Isle at Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Detail

Description	Replace Date	Current Cost	Est Life	Adj Life	Rem Life	Future Cost	Basis Cost	Measure Basis
Buildings								
Concrete Restoration, Railings	01/01/2036	\$ 633,968.64	30:00	30:00	17:00	\$ 633,968.64	\$ 2,201.28	unit
		\$ 633,968.64				\$ 633,968.64		
Common Area Interiors								
Carpeting, Social Room	01/01/2025	7,177.26	8:00	8:00	6:00	7,177.26	32.33	sq. yds.
Elevator Cab Interiors	01/01/2025	6,500.00	20:00	20:00	6:00	6,500.00	6,500.00	cabs
Fitness Equipment Allowance	01/01/2020	42,500.00	12:00	15:00	1:00	42,500.00	42,500.00	total
Flooring, Carpet, Fitness Room	01/01/2027	5,220.00	10:00	10:00	8:00	5,220.00	5,220.00	total
Interior Renovations, Clubhouse	01/01/2023	32,500.00	18:00	18:00	4:00	32,500.00	32,500.00	lp sum
Interior Renovations, Common Areas	01/01/2032	16,664.00	15:00	15:00	13:00	16,664.00	41.66	total
Interior Renovations, Common Areas	01/01/2020	4,999.20	15:00	15:00	1:00	4,999.20	41.66	total
Interior Renovations, Kitchen	01/01/2027	11,418.00	22:00	22:00	8:00	11,418.00	95.15	sq. ft.
Restroom Interiors, Clubhouse	01/01/2029	19,402.80	24:00	24:00	10:00	19,402.80	85.10	sq. ft.
Restroom Interiors, Clubhouse	01/01/2029	19,402.80	24:00	24:00	10:00	19,402.80	85.10	sq. ft.
		\$ 165,784.06				\$ 165,784.06		
Mechanical/Electrical								
Elevator Hydraulic Oil Line Repair Fund	01/01/2024	214,800.00	5:00	5:00	5:00	214,800.00	214,800.00	lp sum
Elevator Modernization, Hydraulic	01/01/2040	1,483,032.00	35:00	35:00	21:00	1,483,032.00	123,586.00	cabs
Fire Alarm System Modernization	06/01/2030	125,568.00	25:00	25:00	11:05	125,568.00	436.00	units
HVAC Split Units	01/01/2019	10,650.00	10:00	14:00	0:00	10,650.00	1,420.00	tons
HVAC Split Units	01/01/2027	10,650.00	10:00	11:08	8:00	10,650.00	1,420.00	tons
HVAC Split Units	01/01/2027	10,650.00	10:00	12:08	8:00	10,650.00	1,420.00	tons
		\$ 1,855,350.00				\$ 1,855,350.00		
Painting & Waterproofing								
Catwalks Resurfacing, Res. Buildings	01/01/2020	226,800.00	15:00	15:00	1:00	226,800.00	5.25	sq. ft.
Paint Exteriors, Clubhouse	01/01/2021	10,856.00	10:00	15:07	2:00	10,856.00	10,856.00	lp sum
Paint Exteriors, Common Buildings	01/01/2020	18,720.00	10:00	14:00	1:00	18,720.00	1.30	sq. ft.
Paint Exteriors, Common Buildings	01/01/2020	1,898.00	10:00	15:00	1:00	1,898.00	1.30	sq. ft.
Paint/Waterproof Bldg. Exteriors	01/01/2020	479,712.96	10:00	15:00	1:00	479,712.96	1,665.67	units
		\$ 737,986.96				\$ 737,986.96		

Harbour Isle at Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Detail

Description	Replace Date	Current Cost	Est Life	Adj Life	Rem Life	Future Cost	Basis Cost	Measure Basis
Pavement								
Concrete Paving, Storage Bldg. Allowance	06/01/2020	\$ 12,026.00	6:00	14:05	1:05	\$ 12,026.00	\$ 12,026.00	lp sum
Concrete Sidewalks, Curbing, Gutters	01/01/2021	45,225.00	6:00	15:00	2:00	45,225.00	45,225.00	lp sum
Pavers, Parking/Drives, Allowance	01/01/2045	413,211.15	40:00	40:00	26:00	413,211.15	4.95	sq. ft.
		\$ 470,462.15				\$ 470,462.15		
Pool & Spa								
Pool & Spa Equipment Allowance	06/01/2019	16,000.00	12:00	14:00	0:05	16,000.00	16,000.00	lp sum
Pool Deck Concrete Pavers	06/01/2030	60,064.40	25:00	25:00	11:05	60,064.40	6.05	sq. ft.
Pool Deck Fencing & Gates	06/01/2030	18,600.96	25:00	25:00	11:05	18,600.96	48.44	ln ft.
Pool Deck Furniture	01/01/2019	26,450.00	12:00	14:00	0:00	26,450.00	26,450.00	pieces
Pool Electrical Panels	01/01/2025	10,000.00	20:00	20:00	6:00	10,000.00	10,000.00	lp sum
Pool Heaters, Geothermal	06/01/2031	52,295.00	14:00	14:00	12:05	52,295.00	52,295.00	lp sum
Pool Interior Resurfacing & Tile	10/01/2029	36,841.07	12:00	12:00	10:09	36,841.07	36,841.07	lp sum
Spa Interior Resurfacing	10/01/2027	3,680.00	10:00	10:00	8:09	3,680.00	3,680.00	total
		\$ 223,931.43				\$ 223,931.43		
Roofs								
Roofing, Tile, Common Buildings	06/01/2035	108,196.00	30:00	30:00	16:05	108,196.00	880.00	sq.
Roofing, Tile, Common Buildings	06/01/2035	233,798.40	30:00	30:00	16:05	233,798.40	880.00	sq.
Roofing, Tile, Common Buildings	06/01/2035	2,640.00	30:00	30:00	16:05	2,640.00	880.00	sq.
Roofing, Tile, Repair Allowance	01/01/2028	100,000.00	10:00	10:00	9:00	100,000.00	100,000.00	lp sum
Roofing, Tile, Residential	06/01/2033	2,827,770.00	28:00	28:00	14:05	2,827,770.00	1,210.00	sq.
		\$ 3,272,404.40				\$ 3,272,404.40		
Seawall								
Seawall Restoration	01/01/2038	1,006,492.50	33:00	33:00	19:00	1,006,492.50	650.00	ln ft.
		\$ 1,006,492.50				\$ 1,006,492.50		
Site Improvements								
Gates & Operators, Barrier	01/01/2020	12,750.00	15:00	15:00	1:00	12,750.00	4,250.00	gates
Mailbox Clusters Replacement	01/01/2025	52,200.00	20:00	20:00	6:00	52,200.00	150.00	mailbox
		\$ 64,950.00				\$ 64,950.00		

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Detail

Description	Replace Date	Current Cost	Est Life	Adj Life	Rem Life	Future Cost	Basis Cost	Measure Basis
Tennis								
Tennis Court Fencing & Gates	03/01/2031	\$ 10,829.00	25:00	25:00	12:02	\$ 10,829.00	\$ 23.80	ln ft.
		\$ 10,829.00				\$ 10,829.00		
Tennis Courts								
Tennis Court Restoration, Clay	01/01/2019	4,680.00	2:00	2:00	0:00	4,680.00	2,340.00	courts
		\$ 4,680.00				\$ 4,680.00		
		\$ 8,446,839.14				\$ 8,446,839.14		

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Concrete Restoration, Railings

Item Number	39	Measurement Basis	unit
Type	Unit	Estimated Useful Life	30:00
Category	Buildings	Basis Cost	2,201.28
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
001-000-0039	01/01/2006	01/01/2036	17:00	30:00	288.00	\$ 633,968.64	\$ 633,968.64
						\$ 633,968.64	\$ 633,968.64

Comments

At some point in the foreseeable future, likely fiscal year 2036, the association should expect to incur costs for the railing replacement and minor concrete restoration of the balconies, breezeways and stairwells.

NOTE: This estimate does not take into account any unforeseen stucco de-lamination or concrete failure due to structural or storm related issues.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Carpeting, Social Room

Item Number	66	Measurement Basis	sq. yds.
Type	Common Area	Estimated Useful Life	8:00
Category	Common Area Interiors	Basis Cost	32.33
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service	Replace	Rem	Adj	Quantity	Replacement Cost	
		Date	Date	Life	Life		Current	Future
910-000-0066		01/01/2017	01/01/2025	6:00	8:00	222.00	\$ 7,177.26	\$ 7,177.26
							\$ 7,177.26	\$ 7,177.26

Comments

Life cycles of 5-6 years, to 15+ years, have been observed for replacement of carpeting in primary common area interiors (hallways, social rooms, exercise rooms, administrative offices, etc.); the useful life depends on the quality of carpeting, level of ongoing maintenance, and association cosmetic tastes. The current cost estimate includes removal and disposal of the existing carpeting and installation of like quality. The floor area estimate includes a typical market waste allowance.

No information on the replacement of the social room carpeting was made available. The carpet, however, does not appear to be original to the property and has been replaced with carpet squares. Based on the typical useful life, a replacement date would appear to have been in 2017. A 10-year replacement life has been assigned to this line item.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Elevator Cab Interiors

Item Number	2	Measurement Basis	cabs
Type	Common Area	Estimated Useful Life	20:00
Category	Common Area Interiors	Basis Cost	6,500.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0002		01/01/2005	01/01/2025	6:00	20:00	1.00	\$ 6,500.00	\$ 6,500.00
							\$ 6,500.00	\$ 6,500.00

Comments

Major cosmetic refurbishment of passenger elevator cabs (flooring, wall finishes, ceilings/lighting, etc.) has been observed on life cycles in the 15-20-year range in properties of similar overall quality, with the most typical falling on the higher end of the range. This suggests a 2025 expense date.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Fitness Equipment Allowance

Item Number	57	Measurement Basis	total
Type	Common Area	Estimated Useful Life	12:00
Category	Common Area Interiors	Basis Cost	42,500.00
Tracking	Logistical		
Method	Adjusted		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0057		01/01/2005	01/01/2020	1:00	15:00	1.00	\$ 42,500.00	\$ 42,500.00
							\$ 42,500.00	\$ 42,500.00

Comments

Market standards reflect a typical life cycle of 7-8 years for average quality cardiovascular equipment (treadmills, elliptical trainers, etc.) and 10-12 years for strength training stations, dumbbells, mat flooring, etc. Therefore, we have utilized a 12-year life cycle, with the expectation that individual replacements of cardio equipment will likely be made on an as needed basis over this life cycle. The current lump sum replacement cost for the existing inventory is estimated based on retail costing indexes and our experience.

No replacement of the fitness room equipment was provided. Therefore, it is assumed that the association is replacing the equipment on an as needed basis.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Flooring, Carpet, Fitness Room

Item Number	58	Measurement Basis	total
Type	Common Area	Estimated Useful Life	10:00
Category	Common Area Interiors	Basis Cost	5,220.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0058		01/01/2017	01/01/2027	8:00	10:00	1.00	\$ 5,220.00	\$ 5,220.00
							\$ 5,220.00	\$ 5,220.00

Comments

We have observed a 10-12-year range in useful life cycles for common area carpeting at similar properties. The current cost estimate is based on the existing product and our experience. This cost includes removal and disposal of the existing carpet and pad and replacement with like quality. This life cycle and cost estimate can vary depending on the quality of carpeting, level of ongoing maintenance, and association cosmetic tastes.

A replacement of the gym floor was reported with an expense of \$5,220. One date was reported. It is assumed that the gym floor was replaced on the typical useful life cycle of 12 years.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Interior Renovations, Clubhouse

Item Number	61	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	18:00
Category	Common Area Interiors	Basis Cost	32,500.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service	Replace	Rem	Adj	Quantity	Replacement Cost	
		Date	Date	Life	Life		Current	Future
910-000-0061		01/01/2005	01/01/2023	4:00	18:00	1.00	\$ 32,500.00	\$ 32,500.00
							\$ 32,500.00	\$ 32,500.00

Comments

This line item was included for major furniture/furnishings replacement within the common area interiors, including (but not necessarily limited to) sofas, chairs, tables, decorative lighting/lamps, window treatments, area rugs, mirrors, wall art, plants, office furniture, etc. In our experience, while minor additions and/or replacements can be expected from time to time, better quality properties complete these upgrades in social rooms, lobbies, etc. on life cycles in the +/-15-year range, while major administrative offices furnishings may not be completed for 20+ years. The current cost estimate is based on the quality of the existing inventories, the size of the rooms in floor area and an average per square foot unit cost. As is with any cosmetic renovation, the actual costs may vary from our estimates based on association cosmetic preferences.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Interior Renovations, Common Areas

Item Number	69	Measurement Basis	total
Type	Common Area	Estimated Useful Life	15:00
Category	Common Area Interiors	Basis Cost	41.66
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
920-001-0069	Admin Office	01/01/2017	01/01/2032	13:00	15:00	400.00	\$ 16,664.00	\$ 16,664.00
920-002-0069	Guard House	01/01/2005	01/01/2020	1:00	15:00	120.00	\$ 4,999.20	\$ 4,999.20
							\$ 21,663.20	\$ 21,663.20

Comments

This line item was included for major furniture/furnishings replacement within the common area interiors, including (but not necessarily limited to) sofas, chairs, tables, decorative lighting/lamps, window treatments, area rugs, mirrors, wall art, plants, office furniture, etc. In our experience, while minor additions and/or replacements can be expected from time to time, better quality properties complete these upgrades in social rooms, lobbies, etc. on life cycles in the +/-15-year range, while major administrative offices furnishings may not be completed for 20+ years. The current cost estimate is based on the quality of the existing inventories, the size of the rooms in floor area and an average per square foot unit cost. As is with any cosmetic renovation, the actual costs may vary from our estimates based on association cosmetic preferences.

The guardhouse renovations include the bathroom and the administrative includes the recently replaced flooring.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Interior Renovations, Kitchen

Item Number	68	Measurement Basis	sq. ft.
Type	Common Area	Estimated Useful Life	22:00
Category	Common Area Interiors	Basis Cost	95.15
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0068		01/01/2005	01/01/2027	8:00	22:00	120.00	\$ 11,418.00	\$ 11,418.00
							\$ 11,418.00	\$ 11,418.00

Comments

To insure a modern cosmetic appeal, the association should expect to incur costs associated with major renovation of the kitchen interiors on an approximate 20-25-year life cycle. Including flooring, wall/ceiling finishes, appliances, countertops/cabinetry, plumbing/electrical fixtures, etc. This analysis assumes that as needed replacements will continue to be funded through the association's annual operating budget over this life cycle. The cost estimate is based on the total area of the kitchen and an average per square foot unit cost.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Restroom Interiors, Clubhouse

Item Number	52	Measurement Basis	sq. ft.
Type	Common Area	Estimated Useful Life	24:00
Category	Common Area Interiors	Basis Cost	85.10
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service	Replace	Rem	Adj	Quantity	Replacement Cost	
		Date	Date	Life	Life		Current	Future
920-001-0052		01/01/2005	01/01/2029	10:00	24:00	228.00	\$ 19,402.80	\$ 19,402.80
920-002-0052		01/01/2005	01/01/2029	10:00	24:00	228.00	\$ 19,402.80	\$ 19,402.80
							\$ 38,805.60	\$ 38,805.60

Comments

At some point in the foreseeable future, the association should expect to incur costs for major restoration of the common area restroom interiors (including, but not necessarily limited to, flooring, wall finishes, vanities, mirrors, dividers, plumbing and electrical fixtures, etc.). Life cycles of less than 15 years, to 30+ years, have been observed in properties of similar quality.

The current cost estimate does not include any unforeseen floor area reconfiguration and/or expansion.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Elevator Hydraulic Oil Line Repair Fund

Item Number	46	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	5:00
Category	Mechanical/Electrical	Basis Cost	214,800.00
Tracking	Logistical		
Method	One Time		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0046			01/01/2024	5:00	5:00	1.00	\$ 214,800.00	\$ 214,800.00
							\$ 214,800.00	\$ 214,800.00

Comments

The 12 residential buildings were built in year 2005. Taking into account the history of repairs to the elevators' hydraulic oil lines at the sister association, Harbour Isle West, this fund has been added to the study. The per building repair costs provided by the sister association was \$17,900 each. These foreseeable repairs for the Harbour Isle East's 12 residential buildings should be planned and reserved for over the next 5 years. For the purposes of this study, a one-time fund of \$214,800 has been established to be used at the board's discretion. These funds can be used for as needed repairs on an as needed basis.

This line item may be adjusted to a recurring expense in later updates if repair history warrants a review.

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Elevator Modernization, Hydraulic

Item Number	3	Measurement Basis	cabs
Type	Common Area	Estimated Useful Life	35:00
Category	Mechanical/Electrical	Basis Cost	123,586.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0003		01/01/2005	01/01/2040	21:00	35:00	12.00	\$ 1,483,032.00	\$ 1,483,032.00
							\$ 1,483,032.00	\$ 1,483,032.00

Comments

The useful life of the electrical and mechanical components (motors, controllers, door operators, call buttons, etc.) of hydraulic elevators can range rather widely. Typically, this upgrade is driven by an association's dissatisfaction with elevator speed, smoothness of ride, and/or noise. We have observed hydraulic elevator modernization after +/- 25 years, to over 40 years.

Excluded from this report are the hydraulic elevator jacks/pistons. Market data we have observed suggests that while major restoration/replacement can be necessary, it is not always necessary under normal market conditions. As such, it is our opinion that inclusion of reserves for jack/piston replacement is not prudent in the absences of a professional assessment(s) indicating that this upgrade will be necessary. If such an assessment(s) determines that hydraulic jack/piston replacement is necessary, this report should be amended to include that reserve component.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Fire Alarm System Modernization

Item Number	55	Measurement Basis	units
Type	Common Area	Estimated Useful Life	25:00
Category	Mechanical/Electrical	Basis Cost	436.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0055		06/01/2005	06/01/2030	11:05	25:00	288.00	\$ 125,568.00	\$ 125,568.00
							\$ 125,568.00	\$ 125,568.00

Comments

Due to improvements in technology and/or parts obsolescence, major modernization of fire alarm system components (panels, pull stations, horns/strobes, detectors, hoses) is typically necessary on a 20-30-year schedule. This estimate includes the residential buildings and the clubhouse.

Given ever changing technologies and/or changing fire codes, we recommend that as these systems age, a qualified life safety engineer(s) assess the subject's fire alarm systems periodically to determine more specific remaining useful life and cost parameters. We reserve the right to modify this report upon receipt of such an assessment(s).



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

HVAC Split Units

Item Number	60	Measurement Basis	tons
Type	Common Area	Estimated Useful Life	10:00
Category	Mechanical/Electrical	Basis Cost	1,420.00
Tracking	Logistical		
Method	Adjusted		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
920-001-0060		01/01/2005	01/01/2019	0:00	14:00	7.50	\$ 10,650.00	\$ 10,650.00
920-002-0060		05/01/2015	01/01/2027	8:00	11:08	7.50	\$ 10,650.00	\$ 10,650.00
920-003-0060		05/01/2014	01/01/2027	8:00	12:08	7.50	\$ 10,650.00	\$ 10,650.00
							\$ 31,950.00	\$ 31,950.00

Comments

For the purposes of this analysis, we have utilized cost estimates based on the size of the condensers and air handlers in tons and our experience with HVAC equipment replacement costs. A useful life of 10-12 years can realistically be expected for the exterior condensers; although the corresponding interior air handlers can last 20-25 years under normal operating conditions, we have utilized the 10-year life cycle for the pair, as the air handlers will typically be replaced simultaneously with the condensers.

Two of the three HVAC condensers located at the clubhouse appear to have been replaced, while the third unit appears to be original to the property.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Catwalks Resurfacing, Res. Buildings

Item Number	56	Measurement Basis	sq. ft.
Type	Common Area	Estimated Useful Life	15:00
Category	Painting & Waterproofing	Basis Cost	5.25
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0056		01/01/2005	01/01/2020	1:00	15:00	43200.00	\$ 226,800.00	\$ 226,800.00
							\$ 226,800.00	\$ 226,800.00

Comments

It is common for properties like the subject to undergo restoration/replacement of the decking/waterproofing systems on the exterior catwalks at roughly every other painting cycle. So that this upgrade is completed in conjunction with exterior painting, which is common, we have utilized a useful life cycle of 15 years. The current cost estimate is based on a \$/square foot unit cost and the total square feet of catwalk floor area.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Paint Exteriors, Clubhouse

Item Number	11	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	10:00
Category	Painting & Waterproofing	Basis Cost	10,856.00
Tracking	Logistical		
Method	Adjusted		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0011		06/01/2005	01/01/2021	2:00	15:07	1.00	\$ 10,856.00	\$ 10,856.00
							\$ 10,856.00	\$ 10,856.00

Comments

The market suggests that a properly installed and maintained exterior painting project should have a maximum useful life of 7-10 years under normal operating conditions, to insure proper protection for the underlying stucco, concrete, etc. surfaces.

The association representative has advised that all the stucco is pigmented and therefore painting typically should not need to be scheduled until year 2020 to coincide with the trim painting and every 10 years thereafter if a high-grade acrylic paint is used.

The current cost estimate includes surface preparation, typical minor repairs to the exterior stucco/concrete surfaces, as needed window caulking, and repainting of all exterior surfaces and is based on a per square foot of wall area basis. An exterior painting project would typically include painting of all ancillary components at the property as well, such as walls, fencing, signage, lighting, etc.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Paint Exteriors, Common Buildings

Item Number	42	Measurement Basis	sq. ft.
Type	Common Area	Estimated Useful Life	10:00
Category	Painting & Waterproofing	Basis Cost	1.30
Tracking	Logistical		
Method	Adjusted		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
920-001-0042	Storage Bldg.	01/01/2006	01/01/2020	1:00	14:00	14400.00	\$ 18,720.00	\$ 18,720.00
920-002-0042	Guard House	01/01/2005	01/01/2020	1:00	15:00	1460.00	\$ 1,898.00	\$ 1,898.00
							\$ 20,618.00	\$ 20,618.00

Comments

The market suggests that a properly installed and maintained exterior painting project should have a maximum useful life of 7-10 years under normal operating conditions, to insure proper protection for the underlying stucco, concrete, etc. surfaces. The current cost estimate includes surface preparation, typical minor repairs to the exterior stucco/concrete surfaces, as needed window caulking, and repainting of all exterior surfaces and is based on a per square foot of wall area basis. An exterior painting project would typically include painting of all ancillary components at the property as well, such as walls, fencing, signage, lighting, etc.

The association representative has advised that all the stucco is pigmented and therefore painting typically should not need to be scheduled until year 2020 to coincide with the trim painting and every 10 years thereafter if a high-grade acrylic paint is used.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Paint/Waterproof Bldg. Exteriors

Item Number	13	Measurement Basis	units
Type	Common Area	Estimated Useful Life	10:00
Category	Painting & Waterproofing	Basis Cost	1,665.67
Tracking	Logistical		
Method	Adjusted		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0013		01/01/2005	01/01/2020	1:00	15:00	288.00	\$ 479,712.96	\$ 479,712.96
							\$ 479,712.96	\$ 479,712.96

Comments

To insure proper protection of the underlying concrete, stucco, wood and metal surfaces, the market reflects a maximum 7-10-year useful life for exterior painting & waterproofing. The current average per dwelling unit cost estimate includes typical minor concrete/stucco repairs, surface preparation, as needed window/sliding glass door caulking and painting/refinishing of all exterior concrete, stucco, wood and metal surfaces (including railings and window/slider frames). The association representative has advised that all the stucco is pigmented and therefore painting typically should not need to be scheduled until year 2020 to coincide with the trim painting and every 10 years thereafter if a high-grade acrylic paint is used.

This line item includes both the residential buildings and storage buildings as well as other common area structures excluding the clubhouse.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Concrete Paving, Storage Bldg. Allowance

Item Number	47	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	6:00
Category	Pavement	Basis Cost	12,026.00
Tracking	Logistical		
Method	Adjusted		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0047		01/01/2006	06/01/2020	1:05	14:05	1.00	\$ 12,026.00	\$ 12,026.00
							\$ 12,026.00	\$ 12,026.00

Comments

Replacement of the concrete paving found at the storage units should not be necessary at any one given time under normal operating conditions. As such, reserving for total replacement is not considered practical or prudent. Some associations prefer to fund as needed repairs through their annual operating budgets, while others, like the subject property, choose to establish and maintain reserve funds for concrete repairs. Therefore, at the request of the association, we have included this line item as an allowance based on the average replacement/repair of these types of concrete pavers at comparable properties.

The storage concrete drives are approx. 8640 sq. ft. An allowance has been established for the repair and replacement of the pavement drives. The allowance is scheduled to begin in 2020 and will recur every 6 years. The amount of this allowance and the useful life cycle may vary widely from actual expenses in the future and this report can be amended as more information becomes available. Based on the concrete paving having a current total replacement costs of \$60,134.40 This expense reflects typical non-discounted retail pricing for: 4+ inch thick, fiber mesh reinforced 3500 PSI concrete. Broom finish. Quantity includes typical waste overage, material for repair and local delivery.

The allowance is designed to begin after an initial life of 15 years has been achieved, in keeping with our experience with newer properties. A typical failure rate of 20% every 6 years after the initial 15-year life, and is estimated over a 45-year period was applied at an expense of \$12,026. We recommend that a paving consultant/engineer inspection and study would be useful in more specific remaining useful life and current condition of this paving

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Concrete Sidewalks, Curbing, Gutters

Item Number	1	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	6:00
Category	Pavement	Basis Cost	45,225.00
Tracking	Logistical		
Method	Adjusted		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0001		01/01/2006	01/01/2021	2:00	15:00	1.00	\$ 45,225.00	\$ 45,225.00
							\$ 45,225.00	\$ 45,225.00

Comments

Replacement of the concrete paving sidewalk, curbing and gutters should not be necessary at any one given time under normal operating conditions. As such, reserving for total replacement is not considered practical or prudent. Some associations prefer to fund as needed repairs through their annual operating budgets, while others, like the subject property, choose to establish and maintain reserve funds for concrete repairs. Therefore, at the request of the association, we have included this line item as an allowance based on the average replacement/repair of these concrete sidewalk panels, curbing and gutters at comparable properties. This line item also includes as needed painting and/or replacement of the parking bumpers. The allowance is designed to begin after an initial life of 15 years and has been achieved, in keeping with our experience with newer properties and every 6 years thereafter. A typical failure rate of 20% every 6 years after the initial 15-year life, and is estimated over a 45-year period was applied.

We have recommended to the association representative that a paving consultant/engineer inspection and study would be useful in more specific remaining useful life and current condition of this paving. The amount of this allowance and the useful life cycle may vary widely from actual expenses in the future and this report can be amended as more information becomes available.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Pavers, Parking/Drives, Allowance

Item Number	14	Measurement Basis	sq. ft.
Type	Common Area	Estimated Useful Life	40:00
Category	Pavement	Basis Cost	4.95
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service	Replace	Rem	Adj	Quantity	Replacement Cost	
		Date	Date	Life	Life		Current	Future
910-000-0014		01/01/2005	01/01/2045	26:00	40:00	83477.00	\$ 413,211.15	\$ 413,211.15
							\$ 413,211.15	\$ 413,211.15

Comments

Some associations consider paver parking and drives, sidewalks, pool and spa decks, etc. to be effectively permanent, and opt to exclude replacement from their annual reserve budgets. Others do establish and fund reserves, on observed budgetary life cycles of 20-40 years. It is our opinion that reserving for eventual replacement is prudent, if only for cosmetic purposes; we have observed older pavers that appear worn and dated, even with periodic pressure washing and/or sealing. The current cost estimate is based on construction cost indexes and our experience. We have applied a 30% of the total square footage of +/- 278,257 square feet of pavers for as needed replacements or repairs as a for those areas.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Pool & Spa Equipment Allowance

Item Number	48	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	12:00
Category	Pool & Spa	Basis Cost	16,000.00
Tracking Method	Logistical Adjusted		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0048		06/01/2005	06/01/2019	0:05	14:00	1.00	\$ 16,000.00	\$ 16,000.00
							\$ 16,000.00	\$ 16,000.00

Comments

Under normal conditions, total replacement of pool and spa equipment inventories (pumps, motors, chlorination systems, filters, heaters, etc.) should not be necessary at any one given time. As such, reserving for total replacement is not considered prudent or practical. This is supported by our review of reserve budgets at similar properties; while some associations establish and fund contingency reserves for as needed repair/replacement costs, others prefer to fund incidental expenses through their annual operating budgets, as a function of routine maintenance.

An allowance has been established for as needed repairs and replacement costs. A recurring useful life of the allowance has been set at 12 years based on the average replacement intervals reported at similar properties



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Pool Deck Concrete Pavers

Item Number	17	Measurement Basis	sq. ft.
Type	Common Area	Estimated Useful Life	25:00
Category	Pool & Spa	Basis Cost	6.05
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0017		06/01/2005	06/01/2030	11:05	25:00	9928.00	\$ 60,064.40	\$ 60,064.40
							\$ 60,064.40	\$ 60,064.40

Comments

Replacement of this type of decking is typically completed on a 20-25-year life cycle, with proper installation and maintenance. The current cost estimate includes removal and replacement of the existing brick paver decking with a similar quality and is based on the total size of brick paved decking and a market supported per square foot unit cost.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

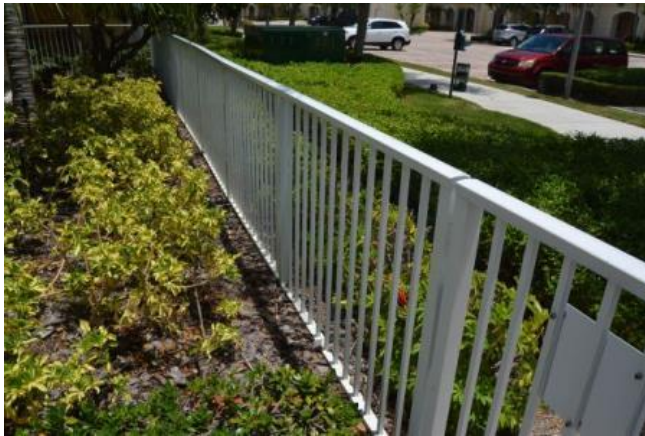
Pool Deck Fencing & Gates

Item Number	18	Measurement Basis	In ft.
Type	Common Area	Estimated Useful Life	25:00
Category	Pool & Spa	Basis Cost	48.44
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0018		06/01/2005	06/01/2030	11:05	25:00	384.00	\$ 18,600.96	\$ 18,600.96
							\$ 18,600.96	\$ 18,600.96

Comments

Assuming routine maintenance and proper installation, total replacement of the pool fencing and gates should not be necessary for 20-25 years. The current cost estimate, which includes removal and disposal of the existing fencing and gates and replacement with similar quality, is based on the total linear footage of fencing and a market supported per linear foot unit cost.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Pool Deck Furniture

Item Number	65	Measurement Basis	pieces
Type	Common Area	Estimated Useful Life	12:00
Category	Pool & Spa	Basis Cost	26,450.00
Tracking Method	Logistical Adjusted		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0065		01/01/2005	01/01/2019	0:00	14:00	1.00	\$ 26,450.00	\$ 26,450.00
							\$ 26,450.00	\$ 26,450.00

Comments

The inventory of pool deck furniture (including chaise lounges, tables, umbrellas, chairs, trash cans, etc.) should enjoy a life cycle of 8-15 years when considered as a single inventory, expecting some as needed repairs, replacements and additions from time to time over the life cycle. In our experience, costs for pool furniture can range from \$170 to over \$250 per piece. The wide range in cost and useful life cycles largely depends on the quality of the product chosen and association cosmetic tastes. The patio furniture has been included into the expense of the pool furniture allowance and appear to have been recently acquired. The pool deck furniture appears to be original to the property and a projected 2019 replacement has been scheduled. The allowance is to be used on an as needed basis for the replacements.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Pool Electrical Panels

Item Number	51	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	20:00
Category	Pool & Spa	Basis Cost	10,000.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0051		01/01/2005	01/01/2025	6:00	20:00	1.00	\$ 10,000.00	\$ 10,000.00
							\$ 10,000.00	\$ 10,000.00

Comments

Barring any unforeseen storm related damages, the electrical panels installed in the pool area for power supply typically would have a useful life of 20 years. The replacement costs have been provided by the association representative. No photo was available.

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Pool Heaters, Geothermal

Item Number	54	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	14:00
Category	Pool & Spa	Basis Cost	52,295.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0054		06/01/2017	06/01/2031	12:05	14:00	1.00	\$ 52,295.00	\$ 52,295.00
							\$ 52,295.00	\$ 52,295.00

Comments

Geothermal pool heaters, like those in use at the subject property typically enjoy a life cycle of 10-20 years, with 14 years being more common. The current cost estimate is based on our knowledge of similar replacements. The cost should include the removal of existing equipment and replacement with like quality. The costs associated with this line item has been provided by the association representative.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Pool Interior Resurfacing & Tile

Item Number	41	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	12:00
Category	Pool & Spa	Basis Cost	36,841.07
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0041		10/01/2017	10/01/2029	10:09	12:00	1.00	\$ 36,841.07	\$ 36,841.07
							\$ 36,841.07	\$ 36,841.07

Comments

With proper installation, chemical balancing, and routine maintenance, pool interior resurfacing/restoration can be expected on a 10-15-year life cycle. The useful life can range due to quality of installation, level of maintenance, and association cosmetic tastes. The current cost estimate is based on known costs for similar properties and includes typical minor structural/tank repairs, tile upgrades/replacements, and installation of new aggregate surface. With proper installation, chemical balancing, and routine maintenance, pool interior resurfacing/restoration can be expected on a 10-15-year life cycle. The useful life can range due to quality of installation, level of maintenance, and association cosmetic tastes. The current cost estimate is based on known costs for similar properties and includes typical minor structural/tank repairs, tile upgrades/replacements, and installation of new aggregate surface materials ("diamond brite", "pebble crete", etc.).



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Spa Interior Resurfacing

Item Number	35	Measurement Basis	total
Type	Common Area	Estimated Useful Life	10:00
Category	Pool & Spa	Basis Cost	3,680.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0035		10/01/2017	10/01/2027	8:09	10:00	1.00	\$ 3,680.00	\$ 3,680.00
							\$ 3,680.00	\$ 3,680.00

Comments

Due to the higher temperatures and chemical concentrations, resurfacing of concrete/gunite spas is generally necessary on an 8-10-year life cycle under normal conditions. The lump sum cost estimate is based on known costs for spa interior resurfacing at similar properties. The spa resurfacing is assumed to have been completed with the pool resurfacing on 2017.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Roofing, Tile, Common Buildings

Item Number	36	Measurement Basis	sq.
Type	Common Area	Estimated Useful Life	30:00
Category	Roofs	Basis Cost	880.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
920-001-0036	Clubhouse	06/01/2005	06/01/2035	16:05	30:00	122.95 \$	108,196.00 \$	108,196.00
920-002-0036	Storage Garage	06/01/2005	06/01/2035	16:05	30:00	265.68 \$	233,798.40 \$	233,798.40
920-003-0036	Guardhouse	06/01/2005	06/01/2035	16:05	30:00	3.00 \$	2,640.00 \$	2,640.00
							\$ 344,634.40 \$	344,634.40

Comments

Life cycles of less than 20 years, to 30+ years, have been observed for replacement of pitched clay tile "S" type tile roofing; the most typical life falls in the mid 20-30-year range, assuming proper design, installation and routine maintenance. As no professional roofing studies were provided that would indicate that physical conditions exist at this roofing that would otherwise limit its remaining useful life, a replacement date was forecast. The current cost estimate includes removal and disposal of the existing roofing, typical minor repairs to the underlying roof structures, flashing, as needed repair/replacement of fascia, soffits and/or gutters and downspouts, and installation of like roofing.

one square = 100 square feet



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Roofing, Tile, Repair Allowance

Item Number	67	Measurement Basis	lp sum
Type	Common Area	Estimated Useful Life	10:00
Category	Roofs	Basis Cost	100,000.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0067		01/01/2018	01/01/2028	9:00	10:00	1.00	\$ 100,000.00	\$ 100,000.00
							\$ 100,000.00	\$ 100,000.00

Comments

Hurricane Irma, in 2017, caused damages to the tile roofs in the amount of approximately \$80,000. At the approval of the association representative, a roofing tile repair fund has been established. A useful life of 10 years has been assigned to this line item and is scheduled to recur based on the history of hurricane damage to the tile roof at the subject property. If no such occurrence were to happen over the next 10 years, it is recommended that the association determine whether to continue funding the line item at that time.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Roofing, Tile, Residential

Item Number	22	Measurement Basis	sq.
Type	Common Area	Estimated Useful Life	28:00
Category	Roofs	Basis Cost	1,210.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0022	12 Res. Bldgs.	06/01/2005	06/01/2033	14:05	28:00	2337.00	\$ 2,827,770.00	\$ 2,827,770.00
							\$ 2,827,770.00	\$ 2,827,770.00

Comments

Life cycles of less than 20 years, to 35+ years, have been observed for replacement of pitched clay tile "S" type tile roofing; the most typical life falls in the mid 20-30-year range, assuming proper design, installation and routine maintenance. As no professional roofing studies were provided that would indicate that physical conditions exist at this roofing that would otherwise limit its remaining useful life, a replacement date of 2033. It is noted that the association has made several roof repairs at an expense of \$79,559.43 due to damages sustained from Hurricane Irma.

The current cost estimate includes removal and disposal of the existing roofing, typical minor repairs to the underlying roof structures, flashing, as needed repair/replacement of fascia, soffits and/or gutters and downspouts, and installation of like roofing.

one square = 100 square feet



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Seawall Restoration

Item Number	23	Measurement Basis	ln ft.
Type	Common Area	Estimated Useful Life	33:00
Category	Seawall	Basis Cost	650.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0023		01/01/2005	01/01/2038	19:00	33:00	1548.45	\$ 1,006,492.50	\$ 1,006,492.50
							\$ 1,006,492.50	\$ 1,006,492.50

Comments

At some point in the foreseeable future, the association should expect to incur costs for major restoration of their concrete seawall (+/- 2,116 lineal feet) including the concrete cap, walls, tiebacks, riprap, etc. Useful lives can vary, rather widely, on a number of physical factors. We have observed seawall restoration after less than 20 years in service, while some seawalls of 40+ years have yet to be restored/replaced. Comparable data suggests replacement costs between \$550-950 per ln ft. For your consideration, we have applied a restoration/replacement cost of \$650.00 per ln. ft. based on similar seawall design and replacement costs.

An evaluation and recommendation of the seawall condition and needed repair was provided by the association representative from the Sea Me Dive, Inc. The channel seawall shows wall corrosion and cervices corrosion due to epoxy failure. It has been rated as in fair condition by the marine diving inspection report. It is recommended that these repairs be made in order to extend the life of the channel seawall.

The portion of the main seawall has been rated as in fair to good condition with the exception of the marina straight seawall. Spalling and rusting appears in some areas. It was recommended that repairs to the horizontal cracks be performed as well as to the 28 actively leaking king pilings. These should be repaired and sealed in order to extend the useful life of the seawall. Once the repairs are made the Hydro-static pressure build-up should be accessed and a weep hole system is recommended along the straight seawall section of the marina. The total seawall measures approximately 4,650 ln ft. of which Harbour Isle East is responsible for 33.3%. For the purposes of this study the total length of the seawall is 1,548.45 ln.ft.

In the current condition, the seawall has a projected remaining life of 15-20 years. A 33-useful year life has been assigned to this line item with a replacement/major restoration to be projected in year 2038 based on the current condition and evaluation report. The costs associated with this line item does not include the report's recommended repairs which could extend the useful life.

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Gates & Operators, Barrier

Item Number	59	Measurement Basis	gates
Type	Common Area	Estimated Useful Life	15:00
Category	Site Improvements	Basis Cost	4,250.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0059		01/01/2005	01/01/2020	1:00	15:00	3.00	\$ 12,750.00	\$ 12,750.00
							\$ 12,750.00	\$ 12,750.00

Comments

Barring any unforeseen vehicular damage, replacement of the barrier gates/operators at the entrance/exit should be necessary on a 12-15-year basis with routine maintenance. A current cost estimate per gate was utilized, which includes removal and disposal of the existing gate/motor, typical minor electrical upgrades, and installation with a similar unit.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Mailbox Clusters Replacement

Item Number	63	Measurement Basis	mailbox
Type	Common Area	Estimated Useful Life	20:00
Category	Site Improvements	Basis Cost	150.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0063		01/01/2005	01/01/2025	6:00	20:00	348.00	\$ 52,200.00	\$ 52,200.00
							\$ 52,200.00	\$ 52,200.00

Comments

Mailbox cluster replacement is typically scheduled on a 20-year life cycle. The current cost estimate of \$150 per mailbox is an average of actual costs gleaned from our experience with similar replacements. It was observed that there are 26 individual mailboxes, a mail slot box and 3 larger package mailboxes located in each building.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Tennis Court Fencing & Gates

Item Number	53	Measurement Basis	In ft.
Type	Common Area	Estimated Useful Life	25:00
Category	Tennis	Basis Cost	23.80
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0053		03/01/2006	03/01/2031	12:02	25:00	455.00	\$ 10,829.00	\$ 10,829.00
							\$ 10,829.00	\$ 10,829.00

Comments

The coated chain link fencing at the tennis court can expect a life cycle in the 22 - 25-year range, barring any unforeseen storm damage. The current cost estimate, which includes removal and disposal of the existing fencing and gates and replacement with like quality, is based on market data. Is it assumed that the windscreen will be replaced on an as needed basis from the operating budget.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Item Parameters - Full Detail

Tennis Court Restoration, Clay

Item Number	40	Measurement Basis	courts
Type	Common Area	Estimated Useful Life	2:00
Category	Tennis Courts	Basis Cost	2,340.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0040		01/01/2017	01/01/2019	0:00	2:00	2.00	\$ 4,680.00	\$ 4,680.00
							\$ 4,680.00	\$ 4,680.00

Comments

Under normal conditions, total replacement of the tennis courts should not be necessary in the foreseeable future. Typically, clay tennis courts such as the two at the subject property enjoy a 30-35-year useful life.

We recommend that the association complete third party laser leveling/restoration. This line item has been given a two-year useful life cycle for this scope of restoration, which is consistent with observed market standards and the restoration cycle of the courts at the subject property.



Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Expenditures - Items

Description	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Carpeting, Social Room							7,177			
Catwalks Resurfacing, Res. Buildings		226,800								
Concrete Paving, Storage Bldg. Allowance		12,026						12,026		
Concrete Restoration, Railings										
Concrete Sidewalks, Curbing, Gutters			45,225						45,225	
Elevator Cab Interiors							6,500			
Elevator Hydraulic Oil Line Repair Fund						214,800				
Elevator Modernization, Hydraulic										
Fire Alarm System Modernization										
Fitness Equipment Allowance		42,500								
Flooring, Carpet, Fitness Room									5,220	
Gates & Operators, Barrier		12,750								
HVAC Split Units	10,650								21,300	
Interior Renovations, Clubhouse					32,500					
Interior Renovations, Common Areas		4,999								
Interior Renovations, Kitchen									11,418	
Mailbox Clusters Replacement							52,200			
Paint Exteriors, Clubhouse			10,856							
Paint Exteriors, Common Buildings		20,618								
Paint/Waterproof Bldg. Exteriors		479,712								
Pavers, Parking/Drives, Allowance										
Pool & Spa Equipment Allowance	16,000									
Pool Deck Concrete Pavers										
Pool Deck Fencing & Gates										
Pool Deck Furniture	26,450									
Pool Electrical Panels							10,000			
Pool Heaters, Geothermal										
Pool Interior Resurfacing & Tile										
Restroom Interiors, Clubhouse										
Roofing, Tile, Common Buildings										
Roofing, Tile, Repair Allowance										100,000
Roofing, Tile, Residential										
Seawall Restoration										

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Expenditures - Items

Description	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Spa Interior Resurfacing									3,680	
Tennis Court Fencing & Gates										
Tennis Court Restoration, Clay	4,680		4,680		4,680		4,680		4,680	
	57,780	799,406	60,761		37,180	214,800	80,557	12,026	91,523	100,000

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Expenditures - Items

Description	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Carpeting, Social Room					7,177					
Catwalks Resurfacing, Res. Buildings							226,800			
Concrete Paving, Storage Bldg. Allowance				12,026						12,026
Concrete Restoration, Railings								633,968		
Concrete Sidewalks, Curbing, Gutters					45,225					
Elevator Cab Interiors										
Elevator Hydraulic Oil Line Repair Fund										
Elevator Modernization, Hydraulic										
Fire Alarm System Modernization		125,568								
Fitness Equipment Allowance				42,500						
Flooring, Carpet, Fitness Room									5,220	
Gates & Operators, Barrier							12,750			
HVAC Split Units	10,650								21,300	
Interior Renovations, Clubhouse										
Interior Renovations, Common Areas				16,664			4,999			
Interior Renovations, Kitchen										
Mailbox Clusters Replacement										
Paint Exteriors, Clubhouse			10,856							
Paint Exteriors, Common Buildings		20,618								
Paint/Waterproof Bldg. Exteriors		479,712								
Pavers, Parking/Drives, Allowance										
Pool & Spa Equipment Allowance			16,000							
Pool Deck Concrete Pavers		60,064								
Pool Deck Fencing & Gates		18,600								
Pool Deck Furniture			26,450							
Pool Electrical Panels										
Pool Heaters, Geothermal			52,295							
Pool Interior Resurfacing & Tile	36,841									
Restroom Interiors, Clubhouse	38,805									
Roofing, Tile, Common Buildings							344,634			
Roofing, Tile, Repair Allowance										100,000
Roofing, Tile, Residential					2,827,770					
Seawall Restoration										1,006,492

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Expenditures - Items

Description	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Spa Interior Resurfacing									3,680	
Tennis Court Fencing & Gates			10,829							
Tennis Court Restoration, Clay	4,680		4,680		4,680		4,680		4,680	
	90,976	704,564	121,110	71,190	2,884,852		593,863	633,968	34,880	1,118,518

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Expenditures - Items

Description	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Carpeting, Social Room			7,177							
Catwalks Resurfacing, Res. Buildings										
Concrete Paving, Storage Bldg. Allowance						12,026				
Concrete Restoration, Railings										
Concrete Sidewalks, Curbing, Gutters	45,225						45,225			
Elevator Cab Interiors							6,500			
Elevator Hydraulic Oil Line Repair Fund										
Elevator Modernization, Hydraulic		1,483,032								
Fire Alarm System Modernization										
Fitness Equipment Allowance						42,500				
Flooring, Carpet, Fitness Room									5,220	
Gates & Operators, Barrier										
HVAC Split Units	10,650								21,300	
Interior Renovations, Clubhouse			32,500							
Interior Renovations, Common Areas									16,664	
Interior Renovations, Kitchen										
Mailbox Clusters Replacement							52,200			
Paint Exteriors, Clubhouse			10,856							
Paint Exteriors, Common Buildings		20,618								
Paint/Waterproof Bldg. Exteriors		479,712								
Pavers, Parking/Drives, Allowance							413,211			
Pool & Spa Equipment Allowance					16,000					
Pool Deck Concrete Pavers										
Pool Deck Fencing & Gates										
Pool Deck Furniture					26,450					
Pool Electrical Panels							10,000			
Pool Heaters, Geothermal							52,295			
Pool Interior Resurfacing & Tile			36,841							
Restroom Interiors, Clubhouse										
Roofing, Tile, Common Buildings										
Roofing, Tile, Repair Allowance										100,000
Roofing, Tile, Residential										
Seawall Restoration										

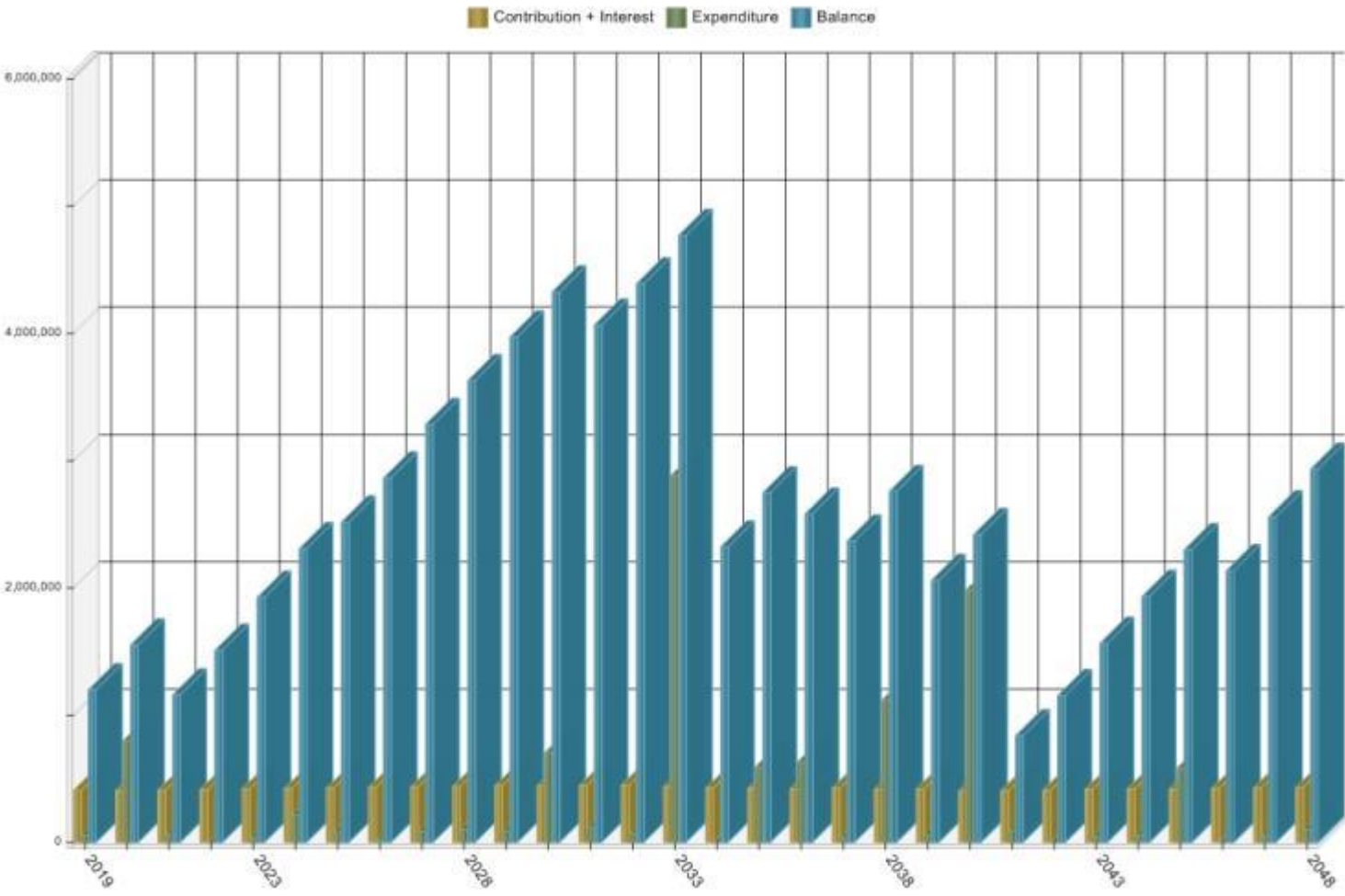
Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Expenditures - Items

Description	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Spa Interior Resurfacing									3,680	
Tennis Court Fencing & Gates										
Tennis Court Restoration, Clay	4,680		4,680		4,680		4,680		4,680	
	60,555	1,983,362	92,054		47,130	54,526	584,111		51,544	100,000

Harbour Isle At Hutchinson Island East, CA, Inc.
Analysis Date - January 1, 2019



Cash Flow - Chart

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Cash Flow - Annual

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/19 - 12/19	\$ 1,200,000.00	\$ 394,200.00	\$ 16,947.14	\$ 57,780.00	\$ 1,553,367.14
01/20 - 12/20	1,553,367.14	394,200.00	12,435.83	799,406.16	1,160,596.81
01/21 - 12/21	1,160,596.81	394,200.00	16,331.79	60,761.00	1,510,367.60
01/22 - 12/22	1,510,367.60	394,200.00	21,460.93	0.00	1,926,028.53
01/23 - 12/23	1,926,028.53	394,200.00	26,238.72	37,180.00	2,309,287.25
01/24 - 12/24	2,309,287.25	394,200.00	28,917.56	214,800.00	2,517,604.81
01/25 - 12/25	2,517,604.81	394,200.00	33,153.46	80,557.26	2,864,401.01
01/26 - 12/26	2,864,401.01	394,200.00	38,401.99	12,026.00	3,284,977.00
01/27 - 12/27	3,284,977.00	394,200.00	42,703.42	91,523.00	3,630,357.42
01/28 - 12/28	3,630,357.42	394,200.00	46,908.65	100,000.00	3,971,466.07
	\$ 1,200,000.00	\$ 3,942,000.00	\$ 283,499.49	\$ 1,454,033.42	\$ 3,971,466.07

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/29 - 12/29	3,971,466.07	394,200.00	51,653.44	90,976.67	4,326,342.84
01/30 - 12/30	4,326,342.84	394,200.00	49,449.66	704,564.32	4,065,428.18
01/31 - 12/31	4,065,428.18	394,200.00	52,505.67	121,110.00	4,391,023.85
01/32 - 12/32	4,391,023.85	394,200.00	56,881.85	71,190.00	4,770,915.70
01/33 - 12/33	4,770,915.70	394,200.00	42,562.85	2,884,852.26	2,322,826.29
01/34 - 12/34	2,322,826.29	394,200.00	31,675.05	0.00	2,748,701.34
01/35 - 12/35	2,748,701.34	394,200.00	31,686.91	593,863.60	2,580,724.65
01/36 - 12/36	2,580,724.65	394,200.00	27,281.15	633,968.64	2,368,237.16
01/37 - 12/37	2,368,237.16	394,200.00	31,860.54	34,880.00	2,759,417.70
01/38 - 12/38	2,759,417.70	394,200.00	23,754.41	1,118,518.50	2,058,853.61
	\$ 3,971,466.07	\$ 3,942,000.00	\$ 399,311.53	\$ 6,253,923.99	\$ 2,058,853.61

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/39 - 12/39	2,058,853.61	394,200.00	27,627.04	60,555.00	2,420,125.65
01/40 - 12/40	2,420,125.65	394,200.00	9,008.61	1,983,362.96	839,971.30
01/41 - 12/41	839,971.30	394,200.00	12,271.73	92,054.33	1,154,388.70
01/42 - 12/42	1,154,388.70	394,200.00	16,985.62	0.00	1,565,574.32
01/43 - 12/43	1,565,574.32	394,200.00	21,671.36	47,130.00	1,934,315.68
01/44 - 12/44	1,934,315.68	394,200.00	26,197.18	54,526.00	2,300,186.86
01/45 - 12/45	2,300,186.86	394,200.00	24,629.59	584,111.15	2,134,905.30
01/46 - 12/46	2,134,905.30	394,200.00	29,312.52	0.00	2,558,417.82
01/47 - 12/47	2,558,417.82	394,200.00	34,050.75	51,544.00	2,935,124.57
01/48 - 12/48	2,935,124.57	394,200.00	38,168.27	100,000.00	3,267,492.84
	\$ 2,058,853.61	\$ 3,942,000.00	\$ 239,922.67	\$ 2,973,283.44	\$ 3,267,492.84

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Cash Flow - Monthly

2019	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	1,200,000.00	33,500.00	1,245.69	41,780.00	1,192,965.69
February	1,192,965.69	33,500.00	1,260.12	0.00	1,227,725.81
March	1,227,725.81	33,500.00	1,296.33	0.00	1,262,522.14
April	1,262,522.14	33,500.00	1,332.58	0.00	1,297,354.72
May	1,297,354.72	33,500.00	1,368.86	0.00	1,332,223.58
June	1,332,223.58	33,500.00	1,396.85	16,000.00	1,351,120.43
July	1,351,120.43	33,500.00	1,424.87	0.00	1,386,045.30
August	1,386,045.30	33,500.00	1,461.25	0.00	1,421,006.55
September	1,421,006.55	33,500.00	1,497.66	0.00	1,456,004.21
October	1,456,004.21	33,500.00	1,534.12	0.00	1,491,038.33
November	1,491,038.33	33,500.00	1,570.61	0.00	1,526,108.94
December	1,526,108.94	33,500.00	1,607.14	0.00	1,561,216.08
	\$ 1,200,000.00	\$ 402,000.00	\$ 16,996.08	\$ 57,780.00	\$ 1,561,216.08

2020	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	1,561,216.08	33,500.00	1,233.62	787,380.16	808,569.54
February	808,569.54	33,500.00	859.71	0.00	842,929.25
March	842,929.25	33,500.00	895.50	0.00	877,324.75
April	877,324.75	33,500.00	931.33	0.00	911,756.08
May	911,756.08	33,500.00	967.19	0.00	946,223.27
June	946,223.27	33,500.00	996.83	12,026.00	968,694.10
July	968,694.10	33,500.00	1,026.50	0.00	1,003,220.60
August	1,003,220.60	33,500.00	1,062.47	0.00	1,037,783.07
September	1,037,783.07	33,500.00	1,098.47	0.00	1,072,381.54
October	1,072,381.54	33,500.00	1,134.51	0.00	1,107,016.05
November	1,107,016.05	33,500.00	1,170.59	0.00	1,141,686.64
December	1,141,686.64	33,500.00	1,206.70	0.00	1,176,393.34
	\$ 1,561,216.08	\$ 402,000.00	\$ 12,583.42	\$ 799,406.16	\$ 1,176,393.34

2021	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	1,176,393.34	33,500.00	1,211.21	60,761.00	1,150,343.55
February	1,150,343.55	33,500.00	1,215.72	0.00	1,185,059.27
March	1,185,059.27	33,500.00	1,251.88	0.00	1,219,811.15
April	1,219,811.15	33,500.00	1,288.08	0.00	1,254,599.23
May	1,254,599.23	33,500.00	1,324.32	0.00	1,289,423.55
June	1,289,423.55	33,500.00	1,360.60	0.00	1,324,284.15
July	1,324,284.15	33,500.00	1,396.91	0.00	1,359,181.06
August	1,359,181.06	33,500.00	1,433.26	0.00	1,394,114.32
September	1,394,114.32	33,500.00	1,469.65	0.00	1,429,083.97
October	1,429,083.97	33,500.00	1,506.08	0.00	1,464,090.05
November	1,464,090.05	33,500.00	1,542.54	0.00	1,499,132.59
December	1,499,132.59	33,500.00	1,579.04	0.00	1,534,211.63
	\$ 1,176,393.34	\$ 402,000.00	\$ 16,579.29	\$ 60,761.00	\$ 1,534,211.63

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Cash Flow - Monthly

2022	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	1,534,211.63	33,500.00	1,615.59	0.00	1,569,327.22
February	1,569,327.22	33,500.00	1,652.16	0.00	1,604,479.38
March	1,604,479.38	33,500.00	1,688.78	0.00	1,639,668.16
April	1,639,668.16	33,500.00	1,725.44	0.00	1,674,893.60
May	1,674,893.60	33,500.00	1,762.13	0.00	1,710,155.73
June	1,710,155.73	33,500.00	1,798.86	0.00	1,745,454.59
July	1,745,454.59	33,500.00	1,835.63	0.00	1,780,790.22
August	1,780,790.22	33,500.00	1,872.44	0.00	1,816,162.66
September	1,816,162.66	33,500.00	1,909.28	0.00	1,851,571.94
October	1,851,571.94	33,500.00	1,946.17	0.00	1,887,018.11
November	1,887,018.11	33,500.00	1,983.09	0.00	1,922,501.20
December	1,922,501.20	33,500.00	2,020.05	0.00	1,958,021.25
	\$ 1,534,211.63	\$ 402,000.00	\$ 21,809.62	\$ 0.00	\$ 1,958,021.25

2023	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	1,958,021.25	33,500.00	2,037.69	37,180.00	1,956,378.94
February	1,956,378.94	33,500.00	2,055.34	0.00	1,991,934.28
March	1,991,934.28	33,500.00	2,092.38	0.00	2,027,526.66
April	2,027,526.66	33,500.00	2,129.45	0.00	2,063,156.11
May	2,063,156.11	33,500.00	2,166.57	0.00	2,098,822.68
June	2,098,822.68	33,500.00	2,203.72	0.00	2,134,526.40
July	2,134,526.40	33,500.00	2,240.91	0.00	2,170,267.31
August	2,170,267.31	33,500.00	2,278.14	0.00	2,206,045.45
September	2,206,045.45	33,500.00	2,315.41	0.00	2,241,860.86
October	2,241,860.86	33,500.00	2,352.72	0.00	2,277,713.58
November	2,277,713.58	33,500.00	2,390.07	0.00	2,313,603.65
December	2,313,603.65	33,500.00	2,427.45	0.00	2,349,531.10
	\$ 1,958,021.25	\$ 402,000.00	\$ 26,689.85	\$ 37,180.00	\$ 2,349,531.10

2024	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	2,349,531.10	33,500.00	2,353.00	214,800.00	2,170,584.10
February	2,170,584.10	33,500.00	2,278.47	0.00	2,206,362.57
March	2,206,362.57	33,500.00	2,315.74	0.00	2,242,178.31
April	2,242,178.31	33,500.00	2,353.05	0.00	2,278,031.36
May	2,278,031.36	33,500.00	2,390.40	0.00	2,313,921.76
June	2,313,921.76	33,500.00	2,427.78	0.00	2,349,849.54
July	2,349,849.54	33,500.00	2,465.21	0.00	2,385,814.75
August	2,385,814.75	33,500.00	2,502.67	0.00	2,421,817.42
September	2,421,817.42	33,500.00	2,540.17	0.00	2,457,857.59
October	2,457,857.59	33,500.00	2,577.72	0.00	2,493,935.31
November	2,493,935.31	33,500.00	2,615.30	0.00	2,530,050.61
December	2,530,050.61	33,500.00	2,652.92	0.00	2,566,203.53
	\$ 2,349,531.10	\$ 402,000.00	\$ 29,472.43	\$ 214,800.00	\$ 2,566,203.53

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Cash Flow - Monthly

2025	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	2,566,203.53	33,500.00	2,648.62	80,557.26	2,521,794.89
February	2,521,794.89	33,500.00	2,644.32	0.00	2,557,939.21
March	2,557,939.21	33,500.00	2,681.97	0.00	2,594,121.18
April	2,594,121.18	33,500.00	2,719.66	0.00	2,630,340.84
May	2,630,340.84	33,500.00	2,757.39	0.00	2,666,598.23
June	2,666,598.23	33,500.00	2,795.15	0.00	2,702,893.38
July	2,702,893.38	33,500.00	2,832.96	0.00	2,739,226.34
August	2,739,226.34	33,500.00	2,870.81	0.00	2,775,597.15
September	2,775,597.15	33,500.00	2,908.69	0.00	2,812,005.84
October	2,812,005.84	33,500.00	2,946.62	0.00	2,848,452.46
November	2,848,452.46	33,500.00	2,984.59	0.00	2,884,937.05
December	2,884,937.05	33,500.00	3,022.59	0.00	2,921,459.64
	\$ 2,566,203.53	\$ 402,000.00	\$ 33,813.37	\$ 80,557.26	\$ 2,921,459.64

2026	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	2,921,459.64	33,500.00	3,060.64	0.00	2,958,020.28
February	2,958,020.28	33,500.00	3,098.72	0.00	2,994,619.00
March	2,994,619.00	33,500.00	3,136.84	0.00	3,031,255.84
April	3,031,255.84	33,500.00	3,175.01	0.00	3,067,930.85
May	3,067,930.85	33,500.00	3,213.21	0.00	3,104,644.06
June	3,104,644.06	33,500.00	3,245.19	12,026.00	3,129,363.25
July	3,129,363.25	33,500.00	3,277.20	0.00	3,166,140.45
August	3,166,140.45	33,500.00	3,315.51	0.00	3,202,955.96
September	3,202,955.96	33,500.00	3,353.86	0.00	3,239,809.82
October	3,239,809.82	33,500.00	3,392.25	0.00	3,276,702.07
November	3,276,702.07	33,500.00	3,430.68	0.00	3,313,632.75
December	3,313,632.75	33,500.00	3,469.15	0.00	3,350,601.90
	\$ 2,921,459.64	\$ 402,000.00	\$ 39,168.26	\$ 12,026.00	\$ 3,350,601.90

2027	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	3,350,601.90	33,500.00	3,461.91	87,843.00	3,299,720.81
February	3,299,720.81	33,500.00	3,454.66	0.00	3,336,675.47
March	3,336,675.47	33,500.00	3,493.15	0.00	3,373,668.62
April	3,373,668.62	33,500.00	3,531.69	0.00	3,410,700.31
May	3,410,700.31	33,500.00	3,570.26	0.00	3,447,770.57
June	3,447,770.57	33,500.00	3,608.88	0.00	3,484,879.45
July	3,484,879.45	33,500.00	3,647.53	0.00	3,522,026.98
August	3,522,026.98	33,500.00	3,686.23	0.00	3,559,213.21
September	3,559,213.21	33,500.00	3,724.96	0.00	3,596,438.17
October	3,596,438.17	33,500.00	3,761.82	3,680.00	3,630,019.99
November	3,630,019.99	33,500.00	3,798.72	0.00	3,667,318.71
December	3,667,318.71	33,500.00	3,837.57	0.00	3,704,656.28
	\$ 3,350,601.90	\$ 402,000.00	\$ 43,577.38	\$ 91,523.00	\$ 3,704,656.28

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Cash Flow - Monthly

2028	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	3,704,656.28	33,500.00	3,824.38	100,000.00	3,641,980.66
February	3,641,980.66	33,500.00	3,811.18	0.00	3,679,291.84
March	3,679,291.84	33,500.00	3,850.04	0.00	3,716,641.88
April	3,716,641.88	33,500.00	3,888.95	0.00	3,754,030.83
May	3,754,030.83	33,500.00	3,927.90	0.00	3,791,458.73
June	3,791,458.73	33,500.00	3,966.88	0.00	3,828,925.61
July	3,828,925.61	33,500.00	4,005.91	0.00	3,866,431.52
August	3,866,431.52	33,500.00	4,044.98	0.00	3,903,976.50
September	3,903,976.50	33,500.00	4,084.09	0.00	3,941,560.59
October	3,941,560.59	33,500.00	4,123.24	0.00	3,979,183.83
November	3,979,183.83	33,500.00	4,162.43	0.00	4,016,846.26
December	4,016,846.26	33,500.00	4,201.66	0.00	4,054,547.92
	\$ 3,704,656.28	\$ 402,000.00	\$ 47,891.64	\$ 100,000.00	\$ 4,054,547.92

2029	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	4,054,547.92	33,500.00	4,212.74	54,135.60	4,038,125.06
February	4,038,125.06	33,500.00	4,223.83	0.00	4,075,848.89
March	4,075,848.89	33,500.00	4,263.12	0.00	4,113,612.01
April	4,113,612.01	33,500.00	4,302.46	0.00	4,151,414.47
May	4,151,414.47	33,500.00	4,341.84	0.00	4,189,256.31
June	4,189,256.31	33,500.00	4,381.26	0.00	4,227,137.57
July	4,227,137.57	33,500.00	4,420.72	0.00	4,265,058.29
August	4,265,058.29	33,500.00	4,460.22	0.00	4,303,018.51
September	4,303,018.51	33,500.00	4,499.76	0.00	4,341,018.27
October	4,341,018.27	33,500.00	4,520.15	36,841.07	4,342,197.35
November	4,342,197.35	33,500.00	4,540.57	0.00	4,380,237.92
December	4,380,237.92	33,500.00	4,580.20	0.00	4,418,318.12
	\$ 4,054,547.92	\$ 402,000.00	\$ 52,746.87	\$ 90,976.67	\$ 4,418,318.12

2030	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	4,418,318.12	33,500.00	4,359.27	500,330.96	3,955,846.43
February	3,955,846.43	33,500.00	4,138.12	0.00	3,993,484.55
March	3,993,484.55	33,500.00	4,177.33	0.00	4,031,161.88
April	4,031,161.88	33,500.00	4,216.57	0.00	4,068,878.45
May	4,068,878.45	33,500.00	4,255.86	0.00	4,106,634.31
June	4,106,634.31	33,500.00	4,188.82	204,233.36	3,940,089.77
July	3,940,089.77	33,500.00	4,121.71	0.00	3,977,711.48
August	3,977,711.48	33,500.00	4,160.90	0.00	4,015,372.38
September	4,015,372.38	33,500.00	4,200.13	0.00	4,053,072.51
October	4,053,072.51	33,500.00	4,239.40	0.00	4,090,811.91
November	4,090,811.91	33,500.00	4,278.71	0.00	4,128,590.62
December	4,128,590.62	33,500.00	4,318.06	0.00	4,166,408.68
	\$ 4,418,318.12	\$ 402,000.00	\$ 50,654.88	\$ 704,564.32	\$ 4,166,408.68

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Cash Flow - Monthly

2031	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	4,166,408.68	33,500.00	4,335.59	41,986.00	4,162,258.27
February	4,162,258.27	33,500.00	4,353.13	0.00	4,200,111.40
March	4,200,111.40	33,500.00	4,386.92	10,829.00	4,227,169.32
April	4,227,169.32	33,500.00	4,420.75	0.00	4,265,090.07
May	4,265,090.07	33,500.00	4,460.25	0.00	4,303,050.32
June	4,303,050.32	33,500.00	4,464.22	68,295.00	4,272,719.54
July	4,272,719.54	33,500.00	4,468.20	0.00	4,310,687.74
August	4,310,687.74	33,500.00	4,507.75	0.00	4,348,695.49
September	4,348,695.49	33,500.00	4,547.34	0.00	4,386,742.83
October	4,386,742.83	33,500.00	4,586.97	0.00	4,424,829.80
November	4,424,829.80	33,500.00	4,626.65	0.00	4,462,956.45
December	4,462,956.45	33,500.00	4,666.36	0.00	4,501,122.81
	\$ 4,166,408.68	\$ 402,000.00	\$ 53,824.13	\$ 121,110.00	\$ 4,501,122.81

2032	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	4,501,122.81	33,500.00	4,675.30	59,164.00	4,480,134.11
February	4,480,134.11	33,500.00	4,684.25	0.00	4,518,318.36
March	4,518,318.36	33,500.00	4,724.03	0.00	4,556,542.39
April	4,556,542.39	33,500.00	4,763.85	0.00	4,594,806.24
May	4,594,806.24	33,500.00	4,803.70	0.00	4,633,109.94
June	4,633,109.94	33,500.00	4,837.34	12,026.00	4,659,421.28
July	4,659,421.28	33,500.00	4,871.01	0.00	4,697,792.29
August	4,697,792.29	33,500.00	4,910.98	0.00	4,736,203.27
September	4,736,203.27	33,500.00	4,950.99	0.00	4,774,654.26
October	4,774,654.26	33,500.00	4,991.05	0.00	4,813,145.31
November	4,813,145.31	33,500.00	5,031.14	0.00	4,851,676.45
December	4,851,676.45	33,500.00	5,071.28	0.00	4,890,247.73
	\$ 4,501,122.81	\$ 402,000.00	\$ 58,314.92	\$ 71,190.00	\$ 4,890,247.73

2033	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	4,890,247.73	33,500.00	5,081.73	57,082.26	4,871,747.20
February	4,871,747.20	33,500.00	5,092.18	0.00	4,910,339.38
March	4,910,339.38	33,500.00	5,132.38	0.00	4,948,971.76
April	4,948,971.76	33,500.00	5,172.63	0.00	4,987,644.39
May	4,987,644.39	33,500.00	5,212.91	0.00	5,026,357.30
June	5,026,357.30	33,500.00	3,780.44	2,827,770.00	2,235,867.74
July	2,235,867.74	33,500.00	2,346.48	0.00	2,271,714.22
August	2,271,714.22	33,500.00	2,383.82	0.00	2,307,598.04
September	2,307,598.04	33,500.00	2,421.20	0.00	2,343,519.24
October	2,343,519.24	33,500.00	2,458.61	0.00	2,379,477.85
November	2,379,477.85	33,500.00	2,496.07	0.00	2,415,473.92
December	2,415,473.92	33,500.00	2,533.57	0.00	2,451,507.49
	\$ 4,890,247.73	\$ 402,000.00	\$ 44,112.02	\$ 2,884,852.26	\$ 2,451,507.49

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Cash Flow - Monthly

2034	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	2,451,507.49	33,500.00	2,571.10	0.00	2,487,578.59
February	2,487,578.59	33,500.00	2,608.68	0.00	2,523,687.27
March	2,523,687.27	33,500.00	2,646.29	0.00	2,559,833.56
April	2,559,833.56	33,500.00	2,683.94	0.00	2,596,017.50
May	2,596,017.50	33,500.00	2,721.63	0.00	2,632,239.13
June	2,632,239.13	33,500.00	2,759.36	0.00	2,668,498.49
July	2,668,498.49	33,500.00	2,797.13	0.00	2,704,795.62
August	2,704,795.62	33,500.00	2,834.94	0.00	2,741,130.56
September	2,741,130.56	33,500.00	2,872.79	0.00	2,777,503.35
October	2,777,503.35	33,500.00	2,910.68	0.00	2,813,914.03
November	2,813,914.03	33,500.00	2,948.61	0.00	2,850,362.64
December	2,850,362.64	33,500.00	2,986.58	0.00	2,886,849.22
	\$ 2,451,507.49	\$ 402,000.00	\$ 33,341.73	\$ 0.00	\$ 2,886,849.22

2035	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	2,886,849.22	33,500.00	2,894.78	249,229.20	2,674,014.80
February	2,674,014.80	33,500.00	2,802.88	0.00	2,710,317.68
March	2,710,317.68	33,500.00	2,840.70	0.00	2,746,658.38
April	2,746,658.38	33,500.00	2,878.55	0.00	2,783,036.93
May	2,783,036.93	33,500.00	2,916.44	0.00	2,819,453.37
June	2,819,453.37	33,500.00	2,774.88	344,634.40	2,511,093.85
July	2,511,093.85	33,500.00	2,633.17	0.00	2,547,227.02
August	2,547,227.02	33,500.00	2,670.81	0.00	2,583,397.83
September	2,583,397.83	33,500.00	2,708.49	0.00	2,619,606.32
October	2,619,606.32	33,500.00	2,746.20	0.00	2,655,852.52
November	2,655,852.52	33,500.00	2,783.96	0.00	2,692,136.48
December	2,692,136.48	33,500.00	2,821.76	0.00	2,728,458.24
	\$ 2,886,849.22	\$ 402,000.00	\$ 33,472.62	\$ 593,863.60	\$ 2,728,458.24

2036	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	2,728,458.24	33,500.00	2,529.40	633,968.64	2,130,519.00
February	2,130,519.00	33,500.00	2,236.74	0.00	2,166,255.74
March	2,166,255.74	33,500.00	2,273.96	0.00	2,202,029.70
April	2,202,029.70	33,500.00	2,311.23	0.00	2,237,840.93
May	2,237,840.93	33,500.00	2,348.53	0.00	2,273,689.46
June	2,273,689.46	33,500.00	2,385.87	0.00	2,309,575.33
July	2,309,575.33	33,500.00	2,423.26	0.00	2,345,498.59
August	2,345,498.59	33,500.00	2,460.68	0.00	2,381,459.27
September	2,381,459.27	33,500.00	2,498.13	0.00	2,417,457.40
October	2,417,457.40	33,500.00	2,535.63	0.00	2,453,493.03
November	2,453,493.03	33,500.00	2,573.17	0.00	2,489,566.20
December	2,489,566.20	33,500.00	2,610.75	0.00	2,525,676.95
	\$ 2,728,458.24	\$ 402,000.00	\$ 29,187.35	\$ 633,968.64	\$ 2,525,676.95

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Cash Flow - Monthly

2037	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	2,525,676.95	33,500.00	2,632.11	31,200.00	2,530,609.06
February	2,530,609.06	33,500.00	2,653.50	0.00	2,566,762.56
March	2,566,762.56	33,500.00	2,691.16	0.00	2,602,953.72
April	2,602,953.72	33,500.00	2,728.86	0.00	2,639,182.58
May	2,639,182.58	33,500.00	2,766.60	0.00	2,675,449.18
June	2,675,449.18	33,500.00	2,804.37	0.00	2,711,753.55
July	2,711,753.55	33,500.00	2,842.19	0.00	2,748,095.74
August	2,748,095.74	33,500.00	2,880.05	0.00	2,784,475.79
September	2,784,475.79	33,500.00	2,917.94	0.00	2,820,893.73
October	2,820,893.73	33,500.00	2,953.96	3,680.00	2,853,667.69
November	2,853,667.69	33,500.00	2,990.02	0.00	2,890,157.71
December	2,890,157.71	33,500.00	3,028.03	0.00	2,926,685.74
	\$ 2,525,676.95	\$ 402,000.00	\$ 33,888.79	\$ 34,880.00	\$ 2,926,685.74

2038	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	2,926,685.74	33,500.00	2,297.64	1,475,400.00	1,487,083.38
February	1,487,083.38	33,500.00	1,566.49	0.00	1,522,149.87
March	1,522,149.87	33,500.00	1,603.02	0.00	1,557,252.89
April	1,557,252.89	33,500.00	1,639.59	0.00	1,592,392.48
May	1,592,392.48	33,500.00	1,676.19	0.00	1,627,568.67
June	1,627,568.67	33,500.00	1,706.57	12,026.00	1,650,749.24
July	1,650,749.24	33,500.00	1,736.98	0.00	1,685,986.22
August	1,685,986.22	33,500.00	1,773.68	0.00	1,721,259.90
September	1,721,259.90	33,500.00	1,810.43	0.00	1,756,570.33
October	1,756,570.33	33,500.00	1,847.21	0.00	1,791,917.54
November	1,791,917.54	33,500.00	1,884.03	0.00	1,827,301.57
December	1,827,301.57	33,500.00	1,920.89	0.00	1,862,722.46
	\$ 2,926,685.74	\$ 402,000.00	\$ 21,462.72	\$ 1,487,426.00	\$ 1,862,722.46

2039	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	1,862,722.46	33,500.00	1,926.24	60,555.00	1,837,593.70
February	1,837,593.70	33,500.00	1,931.61	0.00	1,873,025.31
March	1,873,025.31	33,500.00	1,968.52	0.00	1,908,493.83
April	1,908,493.83	33,500.00	2,005.46	0.00	1,943,999.29
May	1,943,999.29	33,500.00	2,042.45	0.00	1,979,541.74
June	1,979,541.74	33,500.00	2,079.47	0.00	2,015,121.21
July	2,015,121.21	33,500.00	2,116.53	0.00	2,050,737.74
August	2,050,737.74	33,500.00	2,153.63	0.00	2,086,391.37
September	2,086,391.37	33,500.00	2,190.77	0.00	2,122,082.14
October	2,122,082.14	33,500.00	2,227.95	0.00	2,157,810.09
November	2,157,810.09	33,500.00	2,265.17	0.00	2,193,575.26
December	2,193,575.26	33,500.00	2,302.42	0.00	2,229,377.68
	\$ 1,862,722.46	\$ 402,000.00	\$ 25,210.22	\$ 60,555.00	\$ 2,229,377.68

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Cash Flow - Monthly

2040	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	2,229,377.68	33,500.00	1,306.71	1,983,362.96	280,821.43
February	280,821.43	33,500.00	309.97	0.00	314,631.40
March	314,631.40	33,500.00	345.19	0.00	348,476.59
April	348,476.59	33,500.00	380.44	0.00	382,357.03
May	382,357.03	33,500.00	415.74	0.00	416,272.77
June	416,272.77	33,500.00	451.07	0.00	450,223.84
July	450,223.84	33,500.00	486.43	0.00	484,210.27
August	484,210.27	33,500.00	521.83	0.00	518,232.10
September	518,232.10	33,500.00	557.27	0.00	552,289.37
October	552,289.37	33,500.00	592.75	0.00	586,382.12
November	586,382.12	33,500.00	628.26	0.00	620,510.38
December	620,510.38	33,500.00	663.81	0.00	654,674.19
	\$ 2,229,377.68	\$ 402,000.00	\$ 6,659.47	\$ 1,983,362.96	\$ 654,674.19

2041	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	654,674.19	33,500.00	670.64	55,213.26	633,631.57
February	633,631.57	33,500.00	677.48	0.00	667,809.05
March	667,809.05	33,500.00	713.08	0.00	702,022.13
April	702,022.13	33,500.00	748.72	0.00	736,270.85
May	736,270.85	33,500.00	784.40	0.00	770,555.25
June	770,555.25	33,500.00	820.11	0.00	804,875.36
July	804,875.36	33,500.00	855.86	0.00	839,231.22
August	839,231.22	33,500.00	891.65	0.00	873,622.87
September	873,622.87	33,500.00	927.47	0.00	908,050.34
October	908,050.34	33,500.00	944.15	36,841.07	905,653.42
November	905,653.42	33,500.00	960.84	0.00	940,114.26
December	940,114.26	33,500.00	996.73	0.00	974,610.99
	\$ 654,674.19	\$ 402,000.00	\$ 9,991.13	\$ 92,054.33	\$ 974,610.99

2042	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	974,610.99	33,500.00	1,032.67	0.00	1,009,143.66
February	1,009,143.66	33,500.00	1,068.64	0.00	1,043,712.30
March	1,043,712.30	33,500.00	1,104.65	0.00	1,078,316.95
April	1,078,316.95	33,500.00	1,140.69	0.00	1,112,957.64
May	1,112,957.64	33,500.00	1,176.78	0.00	1,147,634.42
June	1,147,634.42	33,500.00	1,212.90	0.00	1,182,347.32
July	1,182,347.32	33,500.00	1,249.06	0.00	1,217,096.38
August	1,217,096.38	33,500.00	1,285.26	0.00	1,251,881.64
September	1,251,881.64	33,500.00	1,321.49	0.00	1,286,703.13
October	1,286,703.13	33,500.00	1,357.76	0.00	1,321,560.89
November	1,321,560.89	33,500.00	1,394.07	0.00	1,356,454.96
December	1,356,454.96	33,500.00	1,430.42	0.00	1,391,385.38
	\$ 974,610.99	\$ 402,000.00	\$ 14,774.39	\$ 0.00	\$ 1,391,385.38

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Cash Flow - Monthly

2043	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	1,391,385.38	33,500.00	1,450.59	31,130.00	1,395,205.97
February	1,395,205.97	33,500.00	1,470.79	0.00	1,430,176.76
March	1,430,176.76	33,500.00	1,507.22	0.00	1,465,183.98
April	1,465,183.98	33,500.00	1,543.68	0.00	1,500,227.66
May	1,500,227.66	33,500.00	1,580.19	0.00	1,535,307.85
June	1,535,307.85	33,500.00	1,608.39	16,000.00	1,554,416.24
July	1,554,416.24	33,500.00	1,636.63	0.00	1,589,552.87
August	1,589,552.87	33,500.00	1,673.23	0.00	1,624,726.10
September	1,624,726.10	33,500.00	1,709.87	0.00	1,659,935.97
October	1,659,935.97	33,500.00	1,746.55	0.00	1,695,182.52
November	1,695,182.52	33,500.00	1,783.26	0.00	1,730,465.78
December	1,730,465.78	33,500.00	1,820.02	0.00	1,765,785.80
	\$ 1,391,385.38	\$ 402,000.00	\$ 19,530.42	\$ 47,130.00	\$ 1,765,785.80

2044	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	1,765,785.80	33,500.00	1,834.67	42,500.00	1,758,620.47
February	1,758,620.47	33,500.00	1,849.34	0.00	1,793,969.81
March	1,793,969.81	33,500.00	1,886.17	0.00	1,829,355.98
April	1,829,355.98	33,500.00	1,923.03	0.00	1,864,779.01
May	1,864,779.01	33,500.00	1,959.93	0.00	1,900,238.94
June	1,900,238.94	33,500.00	1,990.60	12,026.00	1,923,703.54
July	1,923,703.54	33,500.00	2,021.31	0.00	1,959,224.85
August	1,959,224.85	33,500.00	2,058.31	0.00	1,994,783.16
September	1,994,783.16	33,500.00	2,095.35	0.00	2,030,378.51
October	2,030,378.51	33,500.00	2,132.43	0.00	2,066,010.94
November	2,066,010.94	33,500.00	2,169.54	0.00	2,101,680.48
December	2,101,680.48	33,500.00	2,206.70	0.00	2,137,387.18
	\$ 1,765,785.80	\$ 402,000.00	\$ 24,127.38	\$ 54,526.00	\$ 2,137,387.18

2045	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	2,137,387.18	33,500.00	1,966.91	531,816.15	1,641,037.94
February	1,641,037.94	33,500.00	1,726.86	0.00	1,676,264.80
March	1,676,264.80	33,500.00	1,763.56	0.00	1,711,528.36
April	1,711,528.36	33,500.00	1,800.29	0.00	1,746,828.65
May	1,746,828.65	33,500.00	1,837.06	0.00	1,782,165.71
June	1,782,165.71	33,500.00	1,846.63	52,295.00	1,765,217.34
July	1,765,217.34	33,500.00	1,856.22	0.00	1,800,573.56
August	1,800,573.56	33,500.00	1,893.05	0.00	1,835,966.61
September	1,835,966.61	33,500.00	1,929.91	0.00	1,871,396.52
October	1,871,396.52	33,500.00	1,966.82	0.00	1,906,863.34
November	1,906,863.34	33,500.00	2,003.76	0.00	1,942,367.10
December	1,942,367.10	33,500.00	2,040.75	0.00	1,977,907.85
	\$ 2,137,387.18	\$ 402,000.00	\$ 22,631.82	\$ 584,111.15	\$ 1,977,907.85

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Cash Flow - Monthly

2046	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	1,977,907.85	33,500.00	2,077.77	0.00	2,013,485.62
February	2,013,485.62	33,500.00	2,114.83	0.00	2,049,100.45
March	2,049,100.45	33,500.00	2,151.93	0.00	2,084,752.38
April	2,084,752.38	33,500.00	2,189.06	0.00	2,120,441.44
May	2,120,441.44	33,500.00	2,226.24	0.00	2,156,167.68
June	2,156,167.68	33,500.00	2,263.46	0.00	2,191,931.14
July	2,191,931.14	33,500.00	2,300.71	0.00	2,227,731.85
August	2,227,731.85	33,500.00	2,338.00	0.00	2,263,569.85
September	2,263,569.85	33,500.00	2,375.33	0.00	2,299,445.18
October	2,299,445.18	33,500.00	2,412.70	0.00	2,335,357.88
November	2,335,357.88	33,500.00	2,450.11	0.00	2,371,307.99
December	2,371,307.99	33,500.00	2,487.56	0.00	2,407,295.55
	\$ 1,977,907.85	\$ 402,000.00	\$ 27,387.70	\$ 0.00	\$ 2,407,295.55

2047	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	2,407,295.55	33,500.00	2,500.12	47,864.00	2,395,431.67
February	2,395,431.67	33,500.00	2,512.69	0.00	2,431,444.36
March	2,431,444.36	33,500.00	2,550.20	0.00	2,467,494.56
April	2,467,494.56	33,500.00	2,587.75	0.00	2,503,582.31
May	2,503,582.31	33,500.00	2,625.35	0.00	2,539,707.66
June	2,539,707.66	33,500.00	2,662.98	0.00	2,575,870.64
July	2,575,870.64	33,500.00	2,700.65	0.00	2,612,071.29
August	2,612,071.29	33,500.00	2,738.36	0.00	2,648,309.65
September	2,648,309.65	33,500.00	2,776.10	0.00	2,684,585.75
October	2,684,585.75	33,500.00	2,811.97	3,680.00	2,717,217.72
November	2,717,217.72	33,500.00	2,847.88	0.00	2,753,565.60
December	2,753,565.60	33,500.00	2,885.75	0.00	2,789,951.35
	\$ 2,407,295.55	\$ 402,000.00	\$ 32,199.80	\$ 51,544.00	\$ 2,789,951.35

2048	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	2,789,951.35	33,500.00	2,871.56	100,000.00	2,726,322.91
February	2,726,322.91	33,500.00	2,857.37	0.00	2,762,680.28
March	2,762,680.28	33,500.00	2,895.24	0.00	2,799,075.52
April	2,799,075.52	33,500.00	2,933.15	0.00	2,835,508.67
May	2,835,508.67	33,500.00	2,971.10	0.00	2,871,979.77
June	2,871,979.77	33,500.00	3,009.09	0.00	2,908,488.86
July	2,908,488.86	33,500.00	3,047.12	0.00	2,945,035.98
August	2,945,035.98	33,500.00	3,085.19	0.00	2,981,621.17
September	2,981,621.17	33,500.00	3,123.30	0.00	3,018,244.47
October	3,018,244.47	33,500.00	3,161.45	0.00	3,054,905.92
November	3,054,905.92	33,500.00	3,199.64	0.00	3,091,605.56
December	3,091,605.56	33,500.00	3,237.87	0.00	3,128,343.43
	\$ 2,789,951.35	\$ 402,000.00	\$ 36,392.08	\$ 100,000.00	\$ 3,128,343.43

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Supplementary Information on Future Major Repairs and Replacements

Components by Category	Estimated Remaining Useful Lives Life YY:MM	Estimated Current Replacement Cost	2019 Funding Requirement	Components of Fund Balance at 12/31/2018
Buildings				
Concrete Restoration, Railings	17:00	\$ 633,969	\$ 23,110	\$ 34,172
		\$ 633,969	\$ 23,110	\$ 34,172
Common Area Interiors				
Carpeting, Social Room	6:00	7,177	981	223
Elevator Cab Interiors	6:00	6,500	355	566
Fitness Equipment Allowance	1:00	42,500	3,098	39,667
Flooring, Carpet, Fitness Room	8:00	5,220	571	130
Interior Renovations, Clubhouse	4:00	32,500	1,975	3,144
Interior Renovations, Common Areas	1:00 -13:00	21,663	1,579	4,942
Interior Renovations, Kitchen	8:00	11,418	568	904
Restroom Interiors, Clubhouse	10:00	38,806	1,768	2,816
		165,784	10,895	52,392
Mechanical/Electrical				
Elevator Hydraulic Oil Line Repair Fund	5:00	214,800	46,980	0
Elevator Modernization, Hydraulic	21:00	1,483,032	46,337	73,788
Fire Alarm System Modernization	11:05	125,568	5,493	8,486
HVAC Split Units	0:00 - 8:00	31,950	2,750	11,554
		1,855,350	101,560	93,828
Painting & Waterproofing				
Catwalks Resurfacing, Res. Buildings	1:00	226,800	16,535	211,680
Paint Exteriors, Clubhouse	2:00	10,856	762	1,177
Paint Exteriors, Common Buildings	1:00	20,618	1,601	19,154
Paint/Waterproof Bldg. Exteriors	1:00	479,713	34,973	447,732

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Supplementary Information on Future Major Repairs and Replacements

Components by Category	Estimated Remaining Useful Lives Life YY:MM	Estimated Current Replacement Cost	2019 Funding Requirement	Components of Fund Balance at 12/31/2018
		737,987	53,871	679,743
Pavement				
Concrete Paving, Storage Bldg. Allowance	1:05	\$ 12,026	\$ 912	\$ 1,349
Concrete Sidewalks, Curbing, Gutters	2:00	45,225	3,297	4,875
Pavers, Parking/Drives, Allowance	26:00	413,211	11,297	17,989
		470,462	15,506	24,213
Pool & Spa				
Pool & Spa Equipment Allowance	0:05	16,000	1,250	15,524
Pool Deck Concrete Pavers	11:05	60,064	2,627	4,059
Pool Deck Fencing & Gates	11:05	18,601	814	1,257
Pool Deck Furniture	0:00	26,450	2,066	26,450
Pool Electrical Panels	6:00	10,000	547	871
Pool Heaters, Geothermal	12:05	52,295	4,085	736
Pool Interior Resurfacing & Tile	10:09	36,841	3,357	477
Spa Interior Resurfacing	8:09	3,680	402	57
		223,931	15,148	49,431
Roofs				
Roofing, Tile, Common Buildings	16:05	344,634	12,563	19,410
Roofing, Tile, Repair Allowance	9:00	100,000	10,936	1,244
Roofing, Tile, Residential	14:05	2,827,770	110,442	170,636
		3,272,404	133,941	191,290

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Supplementary Information on Future Major Repairs and Replacements

Components by Category	Estimated Remaining Useful Lives Life YY:MM	Estimated Current Replacement Cost	2019 Funding Requirement	Components of Fund Balance at 12/31/2018
Seawall				
Seawall Restoration	19:00	\$ 1,006,493	\$ 33,354	\$ 53,113
		\$ 1,006,493	\$ 33,354	\$ 53,113
Site Improvements				
Gates & Operators, Barrier	1:00	12,750	930	11,900
Mailbox Clusters Replacement	6:00	52,200	2,854	4,545
		64,950	3,784	16,445
Tennis				
Tennis Court Fencing & Gates	12:02	10,829	474	691
		10,829	474	691
Tennis Courts				
Tennis Court Restoration, Clay	0:00	4,680	2,559	4,680
		4,680	2,559	4,680
		\$ 8,446,839	\$ 394,202	\$ 1,200,000

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Component Funding Analysis - Category

Components by Category	Current Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2019
Buildings	\$ 633,969	30:00	17:00	\$ 34,172	\$ 599,797	\$ 35,282
Common Area Interiors	165,784	8:00 -24:00	1:00 -13:00	52,392	113,392	19,463
Mechanical/Electrical	1,855,350	5:00 -35:00	0:00 -21:00	93,828	1,761,522	123,632
Painting & Waterproofing	737,987	10:00 -15:00	1:00 - 2:00	679,743	58,244	53,404
Pavement	470,462	6:00 -40:00	1:05 -26:00	24,213	446,249	42,913
Pool & Spa	223,931	10:00 -25:00	0:00 -12:05	49,431	174,500	18,928
Roofs	3,272,404	10:00 -30:00	9:00 -16:05	191,290	3,081,114	215,094
Seawall	1,006,493	33:00	19:00	53,113	953,380	50,178
Site Improvements	64,950	15:00 -20:00	1:00 - 6:00	16,445	48,505	8,792
Tennis	10,829	25:00	12:02	691	10,138	833
Tennis Courts	4,680	2:00	0:00	4,680	0	2,340
	\$ 8,446,839			\$ 1,200,000	\$ 7,246,841	\$ 570,859

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Component Funding Analysis - Items

Components by Category	Current Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2019
Buildings						
Concrete Restoration, Railings	\$ 633,969	30:00	17:00	\$ 34,172	\$ 599,797	\$ 35,282
	\$ 633,969			\$ 34,172	\$ 599,797	\$ 35,282
Common Area Interiors						
Carpeting, Social Room	\$ 7,177	8:00	6:00	\$ 223	\$ 6,954	\$ 1,159
Elevator Cab Interiors	6,500	20:00	6:00	566	5,934	989
Fitness Equipment Allowance	42,500	12:00	1:00	39,667	2,833	2,833
Flooring, Carpet, Fitness Room	5,220	10:00	8:00	130	5,090	636
Interior Renovations, Clubhouse	32,500	18:00	4:00	3,144	29,356	7,339
Interior Renovations, Common Areas	21,663	15:00	1:00 -13:00	4,942	16,721	1,594
Interior Renovations, Kitchen	11,418	22:00	8:00	904	10,514	1,314
Restroom Interiors, Clubhouse	38,806	24:00	10:00	2,816	35,990	3,599
	\$ 165,784			\$ 52,392	\$ 113,392	\$ 19,463
Mechanical/Electrical						
Elevator Hydraulic Oil Line Repair Fund	\$ 214,800	5:00	5:00	\$ 0	\$ 214,800	\$ 42,960
Elevator Modernization, Hydraulic	1,483,032	35:00	21:00	73,788	1,409,244	67,107
Fire Alarm System Modernization	125,568	25:00	11:05	8,486	117,082	10,255
HVAC Split Units	31,950	10:00	0:00 - 8:00	11,554	20,396	3,310
	\$ 1,855,350			\$ 93,828	\$ 1,761,522	\$ 123,632
Painting & Waterproofing						
Catwalks Resurfacing, Res. Buildings	\$ 226,800	15:00	1:00	\$ 211,680	\$ 15,120	\$ 15,120
Paint Exteriors, Clubhouse	10,856	10:00	2:00	1,177	9,679	4,839
Paint Exteriors, Common Buildings	20,618	10:00	1:00	19,154	1,464	1,464
Paint/Waterproof Bldg. Exteriors	479,713	10:00	1:00	447,732	31,981	31,981
	\$ 737,987			\$ 679,743	\$ 58,244	\$ 53,404
Pavement						
Concrete Paving, Storage Bldg. Allowance	\$ 12,026	6:00	1:05	\$ 1,349	\$ 10,677	\$ 7,537
Concrete Sidewalks, Curbing, Gutters	45,225	6:00	2:00	4,875	40,350	20,175
Pavers, Parking/Drives, Allowance	413,211	40:00	26:00	17,989	395,222	15,201

Harbour Isle At Hutchinson Island East, CA, Inc.

Analysis Date - January 1, 2019

Component Funding Analysis - Items

Components by Category	Current Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2019
	\$ 470,462			\$ 24,213	\$ 446,249	\$ 42,913
Pool & Spa						
Pool & Spa Equipment Allowance	\$ 16,000	12:00	0:05	\$ 15,524	\$ 476	\$ 1,143
Pool Deck Concrete Pavers	60,064	25:00	11:05	4,059	56,005	4,906
Pool Deck Fencing & Gates	18,601	25:00	11:05	1,257	17,344	1,519
Pool Deck Furniture	26,450	12:00	0:00	26,450	0	1,889
Pool Electrical Panels	10,000	20:00	6:00	871	9,129	1,522
Pool Heaters, Geothermal	52,295	14:00	12:05	736	51,559	4,152
Pool Interior Resurfacing & Tile	36,841	12:00	10:09	477	36,364	3,383
Spa Interior Resurfacing	3,680	10:00	8:09	57	3,623	414
	\$ 223,931			\$ 49,431	\$ 174,500	\$ 18,928
Roofs						
Roofing, Tile, Common Buildings	\$ 344,634	30:00	16:05	\$ 19,410	\$ 325,224	\$ 19,811
Roofing, Tile, Repair Allowance	100,000	10:00	9:00	1,244	98,756	10,973
Roofing, Tile, Residential	2,827,770	28:00	14:05	170,636	2,657,134	184,310
	\$ 3,272,404			\$ 191,290	\$ 3,081,114	\$ 215,094
Seawall						
Seawall Restoration	\$ 1,006,493	33:00	19:00	\$ 53,113	\$ 953,380	\$ 50,178
	\$ 1,006,493			\$ 53,113	\$ 953,380	\$ 50,178
Site Improvements						
Gates & Operators, Barrier	\$ 12,750	15:00	1:00	\$ 11,900	\$ 850	\$ 850
Mailbox Clusters Replacement	52,200	20:00	6:00	4,545	47,655	7,942
	\$ 64,950			\$ 16,445	\$ 48,505	\$ 8,792
Tennis						
Tennis Court Fencing & Gates	\$ 10,829	25:00	12:02	\$ 691	\$ 10,138	\$ 833
	\$ 10,829			\$ 691	\$ 10,138	\$ 833

Component Funding Analysis - Items

Components by Category	Current Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2019
Tennis Courts						
Tennis Court Restoration, Clay	\$ 4,680	2:00	0:00	\$ 4,680	\$ 0	\$ 2,340
	\$ 4,680			\$ 4,680	\$ 0	\$ 2,340
	\$ 8,446,839			\$ 1,200,000	\$ 7,246,841	\$ 570,859

ADDENDUM

Chapter 718 & 719 Florida Statutes
The Condominium Act, 1995
The Cooperative Act, 1997

CONDOMINIUMS 718.112 (2)(f) 2 & 3
COOPERATIVES 719.106 (1)(j) 2 & 3

2. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but are not limited to, roof replacement, building painting, and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000. The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The association may adjust replacement reserve assessments annually to take into account any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance. This subsection does not apply to budgets in which the members of an association have, by a majority vote at a duly called meeting of the association, determined for a fiscal year to provide no reserves or reserves less adequate than required by this subsection. However, prior to turnover of control of an association by a developer to unit owners other than a developer pursuant to s. 718.301, the developer may vote to waive the reserves or reduce the funding of reserves for the first 2 years of the operation of the association, after which time reserves may only be waived or reduced upon the vote of a majority of all nondeveloper voting interests voting in person or by limited proxy at a duly called meeting of the association. If a meeting of the unit owners has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves as included in the budget shall go into effect.

3. Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and shall be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a vote of the majority of the voting interests, voting in person or by limited proxy at a duly called meeting of the association. Prior to turnover of control of an association by a developer to unit owners other than the developer pursuant to s 718.301, the developer-controlled association shall not vote to use reserves for purposes other than that for which they were intended without the approval of a majority of all nondeveloper voting interests, voting in person or by limited proxy at a duly called meeting of the association.

Florida Administrative Code Reserve Requirements

61B-22.001 Definitions. For the purposes of this chapter, the following definitions shall apply:

(2) “Capital expenditure” means an expenditure of funds for the purchase of an asset whose life is greater than one year in length, or the replacement of an asset whose life is greater than one year in length, or the addition to an asset which extends the life of the previously existing asset for a period greater than one year.

(3) “Deferred maintenance” means any maintenance or repair that will be performed less frequently than yearly and will result in maintaining the life of an asset; and

(4) “Reserves” means any funds which are restricted for deferred maintenance and capital expenditures, including the items required by section 718.112(2)(f)2, Florida Statutes, and any other funds restricted as to use by the condominium documents or the condominium association. “Contingency reserves” which are not restricted as to use by the condominium documents or by the association shall not be considered reserves within the meaning of this rule.

61B-22.003 Budgets. Required elements for estimated operating budgets. The budget for each association shall:

(d) Include all estimated common expenses or expenditures of the association including the categories set forth in section 718.504(20)(c), Florida Statutes. Reserves for capital expenditures and deferred maintenance required by section 718.112(2)(f), Florida Statutes, must be included in the proposed annual budget and shall not be waived or reduced prior to the mailing to unit owners of a proposed annual budget. If the estimated common expense for any category set forth in the statute is not applicable, the category shall be listed followed by an indication that the expense is not applicable;

(e) Include a schedule stating each reserve account for capital expenditures and deferred maintenance as a separate line item with the following minimum disclosures;

1. The total estimated useful life of the asset;
2. The estimated remaining useful life of the asset;
3. The estimated replacement cost or deferred maintenance expense of the asset;
4. The estimated fund balance as of the beginning of the period for which the budget will be in effect; and,
5. The developer’s total funding obligation, when all units are sold, for each converter reserve account established pursuant to section 718.618, Florida Statutes, if applicable.

(f) Include a separate schedule of any other reserve funds to be restricted by the association as a separate line item with the following minimum disclosures;

1. The intended use of the restricted funds; and
2. The estimated fund balance of the item as of the beginning of the period for which the budget will be in effect.

(g) “Contingency reserves” and any other categories of expense which are not restricted as to use shall be stated in the operating portion of the budget rather than the reserve portion of the budget.

61B-22.005 Reserves. Reserves required by statute. Reserves required by section 718.112(2)(f), Florida Statutes, for capital expenditures and deferred maintenance including roofing, painting, paving, and any other item for which the deferred maintenance expense or replacement cost of an item exceeds \$10,000 shall be included in the budget. For the purpose of determining whether the deferred maintenance expense or replacement cost of an item exceeds \$10,000, the association may consider each asset of the association separately. Alternatively, the replacement cost of an item exceeds \$10,000, the association may group similar or related assets together. For example, an association responsible for the maintenance of two swimming pools, each of which will separately require \$6,000 of total deferred maintenance, may establish a pool reserve, but is not required to do so.

61B-22.0051 Estimating Reserve Requirements.

- (1) Formula for calculation of reserves required by statute. Reserves for deferred maintenance and capital expenditures required by section 718.112(2)(f), Florida Statutes, shall be calculated using a formula which will provide funds equal to the total estimated deferred maintenance expense or total estimated replacement cost for an asset over the remaining useful life of the asset. The formula shall provide funds in annual increments and may be adjusted each year for changes in estimates. The formula may consider such factors as inflation and interest or other earnings rates, but must include the following:
 - (a) The estimated remaining useful life of the asset;
 - (b) The estimated deferred maintenance expense or estimated replacement cost of the asset; and,
 - (c) The estimated fund balance of the reserve account as of the beginning of the period for which the budget will be in effect.
- (2) Estimating reserves which are not required by statute. Reserves which are not required by section 718.112(2)(f), Florida Statutes, are not required to be based on any specific formula.
- (3) Estimating reserves when the developer is funding converted reserves. For the purpose of estimating non-converter reserves the estimated fund balance of the non-converter reserve account related to any asset for which the developer has established converter reserves pursuant to section 718.618, Florida Statutes, shall be the sum of:
 - (a) The developer's total funding obligation, when all units are sold, for the converter reserve account pursuant to section 718.618, Florida Statutes,; and,
 - (b) The estimated fund balance of the non-converter reserve account, excluding the developer's converter obligation, as of the beginning of the period for which the budget will be in effect.

61B-22.0052 Funding Requirements and Restrictions on Use.

- (1) Timely funding. Reserves included in the adopted budget are common expenses and must be fully funded unless properly waived or reduced. Reserves shall be funded in at least the same frequency that assessments are due from the unit owners (e.g., monthly or quarterly).
- (2) Restrictions on use. Reserves required by section 718.112(2)(f), Florida Statutes, and other reserves included on the adopted budget, shall only be used for the purposes for

which they were intended unless their use for other purposes is approved in advance by the unit owners according to section 718.112(2)(f)3, Florida Statutes. In a multi-condominium association, the same procedures which are specified for the waiving or reduction of reserves shall apply where an association seeks to use reserve funds for purposes other than which the funds were originally reserved. Expenditure of unallocated interest income earned on reserve funds is restricted to any of the capital expenditures, deferred maintenance or other items for which reserve accounts have been established.

61B-22.0053 Waiver of Reserves.

- (1) Annual vote required to waive reserves. Any vote to waive or reduce reserves for capital expenditures and deferred maintenance required by section 718.112(2)(f)2, Florida Statutes, shall be effective for only one annual budget, and the vote must be taken annually. Additionally, in a multi-condominium association, no waiver or reduction is effective as to a particular condominium unless conducted at a meeting at which a majority of the voting interests in that condominium are present, in person or by proxy, and a majority of those present in person or by limited proxy vote to waive or reduce reserves.
- (2) Developer voting restrictions. Prior to turnover, the developer may cast votes to waive or reduce reserves during the first two fiscal years only, beginning with the date of the recording of the declaration. In the case of a multi-condominium association, this restriction applies to the association's first two fiscal years beginning with the recording of the initial declaration.

1.

2. 61B-22.006 Financial Reporting Requirements.

- (3) Disclosure requirements. The financial statements required by sections 718.111(14) and 718.301(4), Florida Statutes, shall contain the following disclosures within the financial statements, notes, or supplementary information:
 - (a) The following reserve disclosures shall be made regardless of whether reserves have been waived for the fiscal period covered by the financial statements:
 1. The beginning balance in each reserve account as of the beginning of the fiscal period covered by the financial statements;
 2. The amount of assessments and other additions to each reserve account, including authorized transfers from other reserve accounts;
 3. The amount expended or removed from each reserve account, including authorized transfers to other reserve accounts;
 4. The ending balance in each reserve account as of the end of the fiscal period covered by the financial statements;
 5. The manner by which reserve items were estimated, the date the estimates were last made, the association's policies for allocating reserve fund interest, and whether reserves have been waived during the period covered by the financial statements; and,
 6. If the developer has established converter reserves pursuant to section 718.618(1), Florida Statutes, each converter reserve account shall be identified and include the disclosures required by this rule.

Chapter 61B – 22, Florida Administrative Code

Summary of Rule Amendments

61B-22.003 Budgets

- Recognizes the use of a pooled account for reserves and provides that a schedule showing each reserve account is not necessary if a pooled account for reserves is used.
- Provides an alternate disclosure method for the use of a pooled account for reserves.

61B-22.005 Reserves

- Recognizes the concept of funding a group of assets using a pooled analysis of two or more required assets and provides requirements and direction related to the pooled account method.
- Clarifies that the chosen reserve funding formula shall not include any type of balloon payment.

Amended Rule Text

61B – 22.003 Budgets

(e) Unless the association maintains a pooled account for reserves required by Section 718.112(2)(f)2., Florida Statutes, the association shall include a schedule stating each reserve account for capital expenditures and deferred maintenance as a separate line item with the following minimum disclosures:

(f) If the association maintains a pooled account for reserves required by Section 718.112(2)(f)2., Florida Statutes, the association shall include a separate schedule of any pooled reserves with the following minimum disclosures:

1. The total estimated useful life of each asset within the pooled analysis;
2. The estimated remaining useful life of each asset within the pooled analysis;
3. The estimated replacement cost or deferred maintenance expense of each asset within the pooled analysis; and
4. The estimated fund balance of the pooled reserve account as of the beginning of the period for which the budget will be in effect.

(g) Include a separate schedule of any other reserve funds to be restricted by the association as a separate line item with the following minimum disclosures:

1. The intended use of the restricted funds; and
2. The estimated fund balance of the item as of the beginning of the period for which the budget will be in effect.

61B – 22.005 Reserves

- 1) Reserves required by statute. Reserves required by Section 718.112(2)(f), Florida Statutes, for capital expenditures and deferred maintenance including roofing, painting, paving, and any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000 shall be included in the budget. For the purpose of determining whether the deferred maintenance expense or replacement cost of an item exceeds \$10,000, the association may consider each asset of the association separately. Alternatively, the association may group similar or related assets together. For example, an association responsible for the maintenance of two swimming pools,

each of which will separately require \$6,000 of total deferred maintenance, may establish a pool reserve, but it is not required to do so.

- 2) Commingling operating and reserve funds. Associations that collect operating and reserve assessments as a single payment shall not be considered to have commingled the funds provided the reserve portion of the payment is transferred to a separate reserve account, or accounts, within 30 calendar days from the date such funds were deposited.
- 3) Calculating reserves required by statute. Reserves for deferred maintenance and capital expenditures required by Section 718.112(2)(f), Florida Statutes, shall be calculated using a formula that will provide funds equal to the total estimated deferred maintenance expense or total estimated replacement cost of an asset or group of assets over the remaining useful life of the asset or group of assets. Funding formulas for reserves required by Section 718.112(2)(f), Florida Statutes, shall be based on either a separate analysis of each of the required assets or a pooled analysis of two or more of the required assets.
 - (a) If the association maintains separate reserve accounts for each of the required assets, the amount of the current year contribution to each reserve account shall be the sum of the following two calculations:
 1. The total amount necessary, if any, to bring a negative account balance to \$0; and
 2. The total estimated deferred maintenance expense or estimated replacement cost of the reserve asset less the estimated balance of the reserve account as of the beginning of the period for which the budget will be in effect. The remainder, if greater than zero, shall be divided by the estimated remaining useful life of the asset. The formula may be adjusted each year for changes in estimates and deferred maintenance performed during the year and may consider factors such as inflation and earnings on invested funds.
 - (b) If the association maintains a pooled account of two or more of the required reserve assets, the amount of contribution to the pooled reserve account as disclosed on the proposed budget shall be not less than that required to ensure that the balance on hand at the beginning of the period for which the budget will go into effect plus the projected annual cash inflows over the remaining estimated useful lives of all of the assets that make up the reserve pool are equal to or greater than the projected annual cash outflows over the remaining estimated useful lives of all of the assets that make up the reserve pool, based on the current reserve analysis. The projected annual cash inflows may include estimated earnings from investment of principal. The reserve funding formula shall not include any type of balloon payment.

TERMS AND DEFINITIONS

ACCRUED FUND BALANCE (AFB): Total Accrued Depreciation. An indicator against which Actual (or projected) Reserve balance can be compared. The Reserve balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This number is calculated for each component, then summed together for an association total. Two formulae can be utilized, depending on the provider’s sensitivity to interest and inflation effects. Note: both yield identical results when interest and inflation are equivalent.

AFB = Current Cost X Effective Age/Useful Life

or

AFB = (Current Cost X Effective Age/Useful Life) + [(Current Cost X Effective Age/Useful Life)/(1 + Interest Rate) ^ Remaining Life] – [(Current Cost X Effective Age/Useful Life)/(1 + Inflation Rate) ^ Remaining Life]

CASH FLOW METHOD: A method of calculating Reserve Funding Plan where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved. “Because we use the cash flow method, we compute individual line item contributions after the total contribution rate has been established.” See “Component Method”.

CAPITAL EXPENDITURES: A capital expenditure means any expenditure of funds for: (1) the purchase or replacement of an asset whose useful life is greater than one year, or (2) the addition to an asset that extends the useful life of the previously existing asset for a period greater than one year.

COMPONENT: The individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited Useful Life expectancies, 3) predictable Remaining Useful Life expectancies, and 4) above a minimum threshold cost, and 5) as required by local codes. “We have 17 components in our reserve Study.”

COMPONENT ASSESSMENT AND VALUATION: The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components. This task is accomplished either with or without an on-site inspection, based on Level or Service selected by the client.

COMPONENT FULL FUNDING: When the actual (or projected) cumulative Reserve balance for all components is equal to the Fully Funded Balance.

COMPONENT INVENTORY: The task of selecting and quantifying Reserve Components. This task is accomplished through an on-site inspection, review of association design and organizational documents, and a review of established association precedents, and discussion with appropriate association representative(s).

COMPONENT METHOD: A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components. “Since we calculate a Reserve contribution rate for each component and then sum them all together, we are using the component method to calculate our Reserve contributions.” See “Cash Flow Method”.

CONDITION ASSESSMENT: The task of evaluating the current condition of the component based on observed and reported characteristics.

CURRENT REPLACEMENT COST: See “Replacement Cost”.

DEFERRED MAINTENANCE: Deferred maintenance means any maintenance or repair that: (1) will be performed less frequently than yearly, and (2) will result in maintaining the useful life of an asset.

DEFICIT: An actual (or projected) Reserve Balance less than the Fully Funded Balance. The opposite would be a Surplus.

EFFECTIVE AGE: The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

FINANCIAL ANALYSIS: The portion of a Reserve Study where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.

FULLY FUNDED: When the budget is provided to the owners, it will show the amount of money that must be deposited that year for each reserve item to ensure that, when the time comes, sufficient funds will be available for deferred maintenance or a capital expenditure. (Definition published in “Budgets & Reserve Schedules Made Easy” training manual by the State of Florida Department of Business and Professional Regulations in January 1997).

FUND STATUS: The status of the reserve fund as compared to an established benchmark such as percent funding.

FUNDING PLAN: An association’s plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

FUNDING PRINCIPLES:

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

FUNDING GOALS: Independent of methodology utilized, the following represent the basic categories of Funding Plan goals:

- **Baseline Funding** – Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.
- **Component Full Funding** – Setting a Reserve funding goal of attaining and maintaining cumulative Reserves at or near 100%.

- **Statutory Funding** – Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves of component required by local statutes.
- **Threshold Funding** – Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than “Component Full Funding.”

LIFE AND VALUATION ESTIMATES: The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve Components.

PERCENT FUNDED: The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the *actual* (or *projected*) Reserve Balance to the accrued *Fund Balance*, expressed as a percentage. “With \$76,000 in Reserves, and since our 100% Funded Balance is \$100,000, our association is 76% Funded”.

Editor’s Note: since funds can typically be allocated from one component to another with ease, this parameter has no real meaning on an individual Component basis. The purpose of this parameter is to identify the relative strength or weakness of the entire Reserve fund as of a particular point in time. The value of this parameter is in providing a more stable measure of Reserve Fund strength, since cash in Reserves may mean very different things to different associations.

PHYSICAL ANALYSIS: The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

REMAINING USEFUL LIFE (RUL): Also referred to as “Remaining Life” (RL). The estimated time, in years, that a reserve component can be expected to *continue* to serve its intended function. Projects anticipated to occur in the initial year have “zero” Remaining Useful Life.

REPLACEMENT COST: The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

RESERVE BALANCE: Actual or projected funds as of a particular point in time that the association has identified for use to defray to the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves. Based on information provided and not audited

RESERVE PROVIDER: An individual that prepares Reserve Studies.

RESERVE STUDY: A budget planning tool which identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.” The Reserve Study consists of two parts: the Physical Analysis and the Financial Analysis. “Our budget and finance committee is soliciting proposals to update our Reserve Study for the next year’s budget.”

RESPONSIBLE CHARGE: A reserve specialist in responsible charge of a reserve study shall render regular and effective supervision to those individuals performing services which directly and materially affect the quality and competence rendered by the reserve specialist. A reserve specialist shall maintain

such records as are reasonably necessary to establish that the reserve specialist exercised regular and effective supervision of a reserve duty of which he was in responsible charge. A reserve specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

1. The regular and continuous absence from principal office premises from which professional services are rendered; except for performance of field work or presence in a field office maintained exclusively for a specific project;
2. The failure to personally inspect or review the work of subordinates where necessary and appropriate;
3. The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review;
4. The failure to personally be available on a reasonable basis or with adequate advanced notice for consultation and inspection where circumstances require personal availability.

SPECIAL ASSESSMENT: An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by Governing Documents or local statutes. “Since we need a new roof and there wasn’t enough money in the Reserve fund, we had to pass a special assessment.”

SURPLUS: An actual (or projected) Reserve Balance greater than the Fully Funded Balances. See Deficit”.

USEFUL LIFE (UL): Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.